

File No. 190660

Committee Item No. 2

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: Sept. 5, 2019

Board of Supervisors Meeting:

Date: \_\_\_\_\_

#### Cmte Board

- |                                     |                          |                                              |
|-------------------------------------|--------------------------|----------------------------------------------|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU                                          |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

- |                                     |                          |                                               |
|-------------------------------------|--------------------------|-----------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Ethics Commission Motion No. 190529-02</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referrals FYI - June 12, 2019</u>          |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                         |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                         |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                         |

Prepared by: John Carroll

Date: August 30, 2019

Prepared by: John Carroll

Date: \_\_\_\_\_

1 [Campaign and Governmental Conduct Code - Public Campaign Financing]

2  
3 **Ordinance amending the Campaign and Governmental Conduct Code to increase the**  
4 **matching ratio for campaign contributions raised by candidates participating in the**  
5 **City's public financing program and the amount of public funds available for those**  
6 **candidates.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
10 **Board amendment additions** are in double-underlined Arial font.  
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
12 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
13 subsections or parts of tables.

14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. Chapter 1 of the Campaign and Governmental Conduct Code is hereby  
16 amended by revising Sections 1.104, 1.140, 1.143, 1.144, and 1.152, to read as follows:

17 **SEC. 1.104. DEFINITIONS.**

18 Whenever in this Chapter 1 the following words or phrases are used, they shall mean:

19 \* \* \* \*

20 "Matching contribution" shall mean a contribution up to ~~\$500~~ \$150, made by an  
21 individual, other than the candidate, who is a resident of San Francisco. Matching  
22 contributions shall not include loans, contributions received more than 18 months before the  
23 date of the election, qualifying contributions or contributions made by the candidate's spouse,  
24 registered domestic partner or dependent child. Matching contributions must also comply with  
25 all requirements of this Chapter. Matching contributions under \$100 that are not made by  
written instrument must be accompanied by written documentation sufficient to establish the

1 contributor's name and address. The Ethics Commission shall set forth, by regulation, the  
2 types of documents sufficient to establish a contributor's name and address for the purpose of  
3 this subsection.

4 \* \* \* \*

5 **SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.**

6 \* \* \* \*

7 (b) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR THE BOARD OF  
8 SUPERVISORS. To be eligible to receive public financing of campaign expenses under this  
9 Chapter, a candidate for the Board of Supervisors must:

10 (1) Be seeking election to the Board of Supervisors and be eligible to hold the  
11 office sought;

12 (2) Have a candidate committee that has received at least \$10,000 in qualifying  
13 contributions from at least 100 contributors *before by* the 70th day before the election; or, if the  
14 candidate is an incumbent member of the Board of Supervisors, have a candidate committee  
15 that has received at least \$15,000 in qualifying contributions from at least 150 contributors  
16 *before by* the 70th day before the election;

17 (3) Be opposed by another candidate who has either established eligibility to  
18 receive public financing, or whose candidate committee has received contributions or made  
19 expenditures which in the aggregate equal or exceed \$10,000; and

20 (4) Agree that his or her candidate committee will not make qualified campaign  
21 expenditures that total more than the candidate's Individual Expenditure Ceiling of *\$250,000*  
22 *\$350,000*, or as adjusted under Section 1.143 of this Chapter.

23 (c) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR MAYOR. To be eligible  
24 to receive public financing of campaign expenses under this Chapter, a candidate for Mayor  
25 must:

1 (1) Be seeking election to the office of Mayor and be eligible to hold the office  
2 sought;

3 (2) Have a candidate committee that has received at least \$50,000 in qualifying  
4 contributions from at least 500 contributors by the 70th day before the election; or, if the  
5 candidate is the incumbent Mayor, have a candidate committee that has received at least  
6 \$75,000 in qualifying contributions from at least 750 contributors by the 70th day before the  
7 election;

8 (3) Be opposed by another candidate who has either established eligibility to  
9 receive public financing, or whose candidate committee has received contributions or made  
10 expenditures that in the aggregate equal or exceed \$50,000; and

11 (4) Agree that his or her candidate committee will not make qualified campaign  
12 expenditures that total more than the candidate's Individual Expenditure Ceiling of ~~\$1,475,000~~  
13 \$1,700,000, or as adjusted under Section 1.143 of this Chapter.

