



## **Local Election Finance Study**

League of Women Voters  
Southwest Santa Clara Valley (SWSCV)  
*Serving the communities of Campbell, Los Gatos, Monte Sereno, & Saratoga*

March 1, 2017

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## Study Committee

Tom Picraux\*, Danice Picraux\*, Meg Giberson, Kathy Murtfeldt, Pat White, Eleanor Yick

\* Co-chairs

## Preamble

LWV Mission: The League of Women Voters, a nonpartisan political organization, encourages the informed and active participation of citizens in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy.

## Preface

The SWSCV League decided at their 2016-17 annual planning meeting to carry out a Local Election Finance Study. The study is a follow-up to a survey of local election finance regulations that our League conducted last year as part of the League of Women Voters' national "Money in Politics" study. The Local Election Finance Study committee was charged with reviewing and analyzing available information on local election financing and reporting for the cities within our local area, Campbell, Los Gatos, Monte Sereno, and Saratoga, as well as comparing the results to practices in nearby cities in Santa Clara County. The purpose of the study is to understand best practices, to educate our membership, and to explore ways to increase transparency and encourage participation in our local elections.

## Contact us:

Website: <http://www.lwv-sw-santaclara-valley.org/index.html>

E-mail: [lwv.swscv@gmail.com](mailto:lwv.swscv@gmail.com)

Phone: 408-LWV(598)-1842

Address: P.O. Box 2865, Saratoga, CA 95070

Facebook: [www.facebook.com/lwvswscv](http://www.facebook.com/lwvswscv)

Twitter: [lwv\\_swscv](https://twitter.com/lwv_swscv)

## **Executive Summary**

The League of Women Voters seeks to promote participation and transparency in our local elections for both voters and candidates. This study's focus is an assessment of current election finance and reporting processes for city council and school board elections in Campbell, Los Gatos, Monte Sereno, and Saratoga. Results for the November 2016 election are analyzed. There were 14 candidates contending in the four city council races and 10 candidates contending in three school board races. All races were contested and one city council race was decided by a margin of only 10 votes.

Campaign spending was relatively small for school board races. Detailed reporting is not required if less than \$2000 is spent or raised. For council races total spending ranged from below \$2000 to nearly \$23,000. Minimum contributions for council races ranged from \$20 to 100, maximum contributions from \$300 to \$2,000, and median contributions from \$100 to \$300. The median total contribution amount raised was about \$6,000 and the median contribution size was about \$100. Practices in city offices varied, depending on how the Form 460 campaign disclosure reports were made available.

Ten candidates from the 2016 or 2014 election were interviewed to gain additional perspective on the election process. One notable response was that candidates invariably found the process of campaigning to be more enjoyable than anticipated, and especially found the opportunity to meet and talk with a wide cross section of people in their district to be both enjoyable and give them valuable perspective. As part of this study, comparisons were made to additional local election regulations instituted by nearby cities, including maximum contribution limits, voluntary expenditure limits, term limits, and disclosure of top donors in campaign advertisements.

As a result of the study we have several major findings that we believe may promote participation and transparency in our local elections for both voters and candidates. We encourage our League members along with our community members and the leadership of our local cities to discuss, debate, and consider these findings. The findings are presented in Section 9 of this report and are briefly summarized here:

- We encourage our cities to post on their websites detailed candidate guidelines with links to sources of candidate training.
- We recommend cities scan and post all candidate Form 460, 470, and 497 reports on their city website within 48 hours of the filing dates.
- We encourage our cities to post more information during election season on their city website regarding candidates running for city council positions.
- We encourage our cities to discuss and consider the relative merits of voluntary spending limits or (non-family) campaign donation limits.
- We suggest that cities consider bearing a portion of the cost (currently about \$1,500 to \$1,800) of the candidate statement for the Voter Information Pamphlet mailed to all voters.
- We encourage our school boards to consider sharing the cost of the candidate statement to encourage qualified candidate participation in school board elections and to get the candidate's statement out to the voters.
- We encourage school boards to discuss and consider the merits of term limits for our local school boards in order to bring forth new candidates and new ideas.

## **1. Introduction**

Local elections are the foundation of democracy. Key tenets of democratic elections are **participation** and **transparency**. Participation means to ensure that we have informed voters engaged in the election process who support and encourage local leaders to stand for election and who participate in the governance of our communities.

