



## Item 9 - Postponement of Democracy Dollars Program

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TO: Public Ethics Commission  
FROM: Suzanne Doran, Acting Executive Director  
DATE: July 3, 2025  
RE: Postponement of the Distribution and Use of Democracy Dollars Vouchers for the 2026 Election

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In 2022, Oakland voters passed Measure W, the Oakland Fair Elections Act, which replaced Oakland's reimbursement-based Limited Public Financing (LPF) Program with the Democracy Dollars voucher-based public financing program. Measure W assigns the Public Ethics Commission (PEC or Commission) as the administrator of this re-designed public financing program and requires a vote by the Commission to delay implementing the Democracy Dollars Program. Because there are insufficient resources allocated in the adopted Fiscal Year (FY) 2025-2027 Budget to implement the Program this upcoming election cycle, *Commission staff recommends that the Commission adopt a motion postponing the distribution and use of Democracy Dollars vouchers for the November 2026 election.*

### Measure W – Democracy Dollars Program Budget

Measure W sets aside minimum staffing and funding for the Commission to administer the Democracy Dollars Program, including in the FY 2025-2027 Budget. This includes a Program Manager and three additional FTE employees; \$4 million over two years in voucher funds to distribute to candidates; \$700,000 in one-time startup costs; and \$350,000 in ongoing administrative costs. The Budget Office initially estimated an \$8 million cost over two years to fully fund the Democracy Dollars program.

However, Measure W permits the City to reduce these minimum set-asides if the City Council declares that the "City is facing an extreme fiscal necessity."

On June 11, 2025, the City Council declared that the City was facing an extreme fiscal necessity and adopted the FY 2025-27 Budget. The budget does not include any funding for Democracy Dollars vouchers or administration of the Program and freezes most Charter-mandated positions for the Program. This budget necessarily postpones the implementation of the Democracy Dollars Program for 2026. However, the Budget did maintain the Democracy Dollars startup funding necessary to develop the software platform need to implement the Program in 2028 and provides for the addition of an Ethics Analyst II in the last six months of FY 26-27, which may be used to assist with Program launch for the 2028 election. The final budget also restores the LPF Program for 2026 and provides \$250,000 over two years for this purpose ensuring that 2026 will not be the first election in more than two decades without any public financing in Oakland.

## Item 9. Postponement of Democracy Dollars Program

Under Measure W, the Commission is required to vote on a delay in implementing the Democracy Dollars Program. The Measure provides that, in the first election cycle following voter approval of Measure W:

The Commission may, by a vote of at least five (5) of its members, delay the implementation of the [Democracy Dollars] Program as provided by this ordinance. In making this determination, the Commission should consider all possible alternatives to avoid delaying Program implementation in its entirety, including but not limited to partial implementation by issuing only mailed Democracy Dollars, or limiting the Program to certain races, or changing Program components.

### Staff Recommendation

**Because the Adopted Budget does not provide any funding for Democracy Dollars vouchers, nor sufficient staffing or resources to administer the full Program or a pilot, Staff recommends that the Commission vote to postpone the distribution and use of Democracy Dollars vouchers for the 2026 election cycle,** while continuing to build out the technology, policy, and staffing infrastructure to successfully implement the Program in subsequent elections.