

# Updated Analysis of Candidates Qualifying Under New Los Angeles Matching Funds Ordinance

## *Councilmember Bonin amendment needed to stop the number of qualifying candidates from being slashed by nearly half compared to new ordinance*

### California Clean Money Campaign

On Wednesday, December 12<sup>th</sup>, Los Angeles City Council passed a proposal by the Ethics Commission, as amended by a motion from Councilmembers David Ryu and Joe Buscaino, to strengthen Los Angeles's matching funds system in multiple ways. The most consequential reform is to increase the matching rate to 6-to-1 in both the primary and general elections (up from 2-to-1 and 4-to-1, respectively) while lowering the maximum amount matched from \$250 for Council candidates and \$500 for citywide candidates to an amount equal to 1/7<sup>th</sup> the maximum contribution to candidates, i.e., \$115 for Council candidates and \$215 for citywide candidates in 2019. That means that a contribution of \$115 for a city resident to a Council candidate will be worth as much as the largest donation allowed from special interest that don't get matched (\$800).

However, the ordinance that passed Council is likely to make it significantly harder for candidates to qualify for matching funds because it lowers the maximum amount of each contribution that counts towards qualifying without also lowering the aggregate amount required to qualify by a compensatory amount. For Council candidates, it slashes by 56% the maximum amount per person that counts (from \$250 to \$115 in 2019), while only lowering the aggregate threshold required to qualify by 20% (from \$25,000 to \$20,000). This means that instead of allowing Council candidates to reach the qualifying threshold with 100 max qualifying contributions, it will require 179. For Citywide candidates, it will be even worse because it cuts the max amount that counts towards qualifying by 57% (from \$500 to \$215 in 2019), without lowering the aggregate qualifying threshold at all.

Councilmember Mike Bonin, seconded by Councilmembers Paul Koretz and David Ryu, proposed an amendment on October 5th, supported by 52 local, state, and national public interest groups, to lower the aggregate qualifying so the ordinance doesn't require a greater number of maximum qualifying contributions than today's law. However, the Rules Committee didn't include most of Councilmember Bonin's amendment in the package it forwarded to the full Council for a vote, and instead referred it to the Ethics Commission for study.

This report is an update of a report that the California Clean Money Campaign released on December 10<sup>th</sup>. It now includes an analysis of the final version passed by Council on Dec 12<sup>th</sup>. California Clean Money Campaign analyzed publicly available contribution data on candidates who ran in Los Angeles city elections in 2013-2017 and applied for matching funds to determine how many meet the aggregate qualifying threshold under (a) 2018 law, (b) the ordinance that passed Council, and (c) the ordinance with Councilmember Bonin's amendment.

#### **Key Findings from Comparing New Ordinance to Current Law on 2013-2017 Candidates:**

- The number of Council candidates in 2013-2017 reaching the aggregate qualifying threshold of \$25,000 is slashed by over one-third compared to current law, from 44 to only 28.<sup>1</sup>
- Qualifying female Council candidates are slashed nearly half, from 11 to only 6.<sup>2</sup>
- Qualifying candidates for citywide offices drop from 7 to only 5.<sup>3</sup>
- Reaching the aggregate threshold under the new ordinance is so difficult that 6 current City Council incumbents wouldn't have reached it the first time they ran with the contributions they raised.
- Matching funds would be greatly delayed and therefore less useful, as 9 of the qualifying Council candidates reach the aggregate threshold less than 6 weeks before the election, and 6 reach it less than 2 weeks before.

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<sup>1</sup> 55 Council candidates received matching funds in 2013-2017, with most of them (29) in 2013 because in 2013 the first \$250 of all contributions (including from non-individuals and outside the city) counted toward the \$25,000 aggregate qualifying threshold, whereas from 2015 to 2017 only the first \$250 of contributions from individuals living in Los Angeles counted.

<sup>2</sup> 15 female Council candidates actually received matching funds from 2013-2017 because of easier qualification rules in 2013.

<sup>3</sup> 10 citywide candidates received matching funds in citywide races in 2013-2017, with most of them (9) in 2013, because in 2013 the first \$500 of all contributions (including from non-individuals and from outside the city) counted towards the threshold.

## Key Findings when Including Councilmember Bonin's Amendment on 2013-2017 Candidates:

- 50 Council candidates reach the aggregate threshold compared to only 28 under the ordinance that passed.
- Nearly 3x as many female Council candidates qualify compared to under the new ordinance (16 instead of 6).
- The number of Council candidates reaching the aggregate threshold is similar to under the 2018 law (50 vs. 44), and 5 of the 6 additional qualifying candidates are women.
- 8 candidates for citywide offices reach the aggregate threshold compared to only 5 under the new ordinance and 7 under the 2018 law.<sup>4</sup>
- Total cost of matching funds program to the City likely lower than in the Ethics Commission 6-to-1 proposal.
- Aggregate threshold would automatically adjust with inflation along with the maximum qualifying contribution, unlike the ordinance Council just passed.

Of course, had either set of new rules been in place in 2013-2017, some candidates might have focused more on raising small contributions from Los Angeles city residents, possibly leading to more Council candidates qualifying than the 28 in our analysis. But it's not clear how different the outcome would have been because donations of \$100 or less from city residents also helped candidates qualify in 2013-2017, and candidates who had greater challenges qualifying were likely seeking \$100 contributions already.