Transparency means that our citizens are well informed about our candidates, their positions, their sources of financial support, and their expenditures. To paraphrase Justice Louis Brandeis, sunlight is “the best of disinfectants.” In democratic elections we strive for a process that is fair, transparent, and available to all. Hence, we should do everything possible to encourage and make the processes of participation and transparency as convenient as possible.

Several areas of improvement and opportunities for improvement in participation and transparency have occurred in recent years. There have been major improvements in the convenience of registering to vote and voting in California in local, state and national elections. While there have been significant changes in election finance law due to Supreme Court decisions over the last 15 years, there remain certain tools which can and have been utilized at the state, county and local level to control the size of candidate contributions and spending. In addition, current laws requiring detailed reporting of contributions and expenditures help provide transparency to voters.

A particularly significant change over the last two decades is the advance of the Internet as a convenient and rapid source of information for all citizens. Nearly everyone in our community has access to the Internet at home, on mobile devices or at libraries. Information can be obtained at one’s convenience, whether at a coffee shop with friends or at home in the middle of the night. The ability of cities to place well-organized and relevant local election information on a city’s website provides a powerful tool to support transparency. A city’s website can and should provide trusted information that can be easily found by both voters and candidates when and where they need it. Many cities in Santa Clara County are pioneering the use of their websites to communicate to voters and candidates. Much is still being learned as to how to most effectively and conveniently provide the information. What is clear, however, is that every city needs to set a priority to develop ways to provide election information to its citizens in an effective and convenient manner. This policy can be accomplished by maintaining in-house staff expertise or through contract support.

## **2. Study Objective**

The study’s objective is to promote participation and transparency in our local elections for both voters and candidates. The study examines current local election finance and reporting processes, regulations, and experiences for city council and school board elections in Campbell, Los Gatos, Monte Sereno, and Saratoga. We have included a brief analysis of the election results, the election reporting processes, and election spending, as well as conducted interviews with local candidates. We have also examined local election processes of other nearby cities in Santa Clara County. The study concludes by identifying several “best practices” based on our analysis that we believe are worthy of consideration and further dialogue by our League membership, our community and the leadership of our local cities. Our purpose is to educate our members, inform our community, and encourage best practices for elections.

### 3. Summary of November 2016 Election Results

City and town council elections were contested in all four races held in the SWSCV League’s area (Table I). All school board and high school board races were also contested (Table II). We are happy to note the active participation of our citizens in standing for candidacy this past election. The results in Table I for Monte Sereno showed that as few as ten votes were the deciding factor in winning that city council seat, with as few as 2 votes separating the top two candidates, supporting the old adage: every vote counts. Incumbency is seen from the tables to be an important, but not a determining, factor in the election outcome.

As shown in Table I, the amount of money spent by candidates on their campaign varied widely. Total expenditures for city council races ranged from a high of nearly \$23,000 to less than \$2000. Please note that total contributions or expenditures below \$2000 do not trigger detailed contribution and expenditure reporting, so that exact expenditure amounts below \$2000 are not always available. Detailed comparisons were not made to other cities in the area, but, in general, local expenditures for council seats were lower than in the more populated cities in the south Bay Area. Expenditures for school board races were small and below the detailed reporting threshold of \$2000.

Candidates engage voters, become known, and get their message out in many ways and campaign spending is only one factor in determining election results. Incumbents are seen to have won 4 and lost 1 of the 8 positions for city council seats in this past election. Non-incumbents won the other 4 positions and lost in 5 races.

Table I. City Council Elections, November 2016  
*Campbell*

Candidate	Incumbent	Votes	% Vote	Result	Funds spent
A	-	8063	32.7	E <sup>1</sup>	\$22,845
B	-	7102	28.8	E	\$2,232
C	-	5710	23.1		\$16,487
D	-	3793	15.4		\$12,964

*Los Gatos*

Candidate	Incumbent	Votes	% Vote	Result	Funds spent
A	I <sup>2</sup>	9721	44.4	E	\$16,834
B	I	7563	34.6	E	\$1,812
C	-	4602	21.0	-	\$814

*Monte Sereno*

Candidate	Incumbent	Votes	% Vote	Result	Funds spent
A	-	767	26.3	E	<\$2000 <sup>3</sup>
B	-	765	26.3	E	<\$2000
C	I	755	25.9	-	\$3466
D	-	626	21.5	-	<\$2000

*Saratoga*

Candidate	Incumbent	Votes	% Vote	Result	Funds spent
A	I	8748	39.3	E	\$7,675
B	I	7449	33.4	E	\$5,054
C	-	6075	27.3	-	\$20,405

<sup>1</sup> E = elected

<sup>2</sup> I = incumbent

<sup>3</sup> If candidate raises or spends less than \$2000, itemization is not required and short Form 470 can be used.

