

SEATTLE CITY COUNCIL

Governance, Accountability, and Economic Development Committee Agenda

Thursday, April 10, 2025 2:00 PM

Council Chamber, City Hall 600 4th Avenue Seattle, WA 98104

Sara Nelson, Chair Robert Kettle, Vice-Chair Joy Hollingsworth, Member Maritza Rivera, Member Mark Solomon, Member

Chair Info: 206-684-8809; Sara.Nelson@seattle.gov

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Governance, Accountability, and Economic Development Committee Agenda April 10, 2025 - 2:00 PM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

seattle.gov/council/committees/governance-accountability-and-economic-development

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at https://www.seattle.gov/council/committees/public-comment
Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Pursuant to Council Rule VI.C.10, members of the public providing public comment in Chambers will be broadcast via Seattle Channel.

Please submit written comments to all Councilmembers four hours prior to the meeting at Council@seattle.gov or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104.

Please Note: Times listed are estimated

- A. Call To Order
- B. Approval of the Agenda
- C. Public Comment
- D. Items of Business
- 1. CB 120957

AN ORDINANCE relating to publicly-financed election campaigns; providing for the submission to the qualified electors of the City at an election to be held on August 5, 2025, of a proposition authorizing the City to levy regular property taxes for up to ten years in excess of the limitation on levies in chapter 84.55 RCW for the purpose of funding the cost and administration of the City's Democracy Voucher program and other City purposes; outlining a process for contemplation of changes to the program; applying RCW 84.36.381's senior citizens and disabled persons exemption to such levy; and ratifying and confirming certain prior acts.

<u>Supporting</u>

<u>Documents:</u> <u>Summary and Fiscal Note</u>

2023 Biennial Report

Participation and Representation - Results from the Seattle

Democracy Voucher Program in 2023

Central Staff Memo

Presentation

Briefing, Discussion, and Possible Vote

Presenter: Brian Goodnight, Council Central Staff

E. Adjournment



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: CB 120957, Version: 1

CITY OF SEATTLE

| ORDINANCE | |
|--------------|--|
| COUNCIL BILL | |

- AN ORDINANCE relating to publicly-financed election campaigns; providing for the submission to the qualified electors of the City at an election to be held on August 5, 2025, of a proposition authorizing the City to levy regular property taxes for up to ten years in excess of the limitation on levies in chapter 84.55 RCW for the purpose of funding the cost and administration of the City's Democracy Voucher program and other City purposes; outlining a process for contemplation of changes to the program; applying RCW 84.36.381's senior citizens and disabled persons exemption to such levy; and ratifying and confirming certain prior acts.
- WHEREAS, in November 2015, Seattle voters approved Initiative 122, a people's initiative designed to build "honest elections in the City…by: giving more people an opportunity to have their voices heard in our democracy"; and
- WHEREAS, Initiative 122 also created "a Democracy Voucher campaign public finance program...to expand the pool of candidates for city offices and to safeguard the people's control of the elections process in Seattle"; and
- WHEREAS, the levy backing the Democracy Voucher campaign public finance program began in 2015 and lasted for ten years; and
- WHEREAS, the Democracy Voucher program has been successful and popular, with more than 105,000

 Seattleites using Democracy Vouchers to contribute to candidates for City office since the program's inception; and
- WHEREAS, Seattle has had among the highest rates of people contributing to local candidates in the country since the program's inception; and
- WHEREAS, The City of Seattle intends to place a levy proposal on the August 5, 2025, primary election ballot

to replace the expiring levy that has supported the Democracy Voucher program, in order to continue to provide financial support for the program for the next ten years; and

WHEREAS, after ten years of use, changes to the Democracy Voucher campaign public finance program may be desired; and

WHERAS, this legislation requests the Executive, the City Council, and the Ethics and Elections Commission to commence a stakeholder process beginning in 2026 (after the November 2025 general election) to consider any potential changes to the Democracy Voucher campaign public finance program, and to make recommendations to the Mayor and City Council regarding those changes; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Definitions. As used in this ordinance:

"City" means The City of Seattle.

"Democracy Voucher program funding" means not less than \$45,000,000 of the increased levy amount over ten years resulting from the proposition's passage.

"Levy proceeds" means that portion of regular property taxes levied and collected as authorized by voter approval pursuant to this ordinance, and all interest and other earnings thereon, and, if the City issues bonds, notes, interfund loans, or other evidences of indebtedness payable wholly or in part from the additional taxes authorized under this ordinance, as permitted by Section 4 of this ordinance, then "levy proceeds" also includes the proceeds of those bonds, notes, interfund loans, or other evidences of indebtedness.

Section 2. Levy of regular property taxes submittal. The City submits to the qualified electors of the City a proposition as authorized by RCW 84.55.050 to exceed the levy limitation on regular property taxes contained in RCW 84.55.010 for property taxes levied in 2025 through 2034 for collection in 2026 through 2035 respectively. The proposition shall be limited so that the City shall not levy more than a total tax rate of \$2.27 per \$1,000 of assessed value in the first year, representing an additional tax rate of \$0.015 per \$1,000 of assessed value in the first year. The proposition is expected to raise approximately \$45,000,000 in aggregate

over ten years for Democracy Voucher program funding purposes. The levy amount in the first year shall be used to determine subsequent years' allowable regular levy limit in accordance with chapter 84.55 RCW.

Amounts collected in excess of the Democracy Voucher program funding amount are available for other City purposes for which the City's regular levy may be applied. In accordance with RCW 84.36.381 and RCW 84.55.050, the City will exempt seniors, veterans with disabilities, or other persons with disabilities who qualify under RCW 84.36.381 from the increased levy amount resulting from the proposition's passage. Pursuant to RCW 84.55.050(4), the maximum regular property taxes that may be levied in 2035 for collection in 2036 and in later years shall be computed as if the limit on regular property taxes had not been increased under this ordinance.

Section 3. Deposit of levy proceeds. Unless otherwise directed by ordinance, Democracy Voucher program funding shall be deposited in the Election Vouchers Fund to fund the Democracy Voucher program. The levy proceeds may be temporarily deposited or invested in such manner as may be lawful for the investment of City money and all investment earnings on Democracy Voucher program funding shall be deposited in the Election Vouchers Fund. The Director of Finance is authorized to create other accounts within the Elections Vouchers Fund as may be needed or appropriate to implement the purposes of this ordinance.

Section 4. Bond and notes. To the extent permitted by applicable law, the City may issue bonds, notes, or other evidences of indebtedness payable wholly or in part from the additional taxes authorized under this ordinance, and may pledge and may apply such taxes to the payment of principal of, interest on, and premium (if any) on such bonds, notes, or other evidences of indebtedness and to the payment of costs associated with them.

Section 5. Use of levy proceeds. The Democracy Voucher program funding amount shall be used solely for the Democracy Voucher campaign public finance program in accordance with the provisions in Section 6 of this ordinance and in accordance with RCW 84.55.050. If levy collections exceed the Democracy Voucher program funding amount, the excess funds are available for City purposes for which the City's regular levy may

be applied.

Section 6. Democracy Voucher campaign public finance program. The Democracy Voucher campaign public finance program includes costs for administering the program as well as the cost of supporting the campaign contributions backed by Democracy Vouchers. Administrative costs include items such as voucher printing and mailing, staff, outreach, and King County Elections voucher processing costs.

Section 7. Workgroup process. The Executive, the City Council, and the Ethics and Elections

Commission are requested to convene a workgroup in early 2026 to recommend to the Mayor and City Council improvements to the Democracy Voucher campaign public finance program, including addressing the impact of Political Action Committees in City elections. The stakeholder process should include input from candidates, campaign staff, professional elections consultants, good government advocates, and the Executive Director and members of the Ethics and Elections Commission.

Section 8. Reporting. The Executive Director of the Ethics and Elections Commission will prepare and submit to the City Council and the Mayor a progress report on levy spending and project and program delivery after each year in which the voucher program is utilized in an election.

Section 9. Election ballot title. The City Council directs that the City Clerk file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting that the Director of Elections call and conduct a special election in the City in conjunction with the primary election to be held on August 5, 2025, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance. The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with the City Attorney's responsibilities under RCW 29A.36.071. The following ballot title containing a statement of subject and concise description is submitted to the City Attorney for consideration:

CITY OF SEATTLE

PROPOSITION NO. 1

The Mayor and Seattle City Council passed Ordinance XXXX, concerning replacing funding for Seattle's Democracy Voucher campaign public finance program.

