

# ***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: April 17, 2014  
RE: PEC Administration of the Limited Public Financing Program

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### **Summary**

The PEC administers the Limited Public Financing (LPF) Act, which provides public funds for City Council district candidates running for office in Oakland. Commission staff is gearing up for program implementation for the 2014 election; this memorandum provides an overview of LPF program activities and plan for the 2014 election.

### **Background**

The Limited Public Financing Act was adopted in 1999 to provide limited monetary assistance to candidates for local elective office for the purpose of helping ensure that all individuals have a fair and equal opportunity to participate in the elective and governmental process. The LPF Act was amended in 2010 to set specific parameters around who may participate, how funds may be used and how the funds may be dispersed. The program now is a reimbursement system for city council district candidates only.

The process for applying for these funds begins after the City Clerk certifies the names of all candidates to appear on the ballot, shortly after the close of nominations on August 8, 2014, which is 88 days before the November election. Within 7 days after the City Clerk certifies the names of candidates, the Commission must determine at a public meeting whether the amount of money in the Election Campaign Fund is adequate to provide the maximum amount of funds to potentially eligible candidates, and if not, the Commission will disburse available funds on a pro rata or other equitable basis. The meeting for the Commission to make that determination will likely occur sometime in mid to late August.

### **Commission Duties**

The Commission is responsible for administering the LPFA, including developing procedures, publishing reimbursement application forms, ensuring that candidates meet eligibility criteria, and issuing payments to candidates for qualified expenditures.

In discussions with the City Auditor’s office as well as the Commission’s U.C. Berkeley Goldman School of Public Policy fellow who reviewed the program in 2013, Commission staff believe the following changes should be made to program implementation for the 2014 election:

- Conduct early outreach and education of program rules and prohibitions (completed)
- Provide detailed tracking of completion of program eligibility elements
- Recalculate the amount available to candidates when money in the fund is not being used at a time later in the campaign season (September or October)
- Update the LPF guide to ensure procedures are clear for candidates (completed)
- Review of campaign statements to ensure program rules are followed

**Funds Available**

Currently, there is \$155,000 allocated in the Election Campaign Fund for use for the Limited Public Financing Program for the 2014 election. The PEC is entitled to 7.5% of the total fund to cover administrative costs incurred by the Commission. This leaves \$143,375 in the fund to be distributed evenly to each eligible candidate.

There are three district seats open in the November 2014 election: District 2, District 4, and District 6. As of the date of this memorandum, there are 11 candidates in total who have filed campaign forms as a candidate for office in one of these three districts.

Under the LPF Act, a candidate may receive LPF funds in an amount up to 30% of the voluntary expenditure ceiling for that race; however, the amount in the Election Campaign Fund ultimately dictates how much money would be available to each candidate. The Commission will need to meet within 7 days after the City Clerk certifies the names of candidates in order to determine whether the amount of money in the Election Campaign Fund is adequate to provide the maximum amount of funds to all potentially eligible candidates, and if not, the Commission will disburse available funds on a pro rata or other equitable basis. The legally-required meeting for the Commission to make that determination will likely occur sometime in mid to late August.

The table below summarizes the potential breakdown of the number of candidates expected to run in the 2014 election, the maximum amount allowable per candidate under the law, and the estimated amount of money that will likely be available for each candidate based on the amount of money in the Fund, assuming all candidates would be eligible.

**Limited Public Financing Funds 2014**

<b>City Council District</b>	<b>LPFA Voluntary Expenditure Ceiling</b>	<b>Maximum Potential LPFA Amount for Each Candidate (if fully funded**)</b>	<b>Number of Candidates Currently Campaigning</b>	<b>Estimated Amount Available to Each Candidate (if all 11 participated)</b>
2	\$127,000	\$38,100	5	\$13,034.09*
4	\$121,000	\$36,300	4	
6	\$121,000	\$36,300	2	

\*This amount represents the total funds available \$155,000.00, less 7.5% for anticipated administrative costs incurred by the Public Ethics Commission (\$11,625), divided by 11 candidates.

\*\*The total amount of public financing allocated to each candidate shall not exceed **30 percent** of the voluntary expenditure ceiling per election for the office being sought. (O.M.C. 3.13.110.E)

## Allocation of LPF Funds for the 2014 Election

During the 2012 election, the Commission distributed LPF funds once, equally among all candidates who officially “opted in” to the program. Based on feedback from the Commission’s policy fellow and the City Auditor, staff suggests making the initial distribution at the beginning of the LPF program, and conducting a second re-distribution of funds that remain unused by September 19 in order to maximize the use of the money by candidates who are interested and making use of the program. The Commission could order the redistribution of funds at its October 6, 2014, Commission meeting.

There is no Commission decision currently needed regarding allocation of campaign funds; this decision will be made at the August special commission meeting, the date of which will be determined.

Below is a projected timeline of events for the LPF program.

<b>Process</b>	<b>Details</b>	<b>Date</b>
Nomination Period Begins	<ul style="list-style-type: none"> <li>▪ The Nomination Period opens 113 days before an election.</li> </ul>	Monday, July 14, 2014
Nomination Period Ends	<ul style="list-style-type: none"> <li>▪ The Nomination Period closes 88 days before the election.</li> </ul>	Friday, August 8, 2014
City Clerk Certification	<ul style="list-style-type: none"> <li>▪ The Office of the City Clerk certifies the names of all candidates to appear on the ballot (unless nomination period extended)</li> </ul>	Varies depending on the incumbents’ filings but it is usually conducted within a few days of the end of Nomination Period
Nomination period extended	<ul style="list-style-type: none"> <li>▪ If the incumbent does not file for re-election, then the nomination period is extended for five (5) days</li> </ul>	Wednesday, August 13, 2014
Public Ethics Commission Funds Determination and Disbursement Plan Official Approval	<ul style="list-style-type: none"> <li>▪ If the Commission determines whether the election campaign fund will be adequate to provide the maximum amount of funds to potentially eligible candidates, and the Commission decides on a process for disbursement of available funds on a pro rata or other equitable basis.</li> </ul>	Not to exceed seven (7) days after City Clerk certification (special PEC meeting must be set)
Potential Funds Redistribution by the Commission	<ul style="list-style-type: none"> <li>▪ The Commission may at any time revise the disbursement plan consistent with LPFA</li> </ul>	October 6, 2014, PEC Meeting
Election Day	<ul style="list-style-type: none"> <li>▪ Day before election is the last day to submit claims for reimbursement to the Commission</li> </ul>	Tuesday, November 4, 2014