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Obama-Biden Transition Project Memorandum on Inauguration

To: Chirs Lu
From: Blake Roberts
Subject: Inauguration

QUESTIONS PRESENTED AND SHORT ANSWERS

How much federal funding does the Presidential Inaugural Committee receive? How are federal funds restricted?

The Presidential Inaugural Committee (PIC) receives no federal funding, although the GSA does provide space, IT, communications and other administrative support. Public funds traditionally pay for the swearing-in ceremony, the Congressional luncheon that follows, and the security, sanitation, and similar costs associated with certain inaugural events – but through entities other than the PIC. The PIC raises private money to fund the inaugural parade, inaugural balls, fireworks, concerts, and unofficial receptions and parties.

What is the recent history of private fundraising?

Recent PICs expended the following sums (all private):

- 2005 – \$42.3 million
- 2001 – \$30 million (estimate)
- 1997 – \$29 million (estimate)
- 1993 – \$25 to \$30 million (estimate)

How many people work on Inauguration, approximately?

The PIC usually has a staff of about 500. Past PIC staff sizes:

- 2005 – 500
- 2001 – 600
- 1997 – 500
- 1993 – 300

What kind of people have led Inauguration in the past?

Recent PIC leadership teams (co-chairs and executive directors) have always included at least one major finance figure from the campaign, at least one individual with a personal relationship with the President-elect, and someone with event planning experience (who often was involved with the convention). Bush's PICs were led primarily by businesspeople on his finance committee. Clinton included more staff, but still had at least one leading fundraiser.

DISCUSSION

A. FUNDING OF INAUGURAL ACTIVITIES

Overview

The Presidential Inaugural Committee (PIC) and the Joint Congressional Committee on the Inauguration (JCCIC) share principal responsibility for planning inaugural events. Traditionally, the JCCIC plans and pays for the swearing-in ceremony and the Congressional luncheon that follows; the PIC plans and pays for other inaugural events, including the parade, official balls, concerts, fireworks, and unofficial receptions and parties. Congress appropriated \$1.24 million to the JCCIC; the JCCIC may also utilize government services and accept gifts to carry out its responsibilities. The PIC does not receive any public funding, but does receive GSA support.

Additional government entities participate in the inauguration. The Joint Task Force-Armed Forces Inaugural Committee (AFIC) coordinates all military ceremonial support. The GSA provides space, IT, communications, and other administrative support to the PIC and AFIC. DOD, DHS, Secret Service, and the D.C. Metro Police provide security. The National Park Service and various District departments provide logistical, emergency management, sanitation, and similar services. These activities are for the most part publicly funded, though the PIC does face some reimbursement and indemnification requirements.

Funding—Sources and Restrictions

The PIC receives no federal appropriation and relies on private funding and in-kind government assistance (discussed below). In order to qualify for certain statutory privileges, it must agree not to accept donations from foreign nationals and to disclose all contributions over \$200 to the FEC. See 36 U.S.C. § 510 (2000).

The JCCIC can draw on federal funding, in-kind government assistance, and private funding. Congress has appropriated \$1.24 million to the JCCIC. Consolidated Appropriations Act, 2008, Pub. L. 110-161. The resolution creating the JCCIC authorized it to “utilize appropriate equipment and the services of appropriate personnel of departments and agencies” and “accept gifts and donations of goods and services.” S. Con. Res. 67 (110th Congress). Traditionally, the JCCIC has only been responsible for the swearing-in ceremony and Congressional luncheon that follows. However, the resolution creating the committee could be read to permit a broader range of activity: The resolution authorizes the JCCIC to “make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States” and to utilize government equipment and personnel “in connection with the inaugural proceedings and ceremonies.” *Id.* In contrast, the \$1.24 million appropriation is expressly “[f]or salaries and expenses associated with conducting the inaugural ceremonies of the President and Vice President of the United States, January 20, 2009.” Pub. L. 110-161. It may be possible for the JCCIC to collect private funds to sponsor some events traditionally paid for by the PIC.

The Defense Department is authorized by statute to assist the PIC and JCCIC with: “(1) Planning and carrying out activities relating to security and safety[;] (2) Planning and carrying out ceremonial activities[;] (3) Loan of property[; and] (4) Any other assistance that the Secretary considers appropriate.” 10 U.S.C. § 2553 (2000). The PIC must reimburse the military for costs not falling under safety, ceremonial activity, and loan of property. *Id.*

The GSA may provide “direct assistance and special services” to the PIC. 40 U.S.C. § 581(e) (2000). That assistance may include: space, communications systems, IT support, furniture, office equipment, erecting and removing stands and platforms, and providing and operating first aid stations. *Id.*; <http://www.gsa.gov/>.

