

Law and Legislation Committee
Campaign Reform Issue
Preliminary Agenda for Discussion
City Council Chambers
June 19, 2001 12:30pm

Committee Members:

Chairperson – Steve Cohn
Council Member – Bonnie Pannell
Council Member – Sandy Sheedy
Council Member – Robbie Waters

Topics of Discussion

- Update on Lobbyist Registration Discussions
- Discussion of Proposed Components to Public Financing
 - Staff's proposed recommendation
 - Alternative recommendations
- Outstanding Issues
- Next Meeting

PROPOSED PUBLIC FINANCING COMPONENTS

PUBLIC FINANCING

A candidate must file either a statement of acceptance of financing from the Campaign Reform Fund or a statement of rejection of financing from the Campaign Reform Fund.

If a candidate files a statement of rejection of financing, any opposing candidate who has filed a statement of acceptance of financing may rescind their statement and also file a statement of rejection within 10 days of notice.

QUALIFICATION OF MATCHING FUNDS

All of the following conditions must be met:

- Candidate has filed a statement of acceptance of financing and not rescinded statement.
- Candidate has raised and deposited in the candidate's campaign contribution acct. at least \$10,000 consisting of contributions totaling \$250 or less per source other than themselves, spouses or children.
- Candidate is opposed by a candidate who has qualified for payments from the Campaign Reform Fund or who has raised at least \$10,000 of campaign contributions.
- All candidates in a general election who have filed statement of acceptance of financing, have not rescinded statement, shall be entitled to receive payments from the Campaign Reform Fund.
- To determine whether a candidate has raised at least \$10,000 as required, the first \$250 of any contribution that exceeds \$250 shall be counted, the remainder shall not.
- To determine whether a candidate has raised at least \$10,000 as required, a loan, pledge, extension of credit, or non-monetary contribution shall not be counted a contribution.

MAXIMUM CITY MATCH

Council Members:

Dollar match of: **\$30,000** from sources totaling \$250 or less from a single source.

Mayoral Candidates:

Dollar match of: **\$100,000** from sources totaling \$250 or less from a single source.

PROPOSED PUBLIC FINANCING COMPONENTS

PUBLIC FUNDS

OPTION I

During the preparation of the budget for any fiscal year, the City Manager shall estimate amount necessary to provide public funding and meet all other expenses necessary. If the amount estimated by CMO to provide public funding, and all other expenses required by budget are inadequate, City Council shall transfer such additional funds from General Fund Admin contingency Unit to Campaign Reform Budget Unit.

OPTION II

During any fiscal year which contains either a general or primary election period, the City Council shall appropriate from the General Fund and deposit in the Campaign Reform Budget Unit the amounts estimated by the CMO necessary to provide for public funding.

Staff recommends OPTION III:

OPTION III

The public financing issue be placed before the Sacramento Voter. Funds not be appropriated from the General Fund. A two third (2/3) voter approval required for public financing measure with identified source of new special tax revenue.

CANDIDATE'S SURPLUS FUNDS

All surplus funds up to the amount of public funds paid to a candidate remaining after all obligations are met by a candidate shall be returned to the Campaign Reform Fund.

INSUFFICIENT FUNDS – ALLOCATION AND DISBURSEMENT

At the close of the period for filing declarations of candidacy for elective office, the City shall determine the total amount of money in the Campaign Reform Fund and amount necessary to provide participating candidates with matching public funds.

If Campaign Reform Fund is insufficient and monies cannot be transferred to Campaign Reform Fund, the City will allocate between Mayoral and Council races 40% and 60% respectively.

Following the primary election, if Campaign Reform Fund is still insufficient for general election, the City will take remaining amount and allocate 40% and 60% to mayoral and council races respectively.

PROPOSED PUBLIC FINANCING COMPONENTS

SPENDING LIMITATIONS

Council Members:

No Candidate for Council who files a statement of acceptance of financing from the Campaign Reform Fund shall make campaign expenditures in excess of the following amounts:

\$60,000 during primary

\$60,000 during general or special election.

If a candidate who has filed a statement of rejection of financing makes campaign expenditures in excess of the expenditure limitations, such expenditure limitations shall cease to be applicable to all other candidates.

Mayoral Candidates:

No Candidate for Mayor who files a statement of acceptance of financing from the Campaign Reform Fund shall make campaign expenditures in excess of the following amounts:

\$200,000 during primary

\$200,000 during general or special election.

