

CITY OF OAKLAND
PUBLIC ETHICS COMMISSION
One Frank Ogawa Plaza (City Hall)
Regular Commission Meeting
Teleconference
Wednesday, April 13, 2022
6:30 p.m.



PUBLIC ETHICS COMMISSION (PEC or COMMISSION) MEETING

NOTE: Pursuant to California Government Code section 54953(e), Public Ethics Commission members and staff will participate via phone/video conference, and no physical teleconference locations are required. The following options for public viewing and participation are available:

- **Television:** KTOP channel 10 on Xfinity (Comcast) or ATT Channel 99, locate City of Oakland KTOP – Channel 10
- **Livestream online:** Go to the City of Oakland’s KTOP livestream page here: <https://www.oaklandca.gov/services/ktop-tv10-program-schedule> click on “View”
- **Online video teleconference:** Click on the link below to join the webinar: <https://us02web.zoom.us/j/88171471481?pwd=ODIQVFFUeVRsZUtHdFU3YU5XcHVadz09>
Password: 674732
 - To comment by online video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item. You will then be unmuted, during your turn, and allowed to participate in public comment. After the allotted time, you will then be re-muted. Instructions on how to “Raise Your Hand” is available at: <https://support.zoom.us/hc/en-us/articles/205566129> - Raise-Hand-In-Webinar.
- **Telephone:** Dial (for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592
Webinar ID: 881 7147 1481
International numbers available: <https://us02web.zoom.us/j/88171471481>
 - To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing *9 to request to speak when Public Comment is being taken on an eligible agenda item. You will then be unmuted, during your turn, and allowed to make public comments. After the allotted time, you will then be re-muted. Instructions of how to raise your hand by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663> - Joining-a-meeting-by-phone.

Members of the public may submit written comments to ethicscommission@oaklandca.gov. If you have any questions about how to participate in the meeting, please email ethicscommission@oaklandca.gov before or during the meeting.

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Commissioners: Arvon Perteet (Chair), Michael MacDonald (Vice-Chair), Charlotte Hill, Jessica Leavitt, Ryan Micik, and Joseph Tuman

Commission Staff to attend: Whitney Barazoto, Executive Director; Suzanne Doran, Lead Analyst – Civic Technology and Engagement; Kellie Johnson, Enforcement Chief; Ana Lara-Franco, Commission Assistant; Simon Russell, Investigator

City Attorney Staff: Trish Shafie, Deputy City Attorney

PUBLIC ETHICS COMMISSION MEETING AGENDA

- 1. Roll Call and Determination of Quorum.**
- 2. Staff and Commission Announcements.**
- 3. Open Forum.**

PRELIMINARY ACTION ITEMS

- 4. Virtual meetings by the Public Ethics Commission.** The Commission will review and take possible action to renew Resolution 22-01, approved at the January 12, 2022 Regular meeting, establishing certain determinations to justify the ongoing need for virtual meetings following the California State Legislature’s adoption and Governor’s approval of AB 361 on September 16, 2021 (Chapter 165; Statutes of 2021). ([Resolution](#))

ACTION ITEMS

- 5. Approval of Commission Meeting Draft Minutes.**
 - March 9, 2022 Regular Meeting Minutes ([Meeting Minutes](#))
- 6. Bay Area Political Equality Collaborative’s Proposed Oakland Clean Elections Act.** The Commission will hear from members of the Bay Area Political Equality Collaborative (BayPEC). First formed in 2018, BayPEC is convened by California Common Cause and includes the ACLU of Northern California, Asian Law Caucus, Bay Rising, League of Women Voters – Oakland, MapLight, and Oakland Rising for the purpose of reducing the influence of big money and special interests in our democracy and lifting the voices of regular people. BayPEC is presenting a proposal to amend Oakland’s campaign finance,

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public financing, and lobbyist registration laws under a broad reform measure called the Oakland Fair Elections Act, which will redesign Oakland’s system of public financing for Oakland candidates to expand public participation, diversify candidate and donor pools, enhance disclosure requirements for independent expenditures, expand the lobbying ban on former City officials from one year to three years, and other related changes. The Commission will review, discuss, and consider taking a formal position on the proposal. Panel presenters include Jonathan Mehta Stein, Executive Director, California Common Cause; liz suk, Executive Director, Oakland Rising; and Gail Wallace, Co-Chair, Action Committee, League of Women Voters-Oakland. ([Staff Memorandum](#); [BayPEC-Proposed Oakland Clean Elections Act](#); [Maplight Report](#))

DISCUSSION ITEMS

7. **Reports on Subcommittees and Commissioner Assignments.** Commissioners may discuss subcommittee assignments, create a new subcommittee, or report on work done in subcommittees since the Commission’s last regular meeting. Commissioners may also discuss assignments, efforts, and initiatives they undertake to support the Commission’s work.
 - a. **Enforcement Subcommittee** (*ad hoc*, created on November 1, 2021) – Arvon Perteet (Chair) and Ryan Micik
 - b. **Public Records Performance** (*ad hoc*, created on January 12, 2022) - Michael MacDonald (Chair) and Jessica Leavitt.

INFORMATION ITEMS

8. **Limited Public Financing Program Guide 2022.** Commission staff publishes the Limited Public Financing Program Guide for the November 2022 Election. ([LPF Guide](#))
9. **Disclosure and Engagement.** Lead Analyst Suzanne Doran provides an overview of education, outreach, disclosure and data illumination activities for this past month. ([Disclosure Report](#))
10. **Enforcement Program.** Enforcement Chief Kellie Johnson provides a monthly update on the Commission’s enforcement work since the last regular Commission meeting. ([Enforcement Report](#))
11. **Executive Director’s Report.** Executive Director Whitney Barazoto reports on overall

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projects, priorities, and significant activities since the Commission's last meeting.

12. Future Meeting Business. Commissioners and staff may propose topics for action or discussion at future Commission meetings.

The meeting will adjourn upon the completion of the Commission's business.

A member of the public may speak on any item appearing on the agenda. All speakers will be allotted a maximum of three minutes unless the Chairperson allocates additional time.

Should you have questions or concerns regarding this agenda, or wish to review any agenda-related materials, please contact the Public Ethics Commission at (510) 238-3593 or visit our webpage at www.oaklandca.gov/pec.



4/1/22

Approved for Distribution

Date



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Quý vị cần một thông dịch viên Ngôn ngữ Ký hiệu Mỹ (American Sign Language, ASL), tiếng Quảng Đông, tiếng Quan Thoại hay tiếng Tây Ban Nha hoặc bất kỳ sự hỗ trợ nào khác để tham gia hay không? Xin vui lòng gửi email đến địa chỉ alarafranco@oaklandca.gov hoặc gọi đến số (510) 238-3593 hoặc 711 (với Dịch vụ Tiếp âm) trước đó năm ngày.

CITY OF OAKLAND
Public Ethics Commission

RESOLUTION NO. 22-01
[Proposed renewal 4-13-22]



Resolution Summary:

ADOPT A RESOLUTION DETERMINING THAT CONDUCTING IN-PERSON MEETINGS OF THE PUBLIC ETHICS COMMISSION AND ITS COMMITTEES WOULD PRESENT IMMINENT RISKS TO ATTENDEES' HEALTH, AND ELECTING TO CONTINUE CONDUCTING MEETINGS USING TELECONFERENCING IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 54953(E), A PROVISION OF AB 361.

By action of the Oakland Public Ethics Commission:

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency related to COVID-19, pursuant to Government Code Section 8625, and such declaration has not been lifted or rescinded. See <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf>; and

WHEREAS, on March 9, 2020, the City Administrator in their capacity as the Director of the Emergency Operations Center (EOC), issued a proclamation of local emergency due to the spread of COVID-19 in Oakland, and on March 12, 2020, the City Council passed Resolution No. 88075 C.M.S. ratifying the proclamation of local emergency pursuant to Oakland Municipal Code (O.M.C.) section 8.50.050(C); and

WHEREAS, City Council Resolution No. 88075 remains in full force and effect to date; and

WHEREAS, the Centers for Disease Control (CDC) recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated or who are at higher risk of getting very sick from COVID-19. See <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>; and

WHEREAS, the CDC recommends that people who live with unvaccinated people avoid activities that make physical distancing hard. See <https://www.cdc.gov/coronavirus/2019-ncov/your-health/about-covid-19/caring-for-children/families.html>; and

WHEREAS, the CDC recommends that older adults limit in-person interactions as much as possible, particularly when indoors. See <https://www.cdc.gov/aging/covid19/covid19-older-adults.html>; and

WHEREAS, the CDC, the California Department of Public Health, and the Alameda County Public Health Department all recommend that people experiencing COVID-19 symptoms stay home. See <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html>; and

WHEREAS, persons without symptoms may be able to spread the COVID-19 virus. See <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>; and

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Public Ethics Commission

RESOLUTION NO. 22-01
[Proposed renewal 4-13-22]



WHEREAS, fully vaccinated persons who become infected with the COVID-19 Delta variant can spread the virus to others. See <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html>; and

WHEREAS, the City's public-meeting facilities are indoor facilities that do not ensure circulation of fresh/outdoor air, particularly during periods of cold and/or rainy weather, and were not designed to ensure that attendees can remain six (6) feet apart; and

WHEREAS, holding in-person meetings would encourage community members to come to City facilities to participate in local government, and some of them would be at high risk of getting very sick from COVID-19 and/or would live with someone who is at high risk; and

WHEREAS, in-person meetings would tempt community members who are experiencing COVID-19 symptoms to leave their homes in order to come to City facilities and participate in local government; and

WHEREAS, attendees would use ride-share services and/or public transit to travel to in-person meetings, thereby putting them in close and prolonged contact with additional people outside of their households;

Now therefore be it:

RESOLVED: that the Public Ethics Commission finds and determines that the foregoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and

RESOLVED: that, based on these determinations and consistent with federal, state and local health guidance, the Public Ethics Commission determines that conducting in-person meetings would pose imminent risks to the health of attendees; and

RESOLVED: that the Public Ethics Commission firmly believes that the community's health and safety and the community's right to participate in local government, are both critically important, and is committed to balancing the two by continuing to use teleconferencing to conduct public meetings, in accordance with California Government Code Section 54953(e), a provision of AB-361; and

RESOLVED: that the Public Ethics Commission and its committees will meet by teleconference this month and will renew these (or similar) findings at least every thirty (30) days in accordance with California Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted, or the Public Ethics Commission finds that in-person meetings no longer pose imminent risks to the health of attendees, whichever occurs first.

CITY OF OAKLAND
Public Ethics Commission

RESOLUTION NO. 22-01
[Proposed renewal 4-13-22]



CERTIFICATION RE: APPROVAL OF RESOLUTION

The foregoing Resolution was presented for renewal at a duly noticed meeting of the City of Oakland Public Ethics Commission held on April 13, 2022, where a quorum of the membership of the Commission was present. The Commission approved the resolution by a vote of ____ to ____.

I hereby certify that the foregoing is true and correct.

Whitney Barazoto, Executive Director
Oakland Public Ethics Commission

Date

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DRAFT

Commissioners: Arvon Perteet (Chair), Michael MacDonald (Vice-Chair), Charlotte Hill, Jessica Leavitt, Ryan Micik, and Joseph Tuman

Commission Staff to attend: Whitney Barazoto, Executive Director; Suzanne Doran, Lead Analyst – Civic Technology and Engagement; Kellie Johnson, Enforcement Chief; Ana Lara-Franco, Commission Assistant; Simon Russell, Investigator

City Attorney Staff: Trish Shafie, Deputy City Attorney

PUBLIC ETHICS COMMISSION MEETING AGENDA

1. Roll Call and Determination of Quorum.

The meeting was held via teleconference.

The meeting was called to order at 6:33 p.m.

Members present: Perteet, Hill, Leavitt, Micik, and Tuman. MacDonald was absent.

Staff present: Whitney Barazoto, Suzanne Doran, Kellie Johnson, Ana Lara-Franco and Simon Russell.

City Attorney Staff: Tricia Shafie.

2. Staff and Commission Announcements.

There were no staff announcements.

3. Open Forum.

There was one public speaker.

PRELIMINARY ACTION ITEMS

4. Virtual meetings by the Public Ethics Commission. T

There were no public speakers.

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DRAFT

Hill moved, and Tuman seconded to approve the renewal of **RESOLUTION NO. 22-01**.

Ayes: Perteet, Hill, Leavitt, Micik, and Tuman.

Noes: None

Absent: MacDonald

Vote: Passed 5-0

ACTION ITEMS

5. **Approval of Commission Meeting Draft Minutes.**

a. January 12, 2022 Regular Meeting Minutes

There were no public speakers.

Tuman moved, and Micik seconded to approve the January 12, 2022 meeting minutes.

Ayes: Perteet, Leavitt, Micik, and Tuman.

Noes: None

Abstain: Hill

Absent: MacDonald

Vote: Passed 4-0

b. February 9, 2022 Regular Meeting Minutes

There were no public speakers.

Micik moved, and Hill seconded to approve the February 9, 2022 meeting minutes.

Ayes: Perteet, Hill, Micik, and Tuman.

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Noes: None

Abstain: Leavitt

Absent: MacDonald

Vote: Passed 4-0

6. Oakland City Council Salary Adjustment as Required by City Charter.

Whitney Barazoto, Executive Director, presented the City Council Salary Adjustment.

There were two public speakers.

Perteet moved and Tuman seconded to approve the salary adjustment for the City Council for 2022-2023.

Ayes: Perteet, Hill, Leavitt, Micik, and Tuman.

Noes: None

Absent: MacDonald

Vote: Passed 5-0

DISCUSSION ITEMS

7. Reports on Subcommittees and Commissioner Assignments. Commissioners may

- a. **Enforcement Subcommittee** (*ad hoc*, created on November 1, 2021) – Arvon Perteet (Chair) and Ryan Micik

Chief Johnson shared the committee is moving forward to gather information. Micik spoke with different commissions like the Los Angeles Commission.

- b. **Public Records Performance** (*ad hoc*, created on January 12, 2022) - Michael MacDonald (Chair) and Jessica Leavitt.

No updates were provided.

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DRAFT

There was one public speaker.

INFORMATION ITEMS

8. Oakland Campaign Reform Act Guide 2022.

Suzanne Doran, Lead Analyst, presented the final updated Oakland Campaign Reform Act (OCRA) Guide for the November 2022 Election with recent changes that include updated contribution and expenditure limits, minor clarifying changes throughout, and answers to common questions received in recent years.

There were no public speakers.

9. Disclosure and Engagement.

Ms. Doran provided an overview of education, outreach, disclosure and data illumination activities for this past month.

There was one public speaker.

10. Enforcement Program.

Chief Johnson provided a monthly update on the Commission's enforcement work since the last regular Commission meeting.

Mr. Kanz, the complainant for Case 21-08, spoke on the matter.

There were three public speakers.

11. Executive Director's Report.

Ms. Barazoto reported on overall projects, priorities, and significant activities since the Commission's last meeting.

There were no public speakers.

12. Future Meeting Business.

Item 5 - Meeting Minutes

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DRAFT



The retreat is scheduled for April 21 and 22. Information on future public meetings will be provided as soon as it is available.

There was one public speaker.

The meeting adjourned at 8:08 p.m.

Item 6a - Staff Memorandum



Arvon Perteet, Chair
Michael B. MacDonald, Vice-Chair
Charlotte Hill
Jessica Leavitt
Ryan Micik
Joe Tuman

Whitney Barazoto, Executive Director

TO: Public Ethics Commission
FROM: Whitney Barazoto, Executive Director
DATE: March 31, 2022
RE: Proposed Legislation to Amend the Oakland Campaign Reform Act and
Lobbyist Registration Act and to Replace the Limited Public Financing Act with
the Oakland Fair Elections Act

SUMMARY

The Public Ethics Commission (PEC or Commission) is reviewing a proposal submitted by the Bay Area Political Equality Collaborative (BayPEC) to redesign Oakland's public financing system to facilitate meaningful participation by all Oaklanders in the campaign process through a Democracy Dollars program that provides \$100 to every Oakland voter to give to the candidate(s) of their choice.

Specifically, the proposed legislation would strike all existing language in the Limited Public Financing Act and replace it with the Oakland Fair Elections Act and a newly constructed public financing program that disperses \$100 in Democracy Dollars to each Oakland voter who can then assign the Dollars to their preferred candidate. The new law outlines criteria for participation and thresholds that a candidate must meet to qualify for the program and receive assigned vouchers, including campaign spending limits and participation in a certain number of public forums. It also includes a significant outreach component, to be led by the PEC, as well as a variety of new duties for the PEC and its staff.

The proposed legislation also amends the City Charter to add required funding as well as four new PEC staff positions to implement the new program. In addition, the legislation adjusts contribution and spending limits for Oakland campaigns and extends the post-employment lobbying ban for City officers from one-year to three years.

Below is a more detailed summary of the changes. Overall, Commission staff is supportive of the proposed legislation; however, staff will need more time to fully analyze all the detailed legal and practical implications of the newly proposed Democracy Dollars Program and work with the authors to ensure the provisions are clear and aligned with state and local laws. Staff suggests the creation of a subcommittee of Commissioners to be available alongside staff in coordinating with BayPEC and City Councilmembers on future amendments as this moves through the legislative process.

EXISTING LAW

The Public Ethics Commission is established in City Charter section 603, as amended by voters in 2014, and is tasked with the duty to implement and ensure compliance with the Oakland Campaign Reform Act, Limited Public Financing Act, and Lobbyist Registration Act, among other laws.¹ City Charter section 603 further requires that amendments to any law that the Commission has the power to enforce and that are proposed by a member of City Council must be submitted to the Commission for review and comment prior to passage by the Council.²

The state-level California Political Reform Act governs rules, requirements, and restrictions related to candidates and their committees. The Oakland Campaign Reform Act (OCRA) was passed by City Council in 1994 to impose additional requirements and restrictions on local candidates, including contribution limits, expenditure ceilings, electronic reporting requirements, and other restrictions. Candidates for City office must comply with both state and local campaign finance rules.

The Limited Public Financing Act (LPFA), enacted in 1999 and updated in 2010, provides District City Council candidates with some public funds by way of reimbursements for certain qualified expenditures, 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 existing LPFA program is a reimbursement system in which candidates must meet certain contribution and expenditure threshold requirements in order to receive public funds by way of reimbursements for certain kinds of campaign expenditures; the program has been funded at \$155,000 per election cycle and provides roughly \$10,000-\$20,000 in public funds per eligible candidate per election. Campaign expenditure ceilings (capping total spending by a candidate's campaign during an election cycle) generally range between \$140,000-\$160,000 for each City Council district race.

The Lobbyist Registration Act (LRA), first adopted in 2002, requires lobbyists to register and file quarterly reports with the PEC and imposes limitations on lobbyist gifts, payments, and other activities, including a one-year ban on former City officers, department heads, or budget director lobbying the City after leaving office. "City officer" includes the Mayor, City Administrator, City Councilmembers, City Attorney, City Clerk, City Auditor, and executive officers and members of City commissions and boards.³

PROPOSED AMENDMENTS

The proposed legislation consists of four sections, each amending a separate local law as follows:

- I. **Amends Oakland Municipal Code Title 3 by deleting Chapter 3.13 (Limited Public Financing Act) and adding a new Chapter 3.15, titled "Oakland Fair Elections Act"**

¹ City Charter Sec. 603(b)(1)(ii).

² City Charter Sec. 603(h).

³ City Charter Sec 400.

Item 6a - Staff Memorandum

This is the most substantive of the four categories of amendments whereby the existing Limited Public Financing Act (Chapter 3.13) is deleted in its entirety and is replaced by a new Democracy Dollars Program (Program) that distributes public funds to all Oakland residents who are registered to vote so that they may give the funds to the candidate(s) of their choice.

The Democracy Dollars Program includes the following main components:

1. Funding for Democracy Dollars
 - a. Establishment of a Democracy Dollars Fund of \$4 million for funding of four \$25 Democracy Dollars (for a total of \$100) for each election to be distributed to eligible residents who are registered to vote or who request Democracy Dollars electronically and meet specified criteria.
 - b. Appropriation of at least \$1,250,000 to the PEC for administration of the Program, subject to CPI increases every two years.
 - c. An additional appropriation of at least \$700,000 to cover initial start-up costs to build the Program (most likely to go toward technology needed to implement the Program)
2. PEC is Responsible for Administering the Program and Shall Do the Following:
 - a. Adopt rules, regulations, and procedures to implement the Program and has discretion to adjust main conditions of the Program as needed.
 - b. Design the Democracy Dollar to include elements specified by law.
 - c. Conduct education and outreach, including developing an outreach plan in coordination with community organizations and the City's Race and Equity Department, to ensure all City residents are informed about the Program.
 - d. Create and maintain an online portal with information such as the resident's name, date, candidate recipient name and office sought for each Democracy Dollar assigned, as well as broader information about the total number of DD's assigned to and redeemed by each candidate and an online mechanism for requesting and assigning DD's.
 - e. Conduct audits of all certified candidates.
 - f. Issue oral advice and written options.
 - g. Review the implementation of the Program in coordination with the Race and Equity Department and submit a post-election report to City Council.
 - h. Review the Fund, project the amount of revenue available in the Fund to ensure it will be sufficient to disburse DD proceeds up to the maximum amounts allowable under the Program and if not, request an appropriation from Council. If none provided, then proceed with modifications to the program as indicated by law.
3. PEC Creates and Distributes Democracy Dollars to Voters

Item 6a - Staff Memorandum

- a. PEC shall mail to each eligible resident who is registered to vote four \$25 Democracy Dollars no later than April 1 of the year in which the election occurs.
 - b. PEC shall develop an electronic system for the administration of the Program to receive and maintain information regarding Democracy Dollars, electronically distribute Democracy Dollars to eligible residents upon request, and monitor the redemption of Democracy Dollars issued.
4. Residents Assign Democracy Dollars (DD)
- a. Residents may give, or “assign,” one or more of their four \$25 Democracy Dollars to the candidate(s) of their choice by writing the name of the candidate on the DD, signing and dating the DD, and submitting the DD to the PEC (by mail, personal delivery, or online) or to a candidate or representative of the candidate.
 - b. DD’s can be assigned by a resident up to 30 days after the election.
5. Candidates Must be Certified in the Program to Receive DD’s; Steps for Certification Include the Following:

- a. Candidate must submit a notice of intent to apply for certification in the Program during the qualifying period (Jan 1 of the election year through 14 days after the close of the nomination period, which is usually around early-August). On the notice of intent, candidates must attest to personally participating in at least three public debates or forums (five for Mayoral candidates), among other requirements.
- b. Candidate must submit a written application for certification during the qualifying period attesting that they have met specified requirements and that they have received the minimum number of qualifying contributions required for the office sought:

Office Sought	Total # of Qualifying Contributions Needed	Minimum # Needed from Each District
Mayor	400	10
City Attorney, City Auditor, At-Large Councilmember	150	5
District Councilmember	125	5
School Board Director	75	5

- c. PEC Director reviews and determines whether candidates have met requirements to become certified, and, once certified, may revoke a candidate’s certification if they fail to qualify for the ballot or withdraw from the election.
- d. The Commission may revoke a candidate’s certification if the candidate violates or no longer meets certification requirements or commits other violations of state or local law.
- e. A candidate whose certification is revoked must return remaining DD proceeds to the Fund and in some cases (legal violations) shall be personally liable for any DD proceeds already spent by the candidate.

Item 6a - Staff Memorandum

6. Certified Candidates Redeem Democracy Dollars (DD's) for Payments to their Campaign

- a. A candidate may submit assigned DD's to the PEC by mail or personal delivery up to 30 days after the election day.
- b. The PEC shall distribute DD proceeds from the Fund to the candidate after verifying the candidate is certified, the DD was properly assigned by an eligible resident, and the disbursement of the DD proceeds will not cause the candidate to exceed the maximum amount of DD proceeds available to that candidate. Maximum amounts of DD proceeds available for each office are as follows, subject to CPI adjustment every two years:

Office Sought	Maximum Amount of DD Proceeds Available
Mayor	\$400,000
City Auditor, City Attorney, At-Large Councilmember	\$150,000
District City Councilmember	\$100,000
School Board Director	\$50,000
Uncontested Candidates	\$10,000

- c. Disbursements shall be issued pursuant to a timeline set by the PEC with disbursements occurring no less than twice per month, and, in October and November of an election year, no less than once per week until the election.

7. Certified Candidates Must Limit Campaign Spending

- a. An applicant or certified candidate may not make qualified campaign expenditures in excess of the expenditure limit for the office sought, as follows (subject to CPI increases every two years):

Office Sought	Campaign Expenditure Limit
Mayor	\$470,000
City Auditor, City Attorney, At-Large Councilmember	\$200,000
District City Councilmember	\$150,000
School Board Director	\$75,000

- b. The PEC Director shall release a candidate from the expenditure limit upon request and verification that an opponent has funds that exceed the expenditure limit or that independent expenditures exceeding the expenditure limit were made in opposition to the petitioning candidate or supporting another candidate for that office.

8. Additional rules, restrictions, and requirements limiting the use of personal funds and campaign funds, requiring return of surplus funds after an election, and prohibitions on the sale or transfer of Democracy Dollars, among other details.

