

# CITY OF OAKLAND

## Public Ethics Commission

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Whitney Barazoto, Executive Director

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TO: Public Ethics Commission  
FROM: Whitney Barazoto, Executive Director  
DATE: December 19, 2012 (**Revised January 7, 2013**)  
RE: Administration of the Limited Public Financing Program in the November 2012  
Municipal Election

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### Overview of the Limited Public Financing Act

The Oakland City Council adopted the Limited Public Financing Act (“LPFA”) in December 1999. The program, amended in 2010, now consists of the following provisions:

- The City reimburses district City Council candidates for certain campaign expenditures they have incurred and paid. The maximum amount a candidate can receive is 30 percent of Oakland's voluntary expenditure ceiling for the office being sought, (although the actual amount of available funds ultimately depends on the amount the City Council has appropriated to the Election Campaign Fund.)
- Candidates must make an irrevocable decision whether to participate in the public financing program within fourteen days after their names have been certified to appear on the ballot. Candidates must raise in Oakland campaign contributions, and incur in campaign expenditures, an amount equal to at least 5 percent of the voluntary expenditure ceiling for the office being sought. Eligible candidates must also agree to abide by OCRA's voluntary expenditure ceilings, and not lend or contribute personal funds to their respective campaigns in an amount exceeding ten (10) percent of the voluntary expenditure ceiling.
- The expenditures for which candidates may seek reimbursement are limited to: 1) candidate filing and ballot fees, 2) printed campaign literature and production costs, 3) postage, 4) print advertisements, 5) radio and cable television airtime and production costs, and 6) website design and production costs. Candidates are required to provide copies of their invoices, the check(s) used to make payment, and any copies of any communications for which reimbursement is sought.
- Candidates must return to the Election Campaign Fund a portion of any surplus funds remaining after the election. The amount owed is based on the percentage that total campaign contributions represent of total campaign expenditures.

## LPFA Implementation for the November 2012 Election

The combined total amount in the Election Campaign Fund for fiscal years 2011-12 and 2012-13 was \$129,449.68 available for the November 2012 election. As indicated in the LPFA, the Commission received 7.5%, or \$9,708.73 to cover the costs of administering the provisions of the Act. The remaining balance of \$119,740.95 was available for distribution to the fourteen (14) candidates who opted into the program. Each candidate was permitted to apply for the maximum public financing of \$8,552.92, which is the even dispersal of the balance among the fourteen candidates.

Fourteen candidates opted into the program. Six candidates applied for, and were found eligible to receive, public financing in the November 2012 election. The total funds claimed for reimbursement during the November 2012 election was \$59,460.32. One candidate's expenditures did not qualify and did not return with a second submission. And another candidate is in the process of being paid. To date, the total funds the Commission has distributed to eligible candidates was \$43,064.60.<sup>1</sup>

<b>Candidate</b>	<b>Total Public Funds Approved</b>	<b>Percent of Max Funds Available to the Candidate</b>
Noel Gallo, D5	\$8,552.92	100%
Dan Kalb, D1	\$8,552.92	100%
Amy Lemley, D1	\$8,552.92	100%
Derrick Muhammad, D3	\$8,142.80	95%
Richard Raya, D1	\$8,552.92	100%
Sheryl Walton, D7	\$8,552.92	100%
<b>Total Funds</b>	<b>\$50,907.40</b>	<b>Average: 99%</b>

## Costs of Administering the Program

Commission staff spent approximately 520 hours administering the program from July to November 2012. This includes roughly 320 hours of part-time program analyst time at \$27.39/hour, and roughly 200 hours of the executive director's time, for a total rough salary cost of \$18,564.80 (not including benefits). Tasks performed by staff in administering the program include activities such as the following:

- Prepare program materials, update manuals and forms, create accounting/tracking forms, develop Powerpoint presentation and handouts
- Advertise and conduct outreach to candidates
- Conduct LPF trainings for candidates
- Meet with Accounting Department to establish process, submit authorization-approval forms
- Monitor Election Campaign Fund budget, request transfer of funds
- Communicate with candidates and answer questions via email, phone and in person

<sup>1</sup> This amount includes an inadvertent overpayment of \$300 to one candidate due to a typo on a form submitted by PEC staff to the Accounting Department; the overpayment is in the process of being resolved.

- Review and process all forms, requests for reimbursement, copies of checks, expenditures and supporting materials
- Track and confirm candidate compliance with eligibility requirements
- Communicate with candidates when more information is needed to show requirements are met
- Work with Accounting Department to ensure all forms are complete
- Maintain electronic and hard-copy files (Scan, copy, insert data on spreadsheet)
- Process payments to campaign committee and monitor deposit into campaign account

### **Program Evaluation**

Commission staff developed and mailed an LPFA evaluation to all district City Council candidates following the November 2012 election, but staff received only two responses. Staff intends to reach out to candidates for anecdotal feedback and suggests incorporating a more complete evaluation piece into a potential intern project in order to provide an effective evaluation of the program and how it can be improved overall.

A comparison of the last two City election cycles shows that the LPFA participation rate has remained about the same for both elections. While the participation rate stayed about the same, the actual number of participating LPFA candidates (and number of candidates running for district City Council seats overall) increased for the 2012 election.

<b>Year</b>	<b>Total City Council D1-7 Candidates</b>	<b>Potentially Eligible LPF Candidates</b>	<b>LPF Recipient Candidates</b>	<b>LPF Participation Percentage</b>
2010	12	11	3	25%
2012	20	14	6	30%