If approved, this proposition would replace an expiring levy to fund the City's Democracy Voucher campaign public finance program, including the costs of administering the program.

It authorizes a ten-year levy for collection beginning in 2026 of an additional \$0.015/\$1,000 assessed value, for a maximum total levy rate of \$2.27/\$1,000. The 2026 amount will be the base for subsequent levies through 2035. RCW 84.36.381's senior citizens and disabled persons exemption applies.

Should this levy be approved?

Yes

No

Section 10. Section titles. Section titles are for convenient reference only and do not modify or limit the text of a section.

Section 11. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances, including the validity of authorizing additional taxes by levy.

Section 12. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 13. Those portions of this ordinance providing for the submission of a ballot proposition to the voters shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070. Those portions of this ordinance that are dependent upon voter approval of said

| File #: CB 120957, Version: 1 | | | | | |
|--|-----------------|-------------|------------------|------------------------|----|
| ballot proposition shall take effect in accord | dance with appl | icable law. | | | |
| Passed by the City Council the | day of | | | _, 2025, and signed by | |
| me in open session in authentication of its p | bassage this | day | of | , 202 | 5. |
| | | | | | |
| | | | | | |
| | President | | of the City Cour | neil | |
| Approved / returned unsigned / | vetoed this | day of _ | | , 2025. | |
| | | | | | |
| | Bruce A. Har | rell, Mayoı | | | |
| Filed by me this day of _ | | | , 2025. | | |
| | | | | | |
| | Scheereen De | edman, City | / Clerk | | |

(Seal)

SUMMARY and FISCAL NOTE

| Department: | Dept. Contact: | CBO Contact: | | |
|----------------|----------------|--------------|--|--|
| Mayor's Office | | Greg Shiring | | |

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to publicly-financed election campaigns; providing for the submission to the qualified electors of the City at an election to be held on August 5, 2025, of a proposition authorizing the City to levy regular property taxes for up to ten years in excess of the limitation on levies in chapter 84.55 RCW for the purpose of funding the cost and administration of the City's Democracy Voucher program and other City purposes; outlining a process for contemplation of changes to the program; applying RCW 84.36.381's senior citizens and disabled persons exemption to such levy; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This ordinance would submit a 10-year levy lid lift proposal to the voters of Seattle for their approval on the August 5, 2025, primary election ballot for the purposes of funding the City's Democracy Voucher program.

The proposal would renew and expand the previous 10-year levy. Under the authority of RCW 84.55, the levy renewal proposal would authorize property tax collection up to \$4,500,000 in the first year and an estimated total of \$45,000,000 of revenue over 10 years that would be dedicated exclusively to the Democracy Voucher program.

If the levy is approved by the voters, the 2026 total regular tax limit would increase by approximately \$0.015 per \$1,000 in assessed value. Qualifying low-income seniors, veterans and people with disabilities who own their principal residence within the City of Seattle would be exempt from the levied amount as authorized under RCW 84.36.381. In King County, the exemption currently extends to homeowners above age 61 or with a disability rating of at least 80%, with a household income under \$84,000. Revenue projections in this ordinance and fiscal note are inclusive of anticipated exemptions offered under RCW 84.36.381.

This proposal would build on the success of the current levy, which has had a dramatic impact on Seattle elections. More than 105,000 Seattle residents contributed their vouchers in the last 10 years. Seattle elections are now financed overwhelmingly by City residents, compared to roughly a third of the money flowing from outside the City previously. More candidates are mounting campaigns than ever before, and they are running competitive races.

The Democracy Voucher program was approved by voters in November 2015 and has provided \$30 million in revenue over the past 10 years (\$3 million each year from 2016 through 2025). The increase to \$45 million over the next ten years is an annual increase of approximately 4.1% from the initial 2016 funding level and will provide for basic inflationary increases; primarily

increases in election costs (higher payments to candidates), and increased candidate participation.

Finally, this legislation requests that the Executive, the City Council, and the Ethics and Election Commission convene a workgroup in 2026 to make recommendations to the Mayor and City Council on potential improvements to the Democracy Voucher program, including addressing the role of Political Action Committees in City elections.

| 2. CAPITAL IMPROVEMENT PROGRAM | |
|---|----------------------------------|
| Does this legislation create, fund, or amend a CIP Project? | ☐ Yes ⊠ No |
| 3. SUMMARY OF FINANCIAL IMPLICATIONS | |
| Does this legislation have financial impacts to the City? | ☐ Yes ⊠ No |
| This legislation provides for a levy proposal to be placed on the ballot, which would provide an estimated \$45 million of dedicated revenue for the City's I program over ten years. These revenues are not added to the City's budget the legislation but will be accounted for in separate legislation if the levy is approximately approximately accounted to the city's budget the legislation but will be accounted for in separate legislation if the levy is approximately accounted to the city's budget the legislation but will be accounted for in separate legislation if the levy is approximately accounted to the city's proposal to be placed on the ballot, which would provide an estimated \$45 million of dedicated revenue for the City's I program over ten years. | Democracy Voucher arough this |
| 3.d. Other Impacts | |

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time, or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

As noted above, this legislation does not directly impact the adopted budget. Appropriations, position changes and acceptance of additional revenue will be approved in separate legislation if voters approve the levy.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.

Without a new levy, the City's Democracy Voucher program would not have a dedicated funding source and would need to instead rely on the City's General Fund for support. For several years, the City's General Fund has faced a medium-term structural deficit, so shifting the cost of the voucher program from levy funding to General Fund would likely require reductions to existing City services.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

The City's Ethics and Election Commission and the Executive Director and staff of the Ethics and Elections Commission administer the City's Democracy Voucher program. Members of the Executive branch, Legislative branch, and the Ethics and Elections Commission are requested to convene a workgroup in 2026 to suggest improvements to the program.

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property. No.
- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.
 - i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.

Professor Jen Heerwig at SUNY Stonybrook has conducted research that shows historically disadvantaged populations playing a larger role in financing campaigns than they did prior to the advent of the program. Additionally, members of historically disadvantaged communities are running, and winning, in numbers not seen since the City experimented with public financing of elections in the early 1990s.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation. $\rm N\!/\!A$
- iii. What is the Language Access Plan for any communications to the public? The first levy required that key program materials be translated into multiple languages. The Ethics and Elections Commission ensures that program materials are translated (materials are currently available in 20 languages); that it purchases media in a wide variety of languages; and that it contracts with community-based organizations for outreach into diverse communities.
- d. Climate Change Implications
 - i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response. $\rm N/A$

- ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

 N/A
- e. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?

If approved by the voters, this levy increases the amount of the Democracy Voucher program revenues from \$3 million annually to \$4.5 million annually to reflect inflation since 2015 and the popularity of the program.

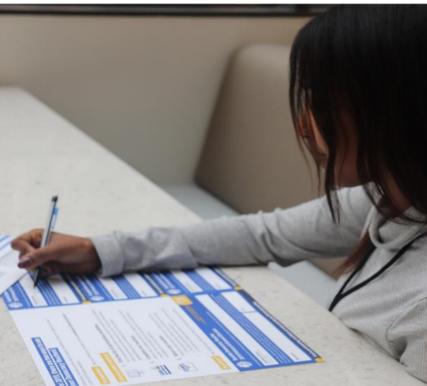
| 5. CI | 5. CHECKLIST | | | | |
|-------|--|--|--|--|--|
| | Is a public hearing required? | | | | |
| | Is publication of notice with <i>The Daily Journal of Commerce</i> and/or <i>The Seattle Times</i> required? | | | | |
| | If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies? | | | | |
| | Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization? | | | | |
| 6. A | ITACHMENTS | | | | |
| Sumn | nary Attachments: None. | | | | |











Democracy Voucher Program

2023 Biennial Report



TABLE OF CONTENTS

- Introduction
- Director's Message & Accomplishments 10 Communications and Outreach
- **How the Program Works** 5
- **Distribution of Vouchers**
- **Democracy Voucher Returns**
- 8 2023 Participation by Census Tract

- **Candidates**
- **Democracy Voucher Outreach Fund** 11
- **Budget Summary Report 12**

2

Introduction

This report summarizes the administration of the Democracy Voucher Program (DVP) in the 2023 election cycle. For additional insight into program implementation and administration, please see the prior reports.