9. PEC Enforcement includes administrative and civil penalties similar to those in other laws enforced by the PEC.

10. The new Democracy Dollars Program shall first apply to the 2024 elections and continue through subsequent elections.

II. Amends Oakland Municipal Code Chapter 3.12 (Oakland Campaign Reform Act)

This section makes several changes to the Oakland Campaign Reform Act (OCRA) to conform with the newly proposed Democracy Dollars Program as well as additional changes to enhance disclosure requirements for independent expenditure advertisements, among other amendments. Specifically, the new amendments do the following:

1. Deletes OCRA's unique term and definition for "broad-based political committee" and instead use the term "small contributor committee" which is defined by state regulations under the California Political Reform Act. (PEC-staff requested amendment to update/align local law with state rules)
2. Sets individual contribution limits for all candidates at \$400 (currently \$900), and for small contributor committees at \$800 (currently \$1,800), adjusted annually per the CPI. Clarifies that Democracy Dollars and public funds dispersed to candidates shall not be considered a "contribution" under OCRA.
3. Deletes the requirement that a loan to a candidate or committee shall be by written agreement to be filed with the candidate's campaign statement on which the loan was first reported. (PEC-staff requested amendment to simplify and reduce unnecessary requirements.)
4. Deletes the requirement that funds contributed to a candidate or official's legal defense fund must first be deposited into the campaign bank account prior to being deposited into the legal defense fund. (PEC-staff requested amendment to delete an outdated requirement that serves no purpose and that makes it more challenging to track activities and view campaign finance data.)
5. Deletes all sections related to campaign expenditure ceilings, which are now included within the public financing framework in the Fair Elections Act.
6. Expands disclosure of committees receiving contributions of \$5,000 or more from its top two to its top three highest contributors on all mass mailings and advertisements (not just TV ads) that are independent expenditures supporting or opposing Oakland candidates or measures.
7. Adds a new section to require a person to notify the PEC of an independent expenditure communication costing \$1,000 or more and to provide detailed information, as well as a copy of the communication such as telephone/audio/video scripts and a copy of the audio or video file or printed materials, to the Commission by specified deadlines. The PEC shall post all copies of IE communications filed with the Commission within 48 hours or receipt.
8. Adds language to require late filing fees and any funds forfeited to the City to be deposited into the Democracy Dollar Fund.
9. Expands City Clerk duties to ensure the Clerk's office provides the PEC with information and forms necessary to implement the Democracy Dollars Program and ensure compliance with OCRA rules.

10. Makes minor changes to the findings and declarations as well as the purpose of the OCRA to align the intent language with the new changes in the law.

III. Amends Oakland Municipal Code Chapter 3.20 (City of Oakland Lobbyist Registration Act)

This brief amendment extends the lobbying ban on former City officers from one year to three years after leaving office.

IV. Amends Oakland City Charter Section 603 (Public Ethics Commission)

This section makes conforming changes to City Charter section 603, regarding the establishment, activities, authority and staffing of the Public Ethics Commission, to integrate the new Oakland Fair Elections Act (OFEA) and provide sufficient staffing to implement the new Democracy Dollars Program. Specifically, the proposal adds the following:

1. Beginning on July 1, 2023, the City shall appropriate to the PEC at least \$1,250,000 to administer the Democracy Dollars Program, as well as at least \$4,000,000 for the purpose of funding Democracy Dollars. In addition, for the 2023 fiscal year, the City shall appropriate at least \$700,000 for the purpose of start-up costs associated with initiating the Democracy Dollars Program.
2. Effective July 1, 2023, the City shall provide adequate staffing necessary to properly administer the Democracy Dollars Program, including at least 4 additional full-time positions reporting to the Executive Director: a Program Director, two Program Analysts, and one Administrative Assistant.

ANALYSIS

In September 2020, the Commission issued a report, *Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race*, that reviewed outcomes from Oakland's existing public financing program and overall campaign finance system and recommended a new approach for Oakland to expand and diversify participation and influence in the campaign process. The Commission conducted a comprehensive review of campaign finance data and activities and articulated the ways in which some Oaklanders lack political power, particularly in the campaign finance process which relies on those with money to make contributions to political campaigns. The Commission explored best practices in other jurisdictions, including other public financing models, and concluded that a Democracy Dollars program "shows the most promise for bringing equity to the campaign finance process since it equips all voters with campaign 'cash' to contribute to campaigns, thereby incentivizing candidates to engage across demographics regardless of wealth and history of prior engagement."⁴

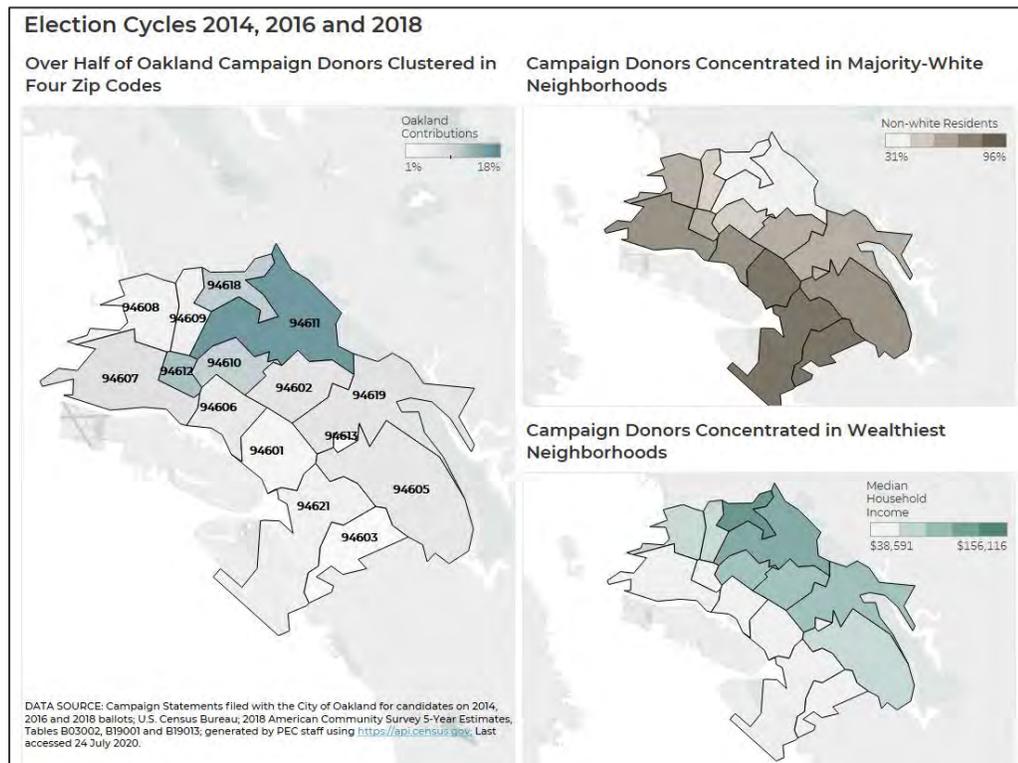
The PEC's 2020 report further concluded that "a Democracy Dollar system must be accompanied by broad public engagement infrastructure-building efforts... to ensure a fertile

⁴ Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race. Public Ethics Commission. September 2020. Pg. 23.

ecosystem of candidates and community leaders, connections between City liaisons and communities, effective communications and outreach, and other elements needed for successful integration of a new system of broader and more diverse participation.”⁵

Specifically, the Commission noted the following:

- The existing campaign finance system leaves out low-income communities and communities of color who donate and vote at lower rates than wealthier, whiter communities as evidenced by the source of contributions made to candidate campaigns far more densely clustered around neighborhoods that are disproportionately white, wealthy, and non-representative of the racial and socio-economic diversity of Oakland residents overall.⁶



- Further, the target of candidates’ campaign outreach and contribution solicitation efforts are prior voters and high propensity voters as well as potential campaign donors, which creates and further perpetuates these disparities since candidates, who want to win their election, are incentivized to continue to focus on engaging those most reliable donors and voters who have a record of engaging in the political process.⁷

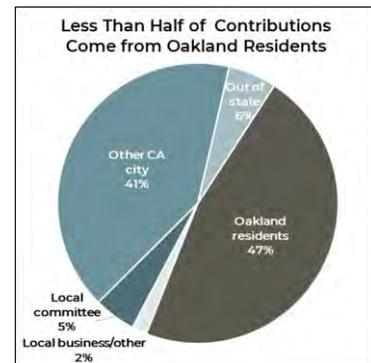
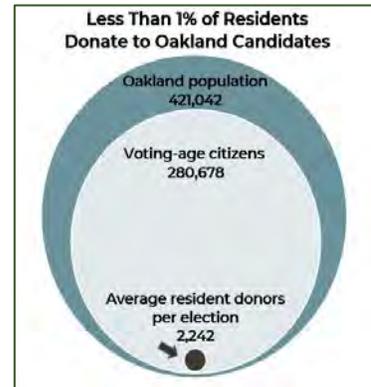
⁵ Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race. Public Ethics Commission. September 2020. Pg. 23.

⁶ Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race. Public Ethics Commission. September 2020. Pg. 6.

⁷ Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race. Public Ethics Commission. September 2020. Pg. 4.

Item 6a - Staff Memorandum

- With an average of 2,242 residents contributing to Oakland candidates across the 2014, 2016, and 2018 elections, that means less than 1% of Oaklanders participate in contributing to Oakland candidates.⁸
- Half of all contributions from Oakland residents come from neighborhoods in just four zip codes (94611, 94610, 94618, and 94612).⁹
- Oaklander contributions make up less than half of all contributions made to Oakland candidates.¹⁰
- Empirical research indicates that elected officials and candidates for office are most responsive to two groups: voters and political donors, that political donors are the most influential, and that non-constituent donors have more influence on policymakers than constituent non-donors.¹¹
- The existing LPFA program has not reduced the influence of large contributors in local elections and has not reduced the pressure faced by candidates to fundraise, nor led to an increase in the number of candidates pursuing local office.¹²



In sum, the PEC report found that Oakland's existing campaign finance system gives donors from outside of Oakland and Oakland residents in wealthier, whiter neighborhoods disproportionate influence in choosing elected officials and potentially shaping policy outcomes over everyone else. In a city like Oakland, where the candidate with the most funds behind them almost always wins, this means low-income residents and people of color are disproportionately missing from the political campaign decision-making process, creating a clear equity and public participation issue in a system that is supposed to share power democratically.

The proposed amendments are intended to create a new public financing system here in Oakland by dispersing a small amount of public funds in certificate form called Democracy Dollars directly to every Oakland voter rather than in lump sum to candidates. Candidates must then meet certain requirements to become a certified candidate to receive Democracy Dollars from Oaklanders, including public forums and reasonable campaign spending limits, among others. Candidates are then incentivized to seek out these small contributions that are in the hands of every Oakland voter to both raise money for their campaign and spread their campaign messages.

⁸ Id. Pg. 1.

⁹ Id. Pg. 6.

¹⁰ Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race. Public Ethics Commission. September 2020. Pg. 6.

¹¹ Id. Pg. 9, see citations within.

¹² Id. Pg. 4.

This new model of equitizing campaign finance was first adopted by Seattle voters in 2015 and implemented in the City's 2017 election. As of September 2020, the following benefits had been reported from Seattle's new system:

- **Contributors Tripled** – Data from Seattle's first election cycle with vouchers in 2017 showed the number of campaign contributors tripled from the comparable election cycle for the same races in 2013, with more than 25,000 Seattle residents participating as campaign donors in 2017, three times the 8,200 resident donors in 2013.
- **New Contributors** – Roughly 84 percent of the 2017 election cycle's Seattle donors were estimated to be new donors; including about 20,900 individuals who had not contributed to city candidates in the 2015 or 2013 cycles. And 71 percent of these new donors were voucher donors.¹³
- **More Representative Contributors** – An academic review of Seattle's voucher program in 2018 found that “compared to cash contributors in the 2017 election, participants in the Democracy Voucher program were generally more representative of the Seattle electorate. Low and moderate-income residents comprise a substantially larger share of voucher users than cash donors. Voucher users are more likely than cash donors to come from the poorest neighborhoods in the city. Residents under 30 years old make up a larger share of voucher users than cash donors.”¹⁴
- **Earlier and More Participation in 2019** – In the first two months that vouchers were distributed by the city between February and April 2019, with all seven Seattle city council seats up for election in November 2019, more than 11,000 Seattle residents had redeemed their vouchers, which is already more individual donors participating in city campaigns than in all of 2015 before vouchers existed.¹⁵ By the end of the 2019 election, 38,092 residents submitted more than 147,128 Democracy Vouchers for a total disbursement of \$2.5 million in public financing.¹⁶

The PEC's report summarized further benefits regarding Seattle's system as follows:

Cash in the Hands of All Voters Changes Candidate Behavior

Candidates who ran in Seattle's first iteration of its voucher system experienced an entirely new framework for campaigning. Since every voter now had campaign “cash” to give to a campaign, all voters became the target of campaign outreach efforts. Under the new system, candidates were incentivized both to educate voters about how to use their own vouchers and to ask them to give their vouchers to support the candidate.

¹³ First Look: Seattle's Democracy Voucher Program, Reducing the Power of Big Money and Expanding Political Participation. Win/Win Network and Every Voice. P. 2. November 15, 2017.

¹⁴ Jennifer Heerwig and Brian J. McCabe. Expanding Participation in Municipal Elections: Assessing the Impact of Seattle's Democracy Voucher Program. University of Washington, Center for Studies in Demography & Ecology. P. 1. April 3, 2018.

¹⁵ Seattle's Democracy Voucher Program is Already Sparking a Lively Election Season. Margaret Morales. Sightline Institute. April 23, 2019.

¹⁶ Seattle Ethics and Elections Commission. Democracy Voucher Program Biennial Report 2019. P. 5.

For example, Teresa Mosqueda, a former labor activist who is third-generation Mexican-American and the daughter of educators and social justice activists, ran under the new voucher system for the at-large district 8 City Council seat in 2017. She said the new system incentivized candidates to go out and talk to every voter, so that is how she focused her campaign.¹⁷ “The democracy vouchers encourage candidates to spend time talking with actual residents, rather than asking wealthy donors to write large checks,” said Mosqueda about her campaign experience. “I spent my evenings and weekends in neighborhoods around Seattle talking about the issues we care about.” Mosqueda won her election to office with a 20-point lead and tipped the Seattle City Council toward a majority of people of color and a supermajority of women. “Candidates like me, who pledged to use democracy vouchers and refuse donations over \$250, were more connected to the city’s diverse population,” she added. As a result, she said, she spent her “first eight months in office bringing forward legislation that comes directly from community — from domestic workers protections to affordable housing solutions.”¹⁸

The new system also can change behavior for candidates who do not participate in the voucher program but who run against candidates who do. For example, one Seattle nonprofit leader shared his observation that Jenny Durkin, the winning mayoral candidate in the 2017 election who did not use the voucher system to fund her campaign opted to join in candidate forums that started to pop up in communities that previously were not the target of campaign efforts, simply because the new voucher availability in those communities drew the voucher system candidates there and she needed to stay competitive by being in the room with the other candidates. Durkin won, and she later hired staff into her Mayoral administration that she met in those new communities which, without the voucher system in place pushing the other candidates to reach out to those communities, she would never have encountered.¹⁹

After analyzing other alternative public financing programs, the PEC report concluded that a system of providing Democracy dollars (like the Seattle model) was the best approach for Oakland since it provides public funds to all City voters in a manner that is intended to provide equity across the board and incentivizes candidates to engage across all demographics regardless of wealth and history of prior engagement. The proposed legislation implements this ideal approach.

The proposed legislation further includes a significant outreach component, requiring the PEC to initiate an outreach program to ensure that all voters are aware of the Democracy Dollars Program. While this is important for the program, additional public engagement infrastructure-building efforts, will be critical to ensure successful integration of the new system of broader and more diverse participation, as the PEC discussed in its report:

¹⁷ Teresa Mosqueda. Seattle City Councilmember. Speaking at the Bay Area Political Equality Collaborative Convening. January 23, 2018.

¹⁸ Teresa Mosqueda. *I’m Still Paying Off My Student Loans — Here’s How I Funded My Campaign (And Won)*. Bustle.com, August 14, 2018.

¹⁹ Aaron Robertson. Managing Director, Policy and Civic Engagement. Seattle Foundation. Interview August 17, 2018.

While the [Seattle Democracy Dollars] system was significant as the first of its kind in the country, also significant is the level of community outreach specifically intended to engage communities of color into the campaign finance process, conducted parallel to the implementation of the voucher system. These civic engagement programs – some woven into the voucher program and others separate from it – provided a strong network of infrastructure that helped bridge different communities in a way that enhanced success of the program and other organizations with shared civic participation goals.²⁰

Overall, the proposed legislation is worthy of the Commission’s general support as an innovative model for providing public financing in a manner that distributes power out to all Oakland voters in the form of \$100 in Democracy Dollars as a means of ensuring candidate outreach across demographics and expanding citizen participation in the campaign process. Given the size, scope, and complexity of the proposal, PEC staff will need to engage further with the authors on the details of the legislation following the PEC’s initial review, including continuing to work with the authors and City Councilmembers as it proceeds through the legislative process.

RECOMMENDATION

Commission staff recommends the Commission support the proposal, create a PEC subcommittee for PEC staff to consult with to continue to analyze program details and identify technical or substantive amendments, and direct PEC staff to work with the author on amendments as needed and to bring any significant changes back to the Commission for review prior to final adoption by City Council.

²⁰ Race for Power: How Money in Oakland Politics Creates and Perpetuates Disparities Across Income and Race. Public Ethics Commission. September 2020. Pg. 17. See also Pg. 18 for discussion of non-profit and county-level organizations doing parallel work to expand participation.

Item 6b - BayPEC-Proposed Oakland Clean Elections Act

SEC. 1. AMENDS TITLE 3 OF THE OAKLAND MUNICIPAL CODE BY DELETING CHAPTER 3.13 TITLED “LIMITED PUBLIC FINANCING ACT” AND ADDING A NEW CHAPTER, CHAPTER 3.15, TITLED “OAKLAND FAIR ELECTIONS ACT,” WHICH INCLUDES THE FOLLOWING PROVISIONS:

~~Chapter 3.13 - LIMITED PUBLIC FINANCING ACT~~

~~Article I. - Findings and Purpose:~~

~~3.13.010 - Title:~~

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

~~(Ord. No. 13031, 7-27-2010)~~

~~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.~~

~~(Ord. No. 13031, 7-27-2010)~~

~~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, 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.~~

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- ~~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.~~

(Ord. No. 13031, 7-27-2010)

Article H. - 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 this 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.~~

(Ord. No. 13031, 7-27-2010)

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 to be known as the "Election Campaign Fund."~~

(Ord. No. 13031, 7-27-2010)

3.13.060 - Appropriation of funds.

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- ~~A. The 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 city 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 \$500,000.00 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 seven and one-half percent 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.~~

(Ord. No. 13031, 7-27-2010)

~~3.13.065 - Allocation of election campaign fund.~~

~~No later than seven 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.~~

(Ord. No. 13031, 7-27-2010)

~~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 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~~

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~~no later than 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 Section 3.12.200, the candidate shall be subject to the contribution limits of Subsections 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 Section 3.12.200, the candidate shall be subject to the contribution limits of Subsections 3.12.050(b) and 3.12.060(b) as adjusted pursuant to Subsections 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 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.~~

~~(Ord. No. 13031, 7-27-2010)~~

~~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 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 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 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.~~

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- ~~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.~~

(Ord. No. 13031, 7-27-2010)

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 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.~~

(Ord. No. 13031, 7-27-2010)

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 chose 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.~~

(Ord. No. 13031, 7-27-2010)

3.13.110 - Requests for public financing:

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~~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 agendaize 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 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 30 percent of the voluntary expenditure ceiling per election for the office being sought.~~

~~(Ord. No. 13031, 7-27-2010)~~

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~~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 \$1,000.00 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 \$500.00 or more ten calendar days before the election.~~
- ~~C. The public ethics commission or its designee shall have ten 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 business days of receipt.~~

~~(Ord. No. 13031, 7-27-2010)~~

~~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 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.~~

~~(Ord. No. 13031, 7-27-2010)~~

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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.~~

~~(Ord. No. 13031, 7-27-2010)~~

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.~~

~~(Ord. No. 13031, 7-27-2010)~~

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 years after the date on which the violation occurred.~~

~~(Ord. No. 13031, 7-27-2010)~~

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 \$1,000.00 per violation and to order the repayment of public financing received or expended in violation of law.~~

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~~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 years after the date the violation occurred.~~

~~(Ord. No. 13031, 7-27-2010)~~

~~3.13.220 - Construction.~~

~~The Act shall be liberally construed to accomplish its purposes.~~

~~(Ord. No. 13031, 7-27-2010)~~

~~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.~~

~~(Ord. No. 13031, 7-27-2010)~~

~~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.~~

~~(Ord. No. 13031, 7-27-2010).~~

3.15.010 – Title.

This Chapter shall be known as the “Oakland Fair Elections Act,” hereinafter referred to as the “Act.”

3.15.020 – Findings and Declarations.

The Findings of this Act are as follows:

- A. All residents of Oakland have a right to participate in Oakland’s elections, and the voices of all residents of Oakland should matter.
- B. Spending in Oakland elections has increased significantly, reaching nearly \$5 million in candidate contributions and independent expenditures in the 2020 election.
- C. Oakland candidates rely primarily on large contributions. In the 2020 election, only 6% of contributions to candidates came from donors who gave \$100 or less. By contrast, 45% of contributions to candidates came from donors who gave \$500 or more.
- D. Candidate contributions in Oakland elections come disproportionately from Oakland’s wealthiest neighborhoods. In 2020, Oakland zip codes with a median household income greater than

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\$75,000 were responsible for 66% of candidate contributions while comprising only 40% of Oakland's population. The six Oakland zip codes with median household incomes below \$60,000 provided merely a quarter of candidate contributions while comprising nearly half of Oakland's population.

- E. The rapidly increasing costs of political campaigns are forcing officeholders to spend more time on fundraising and less time on the public's business. Because of these increasing costs and the need to fundraise, officeholders increasingly rely on large contributions from interest groups and donors with specific financial stakes in matters under consideration by the city government.
- F. Candidates' reliance on large contributions from a limited number of powerful contributors creates the opportunity for and appearance of corruption in city government. This undermines the integrity of the governmental process and participation in campaigns by Oakland residents.
- G. Candidates' reliance on large contributions from a limited number of wealthy contributors also gives incumbents an advantage over potential challengers and inhibits potential candidates for elected office who lack existing networks of wealthy contributors from running for office, thereby decreasing the competitiveness of elections in Oakland.
- H. Meaningful participation in financing the campaigns of candidates for elected office in Oakland should not be limited to people and entities with significant wealth that are able to make large contributions.
- I. Gaps in existing municipal law deprive Oakland voters of access to information about how big independent spenders are spending money to influence their votes.
- J. Based on existing circumstances in Oakland, including those enumerated above, the programs and reforms in this Act will curb corruption, including quid pro quo corruption, and its appearance in Oakland elections and government. The programs and reforms in this Act will also ensure the right of Oakland residents to participate in democratic self-governance through effective participation in Oakland elections and government and their right to elected officials who are responsive to constituents.
- K. The Democracy Dollars Program created by this Act additionally will enlarge public discussion and participation in elections by amplifying the voices of Oakland residents in elections through their participation in the Democracy Dollars program. The Democracy Dollars Program will also support candidates for elected office who lack networks of wealthy contributors, and will encourage candidates across the political spectrum and from different backgrounds to seek elected office, thereby resulting in a pool of candidates that is more reflective of the diversity of Oakland residents and resulting in more competitive elections.
- L. Existing municipal restrictions on lobbying by city officials immediately after they leave government service are inadequate to ensure that city government is free from corruption and the appearance of corruption. Extending the lobbying ban from one year to three years after a city official leaves government service is necessary to curb corruption, including quid pro quo corruption, and the appearance of corruption, and will thereby better protect the integrity of city government.

3.15.030 – Purpose.

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- A. This Chapter's purpose is to build fair elections in the City of Oakland and prevent corruption and its appearance by:
1. Ensuring Oakland residents have an opportunity to have their voices heard in their local democracy;
 2. Ensuring that all individuals and communities in our city have a fair opportunity to participate in elective and governmental processes;
 3. Ensuring candidates for office are free to focus on policy issues rather than devoting excessive time to fundraising by establishing limits on overall campaign expenditures for participating candidates;
 4. Ensuring that access to networks of wealthy contributors is not a prerequisite for candidates to run competitive campaigns for elected office.
 5. Ensuring a fair elections process that holds local elected leaders accountable to the people of Oakland by strengthening residents' control over the City of Oakland's government;
 6. Ensuring candidates who receive public financing to participate in public debates to assist residents with making an informed decision about each candidate and understand each candidate's stance on the issues affecting the City;
 7. Placing reasonable limits on the amount individuals may contribute to political campaigns in municipal elections and to;
 8. Ensuring that viable candidates are able to raise enough money to communicate their views and positions adequately to the public, thereby promoting public discussion of the important issues involved in political campaigns;
 9. Ensuring that local officials and high-ranking staff are responsive to the needs of their constituencies and do not use the contacts and status earned in public service to lobby for private industries that have financial stakes in the matters under consideration by the City.
 10. Tightening prohibitions on lobbying by former elected officials (the "revolving door" problem) to ensure that local officials are responsive to all of the residents of Oakland instead of wealthy special interests.
 11. Providing full and fair enforcement of all the provisions in this Chapter.
 12. Creating a Democracy Dollar public finance program ("Democracy Dollars" or "Program") to expand the pool of candidates and donors for City of Oakland offices and to safeguard the people's control of the elections process in the City of Oakland.
- B. This Chapter shall be liberally construed and vigorously enforced to ensure its purposes are fulfilled.

3.15.040 – Definitions.

- A. 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 the City of Oakland Campaign Reform Act (Chapter 3.12 of

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the Oakland Municipal Code) and in the California Political Reform Act (Government Code Sections 81000 et seq.), as amended, govern the interpretation of this Act.

