



March 4, 2024

To: Representative Julie Fahey, Chair
House Committee On Rules
Re: Oppose HB 4024-5 – Missed Opportunity on Campaign Finance Limits and Disclosure

Portland Forward works to end the outsized role of big money in Oregon politics and opposes this proposal in its current form.

Portland Forward is an intergenerational organization focused on the big ideas that will enhance our community and build an Oregon where everyone can thrive. We have been closely involved in democracy issues for the last decade, including leadership in bringing campaign contribution limits to Multnomah County and the City of Portland; updating the Oregon Constitution to explicitly allow campaign contribution limits; and enacting Portland's small donor public matching program.

At Portland Forward we have advocated for three principles we believe should underly any changes aiming to enhance democracy by reforming our campaign finance system:

- Broaden and diversify participation in democracy
- Minimize the undue influence of big money
- Build public trust and transparency

The limits proposed by 4024-5 are far too high to pass public scrutiny

The individual limits of \$3,300 are seemingly based on the current donation limits to federal candidates, which is ironic since the federal system of campaign finance is one of our most glaring examples of systems that do not work. Candidates for Congress spend much of their time raising money and spend a disproportionate amount of that time hearing the concerns and issues of the wealthy individuals who can afford to donate \$6,600 per election cycle (or \$13,200 for a couple). Limits at this level encourage candidates to prioritize the donors at the top of the range, resulting in a very unrepresentative slice of their constituency. Limits on individuals should be established on a principle promoting engagement and correlate to an amount the average Oregonian could afford to give in an election that really mattered to them.

In addition to the individual limits 4024-5 has carveouts for many of the largest political spenders in Oregon. Membership organizations do not exist as a category in any other state and yet this proposal allows them to contribute \$66,000 per election cycle and also staff time potentially worth hundreds of thousands of dollars to every candidate in the state (including local races). Contribution limits this large relative to the other limits in the proposal will tip big money towards forming membership organizations as vehicles to funnel money to preferred candidates. Forming 501c4 advocacy organizations is not difficult to do and would allow large spenders to continue to make distractingly large contributions.

Perpetuating dark money

Voters deserve to have transparency into the true, original sources of the largest funds used to pay for a political advertisement at the time they are seeing the ad. Wealthy individuals and businesses should not be able to hide their attempts to influence the public behind shell organizations with nice sounding names. In a conversation that often reverts to hand-wringing about our inability to protect against big money moving to independent expenditures, there has been little appetite to take the steps that are known to combat independent expenditures. Until we are able to overturn the disastrous *Citizens United* decision, forcing the people and organizations that fund political ads to put their names on them is one meaningful way to reduce the effectiveness of independent expenditures. Advertising transparency promotes engaged and knowledgeable voters and is an important component of enhancing Oregon's democracy.

Public financing for the public good

As we mentioned in our previous testimony on an earlier version of this bill, advancing public financing is likely the most transformative thing the Legislature could be doing for growing participation and representation in Oregon's democracy. The legislature should be considering the merits and pitfalls of creating a statewide program investing a limited amount of public money into a system that would allow Oregonians who lack wealthy donor networks, but are otherwise great candidates, to run viable campaigns for public office. If the legislature fails to act, public financing may be legislated by initiative which would be a less deliberative budget impact than if the legislature worked proactively to craft a fair and thoughtful plan.

The short session is not the place for nuanced policy development

Campaign finance regulation is a tricky issue with many stakeholders and would take real deliberation and calibration to get right. Rushing through policies developed by the largest political spenders who have an interest in maintaining their existing influence without giving good government experts (local and national) time to carefully review and consider the emergent complexities is not a recipe for creating a workable system. As we've seen in other states, seemingly innocuous loopholes can become major vectors for big money to subvert efforts to limit their power. This mad dash to create an entirely new campaign finance regime with limited stakeholder engagement and even less time to correct (even inadvertent) drafting problems is likely to create unintended consequences that would have been easily avoided under different circumstances.

For these reasons and more, Portland Forward urges you to not advance HB 4024-5 in its current form.

Thank you for your work on this crucial issue.

James Ofsink (he/him)
President, Portland Forward

Principles for Real Campaign Finance Reform

I. Minimize undue influence of money

- Lower the rising campaigns costs of campaigns
- Subject all contributions to clear limits
- Avoid the dominance of wealthy and powerful interests, beyond the most general public interest
- Make sure independent expenditures are truly independent

II. Broaden and diversify participation in democracy

- Set contribution limits at levels relatable for most Oregonians (e.g. 1% of median income)
- Equal access to power and equal opportunity to occupying seats of power
- Amplify the relevance of small contributions from real people
- Aid funding of elections to combat dark money and to ensure sufficient resources for underrepresented voices
- Allow those busy persons too busy to research issues and politics to delegate use of their small contributions use to trusted organizations through small donor committees

III. Build public trust and transparency

- Maximize clear public disclosure, including plainly identifying top large donors and funders of independent expenditures in every communication to voters
- Ensure that funds flow in a clear manner, discouraging trickery designed to obscure sources of contributions or independent expenditures.
- Support compliance: rules that can be understood, followed, built upon, and enforced, along with easy-to-access technical assistance, especially helpful for new political participants.
- Create enforcement mechanisms not controlled by the very politicians that the rules regulate.
- Avoid loopholes that swallow the rules and all the principles above.