

CITY OF OAKLAND
Public Ethics Commission

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TO: Public Ethics Commission
FROM: Daniel Purnell
DATE: May 3, 2004

RE: Commission Review Of The Limited Public Financing Act

I. BACKGROUND

At the Commission's annual retreat in April, 2004, Commission staff advised that it must submit to the City's budget office an estimate of the amount needed to fund the Limited Public Financing Program ("LPF Program") for Fiscal Years 2005-2007. The budget office has advised that it will require this estimate sometime in October, 2004.

In April, 2003, Commission staff presented the Commission with an analysis of the LPF Program based on its experience in administering the Program during the 2002 election cycle. **Attachment 1.** The analysis presented the Commission with eleven specific recommendations for modifying the program.

Since some of the recommendations would directly affect the funding levels required to operate the LPF Program during the 2006 election cycle, the Commission needs to determine whether it wishes to submit any specific amendments to the City Council in time for the City Council to act on them before the budget estimates are submitted.

II. DISCUSSION

In reviewing the eleven recommendations contained in the April 2003, staff report, it may be helpful to categorize them as either "policy" or "administrative" recommendations. The policy recommendations are those which affect how the program operates and is funded. The administrative recommendations are those which affect how the program is administered, regardless of any policy changes. The following is a list of key decisions the Commission needs to consider in light of the previous analysis and recommendations:

A. Policy Recommendations

1. What city offices should be eligible for matching funds?
[Recommendation No. 1]
 - 1A. In the event the Commission recommends limiting the offices for which matching funds are available, should the maximum amount of available funds for those remaining offices be raised from the current 15 percent limit to another higher amount?
[Recommendation No. 1]
2. Should the LPF Program provide an initial "lump sum" grant to candidates upon determination of eligibility? If so, at what amount?
[Recommendation No. 3]
3. Should the LPF Program be eliminated or restricted to a lump sum amount during run-off elections? [Recommendation No. 4]
4. Should the LPF Program only match contributions from donors residing or operating in Oakland, or, as an alternative, match such contributions at an amount greater than the current "dollar-for-dollar" match?
[Recommendation No. 5]
5. Should eligibility for the program be terminated during the campaign if the candidate meets or exceeds certain private fundraising benchmarks?
[Recommendation No. 9]
6. Should the Commission recommend establishing a dedicated funding source for the LPF Program? [Recommendation No. 11]

With the exception of Recommendation Nos. 9 and 11, Commission staff believes that the above recommendations could be drafted into specific amendments for timely Commission consideration. Recommendation No. 9 would require additional research and policy debate to determine whether there is a level of private campaign contributions beyond which public funding is no longer necessary or appropriate. Recommendation No. 11 may very well require a public vote before it can become effective. Under Propositions 13 and 218, a two-thirds vote is required to approve any "special tax" imposed for a specific purpose.

B. Administrative Recommendations

1. Should the "floating" 88-day eligibility period in which matchable contributions may be received be changed to a fixed 180-day period before the election? [Recommendation No. 6]

2. Should the LPF Program match only "two-party" checks?
[Recommendation No. 7]

3. Should the date on which "surplus funds" are calculated be changed from the "date of the election" to June 30 following a March election, and December 30 following a November election? [Recommendation No. 8].

4. Should candidates be required under the Act to provide notice to the Commission whenever their committees receive contributions, make expenditures or have "cash on hand" equal to seven percent of the applicable voluntary expenditure ceiling for the office being sought? [Recommendation No. 10]

III. STAFF RECOMMENDATION

Commission staff recommends that the Commission take public comment on the above proposals and give direction to staff whether to prepare specific amendments for further Commission consideration at the June 7, 2004, regular meeting.

Respectfully submitted,

Daniel D. Purnell
Executive Director