B. For purposes of this Act:

1. “Democracy Dollar” or “Democracy Dollars” means the twenty-five dollars (\$25.00) of revenue from the Fund, that is to be distributed to eligible residents under section 3.15.090 of this Act.
2. “Applicant candidate” means a candidate for a covered office who has filed a notice of intent to apply for certification in the Program under Section 3.15.080(A).
3. “Certified candidate” means a candidate who has received certification in the Program under Section 3.15.080(E).
4. “Commission” means the Oakland Public Ethics Commission.
5. “Contested election” means an election for a covered office in which an applicant or certified candidate is opposed by:
 - a. Another certified candidate for the same covered office; or
 - b. Another candidate for the same covered office who has received contributions or made expenditures that, in the aggregate, equal or exceed ten thousand dollars (\$10,000).
6. “Covered office” means the office of Mayor, City Attorney, City Auditor, City Council, or School Board of Directors.
7. “Executive Director” means the Executive Director of the Oakland Public Ethics Commission.
8. “Eligible resident” means a natural person who satisfies all of the following conditions:
 - a. Is at least 18 years old on the date of the election for which the Democracy Dollars are distributed.
 - b. Currently resides in the City and has resided in the City for more than 30 days.
 - c. Is not prohibited from making a contribution under 52 U.S.C. 30121.
9. “Fund” means the Oakland Democracy Dollars Fund created under Section 3.15.060.
10. “Nomination period” means the period in which candidates for City office must file their nomination documents with the City Clerk pursuant to Section 3.08.040 of the Oakland Municipal Code.
11. “Program” means the Democracy Dollars Program established by this Act.
12. “Qualifying contribution” means a monetary contribution, excluding a loan, made by an eligible resident to an applicant candidate in an amount of at least five dollars (\$5) and not more than the contribution limit under Section 3.12.050(B) of the Oakland Municipal Code.

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13. “Qualifying period” means the period beginning January 1 in the year of an election and ending fourteen (14) days after the close of the nomination period for the election.
14. “Uncontested election” means an election for a covered office that is not a contested election.

C. For purposes of this Act, any reference to a candidate includes the candidate’s controlled committee for City office, the treasurer of the candidate’s controlled committee for City office, and any agent of the candidate or the candidate’s controlled committee for City office.

3.15.050 – Duties of the Commission.

- A. The Commission shall implement and administer the Program in accordance with the findings and purposes of this Act.
- B. Following the first election after the effective date of this Act and by an affirmative vote of at least five (5) of its members, the Commission may:
 1. Reasonably adjust any of the following if the Commission determines that the adjustment furthers the findings and purposes of this Act:
 - a. The number or value of Democracy Dollars distributed to each eligible resident.
 - b. The total number of qualifying contributions that candidates for each covered office must receive for certification in the Program under Section 3.15.080.
 - c. The qualifying period.
 - d. Other conditions of participation the Program, including contribution limits under Sections 3.12.050(B) and 3.12.060(B) of the Oakland Municipal Code, expenditure limits under Section 3.15.140(A), limits on use of personal funds under Section 3.15.150, limits on use of campaign funds under Section 3.15.160, and the number of public debates or forums in which candidates must participate under Section 3.15.080(A)(3).
 - e. Other Eligibility requirements as dictated by Section 3.15.080(B)(7)(a).
- C. In addition to all other functions and duties of the Commission prescribed by this Act, the Commission shall:
 1. Adopt rules, regulations, and procedures to carry out this Act.
 2. Develop all forms and documents necessary to administer the Program.
 3. Design a Democracy Dollar that includes all of the following elements:
 - a. The covered election for which the Commission issues the Dollar.
 - b. A serial number and barcode.
 - c. The amount of monetary proceeds that the Democracy Dollar represents.
 - d. The full name of the eligible resident who may assign the Democracy Dollar.
 - e. A place to write the zipcode of the eligible resident who may assign the Democracy Dollar.

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- f. A place to write the date on which the eligible resident assigns the Democracy Dollar.
 - g. A place to write the name of the candidate to whom the eligible resident assigns the Democracy Dollar.
 - h. A statement, in plain language, that informs each eligible resident of all of the following:
 - i. The eligible resident may not revoke an assignment of the Democracy Dollar.
 - ii. The eligible resident may not transfer the Democracy Dollar.
 - iii. The Democracy Dollar has no monetary value.
 - iv. The eligible resident may assign the Democracy Dollar only as provided under Section 3.15.110.
 - i. A statement that affirms the eligible resident assigns the Democracy Dollars voluntarily, free from duress, and not in exchange for any consideration.
 - j. A signature line.
 - k. Any additional information that the Commission determines is necessary to distribute the Democracy Dollars.
4. Educate and inform candidates and the public about the Program as follows:
- a. Publish informational materials about the Program written in plain language, including guides, manuals, instructions, and brochures, for candidates and the public.
 - b. Make all informational materials about the Program available in all of the following formats:
 - i. On the Commission's website.
 - ii. In paper form.
 - iii. Translated into any and all languages in which ballots are required to be provided in Alameda County pursuant to Section 203 of the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10503) and those languages spoken by 2,000 or more Oakland residents who speak English "less than very well" as determined by the United States Bureau of the Census.
 - c. Publish a timeline of important dates in the Program.
 - d. Develop and conduct trainings about the Program for candidates and treasurers.
 - e. Develop an outreach plan before each election cycle, in collaboration with community-based organizations and the Department of Race and Equity, that describes how the Commission will inform all City residents about the Program and includes all of the following:

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- i. A statement of the Commission's outreach goals.
 - ii. An approximate timeline of proposed outreach activities, which may include but are not limited to attending community events, distributing informational materials to community-based organizations, posting informational materials in public places, and placing public announcements in print media, newsletters, social media, websites, radio, or television.
 - iii. A description of those proposed outreach activities that will be used to reach groups or categories of City residents that have been historically underrepresented in the political process or underserved by City government.
 - iv. The approximate cost of proposed outreach activities.
 - f. Conduct outreach activities in collaboration with community-based organizations and other City departments and agencies, as informed by the outreach plan described in Subsection (C)(4)(e).
5. Create and maintain a public-facing website that does all of the following:
 - a. Displays the following information for each Democracy Dollar assigned by an eligible resident:
 - i. The full name of the eligible resident.
 - ii. The date on which the eligible resident assigned the Democracy Dollar.
 - iii. The name of and covered office sought by the candidate to whom the Democracy Dollar was assigned.
 - iv. The date the candidate redeemed the Democracy Dollar for proceeds with the Commission, if applicable.
 - v. The serial number of the Democracy Dollar.
 - b. Displays the total number of Democracy Dollars assigned to and redeemed by each applicant or certified candidate to date.
 - c. Displays the total number of qualifying contributions received by each applicant candidate to date.
 - d. Provides electronic access to campaign statements and reports filed with the Commission by each applicant or certified candidate.
 - e. Provides a mechanism by which an eligible resident may request a Democracy Dollar pursuant to Section 3.15.090(B)-(C).
 - f. By January 1, 2024, provides a mechanism by which an eligible resident may electronically assign the Democracy Dollars to an applicant or certified candidate.
6. Conduct mandatory post-election audits of all certified candidates and other audits necessary to oversee compliance with this Act.

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7. Issue oral advice and formal written opinions, in consultation with the City Attorney when necessary, regarding compliance with this Act.
8. Within six (6) months of after each election, conduct a review of the program in collaboration with the Department of Race and Equity and submit a post-election report to City Council that contains all of the following:
 - a. The number and names of, and covered offices sought by, all certified candidates, and the total amount of contributions received and expenditures made by those candidates, in the last election.
 - b. The number and names of, and covered offices sought by, all applicant candidates who were not certified in the program, and the total amount of contributions received and expenditures made by those candidates, in the last election.
 - c. The number and names of, and covered offices sought by, all candidates who did not seek certification in the program, and the total amount of contributions received and expenditures made by those candidates, in the last election.
 - d. The total number of Democracy Dollars:
 - i. Distributed to eligible residents.
 - ii. Distributed to but not used by eligible residents.
 - iii. Assigned to applicant or certified candidates.
 - iv. Redeemed by certified candidates.
 - e. Total public funding available in the fund before and after the last election.
 - f. The number and nature of program education and public outreach events conducted by the Commission for the last election, and the approximate number of public attendees at those events.
 - g. Review of the costs of the Program in the last election.
 - h. Projected revenue available in the Fund for each of the next three (3) election cycles.
 - i. Analysis of the Program's impact in the last election, including its equity impacts, as defined under Section 2.29.170.3(B) of the Oakland Municipal Code, and its effects on the sources and amounts of campaign funding and spending, the level of participation by eligible residents in each City Council District, and the number of candidates for covered offices.
 - j. Legislative recommendations for improvements or adjustments to the program.
 - k. Any other information that the Commission determines to be relevant.
- D. In the event of a special election for a covered office, the Commission may reasonably modify conditions, procedures, or deadlines under the Program, as necessary, to make the Program available to candidates in the special election if it would not unduly deplete revenue available in the Fund for regularly scheduled elections.

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3.15.060 – Oakland Democracy Dollars Fund.

- A. There is hereby established the dedicated, non-lapsing Oakland Democracy Dollars Fund to be used for the following purposes:
 - 1. Disbursing proceeds to certified candidates who redeem Democracy Dollars under Section 3.15.120.
 - 2. Paying costs incurred by the Commission in administering the Program. Up to twenty (20) percent of the revenue in the Fund may be allocated for paying costs incurred by the Commission in administering the Program.
- B. For the two-year budget cycle beginning July 1, 2023 and each subsequent two-year budget cycle beginning on July 1 of odd-numbered years, the City shall appropriate to the Fund no less than \$1,250,000.00 for purpose of administering the Program and \$4,000,000.00 for the purpose of funding Democracy Dollars. The City shall consider additional appropriations to the Fund as requested by the Commission to ensure sufficient funds in the Fund or in the Commission's determination of budget needs under Section 603(b)(4) of the Charter. Subsequent to July 1, 2023, for every two-year budget cycle beginning on July 1 of odd-numbered years, the required minimum appropriations under this subsection shall be increased by the increase in the consumer price index over the preceding two years. For the 2023 fiscal year, the City shall appropriate an additional amount of no less than \$700,000.00 for the purpose of startup costs associated with initiating the Program.
- C. Additional monies may be deposited into the Fund from these sources:
 - 1. Special Tax.
 - 2. Democracy Dollar proceeds returned by candidates under Section 3.15.170.
 - 3. Any portion of a contribution in excess of the limit in Sections 3.12.050(B) or Section 3.12.060(B) of the Oakland Municipal Code remitted by applicant candidates pursuant to Section 3.15.080(D).
 - 4. Voluntary donations made to the Fund.
- D. The Fund shall be established as an interest-bearing account. Any unspent revenue remaining in the Fund after an election shall remain in the Fund and accrue for making future disbursements under Subsection A.

3.15.070 – Administration of the Fund.

- A. The Commission shall administer the Fund only for the purposes specified under Section 3.15.060(A).
- B. No later than six (6) months after each election, the Commission shall review use of the Fund in the last election and develop projections of revenue to and disbursements from the Fund for each of the next three (3) election cycles.
- C. Prior to January 1 of the year in which an election occurs, the Commission shall project and publish the amount of revenue available in the Fund for the next election. In making its projection, the Commission shall reasonably ensure that revenue in the Fund will be sufficient to

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disburse the Democracy Dollar proceeds up to the maximum amounts under Section 3.15.130(A) to the number of candidates likely to be certified in the Program in the next election.

- D. If at any time the Commission determines that revenue available in the Fund is not or may not be sufficient to disburse the Democracy Dollar proceeds up to the maximum amounts under Section 3.15.130(A) to all certified candidates in the next election, the Commission shall promptly request an appropriation from City Council to account for the deficit in the Fund.
- E. If the Commission does not receive an appropriation requested under Subsection D within a reasonable time, the Commission shall do each of the following:
 - 1. Provide notice to the public and to all applicant or certified candidates that the Fund does not have sufficient revenue to disburse the Democracy Dollar proceeds up to the maximum amounts under Section 3.15.130(A).
 - 2. Establish a modified deadline for eligible residents to assign the Democracy Dollars.
 - 3. After the modified deadline under Subsection (E)(2)., disburse the Democracy Dollar proceeds to certified candidates on a pro rata or other equitable basis.
- F. The Commission shall contract with the appropriate agencies, including the Alameda County Registrar of Voters and the Oakland City Clerk, for all information required for the proper administration of the Program.
 - 1. The Commission shall develop the means by which the information needed to administer the program is stored and received.

3.15.080 – Requirements for Certification in the Program.

- A. To become certified in the Program, a candidate for a covered office must file with the Commission a notice of intent to apply for certification in the Program, signed by the candidate and the candidate's treasurer, during the qualifying period. On the notice of intent, the candidate must attest to all of the following:
 - 1. The candidate will comply with all conditions of the Program, including contribution and expenditure limits, and with other State or local law, as applicable, during the election cycle.
 - 2. The candidate and the candidate's treasurer will attend at least one training for the Program conducted by the Director.
 - 3. The candidate will personally participate, if a candidate for Mayor, in at least five (5) public debates or forums, or, if a candidate for any office other than Mayor, in at least three (3) public debates or forums. Only public debates or forums to which all other applicants or certified candidates for the covered office sought by the candidate are invited to participate shall be counted for the purposes of this section. Within five (5) days of the candidate's participation in each public debate or forum required under this Section, the candidate must notify the Commission, in writing, of their participation in the debate or forum.

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4. If certified in the Program, the candidate will submit to a mandatory post-election audit by the Commission.
- B. During the qualifying period, an applicant candidate may submit a written application for certification in the Program to the Commission attesting that the candidate satisfies all of the following conditions:
1. The candidate has filed with the Commission a notice of intent to apply for certification in the Program under Subsection A.
 2. The candidate meets the requirements for holding the covered office set forth in the City Charter.
 3. The candidate has qualified or will become qualified to appear on the ballot in the election.
 4. The candidate has filed and will continue to file, completely and accurately, all campaign statements and reports required by State or local law.
 5. The candidate owes no outstanding fine or penalty for a violation of State or local election law.
 6. The candidate has complied with and will continue to comply with all conditions of the Program for the election cycle.
 7. Within the qualifying period, the candidate has received the minimum number of qualifying contributions required for the covered office, as follows:
 - a. For Mayor, at least four hundred (400), including ten (10) qualifying contributions from each City Council district.
 - b. For City Attorney, City Auditor, or at-large City Councilmember, at least one hundred fifty (150), including five (5) qualifying contributions from each City Council district.
 - c. For District Councilmember, at least one hundred twenty-five (125), including five (5) qualifying contributions from each City Council district.
 - d. For School Board Director, at least seventy-five (75), including five (5) qualifying contributions from each school district.
- C. As part of an application for certification in the Program, an applicant candidate shall include documentation, as prescribed by the Commission, establishing the validity of each qualifying contribution required under Subsection (B)(7).
- D. An applicant candidate who has accepted a contribution in excess of the limit under Section 3.12.050(B) or 3.12.060(B) of the Oakland Municipal Code may not be certified in the Program unless, prior to or within thirty (30) days of filing an application for certification under Subsection B or within ten (10) days of being notified by the Commission, the candidate remits the portion of the contribution that is in excess of the limit under Sections 3.12.050(B) or 3.12.060(B) of the Oakland Municipal Code to the Commission for deposit in the Fund.

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- E. No later than ten (10) days after an applicant candidate submits an application for certification in the Program, the Executive Director shall determine whether the candidate has met the requirements of Subsection B and do the following:
 - 1. If the requirements are met, certify the candidate in the Program and provide written notice to the candidate of the certification.
 - 2. If the requirements are not met, provide written notice to the candidate of the denial of certification and provide an opportunity for the candidate to:
 - a. Cure any deficiencies in the application.
 - b. Appeal a denial of certification by the Executive Director to the Commission within fourteen (14) days of the Executive Director's decision to deny.
- F. The Executive Director may revoke a candidate's certification in the Program if the candidate:
 - 1. Fails to qualify to appear on the ballot for the covered office election.
 - 2. Withdraws from the election.
- G. A Certified Candidate whose certification in the program is revoked under subsection F may appeal his revocation to the Commission.
 - 1. The Commission shall develop a procedure for a candidate who submits a petition under Subsection F or any other candidate for the same covered office to appeal to the Commission a determination made by the Executive Director under Subsection F. Upon making a final decision on an appeal made under this Subsection, the Commission shall promptly notify the candidate who submitted the petition and all other candidates for the same covered office of its final decision.
- H. The Commission may revoke a candidate's certification in the Program if the candidate:
 - 1. Commits a violation of the requirements for certification under Subsection B.
 - 2. Fails to meet, misrepresents, or no longer meets the requirements in subsection B.
 - 3. Commits any other administrative, civil, and criminal violation of this Act or state or local law, as determined by the Commission or in an administrative criminal, or civil proceeding of another body.
- I. The Executive Director shall provide a written determination to a candidate whose certification in the Program is revoked under Subsection F or H that includes both of the following:
 - 1. The specific reason under Subsection F or H for revoking the candidate's certification.
 - 2. The specific facts found by the Commission that form the basis for revoking the candidate's certification.
- J. A candidate whose certification in the Program is revoked under Subsection F or H shall return to the Commission, for deposit in the Fund, any remaining Democracy Dollar proceeds in the candidate's campaign account in accordance with Section 3.15.170. If the candidate's certification is revoked pursuant to Subsection H(2) or (3), the candidate shall be personally liable for any Democracy Dollar proceeds expended by the candidate.

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- K. A candidate whose certification is revoked under Subsection F or H may appeal the final decision of the Commission to the Alameda County Superior Court.

3.15.090 – Distribution of Democracy Dollars.

- A. Each Democracy Dollar shall represent twenty-five dollars (\$25.00) of revenue from the Fund, subject to adjustment by the Commission pursuant to Section 3.15.050(B) rounded to the nearest five (5) dollars.
- B. Except as provided in Subsection C, the Commission shall mail to each eligible resident who is registered to vote, at the eligible resident's address listed in voter registration records, four (4) Democracy Dollars on a date no later than April 1 of the year in which an election occurs. Thereafter, the Commission shall mail to any eligible resident who becomes registered to vote after the initial mailing the same number of Democracy Dollars periodically until at least October 1. The Commission may then mail to any eligible resident who becomes registered to vote after the initial mailing the same number of Democracy Dollars periodically until at least ten (10) days after election day of the year in which an election occurs.
- C. The Commission shall electronically distribute the Democracy Dollars under Subsection B to an eligible resident if the eligible resident does all of the following:
 - 1. Submits a request, on a means developed by the Commission, that indicates that the eligible resident wants to receive the Democracy Dollars electronically.
 - 2. Provides the Commission a valid email address.
 - 3. Attests, under the penalty of perjury, that the email provided to the Commission:
 - i. Is valid;
 - ii. Has not been used to request Democracy Dollars more than once; and
 - iii. Belongs to the eligible resident making the request; or
 - iv. Belongs to an authorized agent of an eligible resident making the request, as defined by the Commission.
- D. Prior to the last day for assigning a Democracy Dollar under Section 3.15.110(B)(4), an eligible resident who does not receive Democracy Dollars in a mailing under Subsection B, or electronic mailing under Subsection C, may submit a request, via a means developed by the Commission, to receive Democracy Dollars from the Commission. After the Commission verifies that the person submitting the request is an eligible resident and that the provision of Democracy Dollars to the eligible resident is otherwise permitted under this Act, the Commission shall provide the eligible resident the same number of Democracy Dollars mailed to eligible residents under Subsection B.
- E. An eligible resident may apply to the Commission to replace a Democracy Dollar if the eligible resident submits to the Commission a statement, via a means developed by the Commission, that the Democracy Dollar was lost or stolen.
- F. The Commission shall develop a procedure to determine whether to issue a replacement Democracy Dollar to an eligible resident who submits a statement under Subsection E.

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- G. The Commission shall cancel a Democracy Dollar if the Commission determines that it is lost or stolen.

3.15.110 – Assignment of Democracy Dollars.

- A. In order to assign a Democracy Dollar to an applicant or certified candidate, an eligible resident shall do all of the following:
1. Write the name of the candidate on the Democracy Dollar.
 2. Sign and date the Democracy Dollar.
 3. Submit the Democracy Dollar by doing any of the following:
 - i. Mailing the Democracy Dollar to the Commission. A Democracy Dollar shall be considered properly assigned if it is postmarked no later than 30 days after the day of the election.
 - ii. Personally delivering the Democracy Dollar to a candidate or a representative of the candidate who is registered with the Commission for the purpose of receiving a Democracy Dollar on behalf of the candidate.
 - iii. Personally delivering the Democracy Dollar to the Commission.
 - iv. Assigning the Democracy Dollar on a secure online portal created by the Commission for the purpose of assigning a Democracy Dollar, when such a portal becomes available pursuant to Section 3.15.050(C)(5)(f).
 4. As used in subsection (ii), the Commission shall determine the means by which candidates or representatives of candidates shall register with the Commission for the purpose of receiving a Democracy Dollar on behalf of the candidate.
 5. Only the following individuals may be registered as a “representative of the candidate” under this section:
 - i. Unpaid volunteers for the candidate’s campaign; and
 - ii. Members of the candidate’s campaign staff that are regularly employed by the campaign.
- B. An eligible resident may not do any of the following:
1. Change the assignment of a Democracy Dollar after the eligible resident assigns the Democracy Dollar to a candidate.
 2. Assign a Democracy Dollar by proxy, power of attorney, or agent.
 3. Assign a Democracy Dollar in a manner other than as provided under Subsection A.
 4. Assign a Democracy Dollar later than thirty (30) days after the day of the election.
- C. A Democracy Dollar is expired and may not be assigned if the person to whom the Democracy Dollar was distributed no longer qualifies as an eligible resident.

3.15.120 – Redemption and Disbursement of Democracy Dollar Proceeds.

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- A. A certified candidate may redeem the Democracy Dollar assigned to the candidate pursuant to Section 3.15.110(A) by mailing or delivering the Democracy Dollars to the Commission up to thirty (30) days after the day of an election.
- B. For each Democracy Dollar assigned to an applicant or certified candidate pursuant to Section 3.15.110(A), the Commission shall disburse Democracy Dollar proceeds from the Fund to the candidate if the Commission verifies all of the following:
 - 1. The candidate to whom the Democracy Dollar is assigned is a certified candidate at the time the Commission disburses the Democracy Dollar proceeds.
 - 2. The Democracy Dollar was properly assigned by an eligible resident.
 - 3. Disbursement of Democracy Dollar proceeds would not cause the candidate to exceed the maximum amount of Democracy Dollar proceeds available under Section 3.15.130(A)
- C. Subject to Subsections D and E, the Commission shall determine and publish, in its timeline under Section 3.15.050(C)(4)(c), all dates on which the Commission will disburse Democracy Dollar proceeds to certified candidates in the year of an election.
- D. Except as provided in Subsection E, the Commission shall disburse Democracy Dollar proceeds to certified candidates no less frequently than twice per month.
- E. In the month immediately prior to the month in which an election occurs and until the election occurs, the Commission shall disburse Democracy Dollar proceeds to certified candidates at least once per week.

3.15.130 – Maximum Amounts of Democracy Dollar Proceeds.

- A. In a contested election, the Commission shall not disburse to a certified candidate more than the maximum amount of Democracy Dollar proceeds available for the covered office, subject to adjustment under Section 3.15.200, as follows:
 - 1. For Mayor: four hundred thousand dollars (\$400,000).
 - 2. For City Auditor: one hundred fifty thousand dollars (\$150,000).
 - 3. For City Attorney: one hundred fifty thousand dollars (\$150,000).
 - 4. For City Councilmember-at-large: one hundred fifty thousand dollars (\$150,000).
 - 5. For District City Councilmember: one hundred thousand dollars (\$100,000).
 - 6. For School Board Director: fifty thousand dollars (\$50,000).
- B. Notwithstanding Subsection A, the Commission may not disburse more than ten thousand dollars (\$10,000) in Democracy Dollar proceeds to any certified candidate in an uncontested election, subject to adjustment under Section 3.15.200.
- C. If an uncontested election becomes a contested election, the Commission shall disburse proceeds, on the next published date of disbursement, for all Democracy Dollars properly assigned to a certified candidate to date, up to the amounts specified in Subsection A.

3.15.140 – Expenditure Limits.

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- A. In an election cycle, an applicant or certified candidate may not make qualified campaign expenditures in excess of the expenditure limit for the covered office, subject to adjustment under Section 3.15.200, as follows:
 1. For Mayor: four hundred seventy thousand dollars (\$470,000).
 2. For City Auditor: two hundred thousand dollars (\$200,000).
 3. For City Attorney: two hundred thousand dollars (\$200,000).
 4. For City Councilmember-at-large: two hundred thousand dollars (\$200,000).
 5. For District City Councilmember: one hundred fifty thousand dollars (\$150,000).
 6. For School Board Director: seventy-five thousand dollars (\$75,000).
- B. An applicant or certified candidate may petition the Executive Director, on a means developed by the Commission, to release the candidate from the applicable expenditure limit under Subsection A.
- C. The Executive Director shall release a candidate who has submitted a petition under Subsection B from the applicable expenditure limit if the candidate demonstrates, and the Director verifies, that the sum of any of the following amounts exceeds the applicable expenditure limit by any amount:
 1. The value of all contributions received by another candidate for the same covered office, plus all Democracy Dollar proceeds disbursed to that candidate to date under Section 3.15.120, plus the value of Democracy Dollars assigned to that candidate but not yet disbursed;
 2. The value of independent expenditures opposing the candidate who submitted the petition; and
 3. The value of independent expenditures supporting another candidate for the same covered office.
- D. If the Commission determines that release from the applicable expenditure limit is required for an applicant or certified candidate under Subsection C, the Commission shall continue to disburse Democracy Dollar proceeds to the candidate, pursuant to Section 3.15.120, up to an amount that:
 1. Does not exceed the maximum amount of Democracy Dollar proceeds available to the candidate under 3.15.130; and
 2. Does not cause the sum of the total Democracy Dollar proceeds disbursed to the candidate plus the value of all monetary or in-kind contributions received by the candidate to exceed the applicable expenditure limit under Subsection A.
- E. Within two (2) business day of the date on which a candidate submits a petition under Subsection B, the Executive Director may do both of the following:
 1. Review the petition and determine whether the candidate's release from the applicable expenditure limit is required under Subsection C.
 2. Notify the candidate who submitted the petition and all other candidates for the same covered office of the Executive Director's determination regarding the petition.

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- F. The Executive Director may review statements filed pursuant to State and local law, including Government Code Section 84204, to determine whether an independent expenditure opposes or supports one or more candidates for a covered office.
- G. A candidate who submits a petition under Subsection B or any other candidate for the same covered office may appeal to the Commission a determination made by the Executive Director under Subsection E. Upon making a final decision on an appeal made under this Subsection, the Commission shall promptly notify the candidate who submitted the petition and all other candidates for the same covered office of its final decision.