## Qualifying under New Ordinance Compared to Councilmember Bonin's Amendment

2018 law required candidates to reach an aggregate threshold, using only qualifying contributions, of \$25,000 for races for City Council, \$75,000 for City Attorney and Controller, and \$150,000 for Mayor. Qualifying contributions must be from Los Angeles city residents, and the maximum amount that can be counted towards the aggregate threshold, and then matched, is \$250 for Council races and \$500 for citywide races. This means the threshold for Council races required the equivalent of 100 of the max qualifying contribution (\$250); City Attorney and Controller, the equivalent of 150 max contribution (\$500); and the Mayor, the equivalent of 300 max contribution (\$500).

The new ordinance lowers the maximum qualifying contribution for Council races in 2019 from \$250 to \$115 (a 56% drop) and for citywide races from \$500 to \$215 (a 57% drop) while it increases the matching rate to 6-to-1. This reform is supported by the California Clean Money Campaign and a broad coalition of public interest groups to empower small donors.

However, by lowering the aggregate qualifying threshold for Council candidates by 20% (from \$25,000 to \$20,000) while also lowering the max qualifying contribution by 56%, **the new ordinance requires nearly twice as many max qualifying contributions for candidates to receive matching funds.** Candidates for Council will need 174 max qualifying contributions instead of the 100 that have been required ever since matching funds were instituted in 1990. This will make it substantially harder and slower for candidates to qualify than until now.

**It's even worse for citywide candidates, requiring more than 2x as many max qualifying contributions as before** because the new ordinance lowers their max qualifying contribution by 57% without lowering the aggregate threshold. Candidates for City Attorney and Controller will require 349 max qualifying contributions to reach the aggregate threshold instead of 150, and candidates for Mayor will require 698 instead of 300.

**Councilmember Bonin's amendment would address these problems by explicitly defining the aggregate qualifying thresholds to be equal to the same number of max qualifying contributions required under today,** i.e., 100 max qualifying contributions for Council races, 150 for Attorney and Controller, and 300 Mayor.

This means that starting in 2019, the aggregate threshold under Councilmember Bonin's amendment would be \$11,500 for Council races (100 x \$115), \$32,250 for Attorney and Controller (150 x \$215), and \$64,500 for Mayor (300 x \$215). The amount would be adjusted for inflation, unlike the new ordinance.

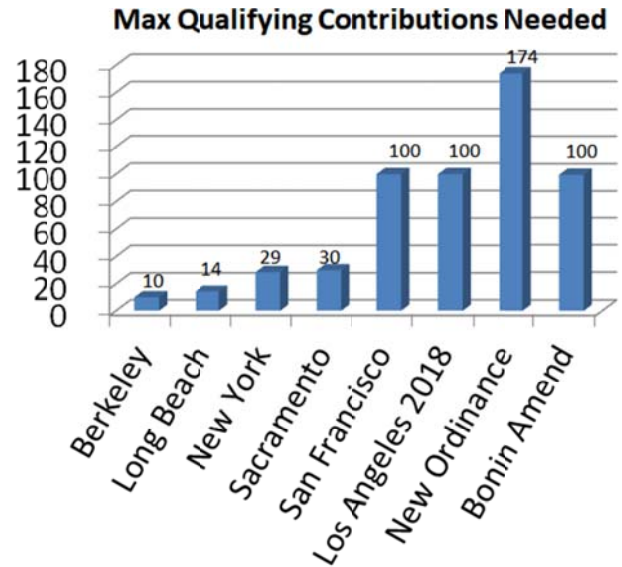
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<sup>4</sup> 10 citywide candidates actually received matching funds in citywide races from 2013-2017 because 9 received them in 2013 when contributions counted as qualifying contributions whether or not they came from individuals or Los Angeles residents.

This (a) Lets candidates qualify using the same number of max qualifying contributions as historically, (b) Doesn't make it harder for candidates to qualify than current law, (c) Doesn't slow down when candidates get matching funds, (d) Automatically adjusts for inflation as the max qualifying contribution adjusts for inflation.

**It's important to note that in other cities, the aggregate qualifying threshold for Council races is much lower than in Los Angeles.** In New York City it takes \$5,000 to qualify for Council races, in Sacramento it's \$7,500, and in San Francisco it's \$10,000, compared to \$25,000 in Los Angeles currently. Under Councilmember Bonin's amendment, Los Angeles's aggregate threshold would still be higher (\$11,500) yet much closer to other cities.

Under Councilmember Bonin's amendment, candidates in Los Angeles would still be required to gather more max qualifying contributions than in most other cities with public financing programs. The average number of max qualifying contributions required for Council races in Berkeley, Long Beach, New York City, Sacramento, and San Francisco is only 37, compared to 100 in Los Angeles currently and also under Councilmember Bonin's amendment. Yet without Councilmember Bonin's amendment, candidates would need nearly 5 times as many max qualifying contributions to qualify as the average of these other cities.



### Analysis of 2013-2017 Candidates for Reaching Aggregate Qualifying Thresholds

The California Clean Money Campaign performed an in-depth analysis of contributions received by all candidates for Los Angeles City Council, Controller, Attorney, and Mayor who received matching funds in 2013-2017. We downloaded contribution data from the Los Angeles City Ethics Commission website.<sup>5</sup>

Contributions on the Ethics Commission website do not specify whether they were qualifying contributions, but along with the amount they list the zip code of the contributor (although not the address) and whether they were an individual. Because some zip codes include addresses both inside and outside the city of Los Angeles, we deemed contributions from individuals in zip codes that are at least 25% within Los Angeles city limits as qualifying contributions. Then, from each qualifying contribution, we included only the amount up to the maximum for the race in which it was given (i.e., City Council, Attorney, Controller, Mayor) under the different options being considered.

