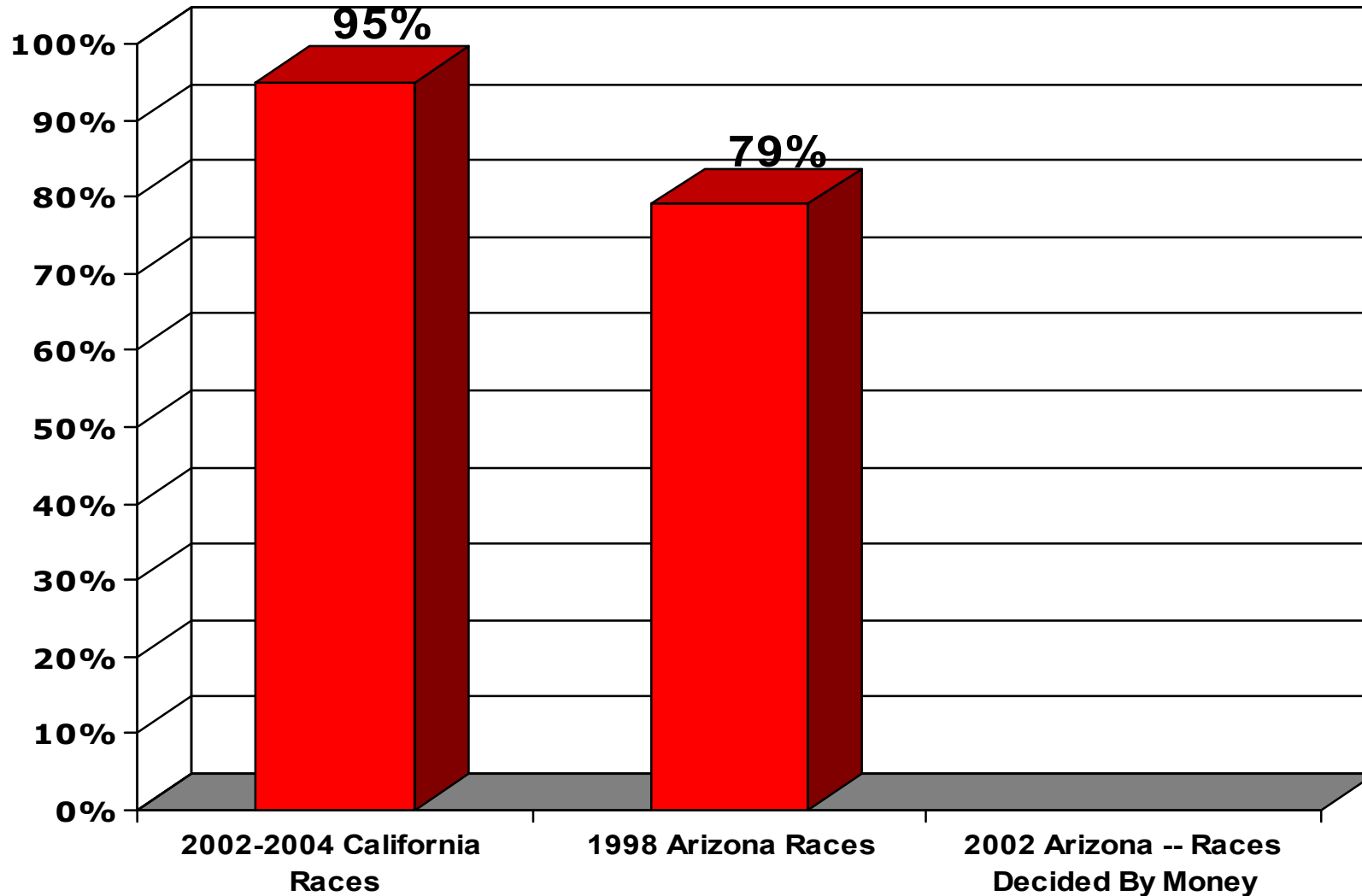


Calculating Clean Money Qualification and Funding Levels

Trent Lange
Vice President of Board of Directors
California Clean Money Campaign
TLange@CAclean.org

