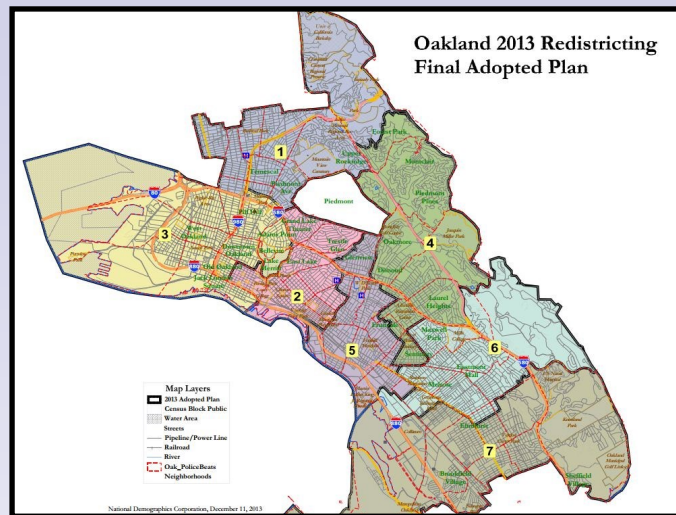


City of Oakland Public Ethics Commission



Limited Public Financing Guide For City Council District Candidates

NOVEMBER 2018 ELECTION



Public Ethics Commission
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Oakland, CA 94612
www.oaklandnet.com/pec
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INTRODUCTION

The City of Oakland Limited Public Financing Act (Act) provides a limited amount of campaign funds for candidates running for Oakland City Council District seats. The purposes of the Act include the following:

1. Ensure that people have a fair and equal opportunity to participate in elective and governmental processes;
2. 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;
3. Reduce the pressure on candidates to raise large campaign war chests for defensive purposes, beyond the amount necessary to communicate reasonably with voters;
4. Encourage competition for elective office;
5. Allow candidates and officeholders 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;
6. 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; and
7. Help preserve public trust in governmental and electoral institutions. [Oakland Municipal Code (OMC) § 3.13.030]

The Public Ethics Commission (Commission) administers the Public Financing Program (Program) and is here to assist you in your application and reimbursement process. The application and reimbursement process is complex, so please contact Commission staff if you are a candidate for a City Council District seat who might be interested in help financing your campaign.

Oakland Public Ethics Commission
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AM I ELIGIBLE FOR PUBLIC FINANCING?

Any candidate who is certified by the City Clerk to appear on the ballot for the office of Oakland City Councilmember in Districts 1 – 7 may apply for public financing through the City. Candidates for Citywide offices, along with candidates for the Oakland Unified School District Board of Directors, are not eligible. [OMC § 3.13.060]

HOW MUCH MONEY IS AVAILABLE?

The amount of money available to candidates will depend on how much money was budgeted by City Council and how many candidates are running for City Council Districts 1 – 7 in this election. This year, there is a total of roughly \$183,000 available to be distributed among eligible candidates. In past years, the amount distributed per candidate has ranged between \$8,000 and \$25,000. No candidate may receive more than 30% of Oakland’s voluntary expenditure ceiling for the office being sought.¹ Commission staff will announce the amount available to candidates following the deadline for candidates to opt in to the program (as detailed below).

HOW DO I APPLY?

There are two steps to applying for public financing:

1. **Opt In** – Complete **LPF Form 1 (Acceptance/Rejection of Public Financing)** to accept or reject public financing no later than 14 days after the City Clerk has certified the names of all candidates to appear on the ballot (usually mid-August). [OMC § 3.13.070]
 - The failure to file on time **LPF Form 1** shall constitute an **irrevocable rejection** of public financing for the upcoming election.
2. **Apply for Program Participation** – Complete **LPF Form 2 (Application)** to formally apply for public financing. **LPF Form 2** requires the following:
 - **Campaign Information** – Be sure that we have all current campaign contact information as we use this information to communicate with you and your campaign staff regarding all aspects of your public financing participation, including when your check is ready.
 - **Tax ID/EIN Number** – Campaign committees will need to obtain a Taxpayer/Employer Identification Number (EIN) from the Internal Revenue Service (IRS) to receive reimbursement payments from the City. You can electronically file for an EIN as a political organization at www.irs.gov. Once you have

Prerequisites for Public Financing

To participate in public financing, a candidate must do all of the following:

1. Be certified by the City Clerk to appear on the ballot for this election;
2. File OCRA Form No. 301 with the Public Ethics Commission agreeing to accept voluntary expenditure limitations;
3. Demonstrate that s/he has received campaign contributions from Oakland residents/businesses totaling at least 5% of the voluntary expenditure ceiling for the office being sought, not including any personal loans or contributions;
4. Demonstrates that s/he has made campaign expenditures totaling at least 5% of the voluntary expenditure ceiling for the office being sought;
5. Be opposed by another candidate for the same office;
6. Declare that s/he has not made any contributions or loans from personal funds in an amount exceeding 10% of the voluntary expenditure ceiling for the office being sought;
7. File on time, and completely and accurately execute, all pre-election and post-election campaign statements;
8. Receive a one-hour training provided by the Public Ethics Commission; and
9. Agree to submit to reasonable audits or reviews by the Public Ethics Commission or other civil authority.

[OMC § 3.13.080]

¹ The Public Ethics Commission annually adjusts the voluntary expenditure ceilings every January to reflect any increase in the Consumer Price Index. The voluntary expenditure ceilings and campaign contribution limits for 2018 are included at the end of this Guide.

obtained your EIN from the IRS, you will need to submit a completed IRS Form W-9 to the PEC. If you encounter any trouble obtaining your EIN, contact PEC staff for assistance.

