



Memorandum

To: Angela Calvillo, Clerk of the Board of Supervisors
From: John Arntz, Director of Elections
Date: May 9, 2025
RE: Proposed Amendment to the San Francisco Municipal Elections Code Regarding Fees for Paid Ballot Arguments

The purpose of this memorandum is to provide information to the San Francisco Board of Supervisors (Board) regarding the Department of Elections' (Department) submission of a proposed amendment to San Francisco Municipal Elections Code (MEC) section 830 for the Board's consideration regarding the fees associated with the paid ballot arguments published each election in the Voter Information Pamphlet (VIP). The Department is proposing to increase the submission fee from \$200 per argument to \$1,000 and the per-word fee from \$2 to \$10.

DISCUSSION

The current fees under MEC section 830 for having paid ballot arguments published in the VIP were established in 1997 through Ordinance No. 429-97 and have remained unchanged since its adoption. However, the costs for publishing the VIP have significantly increased over the past two decades.

In 2003, Ordinance No. 183-03 further amended Section 830 and authorized the setting of these fees for publishing ballot arguments in the VIP. This amendment intended to ensure that the fees associated with publishing paid arguments would approximate, but not exceed, the actual costs incurred by the Department. Determining the fees was to be based on such factors such as the estimated size of the pamphlet, the number of ballot measures, and historical production costs. However, despite this provision for periodic fee adjustment, the fee structure has remained static since 1997.

As a result, the current fees no longer accurately reflect the increased production costs associated with the VIP. These costs include translation into multiple languages, typesetting and layout design, printing, binding, and mailing to San Francisco voters. Additionally, with rising labor costs along with inflationary increases in paper and postage rates during nearly the three decades since 1997, a significant disparity exists between the fees the Department receives in relation to its actual expenses in publishing paid argument in the VIP. For example, under the existing fee structure, the Department recovered 17% of the production costs for the November 2024 election and 14% of such costs for the March 2024 election.

PROPOSED FEES

To better align fees with current production costs and to reduce the impact on the General Fund in publishing paid arguments in the VIP, the Department proposes increasing the ballot argument submission fee to \$1,000, plus \$10 per word. This proposed fee structure is supported by the following cost analysis.

Based on costs for the November 2024 election, the cost for publishing paid arguments in the VIP was approximately \$610,000 while the Department recovered approximately \$105,000, or 17% of the total costs. If the fees associated with

paid arguments were set to the proposed amounts, the Department would have recovered approximately \$524,000, or 86% of the publication costs.

The production costs associated with publishing paid arguments were nearly \$356,000 for the March 2024 primary election and the Department recovered nearly \$51,000, or 14% of the total publication costs. If the fees associated with paid arguments for the March 2024 election were set to the proposed amounts, the Department would have recovered approximately \$255,000, or around 72% of the publication costs.

CONCLUSION

As noted by the examples above, the proposed changes in the fees will not recover the full costs associated with publishing paid arguments. To more fully capture publication costs, the fees would need to be set closer to \$1,100 to submit an argument and \$12 per word included in an argument. However, the Department recognizes the proposed fees are substantially higher than the current fees and seeks to reduce the impact on those voters who may want to have an argument published in the VIP.

As publication costs continue to increase, the fees will likely need to increase as well in the near term to reduce the impact on the General Fund to publish the VIP. Still, when considering the next two scheduled elections in June and November of 2026, the fees proposed in this amendment to the MEC will potentially reduce the Department's General Fund support by more than \$500,000.

I will be glad to provide further information or answer any questions regarding this amendment.