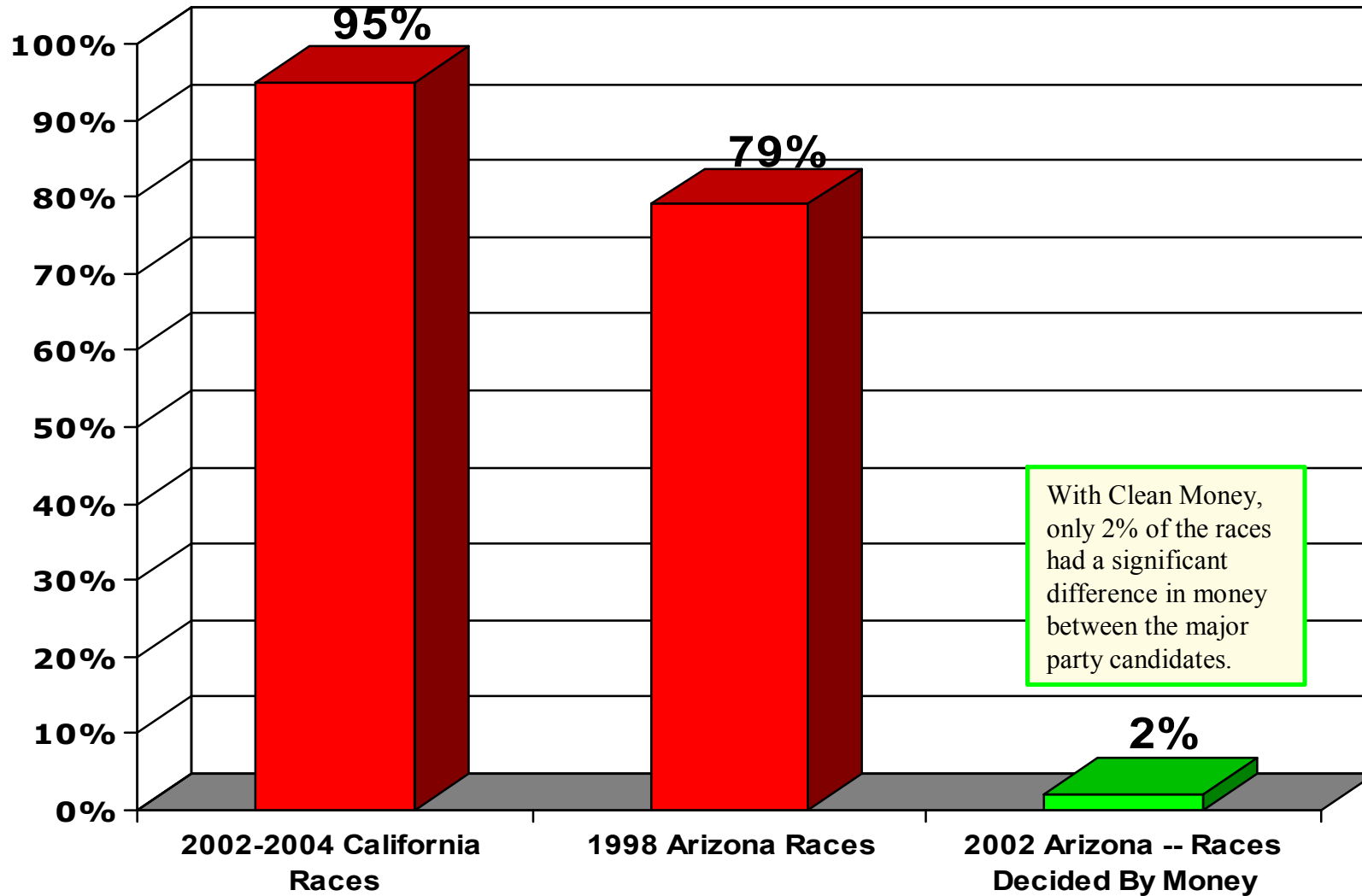
The Difference That Clean Money Makes

Percent of Races Won by Biggest Spenders



