

Item 5 - LPFA Program 2024 Summary



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TO: Public Ethics Commission
FROM: Jelani Killings, Ethics Analyst
DATE: November 26, 2024
RE: 2024 LPF Program Summary

This memorandum provides an overview of the disbursement of public financing through the Limited Public Financing program administered by the Public Ethics Commission during the November 2024 election.

Background of the Limited Public Finance Act

The Limited Public Financing Act (LPFA or Act), enacted in 2024, provides District City Council candidates with public funds by way of reimbursements for qualified expenditures 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 can 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.
- To prevent corruption or the appearance of corruption.

2024 Implementation

The process for applying for LPF funds began in late August after the City Clerk certified the names of all the November 2024 candidates running for City Council District offices, a total of 13. The combined

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total amount in the Election Campaign (LPF) Fund for fiscal years 2023-24 and 2024-25 was \$155,000 available for the November 2024 election.

Initially, all 13 certified candidates were invited to the LPF training and given the opportunity to participate in the LPF program. All 13 candidates and/or their representatives attended a mandatory LPF training conducted by Commission staff as required for program eligibility. All 13 candidates that attended the training opted-in to receive public financing and were permitted to apply for an initial allocation of \$11,923 each, the amount of the election fund balance divided among the 13 candidates.

To maximize the use of LPF funds by candidates, staff continued the two-phased process of reimbursement allocations first implemented in the 2014 election cycle. Under the two-phased approach, candidates were required to file their first reimbursement claim by September 20 to use their first allotment and remain eligible for a second redistribution of the remaining funds.

After the Phase 1 deadline, six of the 13 candidates were ineligible to receive funds. The six candidates became ineligible because they did not meet the required \$7,500 contribution and expenditure thresholds necessary to qualify for the program.

Therefore, the initial disbursement of \$11,923 previously allocated to the six now ineligible candidates was redistributed to the other participating candidates. This redistribution resulted in a new maximum amount of \$22,142.85 for each remaining eligible candidate, an increase of \$10,219.85 each.

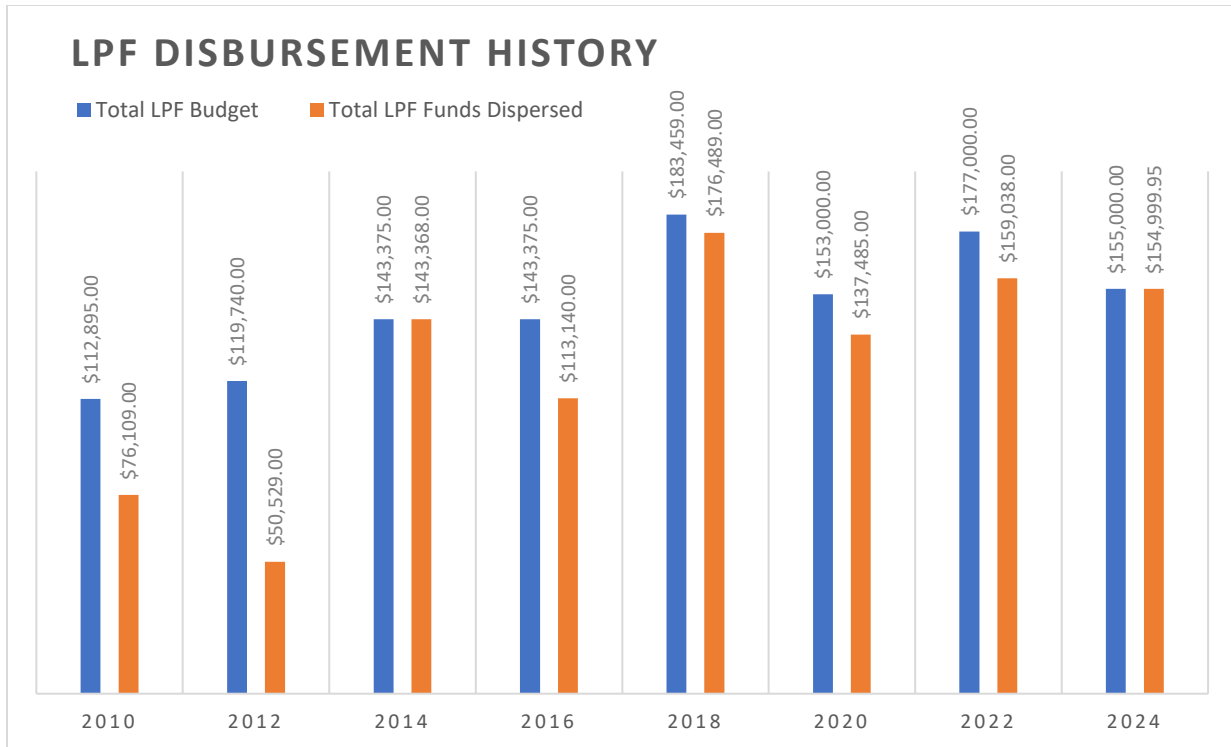
Below is a list of the participating candidates and the total amount received by each through the LPF program.

Candidate	District	Total Public Funds Received	Percent of Available Funds Claimed by the Candidate
Zac Unger	1	\$22,142.85	100%
Carroll Fife (Incumbent)	3	\$22,142.85	100%
Warren Logan	3	\$22,142.85	100%
Noel Gallo (Incumbent)	5	\$22,142.85	100%
Erin Armstrong	5	\$22,142.85	100%
Ken Houston	7	\$22,142.85	100%
Iris Merriouns	7	\$22,142.85	100%

The total amount of reimbursement funds distributed to candidates during the November 2024 election was \$154,999.95 or 99 percent of the total funds available.

In the past six elections, the percentage of total funds used and overall participation has continued to be high, which in part is attributable to the implementation of the two-phased approach in addition to more direct and earlier Commission Staff outreach to candidates. Below is a summary of the total funds available and disbursed out of the program for the last eight elections.

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The table below illustrates the number of certified candidates per election and the percentage that participated in the LPF program over the same period.

Year	Total Ballot Certified Candidates	Candidates Opted-In to LPF	LPF Opt-In Rate	Total Candidates Receiving Reimbursements	LPF Participation Percentage ¹
2010	12	N/A	N/A	5	42%
2012	20	15	75%	6	30%
2014	12	11	92%	8	67%
2016	9	7	78%	4	44%
2018	15	12	80%	10	67%
2020	17	15	88%	7	41%
2022	8	7	88%	5	63%
2024	13	13	100%	7	54%

Conclusion

The continued high candidate opt-in rate and use of public funds by participating candidates during election cycles suggests that candidates find the Limited Public Financing program helpful. However, the number of candidates that were deemed ineligible due to not meeting the \$7,500 required threshold was considerably noticeable this year as it eliminated nearly half of the participating candidates. If the Limited Public Financing Program is implemented in the 2026 election, Staff will focus on early education resources to help first-time candidates understand program eligibility requirements.

¹ LPF participation percentage reflects candidates that met all program eligibility requirements and received public financing.