



Limited Public Financing Program

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Public Ethics Commission



Commission staff:

- Executive Director, Whitney Barazoto
- Deputy Director, Milad Dalju
- Investigator, Simon Russell
- Ethics Analyst II, Suzanne Doran
- Administrative Assistant, Ana Lara

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- Sonya Smith, Chair
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- Dana King
- Krisida Nishioka
- Stephen Shefler
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PEC History

- Founded in 1996 with the goal of ensuring “fairness, openness, honesty and integrity” in city government.”

PEC Jurisdiction:

- Government Ethics Act (GEA)
- Oakland's Campaign Reform Act (OCRA)
- Sunshine Ordinance
- The Limited Public Financing Act (LPFA)
- The Lobbyist Registration Act
- Oakland's False Endorsement in Campaign Literature Act

Limited Public Financing Program

- Provides a limited amount of funding by way of reimbursements to a District City Council candidate's campaign for certain campaign expenditures.
- LPF Act was created in 1999 to:
 - a. Ensure individuals have a fair and equal opportunity to participate in the elective and governmental process
 - b. Reduce the influence of large contributors
 - c. Ease the pressure on candidates to raise large amounts of money
 - d. Encourage competition for elective office
 - e. Allow candidates to spend less time fundraising and more time dealing with important constituent and community issues

Funds Available

- Total amount available in the Limited Public Financing Account = **\$155,000**
- **Phase I** = Total funds will be divided evenly among all candidates who opt into the program and meet Form 1 deadline (Aug. 29th)
- **Phase II** = Redistribution of untouched Phase I funds after the initial Form 3 deadline (Sept. 19th) to only those who submitted at least one Form 3 packet
- 9 candidates were certified by the City Clerk (for District City Councilmember Districts 1, 3, 5, 7)

Phase I

District Number	Certified Candidates
1	2
3	2
5	2
7	3

Total amount of funds available to each candidate for Phase I is

at least
\$17,222.22

(Amount depends on how many candidates opt-in by Aug. 29)

Phase II

- Any candidate who submits an initial Form 3 reimbursement packet (for a reimbursement of at least \$1,000) by September 19 will be eligible to receive a second amount available for reimbursement.
- Any candidate who does not submit an initial Form 3 packet will no longer be eligible for any LPF funds.
 - Candidates who do not meet the Sept 19 deadline will lose their initial apportionment, and those funds will be redistributed to the other candidates who completed a Form 3 packet.
- The PEC will calculate Phase II funds on October 3, will notify participating candidates of the new amount available.
- Goal = to maximize the use of LPF money available

How to Accept LPF Program Participation (Opting-in)

1. File **Form 1** by August 29, 2016, accepting participation in the LPF program
 - a. Must be filed with the Public Ethics Commission, not the City Clerk
 - b. Must have already filed OCRA Form 301 accepting voluntary expenditure limits
2. Failure to file the acceptance by August 29 will constitute a rejection of public financing for the November 2016 election

Application Requirements

1. File **Form 2** – Application for Public Financing
2. Must acquire an Employer ID Number from Sec of State
3. Must meet the requirements specified in the form:
 - a. Filed **Form 1** by August 29, 2016
 - b. Certified to appear on the ballot for the 2016 election
 - c. Received campaign contributions totaling at least 5% of the voluntary expenditure ceiling (copies of front and back of checks)
 - d. Made campaign expenditures of at least 5% of the ceiling
 - e. Cannot contribute own money of more than 10% of the ceiling
 - f. Candidate/campaign treasurer/designee must attend a PEC training
 - g. Must be opposed by a candidate for the same office
 - h. Must file all pre-election and post election campaign statements

How to Receive Reimbursements

1. File **Form 3** – Reimbursement Claim Form
 - a. Initial Form 3 submission must be filed with PEC by the September 19, 2016 deadline (5:00 p.m.)
 - b. Additional Form 3 Reimbursement Requests may be filed on a rolling basis after the first submission on Sept 19
 - c. Must be filed in increments of at least \$1000 (or \$500 in the last 10 days before the election)
 - d. Should itemize payments (use PEC Form 3 Cover sheet)
 - e. Only certain types of expenditures are eligible for reimbursement
 - f. Must include copies of the following:
 - i. Billing invoices
 - ii. Checks used to pay the invoices (copies of front and back of check)
 - iii. Applicable campaign material (the “thing” purchased), where applicable

Receiving Reimbursements Continued...

1. Submit Form 3 and attachments to the Public Ethics Commission
2. Checks will take approximately 2 weeks to process, and candidates will be notified when checks can be picked up at the PEC office
3. Reimbursement checks must be deposited into the campaign account within 3 business days of receipt; submit copy of deposit slip to PEC
4. **Deadline** for submitting reimbursement claims is **5:00 p.m. November 7, 2016**, the day before the election

Post-Election Procedures

1. By January 31, 2017, candidates must return a certain portion of surplus funds left in the campaign account as of December 31, 2016.
2. Amount of funds to be returned must be the percentage of total contributions received that the LPF funds constituted
 1. Example: If you raised \$50,000 during your campaign, including \$10,000 in LPF funds (20%), and you have \$1,000 left on December 31, you must return \$200 (20% of your remaining funds) to the City.
3. PEC staff can help you calculate your surplus funds amount and LPF funds that should be returned

Review and Enforcement

- All campaigns receiving LPF funds will be audited for compliance with the law by the City Auditor
- Public Ethics Commission may impose fines, penalties, and require the return of LPF funds for a violation of the LPF Act