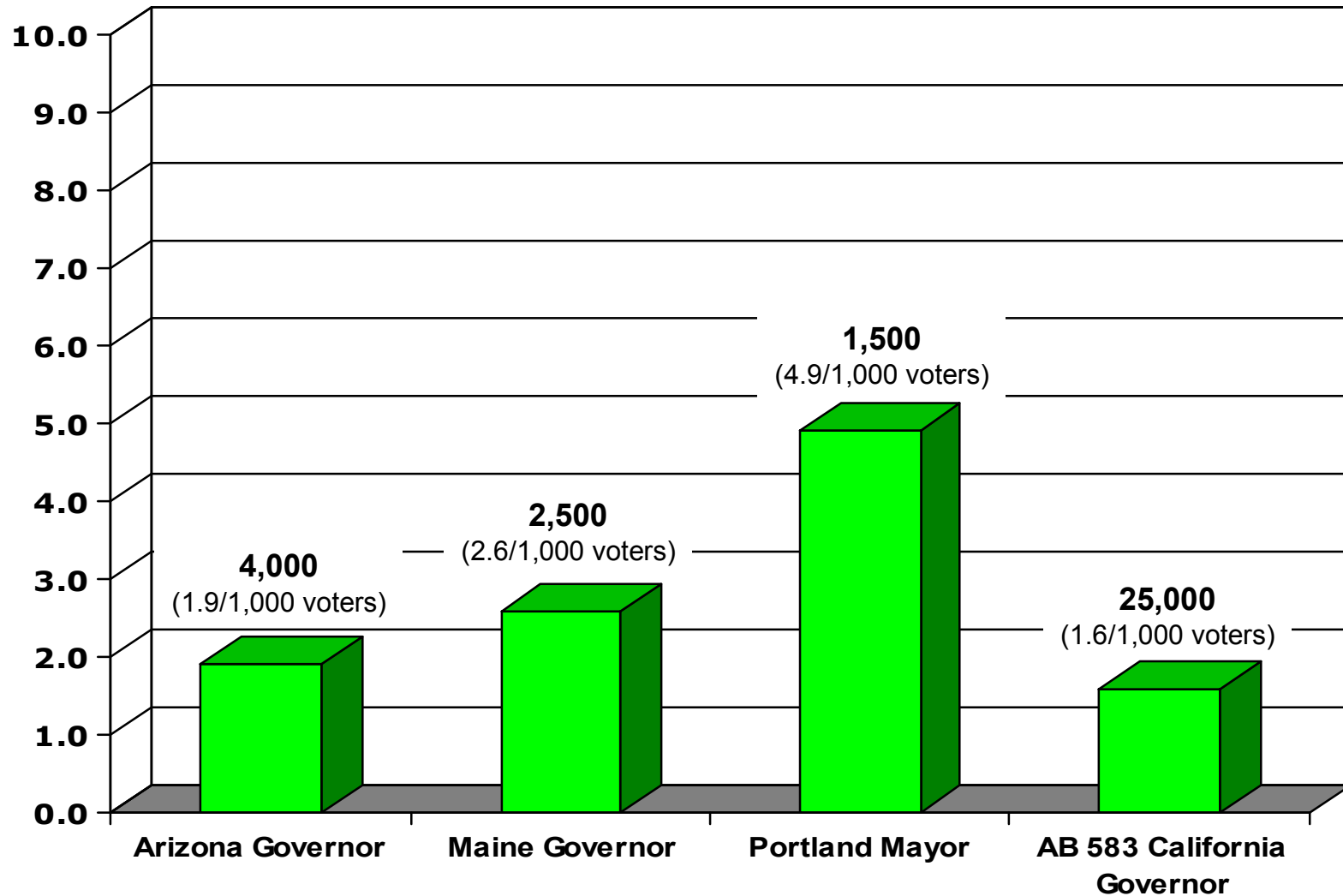
The Difference That Clean Money Makes

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