

LEGISLATIVE DIGEST

[Campaign and Governmental Conduct Code - Public Campaign Financing]

Ordinance amending the Campaign and Governmental Conduct Code to increase the matching ratio for campaign contributions raised by candidates participating in the City's public financing program and the amount of public funds available for those candidates.

Existing Law

1. Matching contributions and ratios; maximum amount of public funds

After qualifying, candidates participating in the City's public financing program receive an initial grant of funds - \$20,000 for supervisorial candidates and \$100,000 for mayoral candidates. S.F. Campaign & Gov'tal Conduct Code §§ 1.144(c)(1), (d)(1). Thereafter, campaign contributions raised by candidates would be matched with public funds in pre-determined ratios. Candidates can match up to \$500 of each contribution with public funds, *id.* § 1.104, in the following ratios.

For supervisorial candidates, for the first \$50,000 that they raise in private campaign contributions, each dollar would be matched with two dollars in public funds. Thereafter, additional contributions received by supervisorial candidates would be matched on a one-to-one basis. *Id.* § 1.144(d). For mayoral candidates, for the first \$425,000 that they raise in private campaign contributions, each dollar would be matched with two dollars in public funds. Thereafter, additional contributions received by mayoral candidates would be matched on a one-to-one basis. *Id.* § 1.144(c).

For the one-to-one tiers of matching public funds, non-incumbent and incumbent candidates would have slightly different amounts of public funds available to them. Incumbent supervisorial candidates could match up \$32,500 in private contributions, while non-incumbent supervisorial candidates could receive up to \$35,000. *Id.* § 1.144(d)(3). Incumbent mayoral candidates could match up to \$12,500 in private contributions, and non-incumbent mayoral candidates could receive up to \$25,000. *Id.* § 1.144(c)(3).

A non-incumbent supervisorial candidate may receive up to a total of \$155,000 in public funds; an incumbent supervisorial candidate may receive up to \$152,500. *Id.* § 1.144(d)(4). A non-incumbent mayoral candidate may receive up to \$975,000 in public funds; an incumbent mayoral candidate may receive up to \$962,500. *Id.* § 1.144(c)(4).

2. Individual expenditure ceilings

Candidates who participate in the City's public financing program are subject to an adjustable spending cap, referred to as an individual expenditure ceiling. As the election progresses, individual expenditure ceilings for publicly financed candidates increase based on the amount of funds spent by competing candidates and third-parties who oppose their candidacies. *Id.* § 1.143.

For supervisorial candidates, the initial individual expenditure ceiling is \$250,000. *Id.* § 1.143(b). The initial individual expenditure ceiling for mayoral candidates is \$1,475,000. *Id.* § 1.143(a).

Amendments to Current Law

1. Matching contributions and ratios; maximum amount of public funds

The proposed amendments would decrease the amount of a “matching contribution” – that is, the amount of each contribution that can be matched with public funds – from \$500 to \$150.

But the proposal would increase the amount matching ratios that apply to such contributions. For both supervisorial and mayoral candidates, the matching ratio be six-to-one – instead of the current two-to-one or one-to-one ratios. The proposal would also increase the initial grant of public funds for qualified candidates – to \$60,000 for supervisorial candidates and \$300,000 for mayoral candidates.

The maximum amount of public funds a candidate could receive would also increase. A non-incumbent supervisorial candidate may receive up to a total of \$255,000 in public funds; an incumbent supervisorial candidate may receive up to \$252,500. A non-incumbent mayoral candidate may receive up to \$1,200,000 in public funds; an incumbent mayoral candidate may receive up to \$1,185,000.

2. Individual expenditure ceilings

The proposed amendments would also increase the initial individual expenditure ceiling for participating candidates. For supervisorial candidates, the initial individual expenditure ceiling would increase to \$350,000. For mayoral candidates, the initial individual expenditure ceiling would increase to \$1,700,000.

3. Operative date

These changes to the City’s public financing program would become operative on January 1, 2020.

Background Information

Under Campaign and Governmental Conduct Code Section 1.103, the City may enact this ordinance without voter approval only if:

- (a) the ordinance furthers the purposes of Campaign and Governmental Conduct Code Article I, Chapter 1;
- (b) the Ethics Commission approves the ordinance in advance by at least a four-fifths vote of all its members;
- (c) the ordinance has been available for public review at least 30 days before the ordinance is considered by the Board of Supervisors or any committee of the Board of Supervisors; and
- (d) the Board of Supervisors approves the proposed amendment by at least a two-thirds vote of all its members.

On May 29, 2019, the Ethics Commission approved this ordinance by a 4-0 vote.

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