Seattle's Democracy Voucher Program is the first public campaign financing of its kind. Residents receive four \$25 Democracy Vouchers they can use to support candidates running for local office. Candidates then collect vouchers to help fund their campaign.

3

In 2023, all City Council District candidates had the option of using the Democracy Voucher Program.

Program Background

In November 2015, Seattle voters approved a citizen-led initiative known as "Honest Elections Seattle" (I-122).

Among the many campaign finance reforms included in I-122, one was the creation of a public campaign finance program known as the "Democracy Voucher Program." I-122 charged

the Seattle Ethics and Elections Commission, an independent body within city government, with administering these reforms. The Democracy Voucher Program is funded by a 10-year property tax levy of \$3 million per year.

Program Objectives

The program aims to increase civic engagement in two key ways.

First, the program creates a funding source to enable more Seattle residents to run for local office.

Second, the program intends to increase the number of Seattle residents who donate in local elections.



Message from the Executive Director

Welcome to the 2023 Democracy Voucher Program biennial report. As Executive Director of the Seattle Ethics and Elections Commission, it is my pleasure to provide transparency and accountability for this unique, voter-approved, taxpayer-funded program.

While this report provides a nuts-and-bolts overview of how this program is administered, please check out the 2023 Accomplishments before digging in.



Wayne Barnett
Executive Director

2023 Accomplishments



INCREASED CANDIDATE PARTICIPATION

- All 14 General Election candidates used the Democracy Voucher Program to help fund their campaigns.
- Currently, 10 of 11 City officials participated in the Program.



OUTREACH

- Contracted with 15 community-based organizations, with a majority of funding to those serving lawful-permanent resident communities.
- Through direct interactions, digital outreach, and materials distribution, organizations reached 64,045 residents.



IMPROVED ACCESS TO REPLACEMENT VOUCHERS

- In response to public concerns regarding paid voucher collection, the Commission established regulations stating that no person can be compensated for collection.
- The Commission also made permanent a campaign's ability to collect vouchers by posting a fillable form on a campaign website.

How the Program Works

During City of Seattle elections, the SEEC issues four \$25 Democracy Vouchers to Seattle residents.

Residents may assign their vouchers to any candidate participating in the program. Residents may give their vouchers to a single candidate or to multiple candidates.

Residents may return their vouchers by:

- Using the prepaid envelope addressed to the SEEC
- Giving their vouchers directly to a campaign
- Accessing the Democracy Voucher Online Portal to assign their vouchers

Once a voucher is received by the SEEC, there are several methods for verifying the voucher.

- King County Elections verifies the signatures on paper vouchers from registered voters.
- Trulioo, a third-party verification system, verifies
 Online Portal users when they create an account.
- The SEEC verifies signatures from residents who apply for vouchers.

For candidates who have completed the qualifying process, the SEEC releases the sum of the verified vouchers to the candidate's campaign.

Eligibility

Participant eligibility requirements align with the federal requirements establishing who may contribute to political campaigns. To receive vouchers, an individual must be:

- At least 18 years or older,
- A U.S. citizen, U.S. national, or lawful permanent resident, and
- A Seattle resident.

2023 Program Updates

In response to COVID-19 restrictions, in 2021 the SEEC granted campaigns the ability to host a Campaign Replacement Form on their website, enabling easier access for residents to assign their vouchers directly to a candidate. The online replacement form is now a permanent part of the program.

Additionally, in response to public concerns and to protect the integrity of the program, the SEEC barred paying others to collect Campaign Replacement Form.

Distribution of Vouchers

Issuing Vouchers

On February 21, 2023, the SEEC mailed 461,369 Democracy Voucher packets to Seattle residents, with subsequent mailings to newly registered voters each month for an additional 40,963 mailings.

An additional 19,000 residents were emailed a notice that their vouchers were accessible online.

Campaign Replacement Forms

Campaigns, along with their registered representatives, were allowed to collect vouchers using the Campaign Replacement Form either in person or on their campaign website.

A total of 36,215 vouchers were assigned using this form, representing 9,772 residents.

Replacement Vouchers

Residents who misplaced their vouchers were able to get replacements from the SEEC.

Replacements were issued if residents contacted the SEEC by phone, email, or on the SEEC website. Each request was validated through the system and either mailed or emailed via an invitation code allowing residents to access their Online Portal.

The SEEC replaced vouchers for 1,362 residents, and 729 of those residents returned their vouchers for processing.

Online Portal

This was the third election in which the program's Online Portal was available to residents. The webbased portal allows residents to validate their identity and assign their vouchers online.

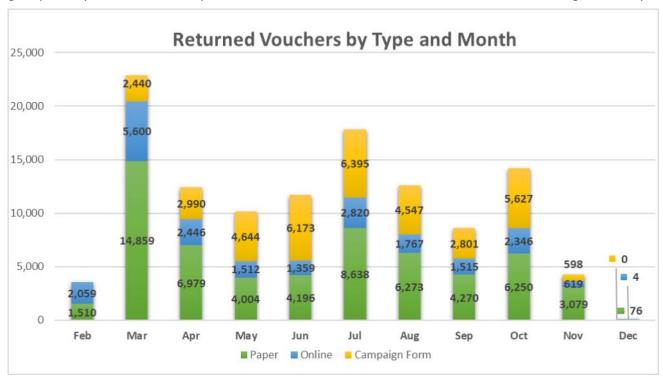
In 2023, 9,753 users assigned 22,047 vouchers through the program's portal.

Inactive Voters

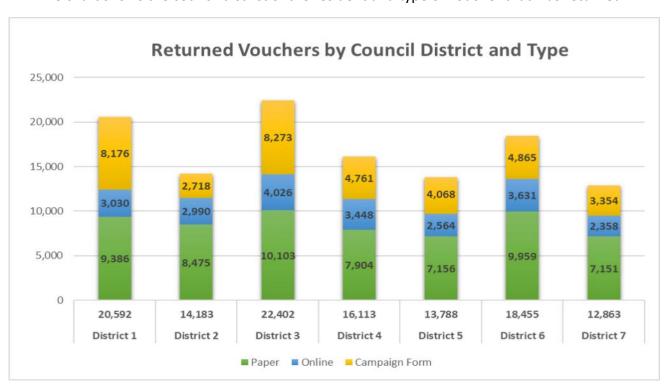
Inactive registered voters are sent a postcard notifying them of an issue with their voter registration and encouraging them to contact King County Elections. In 2023, 56,475 postcards were sent.

Democracy Voucher Returns

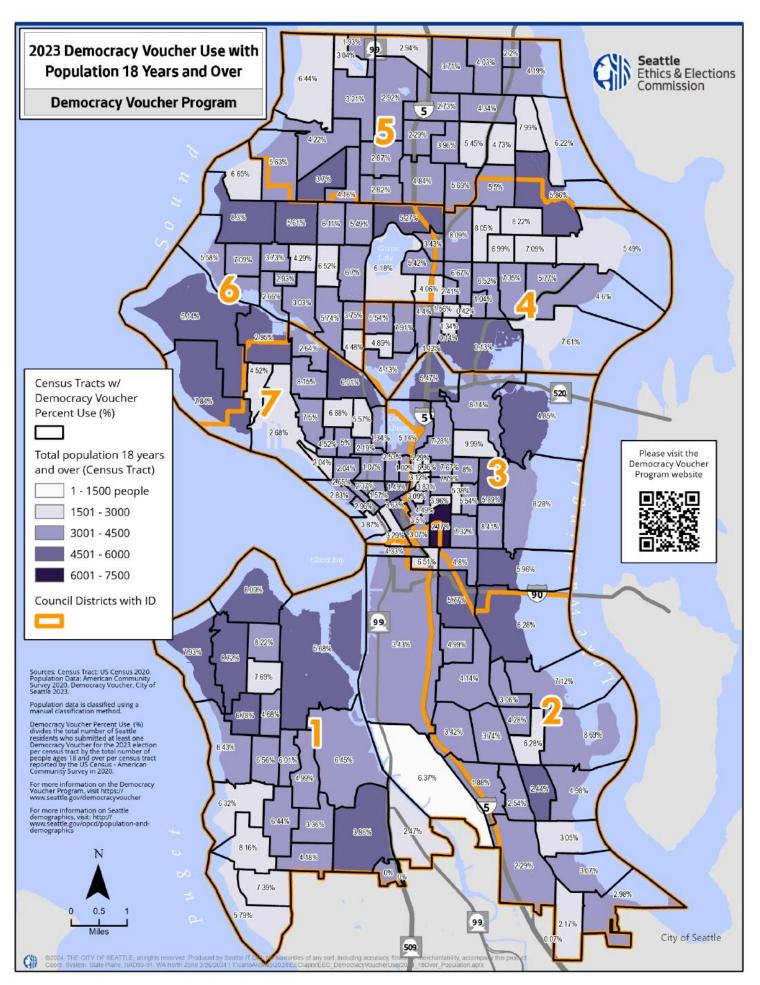
Voucher return rates peaked in March, after the initial mailing, with another spike in July, just before the August primary. The SEEC office processed 118,396 vouchers from 30,649 residents throughout the year.



