



**SERVICE EMPLOYEES  
INTERNATIONAL UNION  
LOCAL 1000**

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# Overview

This presentation will cover the following topics:

- Supporting Candidates
  - State
  - Local
  - Federal
- Other Union Activities
- Use of Small Contributor Committee funds, Issues PAC funds
- Lobbying Gifts



**SUPPORTING CANDIDATES**

# CONTRIBUTIONS

ANY PAYMENT –

1. Made for Political Purposes (i.e., not a gift)
2. To an officeholder, candidate or committee
3. Unless full and adequate consideration is received.

# CONTRIBUTIONS INCLUDE

1. Monetary payments
2. Loans
3. In-kind donations of goods or services

# **EXAMPLES OF IN-KIND CONTRIBUTIONS**

1. Use of office space or phones
2. Payments made directly to vendors on candidate's behalf

# **EXAMPLES OF IN-KIND CONTRIBUTIONS – cont.**

3. Mailings or other communications to the public which are done at the request or suggestion of the candidate or in coordination with the candidate
4. Hosting a fundraiser or other campaign event.

# “FAIR MARKET VALUE”

In-kind contributions are reported based on the “Fair Market Value” of the goods or services.

“Fair Market Value” is what the candidate would have otherwise paid to obtain the goods or services provided.

“Fair Market Value” is not necessarily the cost to the contributor.

# RULES FOR CONTRIBUTIONS

1. Comply with applicable limits
2. Use PAC checks – no reimbursements
3. Notify candidates of in-kind contribution in writing
4. Report all contributions prior to the election as required.

# **WHEN IS A CONTRIBUTION “MADE” TO A CANDIDATE?**

A monetary contribution is “made” on the date it is mailed or delivered to the candidate or committee.

An in-kind contribution is “made” and “received” on the earlier of the following dates:

1. The date payment is made for the goods or services
2. The date that the candidate obtains possession or control of the goods or services
3. The date that the candidate receives the benefit of the goods or services.

STATE CANDIDATES – CAMPAIGN CONTRIBUTION  
LIMITS ELECTION  
EFFECTIVE JANUARY 1, 2007

<b>CONTRIBUTOR</b>	<b>LEGISLATURE</b>	<b>BOE/STATEWIDE OTHER THAN GOVERNOR</b>	<b>GOVERNOR</b>
Individuals, Committees, Businesses or Unions	\$3,600	\$6,000	\$24,100
Small Contributor Committee	\$7,200	\$12,100	\$24,100
Lobbyist	Prohibited	Prohibited	Prohibited
Political Party	No Limit	No Limit	No Limit

# LIMITS ON CONTRIBUTIONS RECEIVED BY PACS

Regular PAC                      \$6,000 per calendar year

Small Contributor              \$200 per calendar year

Committee

PER CONTRIBUTOR

# SUPPORTING CANDIDATES

## PROHIBITIONS

- Cash contributions of \$100 or more prohibited
- No laundering of contributions
- Anonymous contributions of \$100 or more are prohibited
- Occupation & employer information required if contribution \$100 or more

# **INDEPENDENT EXPENDITURES**

REPORTABLE  
BUT  
NO LIMITS

# INDEPENDENT EXPENDITURES

## DEFINITION

A payment, **which is:**

- Made in connection with a **communication**, which
- **Expressly advocates** the election or defeat of a candidate or the qualification, passage or defeat of a ballot measure, but which is
- **Not** made “at the behest of” a candidate or other committee or their agents.

# INDEPENDENT EXPENDITURES

## EXAMPLES OF INDEPENDENT EXPENDITURES

- Flyers, brochures or mailers which are mailed or otherwise distributed to voters;
- Pins, bumper stickers and doorhangers which are distributed in the jurisdiction of the election;
- Billboards, newspaper, radio and television advertisements;
- Phone banks to voters.

# RULES FOR INDEPENDENT EXPENDITURES

1. Do not coordinate the content, timing, location, mode, intended audience, volume of distribution or frequency of placement with candidate or candidate's agents
2. Place disclaimer requirements on all mass mailings – full name and address of committee on outside of mail
3. Disclose prior to the election as required.

# INDEPENDENT EXPENDITURES

## WHEN IS AN IE “MADE”?

An Independent Expenditure is “made” when the earlier of the following occurs:

- The communication to the voters is made, or
- When payments in connection with the development, production or dissemination of the communications are made.

