Public Funding of Political Campaigns in Detroit: General Review and Proposal Detroit Charter Revision Commission For Discussion – Not for Publication Prepared by staff of the Detroit Charter Revision Commission February 26, 2011

Introduction

Public policy is designed to protect the interests of people. Politicians and/or elected officials are often called upon to design public policies to advance or correct the shortsightedness of unintended policy gaps or abusive behavior of public bodies and individuals. Examples of these policy corrections include the current national policy debate in connection with regulatory safeguards in the financial management and housing industries. Presently, Detroiters will be drawn into this exchange as they will soon be asked to affirm the actions of the 2009-2012 Detroit Charter Revision Commission.

Detroiters have entrusted the Detroit Charter Revision Commission with the examination of the most basic governance document that forges fundamental relationships between the citizens of our community, the government and by extension, a wide range of social, political and economic relationships that map the environment of southeastern Michigan. The call for this basic sea change, the realignment of government and its operations has a long history in our community. The Detroit City Charter has had several iterations to its local constitution (Charter) over the course of Detroit's history. In each case, the call for Charter revision followed uncompromising periods of dysfunction or political corruption. The most dramatic period of political reform initiated because of abusive public behavior that occurred during the late nineteenth century. Under Detroit Mayor Hazen Pingree and his progressive reform movement of the 1890's, Detroit realigned its service delivery systems by establishing public institutions owned and controlled by citizens.ⁱ

Mayor Pingree, who earned the name "the Potato Mayor" because of his novel use of vacant lots within the city that enabled community gardens to grow food for the poor, is best known for running and winning on a platform of exposing and ending corruption in city paving contracts, sewer contracts, and the school board. He resisted privately owned utility monopolies, challenged the electric and gas monopolies through creating municipally-owned competitors and spearheaded an effort to force a reasonable fare structure with Detroit City Railways.

Just as Mayor Pingree realigned city government by rescuing it from the control of private individuals, other initiatives will be needed to correct recent abuses in Detroit to establish a balance between overburdensome regulatory control and individual hubris. The Detroit Charter Revision Commission, invested with a mandate from the citizens of Detroit, is likely to confront and resolve issues of corruption and abuse of public offices. Principal among its considerations will be the ability to create a system of governance that can attract the talents of all citizens independent of their occupational status, income levels and political preference.

Throughout the many discussions within the Charter Revision Commission, and most notably during its Phase II process, several of the special subject matter speakers indicated that much of the problem, and by association potential solutions, to issues of public corruption and abuse of office revolve around leadership and individual patterns of conduct. They suggested that the issues that ultimately created the context for the Charter Commission's work were less the results of differentiating legalese in the Charter, but more the character and leadership of our elected officials. For example, two of the most esteemed and well respected individuals addressing the Commission included former City of Detroit Corporation Counsels Elliot Hall and Donald Pailen. In both instances, Hall and Pailen brought to the Commission expert legal knowledge as well as the advantage of insider knowledge as former City of Detroit Corporation Counsels. Attorneys Elliot Hall and Donald Pailen, in addressing the relationships between

elected officials and their compliance with the Charter, indicated that the critical issues are of leadership and the forthrightness of elected officials as they perform their duties and obligations as elected representatives of the people. They also suggested that the Charter itself may require some tweaking to resolve issues of conflict of interest and the like, but they openly isolated the conduct of elected officials as the most important issue in seeking compliance with the rules, obligations and sentiment of the Charter.ⁱⁱ In this regard, the selection and the enabling of a wide swath of electable candidates may provide for a greater representative sample of Detroiters to ascend to and actually hold public office.

This report is designed to raise issues of leadership development and how the Charter Revision Commission, in its judgment, might outline a set of public policies designed to reduce political corruption, improve equity among candidates, improve competitiveness and increase public participation in Detroit elections. The data for this report draw upon the experiences of other municipalities as well as a liberal reading of the legal constraints that can enable public funding of campaigns. Public funding in this instance is a part of several necessary course corrections, that when taken together, can provide the general public a greater level of assurance that public officials will respect and uphold the interests of the people.