Contributions from those who give less than \$100 total to a single candidate are not required to be itemized during reporting and on the City's website are combined under the totals for all un-itemized contributions. Because just under 50% of itemized contributions in 2013-2017 were from individuals living in Los Angeles city zip codes, we assumed that 50% of un-itemized contributions were too, and therefore deemed them as qualified.

Our calculations provide good estimates of which candidates who received matching funds in 2013-2017 would reach the aggregate qualifying threshold under the different options being considered. Estimates may be slightly high because, as explained, we included contributions from individuals in zip codes not entirely within the city of Los Angeles. Despite this theoretical possibility, our method correctly identifies which candidates from 2015-2017 reached the aggregate threshold under rules that counted only contributions from Los Angeles residents.

### Without Amendment: Drop from 44 to Only 28 2013-2017 Council Candidates that Qualify

In real life, during 2013-2017, 55 City Council candidates received matching funds. 29 of those 55 qualified in 2013 when it was easier because at that time all contributions of \$250 or less counted, regardless of whether they were from individuals or organizations who were in the city of Los Angeles or not. Starting in 2015, only contributions

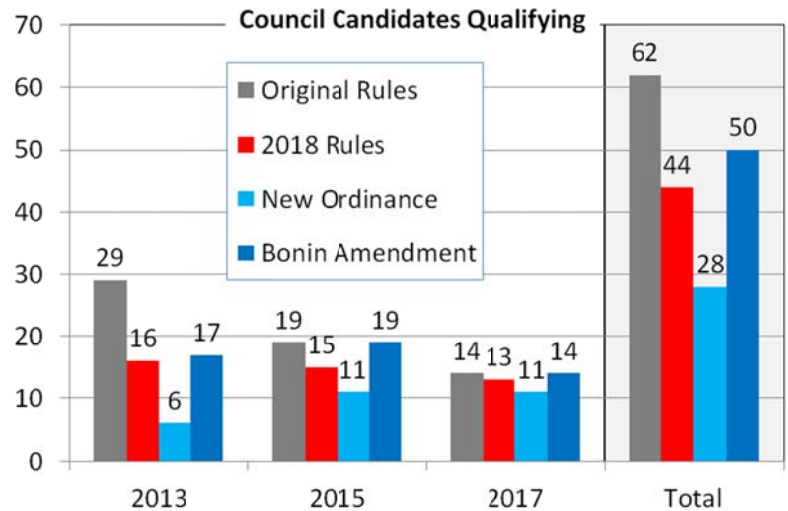
<sup>5</sup> <https://ethics.lacity.org/data/campaigns/contributions/>

from Los Angeles city residents counted while the aggregate qualifying threshold remained at \$25,000. So, although in 2013 29 Council candidates received matching funds, in 2015 only 14 did, and in 2017 only 12 did.

The chart on the right compares what actually happened and our estimate of how many of the same Council candidates would have qualified under the options being considered.

The chart shows that if the original rules that included contributions from donors who were not Los Angeles city residents had been in place in 2013-2017, a total of 62 candidates reach the threshold: 29 in 2013, 19 in 2015, and 14 in 2017.

If the 2018 rules that count only contributions from Los Angeles city residents had been in place for 2013-2017, 44 candidates reach the threshold. Most of the decrease (compared to the original rules) is in 2013, from 29 to 16, likely because in 2013 it was easier to get more qualifying contributions because contributions from donors who were not Los Angeles city residents counted. In fact, producing a greater focus on Los Angeles city residents was a major goal of the reforms that went into effect in 2015.



If the 2018 rules that count only contributions from Los Angeles city residents had been in place for 2013-2017, 44 candidates reach the threshold. Most of the decrease (compared to the original rules) is in 2013, from 29 to 16, likely because in 2013 it was easier to get more qualifying contributions because contributions from donors who were not Los Angeles city residents counted. In fact, producing a greater focus on Los Angeles city residents was a major goal of the reforms that went into effect in 2015.

**The chart shows that though the new ordinance is an improvement over the Oct 5<sup>th</sup> draft, it still has a devastating effect on the number of candidates who reach the threshold, slashing it by nearly half to only 28 from 44 (under the 2018 rules).** This is because lowering the maximum amount of each contribution that counts dramatically reduces candidates' total of qualifying contributions. Under the new ordinance (and the Oct 5<sup>th</sup> draft), in 2013-2017 the maximum qualifying contribution equals \$100 (1/7<sup>th</sup> the then-contribution limit of \$700)<sup>6</sup> so it takes 200 max qualifying contributions to reach the new aggregate threshold of \$20,000 – much more than 100 max qualifying contributions of \$250 required under the original and 2018 rules. Thus only 28 candidates reach the \$20,000 threshold, barely more than one in each of the 23 Council races during that period. This is better than the 20 that would have qualified with the original Oct 5<sup>th</sup> draft that left the aggregate threshold at \$25,000, but still considerably worse than the 2018 law. The appendix shows the details for each of the candidates.

However, with Councilmember Bonin's amendment, 50 of the 2013-2017 Council candidates reach the threshold, an outcome much closer to under current law (44)<sup>7</sup>. This is substantially lower than the 62 who do so under the original rules, alleviating any concerns that even more candidates would qualify than under the original rules. And it ensures that just over two candidates per race qualify, compared to just over one candidate (often an incumbent) under the new ordinance. Finally, 5 of the 6 additional candidates who reach the threshold under Councilmember Bonin's amendment (compared to current rules) are women, an important consideration for a Council in which women are historically dramatically underrepresented.