# INDEPENDENT EXPENDITURES

## WHEN IS AN EXPENDITURE NOT “INDEPENDENT”?

- Based on information about candidates needs or plans provided by the candidate
- Communication replicates, reproduces or republished, in whole or in substantial part the candidate’s own materials.

# **INDEPENDENT EXPENDITURES**

**EXPENDITURES CAN BE INDEPENDENT EVEN IF.....**

- PAC has made a contribution to the candidate.
- Candidate has made an appearance before the Association's members.
- PAC has obtained a photo, bio, press release or similar material from the candidate.

# LOCAL CANDIDATES

- No contribution limits imposed by State law
- Voluntary expenditure limits do not apply
- Local ordinances apply to local campaigns

# **CONTRIBUTIONS TO FEDERAL CANDIDATES**

- Federal elections governed by federal laws
- No union contributions or expenditures permitted in federal elections except through a federal PAC

# FEDERAL CANDIDATES

- Major exception for member communications by unions
  - Permitted if directed only to union members and their immediate families
  - Reportable to Federal Election Commission when costs exceed \$2,000 per election
  - No coordination with federal candidates
  - Member=Members of all affiliated labor organizations
  - Labor Fed and CLC communicate with members of all affiliated local unions.

# CAMPAIGN REPORTING

2,365.3  
323,125.2  
56,321.  
265,330,000  
65,237  
366  
326

# **CAMPAIGN REPORTING**

## **SEMI-ANNUAL REPORTS (FPPC Form 460)**

- Through 06/30 – due 7/31
- Through 12/31 – due 1/31

**REQUIRED REGARDLESS OF ACTIVITY**

# CAMPAIGN REPORTING

## PRE-ELECTION REPORTS

- Triggered by election activity for PACs (contributions or independent expenditures)
- Mandatory for Candidates on the ballot

# CAMPAIGN REPORTING

## LATE REPORTS

- Late Contribution Report (FPPC Form 497)
- Late Independent Expenditure Report (FPPC Form 496)

\$1,000 or more  
24-hour deadline

# USING CAMPAIGN FUNDS

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366  
326

# USING CAMPAIGN FUNDS

General Rule – expenditure must relate to political or governmental purpose

Specific Rules for travel, donations, gifts, etc.

# USING CAMPAIGN FUNDS

Small contributor PAC

This PAC is formed to support or oppose candidates

Can make contributions to state or local candidates

Can make independent expenditures in support of/opposition to state or local candidates

# USING CAMPAIGN FUNDS

## Issues PAC

Formed to make contributions or independent expenditures in support of or opposition to state or local ballot measures

# UNION ACTIVITIES

2,365.3  
323,125.2  
56,321.  
265,330,000  
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366  
326

# UNION ACTIVITIES

WHICH DO NOT REQUIRE  
REPORTING and ARE NOT SUBJECT TO  
LIMITS

MEMBERSHIP COMMUNICATIONS

# **MEMBERSHIP COMMUNICATIONS**

Includes communications to member and member's family

Applies to communications made by Union to members

Does not apply to sending out candidate's brochures – must be the union's message

May be coordinated with candidate's campaign

# **UNION ACTIVITIES**

**WHICH DO NOT REQUIRE  
REPORTING and ARE NOT SUBJECT TO  
LIMITS**

**NONPARTISAN VOTER  
REGISTRATION AND GET-OUT-THE-  
VOTE ACTIVITIES**

**NO REFERENCES TO SPECIFIC  
CANDIDATES OR POLITICAL PARTY**

# UNION ACTIVITIES

**WHICH DO NOT REQUIRE REPORTING  
and ARE NOT SUBJECT TO LIMITS**

**DONATION OF EMPLOYEE SERVICES  
(IF LESS THAN 10% OF TIME IN A  
CALENDAR MONTH)**

**VOLUNTEERS, VOLUNTEERS, VOLUNTEERS**

# UNION ACTIVITIES

WHICH DO NOT REQUIRE REPORTING  
and ARE NOT SUBJECT TO LIMITS

HOSTED EVENTS – TOTAL COST  
UNDER \$500

CANDIDATE DEBATES AND  
APPEARANCES

# LOBBYING

20365.3  
323.125.2  
56.321.  
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65.237  
366.  
326.