14 \* \* \* \*

15 **SEC. 1.143. ADJUSTING INDIVIDUAL EXPENDITURE CEILINGS.**

16 This Section 1.143 shall apply only if the Ethics Commission has certified that at least  
17 one candidate for Mayor or the Board of Supervisors is eligible to receive public funds under  
18 this Chapter 1.

19 (a) The Executive Director shall adjust the Individual Expenditure Ceiling of a  
20 candidate for Mayor by \$250,000 when the sum of the Total Opposition Spending against that  
21 candidate and the highest level of the Total Supportive Funds of any other candidate for  
22 Mayor is greater than ~~\$1,475,000~~ \$1,700,000 by any amount. Thereafter, the Executive Director  
23 shall further adjust a candidate's Individual Expenditure Ceiling in increments of \$250,000,  
24 whenever the sum of the Total Opposition Spending against that candidate and the highest  
25

1 level of the Total Supportive Funds of any other candidate for Mayor is greater than the  
2 candidate's current Individual Expenditure Ceiling by any amount.

3 (b) The Executive Director shall adjust the Individual Expenditure Ceiling of a  
4 candidate for the Board of Supervisors by \$50,000 when the sum of the Total Opposition  
5 Spending against that candidate and the highest level of the Total Supportive Funds of any  
6 other candidate for the same office on the Board of Supervisors is greater than ~~\$250,000~~  
7 \$350,000 by any amount. Thereafter, the Executive Director shall further adjust a candidate's  
8 Individual Expenditure Ceiling in increments of \$50,000, whenever the sum of the Total  
9 Opposition Spending against that candidate and the highest level of the Total Supportive  
10 Funds of any other candidate for the same office is greater than the candidate's current  
11 Individual Expenditure Ceiling by any amount.

12 \* \* \* \*

13 **SEC. 1.144. DISBURSEMENT OF PUBLIC FUNDS.**

14 (a) PAYMENT BY CONTROLLER. Upon certifying that a candidate is eligible to  
15 receive public financing under this Chapter, the Executive Director shall forward the  
16 certification to the Controller, and the Controller shall disburse payments to the candidate from  
17 the Election Campaign Fund in accordance with the certification and this Section.

18 (b) TIME OF PAYMENTS. The Controller shall not make any payments under this  
19 Chapter to any candidate more than 142 days before the date of the election. Payments from  
20 the Controller shall be disbursed to eligible candidates within two business days of the  
21 Controller receiving notification from the Ethics Commission regarding the amount of the  
22 disbursement, except that within fifteen calendar days before the election, such payments  
23 shall be made within one business day.

24 (c) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR MAYOR.  
25 Candidates for Mayor certified as eligible to receive public financing for their election

1 campaigns will have access to funds from the Election Campaign Fund on a first-come, first-  
2 served basis according to the following formula:

3 (1) Upon qualification the candidate shall receive a one-time payment of  
4 ~~\$100,000~~ \$300,000 from the Election Campaign Fund.

5 (2) After the initial payment under ~~§~~subsection (c)(1), for the first ~~\$425,000~~  
6 \$150,000 in matching contributions raised by the candidate, the candidate shall receive ~~two~~ six  
7 dollars from the Election Campaign Fund for each dollar raised. If the candidate is the  
8 incumbent Mayor, after the initial payment under subsection (c)(1), for the first \$147,500 in matching  
9 contributions raised by the candidate, the candidate shall receive six dollars from the Election  
10 Campaign Fund for each dollar raised.

11 ~~(3) After the payments under Subsection (2), for the next \$25,000 in matching~~  
12 ~~contributions raised by the candidate, the candidate shall receive one dollar from the Election~~  
13 ~~Campaign Fund for each dollar raised. If the candidate is the incumbent Mayor, after the payments~~  
14 ~~under Subsection (2), for the next \$12,500 in matching contributions raised by the candidate, the~~  
15 ~~candidate shall receive one dollar from the Election Campaign Fund for each dollar raised.~~

16 (4) ~~(3)~~ The maximum amount of public funds a non-incumbent mayoral  
17 candidate may receive is ~~\$975,000~~ \$1,200,000. The maximum amount of public funds an  
18 incumbent mayoral candidate may receive is ~~\$962,500~~ \$1,185,000.

