



Campaign Contribution Cap Analysis

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Overview

1. Council instructions
2. Academic research
3. Quantitative research
 - Descriptive statistics
 - Regression analysis
4. Conclusion

A motion was made by Monica Zoltanski, seconded by Brooke Christensen to approve directing staff to provide analysis on campaign contribution limits in Sandy elections, as well as enhanced reporting requirements and report back to the Council with recommendations and with a draft ordinance for consideration, consistent with tonight's discussion and any subsequent questions the Council or Mayor may submit for analysis on these topics.

- SANDY CITY COUNCIL MEETING
- NOVEMBER 10, 2020
- FILE I.D. 20-397

Beginning Questions

- **Should Sandy City cap the amount of money individuals/organizations can donate to a candidate's campaign for Mayor or City Council?**
 - Would caps apply to the entire campaign or be segmented by primary and general elections?
 - Should the Mayoral race have higher contribution caps than Council district races?
 - Should all citywide races (Mayor/Council At-large) have the same contribution caps?
 - Should contribution caps be indexed to inflation to adjust automatically or be legislatively adjusted?
 - What happens if caps are exceeded? Consequences for donor? Candidate?
- **What is the problem that campaign contribution caps are intended to solve?**
 - Reducing the “barrier to entry” for new candidates.
 - Limiting the influence of particular donors or donor types.
 - Need to increase candidate outreach to a broader range of donors?
 - Overall costs of elections.
- **What is the effect of campaign caps on local elections?**
 - Can the data from past Sandy elections be informative?
- **Should the City impose a maximum total campaign spending limit?**
- **Should Sandy City explore publicly funded campaigns?**
 - Could caps be established on a voluntary basis?
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Academic Research

Academic Research

- Not much research about the effect of local campaign contribution caps.
- Most data involves very large cities (i.e. Chicago, Los Angeles, New York) or foreign cities.
- Discussion with Dr. Brian E. Adams, Social Science Program, San Diego State University.
 - Not a game changer. Contribution limits have a modest positive to zero impact in reducing overall campaign costs
 - Contribution limits push money to independent expenditures.
 - After “novelty effect” of campaign finance reform, limits do not increase number of candidates.
 - Contribution limits make it more difficult to communicate with voters.
 - Contribution limits “all over the place.” Caps must be low enough to limit larger donors, but not so low to incentivize them to form Political Action Committees (for independent expenditures).
 - Regardless of contribution caps, good disclosure is important.

Sample of Conclusions

- Campaign finance reforms **limiting donations** aim to reduce the influence of large contributors in the electoral process and to cause candidates to seek contributions from a broader pool of donors...We found that the new law **did not bring more donors into the political process, nor did it reduce the average donation to candidates.**” (Krebs & Turner)
- “Some research suggests that even in local races, money plays an important role (Strachan 2003;Adams 2010), although **further research is needed** to fully explore the extent to which raising funds is necessary for electoral success.” (Adams)
- “Our results suggest that **stricter contribution limits either improve or have no effect on welfare relative to the more relaxed contribution limits.** Welfare improvement occurs in the partial anonymity and no anonymity settings, while stricter limits have no significant effect in the full anonymity setting.” (Shapiro & Zillante)
- “...studies at the local level cannot borrow wholesale from congressional and state politics literature because city councils and districts are small in size, and partisan competition is seldom present. **Money was not an important predictor of outcomes in city council elections,** which may not be surprising in small districts, where “shoe leather” campaigns are possible.” (Fleishmann & Stein)
- “Local governments throughout the United States have experimented with public campaign financing for more than two decades. Public financing has increased electoral competitiveness by enabling qualified candidates with limited access to wealthy donors to win public office. Public financing has reduced candidate dependence on special interest donors and placed a premium on small contributions from individuals. Public financing has also leveled campaign spending by serving as an effective incentive for candidates to abide by spending limits and other campaign finance restrictions. This has been accomplished at a surprisingly low cost to taxpayers.” (Ryan)

Quantitative Research

Data & Methodology

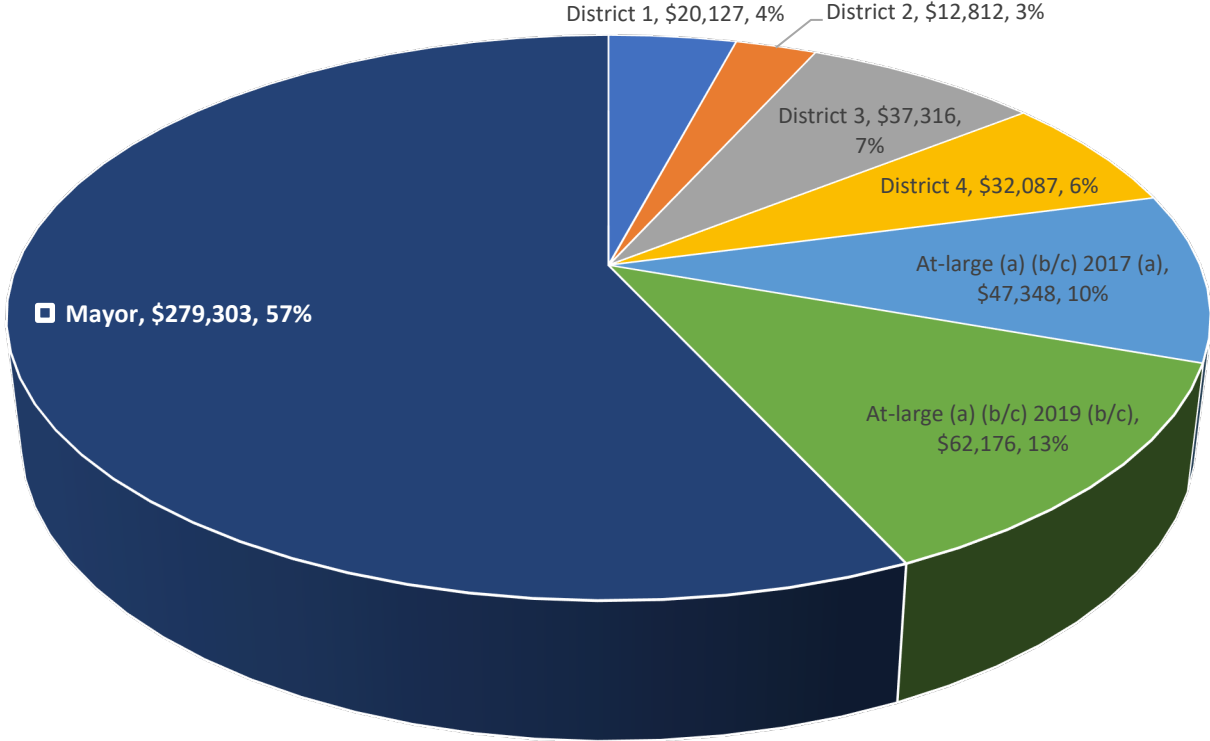
- What can actual Sandy City election data tell us?
- Built a database from all 2017 and 2019 campaign disclosures:
 - 25 individual candidates
 - 116 disclosures
 - 529 donors
 - 776 contributions
 - Approximately 12,000 data points:
 - Election year, candidate name, gender, type of race (challenger/incumbent/open), type of contribution, amount of contribution, date of contribution, primary/general designation, donor name, donor address, result (won/lost), donation qualifiers (in-kind/loan).
 - Created pivot tables to “see” the data and descriptive statistics
 - Ran multivariate binary logistic regression analysis
 - What factors if any have a statistically significant influence on the outcome of Sandy elections?

