



October 15, 2020

The Honorable Michael B. Hancock
Mayor of the City & County of Denver
1437 N. Bannock Street
Denver, Colorado 80202

Re: 2021 Budget Allocation for Fair Elections Fund

Dear Mayor Hancock:

Campaign Legal Center (“CLC”) respectfully urges you not to reduce the revenue allocated to the Fair Elections Fund in Denver’s final 2021 budget. Although Denver is bracing against the strain on city resources brought on by the global pandemic, decreasing the amount of funding directed to Denver’s Fair Elections Fund in 2021 will seriously undermine implementation and administration of the city’s new public financing program in its critical early stages.

CLC is a nonpartisan, nonprofit organization dedicated to protecting and strengthening the U.S. democratic process across all levels of government. Among its areas of focus, CLC supports public financing of elections as a key policy in reforming the campaign process for federal, state, and local office. As part of its advocacy for public financing, CLC has drafted legislation to introduce public financing programs in states and cities across the country, and also has helped to defend existing public financing systems against legal challenges in federal and state courts.

Last week, the Denver City Council sent to the Mayor its requests for adjustments to the 2021 budget proposal, and, as part of its requests, Council identified the Fair Elections Fund as a potential source from which to draw the funding necessary for the budget adjustments.¹ While the Council’s budget

¹ See Alayna Alvarez, *Denver City Council proposes more than a half-dozen changes to Mayor Hancock’s budget*, COLO. POLITICS (Oct. 12, 2020), https://www.coloradopolitics.com/denver/denver-city-council-proposes-more-than-a-half-dozen-changes-to-mayor-hancock-s-budget/article_72b37c42-0c9f-11eb-9607-b7267b056e5a.html.

requests are intended to benefit important city services in this challenging time, CLC believes that taking revenue away from the Fair Elections Fund in 2021 would impair the new public financing program's effective implementation before the 2023 election and undercut the clear intent of Denver voters, over 70% of whom approved creation of the Fair Elections program in November 2018.²

An adequate and guaranteed source of funding is key to the success of any public financing system but is especially imperative when implementing new programs. The initial rollout of a public financing program necessitates significant resources so that election officials can develop the administrative processes and technological infrastructure necessary to enroll candidates in the program, facilitate compliance with the program's rules, and securely disburse public funds to qualified campaigns. Moreover, in a public financing program's early years, it is critical that election officials widely distribute informational materials and conduct outreach to educate candidates and the public at large about the existence of the program and how it works.

When preparing to launch Seattle's Democracy Voucher Program for the 2017 municipal election, the Seattle Ethics & Elections Commission ("SEEC") required substantial resources both to grow its administrative capacity and to inform city residents and potential candidates about the new public financing program.³ Consequently, SEEC experienced an uptick in certain administrative costs in 2016, the year before the city's election, and the \$3,000,000 in annual funding earmarked for the Democracy Voucher Program ensured that SEEC was able to implement and administer the program effectively.⁴

The investment paid off for Seattle, as a record number of individuals made contributions to candidates in the 2017 city election,⁵ and, according to a post-election analysis, Seattle residents who donated public funds to candidates through the Democracy Voucher Program were more likely than cash contributors to have below-average incomes and to reside in less affluent and more racially diverse neighborhoods.⁶ Notably, the post-election analysis also

² Denver Election Results, General Election November 6, 2018, <https://www.denvergov.org/electionresults#/results/20181106>.

³ See Seattle Ethics & Elections Comm'n, *Democracy Voucher Program Biennial Report 2017*, at 9-12 (2018), 25, http://clerk.seattle.gov/~cfpics/cf_321575f.pdf.

⁴ *Id.* at 25.

⁵ *Id.* at 7, 16.

⁶ Jennifer Heerwig & Brian McCabe, *Expanding Participation in Municipal Elections: Assessing the Impact of Seattle's Democracy Voucher Program*, CTR. FOR STUDIES IN DEMOGRAPHY & ECOLOGY (2018),

found that Seattle residents who made a Democracy Voucher contribution were more likely to vote on Election Day: Almost 90% of Seattle residents who gave a contribution through the Democracy Voucher Program ultimately voted in the city election in 2017, compared to a voting rate of 43% among Seattleites who opted not to contribute public funds through the program.⁷ And after SEEC's initial rollout of the Democracy Voucher Program in 2017, the implementation costs for Seattle's program dropped significantly in subsequent years.⁸

The encouraging results from Seattle and other cities that have successfully introduced public financing indicate that Denver's Fair Elections program can have an immediate and positive impact on the campaign process in the Mile High City, including by augmenting political participation among local communities that are historically under-represented in Denver politics. However, the Fair Elections program requires full funding, as mandated by city law, in order to provide a competitive and viable source of campaign funds to candidates in Denver's upcoming elections. Diverting revenue away from the Fair Elections Fund in the 2021 budget, as Denver's Clerk and Recorder prepares to administer the public financing program in the 2023 election, would jeopardize the program's effective implementation and potentially dissuade candidates from participating in the program due to uncertainty over its financial viability. For these reasons, we urge you not to reduce the revenue allocated to the Fair Elections Fund in the city's final 2021 budget.

Respectfully submitted,

/s/ Catherine Hinckley Kelley

Catherine Hinckley Kelley
Senior Director, Policy & Strategic Partnerships

/s/ Austin Graham

Austin Graham
Legal Counsel

https://www.jenheerwig.com/uploads/1/3/2/1/13210230/mccabe_heerwig_seattle_voucher_4.03.pdf.

⁷ *Id.*

⁸ See Seattle Ethics & Elections Comm'n, *Democracy Voucher Program Biennial Report 2019*, at 17 (2020), http://www.seattle.gov/Documents/Departments/EthicsElections/DemocracyVoucher/2019_Biennial_Report.pdf.