19 (d) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR THE BOARD  
20 OF SUPERVISORS. Candidates for the Board of Supervisors certified as eligible to receive  
21 public financing for their election campaigns will have access to funds from the Election  
22 Campaign Fund on a first-come, first-served basis according to the following formula:

23 (1) Upon qualification the candidate shall receive a one-time payment of ~~\$20,000~~  
24 \$60,000 from the Election Campaign Fund.

1           (2) After the initial payment under ~~§~~subsection (d)(1), for the first ~~\$50,000~~ \$32,500  
2 in matching contributions raised by the candidate, the candidate shall receive ~~two~~ six dollars  
3 from the Election Campaign Fund for each dollar raised. If the candidate is an incumbent  
4 member of the Board of Supervisors after the initial payment under subsection (d)(1), for the first  
5 \$32,000 in matching contributions raised by the candidate, the candidate shall receive six dollars from  
6 the Election Campaign Fund for each dollar raised.

7           ~~(3) After the payments under Subsection (2), for the next \$35,000 in matching~~  
8 ~~contributions raised by the candidate, the candidate shall receive one dollar from the Election~~  
9 ~~Campaign Fund for each dollar raised. If the candidate is an incumbent member of the Board of~~  
10 ~~Supervisors, after the payments under Subsection (2), for the next \$32,500 in matching contributions~~  
11 ~~raised by the candidate, the candidate shall receive one dollar from the Election Campaign Fund for~~  
12 ~~each dollar raised.~~

13           (4) (3) The maximum amount of public funds a non-incumbent candidate for the  
14 Board of Supervisors may receive is ~~\$155,000~~ \$255,000. The maximum amount of public funds  
15 an incumbent candidate for the Board of Supervisors may receive in ~~\$152,500~~ \$252,000.

16           \* \* \* \*

17           **SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF**  
18 **SUPERVISORS AND MAYOR.**

19           (a) ELECTIONS FOR THE BOARD OF SUPERVISORS.

20           (1) In addition to the campaign disclosure requirements imposed by the  
21 California Political Reform Act and other provisions of this Chapter, each candidate committee  
22 supporting a candidate for the Board of Supervisors shall file a statement with the Ethics  
23 Commission indicating when the committee has received contributions to be deposited into its  
24 Campaign Contribution Trust Account or made expenditures that equal or exceed ~~\$5,000~~  
25 \$10,000 within 24 hours of reaching or exceeding that amount.

1 (2) In addition to the supplemental report in ~~S~~subsection (a)(1) of this Section,  
2 each candidate committee supporting a candidate for the Board of Supervisors shall file a  
3 statement with the Ethics Commission disclosing when the committee has received  
4 contributions to be deposited into its Campaign Contribution Trust Account or made  
5 expenditures that in the aggregate-equal or exceed \$100,000. The candidate committee shall  
6 file this report within 24 hours of reaching or exceeding the threshold. Thereafter, the  
7 candidate committee shall file an additional supplemental report within 24 hours of every time  
8 the candidate committee receives additional contributions to be deposited into its Campaign  
9 Contribution Trust Account or makes additional expenditures that in the aggregate equal or  
10 exceed \$10,000.

11 (3) The Executive Director shall post the information disclosed on statements  
12 required by this subsection on the website of the Ethics Commission within two business days  
13 of the statement's filing.

14 \* \* \* \*

15  
16 Section 2. Effective and Operative Dates.

17 (a) Effective Date. This ordinance shall become effective 30 days after enactment.  
18 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
19 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of  
20 Supervisors overrides the Mayor's veto of the ordinance.

21 (b) Operative Date. This ordinance shall become operative on January 1, 2020.  
22

23 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal



1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
2 additions, and Board amendment deletions in accordance with the "Note" that appears under  
3 the official title of the ordinance.  
4

5 Section 4. Severability. If any section, subsection, sentence, clause, phrase, or word  
6 of this ordinance, or any application thereof to any person or circumstance, is held to be  
7 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
8 shall not affect the validity of the remaining portions or applications of the ordinance. The  
9 Board of Supervisors hereby declares that it would have passed this ordinance and each and  
10 every section, subsection, sentence, clause, phrase, and word not declared invalid or  
11 unconstitutional without regard to whether any other portion of this ordinance or application  
12 thereof would be subsequently declared invalid or unconstitutional.  
13

14 Section 5. Amendments to Campaign Finance Reform Ordinance. Under Campaign  
15 and Governmental Conduct Code Section 1.103, the City may enact this ordinance without  
16 voter approval only if (a) the ordinance furthers the purposes of Campaign and Governmental  
17 Conduct Code Article I, Chapter 1; (b) the Ethics Commission approves the ordinance in  
18 advance by at least a four-fifths vote of all its members; (c) the ordinance has been available  
19 for public review at least 30 days before the ordinance is considered by the Board of  
20 Supervisors or any committee of the Board of Supervisors; and (d) the Board of Supervisors  
21 approves the proposed amendment by at least a two-thirds vote of all its members.