### Without Amendment: Drop From 7 to Only 5 Citywide Candidates that Qualify

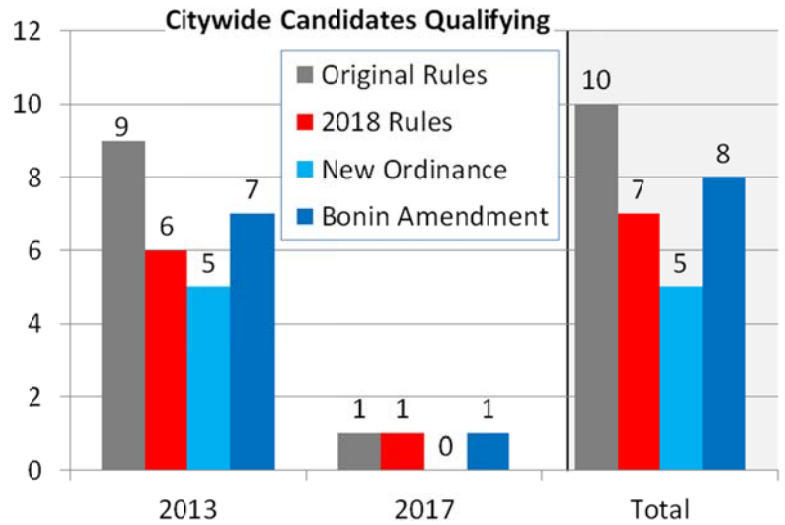
In real life, during 2013-2017, 10 citywide candidates received matching funds (6 candidates for Mayor, 2 for Attorney, and 2 for Controller). 9 of the 10 candidates did so in 2013 but in 2017 only 1 did. In part this was because none of the incumbents who ran in 2017 applied for matching funds. But another likely cause is that in 2017 it was significantly harder to qualify because only contributions from Los Angeles city residents counted; whereas, in 2013 all contributions of \$500 or less counted.

<sup>6</sup> The new ordinance and original Oct 5<sup>th</sup> draft rules change the maximum qualifying contribution for Council races from \$250 to 1/7<sup>th</sup> of the contribution limit for Council candidates. Because the contribution limit from 2013-2017 was \$700, the max qualifying contribution was \$100. In the 2019 election, the Council contribution limit will be \$800, so the max qualifying contribution will be \$115. The only difference between the new ordinance and the Oct 5<sup>th</sup> draft is that the Rules Committee lowered the aggregate qualifying threshold for Council candidates from \$25,000 to \$20,000.

<sup>7</sup> The aggregate qualifying threshold for 2013-2017 using Councilmember Bonin's amendment would have been \$10,000 (100 x \$100). See Appendix for details on individual candidates.

The chart on the right shows our analysis of how many citywide candidates reach their aggregate qualifying threshold under the different options being considered. It shows that if the original rules that included contributions from donors who were not Los Angeles city residents had been in place in 2013-2017, a total of 10 candidates reach the threshold: 9 in 2013 and 1 in 2017. This estimate matches what actually happened.

If the 2018 rules that count only contributions from Los Angeles city residents had been in place in 2013-2017, a total of 7 candidates reach the threshold. In other words, under the 2018 rules, 3 citywide candidates who in real life qualified for matching funds in 2013 under the original rules (two candidates for Mayor and one for City Attorney) don't reach the threshold. We provide more detail on this below.



The new ordinance lowers the maximum amount of an individual's contribution to citywide candidates that counts as a qualifying contribution from \$500 to one-seventh (1/7) of the contribution limit, which means \$215 in the 2019 election<sup>8</sup>. The new ordinance does so without also adjusting the aggregate qualifying thresholds. The chart illustrates the outcome. **The new ordinance cuts the number of citywide candidates who reach threshold even further to only 5 from 7 under current law** — which is fewer than one candidate per race. Even the contributions gathered by current Controller Ron Galperin, who qualified for matching funds in 2013, don't reach this proposed threshold. In fact, no citywide candidates who applied for matching funds in 2017 makes it.

However, with Councilmember Bonin's amendment 8 of the citywide candidates in 2013-2017 reach the aggregate threshold, an outcome much closer to under 2018 law (7)<sup>9</sup>. This is fewer than the 10 predicted to reach threshold under the original rules alleviating any concerns about too many candidates qualifying compared to the original rules. And still the amendment is very likely to ensure that at least more than one candidate per race will qualify, in contrast to than fewer than one produced by the new ordinance.

### **Without Amendment: Drop From 11 to a Mere 6 Female Council Candidates that Qualify**

Women have historically been dramatically underrepresented on Los Angeles City Council. In the entire history of the city of Los Angeles, there have been only 18 female Councilmembers. In 2011-2016 there was only one female Councilmember out of 15 Councilmembers, and even now in 2018 there are only 2 females out of 15 Councilmembers, a mere 13%. Both were elected with the help of matching funds.

The chart to the next page shows how female Council candidates from 2013-2017 would have fared under the options being considered.

