

# AUSTIN ETHICS REVIEW COMMMISSION

Testimony on January 27, 2015 to called pubic meeting on Campaign Financing

Good evening. I'm Frances McIntyre from the Austin League of Women Voter. Thank you for the opportunity to speak to you.

The Austin League of Women Voters supports changes in laws, practices and policies governing political campaigns in order to protect citizens' right to know; strengthen accountability in financial reporting; combat corruptions and undue influence; and promote fairness and accuracy on the part of candidates, public officials, former officeholders, lobbyists and the media.

The League supports laws and practices relating to political campaign finance that eliminate excessive and/or inappropriate spending and promote equitable competition among candidates. Appropriate measures include:

- a limit on the total amount of campaign contributions a candidate may accept from PAC's, Individuals and out-of-state contributors
- a limit on the time during which a candidate may accept contributions
- a limit on what a candidate may spend to get elected
- comparable media public service time and/or space made available to candidates who agree to limit their campaign expenditures
- requirements that campaign contributions be used only for campaign expenses

The Austin League supports public financing in Austin/Travis County. In order to receive public funding, candidates would agree to limits on private contributions and campaign spending.

The League also supports full, timely disclosure through electronic filing of required finance reports. Specifically the League supports:

Requirements that candidates report or disclose

- the total amount of contributions during a year
- in-kind contributions
- personal finances, income distributions, and assets/liabilities

- any funds deposited in a political account

Ethical standards that include

- a minimum time before a former elected officials can become a paid lobbyist
- a requirement that lobbyists disclose gifts to candidates
- a fairness code governing the conduct of individuals and groups engaged in election campaigns

Responsibility of the Media to

- encourage candidates to discuss issues
- report inconsistencies to public statements by candidates
- assign reporters with appropriate expertise to cover campaigns
- seek independent verification of candidate allegations

Responsibility of candidates to


- articulate their positions on issues
- verify allegations prior to their release
- control the conduct of their campaigns by staff and consultants
- be accountable for advertising decisions
- voluntarily limit campaign spending

The League supports an impartial board of ethics with an independent staff.

Thank you for this opportunity for public input.

Frances McIntyre

League of Women Voters Austin Area

  
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My name is Genevieve Van Cleve. I live in Austin, Texas. I'm a political consultant. And I'm thrilled about 10-1. Even with all its challenges and growing pains, some of which I will address tonight, I am thrilled that the gentleman's agreement is officially over AND that the last Southern Capitol in the United States has finally adopted a potentially more equitable and representative system.

Having said that, I'd like to enumerate a few things that I discovered about the finance rules governing the city elections in this first cycle.

I believe the intentions in making many of the rules that govern political spending are very good. I also believe there are some unintended consequences to the rules that take away from the great leap forward that single member districts have been for our city.

About 80,000 people in each district. The number of people registered to vote varies from district to district.

8,9, 10 being highest. More voters require more communication.  
1,3, 4 being the lowest. Fewer voters require an active

I see no reason why anyone would sign up for the city rules other than to gamble on getting money at the end. Further, if you are running citywide you MUST be able to communicate at a much higher rate and with more people than in district races. The rules you can sign on for would make most candidates all but uncompetitive in a citywide race.

Logistics Example.

If you are in a remotely competitive race, you are looking at turning out at least the percentage that came out in the last election. If you're running against an incumbent or large field of candidates, you need to target more voters.

You can grow the pie by casting a wider net –

Register more people – it takes the average new registrant at least 4 to 7 contacts to translate into a voter.

You can communicate more using both professional services and the opportunities afforded you through civic and political clubs and organizations that hold forums. Given that the number of people that go to forums is not 80,000 or even half of the number of people that turn out – you've got to talk to voters.

How do you target voters? Mail, Block Walking, Email, TV, Radio, Signs.

All of these methods have a cost.

4 to 6 pieces of mail produced by a union printer, designed by a professional shop, and sent by the USPS will cost you upwards of \$70,000 – you need 280 people to give \$250.

Signs are crazy expensive – usually 2.50 + a piece. Large signs are even more expensive.

Compliance Work – The rules are confusing and if you don't hire a compliance expert to file your reports, you do so at your own peril. Rates vary with expertise, but candidates can expect to spend hundreds, if not thousands of dollars by the time they've gone through a general and a run off election.

While creating a volunteer army is a necessary function of a competitive campaign. You are likely not to reach the number of voters you need to. Further, tiny budgets and artificially low limits make hiring temporary block walkers extremely difficult. There's a whole bunch of people that simply can't afford to volunteer for free.

If you had districts that included fewer than 5,000 people – your rules would make sense. You don't. Further, I'm assuming the point of creating districts and moving the election to November is to drive civic engagement and increase turnout. So, you're looking at city council elections that are held either in a climate of high turnout compared to the previous May election cycle.