- **Proof of Contributions Received** – The candidate must submit copies of campaign contributions (i.e., contribution checks; not cash) demonstrating that the candidate has received contributions from Oakland donors totaling at least 5% of the voluntary expenditure ceiling for the office being sought. The written instrument used to make the contribution must demonstrate an Oakland address. Candidates may submit contributions received electronically from Oakland residents to meet the 5% contribution threshold. In that case, candidates should request that the vendor collecting the online contributions send a CSV (comma separated variable) report directly to the PEC to validate contributor and payment information. PEC staff can assist you with this process. [OMC § 3.13.080(C)]
- **Proof of Expenditures Made** – The candidate must also submit proof in the form of detailed invoices or proof of payments/receipts that he or she has made campaign expenditures totaling at least 5% of the voluntary expenditure ceiling for the office being sought. [OMC § 3.13.080(C)]

HOW DO I REQUEST FUNDS?

Funds are provided to candidates as reimbursements for certain types of campaign expenditures (see box on this page). Candidates may apply for reimbursement in minimum increments of \$1,000 or more. Within ten calendar days of the election, candidates may apply for reimbursements in minimum increments of \$500. [OMC § 3.13. 120]

A candidate applies for reimbursement by completing **LPF Form 3 (Reimbursement Claim Form)** which must be accompanied by copies of the following for each item for which reimbursement is requested:

1. Billing invoices;
2. Proof of payment by the campaign committee; and
3. Campaign literature, advertisement, radio or television script, or website configuration, if applicable. [OMC § 3.13.110(C)]

Expenditures Qualifying for Reimbursement

Reimbursement will only be provided for the following campaign expenditures:

- Candidate filing and ballot fees
- Printed campaign literature and production costs
- Postage
- Print advertisements
- Radio airtime and production costs
- Television or cable airtime and production costs
- Website design and maintenance costs

[OMC § 3.13.110(B)]

All requests for reimbursement must be submitted prior to the date of the election. Claims submitted on or after the date of the election will not be considered.

Commission staff will review submissions and work closely with candidates to ensure that all documents are in order. Once the submission is complete, Commission staff will respond with payment or an explanation of denial within two weeks.

Upon approval, public financing checks will only be made payable to a candidate's campaign committee. Candidates must deposit the check into the candidate's campaign account within three business days of receipt.

A denial or limitation of a request for reimbursement by the Commission's Executive Director may be appealed to the Commission whose decision shall be final. A request to appeal the denial shall be submitted to Commission staff in writing no more than ten calendar days after receiving written notice of the denial. [OMC § 3.13.110(D)]

REALLOCATION OF THE FUND

To ensure that full amount allocated in the general election fund is distributed to all interested candidates, the Commission provides a two-phase approach for the disbursement of LPF funds to participants.

1. Phase I – The initial phase begins once eligible candidates opt in to the LPF program and the PEC determines the amount available to each participant.
2. Phase II – The second “redistribution phase” sets an early deadline for participants to submit the first reimbursement request. Thus, **LPF Form 2** and the first **LPF Form 3** must be submitted on or before the Phase II deadline of **September 19**. Failure to timely file **LPF Form 2** and initial **LPF Form 3** by that deadline will deem the participant ineligible to receive public funds for the 2018 election.

Candidates who meet the September 19 deadline may proceed to Phase II. After the Phase II deadline, the PEC recalculates and then re-allocates funds according to the number of participants that met the Phase II requirement. The redistribution can potentially increase the allotted amount to each participant based on the number of candidates that proceed to Phase II.

POST-ELECTION PROCEDURES

The Act requires that a portion of any surplus campaign funds remaining as of December 31, 2018, be returned to the Election Campaign Fund no later than January 31, 2019. [OMC § 3.13.150] The amount to be returned shall be calculated by multiplying the amount of surplus campaign funds by the percentage that total public financing received represents of total monetary contributions received for the election period.

- For example, if a candidate receives \$40,000 in contributions, \$10,000 in public financing, and claims a surplus of \$5,000, the candidate would owe the Election Campaign Fund \$1,250.

A candidate shall not be required to return any surplus funds in an amount greater than the amount of public financing received. Commission staff can assist you in calculating the amount that must be returned, if any.

ENFORCEMENT AND OVERSIGHT

The Public Ethics Commission is authorized to administratively enforce the provisions of the Limited Public Financing Act, which may include the imposition of fines, penalties and the return of public financing received. [OMC § 3.13.080] In addition, the City Auditor is required to complete audits of all candidates receiving public financing to ensure compliance with the rules of the program. [OMC § 3.13.100]

PROGRAM IMPROVEMENT

The Commission continues to review the effectiveness of this public financing program and is taking steps in 2018 to draft a proposed redesign of public financing for future election cycles. Please be sure to provide your feedback on this program, sharing your experience as a local candidate, to Commission staff to assist with the Commission’s development of proposed legislation to submit for City Council consideration.

Campaign Reform Act Compliance

Public financing laws work in coordination with the Oakland Campaign Reform Act (OCRA), which limits contributions, provides optional expenditure limits, restricts contributions from people doing business with the City, and regulates local campaign finance disclosure as a supplement to state campaign finance laws.

The Commission imposes fines for violations of campaign finance and public financing laws, such as failure to file campaign finance forms or receiving contributions over the limit. For more information about campaign rules and potential fines, see the Commission’s Oakland Campaign Reform Act Guide for 2018.