# CALIFORNIA LOBBYING LAWS

- Covered by the Political Reform Act – Principally a Sunshine statute
- Only regulates lobbying at the state level (i.e. State Legislature and State agencies)
- Local lobbying will be subject to local lobbying ordinances

# TYPES OF FILERS

1. Lobbyists (Individuals only – both contract and in-house)
2. Lobbying Firms
3. Lobbyist Employers
4. Lobbying Coalitions (10 or more entities)
5. \$5,000 Filers

# WHAT IS LOBBYING ACTIVITY?

- Spending money
- Attempting to influence
- State legislative or administrative action

# **EXAMPLES OF LOBBYING ACTIVITY**

1. Time spend in teams discussing legislative or administrative action
2. Time spent drafting legislation, supporting materials or action alerts
3. Time spent communicating with others about legislative action
4. Time spent preparing for meetings with and providing information to, including statistics, officials (including staff) regarding legislative or administrative action. Includes staff, committee consultants, agency management and most employees (only excludes clerical employees)
5. Time spent driving to a hearing or meeting regarding legislative or administrative action

# WHAT IS NOT LOBBYING ACTIVITY?

1. Not spending money (e.g., volunteers)
2. Not attempting to influence (examples: requesting information, meetings with non-public officials to exchange information)  
Note: providing information including statistics to officials is lobbying activity
3. Not influencing the outcome of legislative or administrative activity
4. Time spent learning how to lobby or getting updates on legislative or administrative issues by others.

# LOBBYIST EMPLOYER

- Persons who employ in-house lobbyists or contract with lobbying firms.

# LOBBYING

## NOTE:

Some local jurisdictions regulate lobbying of its local officials.

Check with legal counsel before engaging in lobbying of local officials.



**GIFT RULES**  
**BEHESTED PAYMENTS**

# GIFT AND HONORARIA RULES

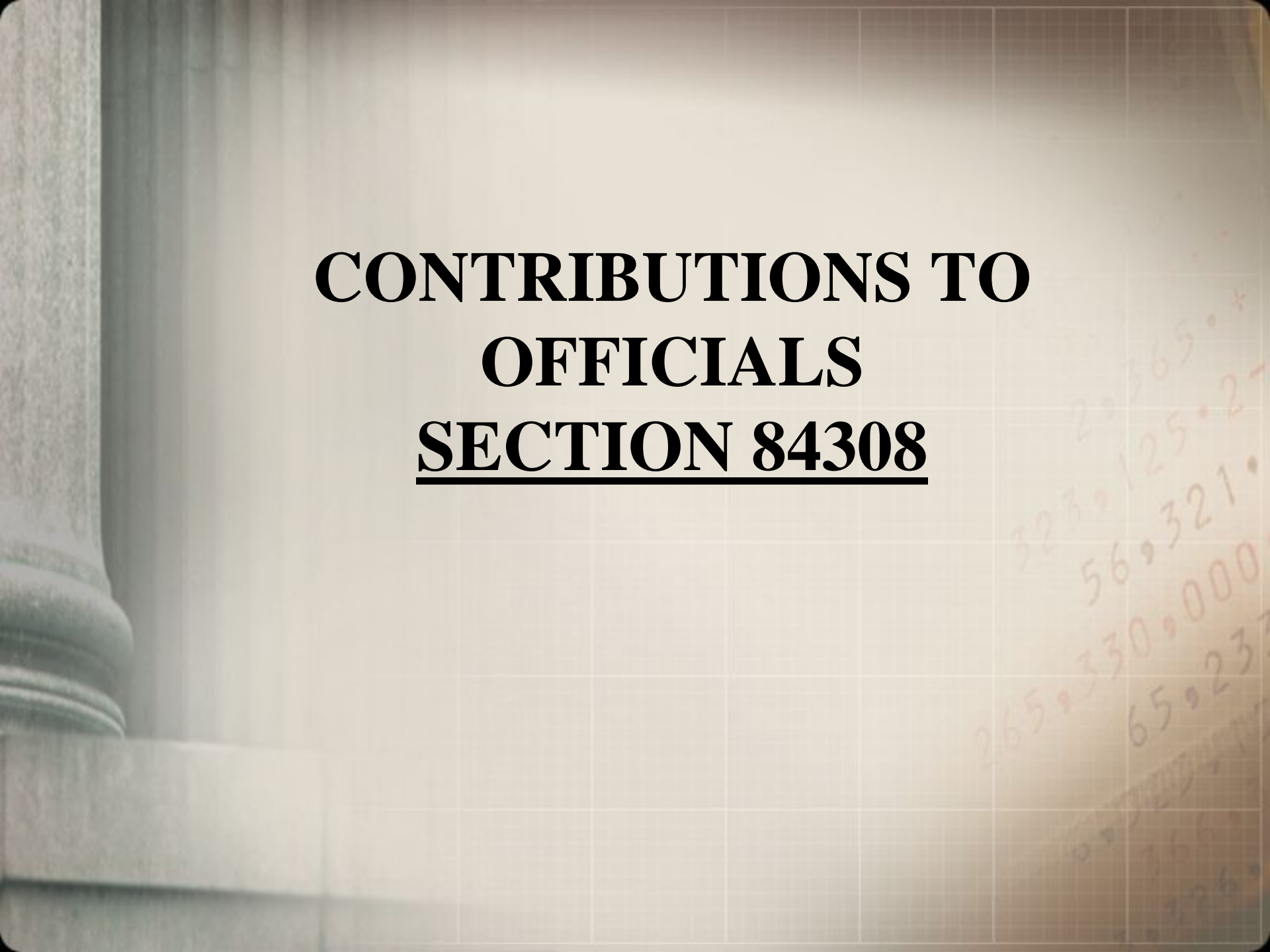
- Prohibition on honoraria paid to state and local officials (including state employees and most local employees)
- Gift Limit to State and Local Officials
  - Applies to elected state and local officials, candidates, members of state and local boards and commissions
  - \$390 calendar year limit – beginning January 1, 2007
    - Local gift limits may be stricter
    - Includes meals, travel and entertainment