If a candidate who has filed a statement of rejection of financing makes campaign expenditures in excess of the expenditure limitations, such expenditure limitations shall cease to be applicable to all other candidates.

INFLATION PROVISION

Dollar amounts to be escalated according to CPI Index.

Campaign Finance Comparisons
City of Sacramento

Component	Adopted by City Council	Common Cause League of Women Voters Proposal
Individual Contributions	Mayor: \$1,000 Council: \$750	Mayor: \$800 Council: \$550
PAC Contributions	Mayor: \$5,000 Council: \$3,000	Mayor: \$1,500 Council: \$1,000
Loans to own Campaign	No limits	Mayor: \$20,000 Council: \$10,000
Individual Aggregate Contribution		Contribution limit* number of races (i.e. \$750 * 4 races= \$3,000 available for election period)
Total Contributions to Officeholder Account		\$10,000 per year \$500/year contribution by entity
Off-year Fundraising	Mayor: \$30,000 per year Council: \$15,000 per year contribution limit as above and attributable to specific campaign	Banned
Period of Solicitation for Campaign Contributions	July 1 st of year prior to primary election first day of month after primary for general election	6 months before election/ 3 months after election (exception to retire debt)
Candidate to Candidate Transfer	Banned	Banned

Campaign War Chests	Allowed	Banned
Independent Expenditures: Contribution Limits	\$750 (individual) \$3,500 (PAC)	\$1500
Disclosure on Literature	Required	Required

Public Financing Component

Component	Staff Recommendation	Common Cause League of Women Voters Proposal	Other Options
Eligibility for Funds	<p>Filed statement of intent</p> <p>Raised at least \$10,000 eligible non-public funds (mayor or council)</p> <p>Opposed by candidate who has raised at least \$10,000</p>	<p>Filed statement of intent</p> <p>Raised at least \$10,000 eligible non-public funds(mayor) \$3,000 eligible non-public funds(council)</p> <p>Opposed by candidate that has raised or spent at least \$10,000 (mayor) \$3,000 (council)</p> <p>Participate in at least one public forum authorized by Election Administrator</p> <p>Limit use of personal funds to no more than 5% of voluntary spending limit</p>	

Voluntary Spending Limits			
Mayor Match Formula	Total spending \$200,000 \$100,000 public funds \$100,000 private funds (1:1 match first \$250 contribution)	Total spending \$200,000 \$65,000 public funds \$135,000 private funds (1:1 match first \$300 contribution)	Oakland: Total spending based on formula \$.70/per resident in City
Council Match Formula	Total spending \$60,000 \$30,000 public funds \$30,000 private funds (1:1 match first \$250 contribution)	Total spending \$45,000 \$15,000 public funds \$30,000 private funds (1:1 match first \$150 contribution)	Oakland: Total spending based on formula \$1.50/resident in District
Threshold To Receive Subsequent Public Funds		Mayor: Each \geq \$10,000 request, \geq \$1,000 (last 10 days) Council: Each \geq \$3,000 request, \geq \$1,000 (last 10 days)	
Surplus Funds	Returned to Campaign Reform Fund	No more that \$10,000 put in office holder account Returned to contributors entitled to \geq \$5 on pro rata basis or Returned to Election Campaign Fund	
Lifting of Expenditure Ceiling		Opponent spends in excess of 75% of voluntary limit or Independent Expenditure Committee(s) spends in excess of 50% of voluntary limit	
Use of Public Matching Funds		Legitimate campaign expenses to promote candidacy of candidate	
Public Fund Maximum Amount		\$575,000	
Insufficient Public Funds	Available Funds Distributed in ratio of Mayor (40%) Council (60%)	Pro Rata Basis to qualified candidates	

Analysis of Public Financing Applied to Recent Elections 2000-2001

- Assumptions:
1. Only major candidates are included in analysis and assumed to qualify for maximum public match.
 2. Each candidate had an opponent who qualified for public funds. (*Jones had no opponent)
 3. Common Cause/LWVS match formula:
Mayor: Raise at least \$10,000, match first \$300 up to \$65,000 limit
Council: Raise at least \$3,000, match first \$150 up to \$15,000 limit
 4. Staff match formula:
Mayor: Raise at least \$10,000, match first \$250 up to \$100,000 limit
Council: Raise at least \$10,000, match first \$250 up to \$30,000 limit
 5. No loan paybacks are included in analysis.
 6. This analysis assumes that the contributions amounts for matching were received.
 7. The Staff proposal assumes that no contributions >\$250 were received by any candidate.

