



AGENDA MEMO

TO:	Honorable Mayor and Members of the City Council	FROM:	Councilmember Janani Ramachandran, District 4
			Councilmember Kevin Jenkins, District 6
			Councilmember Ken Houston, District 7
SUBJECT:	Temporary Increases in Contribution Limits	DATE:	May 8, 2025

RECOMMENDATION:

Councilmembers Janani Ramachandran, Kevin Jenkins, and Ken Houston recommend that the City Council support our proposal to:

Adopt An Ordinance Amending Oakland Municipal Code Title 3, Municipal Elections, Article III, Chapter 3.12, The Oakland Campaign Reform Act, To Add Section 3.12.045 To Temporarily Increase Contribution Limits For Candidates In 2026 Elections And To Amend Section 3.12.150 To Increase Officeholder Fund Limits

SUMMARY OF CHANGES AND RATIONALE

Campaign Contribution Limits

The proposed amendment to the Oakland Campaign Reform Act seeks to *temporarily* raise individual contribution limits back to the 2022 levels of \$900, and the broad-based committee contribution limits to \$1800 for any individual election until Democracy Dollars is implemented for that respective election. This temporary increase of contribution limits will sunset – regardless of whether or not Democracy Dollars is implemented, in June 2029. The goal of this ordinance is to bridge the gap in potential funding sources for candidates due to the present unavailability of Democracy Dollars Program, and severely curtailed funding for the Limited Public Financing Program. The contribution limit increase would only apply to candidates who have accepted voluntary expenditure limits.

This ordinance is in line with the spirit of voter-passed initiatives including Measure W, the Oakland Fair Elections Act, passed in 2022. While Measure W reduced candidate contribution limits (to \$600 for individual contributions and \$1200 for committee contributions), it did so

with the hope that a fully funded Democracy Dollars program would be implemented. Unfortunately, this program was not available to Oakland residents or candidates during the 2024 election cycle, or the 2025 special election, and will likely not be available in the 2026 election due to continued budget constraints. Given the delay, this amendment would increase candidates' ability to fundraise at the previous threshold, without reliance on powerful independent expenditures - consistent with the measure. With the ability to accept slightly larger donations, candidates will be able to dedicate more time that would be spent on fundraising to instead focus on community engagement and voter outreach.

Influence of Independent Expenditures

National elections and outside influence have added to the rise in Independent Expenditures influencing local elections through flashy mailers, ads, and media campaigns. As a result, it is becoming increasingly difficult for local grassroots candidates and campaigns to achieve matched name-recognition and effectively reach all the voters in their district. For example, in the 2024 election, some candidates received support of over \$250,000 from one Independent Expenditure – giving these candidates an unmatched edge in name recognition and exposure that was not controlled by individual campaigns.

In the recent Special Election, independent expenditures were even more prominent and out of control, with a lack of transparency about where the money was coming from. Some candidates were supported by astroturf groups connected to wealthy individuals and corporations, which poured significant funding into this competitive race and had virtually no accountability to established campaigns.

The goal of this legislation is to uplift candidates' own ability to spread their own message and diminish the adverse impact of independent expenditures, which candidates do not control. Implementing increased contribution limits goes a long way in ensuring that lower-profile, grassroots candidates have a level playing field on the campaign trail. Even a difference of \$300 could mean the difference in paying one additional bilingual canvasser for one week to reach low-propensity voters in neighborhoods that are typically left out or unengaged in civic or political processes.

Comparison to Other Cities

Several other cities in California currently have larger contribution limits, including Sacramento, Fresno, and Hayward. Both Fresno and Sacramento have populations comparable to the size of Oakland (around 450,000 – 500,000), so these offer good comparisons. Sacramento currently has an individual contribution limit of \$2050 and committee contribution limit of \$6800 for local elections, while Fresno has an individual contribution limit of \$5500 and committee contribution limit of \$10,900. Hayward, with a population less than half the size of Oakland's, has individual contribution limits of \$1295.

Proposed Timeline

This legislation establishes a sunset of the temporary contribution limit increase on June 30, 2029, regardless of whether or not Democracy Dollars is implemented for respective races by then. This date reflects the current budget challenges in the City of Oakland and unlikelihood of the Democracy Dollars program being funded for the 2026 or even 2028 election cycles. The

proposed changes would be effective immediately upon passage. However if at some point before June 2029, Democracy Dollars funding of at least \$30,000 per certified candidate becomes available, the increased contribution limits would revert to previous limits set under Measure W.