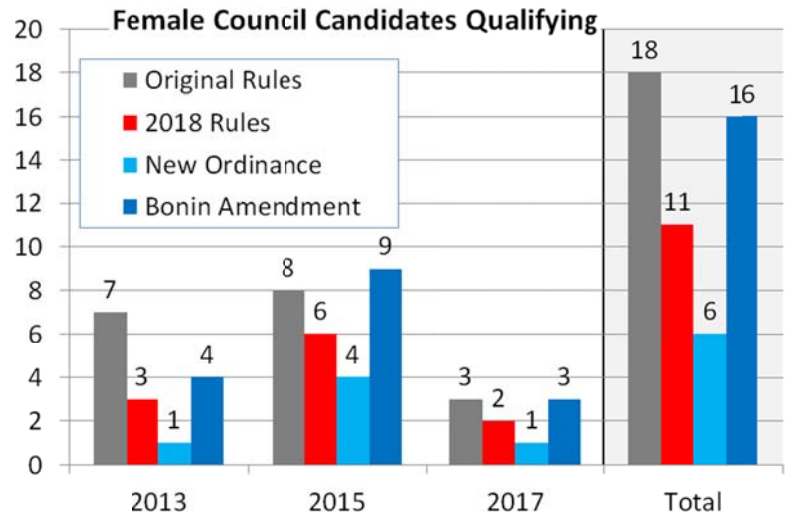
In 2013-2017, 15 female Council candidates received matching funds. The estimate from our calculations matches this figure exactly. The chart shows that if the original rules that included contributions not from Los Angeles city residents had been in place in 2013-2017, 18 female candidates reach the threshold. If the 2018 rules that count only contributions from Los Angeles city residents had been in place for 2013-2017, 11 women reach the threshold. This significant decrease from 15 to 11 is due to the fact that 4 of the female candidates who qualified under the original rules (in our model and in real life) had too few contributions from Los Angeles city residents to reach threshold under the current rules.

<sup>8</sup> In 2013 the contribution limit for citywide candidates was \$1,300 so the max qualifying contribution for citywide candidates would have been \$185. In 2017 the contribution limit for citywide candidates was \$1,400 so the max qualifying contribution for city candidates would have been \$200. We used those numbers in our calculations for 2013 and 2017, respectively.

<sup>9</sup> See Appendix for details on individual candidates.

The chart vividly shows the new ordinance slashes the number of female candidates who would have qualified under the 2018 rules by nearly half — down to only 6 (out of 23 races).

However, under Councilmember Bonin’s amendment, 16 female candidates reach the aggregate qualifying threshold. This is 1 more than actually qualified during that time and only 2 fewer than we estimate qualify under the original rules. Most importantly, it means that under Councilmember Bonin’s amendment more nearly 3 times as many women reach threshold than the mere 6 under the new ordinance.



**6 Current Councilmembers Didn’t Reach the New Aggregate Threshold in Their First Run**

The new ordinance makes it so difficult to reach the aggregate qualifying threshold that 6 current Councilmembers don’t reach the threshold with the contributions they raised during their first run for office despite having raised a total of \$139,000 to \$289,000.

As the following table shows, in real life, six sitting Councilmembers easily passed the \$25,000 aggregate threshold under 2018 law that counted the first \$250 towards qualifying contributions. However, under the new ordinance which counts only the first 1/7<sup>th</sup> of the contribution limit as a qualifying contribution, none of the six below would have reached the \$20,000 threshold under the new ordinance.

First Year Elected	Councilmember	Overall Primary Contributions	2018 Law Qualifying Contributions	New Ordinance Qualifying Contributions <sup>10</sup>
2009	Paul Krekorian (CD 05)	\$225,933	\$43,905	\$15,312
2011	Herb Wesson (CD 11) <sup>11</sup>	\$342,052	\$44,164	\$13,542
2013	Bob Blumenfield (CD 3)	\$217,784	\$30,662	\$14,465
2013	Nury Martinez (CD 6)	\$197,095	\$39,266	\$18,391
2013	Curren Price (CD 9)	\$222,519	\$25,772	\$12,402
2013	Mitch O’Farrell (CD 13)	\$98,959	\$31,624	\$19,204

Of course, if the new ordinance rules had been in place, it’s possible some or all of these candidates could have reached the threshold by focusing more on smaller contributions from Los Angeles City residents. But the fact that 6 sitting Councilmembers who raised large totals in their first Council races wouldn’t have qualified under the new ordinance with the actual contributions they raised is yet another indication of how extraordinarily difficult it would be for non-incumbents to qualify without Councilmember Bonin’s amendment (under which all 6 would have reached the threshold).

<sup>10</sup> Under the new ordinance, the max specific amount qualifying towards the aggregate threshold differs in various years because the max amount is defined as 1/7<sup>th</sup> the contribution limit. Because the contribution limit for Council candidates in 2019 and 2011 was \$500 the max qualifying per contribution would have been \$71. Because in 2013 the contribution limit was \$700 the max qualifying per contribution would have been \$100.

<sup>11</sup> Council President Herb Wesson did not apply for matching funds in 2011. This analysis shows that despite raising a total of \$342,052, the contributions he received would not have qualified for matching funds under the new ordinance because only \$13,542 of them were in amounts of \$71 or less from Los Angeles residents, which is what the new ordinance would have required in 2011.

Incumbent councilmembers, on the other hand, don't have that problem, easily qualifying for matching funds under the new ordinance in all but one race since 2013, unlike non-incumbents — even 6 of the current councilmembers when they ran the first time.

**Without Amendment: Matching Funds are Seriously Delayed and Less Useful**

When candidates do qualify, the later that matching funds arrive the less useful they are. This is especially true now that nearly 60% of California voters vote absentee, many of them weeks before the election.

The new ordinance not only slashes almost in half the number of Council candidates who reach the aggregate qualifying threshold, **it also causes major delays in the matching funds' arrival.**

Under the new ordinance, 9 of 28 Council candidates from 2013-2017 who reach threshold don't reach it until until 5-6 weeks before the election and 5 of those 9 get there less than 2 weeks before the election. In addition, reaching the threshold doesn't mean that candidates immediately receive the matching funds. Arrival of the funds is delayed several days due to the necessary verification process by the Ethics Commission.