3.15.150 – Limits on Contributions and Use of Personal Funds.

- A. An applicant or certified candidate may not solicit or receive a contribution that exceeds the limits in Sections 3.12.050(B) and 3.12.060(B) of the Oakland Municipal Code, as applicable.
- B. An applicant or certified candidate may not knowingly solicit contributions for a local committee or any other person or entity that has made or will make independent expenditures to support or oppose a candidate for City office.
- C. An applicant or certified candidate may not make expenditures from or use the candidate's personal funds or property or the funds or property jointly held with the candidate's spouse, domestic partner, or unemancipated children in connection with the candidate's election, except as a contribution to the candidate's campaign committee in an amount that does not exceed, in the aggregate during an election cycle, ten thousand dollars (\$10,000), indexed to inflation, and subject to adjustment under Section 3.15.200.

3.15.160 – Use of Campaign Funds.

- A. An applicant or certified candidate may only use campaign funds, including Democracy Dollar proceeds or contributions, for making qualified campaign expenditures, as defined by applicable state law.
- B. In addition to any other restrictions in State or local law, an applicant or certified candidate may not use campaign funds, including Democracy Dollar proceeds or contributions, for any of the following:
 - 1. Personal use, as defined by rule of the Commission.
 - 2. A payment in violation of any law.
 - 3. A payment of any fine or penalty assessed under State or local law.
 - 4. A payment in connection with any administrative or judicial proceeding.
 - 5. Compensation to the candidate or a family member of the candidate, or a payment to a business in which the candidate or an immediate family member of the candidate has a 10% or greater ownership interest.
 - 6. A contribution or loan to another candidate or committee.
 - 7. An independent expenditure.
 - 8. A cash payment for any purpose.

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9. A gift, except for campaign items of de minimis value such as signs, buttons, or brochures.
10. A payment for goods or services in excess of fair market value.
11. An inaugural or office holder expense.
12. A payment to any person to collect Democracy Dollars on behalf of the candidate, except for compensation paid to a regularly employed member of the candidate's campaign staff.
13. Any other use prohibited by the Commission.

3.15.170 – Return of Surplus Funds.

After paying campaign debts and obligations, incurred before election day, a certified candidate shall return to the Commission, for deposit into the Fund, any remaining campaign funds of the candidate up to the amount of Democracy Dollar proceeds received by the candidate no later than three (3) months after any of the following:

- A. The Executive Director or Commission revokes the candidate's certification in the program under Section 3.15.080(F) or (H).
- B. The candidate withdraws from the election or dies.
- C. The date of the election.

3.15.180 – Unlawful Sale, Transfer, or Use of Democracy Dollars.

A person may not do or attempt to do any of the following:

- A. Purchase, sell, or transfer a Democracy Dollar for consideration.
- B. Obtain or control a Democracy Dollar with the intent to deprive an eligible resident of its lawful use.
- C. Transfer a Democracy Dollar obtained or controlled as provided under Subsection B.
- D. Alter or assign a Democracy Dollar distributed to another person.
- E. Collect or receive a Democracy Dollar assigned by another person, except as permitted by Section 3.15.110(A).
- F. Create and distribute a forged or inauthentic Democracy Dollar with the intent to hold out the Democracy Dollar as authentic.
- G. Any other activity proscribed by rule of the Commission.

3.15.190 - Enforcement.

- A. Any person who violates this Act is subject to civil and administrative penalties under this section.
- B. Any person who violates this Act, causes another person to violate this Act, or aids and abets another person in violating this Act shall be liable, for each violation of this Act, in a civil action

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brought by the Commission for the maximum penalty amount allowed under the Commission's penalty guidelines.

1. In assessing a civil penalty under this Section, a court may take into account the seriousness of the violation and the degree of culpability of the defendant.
 2. If two (2) or more persons are responsible for a violation of this Act, they shall be jointly and severally liable.
 3. A decision by the Commission to initiate a civil enforcement action under this Act requires an affirmative vote of at least five (5) of its members.
- C. Any person who violates this Act, causes another person to violate this Act, or aids and abets another person in violating this Act shall be liable, for each violation of this Act, in an administrative proceeding before the Commission held pursuant to the Commission's complaint procedures. The Commission may impose administrative penalties in an amount up to the maximum penalty amount allowed under the Commission's penalty guidelines..
1. For knowing and willful violations of this Act, the Commission shall impose administrative penalties in an amount of at least one thousand dollars (\$1,000) per violation.
 2. If two (2) or more persons are responsible for any violation, they shall be jointly and severally liable.
- D. The Commission may sue for injunctive relief to enjoin violations or to compel compliance under this Act.
- E. The Commission shall develop guidelines for imposing penalties and exercising enforcement discretion under this Act. In addition to civil and administrative penalties, the Commission may issue warnings, require forfeiture of funds, including Democracy Dollars, or impose other remedial measures to enforce and oversee compliance with this Act.

3.15.200 – Adjustments for Inflation.

- A. Beginning in January of 2025 and in January of every odd-numbered year thereafter, the Commission shall increase all of the following:
1. The maximum amount of Democracy Dollar proceeds under Section 3.15.130(A)-(B) by the percent increase, if any, in the Consumer Price Index, rounding to the nearest one thousand dollar (\$1,000) value.
 2. The expenditure limits under Section 3.15.140(A) by the percent increase, if any, in the Consumer Price Index, rounding to the nearest one thousand dollar (\$1,000) value.
 3. The limits on use of personal funds under 3.15.150(C) by the percent increase, if any, in the Consumer Price Index, rounding to the nearest five hundred (\$500) value.
- B. For the purpose of this section, the Commission shall use the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San Jose, CA metropolitan statistical area, as published by the United States Department of Labor, Bureau of Statistics, or if such an index is discontinued, then the most similar successor index.

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- C. The Commission shall publish the adjusted amounts under Subsection A no later than the 1st of February of the year in which the adjustment occurs.

3.15.210 – Initial Applicability.

This Act shall first apply to elections in 2024 and in election cycles thereafter.

3.15.220 – Severability.

If a provision of this Act or its application to any person or circumstances is held invalid, the invalidity shall not affect any other provisions or applications of this Act that can be given effect without the invalid provision or application.

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SEC. 2. AMENDS CHAPTER 3.12 TITLED “THE CITY OF OAKLAND CAMPAIGN REFORM ACT” AS FOLLOWS, WHERE LANGUAGE THAT HAS BEEN STRUCK THROUGH IS REMOVED AND LANGUAGE WITH AN UNDERLINE HAS BEEN ADDED:

Article I. - Findings and Purpose.

3.12.010 - Title.

This Chapter shall be known as the City of Oakland Campaign Reform Act, hereinafter "the Act."

3.12.020 - Findings and Declarations.

The Oakland City Council finds and declares each of the following:

- A. Monetary contributions to political campaigns are a legitimate form of participation in our political process, but 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 the City government. This has caused the public perception that votes are being improperly influenced by monetary contributions. This perception is undermining the credibility and integrity of the governmental process.
- C. Candidates are raising less money in small contributions and more money in large individual and organizational contributions. This has created the public impression that the small contributor has an insignificant role to play in political campaigns.
- D. High campaign costs are forcing elected City Officials to spend more time on fundraising and less time on the public's business. The constant pressure to raise contributions is distracting elected City Officials from urgent governmental matters.
- E. Elected City Officials are responding to high campaign costs by raising larger amounts of money. This fundraising distracts them from important public matters, encourages contributions, which may have a corrupting influence, and gives incumbents an overwhelming and patently unfair fundraising advantage over potential challengers.
- F. Based on existing circumstances in Oakland, including those enumerated in the Oakland Fair Elections Act, the contribution limits established by this Act will not prevent candidates from raising the resources necessary to run an effective campaign.
- G. Disclosure of donors who have financial interests with the City of Oakland and also of City Officials who solicit contributions safeguards against potential conflicts of interest.
- H. For transparency, and to protect our democracy, including from the risk of secretive big money, it is important that the public have a right to know who is paying for, and who is sending, advocacy and campaign communications.

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- I. The enhanced transparency requirements established by the Oakland Fair Elections Act and this Act will ensure the right of Oakland residents to know who is spending big money to influence their vote by requiring disclosure for big independent spenders and by requiring ads run by political committees to identify additional top donors. This additional transparency will enable voters to better evaluate the sources and credibility of the electoral advertising they are receiving.
- J. The integrity of the governmental process, the competitiveness of campaigns and public confidence in local officials are all diminishing.
- K. This Act shall be liberally construed and vigorously enforced to ensure its purposes are fulfilled.

3.12.030 - Purpose of this Act.

The purpose of this Act is to accomplish the following:

- 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, 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 limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign war chests for defensive purposes, beyond the amount necessary to communicate reasonably with voters.
- D. To reduce the advantage of incumbents and thus encourage competition for elective office.
- E. To allow candidates and elected City Officials 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 the important issues involved in political campaigns.
- G. To curb corruption and the appearance of corruption by providing reasonable limits on contributions to candidates and political committees and requiring disclosure of the sources of money spent to influence elections in Oakland.
- H. To ensure that residents of Oakland have more information about the sources of funds that are used to influence their vote by enhancing the public disclosure of independent spending and requiring additional information in on-ad disclaimers by political committees.
- I. To help restore public trust in governmental and electoral institutions.

Article II. - Definitions

3.12.040 - Interpretation of this Act.

Unless the term is specifically defined in this Act or the contrary is stated or clearly appears from the context, the definitions set forth in the California Political Reform Act (California Government Code

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Sections 81000 through 91014), as amended, and Fair Political Practices Commission Regulations (Title, Section 18110, et seq., of the California Code of Regulations), as amended, shall govern the interpretation of this Act.

- A. ~~"Broad-based political committee" means a committee of persons which has been in existence for more than six (6) months, receives contributions from one hundred (100) or more persons, and acting in concert makes contributions to five (5) or more candidates.~~
- B. "Candidate" means any candidate, as defined by the California Political Reform Act, for City Office.
- C. "City" means the City of Oakland.
- D. "City Office" includes, but is not limited to, City of Oakland Mayor (Mayor), City of Oakland City Attorney (City Attorney), City of Oakland City Auditor (City Auditor), City of Oakland City Councilmembers (Councilmembers), and Oakland School Board Directors (School Board Directors).
- E. "City Official" means any person holding a City Office, any member of a City board or commission, and any City employee.
- F. "Election" means any election for City Office.
- G. "Election cycle" means a four-year period preceding a term of office as defined by the Oakland City Charter, beginning on January 1st, and ending on December 31st of the fourth year thereafter.
- H. "Entity" means any person, other than an individual.
- I. "Local committee" means any committee, as defined in the California Political Reform Act, that is required by the California Political Reform Act to file campaign statements with the City.
- J. "Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business, trust, company, corporation, association, committee, and any other organization or group of persons acting in concert.
- K. "Qualified campaign expenditure" for candidates means and includes all of the following:
 - 1. Any expenditure made by a candidate, elected City Official or committee controlled by the candidate or elected City Official, for the purpose of influencing or attempting to influence the actions of the voters for or against the election of any candidate.
 - 2. A non monetary contribution provided at the request of or with the approval of the candidate, elected City Official or committee controlled by the candidate or elected City Official.
 - 3. "Qualified campaign expenditure" does not include any payment if it is clear from the surrounding circumstances that it was not made in any part for political purposes.

Article III. - Contribution Limitations

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3.12.050 - Limitations on contributions from persons.

- A. No person shall make to any candidate and the controlled committee of such a candidate, and no candidate and the candidate's controlled committee shall receive from any such person, a contribution or contributions totaling more than ~~one hundred dollars (\$100.00)~~ four hundred dollars (\$400.00), adjusted annually pursuant to Subsection (F), for each election except as stated in Subsection (B) of this Section.
- B. ~~For candidates who adopt the expenditure ceilings as defined in Article IV of this Act~~ For candidates who qualify as applicant or certified candidates as defined in Section 3.15.040 of the Oakland Fair Elections Act, no person shall make to a candidate and the controlled committee of such candidate, and no such candidate and the controlled committee of such candidate shall receive contributions totaling more than ~~five hundred dollars (\$500.00) three hundred and fifty dollars (\$350.00)~~ four hundred dollars (\$400.00), adjusted annually pursuant to Subsection (F), from any person for each election. A Democracy Dollar assigned by an eligible resident pursuant to Section 3.15.110 of the Oakland Fair Elections Act and any public funds disbursed to participating candidates pursuant to Section 3.15.120 of the Oakland Fair Elections Act shall not be considered a contribution under this Act.
- C. Any person who makes independent expenditures supporting or opposing a candidate shall not receive any contribution for the purpose of influencing elections for City Office in excess of the amounts stated in Subsection A.
- D. This Section is not intended to prohibit or regulate contributions to persons or ~~broad-based political committees~~ small contributor committees for the purpose of influencing elections for offices other than City offices.
- E. Persons making independent expenditures supporting or opposing a candidate shall separately account for contributions received and contributions or expenditures made for the purpose of influencing such elections for City office. Where a person has separately accounted for such contributions and expenditures for such elections for City office, contributors to that person may contribute more than the amount set forth in Subsection (A) of this Section, so long as no portion of the contribution in excess of the set forth amounts is used to influence elections for City office.
- F. ~~Beginning January 1, 2017, the Public Ethics Commission shall once annually, on a calendar year basis, increase the contribution limitation amounts upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Statistics, has increased. The increase of the contribution limitation amounts shall not exceed the CPI increase, using 1999 as the index year. The adjustment shall be rounded to the nearest one hundred (100). The Public Ethics Commission shall publish the contribution limitation amounts no later than February 1st of each year.~~ Beginning in January of 2025 and in January of every odd-numbered year thereafter, the Commission shall increase the contribution limitation amounts by the percent increase, if any, in the Consumer Price Index, rounding to the nearest fifty dollar (\$50) value. The Commission shall use the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San Jose, CA metropolitan statistical area, as published by the United States Department of Labor, Bureau of Statistics, or if such an index is discontinued, then the

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most similar successor index. The Commission shall publish the adjusted contribution limits no later than the 1st of February of the year in which the adjustment occurs.

3.12.060 - Limitations on contributions from small contributor committees ~~broad-based political committees~~.

- A. No ~~broad-based political committee~~ small contributor committees shall make to any candidate and the controlled committee of such a candidate, nor shall a candidate and the candidate's controlled committee receive from a small contributor committee ~~broad-based political committee~~, a contribution or contributions totaling more than ~~two hundred fifty dollars (\$250.00)~~ eight hundred dollars (\$800.00), adjusted annually pursuant to Subsection (F), for each election except as stated in Subsection (B) of this Section.
- B. ~~For candidates who adopt the expenditure ceilings as defined in Article IV of this Act~~ For candidates who qualify as applicant or certified candidates as defined in Section 3.15.040 of the Oakland Fair Elections Act, no ~~broad-based political committee~~ small contributor committees shall make to any candidate and the controlled committee of such candidate, nor shall a candidate and the candidate's controlled committee receive from a ~~broad-based political committee~~ small contributor committees, a contribution or contributions totaling more than ~~one thousand dollars (\$1,000.00)~~ seven hundred dollars (\$700.00) eight hundred dollars (\$800.00), adjusted annually pursuant to Subsection (F), for each election. A Democracy Dollar assigned by an eligible resident pursuant to Section 3.15.110 of the Oakland Fair Elections Act and any public funds disbursed to participating candidates pursuant to Section 3.15.120 of the Oakland Fair Elections Act shall not be considered a contribution under this Act.
- C. Any ~~broad-based political committee~~ small contributor committees that make independent expenditures supporting or opposing a candidate shall not receive any contribution for the purpose of influencing elections for City office in excess of the amounts stated in Subsection A. of this Section.
- D. This Section is not intended to prohibit or regulate contributions to persons or ~~broad-based political committee~~ small contributor committees for the purpose of influencing elections for offices other than City offices.
- E. A ~~broad-based political committee~~ small contributor committees making independent expenditures supporting or opposing a candidate shall separately account for contributions received and contributions or expenditures made for the purpose of influencing such elections for City office. Where a ~~broad-based political committee~~ small contributor committees has separately accounted for such contributions and expenditures for such elections for City office, contributors to that ~~broad-based political committee~~ small contributor committees may contribute more than the amounts set forth in Subsection A. of this Section, so long as no portion of the contribution in excess of the set forth amounts is used to influence elections for City office.
- F. ~~Beginning January 1, 2017, the Public Ethics Commission shall once annually, on a calendar year basis, increase the contribution limitation amounts upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Statistics, has increased. The increase of the contribution limitation amounts shall not exceed the CPI increase, using 1999 as the index year. The adjustment shall be rounded to the nearest one~~

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~~hundred (100). The Public Ethics Commission shall publish the contribution limitation amounts no later than February 1st of each year. Beginning in January of 2025 and in January of every odd-numbered year thereafter, the Commission shall increase the contribution limitation amounts by the percent increase, if any, in the Consumer Price Index, rounding to the nearest fifty dollar (\$50) value. The Commission shall use the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San Jose, CA metropolitan statistical area, as published by the United States Department of Labor, Bureau of Statistics, or if such an index is discontinued, then the most similar successor index. The Commission shall publish the adjusted contribution limits no later than February 1 of the year in which the adjustment occurs.~~

3.12.065 - Contributions made under legal name.

No contributions shall be made, directly or indirectly, by any person in a name other than the name by which such person is identified for legal purposes.

3.12.070 - Return of Contributions.

A contribution shall not be considered received if it is not negotiated, deposited, or utilized, and in addition it is returned to the donor no later than five (5) business days after the closing date of the campaign statement on which the contribution would otherwise be reported. In the case of a late contribution as defined in Government Code Section 82036, it shall not be deemed received if it is returned to the contributor within forty-eight (48) hours of receipt.

3.12.080 - Aggregation of Contributions.

For purposes of the contribution limitations enumerated in this Act, the following shall apply:

- A. Two (2) or more entities' contributions shall be aggregated when any of the following circumstances apply:
 1. The entities share the majority of members of their boards of directors.
 2. The entities share three (3) or more, or a majority of, officers.
 3. The entities are owned or controlled by the same majority shareholder or shareholders.
 4. The entities are in a parent-subsiary relationship.
 5. One entity finances, maintains, or controls the other entity's contributions or expenditures.
 6. Contributions made by entities that are majority-owned by any person shall be aggregated with the contributions of the majority owner and all other entities majority-owned by that person, unless those entities act independently in their decision to make contributions.
 7. The contributions of an entity whose contributions are directed and controlled by any person shall be aggregated with contributions made by that person and any other entity whose contributions are directed and controlled by that same person.
 8. If two (2) or more entities make contributions that are directed and controlled by a majority of the same persons, the contributions of those entities shall be aggregated.

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- B. No committee and no ~~broad-based political committee~~ small contributor committees which supports or opposes a candidate shall have as officers individuals who serve as officers on any other committee which supports or opposes the same candidate. No such committee or ~~broad-based political committee~~ small contributor committees shall act in concert with, or solicit or make contributions on behalf of, any other committee or ~~broad-based political committee~~ small contributor committees. This subdivision shall not apply to treasurers of committees if these treasurers do not participate in or control in any way a decision on which a candidate or candidates receive contributions.

3.12.090 - Loans.

- A. A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to the contribution limitations of this Act.
- ~~B. Every loan to a candidate or the candidate's controlled committee shall be by written agreement and shall be filed with the candidate's or committee campaign statement on which the loan is first reported.~~
- C. The proceeds of a loan made to a candidate by a commercial lending institution in the regular course of business on the same terms available to members of the public and which is secured or guaranteed shall not be subject to the contribution limitations of this Act.
- D. Other than loans pursuant to Subsection (C) of this Section, extensions of credit in excess of one thousand five hundred dollars (\$1,500.00) for a period of more than ninety (90) days are subject to the contribution limitations of this Act, unless the candidate can demonstrate good faith evidence of an intent to repay through a set payment schedule which is being adhered to through repayment of the extension of credit on a regular basis.

3.12.100 - Family contributions.

- A. Contributions by two (2) individuals married to each other shall be treated as separate contributions and shall not be aggregated.
- B. Contributions by children under eighteen (18) years of age shall be treated as contributions by their parents and attributed proportionately to each parent (one-half (½) to each parent or the total amount to a single custodial parent).

3.12.110 - One campaign committee and one checking account per candidate.

A candidate shall have no more than one campaign committee and one checking account for the City office being sought, out of which all expenditures for that office shall be made. This Section should not prohibit the establishment of savings accounts, but no qualified campaign expenditures shall be made out of these accounts.

3.12.115 - Ballot measure committees controlled by candidates or elected City Officials.

A candidate or elected City Official who controls a ballot measure committee may not directly or indirectly use or influence the use of ballot measure committee funds to support the candidate's or elected City Officials' election or to support or oppose other candidates, and may not transfer such funds to another committee supporting the candidate's or elected City Officials' election, or supporting or

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opposing other candidates. The foregoing notwithstanding, the prohibitions of this Section shall not apply to a committee created to oppose or support the qualification of a recall measure and/or the recall election of the controlling candidate or controlling elected City Official.

3.12.116 - Disclosure of principal officers of all non-candidate controlled committees, including ballot measure and independent expenditure committees.

All non-candidate controlled recipient committees, including ballot measure committees and general purpose committees, required to file campaign statements in the City of Oakland, must disclose the principal officers of the committee. Such disclosure must include the full name, street address, and telephone number of at least one (1) principal officer, as well as all principal officers up to a total of three (3). This disclosure shall be made on the statement of organization (FPPC Form 410) by the filing deadlines required by the California Political Reform Act statute and regulations, or, if no Form 410 is required for that committee, the next required campaign statement. Such information shall be filed with the Public Ethics Commission and made available to the public.

3.12.117 - Reporting by City Officials who solicit campaign contributions from persons contracting or proposing to contract with the City.

- A. Any public servant, as defined by Section 2.25.030(D), who is required to file a statement of economic interests (Form 700) and who successfully solicits a contribution of five thousand dollars (\$5,000.00) or more per calendar year to any committee from any person who contracts or proposes to contract with the official's department during the contractor prohibition time period specified in Section 3.12.140, must disclose such solicitation within thirty (30) days of the solicitation to the Public Ethics Commission using a process provided by the Public Ethics Commission.
 1. Mayor, Members of the Council, and their Senior Staff Members. For purposes of this section, the "department" of the Mayor, member of the Council, or Senior Staff Member to either the Mayor or member of Council shall be the City, and the disclosure requirement shall apply when the solicitation is made to a person contracting or proposing to contract with the City.
- B. For purposes of this section, a "senior staff member" to either the Mayor or a member of the Council means an individual employed in any of the following positions: Chief of Staff, Deputy Chief of Staff, Communications or other Director, Legislative or Policy Aide, or any other position in the Mayor's or Council Member's office who is required to file a Form 700.

3.12.120 - Money received by elected City Officials and candidates treated as contributions, income or gifts.

Any funds received by any elected City Official, candidate, or committee controlled by an elected City Official or candidate shall be considered either a campaign contribution, income or a gift. All campaign contributions received by such persons shall be subject to the provisions of this Act unless such campaign contributions are used exclusively for elections held outside the jurisdiction. All income and gifts shall be subject to the disqualification provisions of the California Political Reform Act.

3.12.130 - Contributor identification and restriction on use of cash.

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- A. No contribution of one hundred dollars (\$100.00) or more shall be deposited into a campaign checking account of a candidate or local committee unless the name, address, occupation, and employer of the contributor is on file in the records of the recipient of the contribution.
- B. No person shall make, and no candidate or local committee shall receive, a contribution of one hundred dollars (\$100.00) or more in cash.
- C. No candidate or local committee shall make an expenditure of one hundred dollars (\$100.00) or more in cash.
- D. No person shall make a contribution of one hundred dollars (\$100.00) or more other than an in-kind contribution unless in the form of a written instrument containing the name of the donor and the name of the payee and drawn from the account of the donor or the intermediary, as defined in Government Code Section 84302.

3.12.140 - Contractors doing business with the City or the Oakland Unified School District prohibited from making contributions.

- A. No person who contracts or proposes to contract with or who amends or proposes to amend such a contract with the City for the rendition of services, for the furnishing of any material, supplies, commodities or equipment to the City, for selling or leasing any land or building to the City, or for purchasing or leasing any land or building from the City, whenever the value of such transaction would require approval by the City Council shall make any contribution to the Mayor, a candidate for Mayor, a City Councilmember, a candidate for City Council, the City Attorney, a candidate for City Attorney, the City Auditor, a candidate for City Auditor, or committee controlled by such elected City Official or candidate at any time between commencement of negotiations and one hundred eighty (180) days after the completion or the termination of negotiations for such contract.
- B. No person who contracts or proposes to contract with or who amends or proposes to amend such a contract with the Oakland School District, for the rendition of services, for the furnishing of any material, supplies, commodities or equipment to the School District, for selling or leasing any land or building to the School District, or for purchasing or leasing any land or building from the School District, whenever the value of such transaction would require approval by the School Board, shall make any contribution to a School Board member, candidate for School Board Directors or committee controlled by such elected City Official or candidate at any time between commencement of negotiations and one hundred eighty (180) days after the completion or termination of negotiations for such contract.
- C. If a person is an entity, the restrictions of Subsections A. and B. also apply to all of the entity's principals, including, but not limited to, the following:
 - 1. The entity's board chair, president, chief executive officer, chief operating officer, chief financial officer, and any individual who serves in the functional equivalent of one or more of those positions;
 - 2. Any individual who owns an ownership interest in the entity of twenty (20) percent or more; and

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3. An individual employee, independent contractor, or agent of the entity, that represents or is authorized to represent the entity before the City in regards to the contract or proposal contract.
- D. "Services" means and includes labor, professional services, consulting services, or a combination of services and materials, supplies, commodities and equipment which shall include public works projects.
- E. For contributions to elected City Officials other than School Board Directors, transactions that require approval by the City Council include but are not limited to:
1. Contracts for the procurement of services that are professional or consulting services exceeding fifteen thousand dollars (\$15,000.00).
 2. Contracts for the procurement of services exceeding fifty thousand dollars (\$50,000.00), other than contracts for professional or consulting services.
 3. Contracts for the furnishing of any materials, supplies, commodities or equipment exceeding fifty thousand dollars (\$50,000.00).
 4. Contracts for the sale or lease of any building or land to or from the City.
 5. Amendments to contracts described in Subsections E.1., 2., 3., and 4. of this Section.
- F. For contributions to School Board Directors, transactions that require approval by the School Board include but are not limited to:
1. Professional services and consulting contracts exceeding twenty-five thousand dollars (\$25,000.00), including personal service agreements.
 2. Contracts requiring School Board approval under Public Contract Code Section 20111.
 3. Construction contracts exceeding twenty-five thousand dollars (\$25,000.00) whether or not they are subject to the provisions of the Public Contract Code.
 4. Contracts for the sale or lease of any building or land to or from the School District.
 5. Amendments to contracts described in Subsections F.1., 2., 3., and 4. of this Section.
- G. "Commencement of negotiations" for City contracts occurs when a contractor or contractor's agent formally submits a bid, proposal, qualifications or contract amendment to any City Official or when a City Official formally proposes submission of a bid, proposal, qualifications or contract amendment from a contractor or contractor's agent.
- H. Reserved.
- I. "Commencement of negotiations" for Oakland School District contracts occurs when a contractor or contractor's agent formally submits a bid, proposal, qualifications or contract amendment to any elected or appointed School District officer or employee or when any elected or appointed School District officer or employee formally proposes submission of a bid, proposal, qualifications or contract amendment from a contractor or contractor's agent.