Now what if you're running against an opponent with unlimited personal funds?

Go outside the city – you've artificially capped the amount you can raise

Bundling – I don't get those rules, but I understand how to get around them. Either make everyone donate electronically OR have your well connected friend give you a list that you call in their presence. You haven't bundled or have you?

Take money from PACs – You've artificially limited limit

Mortgage your house –

Hold house parties – You've tied how much the host spends to their contribution limit.

Receive assistance from super pacs or c4s – they don't have to release who or what their donors are.

This is all troubling at some level. In an effort to keep big money out of City races, you've invited it in. In an effort to make sure anyone can run, you've invited self funders and special interests to dominate. You have more opportunity for money to talk because you've made it so hard for normal money to get in.

If you make more reasonable limits, and make sure everyone is on those reports, no matter who they are, then you are shining the light on the forces at work behind a candidate. – This is public record and everyone can track where the money's coming from and how it was spent.

There's a lot of good, qualified people who should consider running for the City Council. Unfortunately, I think the rules make it very tough for most people to afford to campaign for a position.

	A	B	C	D	E
	Discussion name: Ethics Commission seeks input on campaign finance.				
1	Discussion close date: 2015-02-15				
2					
3					
4	ERC seeks input on Campaign Finance.	Answer	User ID	Agrees	Replies
5		Limit. I don't vote according to who has more signage.	Jc Spruce	0	0
		Because the individuals running for city council seats will no longer need to campaign across the entire city, it seems that limiting the money coming in from a PAC might be a good idea. That way if someone is receiving money from a special interest group they would not have a huge advantage over someone who is simply supported by voters. I like the Tallahassee idea of the city encouraging registered voters to donate. Personally, if the city can figure a way to limit the length of time we would be assaulted by campaigning, I would build a statue in their honor. And hope they could figure a way to spread the idea nationally.			
6			Annette Naish	0	0
7		An interesting point! I agree that limiting time could help keep candidates honest and thrifty. I believe that in order to have a true "Local" campaign, rules should be in place to limit the money coming in from outside the city. I also understand the income difference among the ten districts which would have to be taken into account as well.	Stacia Bowley	0	0
8		This just passed in Tallahassee with 67% of the vote: Registered voters who contribute to municipal candidates in Tallahassee are eligible to receive a refund from the city equal to the amount of their contributions, up to a maximum of \$25.	Miguel Ancira	3	0
9			Paul Silver	0	0
10		I'm curious if this is enough, or if donors will find "legal" ways around this. What other options are on the table besides limiting funds? Perhaps limiting time they're allowed to seek donations?	Jay DeGraaf	1	1

	A	B	C	D	E
4	ERC seeks input on Campaign Finance.	<p>Answer</p> <p>I think the limit should be \$0. There should be no need for a candidate for public office to become a beggar for campaign funds. In such a system, the most successful candidates are those who are best at fundraising, not those who are wisest in determining public policy.</p> <p>We should also allow no advantages of political influence for those who have disposable funds. Even without any sort of quid pro quo, private contributions allow those with more money to determine which candidates will be more successful, and thereby restricts the influence of those who cannot afford comparable donations.</p> <p>Allowing ANY sort of private financing for campaigns creates both of these problems. A candidate should earn his or her way onto the ballot through gaining signatures on petitions at specific signature-gathering town hall meetings in which candidates must present their ideas BEFORE citizens agree to sign their petitions. Once an adequate number of signatures have been gathered and verified, the candidate is on the ballot, but no direct campaign spending should be allowed by candidates or PACs. No independent advertising of any sort, for candidates (or for or against propositions), including yard signs (what an eyesore!), should be allowed.</p> <p>The ERC should collect all funds, whether from individuals or from collective entities, including any funds provided by the city, and all candidates' platforms and positions on specific issues should be broadcast together, whether by TV, radio, newspaper, or public forum, with all candidates' views receiving equal exposure, allowing voters to decide based on issues, and not name recognition or media bombardment.</p>	User ID	Agrees	Replies
11			Scott Trimble	1	0
12		<p>Well thought-out Scott. I am in agreement with you 100%. I moved here from Iowa and was flabbergasted at all the city election signs. Now that the districts exist, it would not be necessary to have any signs anywhere but in their own district. Establishing the credibility of a candidate by speaking to issues and his or her strengths and abilities may be a good way to limit the number of candidates and thereby limit the expenditures. Since England can elect a prime minister in 6 weeks of campaign, there is no reason why Austin can't elect a mayor in the same time frame. So I would also limit campaign time. I believe this would encourage voters to participate since the vote would not be worn out and turned off by bombardment of useless and frivolous campaign ads. Perhaps the various TV stations might donate a single ad to each bona fide candidate, to also limit bombardment in the media. Money should never be a part of politics.</p>	Saundra Ragona	1	0