22 APPROVED AS TO FORM:  
23 DENNIS J. HERRERA, City Attorney

24 By:   
ANDREW SHEN, Deputy City Attorney

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**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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**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

August 30, 2019

**TO:** Government Audit and Oversight Committee  
**FROM:** Budget and Legislative Analyst   
**SUBJECT:** September 5, 2019 Government Audit and Oversight Committee Meeting

**TABLE OF CONTENTS**

<b>Item</b>	<b>File</b>	<b>Page</b>
1	19-0680 Administrative Code - Heart Trouble and Pneumonia Presumptions for Fire and Police Retirement Benefits .....	1
2	19-0660 Campaign and Governmental Conduct Code - Public Campaign Financing .....	5

<p><b>Item 2</b> <b>File 19-0660</b></p>	<p><b>Department:</b> Ethics Commission (Commission)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p>	
<ul style="list-style-type: none"> <li>• The proposed ordinance amends the City’s Campaign and Governmental Conduct Code to increase the amount of public financing available to candidates for the Board of Supervisors and Mayor.</li> </ul>	
<p style="text-align: center;"><b>Key Points</b></p>	
<ul style="list-style-type: none"> <li>• The City gives matching public finance grants to candidates for Board of Supervisors and Mayor who meet fundraising thresholds defined in the Campaign and Governmental Conduct Code. The proposed legislation increases the amount of the initial grant to candidates, and increases the amount of the dollar-to-dollar match for candidates who raise funds above the initial fundraising threshold.</li> <li>• Under the proposed ordinance, the maximum public finance grant to non-incumbent candidates for Board of Supervisors increases from \$155,000 to \$255,000, and to incumbent candidates for Board of Supervisors increases from \$152,500 to \$252,500. The maximum public finance grant to non-incumbent candidates for Mayor increases from \$975,000 to \$1,200,000, and to incumbent candidates for Mayor increases from \$962,500 to \$1,185,000.</li> </ul>	
<p style="text-align: center;"><b>Fiscal Impact</b></p>	
<ul style="list-style-type: none"> <li>• The Election Campaign Fund balance as of January 1, 2018 was \$7,034,525, which is the maximum fund amount authorized in the City’s Campaign Finance Reform Ordinance. The Election Campaign Fund allocated \$1,513,467 in public finance grants to 11 candidates for Board of Supervisors in the June 2018 and November 2018 elections. If the provisions of the proposed ordinance had been in effect in 2018, grants to the 11 candidates for the Board of Supervisors would have increased to \$2,802,000.</li> <li>• The FY 2019-20 allocation to the Election Campaign Fund, previously appropriated by the Board of Supervisors, is \$6,803,704.</li> </ul>	
<p style="text-align: center;"><b>Recommendation</b></p>	
<ul style="list-style-type: none"> <li>• Approval of the proposed resolution is a policy decision for the Board of Supervisors.</li> </ul>	

**MANDATE STATEMENT**

According to Charter Section 2.105, the Board of Supervisors shall act only by written ordinance or resolution.

**BACKGROUND**

San Francisco currently operates a voluntary public financing program for candidates for the office of Board of Supervisors and for Mayor. In order to participate in the public financing candidates must first raise a required amount of funds from a specific number of private donors. The proposed ordinance would amend the City's 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 increase the amount of public funds available to those candidates.

Under current code provisions, candidates for the Board of Supervisors must raise \$10,000 from 100 people or more who are residents of San Francisco before the 70<sup>th</sup> day before the election, while candidates for Mayor must raise at least \$50,000 from at least 500 San Francisco residents by the 70<sup>th</sup> day before the election.<sup>1</sup> Upon qualifying, candidates for the Board of Supervisors receive a public finance grant of \$20,000, while candidates for Mayor receive a public finance grant of \$100,000.