**With Amendment: Cost is Less Than the Ethics Commission Proposal**

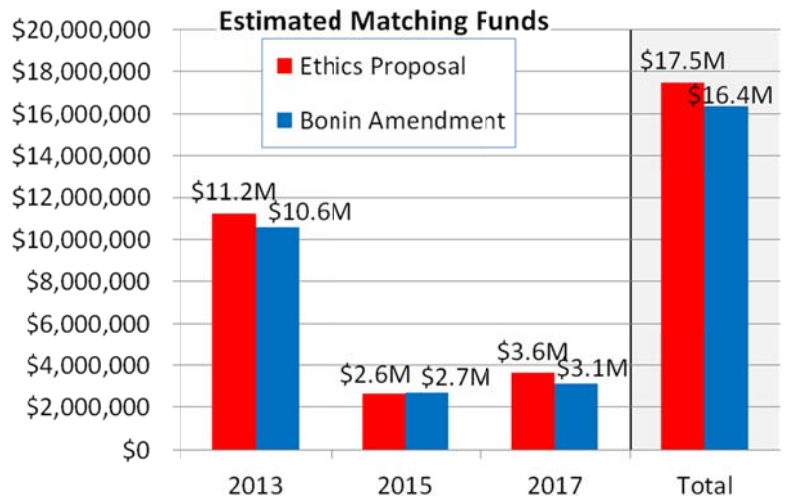
A potential concern with Councilmember Bonin's amendment is whether the increased number of qualifying candidates revealed by this analysis (50 candidates for 23 races in 2013-2017) would excessively increase the amount of matching funds that the matching funds trust fund would pay out. The answer to this question is found in the Ethics Commission proposal — which differs from the new ordinance only by retaining the 2018 law max for qualifying contributions and aggregate qualifying thresholds— in which they explicitly analyzed the sustainability of the matching funds trust.

To make the comparison, we again turned to the real life data from Council candidates in 2013-2017. We previously estimated that 44 candidates reach threshold under the 2018 aggregate threshold rules, which are the same as what Ethics proposed and analyzed (see first table "Council Candidates Qualifying"). So first, assuming those candidates meet all other requirements and accept the funds, we calculated the total amount of matching funds across all candidates for each year. Next, we did the same thing for the 50 candidates who reach threshold under Councilmember Bonin's amendment.

**The chart on the right illustrates that the total amount of matching funds required under Councilmember Bonin's amendment in 2013-2017 is less than in the Ethics Commission's proposal by about \$1.1 million.** The amount each candidate receives under the two options is shown in the appendix

The main cause is that, although under Councilmember Bonin's amendment 6 more candidates qualify from 2013-2017, some of the candidates qualify for a lower amount.

This occurs because under the Ethics Commission proposal, all candidates who qualify receive a minimum of \$150,000 — 6 times the \$25,000 they had to raise in amounts up to \$250 per contribution to qualify. But under Councilmember Bonin's amendment, candidates can receive a minimum of \$69,000 in matching funds — 6x the \$11,500 aggregate threshold. For instance, we estimate that under Councilmember Bonin's amendment, 6 of the 14 Council candidates who would have qualified in 2017 get less than \$150,000 because only the first \$100 of each qualifying contribution counts towards the match (rather than the first \$250).



It's possible that the increase in matching funds under Councilmember Bonin's amendment will change candidates' strategy resulting in different contributions than in this analysis. For instance, a candidate might focus more on gathering contributions of \$115 or less from Los Angeles city residents than the real life candidates did in 2013-2017. In fact, that's one goal of both the new ordinance and Councilmember Bonin's amendment. But most candidates were likely already seeking as many eligible donations as they could get, given that donations of \$100 or less were also matched from 2013-2017.

## Conclusions

The new ordinance's revisions to the matching funds system, using the Ethics Commission proposal as amended by a motion by Councilmembers David Ryu and Joe Buscaino, are important changes intended to strengthen the impact of small donors on Los Angeles city elections by increasing the matching funds rate from 6-to-1 while lowering the maximum amount that qualifies for matching funds from \$250 in Council race to one-seventh the contribution limit, meaning \$115 in the 2019 elections. It would make a \$115 contribution from a Los Angeles city resident worth as much as the maximum contribution from special interests (\$800).

However, it's crucial to avoid the negative consequence of making it significantly harder for candidates to qualify for matching funds than it has ever been. Our analysis of the contributions to candidates who received matching funds in 2013-2017 shows that the new ordinance makes it much harder to qualify by requiring nearly double the number of max qualifying contributions for Council candidates and more than double the number for citywide candidates. This in turn cuts by more than one-third the number of Council candidates who reach the aggregate qualifying threshold from 44 to 28 (compared to 2018 law) — an averages of barely over 1 qualifying candidate per race. Worse, it slashes the number of female qualifying candidates by nearly half from 11 to only 6.

However, our analysis also shows that Councilmember Bonin's amendment would fix this problem by defining the aggregate threshold so that the ordinance does not require more max qualifying contributions than under current law. Under Councilmember Bonin's amendment, 50 Council candidates from 2013-2017 reach the aggregate threshold, compared to only 28 under the new ordinance. And nearly 3x as many female Council candidates qualify as under the new ordinance, 16 instead of 6. The number of Council candidates reaching threshold is roughly comparable to 2018 law (50 vs. 44 currently) and 5 of the 6 the additional qualifying candidates are women.

Nearly as important as making sure sufficient candidates qualify for matching funds is making sure the funds arrive in time to have an impact on the election. Our analysis shows that under the new ordinance without Councilmember Bonin's amendment, 9 of 28 Council candidates in 2013-2017 reaching threshold do so less than 6 weeks before the election, and 5 of the 9 do so with less than 2 weeks to go. Councilmember Bonin's amendment addresses this problem.

