



City Budget Office

Commissioner of Public Utilities

Analysis by Robert Cheney

DIRECTIONS TO DEVELOP

One-Time Funding for Open & Accountable Elections

\$950,000, 0.00 FTE

Direction Language

In FY 2017-2018 the Open and Accountable Elections program received \$250,000 of the \$1,200,000 requested to setup and operate the program, as well as providing the matching funds to qualified candidates. This has left a balance insufficient to meet the needs of the program. The purpose of this request is to ensure adequate funds are available for the software development, staffing needs, and matching funds for candidates. Currently, there is not a process for how funds would be distributed.

CBO Analysis

The Open and Accountable Elections Fund was created in December 2016 with the intent of creating a small-donor election program that would allow candidates to receive a matching contribution from the City for all small donations received while campaigning. The current rate established by City Code allows for an eligible candidate to receive a \$6 to \$1 match on any contribution from an individual donor, up to \$50.¹

In order for a candidate to be eligible for public funds through this program, they must meet certain requirements, including prohibitions against accepting any contributions from any political action committee, corporation, labor organization, or a state of local committee of a political party; or any individual donation exceeding \$250 (per election).²

Originally housed within the Office of Community and Civic Life, the program was moved into the Commissioner of Public Utilities' Office, with the policy stating that the program cannot be housed in any commissioner's office who is in the final two years of their term.³ In March 2018, the program moved \$100,000 from materials and service to personnel to fund a program director.⁴

¹ City Code 2.16.070 "Distribution of Public Contribution" March 2018.

² Ordinance 189336. January 2019.

³ Ordinance 188853. February 2018.

⁴ Ordinance 188872. March 2018.

The Open and Accountable Elections Program budgets out of Fund 214 and receives its funding from the General Fund. The fund had \$242,441 in ending fund balance after receiving \$250,000 in General Fund appropriation in FY 2017-18.

Table 1. Technology Costs for Open and Accountable Elections Software.

Contract costs to build software	\$132,750
Technology contingency funding	\$75,000
Project management	\$50,000
Quality assurance	\$30,000
Contract costs for training, platform and data hosting, and maintenance	\$12,750
Grant to Civic Software Foundation	\$5,000
Total	\$305,500

The Open and Accountable elections program receives an annual, ongoing appropriation of just over

Note: All contract and grant costs are for the Civic Software Foundation to recruit and onboard leadership for team to build the software and include a one-year membership to the foundation

\$1.2 million from the General Fund. The program has a budgeted appropriation of \$1,266,472 for FY 2019-20. Minus one-time technology and ongoing administrative costs, the fund will have roughly \$2 million to disburse to eligible candidates for the 2020 election. Adding the requested \$950,000 would increase the total revenues available to disburse to eligible candidates to \$3 million.

To contextualize the magnitude of financial influence in a high-profile election and the role of individual donors in local elections, CBO looked at the most recent campaigns for the Office of Mayor. The top three vote-getters in the 2016 mayoral election raised \$1.38 million in aggregate during calendar years 2015 and 2016, with \$935,430 (68%) of that coming from at least 1,520 individual donors. Of those 1,520 donors, 977 (64%) of them made contributions equal to or less than \$250.⁵

To qualify, a candidate must raise at least \$5,000 from at least 500 individuals for the office of mayor or \$2,500 from at least 250 individuals for commissioner (eligible funds are later matched if this threshold is reached). Moreover, the code prohibits candidates from taking any money from a political action committee, labor organization, corporation, or state/local committee of a political party. Additionally, the candidate may not receive any donation greater than \$250. These policy restrictions will greatly restrict how candidates will behave once the program is implemented.

The most appropriate metric for measuring the level-of-service outcomes of this program are how many candidates it can support using the existing six-to-one “public match” funding methodology currently in place. However, the six-to-one public match level-of-service for candidates is dependent on the amount of money in the fund, the number of candidates, and the level of funding they generate.⁶ As Table 2 shows, the maximum the City can disburse per candidate is a known amount— what is *unknown* is how many candidates will certify, how much they will raise, and how many elections there will be.

City Code states “if the total amount available for distribution in the Fund is insufficient to meet

⁵ Oregon Secretary of State ORESTAR. <https://secure.sos.state.or.us/orestar/>

⁶ Ordinance 188152. December 2016.

the allocations required, the Director must reduce each public contribution to a certified candidate by the same percentage of the total contribution.”⁷ Therefore, the program director retains the authority to reduce the six-to-one public match ratio if the demand for funds exceed available resources. However, the director also has the discretion to request an increase in funding from Council during the fiscal year should they determine the available amount insufficient.

CBO recognizes that that this proposal addresses a Council-approved goal for the City. Due to the expected changes in behavior from the implementation of this policy, CBO has questions about whether the requested amount is needed to achieve the expected outcomes of the program. It is unknown how many individuals will participate in this program, and how much money will be required in each election cycle to adequately fund the program. Due to limited General Fund resources, and because the amount needed to adequately fund each candidate at a six-to-one service level is unknown, CBO recommend the program move forward with its existing funding, and that any additional amount needed be considered by Council on an as-needed basis during the fiscal year as more data becomes available.

As a new program, if funding is approved by Council, CBO would recommend that the bureau evaluate the effectiveness of the proposal within three years of appropriation to see if initially intended results have transpired.

Table 2. Maximum City Costs per Eligible Candidate, per Election

Type of Election	Office	Total Public Contribution Maximum	2016 Candidates
Primary or Special Nominating Election	Mayor	\$304,000	15
General or Special Runoff Election	Commissioner or Auditor	\$200,000	16
	Mayor	\$456,000	0
	Commissioner or Auditor	\$240,000	2

Source: City Code 2.16.070 "Distribution of Public Contribution"

⁷ City Code 2.16.090 "Adequate Funds" March 2018