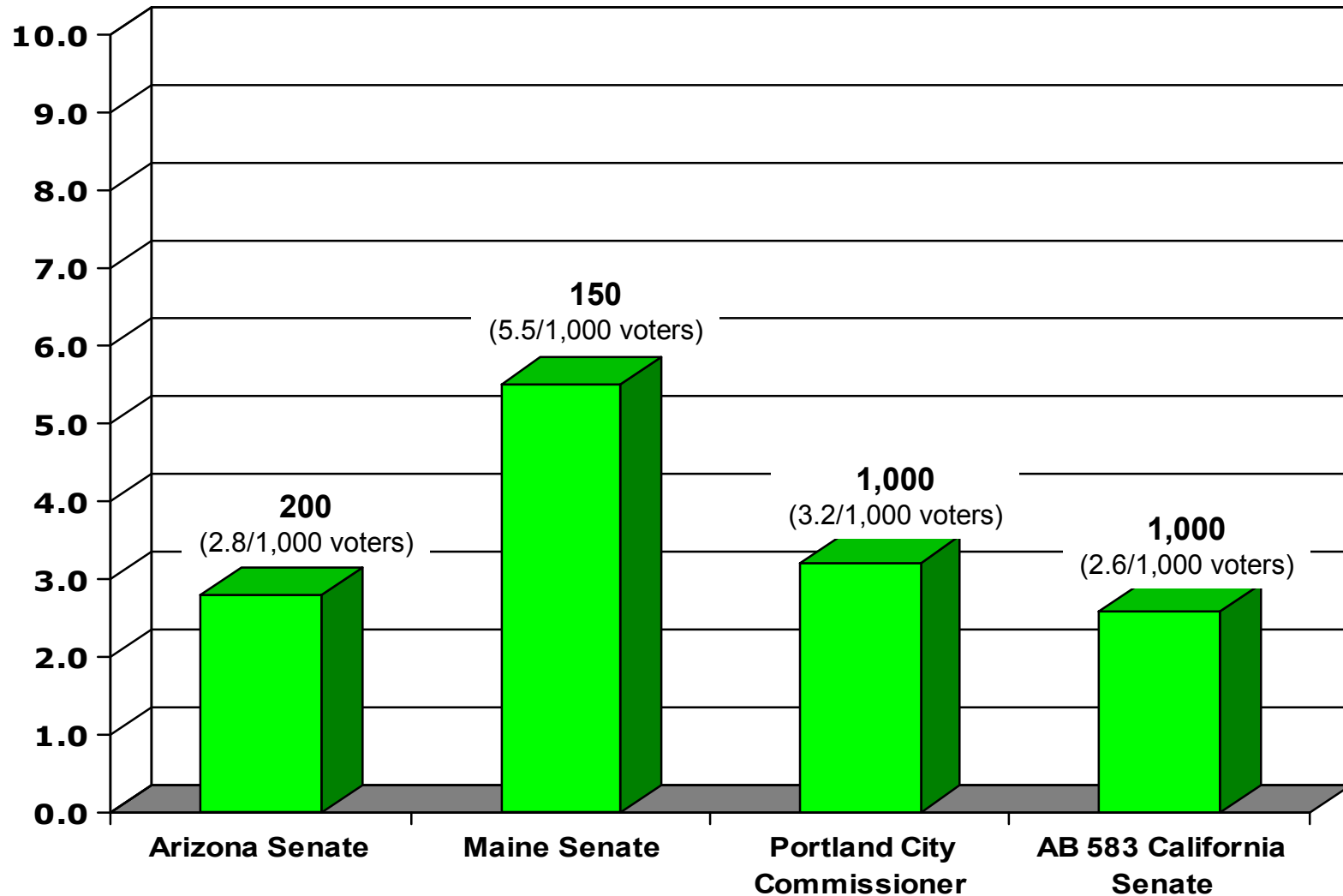
Calculating Qualifying Contributions: Citywide