The report concludes with a recommendation to create a Charter enabled Commission on Public Funding and Reporting of Campaigns. The Commission will oversee a public discussion leading to the establishment of local political reforms in Detroit elections that will seek to arrest the causes of corruption and abuse in local government.

A Brief Summary of Public Financing in Michigan Campaigns

Public policy should be designed to correct abuses or advance innovations. Currently, the State of Michigan allows for public financing of political campaigns. Sasha Horwitz (2008), indicates in a publication of the Center for Governmental Studies entitled "Public Campaign Financing in Michigan",

"In 1976, in the wake of Watergate, the state of Michigan enacted the Michigan Campaign Finance Act, which established a public campaign financing program for gubernatorial elections. To lessen the influence of private contributions, the program provides supplemental public money to candidates willing to limit their spending." (Horwitz, 2008, Executive Summary)

Horwitz also suggests that the Michigan public financing practice has fallen into disrepair largely because of the high costs of state-wide campaigns for the office of Governor. At the time of her report, the State of Michigan had amassed a reasonable amount of campaign contributions to fund gubernatorial elections. The basic method to fund these elections utilized a state income tax check-off. Michiganders were asked, as part of their annual state income tax, to authorize the State Treasury to take by income tax check-off a dollar or two from each consenting resident within the State of Michigan who files a state income tax return. The State Legislature created by statute the State Campaign Fund.ⁱⁱⁱ This check-off method raised public funds for gubernatorial campaigns and generated several million dollars under the State Campaign Fund until the State Legislature raided the fund by changing the expenditures permitted under the fund.

However, even with the statewide check-off method to capitalize the fund and with reasonable participation from citizens, the escalating costs of campaigns continued to reduce the impact of public financing of political campaigns. Horwitz notes that campaign financing appeared to meet its desired goal until the 2006 gubernatorial election wherein Republican Candidate Dick DeVos rejected public money and went on to self-finance his campaign in the amount of \$35 million. In the next gubernatorial cycle, the same

set of circumstances repeated as current Governor Rick Snyder is said to have also marshaled an equal sum of personal funds to finance his election. Independent of this recent history, it is widely regarded that state funding of select elections serves a public purpose. Additional evidence of this sentiment is seen as the State of Michigan aggressively discusses the possibility of expanding public financing of campaigns for Michigan State Supreme Court Justices.

As reported above, current Michigan elections laws allow for public financing of gubernatorial elections and likely will soon enable Michigan Supreme Court elections. In this vein, select public supplemental financing of local elections may provide for a valuable set of tools for citizens as they revisit issues of political corruption and abuse of powers by local elected officials. In taking this proposed step, enabled by the Detroit Charter, the desired public policy objectives are as follows:

- (1) Reduce political corruption;
- (2) Improve equity among candidates;
- (3) Improve the competitiveness of elections;
- (4) Increase public participation in elections.

In Michigan, political campaigns and financial contribution requirements are regulated by the State of Michigan Campaign Finance Act (MCFA). The MCFA regulates campaign activities starting with the filing of a candidate's statement of organization, to allowable contributions, and the filing of various reports to the final disbursement of unused campaign resources upon the dissolution of the candidate's committee. While it is critical for any candidate and citizen to understand the various requirements imposed upon the political process by the Michigan Campaign Finance Act, a short section in this report is limited to the issues of public financing of campaigns and more specifically the implications of Section 57 and other relevant sections of the Michigan Campaign Financing Act. Before examining the implications of Section 57 of the MCFA, it should be said that the MCFA imposes the same campaign requirements at the state level as it does for counties, cities and villages. Inasmuch as the MCFA does not prohibit state funding of gubernatorial campaigns, it should not prohibit local funding of political campaigns.^{iv} By the same token, using the same enabling provisions that allows for public funding of gubernatorial campaigns and potentially public funding of State Supreme Court campaigns, it would appear that these provisions, as applied locally, may allow for the funding of local campaigns. Alternatively, if it does not, we can and should spark a policy debate within state government that will create the statutory authority to create a self-funding political mechanism to regulate local campaigns.