	A	B	C	D	E
4	ERC seeks input on Campaign Finance.	Answer <p>Not listed but equally important are not just the PAC contributions at \$350 a piece, which have generally not been disproportionate in total amount, but more important are the outside unlimited independent PAC expenditures in support of selected candidates.</p> <p>Equally important are the personal loans that a candidate can make to themselves and apparently not have that affect whether they qualify for Campaign Fund disbursements from the City, by current City legal interpretation. Language needs to be firmed up?</p> <p>Lastly, the current law lays out explicit time requirements for the Candidates to sign and file the Campaign Contract to qualify for Campaign Fund disbursements, and for weak language or otherwise those deadline requirements are not being enforced by the City.</p> <p>Assume you are limiting your question to these from your above into:</p> <p>Mayoral candidates currently may not get more than \$24,000 in contributions from political committees during a general election with an additional \$16,000 allowed for a runoff. For Council races, the limits are \$15,000 with an additional \$10,000.</p> <p>The current limit for expenditures during the general election campaign is \$120,000 in a mayoral race with an additional \$80,000 in a runoff election or \$75,000 for a Council race with an additional \$50,000 in a runoff.</p> <p>In a free democratic society, why should the issue of campaign finance be an issue? Until such time a system is put in place to legally restrict free access to vote, the ballot box remains the definitive equalizer. I don't care how much money a candidate spends, if I don't think they're the right person I don't vote for them. In fact, this subject matter assumes the voting public is for sale to the highest bidder so, let's open a discussion to place a ceiling on the bids.</p> <p>I have much more faith and confidence in the integrity of the voting public.</p> <p>Answer</p> <p>I agree, don't want to give private interest a way to tip the scale even more.</p>	User ID	Agrees	Replies
13			Brad Parsons	2	0
14			Phil Howry	0	0
15	Campaign Finance Limits		User ID	Agrees	Replies
16			LaTisha Anderson	0	0



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4	ERC seeks input on Campaign Finance.	Answer	User ID	Agrees	Replies
17		I think the limit should be \$0. A candidate should earn his or her way onto the ballot through gaining signatures on petitions at specific signature-gathering town hall meetings in which candidates must present their ideas BEFORE citizens agree to sign their petitions. Once an adequate number of signatures have been gathered and verified, the candidate is on the ballot, but no direct campaign spending should be allowed. The ERC should collect all funds, whether from individuals or from collective entities, and all candidates' platforms and positions on specific issues should be broadcast together with every candidates' views receiving equal exposure.	Scott Trimble	1	0
18		I agree. The limits help curtail the amount of private interest at work in our quickly growing city, and most candidates can meet that number in fundraising.	Stacia Bowley	1	0
19		<p>Not listed but equally important are not just the PAC contributions at \$350 a piece, which have generally not been disproportionate in total amount, but more important are the outside unlimited independent PAC expenditures in support of selected candidates.</p> <p>Equally important are the personal loans that a candidate can make to themselves and apparently not have that affect whether they qualify for Campaign Fund disbursements from the City, by current City legal interpretation. Language needs to be firmed up?</p> <p>Lastly, the current law lays out explicit time requirements for the Candidates to sign and file the Campaign Contract to qualify for Campaign Fund disbursements, and for weak language or otherwise those deadline requirements are not being enforced by the City.</p> <p>Assume you are limiting your question to these from your above into:</p> <p><b>**</b>Mayoral candidates currently may not get more than \$24,000 in contributions from political committees during a general election with an additional \$16,000 allowed for a runoff. For Council races, the limits are \$15,000 with an additional \$10,000.</p> <p>The current limit for expenditures during the general election campaign is \$120,000 in a mayoral race with an additional \$80,000 in a runoff election or \$75,000 for a Council race with an additional \$50,000 in a runoff. <b>**</b></p>	Brad Parsons	2	0

**From:** Pam Bixby [REDACTED]  
**Date:** January 27, 2015 at 8:06:50 AM CST  
**To:** <[bc-Peter.Einhorn@austintexas.gov](mailto:bc-Peter.Einhorn@austintexas.gov)>  
**Subject:** Ethics Commission

Hello Mr. Einhorn,

My precinct chair let me know that the Ethics Review Commission is looking at campaign contributions in the city council race. I appreciate the opportunity to provide comment via email as I can't attend the meeting tonight. I live in District 8 and was very dismayed to learn about the outside influences that affected the race for my district's city council seat. I honestly do not know whether the allegations are true or false, but there has been much talk about money coming from Tea Party organizations as far away as California for Ellen Troxclair's campaign.

I do not believe anyone--Democrat, Republican, Tea Party, whatever--should be receiving money for a local race from anyone but local citizens! And if this is legal, then it should be widely known and transparent. The voting public should know whose interests are being served with any given candidate.

Thanks for looking into this,  
Pam Bixby  
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