Table II. School Board Elections, November 2016

*Los Gatos Saratoga Joint Union High School*

Candidate	Incumbent	Votes	% Vote	Result
A	I	11968	30.4	E
B	I	11856	30.1	E
C	-	8686	22.0	-
D	-	6879	17.5	-

*Los Gatos Union Elementary School District*

Candidate	Incumbent	Votes	% Vote	Result
A	-	6359	34.5	E
B	-	6195	33.7	E
C	-	5849	31.8	-

*Saratoga Union Elementary School District*

Candidate	Incumbent	Votes	% Vote	Result
A	-	5842	39.5	E
B	-	4660	31.5	E
C	-	4302	20.0	-

One notable expense for low budget campaigns is the cost of including one’s candidate statement in the Voter Information Pamphlet. This information packet includes the sample ballot and is mailed to all voters. There is a charge for including the candidate statement to cover a share of the county’s printing and mailing expense based on census population data for the election district. For council races in Campbell, Los Gatos, Monte Sereno, and Saratoga the charge is \$1830, \$1790, \$1520, and \$1800, respectively. The cost is similar for school board races in our area. This additional candidate statement fee is due immediately upon filing to run. By law this cost can be borne by the candidate, by the local district (city or school board), or can be a shared cost. In our area, the city of Campbell charges candidates for council a \$300 filing fee and pays for the balance of the candidate statement cost. This practice of sharing a substantial fraction of the fee helps to reduce the possibility that the size of this initial fee will discourage qualified candidates from running for office. The importance of the candidate statement is that voters often perceive a lack of seriousness or effort on the candidate’s part if the statement is missing, whereas, it can be a serious cost consideration for low budget campaigns. In reality many candidates forgo this expense even though that will reduce information available to voters and may leave a negative impression with some voters. We consider the Campbell practice of sharing the candidate statement fee to be a best practice. It both encourages participation by candidates and assures the availability of candidate information to voters.

**4. Summary of State Election Reporting Requirements (2016)**

California state laws regulate campaign contribution and expenditure reporting through the Fair Political Practices Commission (FPPC). All candidates for public office must file candidate information and campaign disclosure reports during the course of the election. Candidates who raise or spend less than \$2000 may file a short “Form 470” report, whereas those who raise or spend \$2000 or more in a calendar year must file a more detailed Form 460 report. Form 460 reports must identify the name, address, occupation, and amount of all contributions that are cumulatively of \$100 or more from a single source. It also must detail all campaign expenditures of \$100 or more by category, as well as list campaign loans and in-kind contributions. Contributions of \$100 or more in cash, money orders, traveler’s check or cashier’s check are forbidden. For contributions

of \$1,000 or more received after the Oct. 22<sup>nd</sup> filing date and before election day, a Form 497 must be filed within 24 hours of receiving the contribution.

### 5. Local Election Laws in our Area and in Nearby Cities

State law authorizes cities to enact additional election requirements as long as they do not conflict with or prevent compliance with the California Political Reform Act. The Act, which is implemented by the FPPC, specifies the content and timing of candidate campaign statement filings for city office. Additional local requirements can take the form of disclosure/disclaimer obligations or reporting requirements. Some local cities have instituted additional election finance regulations as given in Tables III for the cities in our area and in Table IV for other cities in Santa Clara County.

Table III. SWSCV League area: City council election regulations

<i>City</i>	<i>Maximum contribution limits</i>	<i>Voluntary expenditure limit</i>	<i>Term limits<sup>1</sup></i>	<i>Election finance posting<sup>2</sup></i>	<i>Search-enabled municipal code on web</i>	<i>Other election regulations or services</i>
Campbell	No	No	Two 4-yr. terms <sup>3</sup>	No	Yes	
Los Gatos	No	No	No	No	Yes	
Monte Sereno	No	No	Two 4-yr. terms <sup>4</sup>	No	Yes	
Saratoga	No	No	No <sup>5</sup>	No	Yes	

<sup>1</sup> “Term limits” refers to the number of consecutive terms an officeholder may serve in that office.