Candidates are eligible for additional matching funds after the initial public finance grant of \$20,000 to candidates for the Board of Supervisors, and \$100,000 to candidates for Mayor. Candidates for the Board of Supervisors shall receive \$2 in matching contributions for each \$1 raised by the candidate up to \$50,000, and \$1 in matching contributions for each \$1 raised by the candidate exceeding \$50,000 and up to \$85,000. Candidates for mayor shall receive \$2 in matching contributions for each \$1 raised by the candidate up to \$425,000, and \$1 in matching contributions for each \$1 raised by the candidate exceeding \$425,000 and up to \$450,000. The maximum publicly-financed matching contribution for candidates for Board of Supervisors is \$155,000, and for Mayor is \$975,000.

The City's Campaign and Governmental Conduct Code allows for an individual candidate's expenditure ceiling (the total amount a candidate can spend to finance their campaign) of \$250,000 for candidates for Board of Supervisors, and \$1,475,000 for candidates for Mayor. Eligibility for public financing is also dependent upon there being an opposition candidate who is also eligible for public financing, or a candidate who has spent \$10,000 on their campaign for Board of Supervisors or \$50,000 on their campaign for Mayor.

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<sup>1</sup> Incumbents face higher thresholds for qualification for public financing and different ratios for matching. For information on the how codes apply to incumbents see Tables 1 and 2.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance amends the City’s Campaign and Governmental Conduct Code to increase the amount of public financing available to candidates for the Board of Supervisors and Mayor. Proposed changes for candidates for Mayor are described below in Table 1 and proposed changes for candidates for the Board of Supervisors are described below in Table 2.

**Table 1: Proposed Amendment to San Francisco Campaign and Governmental Conduct Code for Public Financing of Campaigns for Mayor**

	<b>Current Code Provision</b>	<b>Proposed Amendment</b>
Amount needed to qualify for public financing	\$50,000 from 500 people or more who are residents of San Francisco by the 70 <sup>th</sup> day before election (non-incumbent)  \$75,000 from 750 people or more who are residents of San Francisco by the 70 <sup>th</sup> day before election (incumbent)	\$50,000 from 500 people or more who are residents of San Francisco by the 70 <sup>th</sup> day before election (non-incumbent)  \$75,000 from 750 people or more who are residents of San Francisco by the 70 <sup>th</sup> day before election (incumbent)
Initial grant to candidate upon qualification for public campaign financing	\$100,000	\$300,000
Maximum amount of each contribution raised by candidate eligible for publicly-financed match	Up to \$500	Up to \$150
Matching ratios	\$2 for each \$1 raised for the next \$425,000 after the initial amount  \$1 for each \$1 raised for additional contributions between \$425,000 and \$450,000	\$6 for each \$1 raised for the next \$150,000 after the initial amount (non-incumbent);  \$6 for each \$1 raised up to \$147,500 after the initial amount (incumbent);
Maximum amount of public financing	\$975,000 (non-incumbent)  \$962,500 (incumbent)	\$1,200,000 (non-incumbent)  \$1,185,000 (incumbent)
Individual expenditure ceilings	\$1,475,000	\$1,700,000

Source: Proposed Ordinance



**Table 2: Proposed Amendment to San Francisco Campaign and Governmental Conduct Code for Public Financing of Campaigns for San Francisco Board of Supervisors**

	<b>Current system</b>	<b>Change</b>
Amount needed to qualify for public financing	\$10,000 from 100 people or more who are residents of San Francisco <i>before</i> the 70 <sup>th</sup> day before the election (non-incumbent)	\$10,000 from 100 people or more who are residents of San Francisco <i>by</i> the 70 <sup>th</sup> day before the election (non-incumbent)
	\$15,000 from 150 people or more who are residents of San Francisco <i>before</i> the 70 <sup>th</sup> day before the election (incumbent)	\$15,000 from 150 people or more who are residents of San Francisco <i>by</i> the 70 <sup>th</sup> day before the election (incumbent)
Initial grant to candidate upon qualification for public campaign financing	\$20,000	\$60,000
Maximum amount of each contribution raised by candidate eligible for publicly-financed match	Up to \$500	Up to \$150
Matching ratios	\$2 for each \$1 raised for the next \$50,000 after the initial amount raised  \$1 for each \$1 raised for additional contributions between \$50,000 and \$85,000	\$6 for each \$1 raised for the \$32,500 raised after the initial amount
Maximum amount of public financing	\$155,000 (non-incumbent)	\$255,000 (non-incumbent)
	\$152,500 (incumbent)	\$252,500 (incumbent)
Individual expenditure ceilings	\$250,000	\$350,000