Limited Public Financing

The proposed amendment would operate under similar logic of the temporary change in Limited Public Financing enacted in October 2023: although Measure W expressly rescinded the Limited Public Financing Program, the Public Ethics Commission and City Council agreed that it was not simply acceptable, but specifically fair and just to candidates to reinstate a 2024 version of the Limited Public Financing Program in order to bridge the gap in funding for 2024 candidates, who could not take advantage of Democracy Dollars due to budgetary constraints.

Since the Limited Public Financing Act of 2024, as referenced above, only applied to the 2024 general election, authors propose to restore Limited Public Financing to apply to the 2026 and 2028 elections, knowing that Democracy Dollars will likely not be implemented in these years. This is intended to temporarily bridge the gap in potential funding sources for candidates due to unavailability of the Democracy Dollars program coupled with severe cuts to the Limited Public Financing program. Reinstating Limited Public Financing will help ensure candidates can focus on communicating their views and positions to all Oakland residents and will ensure that having access to networks of wealthy donors is not a prerequisite for running a competitive campaign.

Officeholder Annual Limits

In addition to raising contribution limits, this legislation seeks to raise officeholder account annual limits for Councilmembers and at-large offices in order to supplement city funds that were once available to support various projects and community-based non-profits across the City of Oakland. For Councilmember accounts, the limits would increase to **\$75,000** per year. For at-large offices including Council At-Large, Mayor, City Auditor, and City Attorney, the limits would increase to **\$100,000** per year. Due to the City's structural deficit, previous funds which had been made available to elected officials, such as community arts grants for each Council office, are no longer available. Raising the limits would allow elected officials to support programs and initiatives in their district and the broader community, as well as host public events to foster transparency and civic engagement in local government.

Commitment to Implementing Measure W

We remain committed to the ensuring the full implementation of Measure W, the Oakland Fair Elections Act, including the establishment of the Democracy Dollars Program. However, we recognize that given our budget situation and forecasts for the next few years, it may not practically be implemented by 2026 as currently intended given the numerous start-up costs and staffing needs that have not been fully funded in the 2023-2024 budget, and the \$4,000,000 minimum required amount to be committed to the program in implementation years. Not only was there a very steep budget deficit that the City struggled to close in order to maintain a fully

balanced budget over the past two years— but there are also projections from the City’s Finance Department that the upcoming five-year forecast will continue to be strained in terms of generating revenue from a shrinking number of sources. These estimates factor in the realities, in which Oakland is not alone, of rebounding from the pandemic with a slower tourism and sales industry, dealing with a volatile real estate market due to high interest rates, and corresponding declines in real estate transfer taxes, among other factors.

While we fully hope that the Democracy Dollar program can be implemented as soon as possible, we want to ensure that the overarching goals of ensuring that all candidates – especially those from marginalized and historically under-represented economic, racial, and other societal backgrounds – are fully supported in their abilities to adequately raise funds to run a successful campaign. We recognize the realities that lowered contribution limits – absent public funding from the Democracy Dollars program, and with a reduced Limited Public Financing Program – will severely impact candidates’ abilities to run successful campaigns and instead amplify the voices of those candidates with access to the backing of high-sum independent expenditures.

Conclusion

In conclusion, our proposed amendment seeks to *temporarily* raise individual contribution limits back to the 2022 levels of \$900, and the broad-based committee contribution limits to \$1800 until June 2029 – in order to further the voter-approved goals of ensuring that diverse candidates are supported financially to have viable campaigns. Furthering this goal, this ordinance would re-enact the Limited Public Financing Act for the 2026 and 2028 elections to allow candidates more support for reaching a larger number of voters. Finally, the ordinance would increase officeholder annual limits to allow for Councilmembers, Mayor, and other city-wide offices to more actively contribute to public-serving programs and initiatives in their respective districts.

PROPOSED LANGUAGE

SECTION 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them part of this Ordinance.

SECTION 2. The City Council hereby adopts the addition of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.045 of the Oakland Municipal Code, as set forth below (new section number and heading title indicated in **bold type**):

3.12.045. Temporary Contribution Limit Increase for Candidates.

- A. This section shall apply only to a candidate running for City Office that has accepted the voluntary expenditure limits identified in section 3.15.140(A), as adjusted by the increase in the Consumer Price Index under section 3.15.200(A) and who has filed a statement with the Commission on a form approved for such purpose indicating such acceptance.