CANDIDATE CHECKLIST FOR LPF ELIGIBILITY

Expenditure Ceiling Amount: \$ _____

5% Threshold: \$ _____

10% Limit on Personal Funds: \$ _____

Step	Program Requirement	Due Date	Completed
1	OCRA Form 301 – Candidate must sign and submit the Form 301 accepting voluntary expenditure ceilings to the City Clerk	Before receiving contributions at higher amount	
2	Candidate Certification – by City Clerk to appear on the ballot	City Clerk deadline for certification	
3	Candidate Has Opposition – Candidate is opposed by another candidate for same office	Certification of candidates by City Clerk	
4	Candidate Received Training – Candidate or their campaign treasurer or designee has attended a PEC LPF training program	August 24, 2018	
5	LPF Form 1 – Statement of Acceptance or Rejection submitted to PEC	Within 14 days of certification by City Clerk	
6	LPF Form 2 – Initial Application for Public Financing submitted to PEC	September 19, 2018	
7	Minimum Campaign Contributions Received – Candidate has received contributions from Oakland donors totaling at least 5% of the voluntary expenditure ceiling for the office	September 19, 2018	
8	Minimum Campaign Expenditures Made – Candidate has made campaign expenditures totaling at least 5% of the voluntary expenditure ceiling for the office being sought	September 19, 2018	
9	Candidate’s Personal Funds Are Within Limits – Candidate has not made contributions or loans from personal funds in an amount exceeding 10% of the voluntary expenditure ceiling	Ongoing	
10	Campaign Fundraising Materials Comply with OCRA – Candidate included the proper notice regarding contribution limits and contribution prohibitions on contractors doing business with the City on all campaign fundraising material (See Oakland Campaign Reform Act Section 3.12.140)	Ongoing	
11	Return Surplus Funds – Following the election, the candidate must return to the City a portion of excess funds remaining in the campaign account as of December 31	January 31, 2019	

OCRA FORM 301



OCRA Form 301



Candidate Acceptance of Campaign Expenditure Ceilings Oakland Campaign Reform Act

DUE DATE: OCRA Form 301 is due before receiving any contributions at the higher amount allowed for candidates who accept the voluntary expenditure ceiling under sections 3.12.050(b) and 3.12.060(b) of the Oakland Campaign Reform Act.

FOR OFFICE USE ONLY
Date Received

ACCEPTANCE:

I, _____, hereby declare that I am a candidate for the Office of _____, in the City of Oakland's General Municipal Election, to be held on _____, and I declare that I have established a campaign committee in order to solicit contributions towards my candidacy.

I, _____, hereby accept expenditure ceilings as defined in Sections 3.12.050(c), 3.12.060(c), 3.12.190, 3.12.200, 3.12.210 and 3.12.220 of the City of Oakland's Campaign Reform Act. I agree that once accepted, the expenditure ceiling is irrevocable except as waived, pursuant to the City of Oakland Campaign Reform Act at Section 3.12.220.

I hereby certify that the above statement is true and correct.

Signature: _____

Date: _____

Sign and submit this form to:
Public Ethics Commission
1 Frank Ogawa Plaza, Room 104
Oakland, CA 94612
(510) 238-3593
ethicscommission@oaklandnet.com

Local candidates are required to follow state and local campaign finance, advertising, and ethics rules. For more detail about Oakland's laws and public financing for City Council district candidates, contact the Public Ethics Commission.

OCRA Form 301

LPF FORM 1 Acceptance or Rejection of Public Financing

I, _____ (print name), declare that I am a candidate for the Office of City Council District _____ (state district number) in the November 6, 2018, municipal election.

I hereby agree to _____ (Accept/Reject) public financing pursuant to the Limited Public Financing Act (O.M.C. Chapter 3.13) during the November 6, 2018, election.

I understand that, if I choose to **reject** public financing for the November 6, 2018, election, my decision is irrevocable and I will not be eligible to apply for or receive public financing for the November 6, 2018, election. I further understand that, if I fail to file this form by the deadline specified in O.M.C. §3.13.070(B), my failure to do so will constitute an irrevocable rejection of public financing for the November 6, 2018, election.

I hereby certify that the above statement is true and correct.

Executed on this _____ day of _____, 2018.

Signature: _____ (Candidate)

This form must be filed in person with the Public Ethics Commission at:

Oakland Public Ethics Commission
One Frank H. Ogawa Plaza (City Hall), Room 104
Oakland, CA 94612
(510) 238-3593
(510) 238-3315 (fax)
www.oaklandnet.com/pec
ethicscommission@oaklandnet.com

This form is due no later than 14 days after the City Clerk has certified the names of all candidates to appear on the ballot.

LPF FORM 2 Initial Application for Public Financing

Please type or print clearly in ink.

Candidate Name:	
District Office Being Sought:	Date of Election: Tuesday, November 6, 2018
Campaign Mailing Address:	
Phone: (Number at which candidate can be reached during business hours)	Fax: Candidate's Campaign Email:
Name of Controlled Committee	Campaign ID Number:
	Campaign EIN No.
Name of Campaign Treasurer:	Treasurer Phone:
	Treasurer Email:
Name and Address of Financial Institution	Campaign Bank Account Number

This form continues on the next two pages.

I hereby apply for public financing and certify that the following information is true and correct:

1. I have executed and timely filed OCRA Form No. 301 accepting voluntary expenditure ceilings.
2. I have executed and timely filed a "Statement of Acceptance or Rejection of Public Financing" (LPF Form 1) and have agreed to accept public financing for the November 6, 2018, election.
3. I am certified to appear on the ballot for the election for which public matching funds are sought.
4. I have received campaign contributions from donors located within the City of Oakland totaling at least 5% of the voluntary expenditure ceiling for the office being sought, exclusive of any loans or contributions from my personal funds. **Copies of the checks received to meet this 5% threshold are attached.**
5. I have made qualified campaign expenditures in an aggregate amount of at least 5% of the voluntary expenditure ceiling for the office being sought. **Copies of the invoices and/or checks evidencing proof of meeting this 5% expenditure threshold are attached.**
6. I have not made any contribution or loan to my campaign from any personal funds in an amount exceeding 10% of the voluntary expenditure ceiling for the office being sought.
7. I or my campaign treasurer or designee has attended a training program conducted or sponsored by the Public Ethics Commission.