Source: Proposed Ordinance

The proposed ordinance was considered at the May 29, 2019 Ethics Commission meeting. The Commission approved a motion to approve provisions in the proposed ordinance shown in Tables 1 and 2 above, including (a) reducing the maximum amount of each contribution raised by the candidate that is eligible for a publicly-financed match; (b) increasing the initial grants to qualified supervisorial and mayoral candidates; (c) increasing the maximum amount of public financing per candidate, and (d) increasing the individual expenditure ceilings.

**FISCAL IMPACT**

The source of public funds used for campaigns is the City's Election Campaign Fund, administered by the Ethics Commission. The Fund is allocated \$2.75 per San Francisco resident each year whether there is an election or not. Additional funding is provided for special elections for Mayor.

The Election Campaign Fund balance as of January 1, 2018 was \$7,034,525, which is the maximum fund amount authorized in the City's Campaign Finance Reform Ordinance. The Election Campaign Fund allocated \$1,513,467 in public finance grants to 11 candidates for Board of Supervisors in the June 2018 and November 2018 elections. If the provisions of the proposed ordinance had been in effect in 2018 for candidates for the Board of Supervisors, the grants to the 11 candidates have increased to \$2,802,000.<sup>2</sup>

In addition to the \$1,513,467 in publicly-financed grants to candidates for the Board of Supervisors, the Election Campaign Fund granted \$2,660,762 to candidates for Mayor in the June 2018 election.

The FY 2019-20 allocation to the Election Campaign Fund, previously appropriated by the Board of Supervisors is \$6,803,704.

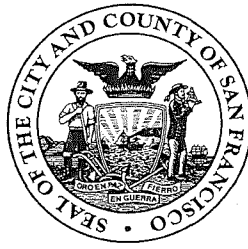
**RECOMMENDATION**

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

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<sup>2</sup> This does not account for the provision in the Campaign and Governmental Conduct Code that approximately 15 percent of the Fund can be used for Ethics Commission administrative activities.

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: John Arntz, Director, Department of Elections  
Ben Rosenfield, City Controller, Office of the Controller  
Sophia Kittler, Mayor's Office

FROM: Victor Young, Assistant Clerk  
Rules Committee

A handwritten signature in cursive script that reads "Victor Young".

DATE: June 12, 2019

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Rules Committee received the following proposed legislation on June 4, 2019:

**File No. 190660**

**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.**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [victor.young@sfgov.org](mailto:victor.young@sfgov.org).

c: Todd Rydstrom, Office of the Controller  
Andres Power, Mayor's Office

BOARD of SUPERVISORS



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1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

June 12, 2019

Ethics Commission  
Attn: LeeAnn Pelham, Executive Director  
25 Van Ness Ave, Suite 220  
San Francisco, CA 94102

Dear Commissioners:

On June 4, 2019, Supervisor Mar introduced the following legislation:

**File No. 190660**

**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.**

The proposed ordinance is being transmitted to the Ethics Commission pursuant to Campaign and Governmental Conduct Code, Section 1.103, for public hearing and recommendation. A four-fifths votes of the Ethics Commission is required in advance prior to consideration by the Board of Supervisors.

The ordinance is pending before the Rules Committee and will be scheduled for hearing upon receipt of your response.

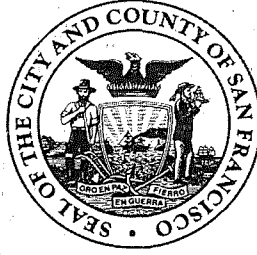
Angela Calvillo, Clerk of the Board

A handwritten signature in black ink that reads "Victor Young".