In this limited review of Section 57, this report proposes two general readings of the requirements imposed on local government in connection with the Michigan Campaign Finance Act. The first is that under the Michigan Campaign Finance Act (MCFA) SECTION 57, public bodies are prohibited from contributing to election campaigns in an effort to influence the outcome of an election or ballot initiative. For example, the Detroit City Council cannot make a contribution to a campaign. In this prohibited action, the body is acting as a body and is likely utilizing public resources under its control. This type of activity is expressly prohibited. Of course, individual members of the Detroit City Council can make contributions of their private funds to any political campaign within the limits of Michigan law. A public body cannot make political contributions to campaigns.

The creation of a public financing option for local campaigns is not a contribution or gift to a candidate; it is rather an investment in the overall political process that may very well open the process to a greater number of citizens. This open process is designed to create a more competitive environment in elections. To deprive Detroiters of this opportunity will restrict us to traditional, and some would argue, unfair dependency on money that lies at the cornerstone of abuse and corruption. A political process with

less dependency on large sums of money can allow more diversity, and under districts, a continuous stream of replacement candidates to replenish the voice citizens in government. This same open process can recruit residents who have in the past forgone political campaigning and potentially add more diverse talents to our governance structure. The objective here is for inclusiveness, not an effort to influence the results of any individual campaign outcome.

The second reading of Section 57 of the MCFA concerns the administrative operation of a public body. Much of this history has developed in connection with challenges against public service unions who have sought to create automatic check-offs of union members for their campaign efforts or PAC's facilitated by public institutions. The connection with public bodies has centered around the body providing the authority for or enabling a process of collection, as in the case of a school board that may authorize a check-off of union members to collect funds to transfer funds to the union's Political Action Committee (PAC). Here again, the question can be legitimately raised whether, in fact, this action is designed to influence the outcome of a specific election. If one concludes that this is intended to directly influence the outcome of a specific election, then the state prohibits this type of campaign activity by public bodies.

A search of Attorney General Opinions in connection with Section 57 shows several opinions relative to Section 57. The most on point or targeted opinion in this matter is opinion #6895;

"Section 57 does not restrict the constitutionally protected right to associate or to engage in political speech. It is intended to prevent those who control public resources from using those resources to influence the outcome of an election. It does not prohibit community organizations or local government from making the views of candidates or those supporting or opposing ballot questions available, provided that government resources are not used to influence the outcome of the election. Section 57 first became effective on March 28, 1996." (State of Michigan SOS website with index of AG Opinions on MCFA, AG Opinion #6895, 1996) The purpose of public financing of campaigns is to expand the voice of residents or enhance free speech by encouraging more economic diversity among candidates in local elections. Economic diversity in candidate selection by the entire populace creates more options for citizens. Under public financing of campaigns, citizens are not dependent upon candidates who have high name recognition or are the benefactors of machine politics and large corporate contributions. No direct endorsements are made to suggest a favorite candidate over another inasmuch as each candidate will have the same access to public support of their campaigns as another under the eligibility rules of the program, including the option to opt out of the public supplement.

In Detroit, like many other communities, political access is often determined by candidate name recognition. At the state level, large campaign coffers determine the outcome of campaigns largely because they help to establish a profile of the candidate outside of a process where the record of the candidate can be vetted. Campaign funds into the millions of dollars create a false echo and distort reality. These funds have crippled what was once a novel attempt to bridge the gap between free speech and unfettered access to resources to effectively mount successful campaigns. Unlimited special interests funds result in the underdevelopment of political process and citizen empowerment.

While admittedly, this has and will likely continue to cast a shadow over state-wide gubernatorial campaigns, the same effort with a new rationale for local empowerment can be applied to local campaigns. The suggestion is that because of the smaller geographic turf associated with city-wide, and more importantly district-wide campaigns, local public subsidies to campaigns can actually provide the intended impact envisioned by policymakers as far back as the days of Watergate. Indeed, efforts to create more diversity in campaigns at the district level can also create a counterbalance against the state wide elections as well as city-wide elections of Mayor and Council at Large.

