

CITY OF OAKLAND

Public Ethics Commission

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TO: Public Ethics Commission
FROM: Jelani Killings, Program Analyst, and
Whitney Barazoto, Executive Director
DATE: November 20, 2014
RE: Administration of the Limited Public Financing Program in the November 2014
Election

This memorandum provides the Commission with an overview of the LPF program administration during the November 2014 election.

Background of the Limited Public Finance Act

The Limited Public Financing Act (LPF Act), enacted in 1999, provides District City Council candidates with some public funds to be used for campaign expenses, with the goal of helping ensure that all individuals have a fair and equal opportunity to participate in the elective and governmental process.

The stated purposes of the act are as follows:

- To ensure that all individuals and interest groups in our city have a fair and equal opportunity to participate in elective and governmental processes.
- To reduce the influence of large contributors with a specific financial stake in matters under consideration by the city, and to counter the perception that decisions are influenced more by the size of contributions than by the best interests of the people of Oakland.
- To reduce the pressure on candidates to raise large campaign war chests for defensive purposes, beyond the amount necessary to communicate reasonably with voters.
- To encourage competition for elective office.
- To allow candidates and office holders to spend a smaller proportion of their time on fundraising and a greater proportion of their time dealing with issues of importance to their constituents and the community.
- To ensure that serious candidates are able to raise enough money to communicate their views and positions adequately to the public, thereby promoting public discussion of important issues involved in political campaigns.
- To help preserve public trust in governmental and electoral institutions.

The process for applying for LPF funds began in late August after the City Clerk certified the names of all of the November 2014 candidates for City office.

2014 LPF Implementation

The combined total amount in the Election Campaign (LPF) Fund for fiscal years 2013-14 and 2014-15 was \$155,000 available for the November 2014 election. As indicated in the LPFA, the Commission received 7.5%, or \$11,625 to cover the costs of administering the provisions of the Act. The remaining balance of \$143,375 was available for distribution to the eleven (11) candidates who opted into the program. Each candidate was permitted to apply for the maximum public financing of \$13,034, which is the even dispersal of the balance among the eleven candidates.

This year, the Commission tried a new process for submission of claims in order to attempt to maximize the use of LPF funds by candidates. Under a two-phased approach, candidates were required to file their first claim by September 19 in order to reserve their first allotment and also to request that they participate in a second redistribution of the remaining funds. After the first deadline, it became clear that three of the eleven candidates would not be eligible to receive funds. One candidate had not raised any money from donors and had used only his own money of less than \$1,000. Another candidate had contributed his own money and exceeded the 10% limit on personal funds. An additional candidate had neither raised nor spent enough to meet the 5% threshold requirements for contributions or expenditures.

Thus, the initial disbursement of \$13,034 to each candidate would not be used by those three candidates and could be redistributed to the other participating candidates. The second distribution resulted in a new maximum amount of \$17,921 for each candidate, an increase of \$4,887 each.

As a result, the total funds claimed for reimbursement and paid to candidates during the November 2014 election was \$143,368.

Candidate	Total Public Funds Approved	Percent of Max Funds Awarded to the Candidate
Kevin Blackburn	\$17,921	100%
Abel Guillen	\$17,921	100%
Andrew Park	\$17,921	100%
Dana King	\$17,921	100%
Jill Broadhurst	\$17,921	100%
Anne Campbell-Washington	\$17,921	100%
Desley Brooks	\$17,921	100%
Shereda Nosakhare	\$17,921	100%

Program Evaluation

Commission staff developed and distributed an LPFA evaluation to all district City Council candidates following the November 2014 election in order to solicit feedback on how the

program impacted candidates and whether candidates have suggestions for program improvement. Staff requested responses by December 8.

Meanwhile, Commission staff noticed a significant increase in participation and use of funds by candidates in the 2014 election over past cycles. We attribute this to the two-phase approach for two reasons. First, the two-phase approach allowed unused money to be redistributed to candidates, resulting in an increase to each candidate’s maximum allotment when other candidates were not going to be able to use the funds. Second, staff noticed that the deadline of September 19 helped get candidates to file their first claim early, which resulted in better understanding of the required paperwork and the items qualifying for reimbursement earlier in the process while allowing them more time before the election to submit additional claims. In addition, staff believes that the additional early outreach to all candidates in February to alert them about the LPF program, as well as direct outreach to candidates throughout implementation also contributed to better awareness and understanding of the program and its requirements.

Below is a summary of the amount of total funds available and disbursed out of the program for the last three elections.

Year	Total LPF Budget	Total LPF Funds Dispersed	Percentage of Total Funds Used
2010	\$112,895	\$76,109	67%
2012	\$119,740	\$50,529	42%
2014	\$143,375	\$143,368	99.9%

A comparison of the last three City election cycles also shows that the number of candidates who participating in the LPF program more than doubled from 2010 to 2014.

Year	Total City Council District Candidates	Potentially Eligible LPF Candidates	LPF Recipient Candidates	LPF Participation Percentage
2010	12	11	3	25%
2012	20	14	6	30%
2014	12	11	8	67%

Going forward, staff will collect and analyze feedback from candidates and will prepare recommendations for potential changes to the LPF program for future implementation.