Contributions by Election Race

Election Year Contribution Summary		
2017 Total	\$384,094	78.2%
2019 Total	\$107,075	21.8%
	\$491,169	100.0%

Race	Sum of Contribution Amount	% of Total
District 1	\$20,127	4.1%
District 2	\$12,812	2.6%
District 3	\$37,316	7.6%
District 4	\$32,087	6.5%
At-large (a) (b/c)	\$109,525	
2017 (a)	\$47,348	9.6%
2019 (b/c)	\$62,176	12.7%
Mayor	\$279,303	56.9%
Grand Total	\$491,169	100.0%

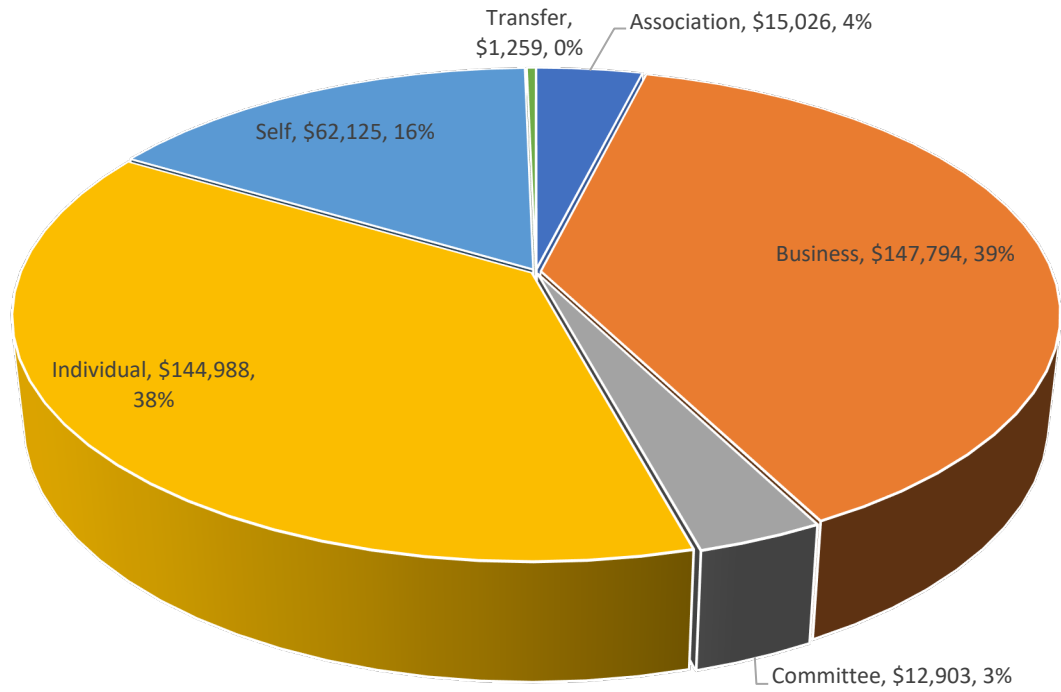
Total Contributions by Election Race



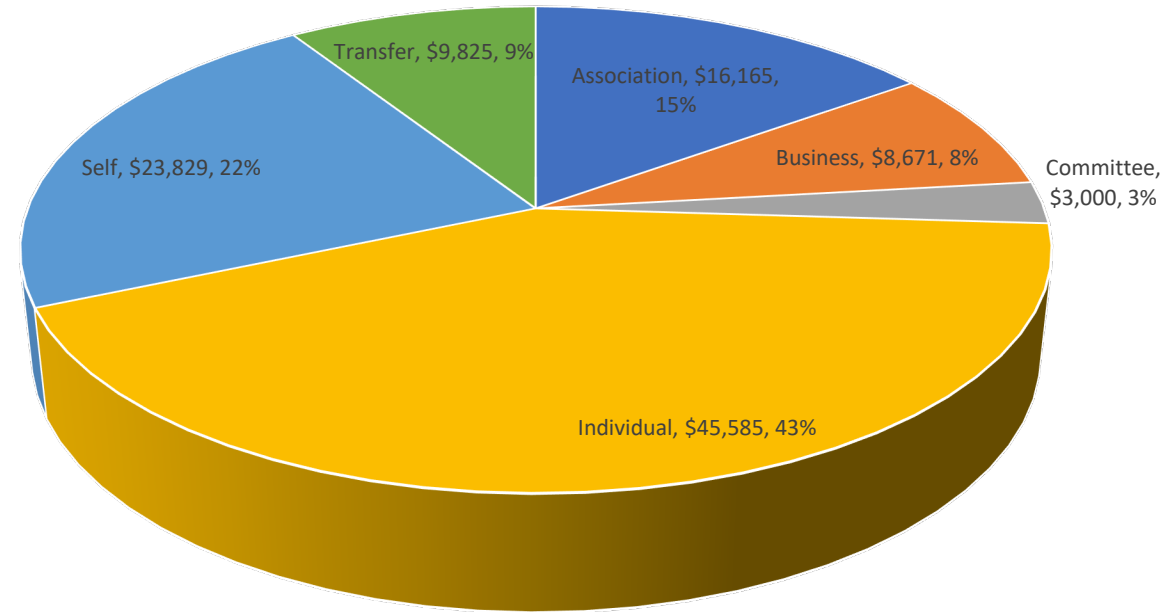
Types of Contributions

Contribution Type	2017	2019	Grand Total
Association	\$15,026	\$16,165	\$31,191
Business	\$147,794	\$8,671	\$156,465
Committee	\$12,903	\$3,000	\$15,903
Individual	\$144,988	\$45,585	\$190,574
Self	\$62,125	\$23,829	\$85,954
Transfer	\$1,259	\$9,825	\$11,084
Grand Total	\$384,094	\$107,075	\$491,169