<sup>2</sup> Campaign finance statements (Form 460, etc.) posted on city website

<sup>3</sup> Eligible for re-election or appointment after 22 months have elapsed since last served in that office.

<sup>4</sup> Eligible for re-election or appointment after 2 years have elapsed since last served in that office.

<sup>5</sup> Saratoga voters passed an advisory measure in 1992 to have a two 4-yr. term limit for city council members. However the measure was nonbinding and in at least one recent instance it was not followed.

Additional local election regulations include maximum contribution limits, voluntary expenditure limits (VEL), term limits, and disclosure of top donors in campaign advertisements. Five nearby cities have voluntary expenditure limits. However, our local area cities do not have such limits. Some cities also provide special benefits to candidates to encourage the adoption of voluntary spending limits. For example, in Mountain View if a candidate accepts a voluntary expenditure limit and pays an initial \$500, the city will pay the balance of the cost of the candidate statement printing in the Voter Information Pamphlet (statement printing cost was about \$2,020 in 2016). This policy appears to have proven an effective incentive to council candidates, as all candidates accepted the voluntary expenditure limits in the 2016 election. In addition, Mountain View recently enacted a law requiring the top 5 contributors be identified in campaign advertisements. For small print ads ( $\leq 20$  sq. in.), only the top 3 contributors of  $\geq \$2500$  need to be listed.

As seen in Tables III and IV, Campbell, Sereno, and 5 nearby cities outside our area impose a term limit of two consecutive terms for city council office. Term-limited councilors can again become a member of council by reappointment or candidacy after a typical waiting period of 1 to 2 years. One concern that has been expressed for cities with a small population, such as Monte Sereno (population 3540), is that it can be difficult to find qualified candidates willing to serve.

Table IV. Nearby cities council election regulations

<i>City</i>	<i>Maximum contribution limits</i>	<i>Voluntary expenditure limit (VEL)</i>	<i>Term limits<sup>1</sup></i>	<i>Election finance posting<sup>2</sup></i>	<i>Search-enabled municipal code on web</i>	<i>Other election regulations or services</i>
Cupertino	No	\$33,000 for 2016	Two 4-yr. terms <sup>3</sup>	Yes	Yes	Posts candidate information on web
Gilroy	\$750	Total of \$1/resident	No	Yes	Yes	Additional pre-election filing for period 10/23-11/1/16
Los Altos	No	No	No	No	Yes	
Los Altos Hills	No	No	Two 4-yr. terms <sup>4</sup>	Yes	Yes	
Milpitas	\$250	No	No	Yes	Yes	
Morgan Hill	No	No	No	No	Yes	
Mountain View	No	\$24,073 <sup>5</sup>	No	Yes	Yes <sup>6</sup>	Disclose top contributors in advertisements <sup>7</sup>
Palo Alto	No	\$14,000	Two 4-yr. terms	Yes	Yes	\$25 filing fee waved if 100 signatures on petition. \$50 minimum contribution reporting
San Jose	\$600	No	No	Yes	Yes	
Santa Clara	\$270 \$550 with VEL	\$40,500 <sup>8</sup>	Two 4-yr. terms <sup>4</sup>	Yes	Yes	City pays half of candidate statement cost if VEL accepted
Sunnyvale	No	No	Two 4-yr. terms <sup>9</sup>	Yes	Yes	

<sup>1</sup> Consecutive terms

<sup>2</sup> Campaign finance statements (Form 460, etc.) posted on city website

<sup>3</sup> Total of 10 years appointed + elected. Eligible for re-election or appointment after 354 days.

<sup>4</sup> Eligible for re-election or appointment after 2 years

<sup>5</sup> 2016 limit. The VEL increases by 3% per year. City will pay the balance of the candidate statement cost for candidates who accept the voluntary expenditure limit and pay an initial \$500.

<sup>6</sup> An extensive array of city documents is posted on the web with search options available.

<sup>7</sup> Disclose top 5 donors. For print ads ≤ 20 square inches must disclose top 3 contributors of \$2500 or more.

<sup>8</sup> 2016 limit. VEL is indexed to San Francisco Bay Area CPI

<sup>9</sup> Eligible for re-election after 4 years.

A few cities in Santa Clara County have contribution limits for city council races. The limits range from \$250 (Milpitas) to \$600 (San Jose) for a single donor. These limits do not apply to the candidates' own contributions. In the city of Santa Clara, the size of the contribution limit is larger if voluntary expenditure limits are accepted. In this case the November 2016 election limit was \$550 per donor if voluntary expenditure limits were accept, and \$270 otherwise. Most cities adjust contribution limits for inflation in subsequent election years.