# “GIFT” DOES NOT INCLUDE

- Tickets to political fundraisers
- Tickets to fundraisers for 501(c)(3) organizations
- Informational material ( seminars and on-site tours)
- Personalized plaques and trophies (Less than \$250)
- Home hospitality
- Items returned or donated to charity within 30 days

# BEHESTED PAYMENTS

- Elected officials may co-sponsor charitable, governmental or legislative events with other entities
- For example: a job fair or conference
- Payments made by outside sources in connection with these events are not contributions or gifts, but are required to be reported



**CONTRIBUTIONS TO  
OFFICIALS  
SECTION 84308**

# **CONTRIBUTIONS TO ELECTED OFFICIALS**

State law disqualifies the public official from participating in certain proceedings if the official has received campaign contributions of more than \$250 from a party, participant or their agents within the 12 months preceding the decision.

It prohibits solicitation or receipt of campaign contributions in excess of \$250 during such proceedings or for three months after the decision, from parties, participants or their agents.

# **CONTRIBUTIONS TO ELECTED OFFICIALS**

- Who is covered?
  - All elected and appointed “officers” of an “agency” and their alternates, as well as candidates for elective public office.
  - It includes the governing board or commission of any public agency, as well as the head of an agency.

# **CONTRIBUTIONS TO ELECTED OFFICIALS**

- What Agencies Are Not Covered?
  - The judicial branch
  - The Legislature
  - The Board of Equalization
  - Constitutional officers
  - Local agencies whose members are elected by the voters (e.g., city councils and county boards of supervisors)

# **CONTRIBUTIONS TO ELECTED OFFICIALS**

What conduct is prohibited?

Officers may not solicit, accept or direct campaign contributions of more than \$250 from any party, participant or agent of a party or participant, while a proceeding is pending before the officer's agency and for three months following the date of that decision

An official "directs" a contribution if he or she acts as the agent of another person or committee, such as SEIU 1000's PAC, in accepting a contribution on behalf of, or submitting a contribution to the PAC.

# **CONTRIBUTIONS TO ELECTED OFFICIALS**

## **When is an officer disqualified?**

An officer will be disqualified from participating in a decision when, prior to making the decision, he or she learns that a party or participant in a proceeding made a contribution of more than \$250 to the officer within the preceding 12 months.

However, if the officer returns the contribution (or that portion of the contribution which is over \$250) within 30 days from the time he or she learns of the contribution and the proceeding, disqualification is not required.