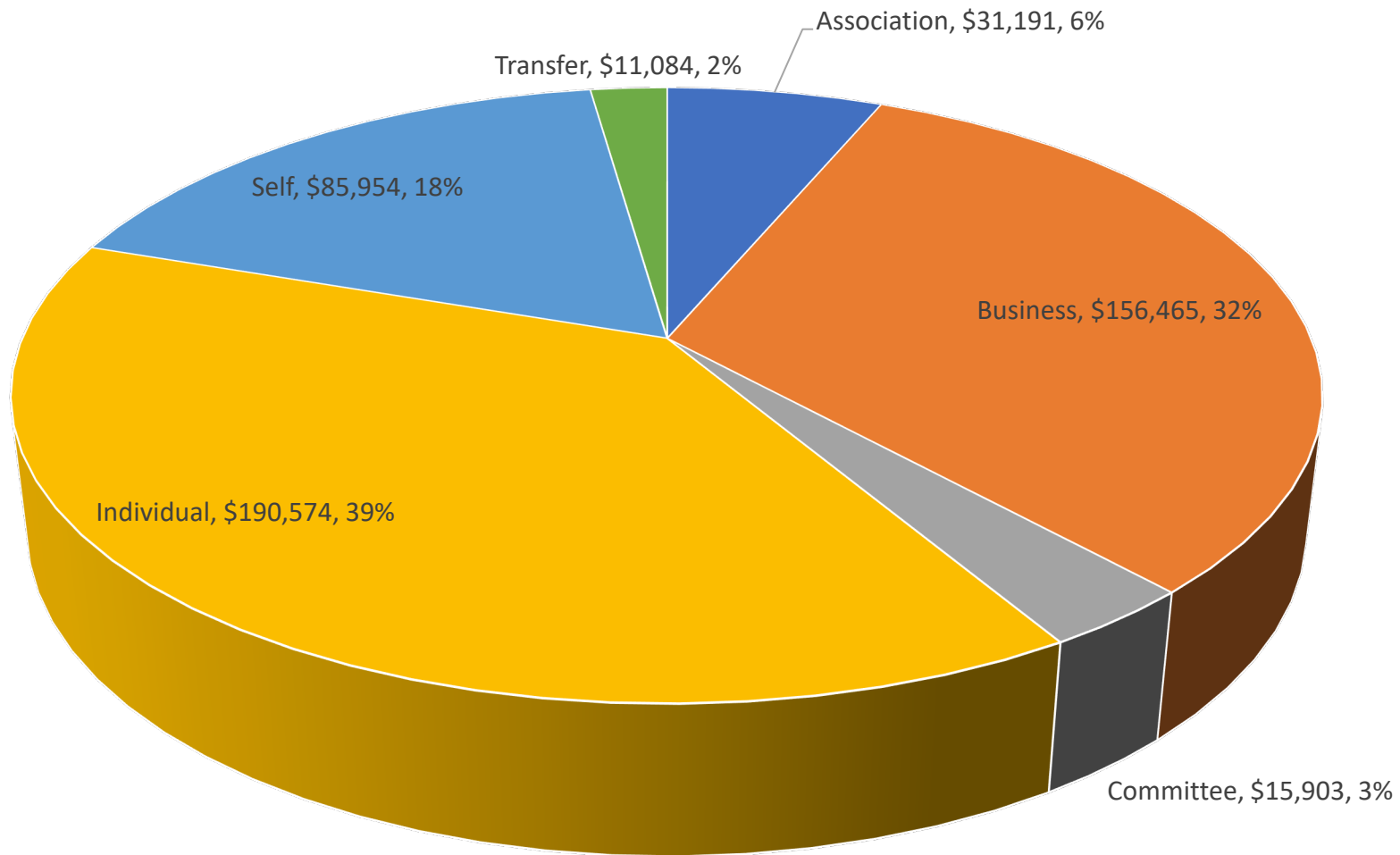
Contributions by Type
2017



Contributions by Type
2019



Contributions by Type
2017 & 2019



Median and Average by Type

Association

	2017	2019
Median	\$500	\$400
Average	\$1,503	\$2,309

Individual

	2017	2019
Median	\$100	\$100
Average	\$569	\$292

Business

	2017	2019
Median	\$1,000	\$475
Average	\$2,111	\$867

Self

	2017	2019
Median	\$582	\$695
Average	\$3,654	\$2,166

Committee

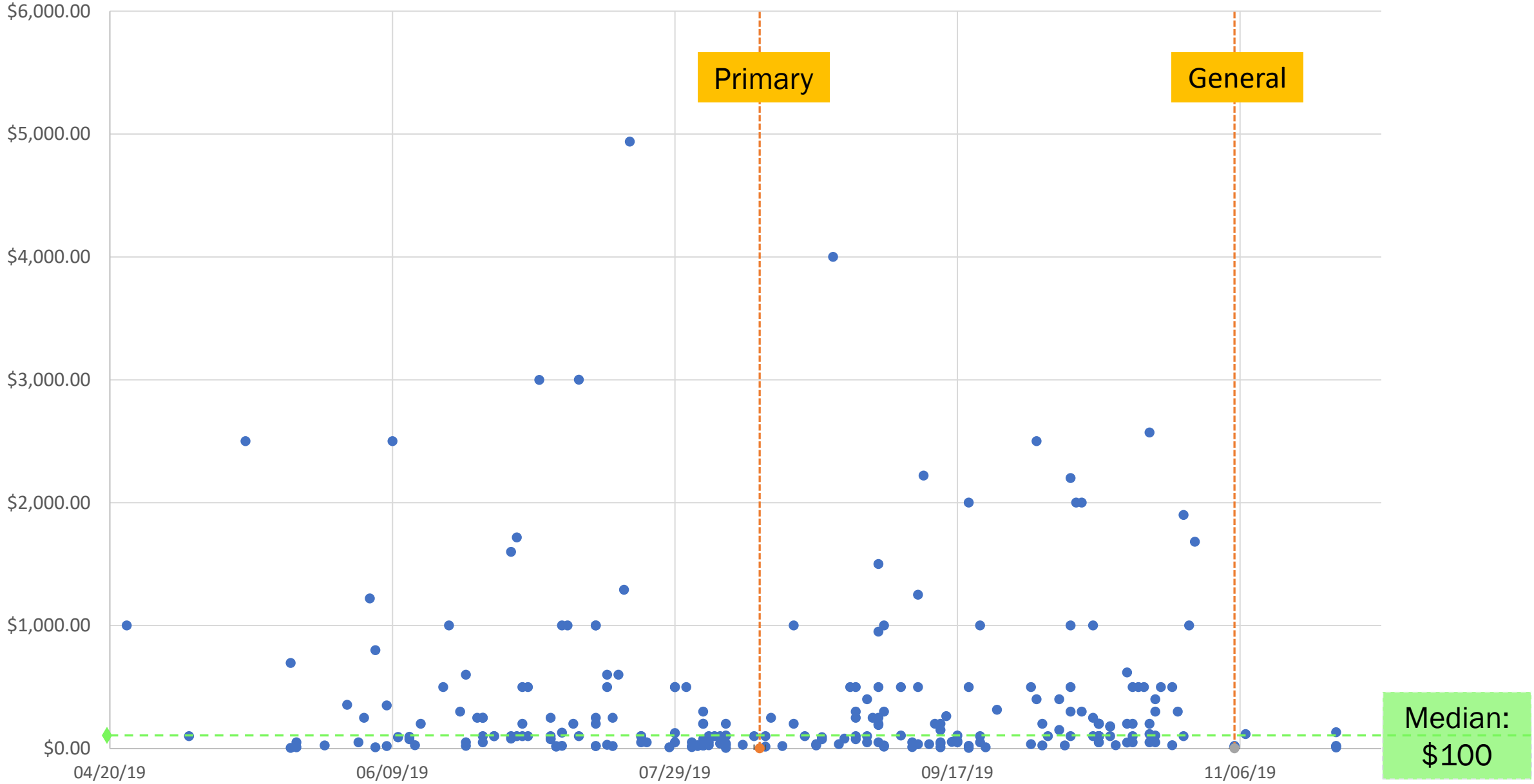
	2017	2019
Median	\$1,000	\$1,500
Average	\$1,434	\$1,500

Transfer

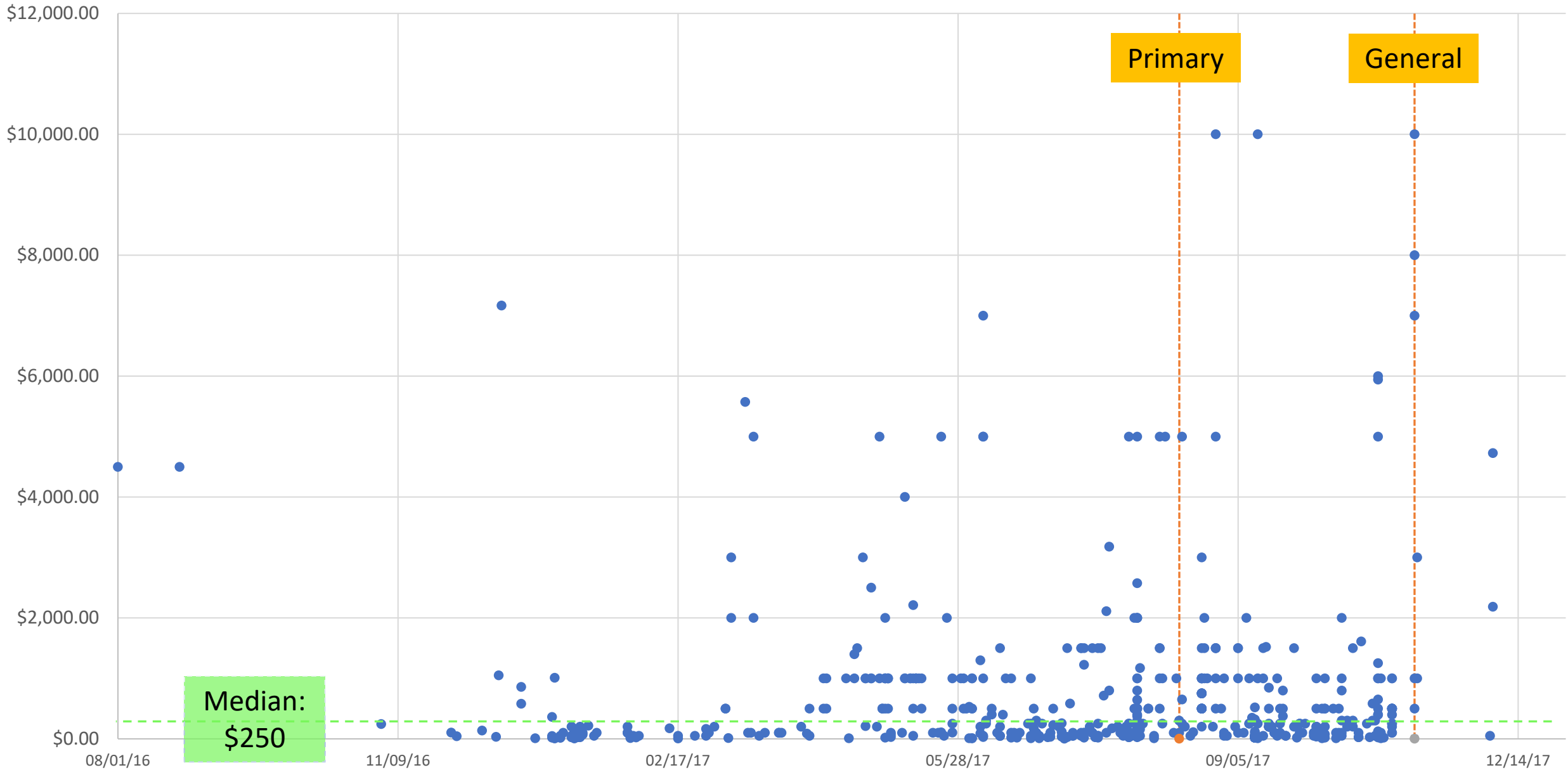
	2017	2019
Median	\$629	\$500
Average	\$629	\$893

