File No. 250928 **Committee Item No.** 6
Board Item No. ______

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight **Date:** July 16, 2026
Board of Supervisors Meeting: **Date:** ______

Cmte Board

- ☐ ☐ **Motion**
- ☐ ☐ **Resolution**
- ☒ ☐ **Ordinance**
- ☒ ☐ **Legislative Digest**
- ☐ ☐ **Budget and Legislative Analyst Report**
- ☐ ☐ **Youth Commission Report**
- ☐ ☐ **Introduction Form**
- ☐ ☐ **Department/Agency Cover Letter and/or Report**
- ☐ ☐ **MOU - FY2022-2024 - Clean**
- ☐ ☐ **MOU - FY2022-2024 - Redline**
- ☐ ☐ **Grant Information Form**
- ☐ ☐ **Grant Budget**
- ☐ ☐ **Subcontract Budget**
- ☐ ☐ **Contract / DRAFT Mills Act Agreement**
- ☐ ☐ **Form 126 – Ethics Commission**
- ☐ ☐ **Award Letter**
- ☐ ☐ **Application**
- ☐ ☐ **Public Correspondence**

OTHER

- ☒ ☐ Referral FYI 091825
- ☒ ☐ Ethics Commission Response 092625
- ☒ ☐ Presidential Transfer 061226
- ☒ ☐ ETH Presentation 071626
- ☐ ☐ ______
- ☐ ☐ ______
- ☐ ☐ ______

Prepared by: Monique Crayton **Date:** July 10, 2026
Prepared by: ______ **Date:** ______
Prepared by: ______ **Date:** ______

[Administrative Code - Elections to Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board]

Ordinance amending the Administrative Code to eliminate statement of intention, disclosure, and reporting requirements for candidates seeking election to the Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board; eliminate third-party disclosure requirements for persons or entities making independent expenditures to support or oppose such candidates; and delete corresponding training, audit, and enforcement provisions.

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

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

Section 1. The Administrative Code is hereby amended by revising Section 16.553 and deleting Sections 16.553-1 through 16.553-4, to read as follows:

SEC. 16.553. NOTICE TO MEMBERS AND RETIRED MEMBERS; NOMINATION OF MEMBERS AND RETIRED MEMBERS.

The Retirement Board, Health Service Board*,* or Retiree Health Care Trust Fund Board shall thereafter notify the members of the Retirement System or Health Service System respectively of the following:

(a) The necessity for an election;

(b) The procedure for nomination and selection of candidates to serve on the Board; *and*

~~*(c) The disclosure requirements set forth in Sections 16.553-1, 16.553-2, 16.553-3, and 16.553-4; and*~~

(~~*d*~~*c*) The dates that ballots may be marked and delivered and the procedure for voting.

The period of time during which nominations may be made shall be set by the Retirement Board, Health Service Board*,* or Retiree Health Care Trust Fund Board, but in no event shall be less than 31 days. Any person nominated to serve as a trustee of the Retirement Board, Health Service Board, or Retiree Health Care Trust Fund Board shall, on forms provided by the respective Board for this purpose, and by the date set by the respective Board, verify acceptance of the nomination and agree to serve if elected before ~~*he or she*~~ *they* may be listed as a candidate.

In any election for membership on the Retirement Board, Health Service Board*,* or Retiree Health Care Trust Fund Board, when only one candidate has filed nomination papers, the Department of Elections or Contractor shall not conduct an election and shall declare the sole candidate to be a member of the Retirement Board, Health Service Board*,* or Retiree Health Care Trust Fund Board.

~~***SEC. 16.553-1. CANDIDATE INTENTION STATEMENTS.***~~

~~*Candidates seeking election to the Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board shall file with the Ethics Commission, signed under penalty of perjury, a candidate intention statement in a manner specified, and on a form provided, by the Ethics Commission.*~~

~~***SEC. 16.553-2. CANDIDATE DISCLOSURE REQUIREMENTS.***~~

~~*(a) **Statement of Economic Interests(Form 700).** Each candidate for Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board elections shall file, by the filing of a candidate intention statement, a Statement of Economic Interests(Form 700) disclosing the information required by the disclosure category for the office sought by the candidate established in the Conflict of Interest Code. Candidates shall file such statements with the Ethics Commission. This statement shall not be required if the candidate has filed, within the previous 90 days, a statement at disclosure category one with the Ethics Commission.*~~

~~*(b) **Reporting by Candidates.***~~

~~*(1) **Initial Statement of Organization.** Any candidate for the Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board shall file an initial statement of organization with the Ethics Commission.*~~

~~*(A) **Campaign Bank Account.** Upon the filing of an initial statement of organization, the candidate shall establish or identify one campaign bank account at an office of a financial institution located in San Francisco. All contributions made to the candidate, or to a person on behalf of the candidate, shall be deposited in the account. All expenditures made by the candidate in support of his or her election to the Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board shall be made from the account.*~~

~~*(2) **Semiannual Statements.** Candidates shall file semiannual statements that comply with the requirements of California Government Code Section 84211 each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.*~~

~~*(3) **Preelection Statements.** Candidates shall file preelection statements that comply with the requirements of California Government Code Sections 84200.8 and 84211, and San Francisco Campaign and Governmental Conduct Code Section 1.135.*~~

~~*(4) **Late Contribution Reports.** Any candidate that receives a late contribution shall file a late contribution report within 24 hours of receiving the late contribution. For purposes of this*~~

~~*Section 16.553-2, "late contribution" shall mean a contribution, including a loan, that totals in the aggregate one thousand dollars($1,000) or more and is made during the period beginning 90 days before the first day on which ballots may be submitted to the Department of Elections or Contractor and ending on the last day on which ballots may be submitted to the Department of Elections or Contractor. The candidate shall report his or her full name and street address, the date and amount of the late contribution, and whether the contribution was made in the form of a loan. The candidate shall also report the full name of the contributor, his or her street address, occupation, and the name of his or her employer, or if self-employed, the name of the business.*~~