Finally, our analysis shows that when considering all the 2013-2017 Los Angeles candidates for Council, Attorney, Controller, and Mayor, Councilmember Bonin's amendment actually costs less than the Ethics Commission proposal in which they concluded *"The matching funds trust fund is projected to be able to sustain increased maximums, even at a higher match rate."*<sup>12</sup>

The new ordinance itself — as important as its individual amendments are — risks turning Los Angeles's matching funds system into one that benefits mostly incumbents and wealthy candidates because it would be so much harder for candidates to qualify than under 2018 law or at any time since voters passed matching funds in 1990. However, adding Councilmember Bonin's amendment would give Los Angeles one of the best small donor matching funds systems in the country with a 6-to-1 match for small donations and an aggregate qualifying threshold that's not unnecessarily exclusionary and doesn't delay receiving funds until it's too late.

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<sup>12</sup> P. 15 of "Review of Key Campaign Finance Laws", April 2018, <http://ethics.lacity.org/PDF/agenda/2018/April/20180424-Item4-CampaignFinanceReport.pdf>



## Appendix: Details of Calculations for 2013-2017 Candidates

Tables show qualifying contributions for different options from candidates who applied for matching funds from 2013-2017, along with the estimated amount of matching funds they would have received for each option.

For all three elections the max qualifying contribution for Council races under new ordinance and Councilmember Bonin's amendment would have been \$100 (1/7<sup>th</sup> of the max contribution in those years of \$700). For citywide races, the max qualifying contribution would have been \$185 in 2013 (1/7<sup>th</sup> the max contribution of \$1,300) and \$200 in 2017 (1/7<sup>th</sup> the max contribution of \$1,400).

For the three rows showing total aggregate contributions in different options, dark grey means the candidates would have qualified with the original rules (i.e. all contributions up to \$250/\$500 count as qualifying contributions), the current rules (only contributions from LA residents up to \$250/\$500 count), and new ordinance (only contributions from LA residents up to 1/7<sup>th</sup> the contribution limit count). Light grey means that the candidate would have qualified under Councilmember Bonin's amendment but not new ordinance without Councilmember Bonin's amendment. White means they wouldn't have reached any of the thresholds in that column.

**Table 1. 2017 Council Candidates Applying for Matching Funds**

	Qualifying Contribs \$250 All	Qualifying Contribs \$250 City	Qualifying Contribs \$100 City	Matching Ethics Proposal	Matching Oct 5 Package	Matching Bonin Amend
Jesse Creed (CD 05)	\$182,374	\$115,377	\$63,823	\$151,000	\$151,000	\$151,000
Mike Bonin (CD 11)	\$207,709	\$115,972	\$54,247	\$151,000	\$151,000	\$151,000
Paul Koretz (CD 05)	\$213,553	\$121,344	\$55,518	\$151,000	\$151,000	\$151,000
Mitch O'Farrell (CD 13)	\$191,483	\$99,709	\$47,525	\$151,000	\$151,000	\$151,000
Curren Price, Jr. (CD 09)	\$228,358	\$87,608	\$40,605	\$151,000	\$151,000	\$151,000
Monica Rodriguez (CD 07)	\$174,057	\$75,235	\$38,171	\$340,000	\$340,000	\$340,000
Josef Bray-Ali (CD 01)	\$56,149	\$39,549	\$26,515	\$340,000	\$309,877	\$309,877
Joe Buscaino (CD 15)	\$159,292	\$51,544	\$26,021	\$151,000	\$151,000	\$151,000
Karo Torossian (CD 07)	\$117,297	\$57,137	\$27,114	\$340,000	\$316,660	\$316,660
Gil Cedillo (CD 01)	\$166,470	\$59,985	\$27,135	\$340,000	\$340,000	\$340,000
Bob Blumenfield (CD 03)	\$98,764	\$47,112	\$23,272	\$151,000		\$139,632
Mark Ryavec (CD 11)	\$36,371	\$32,436	\$18,286	\$151,000		\$109,713
Sylvie Shain (CD 13)	\$29,685	\$22,523	\$14,867	\$151,000		\$89,199
Monica Ratliff (CD 07)	\$33,560	\$17,958	\$11,374			\$68,246
<b>Total</b>				<b>\$2,719,000</b>	<b>\$2,212,537</b>	<b>\$2,619,328</b>

**Table 2. 2017 Citywide Candidates Applying for Matching Funds**

	Qualifying Contribs \$500 All	Qualifying Contribs \$200 City	Qualifying Contribs \$200 City	Matching Contribs Ethics	Matching Oct 5 Package	Matching Bonin Amend
Michael Schwartz (Mayor)	\$237,275	\$153,737	\$82,412	\$897,216		\$494,474
<b>Total</b>				<b>\$897,216</b>	<b>\$0</b>	<b>\$494,474</b>