I understand and agree that to receive public financing I must be opposed by a candidate for the same office.

I understand and agree that as a condition of receiving public financing I must timely file, and completely and accurately execute, all pre-election campaign statements that are due at the time public financing is payable as well as timely file, and completely and accurately execute, all post-election campaign statements for the election in which I receive public financing.

I understand and agree that I must return surplus funds to the Public Ethics Commission no later than January 31 of year following the election.

I understand and agree to all conditions of and requirements for the use of public financing set forth in this Application, the Act and any regulations adopted thereunder. I understand and agree to submit to reasonable audits deemed necessary by the Oakland Public Ethics Commission or other civil authorities as specified by the Limited Public Financing Act.

By my signature below, I certify that:

1. I have read and understand the requirements and conditions set forth in this Application and the Oakland Limited Public Financing Act and understand that those requirements and conditions must be satisfied before, during and after I receive public financing.

- 2. I have not made and I agree to not make any expenditures in excess of the voluntary expenditure limits of Oakland Municipal Code Section 3.12.200. (This requirement shall not apply if the voluntary expenditure ceilings have been lifted pursuant to Oakland Municipal Code Section 3.12.220.)
- 3. The attached copies of documents are true and accurate copies of the original. I understand that they will be used by Public Ethics Commission staff to determine my eligibility to apply for and receive public financing.

CANDIDATE’S DECLARATION

I declare under penalty of perjury under the laws of the State of California that my campaign committee and I have complied with all applicable contribution and expenditure limitations under the Oakland Campaign Reform Act at all times in which those limitations apply to my candidacy for the office in contest and I further declare that the representations set forth above are true and correct.

Date: _____

Candidate’s Signature

Print or Type Candidate’s Name

This form must be submitted to the Public Ethics Commission at:

<p>Oakland Public Ethics Commission One Frank H. Ogawa Plaza (City Hall), Room 104 Oakland, CA 94612 (510) 238-3593 (510) 238-3315 (fax) www.oaklandnet.com/pec ethicscommission@oaklandnet.com</p>
--

LPF FORM 3 Reimbursement Claim Form

Please type or print clearly in ink.

I. CANDIDATE INFORMATION		
Name:	District Office Sought:	Date of Election:

II. ATTACHMENTS

Each candidate must submit with this claim form the following:

- Copies of billing invoices for which reimbursement is sought
- Copies of the check(s) used to pay the invoices for which reimbursement is sought
- Copies of any applicable campaign literature, advertisement, radio or television script, or website configuration

Note: Any claim form that is not accompanied by the above documents will not be considered for payment.

The attached copies document a claim for reimbursement for the following permitted categories of expenditures:

<input type="checkbox"/> Candidate filing or ballot fees	<input type="checkbox"/> Printed campaign literature and production costs
<input type="checkbox"/> Postage	<input type="checkbox"/> Print advertisements
<input type="checkbox"/> Radio airtime and production costs	<input type="checkbox"/> Television or cable airtime and production costs
<input type="checkbox"/> Website design and maintenance costs	

III. CANDIDATE AND TREASURER VERIFICATION

I declare under penalty of perjury under the laws of the State of California that to the best of my knowledge: (1) the information contained in this form and in all attachments submitted herewith are true and correct; (2) the check(s) used to make payment on the billing invoice(s) submitted for reimbursement represent payment in full of said invoice(s) and that sufficient funds exist in the candidate's campaign account to provide payment on those invoices; and (3) any public financing received from the Public Ethics Commission has not been previously earmarked or specifically encumbered to pay or to secure payment of any loan, return of contribution, or of any expenditure other than the one for which reimbursement was sought.

Executed on _____ at _____

_____	_____
Candidate Name	Candidate Signature

Executed on _____ at _____

Treasurer Name

Treasurer Signature

Name(s) of Persons Authorized to Pick up Reimbursement Checks: _____

FOR PEC USE ONLY

Reimbursement Totals	
This Period	_____
Prior Period	_____
Total Reimbursement:	_____

Claim Number:	_____
Check request date:	_____
Check Amount: \$	_____
Authorized by:	_____

This form must be submitted to the Public Ethics Commission at:

<p>Oakland Public Ethics Commission One Frank H. Ogawa Plaza (City Hall), Room 104 Oakland, CA 94612 (510) 238-3593 (510) 238-3315 (fax) www.oaklandnet.com/pec ethicscommission@oaklandnet.com</p>
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LPF FORM 4 Calculation and Return of Surplus Funds

The Limited Public Financing Act requires candidates that participated in the Limited Public Financing Program to return a percentage of surplus campaign funds remaining at the end of the post-election reporting period following the election for which public financing was received (O.M.C. 3.13.150(A)).

The amount of surplus campaign funds to be returned by the candidate to the Election Campaign Fund shall be calculated by multiplying the amount of surplus campaign funds by the percentage that total public financing received represents of total monetary contributions received for the election period (O.M.C. 3.13.150(B)).

Campaign funds are considered surplus to the extent that the total amount of contributions (excluding the receipt of public financing) exceed the total financial obligations of the candidate’s campaign committee.

Calculating Surplus Funds to be returned:

1. Divide the total amount of LPF funds received by the total amount of contributions received by campaign committee during election cycle (round number to the nearest hundredth) – this is the percentage that LPF funds represent of total monetary contributions.

Ex) LPF funds received = \$10,000 Total contributions received = \$50,000
 $\$10,000/\$50,000 = 0.2 = \mathbf{20\%}$

2. Subtract the dollar amount of LPF funds received along with any outstanding debt from the total funds remaining as of 12/31/18.