\$5 contributions and signatures per 1,000 registered voters



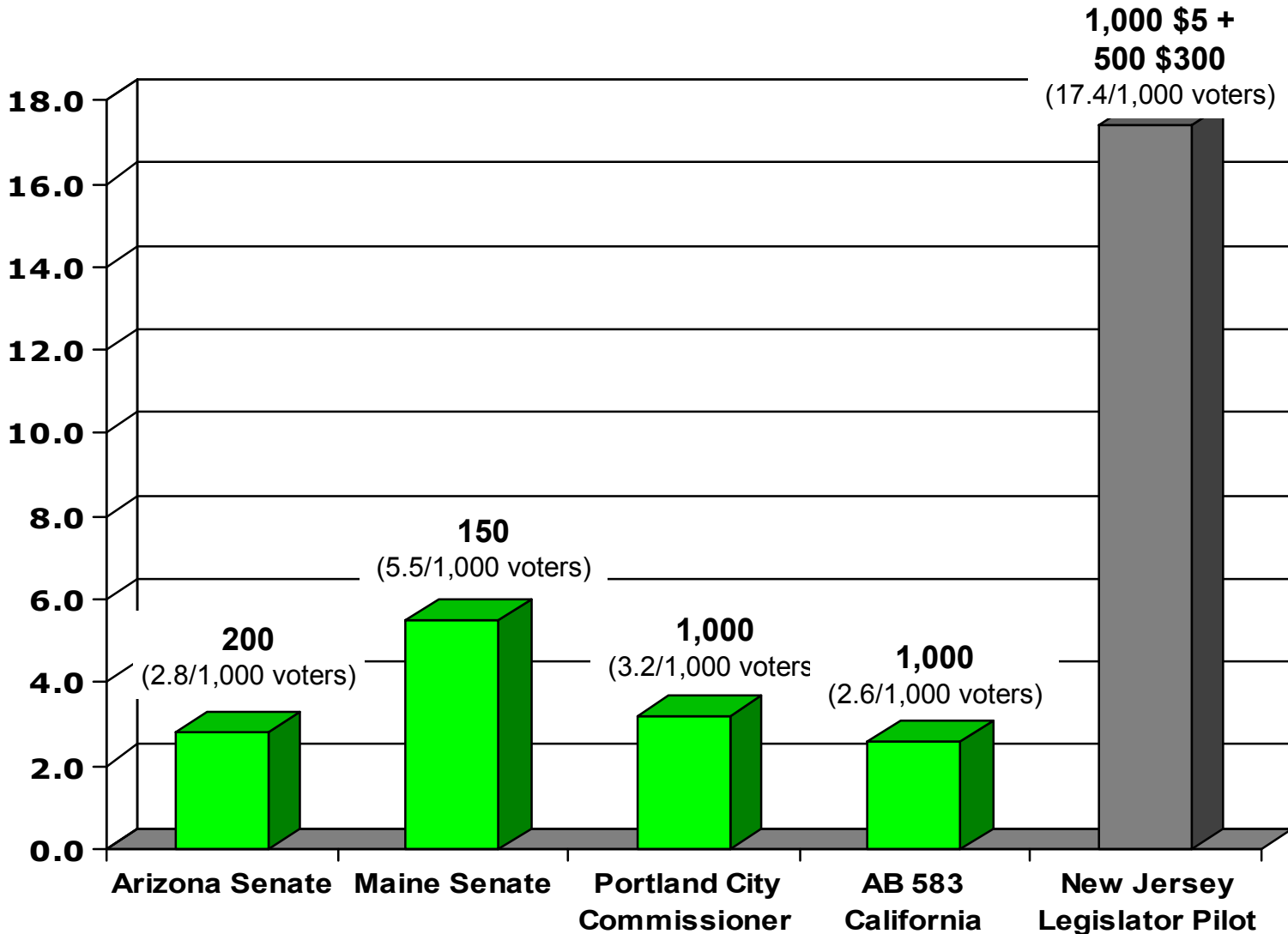
Calculating Qualifying Contributions: City Council

\$5 contributions and signatures per 1,000 registered voters



When Qualifying Levels are Too High Even Qualified Candidates Often Can't Qualify, as in initial New Jersey Pilot