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- J. "Commencement of negotiations" does not include unsolicited receipt of proposal or contract information or documents related to them, requests to be placed on mailing lists or routine inquiries for information about a particular contract, request for proposal or any information or documents relating to them or attendance at an informational meeting.
- K. "Completion of negotiations" occurs when the City or the School District executes the contract or amendment.
- L. "Termination of negotiations" occurs when the contract or amendment is not awarded to the contractor or when the contractor files a written withdrawal from the negotiations, which is accepted by a City Official or an appointed or elected School District officer or employee.
- M. The Oakland City Administrator shall be responsible for implementing procedures for City contracts to ensure contractor compliance with this Act. A proposed or current contractor must sign and date the following statement at the time the contractor formally submits a bid, proposal, qualifications or contract amendment:

The Oakland Campaign Reform Act limits campaign contributions and prohibits contributions from contractors doing business with the City of Oakland or the Oakland Unified School District during specified time periods. Violators are subject to civil and criminal penalties.

I have read Oakland Municipal Code Chapter 3.12, including section 3.12.140, the contractor provisions of the Oakland Campaign Reform Act, and certify that I/we have not knowingly, nor will I/we make contributions prohibited by the Act.

Business Name _____

Date _____

Signature _____

The signed and dated statement must be received and filed by the City Clerk at the same time the proposal is submitted. Contracts may not be awarded to any contractors who have not signed this certification. The City Clerk shall keep an updated list of current contractors available for inspection.

- N. The Oakland Superintendent of Schools shall be responsible for implementing procedures for Oakland School District contracts to ensure contractor compliance with the Oakland Campaign Reform Act. A proposed or current contractor must sign and date the following statement at the time the contractor formally submits a bid, proposal, qualifications or contract amendment:

The Oakland Campaign Reform Act limits campaign contributions and prohibits contributions from contractors doing business with the City of Oakland or the Oakland Unified School District during specified time periods. Violators are subject to civil and criminal penalties.

I have read Oakland Municipal Code Chapter 3.12, including section 3.12.140, the contractor provisions of the Oakland Campaign Reform Act, and certify that I/we have not knowingly, nor will I/we make contributions prohibited by the Act.

Business Name _____

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Date _____

Signature _____

The signed and dated statement must be received and filed with the School District at the same time the proposal is submitted. Contracts may not be awarded to any contractors who have not signed this certification. The School District shall keep an updated list of current contractors available for inspection.

- O. A person who contracts with the City or the School District for the rendition of services, for the furnishing of any material, supplies, commodities or equipment to the City or the School District, or for selling any land or building to the City or the School District or for purchasing any land or building from the City or the School District, or for leasing any land to or from the School District, whenever the value of such transaction would require approval by the City Council or the School Board, and who violates Subsection A. of this Section, shall be subject to the enforcement provisions of Article IX of this Act.
- P. Candidates and their controlled committees shall include a notice on all campaign fundraising materials equivalent to eight-point roman boldface type, which shall be in a color or print which contrasts with the background so as to be easily legible, and in a printed or drawn box and set apart from any other printed matter. The notice shall consist of the following statement:

The Oakland Campaign Reform Act limits campaign contributions by all persons (OMC §§ 3.12.050 and 3.12.060) and prohibits contributions during specified time periods from contractors doing business with the City of Oakland or the Oakland Unified School District (OMC § 3.12.140).

3.12.150 - Officeholder fund.

- A. Every elected City Official shall be permitted to establish one officeholder expense fund. All contributions deposited into the officeholder expense fund shall be deemed to be held in trust for expenses associated with holding the office currently held by the elected City Official. Contributions to the officeholder fund must be made by a separate check or other separate written instrument. Single contributions may not be divided between the officeholder fund and any other candidate committee. For District Councilmembers, City Auditor and School Board Directors total contributions to an officeholder fund shall not exceed twenty-five thousand dollars (\$25,000.00) per year in office. For Councilmember-At-Large and City Attorney, total contributions to an officeholder fund shall not exceed thirty thousand dollars (\$30,000.00) per year in office. For the office of the Mayor, total contributions to an officeholder fund shall not exceed fifty thousand dollars (\$50,000.00) per year in office.
- B. Expenditures from an officeholder fund may be made for any political, governmental or other lawful purpose, but may not be used for any of the purposes prohibited in Subsection C.1. through 5. of this Section. Such allowable expenditures shall include, but are not limited to the following categories:
 - 1. Expenditures for fundraising (including solicitations by mail) for the officeholder expense fund;
 - 2. Expenditures for office equipment, furnishings and office supplies;

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3. Expenditures for office rent;
4. Expenditures for salaries of part-time or full-time staff employed by the elected City Official for officeholder activities;
5. Expenditures for consulting, research, polling, photographic or similar services except for campaign expenditures for any city, county, regional, state or federal elective office;
6. Expenditures for conferences, meetings, receptions, and events attended in the performance of government duties by (1) the elected City Official; (2) a member of the elected City Officials' staff; or (3) such other person designated by the elected City Official who is authorized to perform such government duties;
7. Expenditures for travel, including lodging, meals and other related disbursements, incurred in the performance of governmental duties by (1) the elected City Official, (2) a member of the elected City Officials' staff, (3) such other person designated by the elected City Official who is authorized to perform such government duties, or a member of such person's household accompanying the person on such travel;
8. Expenditures for meals and entertainment directly preceding, during or following a governmental or legislative activity;
9. Expenditures for donations to tax-exempt educational institutions or tax exempt charitable, civic or service organizations, including the purchase of tickets to charitable or civic events, where no substantial part of the proceeds will have a material financial effect on the elected officer, any member of his or her immediate family, or his or her committee treasurer;
10. Expenditures for memberships to civic, service or professional organizations, if such membership bears a reasonable relationship to a governmental, legislative or political purpose;
11. Expenditures for an educational course or educational seminar if the course or seminar maintains or improves skills which are employed by the elected City Official or a member of the elected City Officials Staff in the performance of his or her governmental responsibilities;
12. Expenditures for advertisements in programs, books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nominations or election of a candidate for city, county, regional, state or federal elective office;
13. Expenditures for mailing to persons within the City which provide information related to City-sponsored events, school district-sponsored events, an official's governmental duties or an official's position on a particular matter pending before the Council, Mayor, or School Board;
14. Expenditures for expressions of congratulations, appreciation or condolences sent to constituents, employees, governmental officials, or other persons with whom the elected City Official communicates in his or her official capacity;

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15. Expenditures for payment of tax liabilities incurred as a result of authorized officeholder expense fund transactions;
 16. Expenditures for accounting, professional and administrative services provided to the officeholder fund;
 17. Expenditures for ballot measures.
- C. Officeholder expense funds shall not be used for the following:
1. Expenditures in connection with a future election for any city, county, regional, state or federal elective office;
 2. Expenditures for campaign consulting, research, polling, photographic or similar services for election to city, county, regional, state or federal elective office;
 3. Membership in any athletic, social, fraternal, veteran or religious organization;
 4. Supplemental compensation for employees for performance of an act which would be required or expected of the person in the regular course or hours of his or her duties as a City Official;
 5. Any expenditure that would violate the provisions of the California State Political Reform Act, including Government Code Sections 89506 and 89512 through 89519.
- D. No funds may be transferred from the officeholder fund of an elected City Official to any other candidate committee.
- E. Annual contributions received by or made to the officeholder fund shall be subject to the contribution limitations of Article III of this Act.
- F. Expenditures made from the officeholder fund shall not be subject to the voluntary expenditure ceilings of Article IV of this Act.

3.12.160 - Allowance for donation of office space.

- A. Donation of office space for use by elected City Officials in furtherance of their duties and responsibilities by a person or ~~broad-based political committee~~ small contributor committee shall not be considered a campaign contribution subject to the provisions of this Act, provided that:
1. The donation is made to the City and accepted pursuant to Oakland City Charter Section 1203 for use by the Mayor, Councilmembers, City Attorney or City Auditor or in the case of School Board Directors, the donation is made to the Oakland Unified School District; and
 2. The name, address, employer, and occupation of the donor, and the current market value of the donated office space, are provided to the City Clerk.
- B. Use of office space donated pursuant to this Section by an elected City Official shall not be considered a "qualified campaign expenditure" pursuant to Section 3.12.040 of this Act.

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3.12.170 - Legal expense funds.

- A. An elected City Official or candidate may receive contributions for a separate legal expense fund, for deposit into a separate account, to be used solely to defray attorney's fees and other legal costs incurred in the candidate's or elected City Officials' legal defense to any civil, criminal, or administrative action or actions arising directly out of the conduct of the campaign or election process, or the performance of the candidate's or elected City Officials' governmental activities and duties. Contributions to the legal expense fund must be earmarked by the contributor for contribution to the fund at the time the contribution is made. The legal expense fund may be in the form of a certificate of a deposit, interest bearing savings account, money market account, or similar account, which shall be established only for the legal expense fund. ~~All funds contributed to an elected City Official or candidate for legal expense fund must be deposited into the elected City Official's appropriate campaign bank account prior to being deposited into the legal expense fund. The legal expense fund may be in the form of a certificate of deposit, interest-bearing savings account, money market account, or similar account, which shall be established only for the legal expense fund.~~
- B. Contributions received by or made to the legal expense fund shall not be subject to the contribution limitations of Article III of this Act.
- C. Expenditures made from the legal expense fund shall not be subject to the voluntary expenditure ceilings of Article IV of this Act.

3.12.180 - Volunteer services exemption.

Volunteer personal services, and payments made by an individual for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be directly or indirectly repaid to him or her, are not contributions or expenditures subject to this Act.

~~Article IV. - Expenditure Ceilings~~

~~3.12.190 - Expenditure ceilings:~~

~~All candidates who adopt campaign expenditure ceilings as defined below are permitted the higher contribution limit as defined in Subsections 3.12.050.B. and 3.12.060.B. of this Act. Before receiving any contributions at the higher contribution limit, candidates who adopt voluntary expenditure ceilings must first file a statement with the Public Ethics Commission on a form approved for such purpose indicating acceptance of the expenditure ceiling. Said statement shall be filed no later than the time for filing for candidacy with the City Clerk. This statement will be made public.~~

~~3.12.200 - Amount of expenditure ceilings:~~

~~A candidate for office of Mayor who voluntarily agrees to expenditure ceilings shall not make qualified expenditures exceeding seventy cents (\$0.70) per resident for each election in which the candidate is seeking elective office. A candidate for other Citywide offices who voluntarily agrees to expenditure ceilings shall not make qualified expenditures exceeding fifty cents (\$0.50) per resident for each election in which the candidate is seeking office. A candidate for District City Councilmember who voluntarily agrees to expenditure ceilings shall not make qualified expenditures exceeding one dollar and fifty cents~~

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~~(\$1.50) per resident in the electoral district for each election in which the candidate is seeking elective office. A candidate for School Board Director who voluntarily agrees to expenditure ceilings shall not make qualified campaign expenditures exceeding one dollar (\$1.00) per resident for each election in the electoral district for each election for which the candidate is seeking office. Residency of each electoral district shall be determined by the latest decennial census population figures available for that district.~~

~~Beginning on January 1, 2017, the Public Ethics Commission shall once annually on a calendar year basis increase the expenditure ceiling amounts upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Statistics, has increased. The increase of the expenditure ceiling amounts shall not exceed the CPI increase, using 1998 as the index year. The increase shall be rounded to the nearest thousand. The City Clerk shall publish the expenditure ceiling amounts no later than February 1st of each year.~~

3.12.210 - Reserved.

3.12.220 - Expenditure ceilings lifted.

~~If a candidate declines to accept expenditure ceilings and receives contributions or makes qualified campaign expenditures equal to fifty (50) percent or more of the expenditure ceiling, or if any person makes one or more independent expenditures totaling more than fifteen thousand dollars (\$15,000.00) on a District City Council or School Board election or seventy thousand dollars (\$70,000.00) in a City Attorney, Auditor, Councilmember-at-Large or Mayoral election, the applicable expenditure ceiling shall no longer be binding on any candidate running for the same office, and any candidate running for the same office who accepted expenditure ceilings shall be permitted to continue receiving contributions at the amounts set for such candidates in Subsections 3.12.050.B. and 3.12.060.B. of this Act. The independent expenditure committee amounts of fifteen thousand dollars (\$15,000.00) and seventy thousand dollars (\$70,000.00) respectively, shall be increased in proportion to any increase of the voluntary expenditure ceiling amounts resulting from an increase in the CPI as provided by Section 3.12.200 of this Chapter.~~

Article VI. - Independent Expenditures

3.12.230 - Independent expenditures for mass mailings, slate mailings or other campaign materials.

- A. Any person who makes independent expenditures for a mass mailing, slate mailing or other campaign materials which support or oppose any candidate shall place the following statement on the mailing in typeface of no smaller than fourteen (14) points:

Notice to Voters

(Required by the City of Oakland)

This mailing is not authorized or approved by any City candidate or election official.

It is paid for

by (name) _____

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_____ (address, city, state)

Total cost of this mailing is: (amount)

- B. A committee must disclose the names of persons from whom the committee received its ~~two (2)~~ three (3) highest cumulative contributions of five thousand dollars (\$5,000.00) or more in the same manner as required by the California Political Reform Act Section 84506 on all ~~mass mailings and television advertisements~~ mass mailings and advertisements that are independent expenditures supporting or opposing a candidate or measure being voted upon only in the City.

3.12.235 – Disclosure of Independent Expenditure Communications.

- A. A person shall notify the Commission of an independent expenditure communication when either of the following occurs:
1. The person makes or incurs expenditures with an actual or fair market value of \$1,000 or more for one or more communications.
 2. Once a notification threshold is met, every subsequent \$100 in expenditures made or incurred regarding that measure or candidate shall also be disclosed as required by Subsections (B).
- B. The notification shall be submitted to the Commission within the following time frames:
1. From the first date an individual may file a Declaration of Intention to Become a Candidate with the City Clerk through the date of the associated general election; during the 90 days prior to an election if no City candidates will be on the ballot; within 72 hours after making or incurring the expenditures; or within 24 hours when within one week from the date of the general election.
 2. At all other times, within five business days after making or incurring the expenditures provided, however, in no event later than the first date an individual may file a Declaration of Intention to Become a Candidate.
 3. The notification shall include the following:
 - a. A declaration under penalty of perjury signed by the person and, if applicable, the committee treasurer, specifying the following:
 - i. Each candidate or measure supported or opposed by the communication;
 - ii. The dates and amounts of the expenditure and the amount spent to support or oppose each candidate or measure;
 - iii. For disclosure under Subsection A.2., the number of distributions;
 - iv. Whether each candidate or measure was supported or opposed;
 - v. That the communication was not behested by any of the candidates who benefited from it;
 - vi. The dates the communication was distributed or displayed, if applicable;

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- vii. A description of the type of communication;
 - viii. The name and address of the person making, or incurring the expenditures or causing the communication to be distributed or displayed;
 - ix. The name and address of the payee, if applicable, and any vendor or subvendor that provided service for the communication;
 - x. For committees, contributions of \$100 or more received by the committee since the later of the day after the close of the filing period for the last campaign or independent expenditure statement filed by the committee or the first day of the current calendar year. This disclosure requirement does not apply to contributions that are earmarked for a non-City candidate or ballot measure; and
 - xi. Contributions of \$100 or more that the person made in the current calendar year to City candidates, City controlled committee, City ballot measure committees, City recall committees, committees primarily formed to support or oppose City candidates or measures, and City general purpose recipient committees.
- b. A copy of the communication.
 - i. If the communication is a telephone call or similar communication, a copy of the script and, if the communication is recorded, the recording shall be provided.
 - ii. If the communication is audio or video, a copy of the script and an audio or video file shall be provided.
 - c. The Commission shall post on its website, without alteration, all copies of independent expenditure communications filed with the Commission within 48 hours of receipt. The Commission may not judge, comment upon, or edit the contents of an independent expenditure communication.
- 4. This section shall not apply to a news story, commentary, or editorial by a newspaper, radio station, television station, or other recognized news medium, unless the disclaimer is required for a payment or promise of a payment under Section 3.12.230.

Article VII. - Electronic Filing and Recordkeeping Requirements

3.12.240 - Electronic filing of campaign statements.

- A. Electronic Filing of Campaign Statements. Any person required by State or local law to file a campaign statement or report with the local filing officer, shall file the statement or report in an electronic format with the Public Ethics Commission provided that the Public Ethics Commission has prescribed the format at least sixty (60) days before the statement or report is due to be filed.

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- B. Continuous Filing of Electronic Statements. Once a committee is subject to the electronic filing requirements imposed by this Section, the committee shall remain subject to the electronic filing requirements, regardless of the amount of contributions received or expenditures made during each reporting period, until the committee terminates pursuant to this Act and the California Political Reform Act.
- C. Late Filing Fees. If any person files an original statement or report after the deadline imposed by State or local law, he or she shall, in addition to any other penalties or remedies established by this Act or State law, be liable in the amount of ten dollars (\$10.00) per day after the deadline until the statement or report is filed, to the Public Ethics Commission. No liability under this Subsection shall exceed the cumulative amount stated in the late statement or report, or one hundred dollars (\$100.00), whichever is greater. The Public Ethics Commission shall deposit any funds received under this Section into the City's Democracy Dollar Fund pursuant to Section 3.15.060 of the Oakland Fair Elections Act.
- D. Adoption of General Law. Except as otherwise provided in, or inconsistent with, this Act or other provisions of local law, the provisions of the California Political Reform Act relating to local elections including any subsequent amendments are hereby incorporated as part of this article.

3.12.245 - Recordkeeping requirements.

Every person required by State or local law to file a campaign statement or report with the City shall prepare and retain detailed records (including bills, receipts, and other documents) needed to comply with the filing requirement. The records shall be retained for at least four (4) years following the date the campaign statement or report was filed with the Public Ethics Commission.

Article VIII. - Violations Related to Enforcement

3.12.250 - Violations Related to Enforcement.

False Charges and Information. A person shall not knowingly furnish false, fraudulent, or misleading complaints, evidence, documents, or information to the Public Ethics Commission, or District Attorney, or knowingly misrepresent any material fact, or conceal any evidence, documents, or information relevant to an investigation by the Public Ethics Commission or District Attorney of an alleged violation of this Act.

Article ~~VIII~~IX. - Agency Responsibility and Authority

3.12.260 - Public Ethics Commission Role and Responsibilities.

The Public Ethics Commission shall:

- A. Oversee compliance with the Act.
- B. Serve as the local filing officer for campaign statements and reports pursuant to the California Political Reform Act.
- C. Adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of this Act, subject to Section 2.24.070 of the Oakland Municipal Code.

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3.12.265 - Duties of the City Clerk.

The City Clerk shall provide the Public Ethics Commission with all election-related information necessary for the Public Ethics Commission to notify persons and committees of their campaign reporting obligations and availability of public funds, if applicable, and to determine campaign reporting requirements and filing deadlines, including:

- A. Providing a copy of any Candidate Intention Statement (California Form 501) received by the City Clerk's office.
- B. Providing the list of candidates qualified for the ballot immediately upon qualification.
- C. Providing materials about campaign reporting requirements and public financing as requested by the Public Ethics Commission with the nomination packets given to candidates.
- D. Providing materials about campaign reporting requirements designated by the Public Ethics Commission with information given to individuals seeking to place a measure on the ballot.
- E. Notifying the Public Ethics Commission when petitions are issued to qualify a measure for an upcoming ballot.
- F. Notifying the Public Ethics Commission when a measure qualifies for an upcoming ballot immediately upon qualification.
- G. Notifying the Public Ethics Commission of the dates when a Special Election is scheduled.

Article IX. - Enforcement

3.12.270 - Penalties.

Any person who violates this Act is subject to criminal, civil, administrative, and other penalties provided for in this Section. In the event criminal violations of this Act come to the attention of the Public Ethics Commission, it may forward the information to the appropriate law enforcement agency.

- A. Criminal Penalties. Any person who knowingly or willfully violates any provision of this Act is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this Act, or who aids and abets any other person in the violation of any provision of this Act, shall be liable under the provisions of this Act.
 - 1. No person convicted of a misdemeanor under this Act shall act as a lobbyist or as a City contractor for a period of four (4) years following the date of the conviction unless a court, at the time of sentencing, specifically determines that this provision shall not be applicable.
 - 2. For the purposes of this Section, a plea of nolo contendere shall be deemed a conviction.
- B. Civil Penalties. Any person who violates any provision of this Act shall be liable in a civil action for an amount up to five thousand dollars (\$5,000.00) per violation, or up to three (3) times the amount the person failed to report properly or unlawfully contributed expended, gave or received, whichever is greater. A decision by the Public Ethics Commission to bring a civil action requires an affirmative vote of at least five (5) of its members.

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1. If two (2) or more persons are responsible for any violation, they shall be jointly and severally liable.
 2. In determining the amount of liability, a court may take into account the seriousness of the violation and the degree of culpability of the defendant.
- C. Administrative Penalties. Any person who violates any provision of this Act, who causes any other person to violate any provision of this Act, or who aids and abets any other person in the violation of any provision of this Act, shall be liable in an administrative proceeding before the Public Ethics Commission held pursuant to the Public Ethics Commission's Complaint Procedures. The Public Ethics Commission may impose administrative penalties in an amount up to five thousand dollars (\$5,000.00) per violation, or up to three (3) times the amount the person failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater. In addition to administrative penalties, the Public Ethics Commission may issue warnings or require other remedial measures.
1. If two (2) or more persons are responsible for any violation, they shall be jointly and severally liable.

3.12.280 - Injunctive relief.

- A. The Public Ethics Commission may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of Articles III, IV, V, VI, and VII of this Act.
- B. Any individual residing within the City may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of Articles III, IV, V, and VI of this Act.
- C. Any individual, other than the Public Ethics Commission, before filing a civil action pursuant to this Section, shall first file with the Public Ethics Commission a written request for the Public Ethics Commission to commence the action. The request shall contain a statement of the grounds for believing a cause of action exists. The Public Ethics Commission shall respond in writing within ninety (90) days after receipt of the request indicating whether they intend to file an administrative or civil action. If the Public Ethics Commission indicates in the affirmative and brings an administrative or civil action within sixty (60) days thereafter, no other action may be brought unless the action brought by the Public Ethics Commission is dismissed without prejudice.
- D. If the Public Ethics Commission needs additional time to determine whether to bring an action or needs additional time to bring an action, it may, by resolution indicating evidence of good cause and notice thereof to the requestor, extend the ninety (90) day time period by another sixty (60) days. If the Public Ethics Commission indicates they will not pursue the matter, or if it does not pursue an administrative or civil action within the sixty (60) day period following their affirmative response to the requestor, the requestor may file suit pursuant to this Section. No resident may bring an action pursuant to this Section if the Public Ethics Commission has commenced an administrative action or a law enforcement agency has commenced criminal action arising out of the same facts.

3.12.290 - Forfeiture.

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Any person who receives a financial benefit as a result of a violation of this Act by any person shall be liable for disgorging to the City's ~~general fund~~ Democracy Dollars Fund pursuant to Section 3.15.060 of the Oakland Fair Elections Act up to the amount of the financial benefit received as a result of the violation.

3.12.300 - Costs of litigation.

The court may award to a party, other than the City or any of its commissions, boards, departments or agencies, who prevails in any civil action authorized by this Act, his or her costs of litigation, including reasonable attorneys' fees.

3.12.310 - Limitation of actions.

- A. A criminal action alleging a violation of this Act may only be commenced by the Alameda County District Attorney or the California Attorney General and no more than four (4) years after the date of the violation.
- B. A civil action alleging a violation of this Act may only be commenced by the Public Ethics Commission or an individual residing in the City and no more than five (5) years after the date of the violation.
- C. An administrative action alleging a violation of this Act may only be commenced by the Public Ethics Commission and no more than five (5) years after the date of the violation.
- D. Commencement of an administrative action is the date the Public Ethics Commission sends written notification to the respondent of the allegation pursuant to the Commission's Complaint Procedures.
- E. Unless otherwise prescribed by applicable law, the date of the violation means the earliest date when the complainant, the Public Ethics Commission, or other prosecuting authority has, or reasonably should have, knowledge of the violation and its cause, and a suspicion of wrongdoing. Suspicion shall be determined from an objective standpoint of what is reasonable for the complainant, the Public Ethics Commission, or other prosecuting authority to know or suspect under the facts of the situation.