Ex) Total funds remaining as of 12/31/16 = \$12,250
 $\$12,250 - \$10,000 = \mathbf{\$2,250}$

3. Multiply the amount calculated from Step 2 by the percentage calculated in Step 1 (round to the nearest hundredth) – this is the amount to be returned to the City.

Ex) \$2,250 (.2) = \$450

Campaign Name	
A. Total monetary Contributions	
B. LPF Funds Received	
C. % that LPF funds represents of total monetary contributions (round to the nearest hundredth) <i>Item B divided by Item A</i>	
D. Campaign Funds remaining as of 12/31/18	
E. Outstanding Debt <i>(if any)</i>	
F. LPF Funds Received	
G. Total Funds remaining <i>Item D- (Item E+ Item F)</i>	
H. Multiply by % that LPF funds represent of total monetary contributions to total funds remaining <i>(Item C multiplied by Item G)</i>	
I. Amount to be returned to Election Campaign Fund	

Check the box that applies:

As of 12/31/18, my campaign committee had no remaining funds and therefore, no surplus funds are required to be returned to the City of Oakland.

In compliance with the Limited Public Financing Act, enclosed is a check for \$ _____, representing the full amount of surplus funds required to be returned to the City of Oakland.

(Make check payable to "City of Oakland" and submit to the Public Ethics Commission)

By signing below, I certify that the information above is true and correct to the best of my knowledge.

X _____
LPF participant/candidate

Date

(For PEC Staff)

The Public Ethics Commission received a check in the amount of \$ _____ from the _____ committee on _____ to be deposited into the Election Campaign Fund.

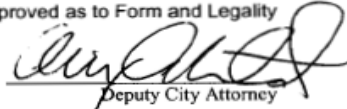
X _____
PEC Staff

X _____
Executive Director

APPENDIX 1: Limited Public Financing Act

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 DEC 15 PM 2: 22

Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

Ordinance No. 13031 C.M.S.

AN ORDINANCE AMENDING CHAPTER 3.13 OF THE OAKLAND MUNICIPAL CODE (AKA "THE LIMITED PUBLIC FINANCING ACT OF THE CITY OF OAKLAND") TO 1) LIMIT ELIGIBILITY TO CANDIDATES FOR DISTRICT CITY COUNCIL; 2) PROVIDE THAT PUBLIC FINANCING BE LIMITED TO THE REIMBURSEMENT OF SPECIFIED CAMPAIGN EXPENDITURES; 3) LIMIT CANDIDATES FROM MAKING CONTRIBUTIONS OR LOANS FROM PERSONAL FUNDS TO TEN PERCENT OF THE VOLUNTARY EXPENDITURE CEILING; 4) REQUIRE CANDIDATES TO RAISE IN LOCAL CONTRIBUTIONS AND MAKE IN EXPENDITURES AMOUNTS EQUAL TO FIVE PERCENT OF THE VOLUNTARY EXPENDITURE CEILING; 5) PERMIT CANDIDATES TO APPEAL TO THE PUBLIC ETHICS COMMISSION ANY REQUEST FOR REIMBURSEMENT; AND 6) REQUIRE CANDIDATES TO REPAY THE ELECTION CAMPAIGN FUND FROM ANY SURPLUS CAMPAIGN FUNDS IN AN AMOUNT NOT TO EXCEED THE PERCENTAGE THAT PUBLIC FINANCING REPRESENTS OF TOTAL CONTRIBUTIONS RECEIVED

WHEREAS, on December 14, 1999, the City Council adopted the Limited Public Financing Act of the City of Oakland (Oakland Municipal Code Chapter 3.13) in order to provide for the limited public financing of certain campaigns for public office within the City of Oakland; and

WHEREAS, the City Council has amended the O.M.C. Chapter 3.13 from time to time; and

WHEREAS, the City Council desires to amend O.M.C. Chapter 3.13 to:

- Limit public financing for District City Council races; and
- Require candidates to decide whether to participate in the public financing program within fourteen days after the City Clerk has certified their name to appear on the ballot; and
- Continue to require candidates to agree to accept voluntary expenditure ceilings as a condition of receiving public financing; and
- Limit candidates from making contributions or loans from their personal funds to no more than 10 percent of the voluntary expenditure limit; and
- Require candidates to raise in local contributions and make in expenditures in aggregate amounts equal to five percent of the voluntary expenditure ceiling for the office being sought; and

- Provide that public financing shall be provided solely by reimbursing candidates for certain lawful campaign expenditures; and
- Require that requests for reimbursement include copies of the billing invoice, the check used to pay the invoice, and the campaign literature, print advertisement, radio or television script, or website configuration for which reimbursement is sought; and
- Permit candidates to appeal to the Commission for any request for reimbursement denied by Commission staff; and
- Require candidates to repay the Election Campaign Fund from any surplus campaign funds in an amount not to exceed the percentage that public financing represents of total contributions received, as hereinafter provided; now therefore,

BE IT ORDAINED, that Oakland Municipal Code Chapter 3.13 is amended to read as follows:

Article I. Findings and Purpose

3.13.010 Title

This Act shall be known as the "Limited Public Financing Act of the City of Oakland."

3.13.020 Findings and Declarations

The findings of this Act are as follows:

A. The financial strength of certain individuals or organizations should not enable them to exercise a disproportionate or controlling influence on the election of candidates.

B. The rapidly increasing costs of political campaigns have forced many candidates to raise larger and larger percentages of money from interest groups with a specific financial stake in matters under consideration by city government. This has caused the public perception that votes are being improperly influenced by monetary contributions.

C. High campaign costs are forcing officeholders to spend more time on fundraising and less time on the public's business. The constant pressure to raise contributions is distracting officeholders from urgent governmental matters.