The chart shows the council district of the resident and type of voucher that was returned.



7



Candidates

Participation

Candidates signed a pledge agreeing to program rules, which included:

- Accept no more than \$300 from an individual, not including the value of a person's Democracy Vouchers.
- 2. Keep overall campaign spending under \$93,750 for the primary and not more than \$187,500 for the entire election year.
- 3. Participate in at least three public debates ahead of each election.

Of the 45 candidates who filed for office, 42 participated in the Democracy Voucher Program.

All 14 general election candidates were in the program.

Qualifying

To receive funds, candidates collected 150 contributions (minimum \$10) and signatures from Seattle residents. Both contributions and signatures are audited by the SEEC before funds are released.

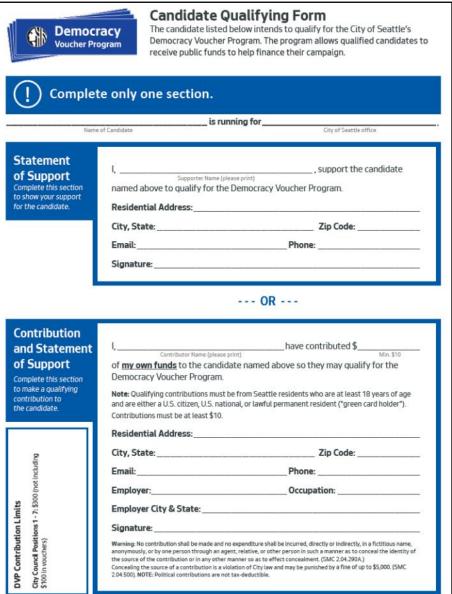
In 2023, 31 of the 42 candidates completed the qualifying process.

Campaign Disbursements

Of the 118,396 returned vouchers, 96,116 were redeemed, resulting in \$2,402,900 distributed to campaigns.

Candidate Introductions

All candidates are invited to submit a 200-word statement and photograph. The candidate introductions are available in 18 languages on the program website as a way for residents to learn more about the candidates. In 2023, 32 candidates provided introductions.



9

Communications and Outreach

Media

In 2023, the DVP partnered with 20 ethnic and local media outlets to help spread public awareness of the program. DVP staff worked with media to execute the following campaigns:

Launch Campaign

- 'Democracy Vouchers coming soon.'
- 'Looking for your Democracy Vouchers?'

Mid-year Campaign

- 'Final list of candidates now available'
- 'Candidate Introductions'
- 'Looking for your Democracy Vouchers? Request Replacements.'

Types of media used to spread program awareness included press releases, newsletter highlights, online, print, and PSA advertisements.



Outreach

In 2023, staff conducted DVP outreach at in-person and virtual events. Staff attended 21 outreach events. Outreach events included outdoor street fairs, festivals, cultural events, and resource festivals.



Community Liaisons

Community liaisons supported DVP staff with increasing awareness of the program and lawful permanent resident enrollment. Community liaisons attended several summer events and distributed informational program materials. They also worked with community groups and individuals to walk them through the DVP application process.

2023 Democracy Voucher Outreach Fund

The Democracy Voucher Program budgeted \$225,000 to award to 501 (c) (3) community-based organizations to conduct outreach in underserved communities. Of the overall budget, \$150,000 was dedicated to organizations focused on lawful permanent resident enrollment and education.

Organizations conducted outreach based on the following objectives:

- Promote civic engagement in underserved communities by educating residents about the Democracy Voucher Program
- Provide program education and enrollment with a high degree of cultural competency
- Remove barriers to the program by providing in-language program education and distributing translated program materials.

Outreach Impacts

Direct Outreach

- 189 outreach events
- 13,345 interactions

Digital Outreach

- 72 digital activities
- 39, 434 people reached

Materials Distributed

- 22,175 materials distributed
- 13,625 in-language

Community-based organizations reached 64,045 Seattle residents.

Organizations Funded

- Asian Counseling and Referral Service
- Refugee Women's Alliance
- Rhizome
- Somali Community Services of Seattle
- Somali Family Safety Task Force
- Somali Health Board
- The Arc of King County
- Villa Comunitaria
- Washington Bus Education Fund
- Coalition of Immigrants, Refugees, and Communities of Color
- Chinese Information and Service Center
- Eritrean Association in Greater Seattle
- Latino Community Fund
- Literacy Source
- Orguesta Northwest