3.12.320 - Liability.

- A. In addition to a committee itself, persons who qualify under the California Political Reform Act as principal officers of the committee are jointly and severally liable for violations by the committee. For committees controlled by a candidate, the candidate and the committee's treasurers are deemed to be principal officers.
- B. In addition to a person whose conduct is required or prohibited under this Act, an agent acting on behalf of that person is jointly and severally liable for a violation that arises out of the agent's actions. There is a rebuttable presumption that the following persons are agents of a committee:
 - a. A current or former officer of the committee;
 - b. An employee of the committee;
 - c. A person who has received compensation or reimbursement from the committee; and

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d. A person who holds or has held a position within the committee organization that reasonably appears to be able to authorize expenditures for committee activities.

C. This Section does not limit potential liability for persons who cause another person to violate this Act or who aids and abets another person in a violation.

3.12.330 - Disqualification.

In addition to any other penalties prescribed by law, if a candidate receives a contribution in violation of Sections 3.12.050 and 3.12.060, the official shall not be permitted to make, participate in making or in any way attempt to use his or her official position to influence a governmental decision in which the contributor has a financial interest. The provisions of Government Code Sections 87100 et seq. and the regulations of the Fair Political Practices Commission shall apply to interpretations of this Section.

Article XI. - Miscellaneous Provisions

3.12.340 - Applicability of other laws.

Nothing in this Act shall exempt any person from applicable provisions of any other laws of this State or jurisdiction.

3.12.350 - Reference to other laws.

All references in this Act to other laws refer to those laws as amended.

3.12.360 - Severability.

If any provision of this Act, or the application of any such provision to any person or circumstances, 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.

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SEC. 3. AMENDS SECTION 3.20.190 OF THE OAKLAND MUNICIPAL CODE AS FOLLOWS, WHERE LANGUAGE THAT HAS BEEN STRUCK THROUGH IS REMOVED AND LANGUAGE WITH AN UNDERLINE HAS BEEN ADDED:

3.20.190 - Restriction on former elected city officers from acting as a local governmental lobbyist.

No officer of the City or person who has held the position of department head or budget director shall be permitted to act as a local governmental lobbyist for a period of ~~one (1) year~~ three (3) years after leaving office.

SEC. 4. AMENDMENTS.

SEC. 5 SEVERABILITY.

SEC. 6 EFFECTIVE DATE.

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SEC. 4. AMENDS ARTICLE VI OF THE OAKLAND CITY CHARTER ENTITLED “ADMINISTRATIVE ORGANIZATION” AS FOLLOWS, WHERE LANGUAGE THAT HAS BEEN STRUCK THROUGH IS REMOVED AND LANGUAGE WITH AN UNDERLINE HAS BEEN ADDED:

ARTICLE VI - ADMINISTRATIVE ORGANIZATION

Section 600. Administrative Organization Authorized. The Council shall by ordinance provide the form of organization through which the functions of the City under the jurisdiction of the City Administrator are to be administered. Any combination of authorized duties, powers and functions which in the judgment of the Council will provide the most efficient and economical service possible, consistent with the public interest and in keeping with accepted principles of municipal administration, may be authorized by such ordinance. All departments or other administrative agencies so created shall be administered by the City Administrator or by a department head or other officer appointed by and responsible to him/her.

(Amended by: Stats. November 1988 and March 2004.)

Section 601. Boards and Commissions. The Council may create by ordinance such operational, advisory, appellate or rule-making boards and commissions as may be required for the proper operation of any function or agency of the City and prescribe their function, duties, powers, jurisdiction and the number of board and commission members, their terms, compensation and reimbursement for expenses, if any, subject to the provisions of this Article. Members of boards and commissions shall be appointed by the Mayor subject to confirmation by the affirmative vote of five members of the Council and may be removed for cause, after hearing, by the affirmative vote of at least six members of the Council. Vacancies shall be filled for any unexpired term in the same manner as the original appointments were made; provided, however, that if the Mayor does not submit for confirmation a candidate to fill the vacancy within 90 days of the date the vacancy first occurred, the Council may fill the vacancy. If the Mayor does submit for confirmation a candidate to fill a vacancy within the 90-day time frame and the Council does not confirm the candidate, the 90-day period shall commence anew. For purposes of this Section, a seat filled by a holdover appointment will be considered vacant as of the expiration of the holdover's prior term of office.

(Amended by: Stats. November 1988 and March 2004.)

Section 602. Continuation. The departments, agencies, boards and commissions heretofore created by prior Charter, ordinance or administrative order, other than those provided for in Articles IV, V, VII, and IX of this Charter, may be modified or discontinued by ordinance adopted pursuant to this Article and are hereby continued until so modified or discontinued.

(Amended by: Stats. November 1988.)

Section 603. Public Ethics Commission.

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- (a) **Creation and Role.** There is hereby established a Public Ethics Commission which shall be responsible for: (1) enforcement of laws, regulations and policies intended to assure fairness, openness, honesty and integrity in City government, including compliance by the City of Oakland, its elected officials, officers, employees, boards and commissions, and other persons subject to laws within the jurisdiction of the Commission; (2) education and responding to issues regarding the aforementioned laws, regulations and policies, and; (3) impartial and effective administration and implementation of programs to accomplish the goals and purposes of the Commission as defined by this Section. Such laws, regulations, policies, and programs shall include those relating to campaign finance, lobbying, transparency, and governmental ethics, as they pertain to Oakland. The Commission shall have the power to make recommendations to the City Council on matters relating to the foregoing. Nothing in this Section shall preclude other City officials, agencies, boards and commissions from exercising authority heretofore or hereafter granted to them, with the exception of Charter Section 603(b)(5).
- (b) **Functions and Duties.** It shall be the function and duty of the Public Ethics Commission to:
- (1) Foster and enforce compliance with:
 - (i) Sections 218 ("Non-interference in Administrative Affairs"), 907 ("Nepotism"), 1200 ("Conflict of Interest") and 1202 ("Conflict in Office") of this Charter, for violations occurring on or after January 1, 2015;
 - (ii) The Oakland Campaign Reform Act, ~~Limited Public Financing Act~~ Oakland Fair Elections Act, False Endorsement in Campaign Literature Act, Oakland's Conflict of Interest Code, code of ethics and governmental ethics ordinance, the Oakland Lobbyist Registration Act, the Oakland Sunshine Ordinance, any ordinance intended to protect City whistleblowers from retaliation, and other Oakland laws regarding campaign finance, lobbying, transparency, or governmental ethics, as provided by ordinance or this Charter;
 - (iii) Related state laws including, but not limited to, the Political Reform Act, Ralph M. Brown Act, and Public Records Act, as they pertain to Oakland.
 - (2) Report to the City Council concerning the effectiveness of all local laws regarding campaign finance, lobbying, transparency, and governmental ethics.
 - (3) Issue oral advice and formal written opinions, in consultation with the City Attorney.
 - (4) Within the time period for submission of such information for the timely completion of the City's regular budget process, provide the Mayor and City Council with an assessment of the Commission's staffing and budgetary needs.
 - (5) Act as the filing officer and otherwise receive and retain documents whenever the City Clerk would otherwise be authorized to do so pursuant to Chapter 4 of the California Political Reform Act of 1974 (Government Code Section 81000, et seq.), provided that

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this duty shall be transferred to the Commission during the 24 months following the effective date of this provision and the Commission shall be the sole filing officer for the campaign finance programs by January 1, 2017.

- (6) Educate and promote understanding regarding the requirements under the Commission's oversight and study any significant non-compliance problems or trends with Oakland's campaign finance, lobbying, transparency, and governmental ethics laws and identify possible solutions for increasing compliance.
- (7) Review and make recommendations regarding all City systems used for public disclosure of information required by any law within the authority of the Commission.
- (8) Perform such other functions and duties as may be prescribed by laws of this Charter or City ordinance.

(c) **Councilmember Salary Increases.** The Public Ethics Commission shall set Council compensation as provided for in Charter Section 202.

(d) **Appointment, Vacancies, Terms.** The Public Ethics Commission shall consist of seven (7) members who shall be Oakland residents. Commissioners shall serve without compensation.

The Commission shall be appointed as follows in subsection (1) and (2).

- (1) **Appointments by Mayor, City Attorney and City Auditor.** The Mayor shall appoint one member who has represented a local civic organization with a demonstrated history of involvement in local governance issues.

The City Attorney shall appoint one member who has a background in public policy or public law, preferably with experience in governmental ethics or open government matters.

The City Auditor shall appoint one member who has a background in campaign finance, auditing of compliance with ethics laws, protection of whistleblowers, or technology as it relates to open government.

Prior to appointment, all appointees must attest in their application for appointment to attendance of at least one Public Ethics Commission meeting. The Mayor, City Attorney, and City Auditor may not appoint an individual who was paid during the past two years for work by a committee controlled by the official.

Upon the effective date of this section, the three members appointed by the Mayor prior to 2015 shall continue to serve the remainder of their terms. Vacancies in the three positions appointed by the Mayor shall be filled in the following manner: the City Attorney shall appoint a member to fill the first vacancy; the City Auditor shall appoint a member to fill the second vacancy and the Mayor shall appoint the member to fill the third vacancy. Thereafter, the positions appointed by the Mayor, City Attorney and City

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Auditor shall be filled in the same manner and upon consideration of the same criteria as the initial appointments.

The appointments made by the Mayor, City Attorney, and City Auditor may be rejected by City Council Resolution within 45 days of receiving formal notice of the appointment. An appointment shall become effective once written notice is made by the appointing authority to the City Clerk. Upon receiving such written notice, the Clerk shall promptly provide formal notice to the City Council.

- (2) **Commission Appointments.** The four members of the Commission who are not appointed by the Mayor, City Attorney or City Auditor shall be appointed, following a public recruitment and application process, by the affirmative vote of at least four (4) members of the Commission. Any member so appointed shall reflect the interests of the greater Oakland neighborhood, nonprofit and business communities.

Prior to appointment, all appointees must attest in their application for appointment to attendance of at least one Public Ethics Commission meeting.

- (3) **Terms of office.** All categories of member shall be appointed to staggered terms. Members of the Commission shall be appointed to overlapping terms, to commence upon date of appointment, except that an appointment to fill a vacancy shall be for the unexpired term only. Members of the Commission shall serve for a term of three years. No member may serve more than two consecutive full three-year terms. If a member is appointed to fill an unexpired term which term is for more than 1.5 years, he/she may serve only one additional consecutive three-year term. If a member is appointed to fill an unexpired term which term is for less than 1.5 years, he/she may serve two consecutive full three-year terms.
- (4) **Quorum.** Four members shall constitute a quorum.
- (5) **Vacancy.** A vacancy on the Commission will exist whenever a member dies, resigns, ceases to be a resident of the City or absents himself/herself continuously from the City for a period of more than 30 days without permission from the Commission, is convicted of a felony, is judicially determined to be an incompetent, is permanently so disabled as to be unable to perform the duties of a member, or is removed. A finding of disability shall require the affirmative vote of at least four members of the Commission after considering competent medical evidence bearing on the physical or mental capability of the member.

Vacancies not filled by the Mayor, City Attorney, or City Auditor within 90 days of the occurrence of such vacancy may be filled by the City Council in the same manner as provided by Charter, Section 601.

- (6) **Removal.** Members of the Commission may be removed by their appointing authority, with the concurrence of the Council by Resolution, only for conviction of a felony,

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substantial neglect of duty, gross misconduct in office, inability to discharge the powers and duties of office, absence from three consecutive regular meetings except on account of illness or when absent by permission of the Commission, or violation of this Charter section, after written notice of the grounds on which removal is sought and an opportunity for a written response.

(e) **Qualifications and Restrictions.** Each member of the Commission shall be a resident of Oakland and registered to vote in Oakland elections. No member of the Commission shall:

- (1) Have an employment or contractual relationship with the City during the member's tenure and for a period of one year after the date of separation.
- (2) Be a registered Oakland lobbyist or be required to register as an Oakland lobbyist, or be employed by or receive gifts or other compensation from a registered Oakland lobbyist during the member's tenure and for a period of one year after the date of separation.
- (3) Seek election to any other public office in a jurisdiction that intersects with the geographic boundaries of Oakland, or participate in or contribute to an Oakland municipal campaign.
- (4) Endorse, support, oppose, or work on behalf of any candidate or measure in an Oakland election.

(f) **Enforcement.**

(1) Authority. In furtherance of Charter Section 603(b)(1) and (5), the Public Ethics Commission is authorized to:

- (i) Conduct investigations;
- (ii) Conduct audits of compliance with disclosure requirements with the Commission;
- (iii) Conduct public hearings as provided by the Commission's complaint procedures or other law;
- (iv) Issue subpoenas to compel the production of books, papers, records and documents and take testimony on any matter pending before the Commission. The Commission may seek a contempt order as provided by the general law of the state for a person's failure or refusal to appear, testify, or to produce required books, papers, records and documents;
- (v) Impose penalties, remedies and fines, as provided for by ordinance. Ordinances enforced by the Public Ethics Commission shall not be subject to the \$1,000 limit on fines provided Sections 217 and 1208 of this Charter. The

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- Commission's decision to impose penalties and fines for violation of any regulation or ordinance over which the Commission has authority shall be appealable to the Alameda County Superior Court by filing a petition for writ of mandamus;
- (vi) Submit referrals to other enforcement authorities, including but not limited to the Alameda County District Attorney, California Fair Political Practices Commission, and California Attorney General;
 - (vii) Seek remedial relief for violations and injunctive relief;
 - (viii) By an affirmative vote of at least five members, reprimand, censure, or impose administrative remedies, as provided by a governmental ethics ordinance adopted by the City Council, for violations of Section 218 and 1202 of this Charter, according to the Commission's due process procedures as provided in the Commission's complaint procedures;
 - (ix) Reprimand, censure, or impose administrative remedies, as provided by a governmental ethics ordinance adopted by the City Council, for violations of Section 907 of this Charter, according to the Commission's due process procedures as provided in the Commission's complaint procedures;
 - (x) Perform other functions as authorized by law.
- (2) **Final enforcement action.** Final enforcement action by the Commission on a matter, including but not limited to the imposition of fines or dismissal of a case, shall be made by an affirmative vote of at least four members.
- (3) **Investigations.** Preliminary review by Commission staff of allegations shall be confidential, to the extent permitted by law, until any of the following occurs:
- (i) Placement of the item on a Public Ethics Commission meeting agenda;
 - (ii) Passage of one year since the complaint was filed;
 - (iii) Action by the Executive Director closing the file without placing it on the agenda, pursuant to the Commission's complaint procedures or policies; or
 - (iv) Expiration of the Statute of Limitations.
- (4) **Penalty guidelines and Enforcement Discretion.** The Public Ethics Commission shall develop a policy setting forth standards for imposing penalties and exercising enforcement discretion. Commission staff shall adhere to the policy when recommending penalties under each of the different penalty provisions that the Commission has the power to enforce.

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- (5) **Per diem late filing fees.** Regarding per diem fees that are authorized due to the late filing of disclosure reports, including campaign finance statements, lobbyist reports, and other ethics-related disclosures filed with the Commission by law, the following shall apply:
- (i) Assessments. Any instance of late filing that triggers the assessment of a fee of \$1,000 or more by the Commission shall be placed on a Commission meeting agenda before issuance of the fee;
 - (ii) Waiver guidelines. The Commission shall establish waiver guidelines in accordance with state law, which the Commission, as the filing officer, shall follow in determining whether or not to grant a waiver. These guidelines shall be published on the Commission's website. The Commission shall prescribe criteria for appeal to the Commission of waiver decisions made by the Executive Director. At each regular Commission meeting, the Executive Director shall provide a written report, which shall be published online, regarding any waivers decisions made since the previous regular meeting;
 - (iii) Referral of final, uncollected fees to collections. Unpaid non-investigatory, per diem late filing fees for disclosure programs that are past due for more than 90 days shall be referred to a City delinquent revenue collection office.
- (6) **Private right of action.** Oakland residents shall have a private right of action to file suits to enforce the Oakland Campaign Reform Act, Oakland Lobbyist Registration Act, Oakland Sunshine Ordinance, and any City governmental ethics ordinance when the City does not impose or stipulate to a penalty or file suit for a particular violation. Such private right of action shall be enabled for a given ordinance once criteria for such suits, including but not limited to a required notice period, actionable violations and remedies that may be sought, are prescribed by the ordinance.

(g) Staff Assistance & Budget.

- (1) The City shall appropriate a sufficient budget for the Public Ethics Commission to fulfill the functions and duties as set forth above.
- (2) For the two-year budget cycle beginning July 1, 2023 and each subsequent two-year budget cycle beginning on July 1 of odd-numbered years, the City shall appropriate for the Public Ethics Commission no less than \$1,250,000.00 for purpose of administering the Democracy Dollars Program established by the Oakland Fair Elections Act and no less than \$4,000,000.00 for the purpose of funding Democracy Dollars. The City shall consider additional appropriations to the Oakland Democracy Dollars Fund as requested by the Commission to ensure sufficient funds in the Fund or in the Commission's determination of budget needs under subsection (b)(4) of this section. Subsequent to July 1, 2023, for every two-year budget cycle beginning on July 1 of odd-numbered years, the required minimum appropriations under this subsection shall be increased by

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the increase in the consumer price index over the preceding two years. For the 2023 fiscal year, the City shall appropriate an additional amount of no less than \$700,000.00 for the purpose of startup costs associated with initiating the Democracy Dollars Program.

- (3) Sufficient staffing shall not be less than the following minimum staffing requirement. ~~Effective July 1, 2015,~~ The City shall meet a minimum staffing requirement for the Commission. The minimum staffing shall consist of the following full-time positions or their equivalent should classifications change: Executive Director; One Deputy Director; One Ethics Investigator; One Program Analyst I or Operations Support Specialist; One Program Analyst; One Administrative Assistant I. Effective July 1, 2023, the City shall also provide adequate staff necessary to properly administer the Democracy Dollars Program established by the Oakland Fair Elections Act, which shall include no fewer than four (4) additional full-time positions or their equivalent should their classifications change, reporting to the Executive Director of the Public Ethics Commission, for the purpose of administering the Democracy Dollars Program established by the Fair Elections Act: One Program Director; Two Program Analysts; One Administrative Assistant.
- (4) The minimum staffing budget set-aside may be suspended, for a fiscal year or a two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity, as defined by City Council resolution.
- (5) The Executive Director shall serve at the pleasure of the Commission. By an affirmative vote of at least four members, the Commission may terminate the Executive Director. Upon a vacancy, the Commission shall conduct a search for the Executive Director with staff assistance provided by the City Administrator. Upon completion of the search and its vetting of applicants, the Commission shall select two or three finalists and forward the selections to the City Administrator, who shall select one as the Executive Director. The City Administrator shall not have the authority to remove the Executive Director. The Commission shall periodically conduct a performance review of the Executive Director.
- (6) The Deputy Director shall serve at the pleasure of the Executive Director. Other than the Executive Director and Deputy Director, staff shall be civil service in accordance with Article IX of the City Charter. After the effective date of this Charter provision, the Commission Executive Director shall identify special qualifications and experience that the Program Analysts and Operation Support Specialist candidates must have. Candidates for future vacancies shall be selectively certified in accordance with the Civil Service Personnel Manual, as may be amended from time to time, except that said selective certification shall not be subject to discretionary approval by the Personnel Director.

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- (7) All staff are subject to the restrictions in Charter Section 603(e), except that staff are not prohibited from employment with the City and the one-year post-service restriction shall apply only to the Executive Director.

- (h) Amendment of Laws. Prior to enacting any amendments to laws that the Commission has the power to enforce, the City Council shall make a finding that the proposed changes further the goals and purposes of the ordinance or program in question and provide specifics substantiating the finding. Absent an urgency finding akin to suspending compliance with the Sunshine Ordinance, amendments to laws that the Commission has the power to enforce and that are proposed by one or more members of the City Council shall be submitted to the Commission for review and comment, prior to passage of the amendments by the City Council.

- (i) References to Other Laws in this Section. All references to other laws in this Section shall refer to these laws as they may be amended from time to time.

CAMPAIGN CASH: **The Outsized Role of Money** **in Oakland Elections**

Analysis by MapLight



Overview

Money in politics influences who runs for office, who they talk to, who wins, and what policies get enacted – at every level of government. The analysis below outlines key patterns and trends on how candidate campaigns in Oakland, California, have been funded since 2014. The report examines the sources of candidate fundraising, where donors live, the size of contributions, and the demographics of who donates to campaigns. **Our analysis shows that wealthy donors and outside spending have played a significant role in Oakland elections.**

Key Findings:

- **Money in Oakland candidate elections rose to its highest level in eight years during the 2020 election.** Fundraising by candidates peaked in 2014 at \$3.5 million. However, after including outside spending, total money in Oakland elections hit an eight-year high in 2020 with \$2.4 million in independent expenditures on top of the \$2.6 million in direct fundraising.
- **Money made a difference.** During the last four elections, 77 percent of the contested races (24 of 31) were won by the candidate who raised the most money.
- **Just half of all fundraising by candidates came from Oakland residents.** Even after including donations from candidates to their own campaigns and public funds, city residents provided just half of the funds received.
- **Special interests were a substantial part of candidates' fundraising.** Contributions from corporations, nonprofits, unions, trade associations, and political committees comprised 13 percent of all candidates' funding and 17 percent of the winning candidates' funding.
- **Campaign contributions came disproportionately from Oakland's richest and whitest neighborhoods.** The three majority-white zip codes in Oakland were responsible for 45 percent of the contributions from Oakland residents, while comprising just 21 percent of the city's population. Residents of the Oakland zip codes with a median household income greater than \$75,000 were responsible for 66 percent of the contributions in Oakland while comprising only 40 percent of the population.
- **Less affluent and less white neighborhoods were underrepresented in campaign contributions.** A quarter of the money raised from Oakland residents came from the six Oakland zip codes with a median household income below \$60,000, while nearly half of Oakland residents live in these neighborhoods. The four Oakland zip codes with less than 25 percent white residents were responsible for 16 percent of the money from Oakland donors while containing 40 percent of Oakland's population.
- **Nearly half of all fundraising in the four candidate elections came from high-dollar donors.** People giving \$500 or more, including candidates contributing

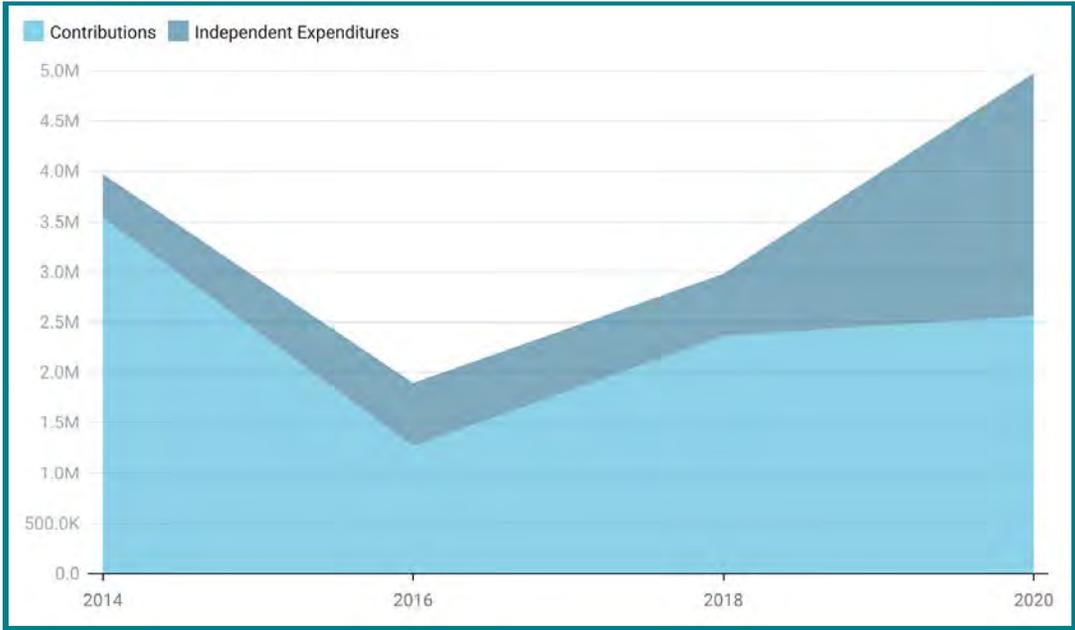
to their own campaigns, contributed 45 percent of all funds taken in by candidates' campaigns.

- **Small donors comprised a tiny portion of candidate funding.** Donors giving less than \$100 provided just 6 percent of all candidate funding.
- **Easy victories still attracted large donors.** During her reelection bid, Mayor Schaaf, who received more than twice as many votes as her nearest competitor, received \$501,000, almost equaling the \$504,000 she received during her 2014 election.
- **Eight organizations and individuals gave at least \$75,000 apiece to independent groups seeking to influence candidate elections over the last eight years – accounting for nearly half of outside money during that time.** These spenders included Michael Bloomberg (\$920,000), Lyft (\$439,000), East Bay Working Families (\$141,000), Quinn Delaney (\$120,000), T. Gary Rogers (\$100,000), Arthur Rock (\$99,000), the East Bay Community Foundation (\$80,000), and the San Francisco Foundation (\$75,000).

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Total Contributions

Figure 1: Money in Oakland Elections



Due in large part to the contested mayoral race in 2014, direct campaign contributions have yet to exceed the amounts raised that year. **Yet, the 2020 election surpassed 2014 total spending by more than \$1 million due to a remarkable rise in outside spending.** Independent expenditures - spending to support or oppose a candidate that is not coordinated with the candidate’s campaign - have grown over the last several years, particularly in the Oakland school board races. In 2020, independent expenditures supporting or opposing school board candidates accounted for nearly half of the \$2.4 million spent by these outside groups.