Contributions by Date

Contribution Date & Amount
2019 Election

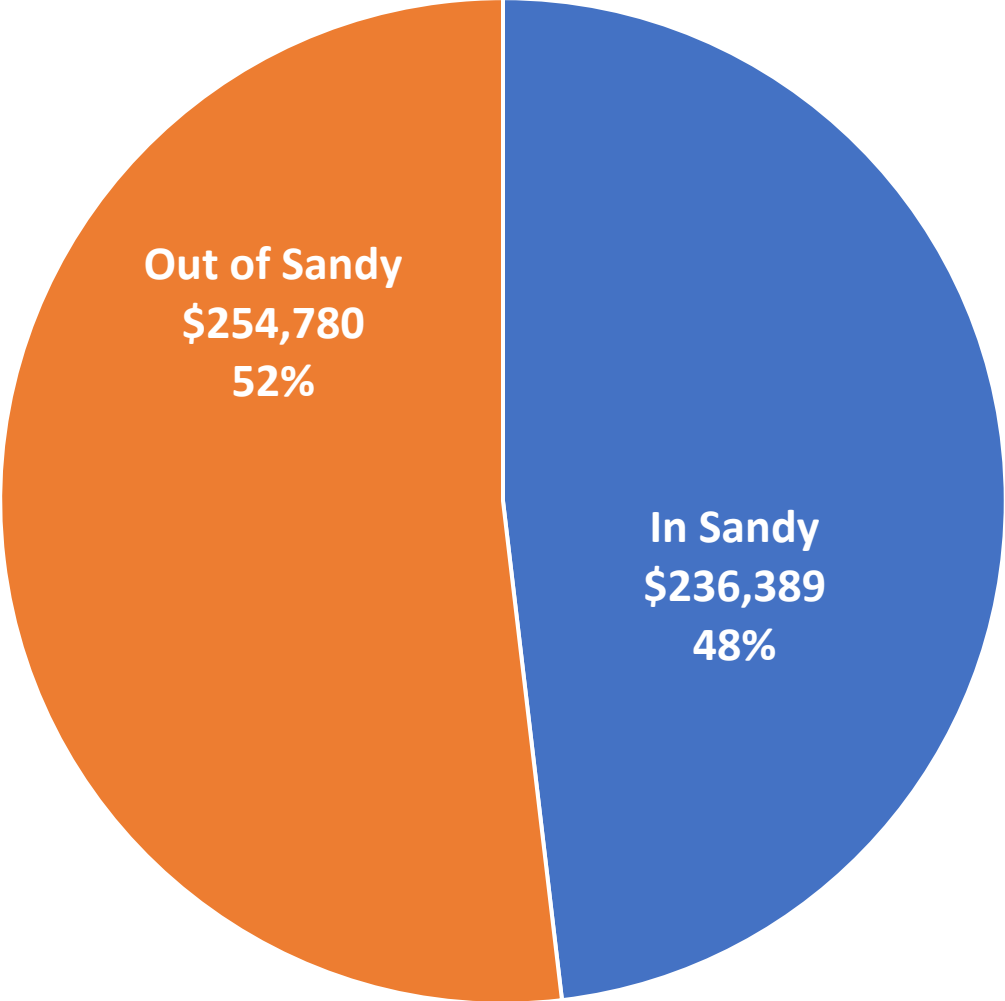


Contributions Date & Amount
2017 Election

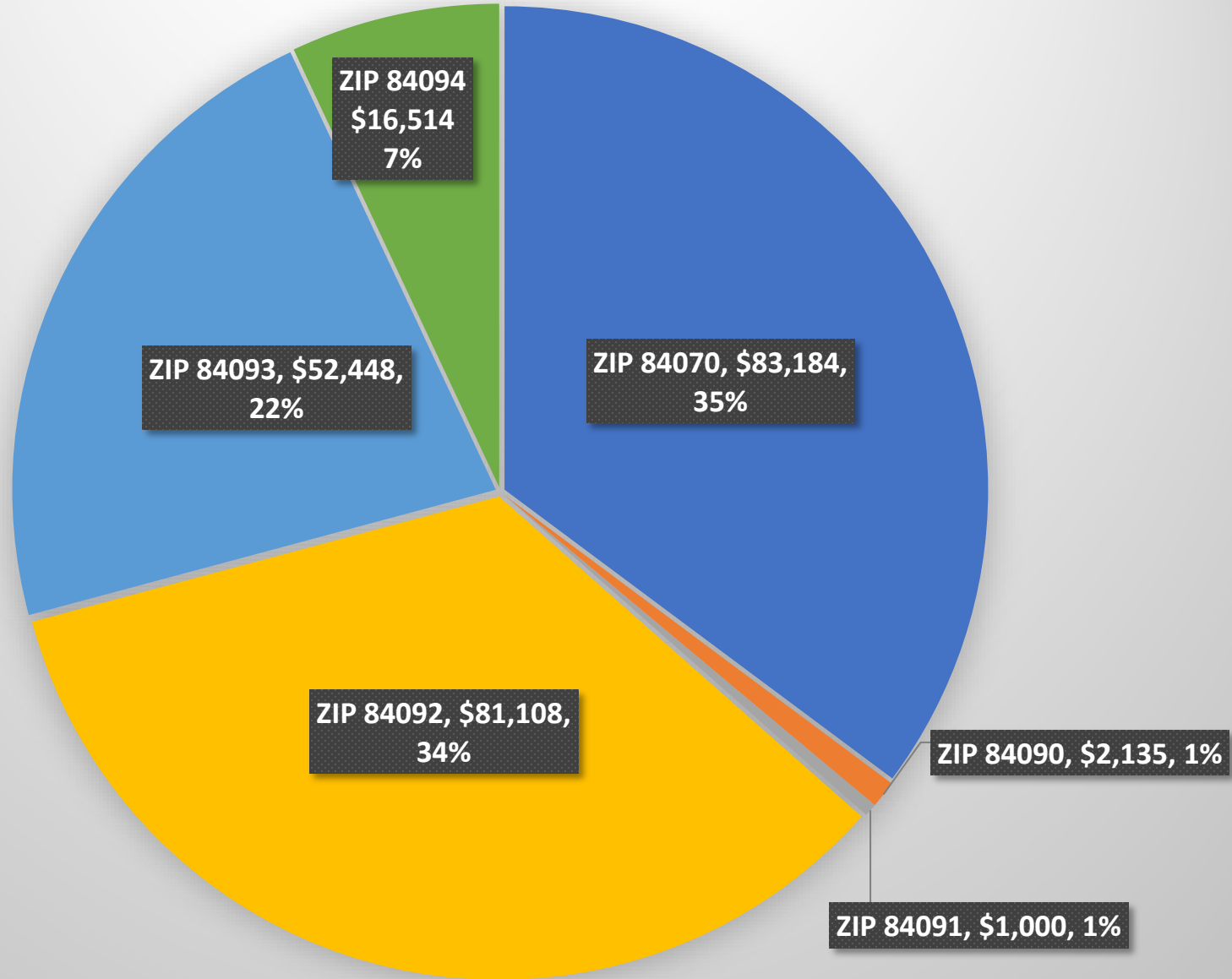


Contribution Locations

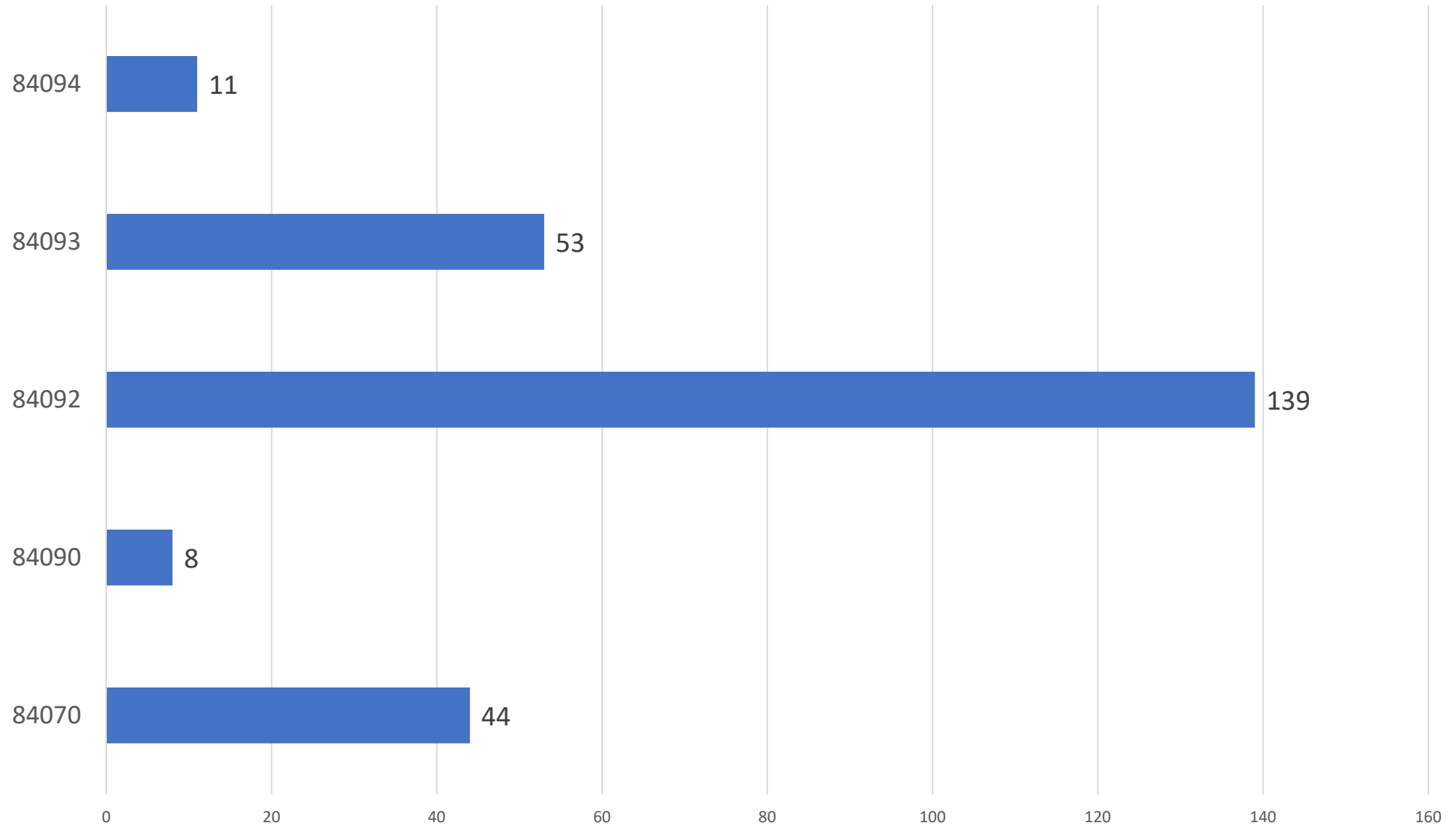
Contributions In or Out of Sandy City



Total Sandy Contributions by Zip Code

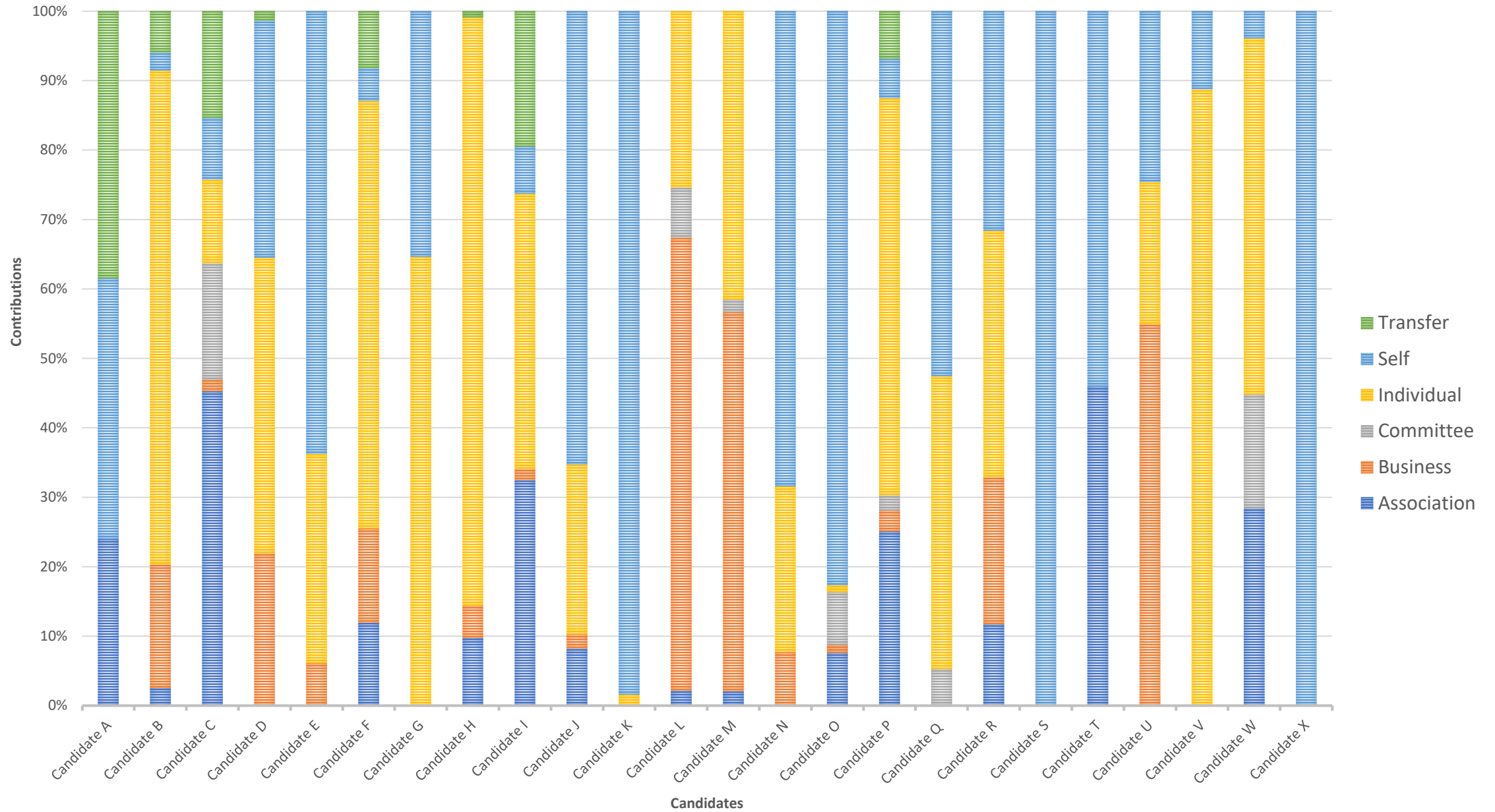


Contributions by Individuals by Sandy ZIP Code



Contribution Influence

CANDIDATE CONTRIBUTION PORTFOLIOS



Candidate	Lost	Won	Lost	Won	Lost	Won	Lost	Won	Lost	Won	Lost	Won
Candidate A				\$9,370								
Candidate B							\$19,662					
Candidate C										\$17,895		
Candidate D					\$1,150				\$2,498			
Candidate E					\$950				\$10,733			
Candidate F										\$18,882		
Candidate G			\$361									
Candidate H								\$10,766				
Candidate I			\$3,081									
Candidate J									\$12,169			
Candidate K							\$1,660					
Candidate L						\$34,624						
Candidate M											\$221,080	
Candidate N		\$3,892										
Candidate O									\$26,286			
Candidate P										\$18,329		
Candidate Q												\$56,795
Candidate R	\$8,519											
Candidate S	\$652											
Candidate T	\$979											
Candidate U									\$2,733			
Candidate V											\$1,428	
Candidate W	\$6,085											
Candidate X					\$592							
Grand Total	\$16,235	\$3,892	\$3,442	\$9,370	\$2,692	\$34,624	\$21,322	\$10,766	\$54,419	\$55,106	\$222,508	\$56,795
Did the candidate who raised the most money win the election?	No		Yes		Yes		No		No		No	