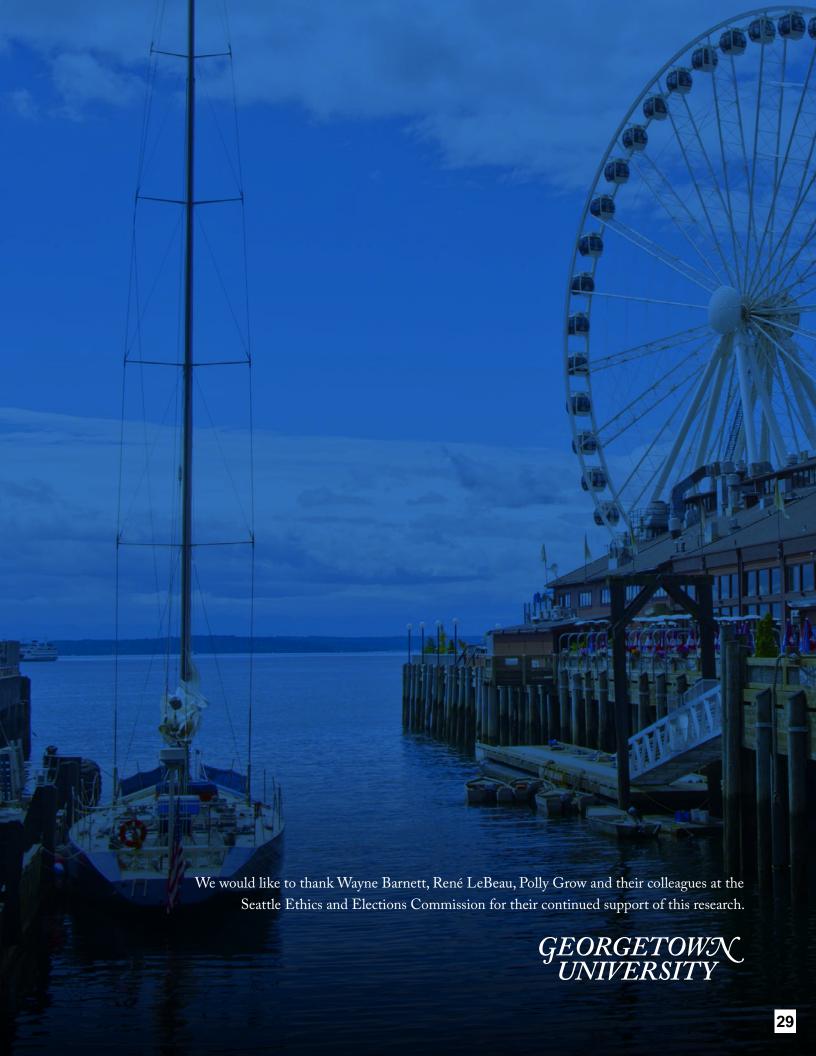
Budget Summary Report

Democracy Voucher Program - Budget Summary

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | | | | |
| Implementation (see prior year reports for detail) | | | | | | | | |
| Total | \$685,836 | \$36,000 | \$17,200 | \$459,497 | N/A | N/A | N/A | N/A |
| Program Admini | Program Administration | | | | | | | |
| Voucher production and mailing | | \$358,000 | \$1,140 | \$326,309 | \$120,517 | \$266,324 | \$1,101 | \$455,115 |
| Outreach media and materials | \$5,000 | \$85,000 | \$53,099 | \$39,333 | \$8,680 | \$18,509 | \$347 | \$26,523 |
| Language Access | \$22,000 | \$16,000 | \$10,763 | \$48,208 | \$10,932 | \$80,735 | \$2,143 | \$59,779 |
| Outreach contracting and events | | \$30,000 | | \$149,885 | | \$203,590 | \$45,089 | \$217,617 |
| King County Elections | | \$18,500 | | \$34,580 | | \$54,706 | | \$38,600 |
| Administration and Program Evaluation * | | \$114,700 | \$48,487 | \$113,997 | \$138,301 | \$118,722 | \$116,850 | \$119,560 |
| Program staff | \$273,000 | \$359,400 | \$343,873 | \$343,678 | \$370,100 | \$427,336 | \$486,991 | \$504,842 |
| Temp staff | | \$55,000 | | \$103,407 | | \$131,508 | | \$43,889 |
| Total | \$300,000 | \$1,036,600 | \$457,362 | \$1,159,397 | \$648,530 | \$1,301,430 | \$652,521 | \$1,465,925 |
| Beginning 2021, academic researchers took over evaluation of the program. seattle.gov/democracyvoucher/program-data/external-reports. See prior year biennial reports for paid program eval cost. | | | | | | | | |
| Candidate Disbu | · | Jaid program eve | 31 COSt. | | | | | |
| Total | | \$1,140,525 | | \$2,454,475 | | \$3,397,050 | | \$2,402,900 |
| | ı | | | | | | | |
| Total Program Cost | \$985,836 | \$2,213,125 | \$474,562 | \$4,073,369 | \$648,530 | \$4,698,480 | \$652,521 | \$3,868,825 |
| Funding | | | | | | | | |
| Levy | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 |
| Returned voucher funds | | \$34,958 | | \$22,854 | | \$21,057 | | \$51,147 |









Executive Summary

- In 2023, the Democracy Voucher program completed its fourth election cycle. This was the second election cycle in which Seattle residents could use their vouchers in districted City Council elections.
- Participation in the program fell significantly compared to both the most recent election in 2021 and the last election with districted City Council races in 2019. Overall, 30,649 Seattle residents participated in the program, resulting in a participation rate of 4.72 percent.
- Participation declined across all demographic groups, including people of color, women, and low-income residents. The most significant declines, however, were among young voters. In 2023, the participation rate for individuals under 40 years old fell to 3.4 percent—their lowest level since the program's inaugural year.
- Despite declines in participation, the demographic makeup of participants in the program was similar to that of voters in the 2023 election. Lower-income residents, people of color, and women were similarly represented among voucher users and 2023 voters.
- The program continued to attract a more diverse and representative pool of participants relative to traditional cash donors. Women, people of color, lower-income residents, and younger Seattle residents were better represented in the Democracy Voucher program than among cash donors.

Background

In 2015, voters in Seattle passed an initiative creating the Seattle Democracy Voucher program. Under the rules of the program, residents of Seattle each receive four \$25 vouchers to allocate to the candidates of their choice in local elections. Candidates running for Mayor, City Attorney, and City Council are eligible to participate in the program. Candidates qualify for the program by collecting signatures and qualifying donations from donors throughout the city.

The 2023 election cycle was the fourth for the Democracy Voucher program and the second where participants could use their vouchers to support candidates in Seattle's seven districted City Council races. In total, 45 candidates vied for those seven positions in the primary election. Forty-two of these 45 candidates (93 percent) pledged to participate in the program, with 31 ultimately qualifying. Under the rules of Seattle's electoral system, the top two vote-getters in the primaries competed in the general election. All fourteen candidates in the general election participated in the Democracy Voucher program.

The program continues to change and adapt with each election cycle. For the 2023 election, the Seattle Ethics and Elections Commission (SEEC) made several changes to improve outreach and tighten voucher collection rules. The SEEC worked closely with fifteen community-based organizations to inform the public about the program, including organizations in underserved communities. Along with the agency's own outreach efforts, more than 64,000 residents received direct information about the program. The

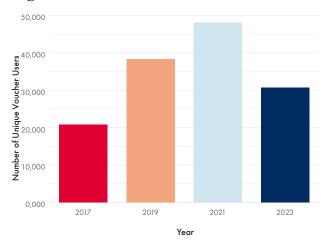
Commission also implemented new rules regarding voucher collection in response to public feedback.

After four election cycles, the Democracy Voucher program has solidified as part of the political process in Seattle. Among current elected officials who were eligible to use the program when they ran for office, ten of the current eleven officials participated.

Section 1: Voucher Usage

After steadily increasing over the previous two election cycles, participation in the Democracy Voucher program dropped significantly in 2023. In the previous districted City Council elections held in 2019, more than 38,000 unique Seattleites participated in the program—nearly double the number of participants from the inaugural cycle in 2017. By 2021, with the first mayoral election using the Democracy Voucher program, participation climbed to more than 48,000 residents. However, in 2023, participation declined precipitously, with only 30,649 Seattle residents returning their vouchers—a decline of 36 percent from the previous election cycle in 2021 and 20 percent from the previous districted Council elections in 2019. These changes are reported in Figure 1.

Figure 1: Total Voucher Users, 2017 - 2023

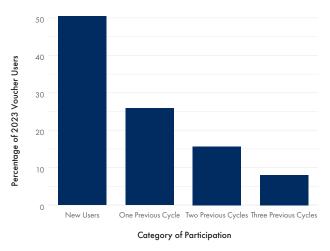


The decline in participation among Seattleites resulted in a significantly lower participation rate compared to previous election cycles. In 2021, 7.59 percent of the voting-age population in Seattle used their Democracy Vouchers, compared to 6.76 percent in 2019. In 2023, the participation rate fell to 4.72 percent.¹

Participants in the Democracy Voucher program tend to be one-time users rather than regular participants. In 2021, 77 percent of Seattleites who had participated in any of the three election cycles did so only once, rather than using vouchers in two or all three of the elections. This suggested that the program was introducing a new set of donors each election cycle, thereby refreshing the donor pool rather than entrenching a core set of repeat participants. The story of a refreshed donor pool emerged in 2023, as well. Figure 2 graphs the percentage of the 2023 voucher pool that had not participated in the program before, as well as the percentage that had given a voucher in one or more previous cycles. More than half of voucher users in 2023 were first-time users who

had not previously participated in the 2017, 2019, or 2021 election cycles. While the overall number of participants fell compared to previous election cycles, the 2023 election brought an additional 15,457 Seattle residents into the program who had never participated before. (Figure 2)

Figure 2: Single Election Voucher Users, 2023

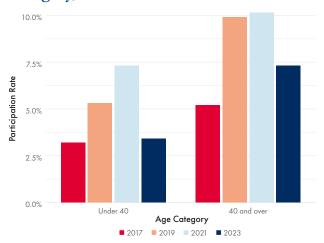


Section 2: Participation Rates

As overall participation in the Democracy Voucher program declined, participation across all sociodemographic groups declined as well. Broadly speaking, existing patterns of participation—with high-income residents participating at higher rates than low-income residents, white residents participating at higher rates than people of color, and older Seattleites participating at higher rates than younger Seattleites—persisted in the 2023 election cycle.