- B. Effective immediately, the contribution limits to a candidate specified in sections 3.12.050(A) and 3.12.050(B) shall be increased to nine hundred dollars (\$900).
- C. Effective immediately, the contribution limits to a candidate specified in sections 3.12.060(A) and 3.12.060(B) shall be increased to one thousand eight hundred dollars (\$1,800).
- D. Contributions received prior to the effective date of this section, or prior to a candidate accepting the expenditure limits, whichever occurs later, shall be subject to the limits in effect at the time the contribution was made.
- E. If a candidate declines to accept voluntary expenditure limits and receives contributions or makes qualified campaign expenditures equal to fifty percent (50%) or more of the voluntary expenditure limit, or if any person makes one (1) or more independent expenditures totaling more than thirty thousand dollars (\$30,000.00) on a District City Council or School Board Director election, totaling more than fifty thousand dollars (\$50,000) on City Attorney, City Auditor, or At-Large City Council election, or totaling more than one hundred thousand dollars (\$100,000) on a Mayor election, the applicable voluntary expenditure limit shall no longer be binding on any candidate running for the same office.
- F. This section shall not change the contribution limits for officeholder expense funds pursuant to 3.12.150(E). Candidates qualifying for the temporary contribution limit increases set forth in this section may, within one year from the date of their election, redesignate their candidate committee into an officeholder fund, including any funds lawfully raised under the temporary contribution limit increases set forth in this section, so long as the fund balance does not exceed the amount of the total annual contribution limits in Section 3.12.150(A). When such redesignation occurs, existing committee funds shall count against the contribution limits in Section 3.12.150(A). The contribution limits under Section 3.12.150(E) are inapplicable to any existing funds when such redesignation occurs but will apply to subsequent contributions to the officeholder fund.
- G. The increased contribution limits set forth in subsections (B) and (C) above, shall not apply to any City Office for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Office. The Commission shall set the effective date for when the contribution limits for any such impacted City Office shall revert to the limits specified under sections 3.12.050 and 3.12.060. Any reversion shall be prospective only and shall not require a candidate to return any contribution made prior to the reversion which exceeded the limits specified in sections 3.12.050 and 3.12.060.
- H. Beginning in January of 2027 and in January of every odd-numbered year thereafter, the Commission shall increase the contribution limit amounts set forth in subsections (B) and

(C) above, by the percent increase, if any, in the Consumer Price Index for the preceding two (2) years, rounding to the nearest fifty dollar (\$50.00) 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 the 1st of February of the year in which the adjustment occurs.

- I. This section will sunset without further Council action on June 30, 2029. Any contributions received after that date shall be subject to the contribution limits specified in sections 3.12.050 and 3.12.060.

SECTION 3. The City Council hereby adopts the amendment of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.150(A) and Chapter 3.13, sections 3.13.060 and 3.13.265 of the Oakland Municipal Code as set forth below (additions are shown in underline; deletions are shown as strikethrough):

3.12.150 - Officeholder fund.

- A. Every elected City official shall be permitted to establish one (1) 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-seventy-five thousand dollars (\$7525,000.00)~~ per year in office. For City-wide offices (Mayor, Councilmember At-Large, City Attorney and City Auditor) Councilmember At-Large and City Attorney, total contributions to an officeholder fund shall not exceed thirtyone hundred thousand dollars (\$10030,000.00) per year in office. For School Board Directors ~~the office of the Mayor~~, total contributions to an officeholder fund shall not exceed twenty-five thousand dollars (\$250,000.00) 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 Subsections 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;
 - 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 official's 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;
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.~~

3.13.060 - Establishment of public financing program.

A. Subject to an appropriation by the City Council for this purpose, ~~t~~The Public Ethics Commission shall establish and allocate funds for a public financing program, consistent with this chapter, to fund all candidates eligible to receive public financing running for the office of District City Councilmember in the 2024, 2026 and 2028 general elections.

~~B. The Public Ethics Commission shall allocate a minimum of one hundred fifty five thousand dollars (\$155,000.00) over the 2023—2025 fiscal years from its discretionary funds to the public financing program.~~

~~B.C.~~ Any unspent funds ~~that the Public Ethics Commission~~ allocated for the public financing program pursuant to Subsection ~~BA~~, at the end of ~~the a~~ fiscal year ~~2023—2025 budget cycle~~ shall remain in a fund administered by the Public Ethics Commission ~~fund~~ and accrue for disbursement to candidates eligible for public financing in future elections and for administrative costs.

~~C.D.~~ Up to seven and one-half percent (7.5%) of the amount allocated to the public financing program pursuant to Subsection ~~BA~~, may be utilized by the Public Ethics Commission to cover the anticipated cost of administering the provisions of this Act.

3.13.265 - Sunset.

A. This Chapter shall be operative for the 2024, 2026 and 2028 general elections only.

B. Notwithstanding subsection A., this Chapter shall not apply to any City Council District election for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of

Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Council District office.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 5. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

Respectfully submitted,

Councilmember Janani Ramachandran
District 4

Councilmember Kevin Jenkins
District 6

Councilmember Ken Houston
District 7