CITY OF OAKLAND

Public Ethics Commission

1 Frank H. Ogawa Plaza • City Hall • Suite #104 • Oakland • CA 94612 (510) 238-3593



September 18, 2024

Honorable City Council City Hall 1 Frank H. Ogawa Plaza Oakland, CA 94612

RE: Ramachandran/Jenkins Contribution Limits Proposal

Dear Council President Bas and Members of the City Council,

On September 12, 2024, Councilmembers Ramachandran and Jenkins introduced legislation which would amend the Oakland Campaign Reform Act (OCRA), a law the Public Ethics Commission (Commission) enforces, to temporarily increase campaign contribution limits in City of Oakland and Oakland Unified School District (OUSD) elections from \$600 to \$900 as to most contributors, and from \$1,200 to \$1,800 as to broad-based political committees. The change would go into effect immediately upon adoption, including for the November 2024 elections, and would sunset on January 1, 2027, or earlier on January 1, 2026, as to candidates running for offices for which Democracy Dollars are available, as specified.

Under Charter Section 603(h), "amendments to laws that the Commission has the power to enforce ... shall be submitted to the Commission for review and comment, prior to passage of the amendments." Consistent with its charter mandate, on September 16, 2024, the Commission met to review the proposed changes.

The Commission takes no position on supporting or opposing the proposal.² However, commissioners voted unanimously to convey the following points to the City Council:

➤ Commissioners share the authors' concern that candidates should be able to raise sufficient funds to get their campaign message out while Democracy Dollar funding is unavailable.

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¹ Oakland City Charter Section 603(h) provides in full: "Amendment of Laws. Prior to enacting any amendments to laws that the Commission has the power to enforce, the City Council shall make a finding that the proposed changes further the goals and purposes of the ordinance or program in question and provide specifics substantiating the finding. Absent an urgency finding akin to suspending compliance with the Sunshine Ordinance, amendments to laws that the Commission has the power to enforce and proposed ballot measures that would amend such laws shall be submitted to the Commission for review and comment, prior to passage of the amendments or approval of the proposed measures for the ballot by the City Council."

² At the September 16 meeting, commissioners were split on the proposal. One motion to support the proposal failed for lack of a second. Another motion to support the proposal if amended to require that 2026 candidates accept expenditure limits, and recommending that the effects of increasing limits in the 2024 cycle be studied, failed on a 3-2 vote (Ayes: Gage, Steele, Tilak; Noes: Micik, Upton). The Commission has 7 seats, so 4 votes are needed for a motion to pass.

- ➤ Commissioners are concerned about the timing of the proposal, which, for the 2024 election cycle, would change campaign finance rules in the last month of an election, and divert Commission staff resources during a period of peak demand for Commission services.
- ➤ The Commission recommends that, if there are higher limits for the 2026 election cycle, candidates should have to accept expenditure limits as a precondition to fundraising at those higher limits. This was previously the rule under OCRA through the 2022 election, until a single lower limit was adopted with the passage of Measure W (2022).
- ➤ Under this proposal, if Democracy Dollars are available for an office in the 2026 election cycle at a sufficient funding level, contribution limits as to that office will return to the lower levels currently in effect (as adjusted for inflation) beginning on January 1, 2026. One consequence of this is that candidates who enter a race in 2025 are advantaged over candidates who only enter that race in 2026, as the former candidates could for several months raise funds at the higher contribution limits. The Commission recommends that the Council look at alternative ways to structure the proposed policy so that early-entry and late-entry candidates are treated similarly, but for administrative reasons the Commission has concerns about requiring that early-entry candidates reimburse funds raised at higher limits if the limits are later lowered.
- ➤ The Commission recommends, if this proposal is adopted, that the effects of any change in contribution limits for the 2024 election cycle be evaluated so that policy changes for the 2026 election cycle may be considered later this year or early in 2025.

You may review video of the Commission's full discussion of this proposal at the Commission's website at https://www.oaklandca.gov/boards-commissions/public-ethics-commission/meetings. In addition, a copy of the Commission's staff report analyzing this proposal may be downloaded here:

https://cao-94612.s3.us-west-2.amazonaws.com/documents/05-Proposal-to-Increase-Contribution-Limits-Packet-H_2024-09-13-212026_xomg.pdf. (Please note, however, that the Commission did not adopt the staff report recommendation to oppose the proposal.)

Thank you for the opportunity to provide the Commission's perspective. If you have any questions or would like further information, please feel free to contact Executive Director Nicolas Heidorn at nheidorn@oaklandca.gov or 510.604.1002.

Sincerely,

Ryan Micik Chair Oakland Public Ethics Commission