A notable difference seen in Tables III and IV between the cities in our local area and nearby cities is the practice of posting campaign filing reports on the city website. For example, nine of the eleven nearby cities posted key filing documents on their websites, usually within 1 to 3 days of their filing dates (e.g., Sept. 24<sup>th</sup> and Oct. 22<sup>nd</sup> during the 2016 fall election). In contrast, none of the cities in our local area posted campaign reports. The Form 460 report is particularly important from a transparency perspective. It includes a listing of donor names and donation amounts and dates. Loans to the



campaign, campaign expenditures and purpose, and total amounts raised and spent are also listed. Thus, one can quickly see if unusually large amounts of money are being raised and spent, and, if so, know the sources and uses of the funds.

## 6. Summary of Interview Findings

It is important that qualified candidates run in local elections. Our cities depend on good leadership and local offices provide a primary source of future candidates for higher office. Therefore, to better understand the influence of current election laws and finances, campaign issues, and potential best practices from the candidate's perspective, our study committee conducted ten interviews with candidates. Candidates who ran in each of the four local city council elections (Table I) in the fall of 2016, or in a few cases in the fall of 2014, were interviewed. Both candidates who were successful and those who were not successful were interviewed. Two candidates who ran in local high school and elementary school board races were also interviewed. The interview questions are attached in Appendix A.

The interviews were found to be enlightening. All interviews were transcribed. However, these are not included here to honor the promise to maintain the anonymity of interviewees and their specific answers. Here, we summarize several findings and recurring themes heard in the interviews.

**All candidates interviewed especially liked the opportunity to meet and talk with a wide cross section of people in their district.** Candidates invariably found the process of campaigning to be more enjoyable than anticipated. One hears more voices and understands opinions of people to a greater extent as a candidate than even as a councilor. Also, one becomes more aware of the different needs and concerns found in the less and more affluent areas of the community. It was also felt that by meeting and talking directly with people and by hearing the candidates speak in candidate forums, the voter is better able to see the differences in candidates, in contrast to reading literature or seeing social media posts where candidates may seem to be more similar to each other.

**Fund-raising was the least enjoyable, and often most challenging, aspect of running for office.** Even though it was not as hard as sometimes anticipated, fund-raising remained challenging for many and was a major barrier for most candidates in deciding to run for office. In some cases, concern about deceptive advertising by opponents or opposition from local neighborhood groups focused on a single issue was one of the less enjoyable aspects of the campaign. It was pointed out that countering candidate attacks by social media or mailings can become quite expensive.

Candidates found that **volunteering for public service, serving on boards, working with city government, and/or gaining marketing know-how prior to running for office was invaluable to their candidacy.** For example, experience on a planning or other city commission, on foundation or company boards, or in a leadership position at local schools or service clubs was particularly useful. Marketing experience also was a great help.

At first, candidates found election laws complicated and complex to follow. **Santa Clara County runs an orientation training workshop** for people running for local government offices. The training includes detailed information on candidate reporting laws, regulations, and sources of helpful information for candidates. Candidates who took this training found it to be a particularly valuable starting point in running for election.

The requirement to **pay for the cost of printing the candidate statement**, which is currently around \$1500 to \$1800 in our local elections, was an aspect that some candidates felt was unfair. The dilemma is that if one does not pay this cost to have the statement appear in the Voter Information Packet that is mailed to all voters, it can often be perceived as though the candidate is not serious and did not bother to write up a statement. Yet, to have to bear this cost at the very beginning of one's run for office created an impediment to running for some first-time candidates

Several candidates cited **one area of law that seemed unfair** as currently interpreted. It is that one has to recuse himself or herself as an appointed member of a commission, for example, a planning commission, from a decision if a donation of greater than \$250 has been received, within a certain period of time, from a party to the proceedings. However, local elected officials, such as a city councilor, do not have to recuse themselves (FPPC Section 84308. See FPPC Campaign Manual 1, chapter 5, section C. [http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Manuals/Manual\\_1/Manual-1-Chapter-5-Contribution-Restrictions.pdf](http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Manuals/Manual_1/Manual-1-Chapter-5-Contribution-Restrictions.pdf).) The law on such restrictions originally appeared quite broad, but was narrowed considerably in its application due to the definition of the term "Agency" whereby "local agencies whose members are elected by the voters" were expressly exempted.