3.13.030 Purpose of this Act

The purpose of this act is to accomplish the objectives stated in Oakland's Campaign Reform Act as follows:

A. To ensure that all individuals and interest groups in our city have a fair and equal opportunity to participate in elective and governmental processes.

B. To reduce the influence of large contributors with a specific financial stake in matters under consideration by the City of Oakland, 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.

C. To reduce the pressure on candidates to raise large campaign war chests for defensive purposes, beyond the amount necessary to communicate reasonably with voters.

D. To encourage competition for elective office.

E. 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.

F. 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.

G. To help preserve public trust in governmental and electoral institutions.

Article II. Definitions

3.13.040 Interpretation of this Act

Unless the term is specifically defined in this Act or the contrary is stated or clearly appears from the text, the definitions set forth in Chapter 3.12 of the Oakland Municipal Code and in Government Code sections 81000 et seq. as amended govern the interpretation of this Act.

For purposes of this Act, "principal residence" shall mean the place in which a person's habitation is fixed, wherein the person has the intention of remaining, and to which, whenever he or she is absent, the person has the intention of returning.

For purposes of this Act, "primary place of doing business" shall mean the street address of a corporation's or association's principal executive office as filed with the California Secretary of State or the street address of an unincorporated association's principal office as filed with the California Secretary of State.

Article III. Election Campaign Fund

3.13.050 Election Campaign Fund

There is hereby established an account within a special revenue fund of the City of Oakland to be known as the "Election Campaign Fund."

3.13.060 Appropriation of Funds

A. The Oakland City Council shall appropriate to the Election Campaign Fund, under the City's current two year budget cycle, an amount sufficient to fund all candidates eligible to receive public financing for the office of District City Councilmember.

B. The Oakland Public Ethics Commission shall provide in the form and at the time directed by the Mayor and City Administrator a written estimate of the amount necessary to be appropriated for any two-year budget cycle according to the provisions of this Act for all eligible candidates. The amount of funds to be allocated to the Election Campaign Fund shall be based on a consideration of anticipated campaign activity, anticipated administrative costs, and existing unspent funds within the account. The amount of funds to be allocated to the Election Campaign Fund shall not exceed \$500,000 for any two-year budget cycle.

C. The Election Campaign Fund shall be established as an interest bearing account. Unspent funds in the Election Campaign Fund at the end of a two year budget cycle shall remain in the Fund and accrue for disbursement to candidates eligible for public financing in future elections and for administrative costs.

D. Up to 7.5% of the amount allocated to the Election Campaign Fund pursuant to subsections 3.13.060 (a) and (b) may be utilized by the Public Ethics Commission to cover the anticipated cost of administering the provisions of this Act.

3.13.065 Allocation of Election Campaign Fund

No later than seven (7) days after the City Clerk has certified the names of all candidates to appear on the ballot, the Public Ethics Commission shall determine at a publicly noticed meeting whether, based on the number of potentially eligible candidates, the amount of money in the Election Campaign Fund is adequate to provide the maximum amount to potentially eligible candidates. If the Commission determines that the Election Campaign Fund will not be adequate to provide the maximum amount of funds to potentially eligible candidates, the Commission shall order the disbursement of available funds on a *pro rata* or other equitable basis. The Commission may at any time revise the disbursement plan consistent with these rules and prevailing law.

Article IV. Eligibility for Public Financing

3.13.070 Application and Withdrawal Procedures

A. Each candidate for District City Council shall file a statement with the City Clerk on a form approved for such purpose indicating acceptance or rejection of the voluntary spending ceilings pursuant to Oakland Municipal Code Section 3.12.190.

B. Each candidate for District City Council shall file with the Public Ethics Commission a Statement of Acceptance or Rejection of Public Financing on a form approved by the Public Ethics Commission no later than fourteen (14) calendar days after the date the City Clerk has certified the names of candidates to appear on the ballot for the election in which public financing will be sought. The Statement of Acceptance or Rejection of Public Financing

shall advise and require that the candidate's decision to reject public financing is irrevocable for the election in which his or her name appears on the ballot. The failure to timely file a Statement of Acceptance or Rejection of Public Financing shall constitute a rejection of public financing.

C. If a candidate declines to accept the voluntary expenditure ceilings prescribed in Oakland Municipal Code Section 3.12.200, the candidate shall be subject to the contribution limits of Sections 3.12.050(a) and 3.12.060 (a) and shall not be eligible for public financing.

D. If a candidate agrees to accept the voluntary expenditure ceilings prescribed in Oakland Municipal Code Section 3.12.200, the candidate shall be subject to the contribution limits of Oakland Municipal Code Sections 3.12.050 (b) and 3.12.060 (b) as adjusted pursuant to Sections 3.12.050(g) and 3.12.060(g), and shall be eligible for public financing upon meeting the qualification requirements as provided in this Act.

E. In the event expenditure ceilings are lifted pursuant to Oakland Municipal Code Section 3.12.200, a candidate who accepted expenditure ceilings shall be permitted to receive public financing but shall no longer be subject to expenditure ceilings.

3.13.080 Qualification Procedures

A candidate shall be approved to receive public financing if the candidate meets all of the following requirements:

A. The candidate has filed a timely statement of acceptance of the voluntary spending ceilings and acceptance of public financing.

B. The candidate is certified to appear on the ballot for the election for which public financing is sought.

C. The candidate has (1) received contributions in an aggregate amount of at least five (5) percent of the expenditure ceiling for the office being sought from contributors whose principal residence or whose primary place of doing business is located within the City of Oakland and which residence or business address appears on the written instrument used to make the contribution, and (2) made qualified campaign expenditures in an aggregate amount of at least five (5) percent of the expenditure ceiling for the office being sought. Contributions from the candidate's own funds shall not be counted towards meeting this five percent requirement. The candidate shall provide copies of the contribution checks received and records of payments made to meet the five percent eligibility requirements.