By: Victor Young, Clerk  
Rules Committee

Attachment

President, District 7  
BOARD of SUPERVISORS



BO, Aides, COB,  
Deps, Rules, CAO,  
Dep. City Atty  
City Hall

1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Tel. No. 554-6516  
Fax No. 554-7674  
TDD/TTY No. 544-6546

Norman Yee

**PRESIDENTIAL ACTION**

Date: 6/12/2019

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_ (Primary Sponsor)

Title. \_\_\_\_\_

Transferring (Board Rule No 3.3)

File No. 190660 Mar (Primary Sponsor)

Title. Campaign and Governmental Conduct Code - Public Campaign Financing

From: Rules \_\_\_\_\_ Committee

To: Government Audit & Oversight \_\_\_\_\_ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2019 JUN 21 PM 3:24

\_\_\_\_\_  
Norman Yee, President  
Board of Supervisors

## Carroll, John (BOS)

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**From:** Angela Castellanos <ACastellanos@aclunc.org>  
**Sent:** Monday, August 26, 2019 5:00 PM  
**To:** Mar, Gordon (BOS); Brown, Vallie (BOS); Peskin, Aaron (BOS)  
**Cc:** Carroll, John (BOS); Board of Supervisors, (BOS); Christina E. Fletes  
**Subject:** Public Financing 6:1 Match Proposal - SUPPORT  
**Attachments:** 2019-08-26 ACLU Letter of Support - SF 6-1 Match Proposal - FINAL.pdf

**Categories:** 190660

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Members of the Government Audit and Oversight Committee,

Please see the attached letter regarding the ACLU of Northern California's support of the Public Financing 6:1 Match Proposal.

Should you have any questions, please do not hesitate to contact Christina Fletes-Romo, Voting Rights Attorney, at [cfletes@acluca.org](mailto:cfletes@acluca.org).

Kindly,  
Angela Castellanos

*Litigation Assistant*  
ACLU of Northern California

39 Drumm St., San Francisco, CA 94111  
(415) 293-6388 | [acastellanos@aclunc.org](mailto:acastellanos@aclunc.org)  
Pronouns: she/her/hers



AMERICAN CIVIL LIBERTIES UNION

Northern  
California

August 26, 2019

*Via Email*

Supervisor Gordon Mar  
Supervisor Vallie Brown  
Supervisor Aaron Peskin  
San Francisco Government Audit  
& Oversight Committee  
City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

**Re: Public Financing 6:1 Match Proposal - SUPPORT**

Dear Members of the Government Audit & Oversight:

ACLU of Northern California (“ACLU”) is pleased to support the 6:1 Match Public Financing Proposal, sponsored by Supervisor Mar, which strengthens the current public financing program by among other things, increasing the match from 2:1 to 6:1 up to \$150 of a contribution and increases the initial grant, maximum funding, and initial expenditure ceiling.

Over the last few years, the ACLU has engaged Bay Area organizations focused on organizing and building power among historically marginalized communities, extensively researched campaign finance, and explored publicly financed elections as an option to help address political inequality. Based on this work, we believe that this proposed system of small donor public financing will be a critical tool that works for San Francisco and will be effective in ensuring the participation and competitiveness of community-based candidates who would otherwise not have a viable opportunity to run for office. Also, we believe the 6:1 match will incentivize and ensure that candidates focus their time and energy on reaching the community members they hope to represent rather than a small number of large donors. Finally, we trust that this system will ultimately result in the empowerment of politically underrepresented San Franciscans.

For all of these reasons, the ACLU strongly supports the 6:1 Match Public Financing Proposal.

Sincerely,

Christina Fletes-Romo  
Voting Rights Attorney  
ACLU of Northern California

CC: John Carroll, Clerk for Government Audit & Oversight Committee ([john.carroll@sfgov.org](mailto:john.carroll@sfgov.org));  
Clerk of the Board ([Board.of.Supervisors@sfgov.org](mailto:Board.of.Supervisors@sfgov.org))

American Civil Liberties Union of Northern California

EXECUTIVE DIRECTOR Abdi Soltani • BOARD CHAIR Magan Pritam Ray

SAN FRANCISCO OFFICE: 39 Drumm St. San Francisco, CA 94111 • FRESNO OFFICE: PO Box 188 Fresno, CA 93707  
TEL (415) 621-2493 • FAX (415) 255-1478 • TTY (415) 863-7832 • WWW.ACLUNC.ORG

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

Time stamp  
for meeting date

2019 JUN -4 P

AK

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Mar

Subject:

[Campaign and Governmental Conduct Code - Public Campaign Financing]

The text is listed:

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.

Signature of Sponsoring Supervisor:



For Clerk's Use Only