A significant number of candidates felt there should be **more information posted on the web and that it should be easier to find**. The information should especially include contributions and expenditures being made to and by candidates, and it needs to be easy for local people to find this information. For example, some candidates wondered that even though several cities send the state reporting disclosure Form 460 for donations and expenditures by email if requested, why not have candidate's reporting information posted on the city website in an easy to find location for all our voters?

**Opinion on campaign donor limits or spending limits was mixed**. It was generally recognized that newcomers needed to spend more than incumbents on a campaign. Some respondents felt that reasonable limits could be set (\$20,000 to \$30,000) and still allow newcomers to get their messages out. Others felt that voluntary spending limits would be reasonable and that tying these to donation limits made sense. Candidates' personal decisions on the size of donations they accepted varied widely. In general, most candidates emphasized that it was critical in a local election to be allowed to spend their own money on their campaign (as is allowed by law). Many were comfortable with some limits on donation size (for example in the \$250 to \$600 range), as long as contributions from family members were not limited. In one case support was expressed for mandatory term limits (e.g., two consecutive terms and then sit out one term before running again) to encourage bringing new ideas into the deliberating body.

Some candidates felt it was better if most contributions were raised from inside their city/district and that voters should know what money is being raised from outside their area. Others said that contributions from outside are fine if people know you and want to support you. It was pointed out that it is more important to know about the connectivity, i.e., from whom the money came and how they are connected to the campaign (business associates, family, friends, a particular special interest, etc.). **In general, full disclosure seemed to be the most important aspect of maintaining an informed electorate.**

It was suggested that the Voter Registrar should receive more financial support. The issue is one of **who is watching financially during an election**. Newspapers no longer

look at this information because they think it is not newsworthy enough. Local groups and voluntary posting of information might help in this regard. It was suggested that perhaps the LWV could help shine light on election finance, for example in pushing the posting of information on Voter's Edge and on city websites.

The **new law in Mountain View requiring that the top donors be identified in campaign literature** was an idea that seemed acceptable to many candidates in the case of large donations (e.g., above \$1000). However a few opinions were expressed that there were already too many requirements or that this might create problems on small campaign pieces, such as postcards.

We observe that highly qualified school board members often first become interested in the office as their children enter school. While it is important to have experienced members on a school board, having new school board members periodically rotate onto the board can bring fresh ideas and new energy. Based on discussions with community members and interviews, we observe that **the incumbent often holds a significant advantage in local elections. This is especially the case for school board races** and truly competitive races are not necessarily the case in local school board races. This advantage may be due to the combination of incumbents remaining for many terms with strong support and letter writing campaigns by their colleagues. While our observations are that the races were competitive this past year, there have often been years when no one ran against the incumbent. We suggest that school board term limits might encourage greater participation in government at this local level. For example, three consecutive 4-yr. terms for a total of 12 years might be sufficiently long to maintain needed experience on a board while ensuring the arrival of some new members. This might also result in an increased source of local community leaders who might run for higher office.

## **7. Summary of Election Finance Reporting Findings**

As part of our analysis, we reviewed all council candidate campaign disclosure reports for Campbell, Los Gatos, Monte Sereno, and Saratoga for the 2016 election. The Form 460 campaign reports for total contributions or expenditures above \$2000 provide detailed information on the contributions and expenditures. While, by law, these reports are always available from the city clerk's office for voters and candidates to observe, we found their ease of access varied for our local cities. In some cases, the reports were scanned by the city clerk's office and emailed upon request. In other cases, copies were provided, and in one case, the reports were only available for viewing at the clerk's office, with copies available upon request at \$0.10 per page. While other Santa Clara County cities also used a variety of methods to make the reports available, for 9 of the 11 cities the Form 460 reports were immediately made available online using the city's website.

From both a voter's and candidate's perspective, there is a significant advantage to being able to conveniently access candidate disclosure information on the web at any time one wants, in contrast to having to call, email, or go into the city clerk's office during office hours. We suggest that a simple and low-cost approach to having the reports available online would be to scan and post them as downloadable files on the city website. While a majority of voters may not wish to review the reports, we believe the easy availability of the reports helps to ensure transparency and voter awareness. One feels an increased confidence, for example if concerns arise, that one can quickly and easily check out a candidate's campaign finance reports. In light of these facts and issues

we suggest that posting of campaign reports on a city's website is a best practice that should be adopted by all our local cities.