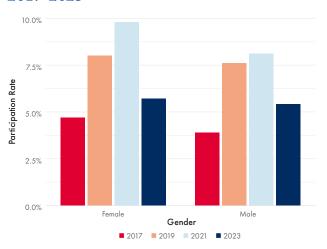
We utilize the voting-age population (n=649,253) from the 2022 1-year estimates of the American Community Survey to calculate the eligible population of voucher users. Available: https://data.census.gov/table/ACSDP1Y2022.DP05?g=160XX00US5363000&y=2022

Figure 3: Participation Rates by Age Category, 2017-2023



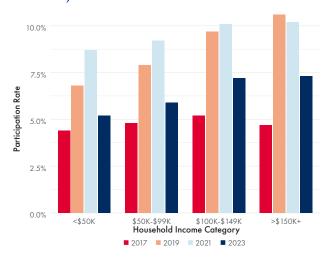
Although participation in the Democracy Voucher Program fell among all age groups, the decline was starkest among the youngest residents. In 2021, about 7.3 percent of Seattle residents under 40 years old participated in the program; in 2019, about 5.3 percent of younger residents participated. But in 2023, only about 3.4 percent participated—a rate closer to the inaugural year of the program. While participation also fell among Seattleites over 40, the decline was less pronounced. In 2021, 10.2 percent of Seattle residents over 40 returned their vouchers, compared to 9.9 percent in 2019; in 2023, the participation rate fell to about 7.3 percent. (Figure 3)

Figure 4: Participation Rate by Gender, 2017-2023



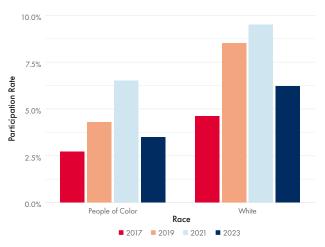
In previous election cycles, female Seattleites participated in the Democracy Voucher program at higher rates than males. For example, in 2021, participation among women climbed to 9.8 percent, compared to 8.1 percent for men. In 2019, 8 percent of women compared to 7.6 percent of men returned vouchers. In the 2023 election cycle, participation declined for both groups, resulting in near parity in the participation rate by gender. About 5.7 percent of women participated in the program, compared to about 5.4 percent of men. (*Figure 4*)

Figure 5: Participation Rate by Household Income, 2017-2023



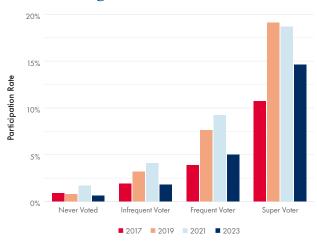
Consistent with patterns of voter turnout, high-income residents have historically participated in the Democracy Voucher program at higher rates than low-income residents. In 2023, these patterns across income groups held, although participation declined for all income categories relative to 2021 and 2019. Participation in the program was highest among higher-income categories. In 2023, 7.3 percent of Seattleites with household incomes of \$150,000 or more allocated a voucher, while only 5.2 percent of those with incomes less than \$50,000 per year did so. (Figure 5)

Figure 6: Participation Rate by Race, 2017-2023



Participation in the Democracy Voucher program declined across racial groups, although it declined more steeply among people of color than among white Seattleites. White residents continued to participate at higher rates than people of color. About 6.2 percent of white Seattleites participated in the program in 2023, compared to only about 3.5 percent of nonwhite Seattleites. Participation was down from historic highs in the previous election cycle, when nearly 9.5 percent of white residents and 6.5 percent of non-white residents participated in the program. Participation among non-white residents also declined from the last districted council races in 2019, when 4.3 percent of non-white residents participated. (Figure 6)

Figure 7: Participation Rate by Frequency of Past Voting, 2017-2023

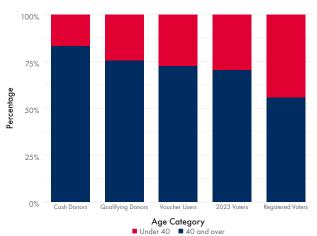


Seattle residents who are more inclined to participate in local politics by voting in elections were also more likely to participate in the Democracy Voucher program. Even so, participation among all groups was down from previous years. Among super voters—those in the top quintile for voting frequency within Washington state—participation in the program fell from 18.7 percent in the last election cycle to 14.6 percent in 2023. Among frequent voters, participation in the program fell from 9.2 percent to 5 percent during the same period. Among infrequent voters in the city, defined as the bottom two quintiles of voting frequency, only 1.8 percent participated in the Democracy Voucher program, maintaining their anemic participation in local politics. While the patterns of participation are consistent with previous election cycles, participation was down across all groups of voters. (Figure 7)

Section 3: Demographic Profiles

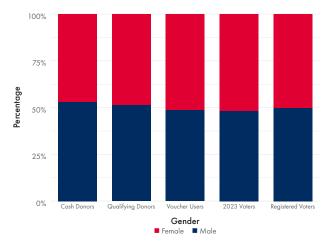
In this section, we compare the demographic composition of participants engaging in five types of participation in local elections: registering to vote, voting in the 2023 election, making a cash donation, giving a small-dollar qualifying contribution to a participating Democracy Voucher candidate, and returning a Democracy Voucher. The primary comparison in each chart compares active voters who voted in the 2023 general election with Democracy Voucher users to identify whether program participants are broadly representative of active voters in local elections. In most cases, the analysis suggests that they are representative despite the steep declines in program participation in 2023. We also make comparisons with cash donors in local elections to identify where certain groups of participants, including younger Seattleites and people of color, were underrepresented in making cash donations compared to their participation in the Democracy Voucher program.

Figure 8: Age Comparisons for Donors, Voucher Users, and Voters



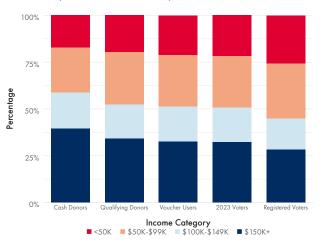
Compared to their participation as voters in the 2023 election, residents under 40 years old make up a slightly smaller share of Democracy Voucher users than active voters. About 29.5 percent of active voters in 2023 are under 40, but only 27.4 percent of voucher users are under 40 years old. However, these residents are better represented in the Democracy Voucher program relative to their participation in the pool of cash donors. Only 16.7 percent of cash donors are under 40 years old. On the other hand, older residents are slightly overrepresented in the pool of Democracy Voucher users compared to their participation as active voters, and they are significantly overrepresented in the pool of cash donors. (Figure 8)

Figure 9: Gender Comparisons for Donors, Voucher Users, and Voters



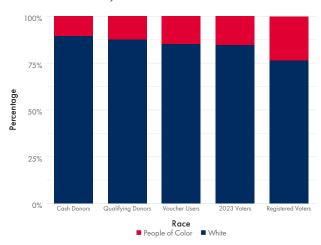
Women comprise 51.8 percent of active voters and 51.4 percent of voucher users. However, they make up only 47.0 percent of cash donors, suggesting that they are overrepresented in the Democracy Voucher program relative to their participation as cash donors. By contrast, men make up 53 percent of cash donors, but only 48.6 percent of Democracy Voucher users. (Figure 9)

Figure 10: Income Comparisons for Donors, Voucher Users, and Voters



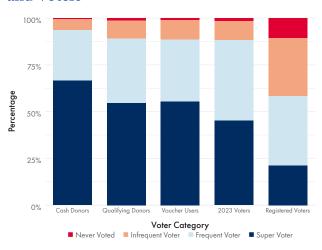
Across income groups, participation in the Democracy Voucher program broadly mirrors participation among active voters. The highest earners in Seattle comprise about 32.3 percent of active voters in the local election. They are similarly represented in the Democracy Voucher program, with 32.4 percent of participants from this income group. These high-income Seattleites make up 39.3 percent of cash donors in the election, suggesting they are overrepresented among cash donors compared to the pool of Democracy Voucher users. Similarly, low-income residents earning \$50,000 or less are about as likely to participate in the Democracy Voucher program as they are to vote in the 2023 election. They comprise 21.7 percent of active voters and about 21.3 percent of voucher users. However, these low-income residents are significantly underrepresented in the pool of cash donors, comprising only 17.2 percent of cash donors. (Figure 10)

Figure 11: Race Comparisons for Donors, Voucher Users, and Voters



There is little difference by race between the pool of active voters and Democracy Voucher users. In 2023, about 15.3 percent of active voters were people of color, and 84.7 percent of active voters were white. In the Democracy Voucher program, 15 percent of participants were people of color, and the remaining 85 percent were white, suggesting parity across these two types of participation. Notably, people of color comprise only 10.7 percent of cash donors in local elections, suggesting that while people of color are well-represented in the Democracy Voucher program, they are underrepresented among cash donors relative to their participation in elections. (Figure 11)

Figure 12: Frequency of Past Voting Comparisons for Donors, Voucher Users, and Voters



Compared to their participation as active voters, super voters are slightly overrepresented in the pool of Democracy Voucher users, and frequent voters are slightly underrepresented. Super voters comprised 45.1 percent of voters in the 2023 election, but they made up 55.5 percent of the pool of Democracy Voucher users. On the other hand, frequent voters made up 33.3 percent of Democracy Voucher users but were 43.1 percent of active voters. Infrequent voters were about as likely to vote in the 2023 local elections as they were to allocate a Democracy Voucher. In 2023, these voters comprised about 10.3 percent of active voters and 10.2 percent of Democracy Voucher users. (Figure 12)

Conclusion

With the close of the 2023 elections, Seattle residents have now had the opportunity to participate in the Democracy Voucher program in four local election cycles. Participation climbed during the first three election cycles before declining in the most recent one. Part of this decline can be attributed to the nature of the districted council races, which tend to attract less attention and generate less enthusiasm than the citywide contests for mayor and at-large council seats. Still, participation declined even compared to the last districted council races. Although we cannot definitively say why participation dropped relative to 2019, we speculate that a combination of increased independent expenditures, fewer participating candidates overall, and political fatigue in the wake of the COVID-19 pandemic may have contributed to the decline. Even so, more than 30,000 residents participated in the program, half of whom were new participants.