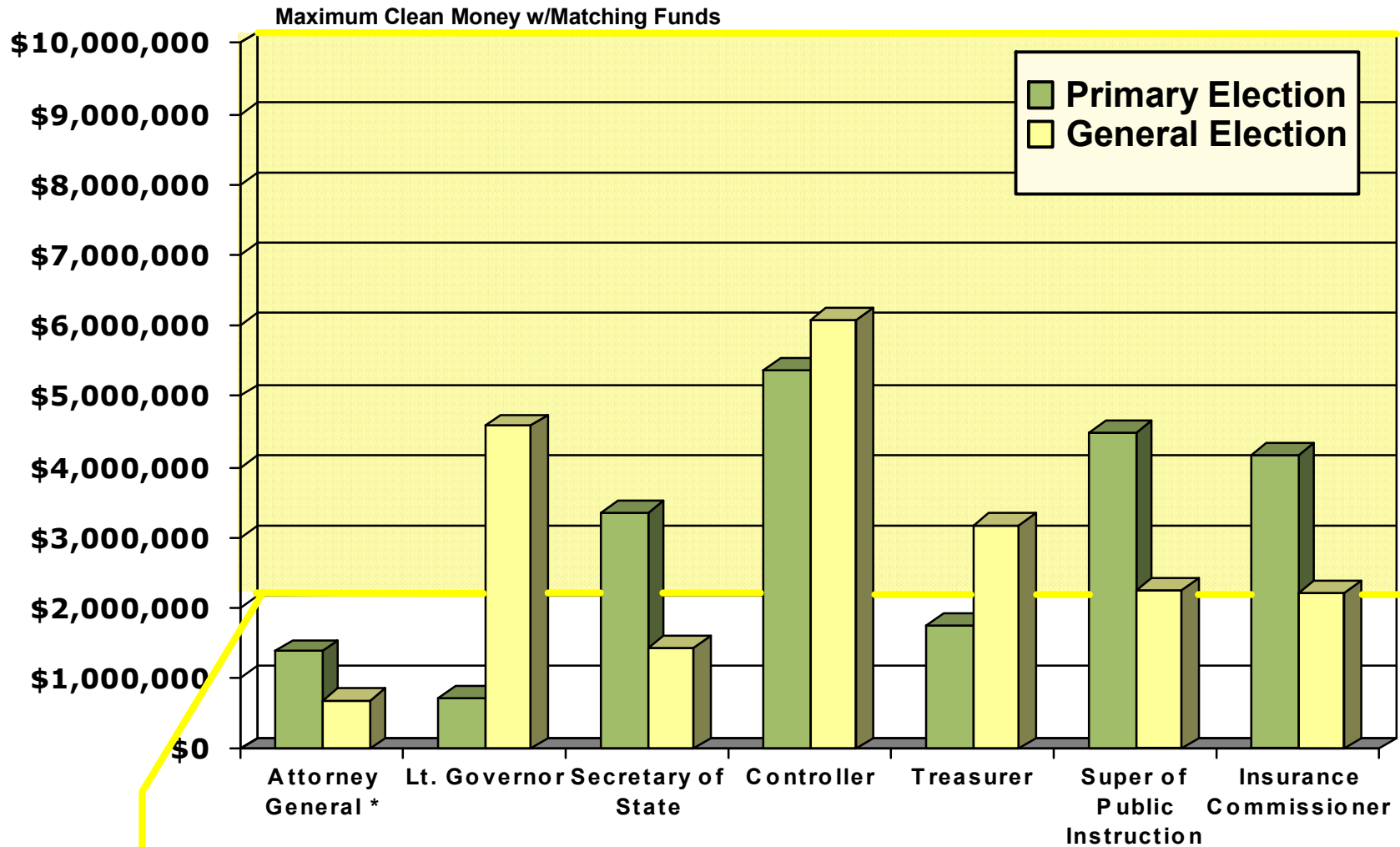
\$5 contributions and signatures per 1,000 registered voters



Note: Qualification levels had to be lowered to continue the pilot.

Calculating Base and Matching Funding Levels

Biggest Spenders in 2002 California Statewide Offices (excluding Governor)