Finally, Detroiters can again lead the state in seeking modern campaign reform as it did in 1977. The City of Detroit challenged the MCFA by advocating for a more restrictive regulatory scheme than the state by imposing a more restrictive rule in reporting campaign contributions. The city's effort was in direct contradiction to a section of the MCFA which prohibits any local rules to be more restrictive than of state rules (see MCFA section 162.____ and AG opinion #5211). Needless to say, Detroit's challenge to state law in this regard was ultimately upheld. The actions of Detroiters resulted in adjustments to the interpretation of the MCFA.

Recommended Procedural Approach and Structure for Detroit Public Election and Reporting Commission

This research proposal argues for a select supplemental program of public funding of local campaigns administered by Detroit's Election Commission with oversight by a newly constructed Public Elections and Reporting Commission (Commission). The cornerstone of the work of the new Public Election and Reporting Commission will be to research, discuss and propose a city ordinance or Charter amendment for a series of local laws to regulate lobbyist activity and create a public financing campaign program before the next cycle of municipal elections in 2013.

To elevate the efficacy of the proposed program and encourage legitimacy in the eyes of Detroit voters, this proposal argues for the Charter to create the public fund and assign oversight of the fund to a public Commission. Appointments to the Commission, as proposed, are by Charter as opposed to an exclusive appointment arrangement utilizing local elected officials. It is recommended that the Commission be a five (5) member Commission composed of three college level presidents from within the area or their designees and one (1) resident of Detroit appointed by the Mayor and one (1) resident of Detroit appointed by the Detroit City Council. The Commissioners' term of office should be set at five years or sometime greater than the terms of office of the candidates should they win election. The Commission will set its rules and be charged with the responsibility of capitalizing the public campaign fund.

It is recommended that the program be tried on a pilot program basis. Such a program will provide an opportunity to develop clear rationale, public support and a rational implementation strategy for the city. If the program is successful, it can be expanded to meet the future needs of the city. The proposed Charter must enable the creation of the campaign fund, place oversight responsibility with the Commission and place administrative control in the hands of the Detroit

Election Commission. The Commission will establish general goals of the fund as well as a strategy for disbursements of public funds to campaigns. This report suggests, in the fund's infancy, to limit public support to campaigns to only the district elections until a clear pattern of fund development has emerged through the practice of the program. It is also suggested that the Commission determine any reasonable and appropriate links between other mandatory campaign reporting and lobbying requirements enacted by the new Charter. Parenthetically, the newly constructed Commission may gain some invaluable insights in the operation of such a fund through discussions of this proposal with the Secretary of State (SOS) Department of Elections (DOE) who administer and provide oversight to MCFA activities, including the state's fund.

Potential Methods for Capitalizing the Public Campaign Fund

In investigating other public financing programs for local campaigns, a wide range of capitalization methods were revealed. The most popular of these financing methods is direct appropriations of general purpose/general fund revenue from the participating government. The top five financing practices used across the nation in addition to several suggested methods are listed below:

1) Direct Appropriation of General Purpose / General Fund Revenue. In many cases the appropriation was a set dollar amount and in other cases, as in the case of San Francisco, California, a per person allocation of \$2.75 was allocated within the general fund to administer all of the activities associated with its public funding program.

2) **Citizen check-off from income tax returns.** This method is used at the federal level as well as within Michigan. Citizens are asked to provide the State Treasurer authorization to subtract from their income tax return a specified sum to support public financing. These funds are placed into a restricted fund for use by the program. Normally a tax benefit is provided the contributor.

3) **Gifts.** Any citizen, organization or company can make a gift to government. Their gifts can be targeted for a specific program within government. Citizen gifts have long been used to supplement various programs in government, especially in areas of forestry and recreation. A direct appeal can be made to the citizens of Detroit to make financial contributions to the public supplemental campaign fund in an effort to reduce political corruption and abuse and constrain the costs of local elections. Additional motivation for contributors is to create more diversity within the pool of candidates for elections. By lowering the initial investment levels in campaigns, we can attract a wider swath of candidates within the district structure who

may have problems in accessing campaign funds. Conceivably, such an appeal might be received as an empowering message for our citizens.

4) Proportionate appropriations of the sale of small assets and obsolete equipment. In some of the jurisdictions who have public funding of campaigns, they have appropriated a share of funds from the sale of delinquent property. This same process can be applied to the sale of stolen property, obsolete equipment and other measures wherein the government is divesting itself from some product, property or other asset.