**Table 3. 2015 Council Candidates Applying for Matching Funds**

	<b>Qualifying Contribs \$250 All</b>	<b>Qualifying Contribs \$250 City</b>	<b>Qualifying Contribs \$100 City</b>	<b>Matching Ethics Proposal</b>	<b>Matching Oct 5 Package</b>	<b>Matching Bonin Amend</b>
Jose Huizar (CD 14)	\$361,175	\$136,538	\$59,363	\$151,000	\$151,000	\$151,000
Carolyn Ramsay (CD 04)	\$162,571	\$122,456	\$59,540	\$340,000	\$340,000	\$340,000
David E. Ryu (CD 04)	\$231,834	\$95,295	\$48,374	\$340,000	\$340,000	\$340,000
Marqueece Harris-Dawson (CD 08)	\$168,308	\$82,110	\$42,498	\$151,000	\$151,000	\$151,000
Tomas O'Grady (CD 04)	\$52,045	\$43,560	\$27,835	\$151,000	\$151,000	\$151,000
Wally Knox (CD 04)	\$102,472	\$62,764	\$29,729	\$151,000	\$151,000	\$151,000
Teddy Davis (CD 04)	\$84,038	\$55,598	\$28,926	\$151,000	\$151,000	\$151,000
Gloria Molina (CD 14)	\$122,781	\$53,509	\$26,672	\$151,000	\$151,000	\$151,000
Joan Pelico (CD 04)	\$64,564	\$45,342	\$24,247	\$151,000		\$145,482
Steve Veres (CD 04)	\$130,789	\$48,544	\$22,469	\$151,000		\$134,817
Nury Martinez (CD 06)	\$119,471	\$50,608	\$22,208	\$151,000		\$133,248
Grace Yoo (CD 10)	\$64,369	\$34,447	\$19,273	\$151,000		\$115,638
Robert Cole (CD 08)	\$59,513	\$30,157	\$18,007	\$151,000		\$108,039
Bobbie Jean Anderson (CD 08)	\$41,826	\$21,943	\$14,868			\$89,208
Paul Krekorian (CD 02)	\$58,107	\$29,679	\$13,904	\$151,000		\$83,421
Cindy Montanez (CD 06)	\$48,055	\$26,207	\$13,488	\$151,000		\$80,928
Sheila Irani (CD 04)	\$23,427	\$19,111	\$11,676			\$70,056
Forescee Hogan-Rowles (CD 08)	\$40,042	\$17,288	\$10,738			\$64,431
Fred Mariscal (CD 04)	\$25,841	\$17,433	\$11,158			\$66,948
<b>Total</b>				<b>\$2,265,000</b>	<b>\$1,208,000</b>	<b>\$2,300,816</b>

**Table 4. 2013 Council Candidates Applying for Matching Funds**

	Qualifying Contribs \$250 All	Qualifying Contribs \$250 City	Qualifying Contribs \$100 City	Matching Ethics Proposal	Matching Oct 5 Package	Matching Bonin Amend
Mike Bonin (CD 11)	\$156,404	\$86,994	\$44,700	\$151,000	\$151,000	\$151,000
Jose Gardea (CD 01)	\$126,069	\$53,397	\$27,072	\$340,000	\$302,000	\$278,446
Terry Haraldson (CD 09)	\$125,061	\$42,742	\$22,440	\$151,000		\$134,637
Cindy Montanez (CD 06)	\$101,473	\$44,855	\$22,975	\$340,000		\$326,850
Gilbert Cedillo (CD 01)	\$143,588	\$40,582	\$20,257	\$340,000		\$254,178
Alexander Cruz De Ocampo (CD 13)	\$76,755	\$34,842	\$20,393	\$151,000		\$122,358
John Choi (CD 13)	\$106,472	\$38,189	\$19,939	\$340,000		\$285,906
Mitch O'Farrell (CD 13)	\$48,894	\$31,624	\$19,204	\$340,000		\$304,223
Matt Szabo (CD 13)	\$58,982	\$32,711	\$18,786	\$151,000		\$112,717
Nury Martinez (CD 06)	\$91,907	\$39,266	\$18,391	\$340,000		\$220,740
Ana Cubas (CD 09)	\$78,936	\$29,053	\$17,603	\$340,000		\$209,316
Bob Blumenfield (CD 03)	\$68,877	\$30,662	\$14,465	\$151,000		\$86,791
David Roberts (CD 09)	\$60,580	\$26,490	\$13,915	\$151,000		\$83,491
Joyce J. Pearson (CD 03)	\$47,244	\$21,836	\$13,401			\$80,404
Paul Koretz (CD 05)	\$56,326	\$28,641	\$13,011	\$80,266		\$78,063
Curren Price (CD 09)	\$73,794	\$25,772	\$12,402	\$340,000		\$186,262
Joe Buscaino (CD 15)	\$76,854	\$26,364	\$12,141	\$151,000		\$72,843
<b>Total</b>				<b>\$3,857,266</b>	<b>\$453,000</b>	<b>\$2,988,225</b>

**Table 5. 2013 Citywide Candidates Applying for Matching Funds**

	Qualifying Contribs \$500 All	Qualifying Contribs \$185 City	Qualifying Contribs \$185 City	Matching Contribs Ethics	Matching Oct 5 Package	Matching Bonin Amend
Eric Garcetti (Mayor)	\$2,109,844	\$1,072,001	\$557,122	\$1,979,000	\$1,979,000	\$1,979,000
Wendy Greuel (Mayor)	\$2,072,122	\$1,082,788	\$536,104	\$1,979,000	\$1,979,000	\$1,979,000
Jan Perry (Mayor)	\$781,933	\$362,994	\$179,300	\$900,000	\$900,000	\$900,000
Kevin James (Mayor)	\$245,941	\$120,727	\$79,697			\$478,180
Mike Feuer (City Attorney)	\$449,845	\$276,287	\$138,326	\$877,000	\$877,000	\$877,000
Carmen Trutanich (City Attorney)	\$205,585	\$56,946	\$23,441			
Dennis Zine (City Controller)	\$396,280	\$198,861	\$100,196	\$765,000	\$635,391	\$635,391
Ron Galperin (City Controller)	\$144,034	\$107,787	\$57,472	\$858,000		\$730,700
<b>Total</b>				<b>\$7,358,000</b>	<b>\$6,370,391</b>	<b>\$7,579,271</b>