D. The candidate is opposed by another candidate for the same office.

E. The candidate agrees to all conditions and requirements of this Act and to submit to any reasonable audit deemed appropriate by the Public Ethics Commission or other civil authorities.

F. The candidate or his or her campaign treasurer or designee attends a training program conducted or sponsored by the Public Ethics Commission.

G. The candidate has filed, and completely and accurately executed, all pre-election campaign statements that are due at the time public financing is payable. All candidates receiving public financing shall timely file, and completely and accurately execute, all post-election campaign statements for each election in which they received public financing.

3.13.090 Use of Personal Funds

A candidate who accepts public financing shall not receive contributions or loans from the candidate's own funds which aggregate total exceeds ten (10) percent of the voluntary expenditure ceiling for the office being sought. If the voluntary expenditure ceilings for the office being sought are lifted, this provision shall not apply.

Article V. Disbursement of Public Financing.

3.13.100 Duties of the Public Ethics Commission and Office of the City Auditor

A. The Public Ethics Commission shall develop any and all forms necessary to carry out the provisions of the Act. The Public Ethics Commission may, in its discretion, require any document or form to be filed in an electronic format that is provided by the Public Ethics Commission to the candidates free of charge.

B. The Public Ethics Commission shall review records submitted to determine a candidate's eligibility to receive public financing and requests for reimbursement promptly. For any candidate determined not to be eligible for public financing, the Commission or its designee shall inform the candidate of the reasons why the candidate is not eligible and what actions, if any, the candidate may take to correct any insufficiencies.

C. The City Auditor shall conduct mandatory post-election audits of all candidates accepting public financing. The City Auditor may choose to limit the scope of any audit to the items submitted for reimbursement. The audit report shall be a public record and provided to the Public Ethics Commission. The City Auditor shall conduct all audits in accordance with Generally Accepted Government Auditing Standards.

3.13.110 Requests for Public Financing

A. Public financing pursuant to this Act shall be provided solely by reimbursing eligible candidates for certain qualified campaign expenditures lawfully made by the candidate and his or her campaign committee.

B. The qualified campaign expenditures eligible for reimbursement are:

1. candidate filing and ballot fees;
2. printed campaign literature and production costs;
3. postage;
4. print advertisements;

5. radio airtime and production costs;
6. television or cable airtime and production costs; and
7. website design and maintenance costs.

C. The following conditions and restrictions shall apply to any request for reimbursement:

1. All requests for reimbursement shall be made on a form authorized by the Public Ethics Commission and shall include: (a) a copy of the billing invoice for which reimbursement is sought; (b) a copy of the check(s) by which the candidate's campaign committee made payment on the billing invoice; and (c) a copy, when applicable, of the campaign literature, advertisement, radio or television script, or website configuration.

2. All requests for reimbursement shall include a sworn declaration by the candidate and his or her campaign treasurer that (a) the check(s) used to make payment on the billing invoice represents payment in full of the billing invoice submitted for reimbursement and that sufficient funds exist in the campaign account to provide payment and (b) any money received from the Election Campaign Fund has not been previously earmarked or specifically encumbered to pay or to secure payment of any loan, return of contribution or of any expenditure other than the one for which reimbursement was sought.

D. Any decision made by the Executive Director to deny a request for reimbursement may be appealed to the Commission whose decision shall be final. A request to agendize an appeal of the Executive Director's decision shall be made in writing and delivered to the Office of the Public Ethics Commission no more than ten (10) calendar days after receiving written notice of the Executive Director's decision.

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

3.13.120 Disbursement and Deposit of Public Financing

A. A candidate or candidate's controlled committee, certified as eligible to receive public financing, shall submit requests for reimbursement to the Public Ethics Commission in minimum increments of 1,000 or more.

B. A candidate or candidate's controlled committee, certified as eligible to receive public financing, shall submit requests for reimbursement in minimum increments of \$500 or more ten (10) calendar days before the election.

C. The Public Ethics Commission or its designee shall have ten (10) calendar days to cause the review and approval or denial of the request for reimbursement and disburse funds from the Election Campaign Fund to the candidate or candidate's controlled committee.

D. All funds disbursed from the Election Campaign Fund shall be made payable to the candidate's controlled committee and shall be deposited directly into the candidate's campaign checking account within three (3) business days of receipt.

3.13.150 Return of Surplus Funds

A. Surplus campaign funds remaining at the end of the post-election reporting period following the election for which public financing was received shall be returned to the Election Campaign Fund no later than thirty-one (31) calendar days from the last day of the semi-annual reporting period following the election in an amount specified by this section. A candidate shall not be required to return any surplus funds in an amount greater than the amount of public financing received. The amount of surplus campaign funds to be returned to the Election Campaign Fund shall be calculated by multiplying the amount of surplus campaign funds by the percentage that total public financing received represents of total monetary contributions received for the election period.

B. For purposes of this Act, campaign funds shall be considered "surplus" campaign funds to the extent that the total amount of contributions (excluding the receipt of public financing) exceed the total financial obligations of the candidate's campaign committee (excluding unlawful or non-qualified campaign expenditures) as of the last day of the semi-annual reporting period following the election. A financial obligation includes 1) accounts payable billed, or, 2) accounts payable for which bills may be expected, for goods or services received during the election.

C. Public financing shall not be disbursed to the certified candidate from the Election Campaign Fund following the day of the election or the candidate's withdrawal from the election, whichever occurs first, except that public financing may be disbursed to a certified candidate after the date of the election or withdrawal provided that the candidate submitted a properly documented request for reimbursement before the date of the election or the date of withdrawal from the election.