The 2023 election cycle also saw some changes that widened gaps in program participation. While participation fell across all groups, it declined most sharply among participants under the age of 40, suggesting that a general lack of enthusiasm among the young electorate translated into declining rates of engagement. In previous cycles, participation among this underrepresented group was one of the program's most important contributions.

Despite the lower participation rates in the 2023 cycle, our sociodemographic analyses show that the Democracy Voucher program continues to reduce representational inequalities between traditional cash donors and voters. Across measures, including income, race, gender, and past participation, Democracy Voucher users are more representative of all Seattle voters than cash donors. This pattern suggests that—even though participation declined sharply in 2023—the program continues to make progress in diversifying the donor pool.





March 24, 2025

MEMORANDUM

To: Governance, Accountability, and Economic Development Committee

From: Brian Goodnight, Analyst

Subject: CB 120957: Democracy Vouchers Levy Renewal

On March 27, 2025, the Governance, Accountability, and Economic Development Committee (Committee) will receive a briefing and discuss <u>Council Bill (CB) 120957</u>, which would submit a levy lid lift proposal to Seattle voters, in conjunction with the primary election to be held on August 5, 2025, to continue funding the City's Democracy Voucher program.

This memorandum provides background information on the Democracy Voucher program and the current levy, summarizes the levy proposal and the expected financial impact on property owners, and describes next steps.

Background

In 2015, Seattle voters approved <u>Initiative 122</u>, known as Honest Elections Seattle, making a number of campaign finance reforms and establishing the Democracy Voucher program. The Democracy Voucher program provides funding for campaigns for City of Seattle elected offices (Mayor, City Council, and City Attorney). The program is funded by a 10-year, \$30 million property tax levy that will expire at the end of 2025.

Implementation of the program began with the 2017 election cycle, and it is administered by the Seattle Ethics and Elections Commission (SEEC). By the beginning of March in every municipal election year, SEEC issues four \$25 Democracy Vouchers to eligible Seattle residents and the residents may assign their vouchers to any candidate participating in the program.¹

Candidates are not required to participate in the Democracy Voucher program, but those that choose to participate begin by signing a pledge to abide by the program's rules. The program's rules include attending at least three debates ahead of both the primary and general elections, adhering to donor contribution limits, and abiding by overall spending limits (known as the maximum campaign valuation). Contribution and spending limits vary by office. For example, a candidate running for a City Council District position in 2025 may only accept contributions up to \$350 per donor, plus up to \$100 in Democracy Vouchers, and they must limit their total election spending to no more than \$225,000 (\$112,500 in the primary election and \$112,500 in the general election).²

¹ Residents may assign their vouchers via an included prepaid envelope addressed to SEEC, providing the vouchers directly to a campaign, or by accessing the <u>Democracy Voucher Online Portal</u>.

² A complete list of the contribution limits and total election expenditure limits for candidates in 2025 is available at the following SEEC website: 2025 Maximum Campaign Valuation and Contribution Limits.

To qualify for the Democracy Voucher program, candidates must also collect a minimum number of qualifying signatures and contributions. Monetary contributions must be at least \$10 in value and Democracy Vouchers do not qualify as a monetary contribution. Similar to the contribution and spending limits, the required number of qualifying signatures and contributions varies based on the position being sought. For example, a candidate running for a City Council District position in 2025 must collect at least 150 qualifying signatures and contributions, half which must come from people residing in the district. Per SMC 2.04.690.D, prior to each election cycle, SEEC may "reasonably adjust the maximum campaign valuations, the dollar amounts for and numbers of qualifying contributions, the contribution limits per contributor..., or the number or value of democracy vouchers provided to each eligible person..."

In terms of program usage, SEEC reports on the program at the conclusion of each election cycle, with the most recent report summarizing the 2023 election. During 2023, SEEC processed over 118,000 vouchers from nearly 31,000 Seattle residents, resulting in the distribution of a little more than \$2.4 million to qualifying candidates. SEEC's website also contains up-to-date information (updated twice weekly) on assigned vouchers, including the resident assigning the voucher and the receiving campaign.⁴

Additionally, the program has been evaluated and analyzed by a number of outside parties, including BERK Consulting, the University of Washington's Center for Demography and Ecology, and professors from Stony Brook University and Georgetown University. According to one of the analyses, the program has "dramatically increased representational equality in Seattle along lines of race, age, and class. When compared with cash donors to local elections before the program, democracy voucher users are more racially diverse, younger, and less affluent. Democracy voucher users much more closely resemble active voters...." The program is also correlated with an increase in the number of candidates seeking elective office, although the program's implementation occurred during the same period as the Council's transition to districts which may also be a contributing factor. "In the years between 2001 and 2016, Seattle's municipal elections saw, on average, about four candidates per race in the primary elections after the program was introduced in 2017, that number doubled to about eight candidates per office."

³ The most recent adjustment occurred in October 2020 via Clerk File 321820.

⁴ SEEC 2025 <u>Voucher Program Data</u>; <u>SEEC Summary and Past Election Cycles Data</u>

⁵ SEEC External Reports

⁶ Heerwig, J. A., & McCabe, B. J. (2024). Democracy vouchers and the promise of fairer elections in Seattle. Temple University Press.

⁷ Ibid.

Summary of Levy Proposal and Financial Impacts

The existing Democracy Voucher property tax levy began collections in 2016 and its final year of collections is 2025. Absent a new property tax levy or alternative funding source, the Democracy Voucher program will no longer have a dedicated funding source to pay for the program's administration and the cost of the vouchers for candidates. CB 120957 proposes a new, 10-year, \$45 million property tax levy to continue dedicated funding for the Democracy Voucher program. The proposed levy would generate \$4.5 million per year for the program and is intended to reflect inflationary increases from the current levy (about 4.1 percent annually). Costs for program administration (e.g., staff, centralized services, voucher distribution) and elections (e.g., payments to candidates, number of candidates participating) have continued to grow during the current levy's existence, but the levy was structured to provide a constant \$3 million per year. Although alternative, smaller levy options were considered, an annual levy of \$4.5 million is necessary to meet the program's projected expenditures over the 10-year period.

The proposed levy is expected to cost the owner of a median value residential property, estimated at \$920,000, approximately \$13.07 in 2026, or \$1.09 per month.⁸ On average over the last three years, the current levy has cost the owner of a median value residential property about \$8.80 per year, or \$0.73 per month. As additional context for the size of the levy, a median value residential property in 2025 (valued at \$860,000) will pay approximately \$2,300 in property taxes to the City of Seattle and will pay a grand total of approximately \$7,900 in property taxes to the City, King County, Port of Seattle, and other taxing jurisdictions.

CB 120957 would also request the Executive, the Council, and SEEC to convene a workgroup in early 2026 to recommend improvements to the Democracy Voucher program, including addressing the impact of Political Action Committees in City elections. The bill specifies that the workgroup should include input from candidates, campaign staff, professional elections consultants, good government advocates, and the Executive Director and members of SEEC.

Next Steps

The Committee is scheduled to discuss and possibly vote on CB 120957 at its meeting on April 10. If the Committee votes to recommend passage of the bill at that time, the City Council could consider the legislation at its meeting on April 22, at the earliest.