**COMMONLY ASKED**  
**QUESTIONS**

# QUESTION

1. IF AN ORGANIZATION ALLOWS A CANDIDATE TO USE THE ASSOCIATION OFFICES AND PHONES FOR PHONE BANKING TO VOTERS, HAS THE ORGANIZATION MADE AN IN-KIND CONTRIBUTION TO THE CANDIDATE?

IF SO, HOW IS IT VALUED?

# ANSWER

1. The use of office space and telephones for a phone bank are an in-kind contribution to the candidate which must be valued at fair market value. Assuming the use of volunteers for callers, the fair market value for a phone bank is currently around \$9.00 per phone per hour plus any long distance charges. This type of valuation may be used in determining the fair rental value of the space and phones. ( Another way to determine the value of a phone bank is to research the cost of hiring a commercial phone bank organization in your area.)

This type of in-kind contribution is reportable when the phone bank occurs and not after the election when the phone bill is received. For purposes of reporting when the actual invoice of expenses are not available, reasonable estimates may be used with an indication that the numbers are estimates.

# QUESTION

2. AN ORGANIZATION WANTS TO CONDUCT ITS OWN PHONE BANK OUT OF ITS OFFICES USING MEMBERS TO CALL OTHER MEMBERS URGING THEM TO VOTE FOR A CERTAIN CANDIDATE. IS THIS REPORTABLE? SUBJECT TO LIMITS?

# ANSWER

2. This activity is not reportable or otherwise subject to contribution limits since the communications are only with the Union's own members. The message should be from the Union and prepared by the Union to clearly come within the exception for "member communications."

# QUESTION

3. AN ORGANIZATION PLANS TO SEND OUT A MAILER TO ITS MEMBERS URGING THEM TO VOTE ON ELECTION DAY. THE MAILER WILL NOT MENTION ANY CANDIDATES ALTHOUGH IT HAS ENDORSED THREE CANDIDATES FOR CITY COUNCIL. NONE OF THE CANDIDATES REQUESTED OR HAS BEEN INVOLVED WITH THE MAILING.

IS THIS A REPORTABLE IN-KIND CONTRIBUTION OR AN INDEPENDENT EXPENDITURE?

# ANSWER

3. This activity is not reportable activity since the communication is going only to the Union's members. In addition, the activity would not otherwise constitute an independent expenditure since the mailing does not expressly advocate the election or defeat of any clearly identified candidates.

# QUESTION

4. THE UNION'S ENDORSED CANDIDATE FOR SHERIFF HAS ASKED THE UNION TO HOST A FUNDRAISER FOR HIM. THE UNION HAS SENT OUT INVITATIONS, PURCHASED FOOD, HIRED A HALL AND A BAND. SHOULD THE PAC PAY FOR THESE EXPENSES? HOW ARE THESE EXPENDITURES REPORTED? SUBJECT TO LIMITS?

# ANSWER

4. Since they are political expenditures, they should be paid for by the Pac and reported as in-kind contributions to the candidate. The PAC should give the information concerning the in-kind contributions to the candidate for reporting on the candidate's campaign report as well. Make certain any contribution, in-kind or direct, does not exceed any applicable local contribution limits.

# QUESTION

5. OUR COUNTY SHERIFF JIM GREEN IS RUNNING FOR STATE SENATE. HE HAS ASKED OUR MEMBERS TO WALK PRECINCTS FOR HIM. THE PAC IS GOING TO PURCHASE T-SHIRTS FOR THE DEPUTIES TO WEAR WHICH SAY “DEPUTIES FOR GREEN FOR SENATE.” IS THIS REPORTABLE AND IS IT SUBJECT TO LIMITS?

# ANSWER

5. Yes. The expenditure for the t-shirts is a reportable in-kind contribution to the Green's state senate committee. It is reportable by the Pac and also subject to the \$3,600 per election limit (\$7,200 if the PAC is a registered Small Contributor Committee).

# QUESTION

6. OUR PAC HAS BEEN SOLICITED TO BUY TICKETS TO THE LOCAL CONGRESSMAN'S ANNUAL BIRTHDAY FUNDRAISER. CAN WE BUY TICKETS?

# QUESTION

6.No. Federal laws prohibit labor organizations from making contributions to federal candidates. Prohibition includes a local association's state or local PAC. Only individuals and federal PACs may make such contributions.