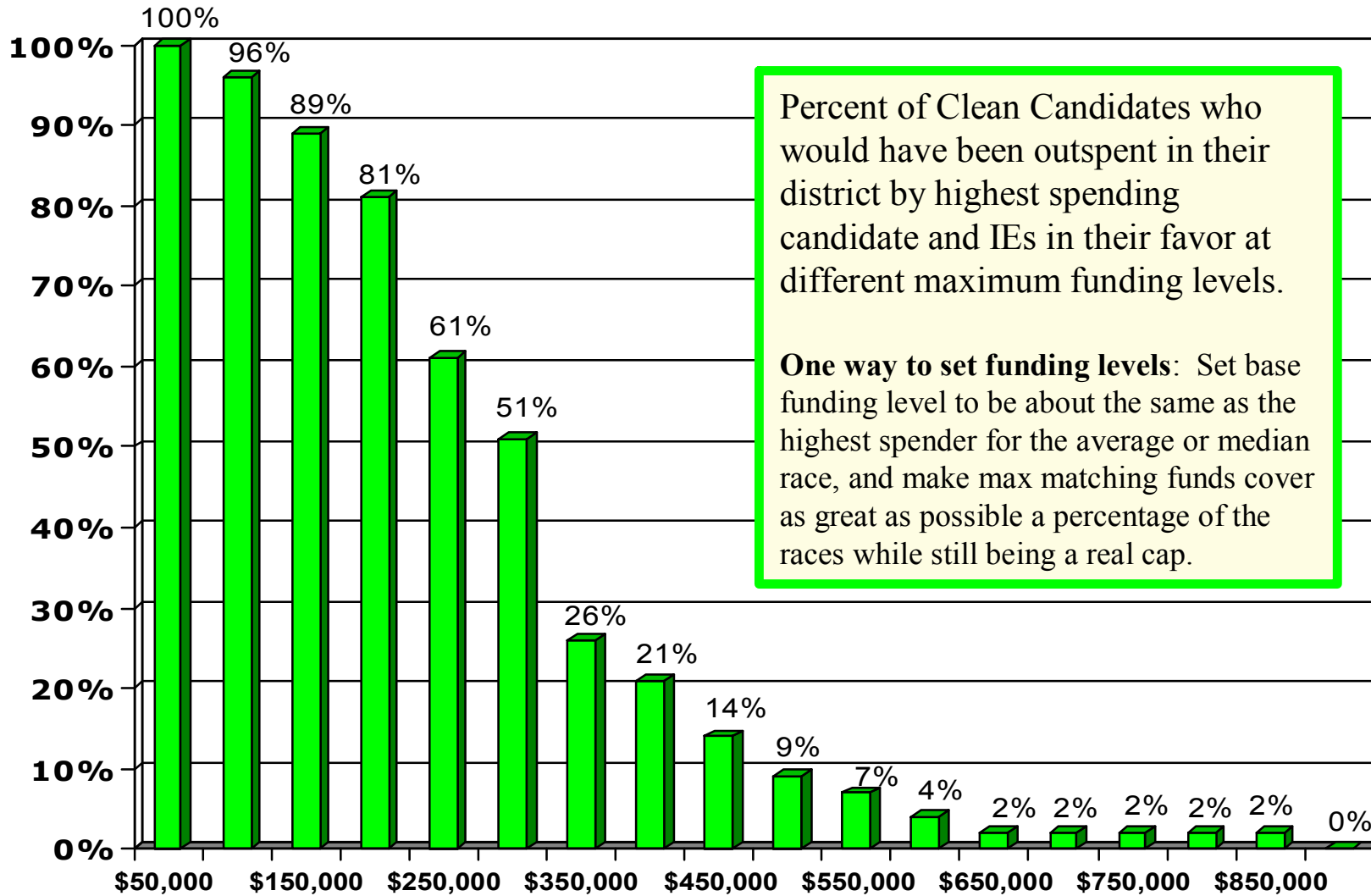


AB 583 Base Funding Amount, Primary & General (\$2,000,000)

NOTE: Maximum funding amounts including matching funds when candidates are outspent by non-participating candidates and/or independent expenditures are \$10,000,000 in both a primary and general election, which would have provided more than enough matching for any 2002 statewide races.