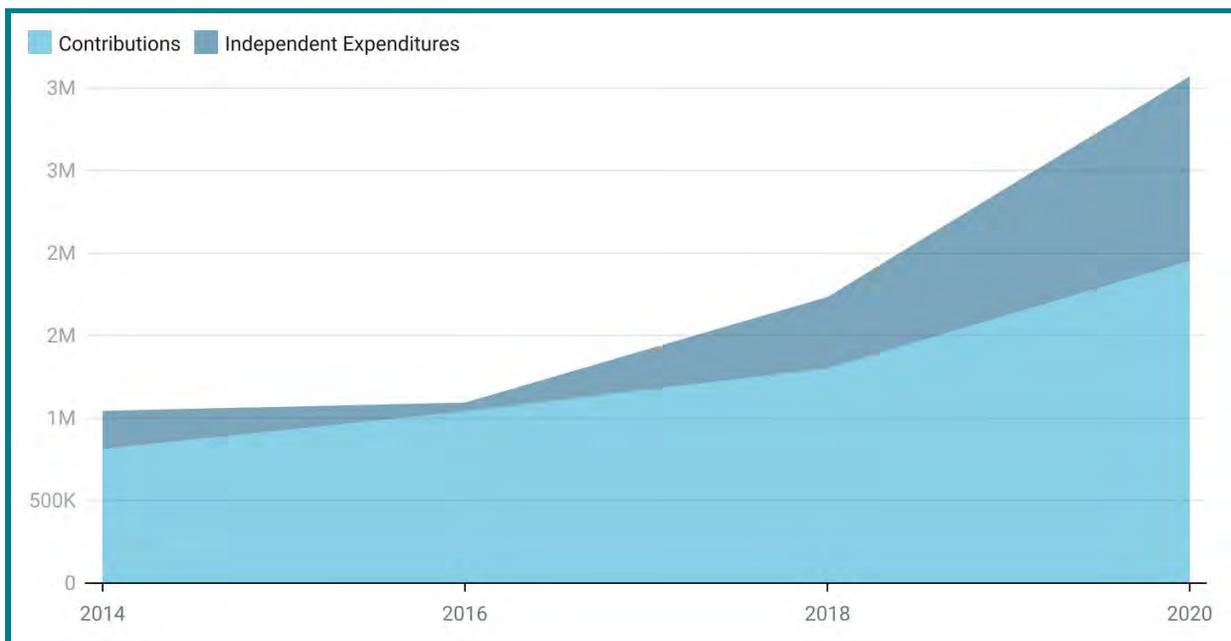
Table 1: Money behind Mayoral Candidates

Election Year	Contributions	Independent Expenditures
2014	\$2,437,961	\$69,185
2018	\$821,217	\$12,536

During the tightly contested 2014 election, five candidates received at least 10 percent of the first-round vote, with average fundraising topping \$362,000 among them. Mayor Libby Schaaf and incumbent Jean Quan were first and second in fundraising and votes, receiving \$504,000 and \$416,000 respectively. The 2018 election was not nearly as close, as Mayor Libby Schaaf received more than 50 percent of the first-round vote, avoiding further elimination rounds. Even with less competition, Mayor Schaaf raised more than \$500,000, dwarfing her opponent's sums. The other two candidates who received at least 10 percent of the vote were Cat Brooks and Pamela Price, who raised \$191,000 and \$98,000 respectively.

Independent expenditures were less than \$100,000 in both mayoral elections. The recipient of the most outside support was Bryan Parker in 2014. He received support from the Oakland Chamber of Commerce (\$10,400) and the group Citizens for Oakland (\$8,450) that received its financial backing from 18 individual donors.

Figure 2: Money behind City Council Candidates

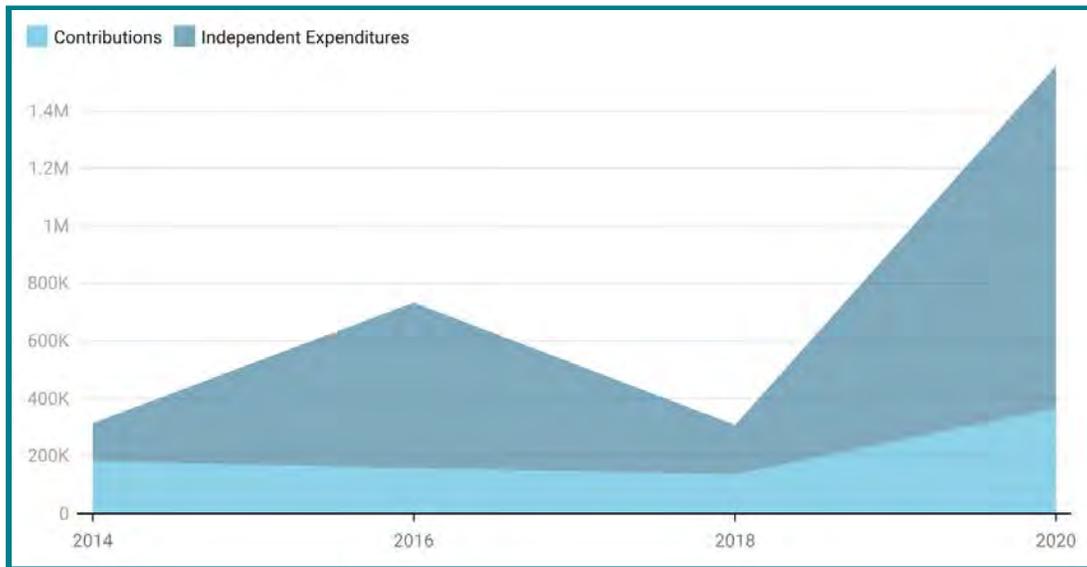


The total amount raised by candidates for city council has increased each election from \$814,000 in 2014 to \$1.95 million in 2020. In the 16 races since 2014, 12 have been won by whoever raised the most money. However, in seven of those twelve instances, the candidate who won was also the incumbent. If we include independent expenditures alongside a candidate's fundraising, in 14 races the candidate with the most funding won, and the two candidates who did win while having less financial support were both incumbents.

The average amount raised by candidates who received at least 10 percent of the vote fell slightly from \$90,400 in 2014 to \$81,200 in 2016. Fundraising jumped to \$115,700 in 2018 and

again to \$134,300 in 2020. Candidate fundraising was not the only thing that grew over the last few years. Independent expenditures rose both in amount and in proportion to all money spent on elections. Outside spending accounted for \$231,000 in 2014 (22 percent of the money behind candidates) and rose to over \$1.1 million in 2020 (36 percent of the total).

Figure 3: Money behind School Board Candidates



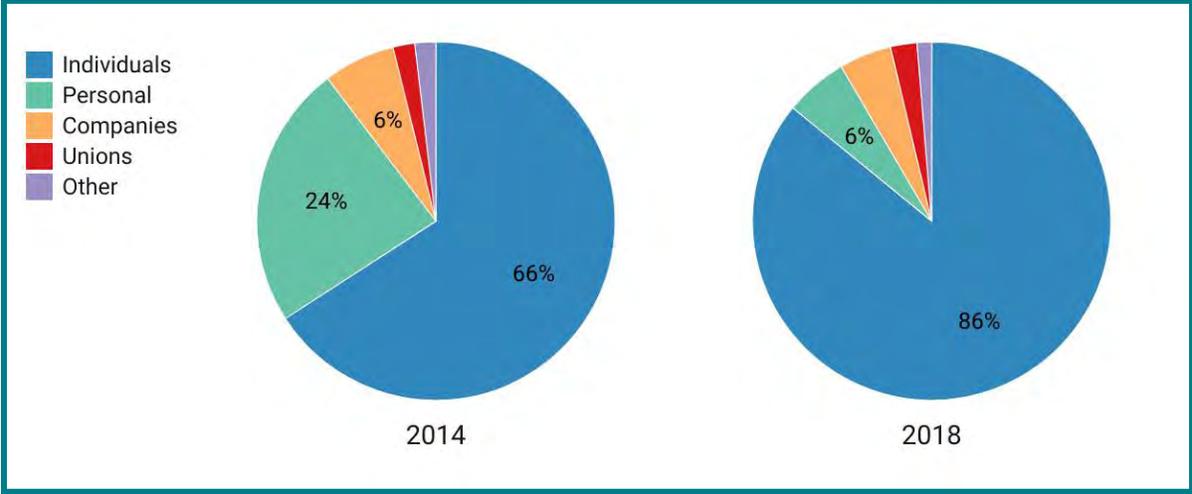
Between candidates for mayor, city council, and school board, the least money went to candidates for the school board. The average amount raised by a successful school board candidate is about a third of the fundraising total of victorious city council candidates. In the 13 contested elections, ten were won by the candidate who raised the most money. In five of these instances, the winning candidate was also the incumbent.

Independent expenditures surpassed direct contributions in all but the 2014 election. The charter school interest group, GO Public Schools, which received nearly all its funding from Mike Bloomberg, was responsible for 98 percent of the outside spending in school board races between 2014 and 2018. During 2020, they still spent the most of any individual group (\$383,700). However, joining them was another charter school group, also financed by Mike Bloomberg, Power2Families (\$302,900), the local teachers union (\$259,400), a political committee formed in opposition to California proposition 20 (\$127,500), and the California Charter Schools Association (\$108,800). **Once we incorporate this outside spending alongside candidate fundraising, only 9 of the 13 contested elections were won by the candidate with the most financial support. While likely influential, outside spending did not preclude the possibility of a less-financed candidate winning.**

Source of Contributions

There are six funding sources that candidates can tap into when raising money for their campaigns: companies, nonprofits, unions, political committees, individual donors, and their personal funds. City council candidates can qualify to receive some public funding through reimbursement for eligible campaign expenses.

Figure 4: Source of Contributions to Mayoral Candidates



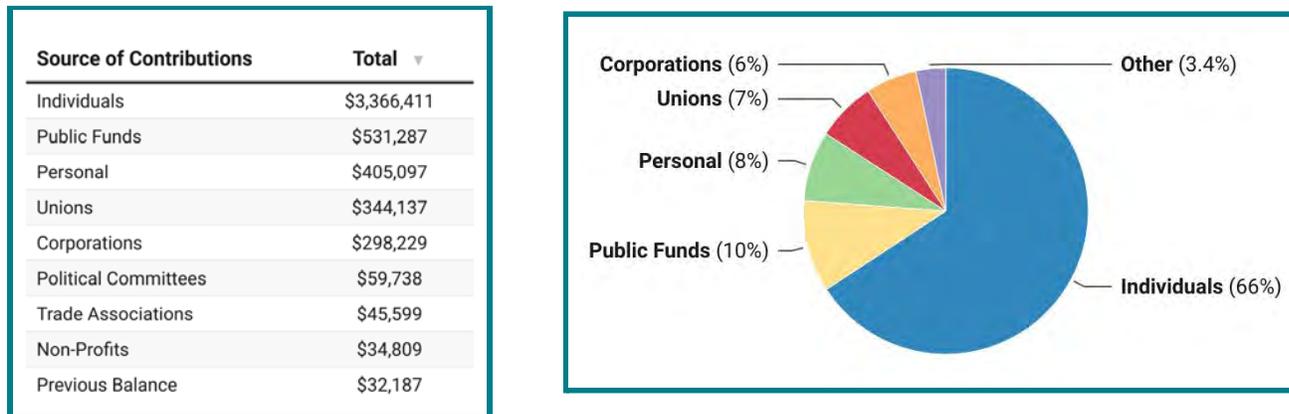
Source of Contributions	2014	2018 ▼
Individuals	\$1,605,565	\$705,313
Personal	\$580,416	\$46,689
Companies	\$158,020	\$38,865
Unions	\$47,975	\$19,550
Political Committees	\$7,750	\$7,700
Non-Profits	\$13,950	\$1,900
Trade Associations	\$6,550	\$1,200
Previous Balance	\$17,734	\$0

The vast majority of the money in both mayoral elections came from individual donors. Many of the candidates in 2014 spent their own money to support their candidacies. If we include self-funding with contributions from individual donors, then more than 90 percent of fundraising came from individual people rather than corporations, unions, or political committees.

Item 6c - Maplight Report

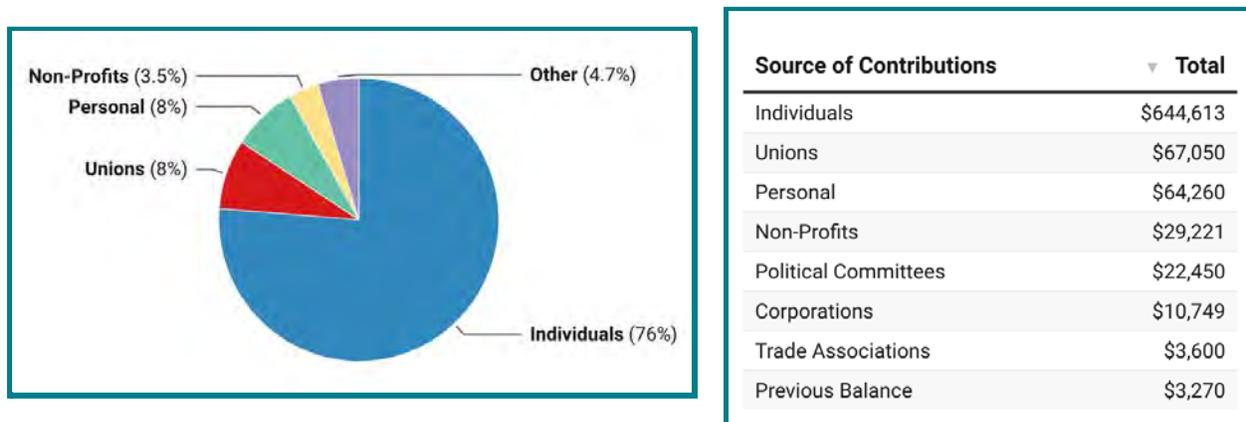
While the vast majority of the money came from individual people, the incumbent mayor in each election received significantly more money from unions than their competitors. In 2014, Jean Quan raised \$24,500 from unions compared to Libby Schaaf (\$8,800) and Rebecca Kaplan (\$8,100). During the 2018 election, the current incumbent, Libby Schaaf, received \$17,300 from unions compared to the \$1,500 and \$750 received by Cat Brooks and Pamela Price.

Figure 5: Source of Contributions to City Council Candidates



Oakland’s existing publicly-funded reimbursement program made up a portion of funding for city council candidates, comprising between 7 and 15 percent of all the money raised depending on the election year. Most money still came from individual donors, though incumbents often received more from unions and corporations than their challengers. On average, incumbents received \$12,800 from unions and \$14,700 from corporations, compared to the \$5,900 and \$3,400 received by non-incumbents who received at least 10 percent of the vote.

Figure 6: Source of Contributions to School Board Candidates



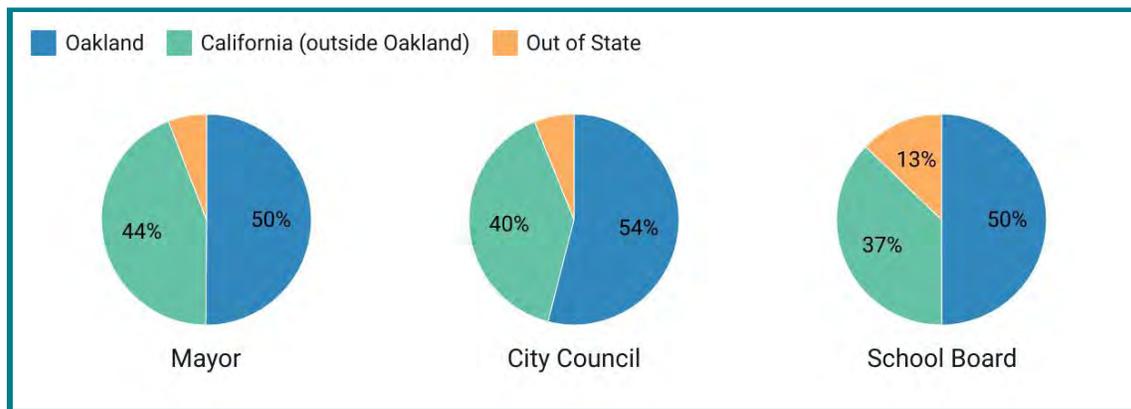
The distribution of funding sources for school board candidates more closely mirrors mayoral candidates than city council candidates due to the lack of a public reimbursement program. Mayoral candidates received 90 percent of their money from individual donors and personal contributions. School board candidates received 84 percent from these same sources, and city council candidates, 74 percent.

Unions and corporations did not favor incumbents, but candidates who won their races received an average of \$4,200 from unions and \$400 from corporations compared to \$1,400 and \$200 received on average by runners-up who received at least 10 percent of the vote. The same divide was not present in nonprofit giving, with both groups receiving similar amounts on average.

Where do Individual Contributors Live?

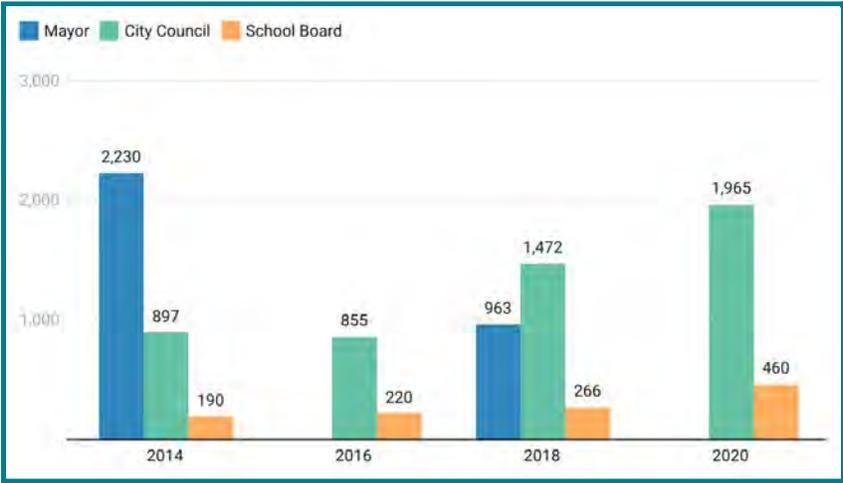
Across Oakland elections between 2014 and 2020, the largest source of candidate funding remained the same: individual donors. In Oakland, city of residence is only disclosed for people who contribute \$100 or more. Therefore, this section only examines contributions from these donors.

Figure 7: Where do Individual Contributors Live



About half of the funding from individual donors giving at least \$100 came from Oakland residents. Considering their distance from Oakland, donors from out of state still provided a sizable portion of campaign funding. Over the four elections, city council candidates combined received \$186,100, mayoral candidates raised \$127,300, and school board candidates took in \$71,700 from donors living outside California.

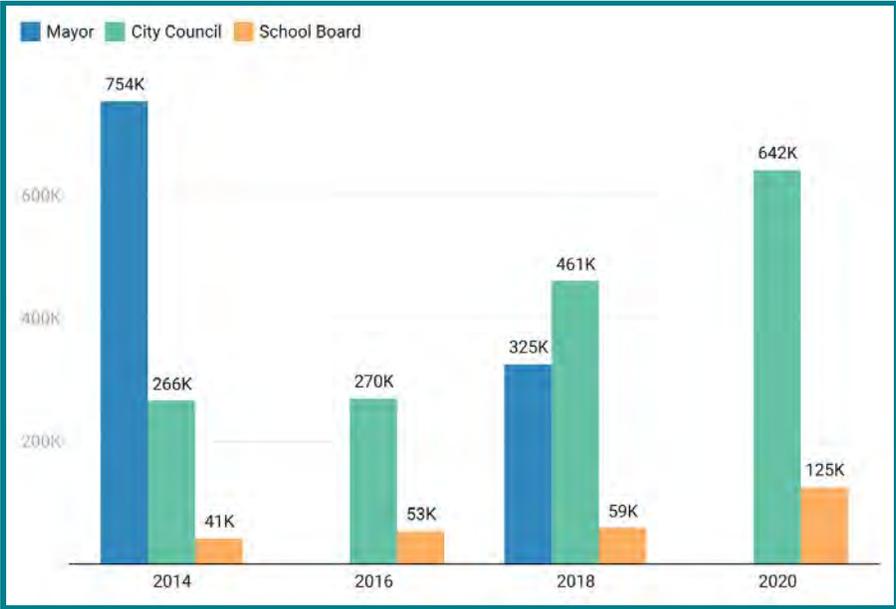
Figure 8: Number of Oakland Residents Contributing to Candidates



Drilling down further on just the money coming from Oakland residents, fewer than 3,500 people contributed \$100 or more in each election cycle. For a city of 440,000 people, this means that less than 1 percent of residents contributed at this level during each election.

Highlighting the disparity between a candidate’s donor base and their constituents is the fact that candidates for the Oakland school district, which serves more than 38,000 students and has a staff of 5,000, received financial support (in amounts of \$100 or more) from less than 500 residents each election.

Figure 9: Contribution Amounts from Oakland Residents



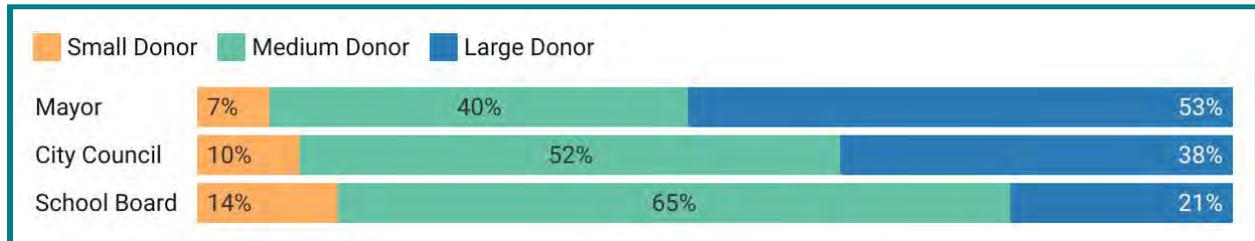
While only a small percentage of Oakland’s residents contributed to candidates, they provided a significant portion of all fundraising. For instance, during the 2018 mayoral election, less than 1,000 residents contributed \$325,200 or 40 percent of all the money raised by mayoral candidates.

How Much Do Individual Donors Give?

Again focusing on money from individual donors, we’ve divided the contributors into three groups: small, medium, and large donors. Small donors are individuals giving less than \$100. Medium donors are those who contribute between \$100 and the maximum amount. Finally, large donors gave the maximum amount allowed during the election cycle: either \$700, \$800, or \$900, depending on the election.¹

The vast majority of funding from individuals came from those contributing at least \$100 apiece. These donors were responsible for 93 percent of the money from individual donors in 2014, 92 percent in 2016, 90 percent in 2018, and 89 percent in 2020.

Figure 10: Amount Contributed by Individual Donor Type

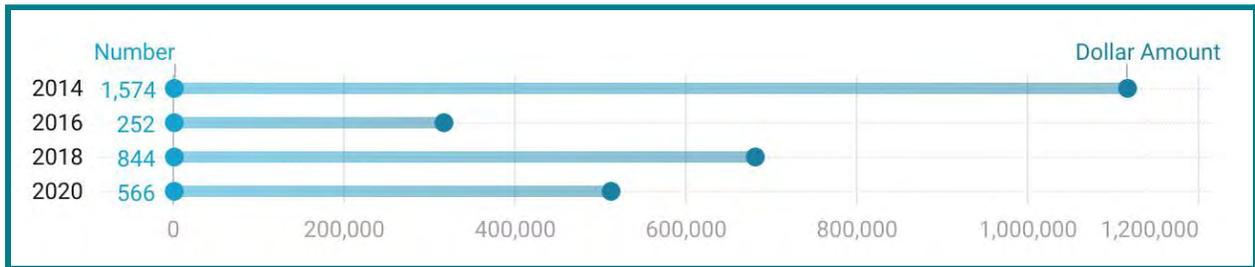


In total, 42 percent of funding coming from individual donors came from people giving the maximum amount. More than half of the Mayor Libby Schaaf’s fundraising in 2014 and 2018 came from donors giving at the contribution limit.

For each office, both incumbents and winning candidates relied less heavily on small donors than their non-incumbent and runner-up counterparts. **Winning city council candidates received an average of 4 percent of their total fundraising from small donors, compared to 8 percent amongst runners-up who received at least 10 percent of the vote.** Victorious school board candidates took in 10 percent of their money in small donations compared to the 12 percent raised by runners-up. The greatest disparity was between Mayor Schaaf, who received less than 2 percent in 2018 from these small donors, and Cat Brooks, the runner-up, who took in 22 percent of her money from small donors.

¹ The maximum contribution from individual donors was \$700 in 2014 and 2016, \$800 in 2018, and \$900 in 2020.

Figure 11: Money from Large Donors



Since candidates are not required to disclose the number of donors who gave less than \$100 we do not know their total number. However, we know the number of donors who gave the maximum amount.

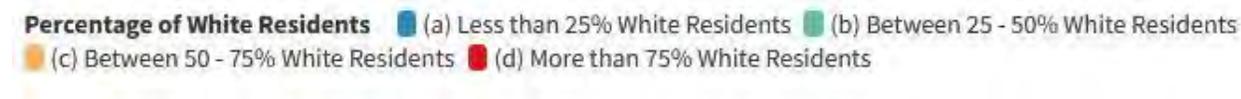
During the 2014 election, approximately 1,600 large donors, those giving the maximum amount allowed, contributed \$1.1 million. This amount comprised 31 percent of all the money raised by candidates that year. This elite group was responsible for at least 20 percent of all contributions in the following three elections.

Incumbents generally relied more heavily on large donors than their challengers. The average city council incumbent received 32 percent of their money (\$42,400) from large donors compared to an average of 20 percent (\$25,600) among other candidates who received at least 10 percent of the vote. The average incumbent school board member took in 20 percent of their money (\$5,800) from large donors compared to the 14 percent (\$3,500) received from such donors from their average challenger. The mayoral election did not follow this pattern. Mayor Schaaf received far more than half of her funds from large donors, and incumbent Jean Quan received only a quarter of her funding from the large donor class.