The campaign disclosure reports for the November 2016 city council races showed that the extent of fundraising varied considerably for our local cities. Three of the four candidates in Monte Sereno did not raise or spend enough to reach the \$2000 Form 460 report threshold and the fourth candidate spent only \$2354 in cash of his/her own money, in addition to receiving a \$1112 non-monetary contribution for a meet and greet event. In Los Gatos one candidate raised \$16,687 (\$1,283 non-monetary) with minimum, maximum and median contributions of \$100, \$2,000, and \$100, respectively. The other two candidates used their own funds and spent only \$1,812 and \$814 on the campaign. In Saratoga one candidate raised \$8,599, while a second candidate raised \$3,302 and also spent \$18,865 of his/her own funds. Minimum contributions were \$50 and \$100, maximum contributions were \$1,000 and \$750, and median contributions were \$200 and \$350, respectively. A third candidate used \$5,054 of his/her own funds. For Campbell, contributions were \$2,255, \$9,285, \$12,270, and \$22,650 for the four candidates, with candidates making additional contributions of their own money to their campaigns in amounts ranging from 0 to \$8000. Minimum contributions ranged from \$20 to \$100, maximum from \$300 to \$2,000, and median contributions from \$100 to \$300. Thus, the level of funds raised varied widely, extending as high as in the low \$20,000 range, the median total contribution amount raised was about \$6,000 and the median contribution size was about \$100.

The amount spent on campaigns is summarized in Table I. As discussed there, total spending ranged from near \$23,000 to below \$2,000. While the candidates' choices in how to most effectively spend their funds varied considerably, the categories of campaign literature, mailing, and postage accounted for the major expenses and were, on average, 49% of the amount spent. The category of campaign paraphernalia accounted for 11% of funds spend on average, while web and information technology service spending was only 8%.

## **8. Observations on the Changing Landscape in Local Election Campaigning**

The widespread use of the World Wide Web and the recent increase in popularity of social media have changed campaign strategies for the way election funds are raised and spent at the national level. At the local level one may anticipate an increasing impact on elections, with a need for candidates to carefully balance expenditures for traditional campaign literature printing and mailing with the use of candidate websites and social media as important ways to reach voters. During our interviews several candidates commented on the importance of social media in getting their messages out to voters. The ability to track the number of "looks" on a candidate's website and social media page and, for example, to correlate "looks" with social media posts and use of Facebook or of other media's "push" posts, have given candidates new tools to fine tune their campaigns. In one case, numbers were cited which indicated that social media may be a more cost effective method of reaching voters than traditional campaign websites, and that the use of social media may have been a deciding factor in their election victory. Thus, while personal contact through door knocking, literature drops, candidate forums, and information posting on websites will remain essential features of communication to voters, the use of social media may increasingly provide important leverage for campaigns.

## 9. Major Findings

- **We encourage our cities to post on their websites detailed candidate guidelines with links to sources of candidate training.** Potential candidates do not always have the information needed to launch an effective campaign and may be intimidated by the election process. Many city clerks' offices provide a package of guidelines for potential candidates. In some best practice cases for nearby cities we observed such guidelines posted on the web along with links to FPPC guidelines, to YouTube training videos, the candidate training workshop run by the county, and to many other sources of nuts-and-bolts information on where to obtain additional help. Lowering the barrier for our city's leading citizens to become candidates encourages participation and is in everyone's interest.
- **We recommend cities scan and post all candidate Form 460, 470, and 497 reports on their city website within 48 hours of the filing dates.** Currently the method by which voters are able to view candidate contribution and expenditure reports is different among the four cities in our area and none are posted on the city website. Once set up, we believe the scanning and posting process is not necessarily expensive or time consuming. In contrast to our cities, nine nearby cities make this information available online, providing greater transparency in the election process.
- **We encourage our cities to post more information during election season on their city website regarding candidates running for city council positions.** For example, the candidate statement, links to the candidate's web page, the location and date of upcoming candidate forums, the League of Women Voters "Voter's Edge" website, etc. could be posted as trusted sources of unbiased information for voters. Other forms of social media might also be considered by cities as additional means of promoting citizen awareness and participation in city elections.
- Some nearby cities have adopted voluntary spending limits and/or limits on the total donation amount from a single source. **We encourage our cities to discuss and consider the relative merits of voluntary spending limits or (non-family) campaign donation limits** from the perspective of limiting outside influence in cases of extreme campaign finance spending. Voluntary spending limits might be combined with paying a part of the candidate statement's fee (typically \$1500 to \$1800) in the Voter Information Pamphlet. This expense at the outset of filing for office is an impediment to prospective candidates. These practices could encourage participation of qualified candidates with limited resources in our local elections, as well as increase campaign finance transparency to voters.
- **We suggest that cities consider bearing a portion of the cost** (currently about \$1,500 to \$1,800 for our local cities) **of the candidate statement for the Voter Information Pamphlet that is mailed to all voters to encourage candidate election participation and to increase information to voters.** The importance of the candidate statement in the sample ballot is that voters often perceive a lack of seriousness or effort on the candidate's part if the statement is missing, whereas in reality it can be a serious cost consideration for low budget campaigns. We consider as a best practice the approach taken in Campbell of sharing the candidate statement fee, whereby the candidate pays a \$300 filing fee and the city pays the balance of the cost so that all candidate statements are included.