Percent of Races at Different Spending Levels

Los Angeles City Council Primaries 1993-2005



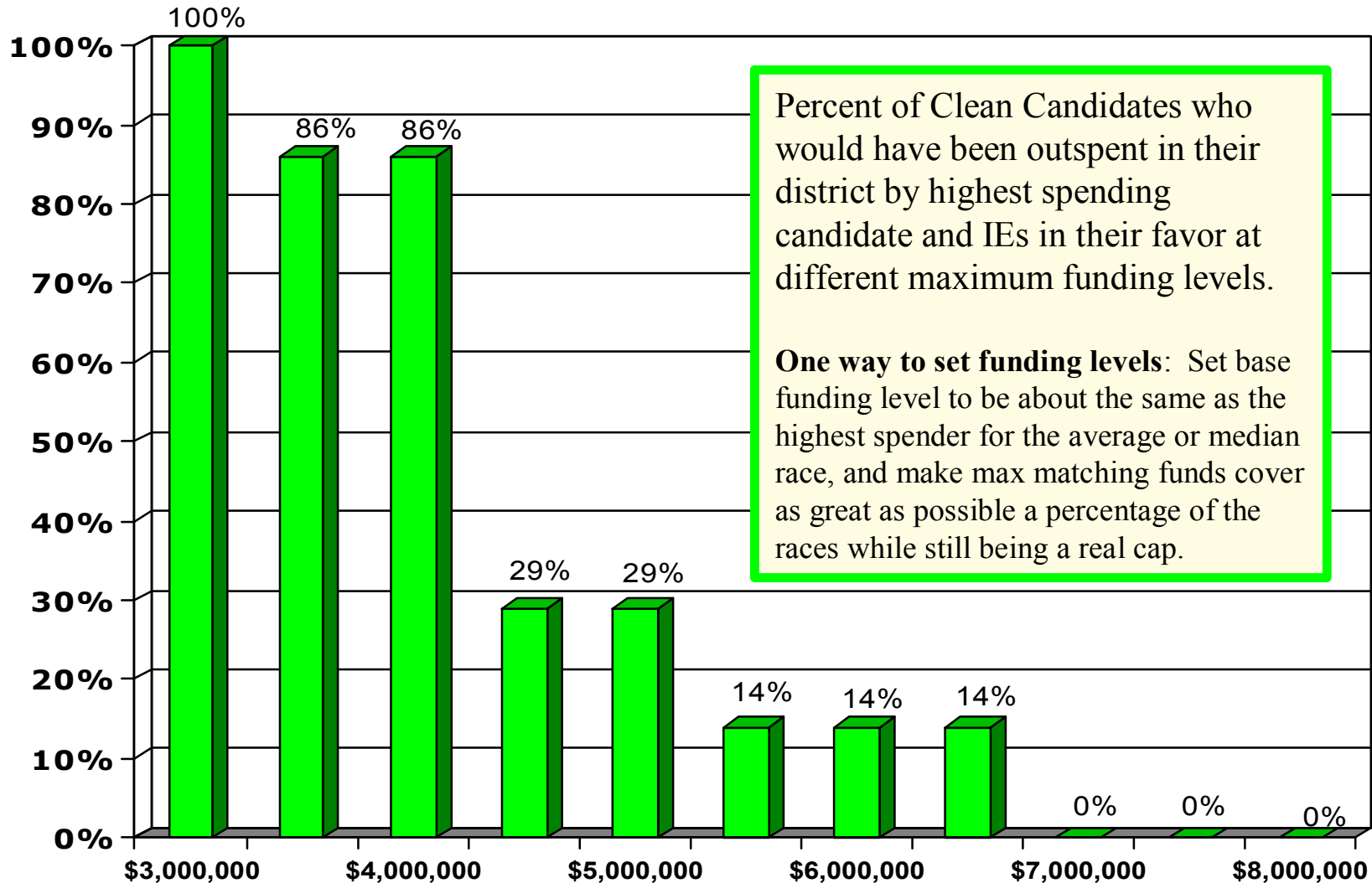
Percent of Clean Candidates who would have been outspent in their district by highest spending candidate and IEs in their favor at different maximum funding levels.

One way to set funding levels: Set base funding level to be about the same as the highest spender for the average or median race, and make max matching funds cover as great as possible a percentage of the races while still being a real cap.

Max funds provided (base + matching funds) to match IEs and high-spending privately-funded candidates.

Percent of Races at Different Spending Levels

Los Angeles City Mayoral Primaries and Runoffs 1993-2005



Percent of Clean Candidates who would have been outspent in their district by highest spending candidate and IEs in their favor at different maximum funding levels.

One way to set funding levels: Set base funding level to be about the same as the highest spender for the average or median race, and make max matching funds cover as great as possible a percentage of the races while still being a real cap.

Max funds provided (base + matching funds) to match IEs and high-spending privately-funded candidates.

Estimating Funding Need for Clean Money

OVERALL COSTS

- Rule of thumb: Overall costs of an effective Clean Money system that most candidates use is on the same order (+/-), of what is spent *currently* by privately funded candidates.
 - This with more candidates running and on a level playing field.
 - Spending afterwards only rises with inflation and/or increase in registered voters, not skyrocketing every year!
- Can estimate costs in a couple of different ways
 - Simplest: Multiply # races by 2 or 3 candidates per race times base funding provided plus average estimate for matching funds.
 - Historical: Look at what candidates actually ran and spent in previous race and assume some or all ran “clean” to see what costs would have been. (Contact TLange@CAclean.org for how to do this.)
- Typical overall cost is only between \$2-\$6 per person a year. *“A reasonable amount to pay to make sure elections are about ideas, not money.”*

Clean Money Costs: Base vs. Matching

**It's worth it to provide adequate funding:
Doubling base funding amounts costs less than double.**

- E.g. Doubling proposed LA city system's base funding to an amount just under average competitive raise spending only increases estimated costs by ~30%.

**Providing higher matching fund limits is relatively
"cheap", but provides confidence to potential candidates.**

- E.g. Providing up to a 4x match instead of only a 2x match in LA increases estimated worst-case costs by only 5-10%, but would provide a full match to 100% of all historical city council and mayoral races instead of only 90% of council runoffs and less than 50% of mayoral runoffs.
- Why? Only a relatively small number of races exceed max matching limits, so cost of matching them is small.