3.13.170 Public Debates

While not a condition for receiving public financing, candidates receiving public financing are strongly encouraged to participate in one or more nonpartisan candidate debates for each election.

3.13.180 Enforcement

The Public Ethics Commission is the sole body for civil enforcement of this Act. In the event criminal violations of the Act come to the attention of the Public Ethics Commission, the Commission shall promptly advise in writing the City Attorney and the appropriate prosecuting enforcement agency.

3.13.190 Criminal Misdemeanor Actions

Any person who knowingly or willfully 1) misrepresents his or her eligibility for public financing, 2) makes a material misrepresentation in connection with a request for reimbursement, or 3) causes, aids or abets any other person to violate the provisions of this Act, is guilty of a misdemeanor. Prosecution shall be commenced within four (4) years after the date on which the violation occurred.

3.13.200 Enforcement Actions

A. Any person who intentionally or negligently 1) misrepresents his or her eligibility for public financing, 2) makes a material misrepresentation in connection with a request for reimbursement, or 3) causes, aids or abets any other person to violate the provisions of this Act, is subject to enforcement proceedings before the Public Ethics Commission pursuant to the Public Ethics Commission General Rules of Procedure.

B. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

C. Any person alleging a violation of this Act shall first file with the Public Ethics Commission a written complaint on a form approved for such purpose. The complaint shall contain a statement of the grounds for believing a violation has occurred. The Public Ethics Commission shall review, investigate and make determinations regarding any alleged violation consistent with the Public Ethics Commission's General Complaint Procedures.

D. The Commission has full authority to settle any action involving public financing in the interest of justice.

E. If the Commission determines a violation has occurred, the Commission is hereby authorized to administer appropriate penalties and fines not to exceed \$1,000 per violation and to order the repayment of public financing received or expended in violation of law.

F. The Public Ethics Commission may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this Act.

G. No complaint alleging a violation of any provision of this Act shall be filed more than four (4) years after the date the violation occurred.

3.13.220 Construction

The Act shall be liberally construed to accomplish its purposes.

3.13.240 Applicability of Other Laws

Nothing in this Act shall exempt any person from applicable provisions of any other laws of the city, state or other appropriate jurisdiction.

3.13.260 Severability

If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act to the extent it can be given effect, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Act are severable.

IN COUNCIL, OAKLAND, CALIFORNIA, JUL 27 2010, 2010

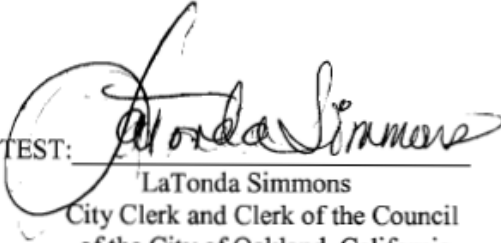
PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, ~~BRUNNER~~, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and
PRESIDENT BRUNNER - 7

NOES – De La Fuente - 1

ABSENT - 0

ABSTENTION - 0

ATTEST: 
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Introduction Date JUL 20 2010

APPENDIX 2: Local Contribution and Expenditure Limits

The Limited Public Financing Act applies in conjunction with the Oakland Campaign Reform Act (OCRA). OCRA, as amended in 2016, establishes, among other things, local contribution limits and optional campaign expenditure limits for Oakland candidates and committees.

Expenditure limits for Citywide offices, such as the Mayor, City Auditor, and City Attorney, as well as each individual district office, are established in correlation to the number of residents in each district and shall not exceed a specified amount per resident for each election in which the candidate is seeking office (O.M.C. 3.12.200). The PEC adjusts the contribution and expenditure limits annually to reflect the increase in the Consumer Price Index.

Below is a breakdown of the contribution and expenditure limits for 2018. To learn more about local contribution and expenditure limits, check out the Commission’s 2018 OCRA Guide for candidates.

**CITY OF OAKLAND
CAMPAIGN CONTRIBUTION AND EXPENDITURE LIMITS PER THE OAKLAND
CAMPAIGN REFORM ACT
2018**

LIMITATIONS ON CONTRIBUTIONS FROM PERSONS (§3.12.050)

For candidates who do not adopt the expenditure ceilings (3.12.050(A))	\$200
For candidates who adopt the expenditure ceilings (3.12.050(B))	\$800

LIMITATIONS ON CONTRIBUTIONS FROM BROAD-BASED POLITICAL COMMITTEES (§3.12.060)

For candidates who do not adopt the expenditure ceilings (3.12.060(A))	\$400
For candidates who adopt the expenditure ceilings (3.12.060(B))	\$1,600

**EXPENDITURE CEILINGS FOR MAYOR AND OTHER CITYWIDE OFFICES WHO VOLUNTARILY
AGREE TO EXPENDITURE CEILINGS (§3.12.200)**

Mayor	\$454,000
City Auditor	\$325,000
City Attorney	\$325,000
Council Member At-Large	\$325,000
District 1 Council Member	\$143,000
District 2 Council Member	\$142,000
District 3 Council Member	\$143,000
District 4 Council Member	\$136,000
District 5 Council Member	\$136,000
District 6 Council Member	\$136,000
District 7 Council Member	\$138,000
District 1 School Board Director	\$95,000
District 2 School Board Director	\$95,000
District 3 School Board Director	\$95,000
District 4 School Board Director	\$91,000
District 5 School Board Director	\$91,000
District 6 School Board Director	\$91,000
District 7 School Board Director	\$92,000

**INDEPENDENT EXPENDITURE COMMITTEE THRESHOLD/EXPENDITURE CEILINGS LISTED
(§3.12.220)**

Citywide offices	\$116,000
District offices	\$25,000