COMMON CAUSE					STAFF PROPOSAL		
PRIMARY March 2000	Actual Spending	Private	Public	Total	Private	Public	Total
Mayoral							
Fargo		135,000	65,000	200,000	100,000	100,000	200,000
Cohn		135,000	65,000	200,000	100,000	100,000	200,000
Kerth		135,000	65,000	200,000	100,000	100,000	200,000
Waters		135,000	65,000	200,000	100,000	100,000	200,000
Genshlea		135,000	65,000	200,000	100,000	100,000	200,000
Padilla		95,866	65,000	160,866	95,866	95,866	191,732
Total Mayoral		770,866	390,000	1,160,866	595,866	595,866	1,191,732
City Council							
Sheedy		30,000	15,000	45,000	30,000	30,000	60,000
Farrell		30,000	15,000	45,000	30,000	30,000	60,000
DeLuz		30,000	15,000	45,000	30,000	30,000	60,000
Yee		20,622	15,000	35,622	20,622	20,622	41,244
Jones*		26,497	0	26,497	26,497	0	26,497
Pannell		30,000	15,000	45,000	30,000	30,000	60,000
Shelby		28,685	15,000	43,685	28,685	28,685	57,370
Total City Council		195,804	90,000	285,804	195,804	169,307	365,111
GENERAL November 2000							
Mayoral							
Fargo		135,000	65,000	200,000	100,000	100,000	200,000
Kerth		135,000	65,000	200,000	100,000	100,000	200,000
Total Mayoral		270,000	130,000	400,000	200,000	200,000	400,000
City Council							
Sheedy		30,000	15,000	45,000	30,000	30,000	60,000
Farrell		30,000	15,000	45,000	30,000	30,000	60,000
Total City Council		60,000	30,000	90,000	60,000	60,000	120,000

Analysis of Public Financing Applied to Recent Elections 2000-2001

COMBINED								
Mayoral								
Fargo	695,892	270,000	130,000	400,000	200,000	200,000	400,000	
Cohn	195,099	135,000	65,000	200,000	100,000	100,000	200,000	
Kerth	1,084,679	270,000	130,000	400,000	200,000	200,000	400,000	
Waters	281,035	135,000	65,000	200,000	100,000	100,000	200,000	
Genshlea	275,046	135,000	65,000	200,000	100,000	100,000	200,000	
Padilla	95,866	95,866	65,000	160,866	95,866	95,866	191,732	
Total Mayoral	2,627,617	1,040,866	520,000	1,560,866	795,866	795,866	1,591,732	
City Council								
Sheedy	226,507	60,000	30,000	90,000	60,000	60,000	120,000	
Farrell	116,656	60,000	30,000	90,000	60,000	60,000	120,000	
DeLuz	69,503	30,000	15,000	45,000	30,000	30,000	60,000	
Yee	20,622	20,622	15,000	35,622	20,622	20,622	41,244	
Jones	26,497	26,497	0	26,497	26,497	0	26,497	
Pannell	104,256	30,000	15,000	45,000	30,000	30,000	60,000	
Shelby	28,685	28,685	15,000	43,685	28,685	28,685	57,370	
Total City Council	\$ 592,726	255,804	120,000	375,804	255,804	229,307	485,111	
Total Primary/General Elections	3,220,343	1,296,670	640,000	1,936,670	1,051,670	1,025,173	2,076,843	
SPECIAL March 2001								
Trethaway	102,405	30,000	15,000	45,000	30,000	30,000	60,000	
Hackett	51,426	30,000	15,000	45,000	30,000	30,000	60,000	
Total City Council	153,831	60,000	30,000	90,000	60,000	60,000	120,000	

Analysis of Public Financing Applied to Recent Elections 2000-2001

Annualization of Public Funds		CC/LWVS		Staff	
		2000 Total	Per year	2000 Total	Per year
Mayoral Race (every 4 years)		520,000	130,000	795,866	198,967
Council Races (every 2 years)		120,000	60,000	229,307	114,654
Special Election		30,000	15,000	60,000	30,000
Total:		670,000	205,000	1,085,173	343,620
2000/01 Amended General Fund Budget	252,646,000				
Election Cost as % of GFB			0.081%		0.136%
2000 Population	407,018				
Cost per Capita			\$0.504		\$0.844