5. Fees from candidates, companies or individuals involved in influencing the outcome of government. Clearly, registration and reporting fees from lobbyists hoping to do business with government is a regular source of funding for this type of program.

6. Special allocations of court awards, judgments or mediated settlements that are collected from companies, individuals and candidates who violate local campaign finance and reporting provisions.

7. **Disbursement of campaign funds during Committee dissolution.** Currently, under the MCFA dissolving candidate committees must return unused campaign funds to the donor or to a charity. With the cooperation of the State, through amendments to the MCFA, campaign committees for elections in Detroit and Wayne County should have an added option to disburse the fund to the local public funding of campaign fund.

In Table #1, Select Review of Various Public Funding Programs, please see a few examples of the programs from other states and municipalities that currently offer supplemental funding of campaigns. The

list is not exhaustive but is only a representation of some of the programs devised by other governmental

structures who are attempting to resolve issues of fair and open political involvement of its citizens:

Municipality/State	Date adopted	Method of Adoption	Basic Method of Funding	Key Components
Sacramento CA (pop 453,781) Covering election for Mayor and City Council (partial funding; match funds)	2003 / election 2004	By Ordinance enabled by Charter	General Fund Appropriation	(1) Declaration of Intent (2) Qualifying funds –Mayor and Council (3) Spending Limits (4) Lobbying Registration (5)
San Francisco CA (pop 744,041) Covering elections for Board of Supervisors and Mayor (partial funding; match funds; costs cannot exceed \$2.75 per year per resident of San Francisco)	2000 / election 2002	Ballot Proposition	General Fund Appropriation	 (1) Require annual public reporting on the use of public financing funds (2) Declaration of intent (3) raise at least \$5,000 in qualifying contributions from at least 75 residents in contributions of \$10 to \$100 and agree to spend no more than \$140,000 (4) be opposed by a candidate that spends more than \$5,000.
Chapel Hill, NC (pop 51,519) Covering elections for Mayor and Council (partial funding; match funds; costs)	2007/	Enabled by State Legislation, enacted by local ordinance as a voluntary pilot program.	General Fund Appropriation and voluntary contributions and donations	(1) Collect; Council 75 qualifying contributions (\$5 to \$10) adding up to \$750; Mayor 150 qualifying contributions (\$10 to \$10) adding up to \$1,500 <u>need clarification (2)</u> limit spending (3) agree to several administrative rules
State of Connecticut (pop 2.5 Million) funded by state program through the sale of abandoned and unclaimed assets	N/A	State enabled	General Fund Appropriation / sale of abandoned and unclaimed assets	(1) Declaration of Intent (2) Qualifying funds –Mayor and Council (3) Spending Limits (4) Lobbying Registration (5)
State of Washington (pop 6.6 Million) Statewide enabling law leaves funding options to determine at the local level, consequently, Washington State has several practices.	2008/	State enabled	Determined by local government.	(1) Declaration of Intent (2) Qualifying funds –Mayor and Council (3) Spending Limits (4) Lobbying Registration (5)

Table #1, Select Review of Various Public Funding Program

For example, the State of Connecticut funded its state program through the sale of abandoned and

unclaimed assets and properties that have come into the state's possession^v. The State of Washington

created a state wide option for public financing of campaigns and required each municipality wishing to utilize the option to determine for itself how it would be financed.^{vi} The city of Sacramento (Sacramento City Code 2.13) – Campaign Contribution Limits and 2.14 - Campaign Spending Limits & Public Campaign Financing) adopted a local campaign regulation, which applied to all candidate committees and provided matching funds in exchange for restricted spending and placed limits on contributions. Other local municipalities including Chapel Hill, Albuquerque, Tucson, Austin, Boulder, New York City, Long Beach and San Francisco all have varying types of public financing of local campaigns.

Olympia, Washington, Initiative 134 (March 2008) allows for local municipalities within the state to create the option and regulate local public financing of campaigns. Before the enactment of Initiative 134, the city of Seattle and King County permitted public financing. In an Associated Press article dated March 17, 2008,^{vii} the stated reason for the campaign reform allowing for public financing was stated as to "help balance the influence of special interests in local campaigns and encourage more people to run for office."