The District of Columbia has statutory authorization for additional funds to be appropriated for the provision of additional municipal services during the inaugural period, including: transportation, public comfort stations, first-aid stations, and information booths, and “other incidental expenses in the discretion of the Mayor.” 36 U.S.C. § 511 (2000).

For the 2005 Inauguration, the National Park Service, Department of Homeland Security, Secret Service, and Architect of the Capitol also reported expenditures. See CRS Report, *The Presidential Inauguration of 2005: Basic Facts and Information* (Jan. 19, 2007).

In summary — although the PIC relies entirely on private money, federal funds do pay for the swearing-in ceremony and security, sanitation, and similar costs associated with large public events. The JCCIC has the capability to raise additional private funds and spend them on “necessary arrangements for the inauguration.”

B. RECENT HISTORY OF PRIVATE FUNDRAISING

Recent PICs expended the following sums (all private):

- 2005 — \$42.3 million
- 2001 — \$30 million (estimate)
- 1997 — \$29 million (estimate)
- 1993 — \$25 to \$30 million (estimate)

PICs have employed different fundraising methods. The 1993 PIC financed inaugural activities through short term loans from business and individuals that were repaid with proceeds from tickets sales, souvenirs, and advertising revenue from the prime-time Presidential Gala concert; it also accepted sizable in-kind donations. In 1993, \$2.4 million in tax-deductible donations were also made to a foundation that paid for activities that were free to the

public. The 1997 PIC banned corporate donations and capped donations at \$100, relying instead on ticket and merchandise sales; it also started with a \$9 million surplus from the 1993 PIC. The 2001 PIC relied primarily on private contributions from business and individuals, including a large number of \$100,000 donations; the PIC also sold tickets and merchandise. Similarly, the 2005 PIC relied heavily on large donations (40+ at max of \$250,000), many of them from corporations; ticket and souvenir sales also provided revenue.

C. NUMBER OF PEOPLE WORKING ON INAUGURATION

Past PIC staff sizes:

- 2005 – 500
- 2001 – 600
- 1997 – 500
- 1993 – 300

This year, the GSA has space prepared for up to 600 staff members of the PIC. And as of September 10, the AFIC had approximately 200 employees working on inaugural planning.

D. PAST PIC LEADERS

| PIC LEADERSHIP | | |
|-------------------------------|--------------------|---|
| Name | Title | Background |
| 2005 | | |
| Jeanne Phillips | Chair | Fundraising and special events consultant; '00 Senior Advisor for National Finance, Deputy Chair of Ops for RNC's Victory 2000; served as Ambassador to the OECD |
| Bill and Kathy DeWitt | Co-Chairs | Bill: Long-time Bush business partner, supporter; Ohio Finance Chair in '00, Ranger in '04; served on Foreign Intelligence Advisory Board Kathy: Served on National Council for the Arts |
| Mercer and Gabrielle Reynolds | Co-Chairs | Mercer: Long-time Bush business partner, supporter; Finance Chair in '00, '04; served as Ambassador to Sweden & Lichtenstein. Gabrielle: Served on Kennedy Center Bd of Trustees |
| Brad Freeman | Co-Chair | Investment banker; long-time Bush friend; '00 Bush Pioneer who raised \$10 m for campaign, \$25 m for party; served on Commission for White House Fellowships. |
| Greg Jenkins | Executive Director | Deputy Assistant to the President and Director of Presidential Advance |
| 2001 | | |
| Fred Meyer | Chair | Chair of RNC "Victory 2000" Campaign |
| Bill & Kathy DeWitt | Co-Chairs | See above. |
| Mercer and Gabrielle Reynolds | Co-Chairs | See above. |
| Brad Freeman | Finance Chair | See above. |
| Jeanne Phillips | Executive Director | See above. |

| 1997 | | |
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| Terry McAuliffe | Co-Chair | Fundraiser; later DNC chair |
| Ann Jordan | Co-Chair | Spouse of Vernon Jordan; former administrator at U of Chicago Hospital; member of nonprofit boards |
| Debbie Willhite | Co-Executive Director | Lobbyist at Black-Manafort; Director of '96 National Coordinated Campaign, ran convention in '96 |
| Craig Smith | Co-Executive Director | Asst. to the President / WH Political Director, '96 campaign Political Director |
| 1993 | | |
| Ron Brown | Co-Chair | DNC Chair, then Commerce Secretary |
| Linda Bloodworth-Thomason and Harry Thomason | Co-Chairs | TV producers; personal history w/ first couple; directed Man From Hope and much of convention. |
| Rahm Emanuel | Co-Executive Director | '92 Finance Director, then Asst. to the President for Political Affairs |
| Mary Mel French | Co-Executive Director | Personal history w/ first couple; Director of Administration for '92; later served as State Department Chief of Protocol. |



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