Examining the impact of the largest single contribution to each candidate:

- The monetarily largest single contribution each candidate receives does not appear to predict the election outcome.

Rank by Result					
Candidate	Type	Largest Contribution	Result		% of Cand. Total
Candidate C	Association	\$2,999.83	Won	2019	16.8%
Candidate L	Business	\$5,000.00	Won	2017	14.4%
Candidate F	Individual	\$3,000.00	Won	2019	15.9%
Candidate H	Individual	\$1,000.00	Won	2019	9.3%
Candidate P	Individual	\$5,000.00	Won	2017	27.3%
Candidate A	Self	\$1,681.50	Won	2019	17.9%
Candidate N	Self	\$1,296.98	Won	2017	33.3%
Candidate Q	Self	\$7,169.40	Won	2017	12.6%
Candidate I	Association	\$1,000.00	Lost	2019	32.5%
Candidate D	Business	\$500.00	Lost	2019	13.7%
Candidate U	Business	\$1,000.00	Lost	2017	36.6%
Candidate B	Individual	\$5,000.00	Lost	2019	25.4%
Candidate M	Individual	\$10,000.00	Lost	2017	4.5%
Candidate V	Individual	\$400.00	Lost	2017	28.0%
Candidate W	Individual	\$2,210.35	Lost	2017	36.3%
Candidate E	Self	\$4,000.00	Lost	2019	34.2%
Candidate G	Self	\$127.84	Lost	2019	35.4%
Candidate J	Self	\$4,937.94	Lost	2019	40.6%
Candidate K	Self	\$1,633.43	Lost	2019	98.4%
Candidate O	Self	\$7,000.00	Lost	2017	26.6%
Candidate R	Self	\$2,110.02	Lost	2017	24.8%
Candidate S	Self	\$642.55	Lost	2017	98.6%
Candidate T	Self	\$529.45	Lost	2017	54.1%
Candidate X	Self	\$581.97	Lost	2017	98.3%

Examining the impact of the largest single contribution to each candidate:

- The *type* of the largest single contribution does not appear to predict election outcome.

Rank by Type					
Candidate	Type	Largest Contribution	Result		% of Cand. Total
Candidate C	Association	\$2,999.83	Won	2019	16.8%
Candidate I	Association	\$1,000.00	Lost	2019	32.5%
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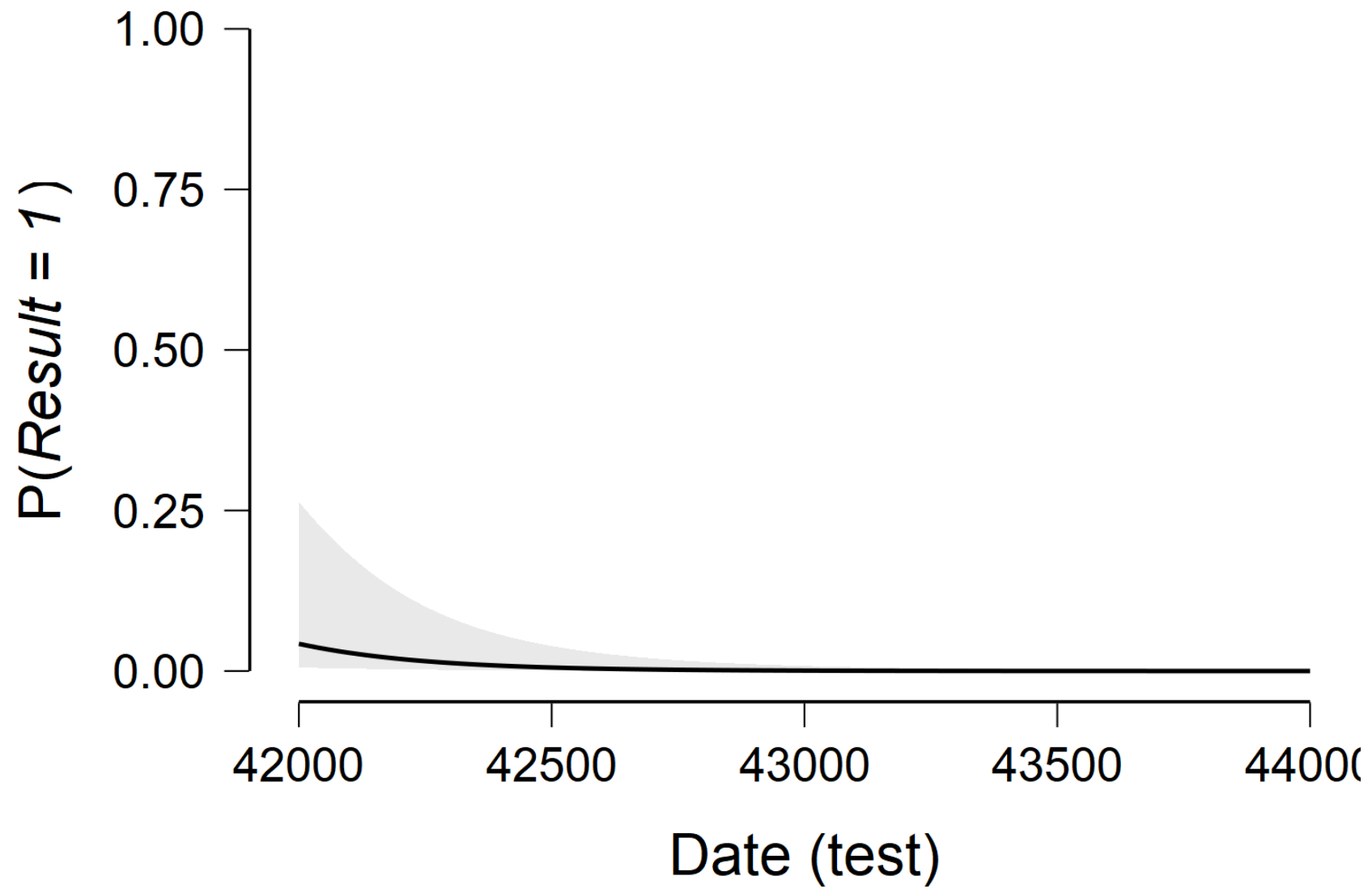
Examining the impact of the largest single contribution to each candidate:

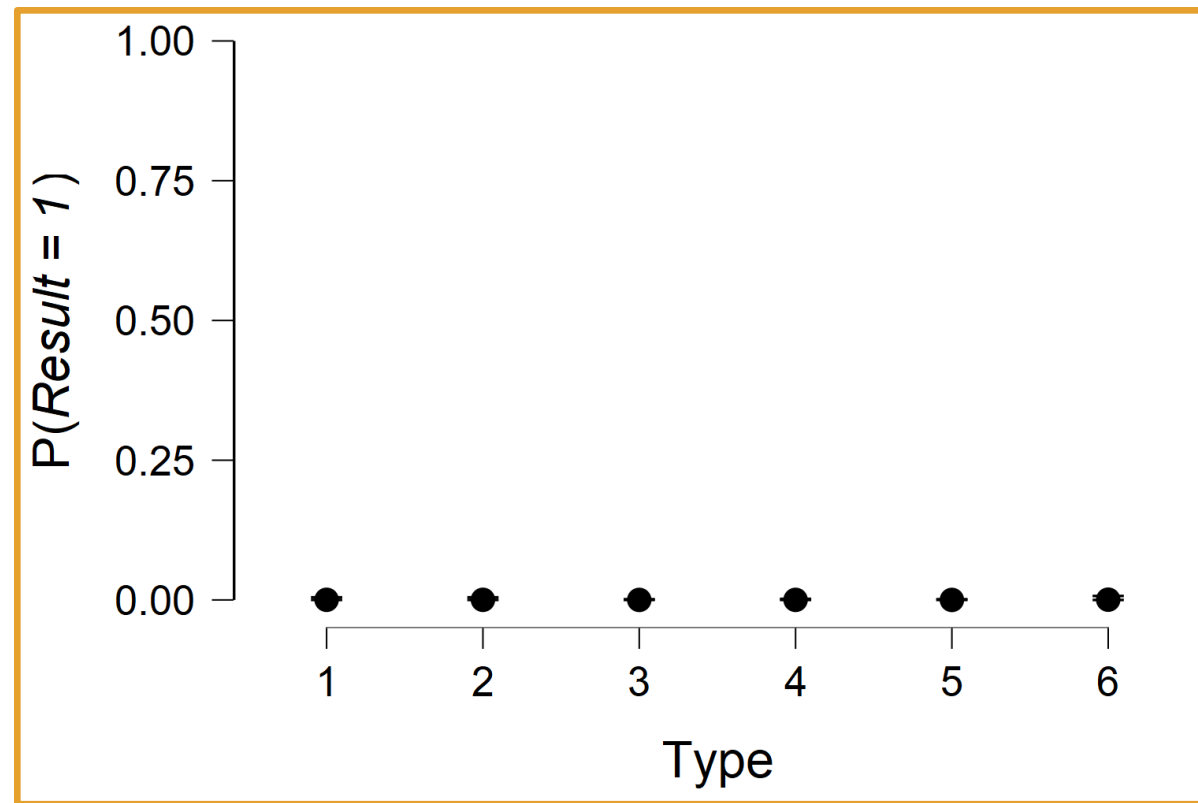
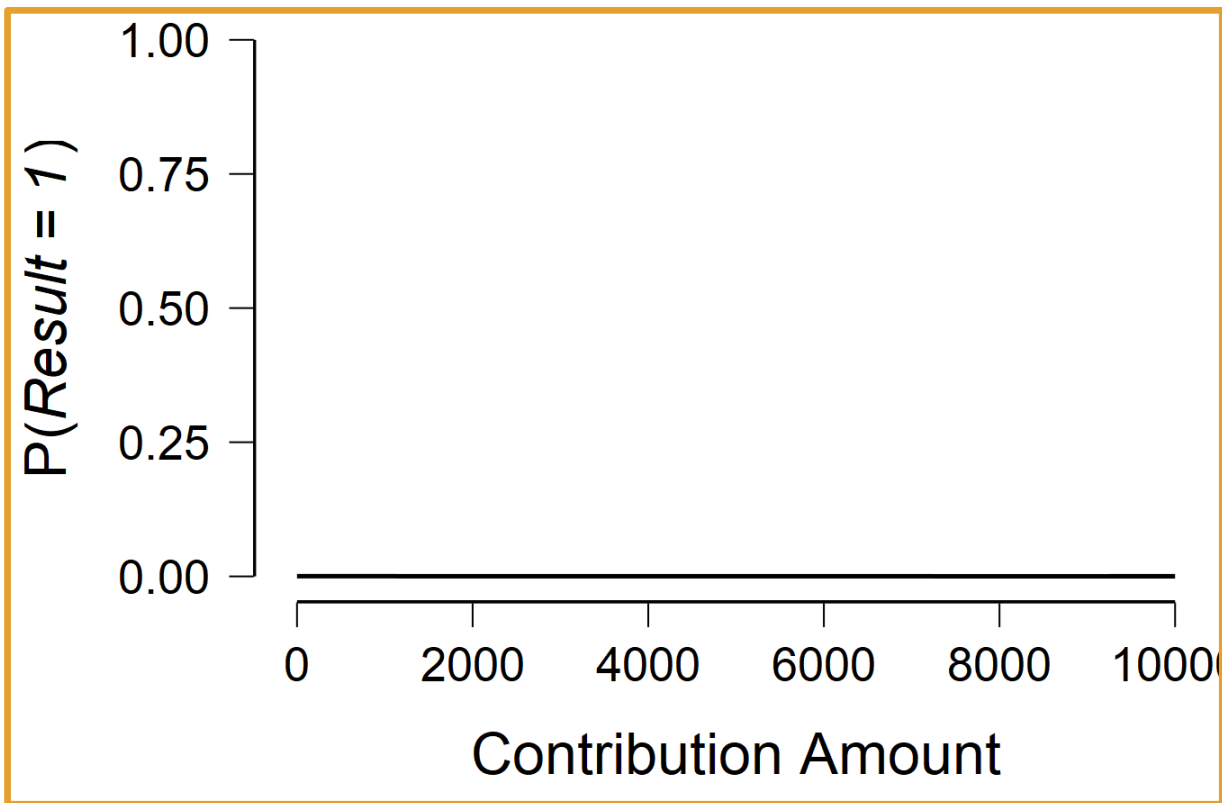
- The largest single contribution to each candidate as a percentage of their total contributions does not appear to predict the election outcome.

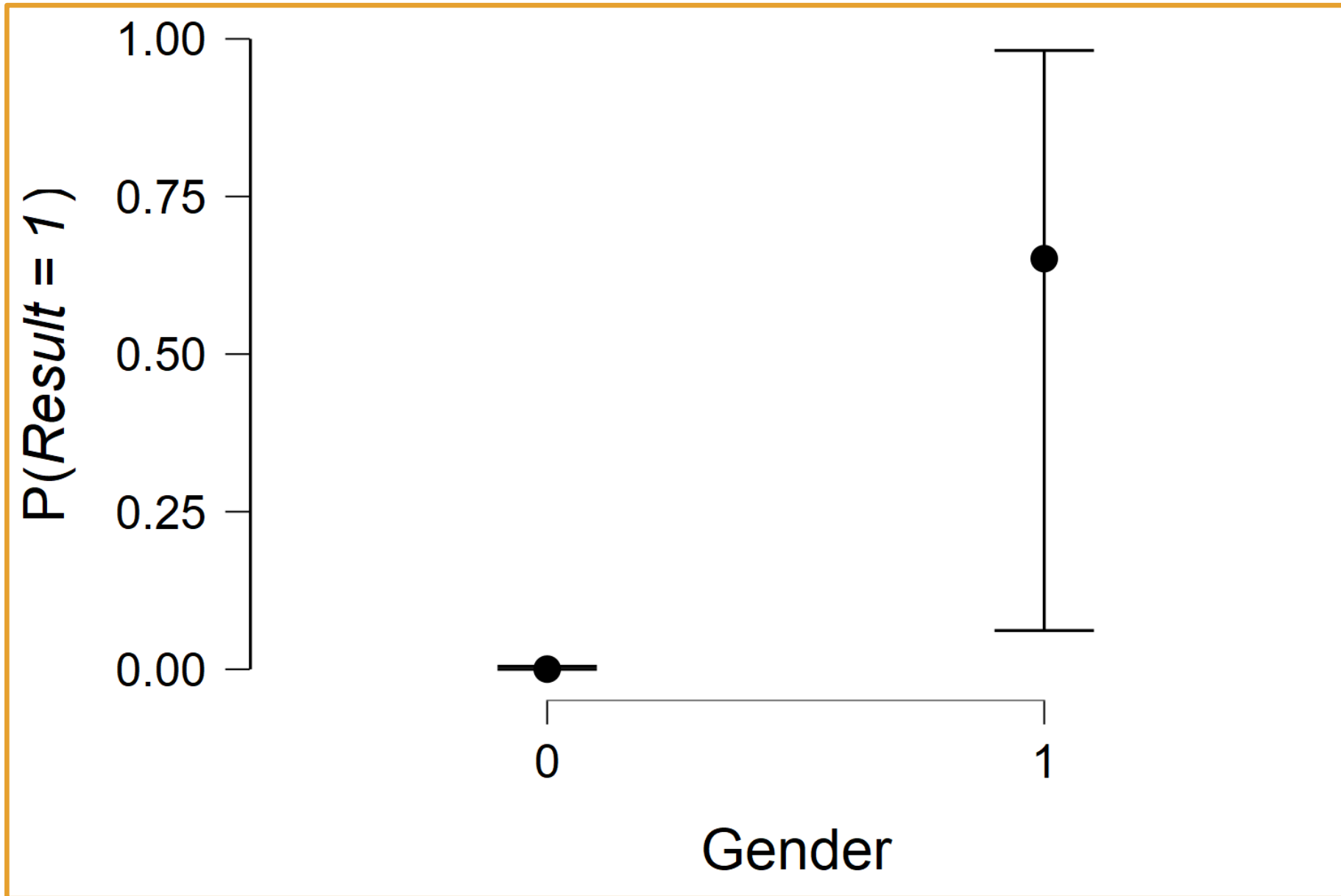
Rank by Percentage					
Candidate	Type	Largest Contribution	Result		% of Cand. Total
Candidate S	Self	\$642.55	Lost	2017	98.6%
Candidate K	Self	\$1,633.43	Lost	2019	98.4%
Candidate X	Self	\$581.97	Lost	2017	98.3%
Candidate T	Self	\$529.45	Lost	2017	54.1%
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Candidate M	Individual	\$10,000.00	Lost	2017	4.5%