Contributions by Zip Code

Looking at the contributions from individual donors to candidates over the last eight years by zip code allows for comparisons to Census demographic data, illustrating trends about the origins of candidate funding.²

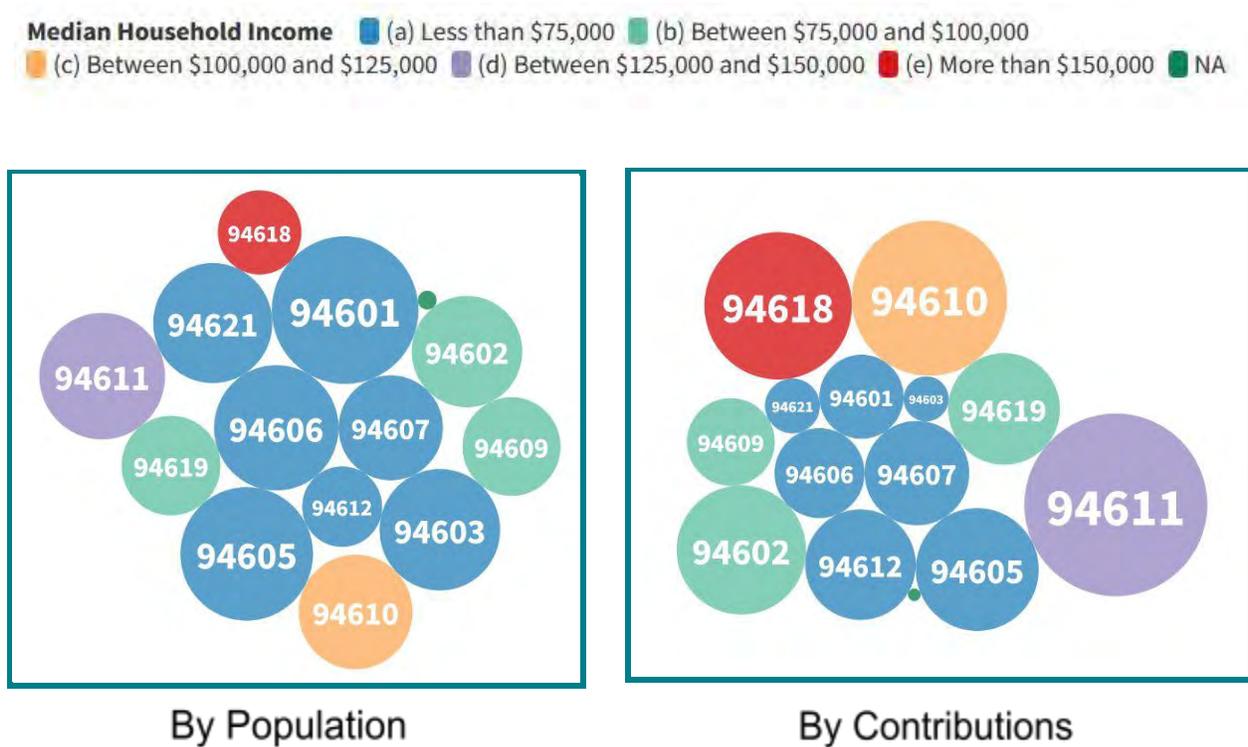
Figure 12: Individual Contributions by Racial Demographics and Zip Code



The size of each bubble on the left depends on the population of its corresponding zip code. Each circle on the right is scaled based on the amount residents of each zip code contributed. **The three majority-white zip codes in Oakland contributed the most money, altogether giving \$1.4 million to local candidates.** These three zip codes contributed 45 percent of the money from Oakland residents while representing just 21 percent of the Oakland population. On the other hand, the four zip codes with less than 25 percent white residents contain 40 percent of Oakland’s population but gave just 16 percent of the money from Oakland.

² The visualizations in this section come from screenshots of an [interactive tool](#) created to examine contributions in Oakland elections by geography and demographic characteristics.

Figure 13: Individual Contributions by Median Household Income and Zip Code



In this second figure, the size of the circles on the left is again based on population and circles on the right on total contributions. The only difference is that the color now corresponds to the median household income of each zip code. The same three zip codes with the greatest proportion of white residents also have the highest household median income in Oakland. **The seven zip codes with a household median income of less than \$75,000 comprise 60 percent of the Oakland population, but just 33 percent of the money given by Oakland residents.**

The trend of wealthy majority-white zip codes contributing more continued outside Oakland. Berkeley residents of the 94705 zip code contributed \$116,700 – a sum larger than that which came from the residents of either the 94621 or 94603 Oakland zip codes. The 94705 zip code has a household median income of more than \$125,000 and more than 75 percent of its residents are white.

Appendix: Other Elected Offices

Between 2014 and 2020 there were two elections each for the city auditor and city attorney.

2014 Auditor Election

The two candidates for auditor in 2014 raised a combined \$107,000. The vast majority of the fundraising came from the two candidates' own loans and contributions. Just \$13,300 between the two candidates came from individual and union donors.

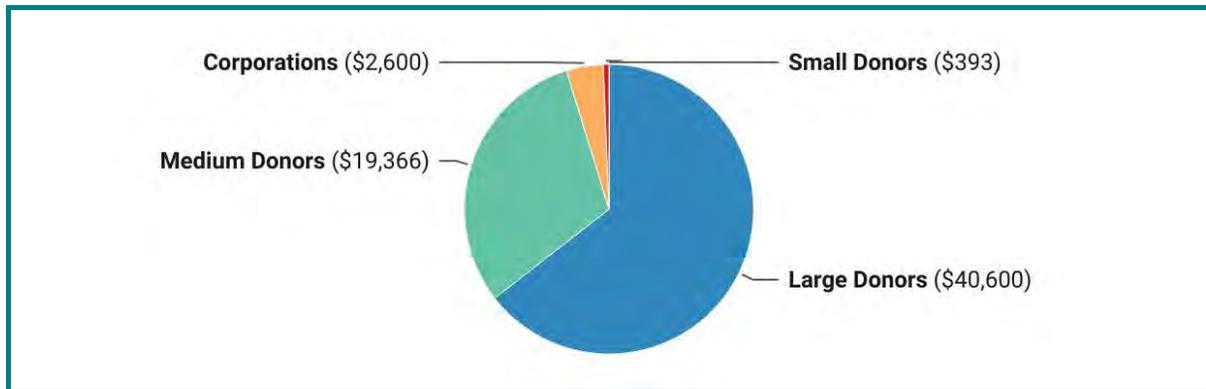
2018 Auditor Election

In 2018, Brenda Roberts ran for reelection, contributing \$53,800 of the \$57,000 she raised. Her opponent Courtney Ruby raised \$47,200, with \$37,700 coming from individuals contributing between \$100 and \$800.

2016 City Attorney Election

Incumbent Barbara Parker ran unopposed in 2016. However, she still raised more than \$67,000 for her reelection campaign with most of her funding (\$40,600) coming from 58 people who contributed the maximum amount.

Figure 14: Source of Contributions to Barbara Parker (2016)



2020 City Attorney Election

In 2020, Eli Ferran ran to unseat Parker. Both candidates raised more than \$120,000 and Ferran received another \$100,000 in outside spending on his behalf. Unions, trade associations, and corporations backed Ferran to a tune of \$24,200, but Parker offset these contributions with a \$50,000 loan to her campaign. Both candidates received nearly the same amount of money from individual donors: \$71,100 to Parker and \$76,200 to Ferran.

Figure 15: Contributions by Individual Donor Type



Once again, Parker received a significant amount (\$44,100) from 49 individual donors giving the maximum amount and less than \$1,600 from people giving less than \$100. Ferran also received a sizable portion (\$26,100) from 29 large donors, but received more from people giving less than \$900 than from those giving the maximum amount.

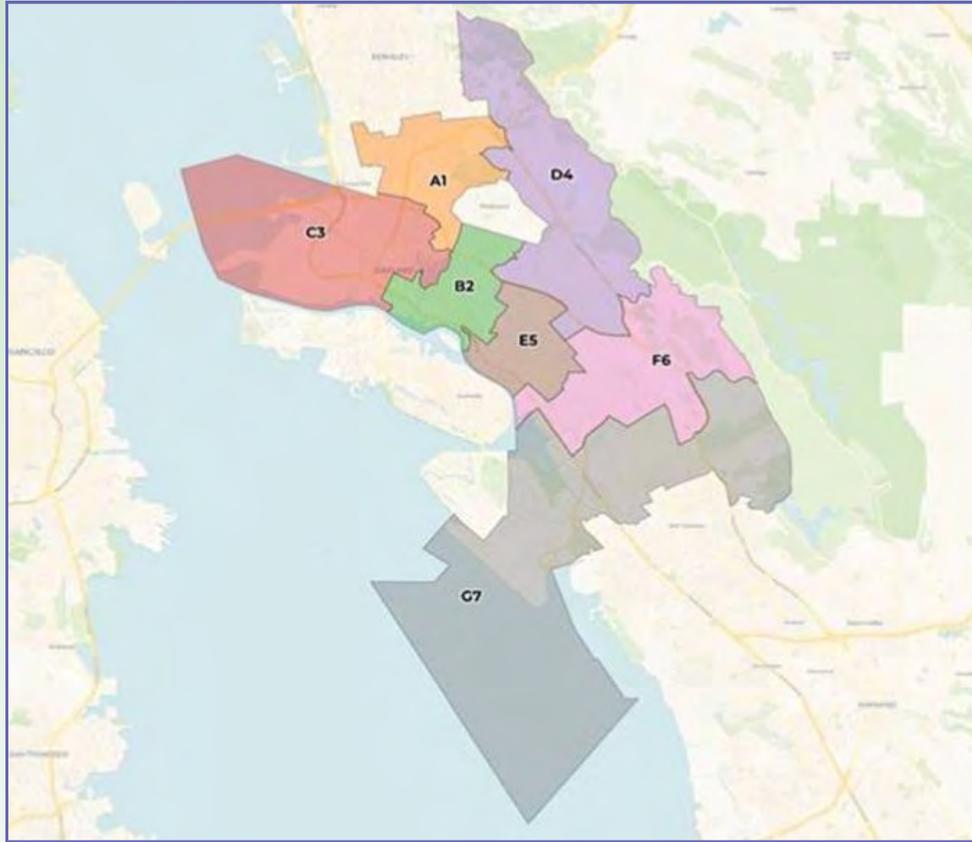
Methodology

The most recently amended campaign records were retrieved from Oakland’s public [Netfile portal](#) on November 16, 2021. **This report examines only contributions to candidate committees and independent expenditures made to support or oppose candidates for local office.** Contributions to a candidate’s officeholder committee were not included. Candidates’ total contributions for a given election cycle include monetary, non-monetary, and unitemized contributions received between January 1st of the calendar year three years before the election through December 31st of the election year, as well as any previous contributions in a candidates’ committee as of January 1st of the calendar year three years before the election. Any outstanding loans which were not paid off as of December 31st of the election year were included as personal contributions.

Unique contributors were estimated by grouping contributions by donor first name, last name, city, state, and zip code. All discussions of resident contributors were based on whether the donor reported an Oakland address.

This report was written by Bergen Smith with assistance from Laura Curlin, Daniel Newman, Chad Outler, and Alec Saslow. To contact MapLight about this report, please call (510) 609-3700 or email press@maplight.org.

City of Oakland Public Ethics Commission



Limited Public Financing Program Guide for City Council District Candidates

NOVEMBER 2022 ELECTION

Public Ethics Commission
1 Frank Ogawa Plaza (City Hall), Ste. 104
Oakland, CA 94612
www.oaklandca.gov/pec
ethicscommission@oaklandca.gov
(510) 238-3593



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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 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]

**Campaign Reform Act
Compliance**

Public financing laws work in coordination with the Oakland Campaign Reform Act (OCRA), which limits contributions, provides optional spending 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 2022.

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 with financing your campaign.

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

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 and who is opposed by another candidate may apply for public financing through the City. Candidates for Citywide offices, such as the office of Mayor, City Auditor, City Attorney, and At-Large Council Member, along with candidates for the Oakland Unified School District Board of Directors, are not eligible. [OMC § 3.13.060]

Application process steps and eligibility requirements include the following:

Step	Program Requirement	Due Date
1	OCRA Form 301 – Candidate must sign and submit the Form 301 accepting voluntary expenditure ceilings to the Public Ethics Commission	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 the 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 26, 2022
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, 2022
7	Minimum Campaign Contributions Received – Candidate has received contributions from Oakland donors totaling at least 5% of the voluntary spending limit for the office	September 19, 2022
8	Minimum Campaign Expenditures Made – Candidate has made campaign expenditures totaling at least 5% of the voluntary spending limit for the office being sought	September 19, 2022
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 spending limit	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, 2023

HOW MUCH MONEY WILL BE 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 \$177,000 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 spending limit 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 main forms for 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 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 spending limit 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. Note that contributions from a candidate's own funds shall not be counted toward meeting this 5% requirement. [OMC § 3.13.080(C)]

¹ The Public Ethics Commission annually adjusts the voluntary spending limits every January to reflect any increase in the Consumer Price Index. The voluntary spending limits and campaign contribution limits for 2022 are included at the end of this Guide.

- **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 spending limit 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 the 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 2022 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, 2022, be returned to the Election Campaign Fund no later than January 31, 2023. [OMC § 3.13.150] The amount to be returned shall be calculated by multiplying the amount of surplus campaign funds (less any outstanding debts) 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 as of December 31 has a remaining balance of \$14,000, with \$2,000 in debt, the candidate would owe the Election Campaign Fund \$3,000. (Note: The \$40,000 in contributions does not include public financing funds. LPF funds are NOT considered monetary contributions but are listed as “miscellaneous increase to cash” on campaign statements.) See LPF Form 4 on page 19 of this guide for a breakdown of this calculation.

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 § 3.13.180, 3.12.200] 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]

Share your feedback on public financing in Oakland

The Commission continues to review the effectiveness of this public financing program. 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 ongoing effort to improve this program.

APPENDIX 1: OCRA FORM 301



Submission Time: March 23, 2022 4:49 pm

Acceptance of Voluntary Campaign Spending Limit - OCRA Form 301

1. Candidate Information

Name	Ana Lara - TEST
Email	ethicscommission@oaklandca.gov
Office Sought	City Council, District 5
Election Date	November 8, 2022
Copy of Form 501 Candidate Statement Form	https://www.formstack.com/admin/download/file/12455534555

2. Declaration

I hereby declare that I have established a campaign committee in order to solicit contributions towards my candidacy. By submitting this form I accept the voluntary spending limits 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 Oakland Campaign Reform Act. I understand that once accepted, the voluntary spending limit is irrevocable unless waived pursuant to Oakland Campaign Reform Act Section 3.12.220. I certify, under penalty of perjury under the laws of the State of California, that to the best of my knowledge, the information contained herein is true and complete.

Date/Time	Mar 23, 2022
Description Area	OCRA Form 301 (January/2020)

Unique ID: 944685512

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 2019, establishes, among other things, local contribution limits and optional campaign spending limits for Oakland candidates and committees.

Spending 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 spending limits annually to reflect the increase in the Consumer Price Index.

The next page provides a breakdown of the contribution and expenditure limits for 2022. To learn more about local contribution and spending limits, check out the Commission's 2022 OCRA Guide for candidates.

**CITY OF OAKLAND
CAMPAIGN CONTRIBUTION AND EXPENDITURE LIMITS
PER THE OAKLAND CAMPAIGN REFORM ACT
2022**

LIMITATIONS ON CONTRIBUTIONS FROM PERSONS, BUSINESSES , AND OTHER ORGANIZATIONS (§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))	\$900

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))	\$1,800

EXPENDITURE CEILINGS FOR CANDIDATES FOR MAYOR AND OTHER CITYWIDE OFFICES WHO AGREE TO VOLUNTARY SPENDING LIMITS (§3.12.200)¹

Mayor	\$512,000
City Auditor	\$366,000
City Attorney	\$366,000
Council Member At-Large	\$366,000
District 1 Council Member	\$161,000
District 2 Council Member	\$160,000
District 3 Council Member	\$161,000
District 4 Council Member	\$153,000
District 5 Council Member	\$153,000
District 6 Council Member	\$153,000
District 7 Council Member	\$155,000
District 1 School Board Director	\$107,000
District 2 School Board Director	\$107,000
District 3 School Board Director	\$107,000
District 4 School Board Director	\$102,000
District 5 School Board Director	\$102,000
District 6 School Board Director	\$102,000
District 7 School Board Director	\$103,000

INDEPENDENT EXPENDITURE COMMITTEE THRESHOLD/EXPENDITURE CEILINGS LIFTED (§3.12.220)

Citywide offices	\$131,000
District offices	\$28,000

¹ 2022 voluntary spending limits may change following the Redistricting Commission's determination of new district boundaries and district population counts.

APPENDIX 3: Limited Public Financing Act

Chapter 3.13 - LIMITED PUBLIC FINANCING ACT

Article I. - Findings and Purpose

3.13.010 - Title.

This chapter 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 the 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, 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 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.

- 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 this 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 to be known as the "Election Campaign Fund."

3.13.060 - Appropriation of funds.

- A. The 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 city 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 \$500,000.00 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 seven and one-half percent 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 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 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 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 Section 3.12.200, the candidate shall be subject to the contribution limits of Subsections 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 Section 3.12.200, the candidate shall be subject to the contribution limits of Subsections 3.12.050(b) and 3.12.060(b) as adjusted pursuant to Subsections 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 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 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 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 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 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 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 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 \$1,000.00 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 \$500.00 or more ten calendar days before the election.
- C. The public ethics commission or its designee shall have ten 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 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 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 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 \$1,000.00 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 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.

Item 9 - Disclosure Report



Arvon J. Perteet, Chair
Michael B. MacDonald, Vice-Chair
Charlotte Hill
Jessica Leavitt
Ryan Micik
Joe Tuman

Whitney Barazoto, Executive Director

TO: Public Ethics Commission
FROM: Suzanne Doran, Lead Analyst
Jelani Killings, Ethics Analyst
Whitney Barazoto, Executive Director
DATE: April 1, 2022
RE: Disclosure and Engagement Monthly Report for the April 13, 2022, Meeting

This memorandum provides a summary of major accomplishments in the Public Ethics Commission's (PEC or Commission) Disclosure and Engagement program activities since the last monthly meeting. Commission staff disclosure activities focus on improving online tools for public access to local campaign finance and other disclosure data, enhancing compliance with disclosure rules, and conducting data analysis for PEC projects and programs as required. Engagement activities include training and resources provided to the regulated community, as well as general outreach to Oakland residents to raise awareness of the Commission's role and services and to provide opportunities for dialogue between the Commission and community members.

Compliance with Disclosure Requirements

Campaign finance disclosure – The committees listed below failed to submit campaign statements for the January 31, 2022, deadline and have been referred to the Fair Political Practices Commission for enforcement:

Committee	Treasurer	Candidate
CHERISSE GASH FOR OAKLAND SCHOOL BOARD DISTRICT 3 2020	HARPER, SHAUNA	GASH, CHERISSE
ANNIE CAMPBELL WASHINGTON 2014 OFFICEHOLDER COMMITTEE	CAMPBELL WASHINGTON, ANNIE	CAMPBELL WASHINGTON, ANNIE
ANNIE CAMPBELL WASHINGTON FOR OAKLAND CITY COUNCIL 2018	CAMPBELL WASHINGTON, ANNIE	CAMPBELL WASHINGTON, ANNIE
MOVE OAKLAND FORWARD NOW	JUAREZ, MARIO R	
MIKE HUTCHINSON FOR SCHOOL BOARD 2016	HUTCHINSON, HARRIET	HUTCHINSON, MICHAEL

In addition to enforcement referrals, the committee names and controlling officers will be published on the Commission website until the required statements are submitted or 24-months have passed since the missed deadline.

Two committees were assessed late filing fees for the January 31, 2022, deadline: Jordan for Mayor 2022 and Seneca Scott for Oakland 2020.

A Special Election has been scheduled for June 7, 2022, to consider a ballot measure that would extend the Library Services Retention and Enhancement Act. Political committees with activity related to the June 7 Special Elections must submit pre-election campaign statements on April 28 and May 26.

Campaign statements are available to view and download at the PEC’s [Public Portal for Campaign Finance Disclosure](#).

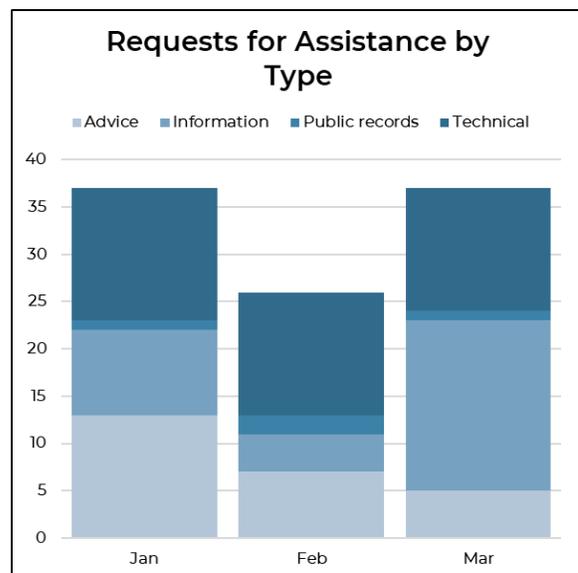
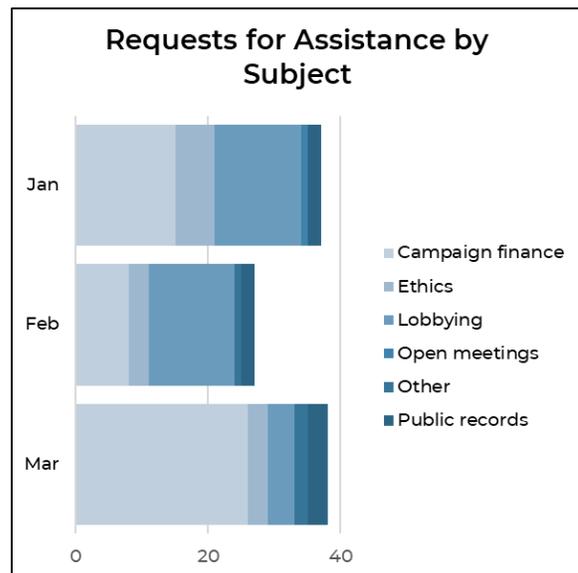
Lobbyist disclosure – The Oakland Lobbyist Registration Act (LRA) requires lobbyists to submit quarterly reports disclosing their lobbying activities to ensure that the public knows who is trying to influence City decisions. April 30 is the next deadline for quarterly lobbyist activity reports covering the period from January 1 through March 31, 2022. An up-to-date list of registered lobbyists and lobbyist activity reports with links to view and download individual reports is available at the PEC’s [Lobbyist Dashboard and Data](#) webpage.

Advice and Engagement

Advice and Technical Assistance – In March, Commission staff responded to 37 requests for information, advice or assistance regarding campaign finance, ethics, Sunshine law, or lobbyist issues, for a total of 102 requests in 2022.

Candidates and Campaigns – On March 25, staff issued an advisory regarding rules specific to ballot measure committees to inform treasurers and committees about state and local disclosure requirements.

Candidate and Treasurer Training – On March 30, staff conducted a joint candidate and treasurer training with representatives from the California Fair Political Practices Commission (FPPC). The 11 attendees received a two-hour training on the CA Political Reform Act and the Oakland Campaign Reform Act. Topics covered included campaign forms, committee IDs, campaign bank accounts, recordkeeping, contribution rules, and advertising disclosures. The training was recorded and added to the PEC’s website as a resource available for new candidates and committees. Treasurers who complete the training and pass a post-training quiz will be posted on the Commission website.



Item 9 - Disclosure Report

Form 700 Filer Training – On March 15, PEC staff conducted a live Government Ethics Training for Form 700 Filers via Zoom. The training was hosted by the Department of Human Resources (HR) and served as an alternative for employees that have not completed the PEC’s online training. Approximately 35 employees attended the training.

New Employee Orientation – Staff continues to make presentations at the City’s monthly New Employee Orientation (NEO) providing new employees with an introduction to the PEC and overview of the Government Ethics Act (GEA). On March 16, new employees watched the PEC’s 10-minute GEA Introductory Video.

Ethics Onboarding and Exit Process – In March, Commission staff completed migration of all mandatory ethics training materials and administrative instructions to the City’s new NEOGOV Learn platform. The new platform allows training assignment, notices to employees, and compliance tracking. In addition, a joint reminder with the PEC was sent from the Human Resources Department to department directors and SPOCs directing them to remind their Form 700 filers of the mandatory ethics training requirement and upcoming Form 700 annual deadline. Staff continued collaborating with Human Resources staff to add automated ethics onboarding and exit checklists and compliance tracking tools into the NEOGOV system. Follow-up to evaluate the process updates will take place after the April onboarding cycle concludes.

Limited Public Financing Act Guide – Commission staff updated the PEC’s comprehensive guide to the Limited Public Financing Act to reflect adjusted application deadlines, contribution and voluntary spending limits, and qualifying thresholds for the 2022 election. In addition, staff updated the 2022 LPF application process so that the required application and reimbursement forms may be completed online, and the required documentation submitted electronically.

Online Engagement

Social Media – Each month Commission staff post social media content to highlight specific PEC policy areas, activities, or client-groups. In March, our posts focused on publicizing the PEC’s 2022 accomplishments and training and education resources for candidates and treasurers.

Item 10 - Enforcement Report



Arvon Perteet, Chair
 Michael MacDonald, Vice-Chair
 Charlotte Hill
 Jessica Leavitt
 Ryan Micik
 Joseph Tuman

Whitney Barazoto, Executive Director

TO: Public Ethics Commission
 FROM: Kellie Johnson, Enforcement Chief
 DATE: March 17, 2022
 RE: Enforcement Program Update for the April 13, 2022, PEC Meeting

Current Enforcement Activities:

Since the last Enforcement Program Update on March 9, 2022, Commission staff received 2 new complaint(s). This brings the total Enforcement caseload to 44 open cases: 12 matters in the intake or preliminary review stage, 14 matters under active investigation, 12 matters under post-investigation analysis, and 6 matters in settlement negotiations or awaiting an administrative hearing.