Following Council passage and approval by the Mayor, the City Clerk will need to file the ordinance with the Director of Elections of King County by May 2 in order for the levy proposition to appear on the August 5 primary election ballot.

cc: Ben Noble, Director Yolanda Ho, Deputy Director Calvin Chow, Lead Analyst

⁸ In accordance with <u>RCW 84.36.381</u> and <u>RCW 84.55.050</u>, the City will exempt seniors, veterans with disabilities, or other persons who qualify from the increased levy amount, if approved.

WAYNE BARNETT; EXECUTIVE DIRECTOR

RENE LEBEAU;
PROGRAM
MANAGER

Democracy Voucher Program Overview & Levy Renewal Proposal



Seattle Ethics and Elections Commission

Democracy Vouchers

Created by voters in 2015 and implemented in the 2017 election cycle, the Democracy Voucher Program is a first-of-its-kind public campaign financing system which aims to increase participation, reduce the influence of big money in politics, and make the city's elections more accessible and transparent.

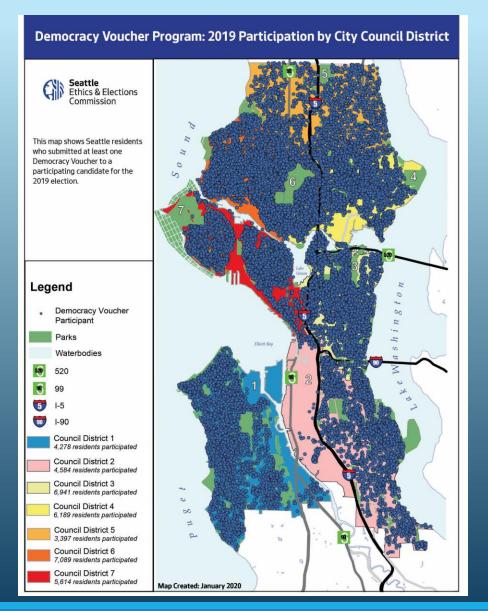
The program is administered by the independent Seattle Ethics & Elections Commission (SEEC) which sends four \$25 democracy vouchers to eligible residents during municipal election cycles. Residents then donate their vouchers to qualifying campaigns, which are redeemed for the assigned value.

A 10-year property tax levy finances the Democracy Voucher program, which expires at the end of 2025. Mayor Harrell has proposed a levy renewal to fund the program for an additional 10 years.

Map of 2013 Campaign Contributors

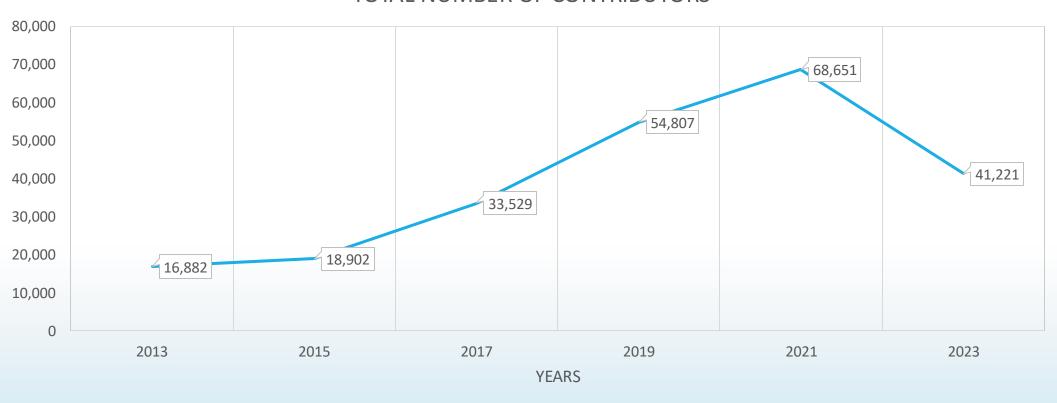
Map of 2019 Campaign Contributors





Outcomes – Number of Contributors

TOTAL NUMBER OF CONTRIBUTORS



Outcomes – Locally Funded Campaigns

PERCENTAGE OF CONTRIBUTIONS FROM OUTSIDE SEATTLE



Outcomes – Competitive Races

2011-2013

Last four-year cycle before vouchers

- 2.67 candidates per council race
- Five of nine races have no primary, one candidate runs unopposed
- Every incumbent on the ballot, eight of nine win reelection
- Seven win by more than 20 points, three get more than 80 percent of the vote

2017-2019

First four-year cycle with vouchers

- 6.1 candidates per council race, 228% increase
- Every race has a competitive primary
- Three of nine races are decided by more than 20 points

Democracy Voucher Levy Renewal Proposal

10-Year Property Tax Levy

Collects \$4.5 million/year over 10 years (currently \$3m/year)

\$0.0142 tax rate, \$13.07 annual impact to the owner of a median value home (\$920,000 in 2026)

Voters to consider on the August 5th Primary Election Ballot

Advisory Workgroup to convene to consider programmatic recommendations in 2026, provided the measure is adopted by voters

Considerations When Proposing a \$4.5m Annual Budget

| Democracy Voucher Program Budget Forecast - Fund Summary - \$4.5 million renewal | | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Budget Year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
| Annual Revenue | \$3,000,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 |
| Campaign Funds - 65% | | | | | | | | | | | |
| Utilized | \$5,850,000 | \$0 | \$4,265,625 | \$0 | \$7,008,300 | \$0 | \$5,332,025 | \$0 | \$8,419,650 | \$0 | \$6,665,025 |
| Administration | \$1,790,533 | \$756,531 | \$1,919,012 | \$824,325 | \$2,098,565 | \$899,030 | \$2,256,561 | \$981,451 | \$2,470,876 | \$1,072,493 | \$2,665,591 |
| Remaining Program | | | | | | | | | | | |
| Budget | \$3,186,082 | \$6,929,552 | \$5,244,915 | \$8,920,590 | \$4,313,726 | \$7,914,695 | \$4,826,109 | \$8,344,658 | \$1,954,132 | \$5,381,639 | \$551,022 |

| Democracy Voucher Program Budget Forecast - Fund Summary - \$4 million renewal | | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Budget Year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
| Annual Revenue | \$3,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 |
| Campaign Funds - 65% | | | | | | | | | | | |
| Utilized | \$5,850,000 | \$0 | \$4,265,625 | \$0 | \$7,008,300 | \$0 | \$5,332,025 | \$0 | \$8,419,650 | \$0 | \$6,665,025 |
| Administration | \$1,790,533 | \$756,531 | \$1,919,012 | \$824,325 | \$2,098,565 | \$899,030 | \$2,256,561 | \$981,451 | \$2,470,876 | \$1,072,493 | \$2,665,591 |
| Remaining Program | | | | | | | | | | | |
| Budget | \$2,497,684 | \$5,741,153 | \$3,556,516 | \$6,732,192 | \$1,625,327 | \$4,726,296 | \$1,137,710 | \$4,156,259 | -\$2,734,267 | \$193,240 | -\$5,137,376 |

| Democracy Voucher Program Budget Forecast - Fund Summary - \$3 million renewal | | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|---------------|--------------|---------------|
| Budget Year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
| Annual Revenue | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 |
| Campaign Funds - 65% | | | | | | | | | | | |
| Utilized | \$5,850,000 | \$0 | \$4,265,625 | \$0 | \$7,008,300 | \$0 | \$5,332,025 | \$0 | \$8,419,650 | \$0 | \$6,665,025 |
| Administration | \$1,790,533 | \$756,531 | \$1,919,012 | \$824,325 | \$2,098,565 | \$899,030 | \$2,256,561 | \$981,451 | \$2,470,876 | \$1,072,493 | \$2,665,591 |
| Remaining Program | | | | | | | | | | | |
| Budget | \$2,497,684 | \$4,741,153 | \$1,556,516 | \$3,732,192 | -\$2,374,673 | -\$273,704 | -\$4,862,290 | -\$2,843,741 | -\$10,734,267 | -\$8,806,760 | -\$15,137,376 |

Next Steps

- Committee Vote: April 11, 2025
- ✓ Full Council Vote: April 22, 2025
- King County Submission Deadline: May 2, 2025
- Election Day: August 5, 2025
- A Property Tax Collection Start: January 1, 2026
 - Working Group Convenes: Early 2026

Thank You

Questions?