Can Public Financing Work In District Elections?

In deciding to embrace a strategy to provide public funds for campaigns, Detroiters along with other governmental entities must resolve the benefits of this approach against the costs or values of supplemental funding of campaigns. A clear agreement can be made that under austere times government should restrict itself to core operations and leave the extraneous programs for someone else, which in most cases means the private sector or the not-for-profit advocacy organizations. The opposing view suggests that nothing is more central to the democratic operation of government than the methods it uses to represent people and prioritize the common needs of the people. Political campaigning is the method used under our democratic system to enhance the possibility that all people have access to power and influence. Under this view, the suggestion is advanced that more attention and resources should be devoted to a fair and balanced method to select political leadership.

The ultimate set of questions on this type of issue is of course, "Will it or does it have a remote possibility of working as a mechanism to fight against abuse and corruption in political life?" Because of the limited information available regarding the costs of local campaigns joined with the high possibility that the next set of municipal legislative elections in Detroit will be held under a district system, it will be difficult to perform a simple costs/benefit analysis to determine the efficacy of public funding of elections.

Generally, there are many methods that citizens might employ to determine the costs and value of public funding in Detroit. Likely, the most common is an examination of the campaign expenditure of local candidates over a recent period of time that could yield some information with respect to the costs of local elections. In Detroit and Wayne County electronic records allowing for

this examination are not on-line and easily accessible to the public. Aside from the problem of the availability of this data in an easily accessible form, campaigns have a wide set of factors that will influence costs. For example, if a candidate has high name recognition or a strong reputation for community work, fewer funds will be required or needed to present his or her record to the voting public and establish a link between the candidate's interest in the office with the opportunity to run and win the office. Additionally, more assumptions are needed to convert the financial data typically associated with a traditional campaign to adjust the financial information from a city-wide campaign to a district-wide campaign.

With little historical data on the cost of a campaign, another plausible method to measure the efficacy of public funding is to create a fictitious campaign and assign costs, working the cost figures through a set of assumptions.

Assuming that the Charter Revision Commissioners continue to support the concept embedded in Proposal D^{viii} and choose to retain the express will of the people by recommending a district structure of elections of city council members, please note the following scenario used to create the fictitious campaign.

Election Scenario

The City Charter enables the creation of a pubic fund to provide supplemental funding of local campaign limited to City Council district elections. Participation in the program is voluntary. Candidates agree to spend up to a specified amount of money in the campaign. Candidates also agree to meet several eligibility requirements to access public supplemental funds. The major eligibility requirements are to raise a critical amount of their funds through small donors of \$25.00 [a donor base of \$5,000.00 – 400 contributions @ \$25.00], preparation of a comprehensive issue paper delineating their future vision of the city, and participation in three local candidate forms within their immediate district. Candidates would also have to make several public disclosures relative to their occupation, domicile and family members who are involved in contracting and approval process in local government. If the candidate is or has once been a lobbyist, this lobbyist record must be released to the press. Finally, candidates pledge to be current in filing any campaign reporting requirements imposed by state or local campaign finance rules. Candidates would be unable to access public funds unless they have a credible candidate in the same race as the candidate. Match dollars are not to exceed \$10,000.00.

Demographically, fictitious city "X" has approximately 850,000 residents. In this scenario, approximately one third of the residents is under the age of majority and cannot vote in elections. About 576,666 eligible voters should be available to participate in the elections for city council. Assuming a normal household count, the city is projected to have about 350,000 households. To determine the contours of the household count of 350,000 voter households is divided into the number of districts available for city council elections. Three hundred fifty thousand households are divided into seven (7) districts yielding 50,000 households. The objective of the campaign is to receive support from 25,000 households, plus one or fifty percent of the participating voters, plus one. To win under these set of assumptions in our fictitious campaign, a reasonable budget for the campaign might look as follows;