- An impediment for some highly qualified candidates, who might otherwise run for **local school board elections**, is the high cost to place the candidate statement in the Voter Information Pamphlet. Each district's governing board determines whether the district or the candidate will bear the cost of the statement. Since local school boards are a fundamental aspect of our democratic process and often the first step to higher public office, **we encourage our local school boards to consider bearing a part of the cost of candidate statements to encourage qualified candidate participation in school board elections and to get the candidate's statement out to the voters.**
- We suggest that **term limits** for school boards after a sufficiently long period of service, for example after three consecutive 4-yr. terms (12 years), would encourage participation in government at the local level and could provide an increased source of local community leaders who might run for higher office. **We therefore encourage our local school boards to discuss and consider the merits of term limits for our local school boards, in order to bring forth new candidates and new ideas.**

## 10. Concluding Remarks

We encourage our League members along with our community members and the leadership of our local cities to discuss, debate, and consider the above major findings of this study. As a nonpartisan political organization, the League of Women Voters encourages informed and active participation in government. It is our hope that this study will help in that effort.

We also would like to encourage candidates and voters to take advantage of the *Voters' Edge California* website, <http://votersedge.org/ca>, during election season. This nonpartisan website is hosted by the League of Women Voters of California Education Fund and by MapLight. Voters' Edge California neither supports nor opposes political parties, ballot measures, or candidates for public office. Rather, it provides a source of information on candidates and measures prior to elections. Candidates are invited to post information on themselves and their goals and League members prior to posting approve all material. By entering a zip code you can review the information for all candidates and measures in your area, and by entering your street address you can view your sample ballot for the election.

Finally, we would like to express our heartfelt appreciation to the candidates and city clerks who contributed their time to help us in the study and to the League members who encouraged and supported this study. Thank you.

## **Appendix A.**

### **LWV-SWSCV Local Election Finance Study Interview Questions**

1. What aspect of the campaign did you enjoy most? Least?
2. What experiences prior to running for Council were most helpful in your decision to run?
3. Are there any aspects of the election laws that you found difficult to follow or you felt were unfair?
4. What changes or additions to the election laws would you suggest to make the process fairer to candidates and more transparent to voters?
5. Was your ability to finance your campaign a limiting issue? Do you favor additional limits on campaign contributions? Campaign spending? As an example, Santa Clara has a contribution limit of \$260 per person, or \$520 if the candidate accepts a voluntary total spending limit of \$25,000. San Jose has a limit of \$500 per person for councilors.
6. To review campaign donation and expenditure reports for smaller cities such as ours, citizens must go to the city offices. To increase voter transparency, would you favor requiring these reports to be posted on the web, similar to the current process for larger cities and state offices?\* Did you consider posting your total contributions raised and top funding donors on your website or on LWV's Voters' Edge website?
7. Do you think it is significant where your contributions are raised (e.g., from sources inside vs. outside your city)? Roughly, what % of your campaign donations do you think came from outside your city?
8. Would you favor any requirements on campaign reporting in addition to those currently required? As an example, Mountain View recently passed a law to require a candidate's top 3 donors be identified in campaign literature.

\*While the annual subscription expense for web submission of state-required reports is several thousand dollars, it allows for online reporting for city councilors, officers, and commissioners, alleviating the City Clerk from collecting and then having to submit paper versions of the reports to the state.