Regression Analysis

						95% Confidence interval	
Coefficients	Estimate	Standard Error	z	Wald Statistic	p	Lower bound	Upper bound
(Intercept)	172.196	47.877	3.597	12.936	< .001	78.359	266.033
Contribution Amount	0	0	-0.61	0.372	0.542	0	0
Date	-0.004	0.001	-3.69	13.617	< .001	-0.006	-0.002
Gender (Female coded 1)	8.71	1.187	7.336	53.815	< .001	6.383	11.037
Geogrpahy (Sandy Address coded 1)	-0.042	0.242	-0.176	0.031	0.861	-0.516	0.431
Challenger	4.971	0.476	10.442	109.026	< .001	4.038	5.904
Open	-1.474	1.372	-1.074	1.154	0.283	-4.162	1.215
District 2	-0.12	2.18	-0.055	0.003	0.956	-4.393	4.152
District 3	0.548	1.371	0.4	0.16	0.689	-2.139	3.236
District 4	4.93	0.993	4.966	24.658	< .001	2.984	6.876
At-large	4.074	0.925	4.404	19.396	< .001	2.261	5.887
Mayoral	4.701	0.895	5.25	27.568	< .001	2.946	6.456
Committee	-0.05	1.043	-0.048	0.002	0.962	-2.095	1.994
Business	-0.876	0.786	-1.115	1.244	0.265	-2.416	0.664
Individual	-0.498	0.688	-0.724	0.524	0.469	-1.848	0.851
Self	-1.072	0.756	-1.418	2.009	0.156	-2.554	0.41
Association	0.589	0.854	0.69	0.476	0.49	-1.085	2.263
Note. Result level '1' coded as class 1.							

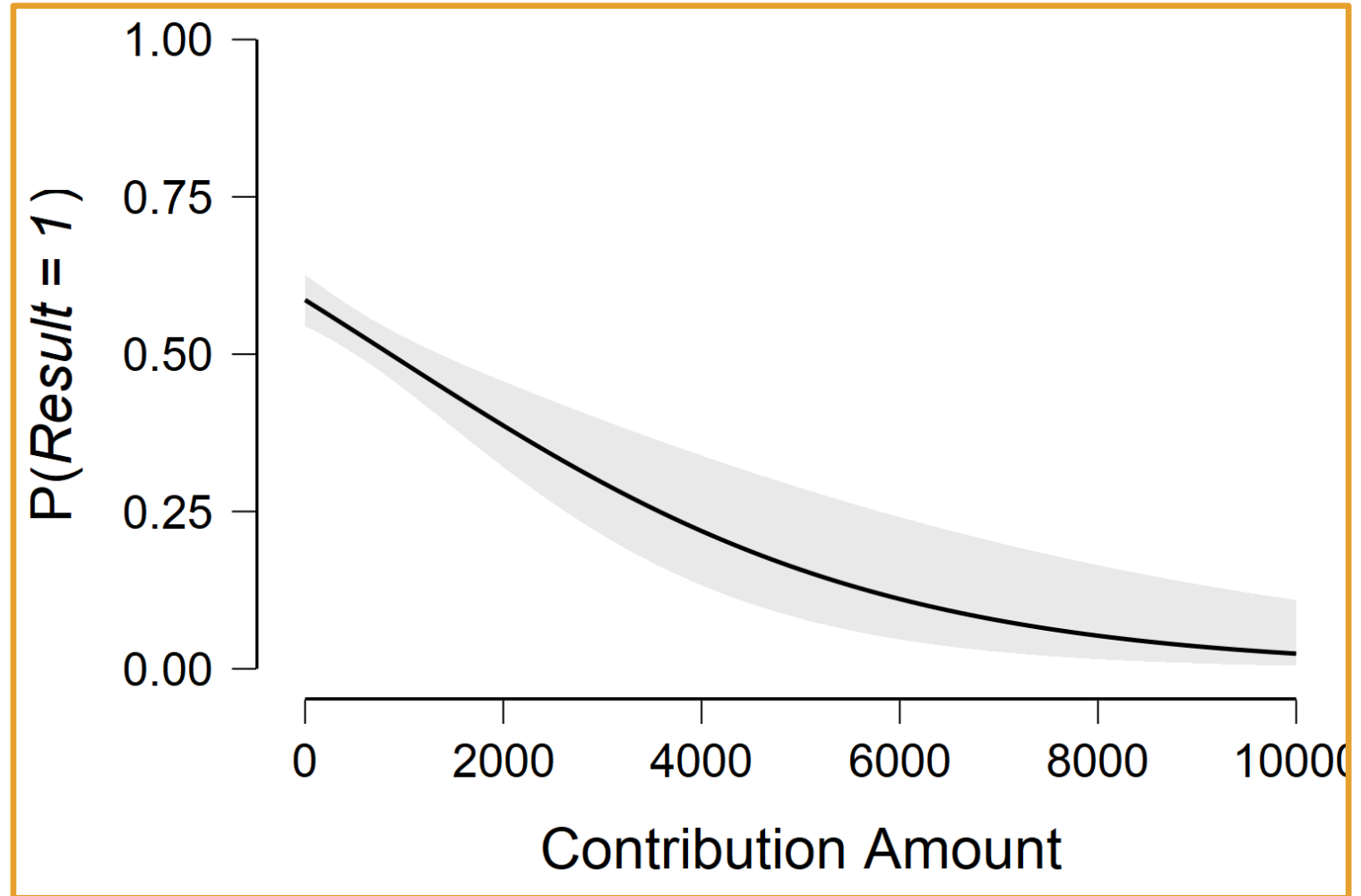






A Simplified Model

Contribution Amount (only) regressed against outcome shows a negative correlation.



Conclusions

Should Sandy City cap the amount of money individuals/organizations can donate to a candidate's campaign for Mayor or City Council?

- Our research suggests, there is no evidence to show that contribution amounts or specific types of contributions have a disproportionate effect on election outcomes.
 - Not detecting evidence of a problem that contribution caps would solve.
 - Individual donations are the majority type of funding.
 - Winners are not always the candidates who raise the most money.
 - No statistically significant impact detected from type or amount of contribution.
 - Pushing money to independent expenditures is a valid concern.
 - Caps potentially incentivize wealthier candidates.

What should we consider?

- Gather more data over future election cycles. These results are based on a limited data set.
- Make it easy to gather data from disclosures
- Require additional data on disclosures i.e. type, resident status, systematic naming, etc. (as legally allowed)

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Questions