Activity	Calculation	Projected Costs
Campaign Office (6 months of operations)	\$ 350 * 6	\$ 2,100.00
Professional staff and volunteers	\$1,000 * 6	\$ 6,000.00
District Mailing / Design and Printing 50K		\$ 7,000.00
District Mailing / Postage (Bulk Mailing) 10,000		\$ 12,000.00
letters and/or flyers-brochures 50 K hh		
Visibility (20 local billboard within the District)		\$ 5,000.00
Registration Fees / costs to circulate petitions		\$ 500.00
Party or Slate Fees		\$ 1,000.00
GOTV : Phones	10 PW*\$15 hr* 10 days	\$ 1,500.00
GOTV: 20 Poll workers (priority hours)	75 PW*20 locations	\$ 1,500.00
		\$ 36,600.00

Table #2: Modest Campaign Budget / District Election within the City of Detroit by Candidate

To participate in the election the eligibility requirements to access matching funds is \$10,000.00. The match funds would provide another \$10,000.00 for a total of \$20,000.00. A serious candidate should be able to attract the balance of \$16,600.00 or control his or her campaign strategy to work within the projected budget at \$20,000.00. Overall, the question left for resolution is, if the supplemental funding will encourage a greater set of individuals to participate in elections with less dependency on large donors! Will the benefits justify the effort to curtail political corruption and

abuse?

Notes and References:

ⁱⁱ June 8, 2010 meeting of the Detroit Charter Revision Commission. Panel discussion on Executive Departments/ Corporation Counsel and other appointed officials. Tuesday, June 8, 2010 held at the Detroit Regional Chamber of Commerce.

iii State of Michigan, Michigan Campaign Finance Act, Act 388 of 1976, MCLA 169.261, Michigan Campaign Fund.

^{iv} The staff of the Detroit Charter Revision Commission has been in contact with the Michigan Attorney General's Office and the Secretary of State, Department of Elections, both indicating that they cannot immediately determine that a prohibition exist that would prohibit a local application of public funding of campaigns patterned after the State program. The SOS/DOE also noted that local government could not under the MCFA promulgate a more restrictive set of rules over the rules set by the State. The office also referred staff to a 1977 Michigan Attorney Opinion #5211. The Opinion was in response to a conflict wherein Detroit proposed rules to track expenditures of one cent (\$0.01) or more as part of meeting the requirements under MCFA, where the State had required tracking expenditures of \$20.00 and above.

^v Boston Globe, Campaign finance goes public in Connecticut; Failed Mass. efforts didn't deter political candidates By Gregory B. Hladky, Globe Correspondent / October 5, 2008. To qualify for \$25,000 in public campaign funds, major party House candidates must raise \$5,000 in small contributions and agree to a \$30,000 spending cap. Senate candidates can receive \$85,000 by raising \$15,000 on their own and limiting spending to \$100,000. Third party candidates must also collect signatures, a way to vet fringe candidates, officials said. A highly controversial provision allows unopposed candidates to qualify for public funds, up to 30 percent of the amounts allotted to candidates in contested races. The system covers legislative as well as statewide candidates

^{vi} Washington State The Local Option law eliminates a previous state ban on using public funds for political campaigns at the local level. It is not a mandate, but it gives permission for cities, towns, counties and local districts to create their own programs offering public financing for campaigns for local office. It requires that any such program be submitted to local voters for approval or rejection, through a local referendum or advisory ballot, Washington Clean Campaign, <u>http://www.washclean.org/localchapters.htm</u>. Local Washington Chapters are located in SEATTLE AREA, KING COUNTY, SOUTH KING COUNTY 11th (Central) DISTRICT, SEATTLE, East King County, SNOHOMISH COUNTY, PIERCE COUNTY, SPOKANE, THURSTON COUNTY, PULLMAN and WHATCOM COUNTY.

^{vii} Associated Press article, March 17, 2008

viii Proposal D, 20XX amending the 1979 Charters by enacting Detroit City Council elections by districts (Seven districts and two at large districts) The vote to amend the Charter was ______ support and ______ opposed for a total voter vote of ___% and a polarity of ___%.

¹ Holli, Melvin G., (1973) Reform in Detroit: Hazen S. Pingree and Urban Politics, The Urban Life in America Series. Published August 27th 1981 by Greenwood Press Reprint (first published 1973)