~~*(5) **Termination Statements.** Candidates shall be responsible for filing the above statements, until they file a termination statement with the Ethics Commission that indicates they are no longer holding office and have no further financial activity to disclose.*~~

~~*(6) **Forms and Filing.** The Ethics Commission shall specify the forms candidates shall use to file the above statements and the manner in which candidates shall electronically file those statements.*~~

~~*(c) **Mass Mailings.** For the purposes of this Section 16.553-2, "mass mailing" shall be defined as set forth in the California Political Reform Act, California Government Code section 81000 et seq., provided that the mass mailing advocates for or against one or more candidates for Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board.*~~

~~*(1) **Filing Requirements.** Candidates that pay for mass mailings shall, within five working days after the distribution of the mass mailing, file a copy of the mass mailing and an itemized disclosure statement with the Ethics Commission. Within the final 16 days before the election, candidates that pay for mass mailing shall file a copy of the mass mailing and the itemized disclosure statement within 48 hours of the date of the distribution of the mass mailing.*~~

~~*(2) **Disclaimers.** Mass mailings, door hangers, flyers, posters, oversized campaign buttons, bumper stickers, or print advertisements shall include the following disclaimer statements,*~~

~~*printed in at least 12-point font: "Paid for by _______________(insert the name of the filer)." and "Financial disclosures are available at sfethics.org."*~~

~~***SEC. 16.553-3. THIRD-PARTY DISCLOSURE REQUIREMENTS.***~~

~~*(a) **Reporting by Third Parties.***~~

~~*(1) **Initial Statement of Organization.** Any person or entity that makes independent expenditures totaling $1,000 or more in a calendar year to support or oppose candidate(s) for the Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board, or makes contributions totaling $1,000 or more to a candidate or a committee required to file under this subsection(a)(1), shall file an initial statement of organization with the Ethics Commission. For the purposes of this Section 16.553-3, an "independent expenditure" shall mean an expenditure made in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate for the Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board but which is not made to or at the behest of the affected candidate or committee.*~~

~~*(A) **Campaign Bank Account.** Upon the filing of an initial statement of organization, the filer shall establish or identify one campaign bank account at an office of a financial institution located in San Francisco. All contributions made to the filer, or to a person on behalf of the filer, shall be deposited in the account. Any funds spent in support of or opposition to the election of the candidate shall be deposited in the account prior to expenditure. All expenditures made by the filer in support of or opposition to the election of the candidate shall be made from the account.*~~

~~*(2) **Semiannual Statements.** Any person or entity subject to subsection(a)(1), shall file semiannual statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.*~~

~~*(3) **Preelection Statements.** Any person or entity subject to subsection(a)(1) shall file preelection statements that comply with the requirements of California Government Code Sections*~~

~~*84200.8 and 84211, and San Francisco Campaign and Governmental Conduct Code Section 1.135.*~~

~~*(4) **Late Independent Expenditure Reports.** If any person or entity subject to subsection(a)(1) makes independent expenditures that total $1,000 or more during the period beginning 90 days before the first day on which ballots may be submitted to the Department of Elections and ending on the last day on which ballots may be submitted to the Department of Elections or Contractor, such person or entity shall file a late independent expenditure report. Filers shall file late independent expenditure reports within 24 hours of making such independent expenditures.*~~

~~*(5) **Termination Statements.** Any person or entity subject to subsection(a)(1) shall be responsible for filing the above statements and reports, until they file a termination statement with the Ethics Commission that indicates they have no further financial activity to disclose.*~~

~~*(6) **Forms and Filing.** The Ethics Commission shall specify the forms persons subject to this subsection(a) shall use to file the above statements and the manner in which they shall electronically file those statements.*~~

~~*(b) **Campaign Advertisements.***~~

~~*(1) **Filing Requirements.** Persons required to file late independent expenditure reports under subsection(a)(4) shall also file with the Ethics Commission on the same date a copy of the associated advertisement(s), and*~~

~~*(A) if the advertisement is a telephone call, a copy of the script and, if the communication is recorded, the recording shall also be provided; or*~~

~~*(B) if the advertisement is audio or video, a copy of the script and an audio or video file shall be provided.*~~

~~*(2) **Disclaimers.** Mass mailings, door hangers, flyers, posters, oversized campaign buttons, bumper stickers, or print advertisements shall include the following disclaimer statements, printed in at least 12-point font: "Paid for by ________________(insert the name of the filer)." and "Financial disclosures are available at sfethics.org."*~~

~~*For the purposes of this Section 16.553-3, "mass mailing," shall be defined as set forth in the California Political Reform Act, California Government Code section 81000 et seq., provided that the mass mailing advocates for or against one or more candidates for Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board.*~~

~~*(3) **Exception.** Employee organizations that represent employees who are eligible to benefit from the Retirement System, Health Service System or Retiree Health Care Trust Fund, are subject to the disclosure and disclaimer requirements established by subsections(b)(1) and(b)(2); provided that, an employee organization whose communications are directed solely to its own members shall not be required to disclose copies of those communications or include any disclaimers.*~~

~~***SEC. 16.553-4. TRAININGS; AUDITS; ENFORCEMENT AND PENALTIES; SUBPOENAS.***~~

~~*(a) **Training for Candidates.** Every candidate for Retirement Board, Health Service Board or Retiree Health Care Trust Fund Board shall attend a training program conducted or sponsored by the Ethics Commission within one year prior to any election for the office sought by the candidate.*~~

~~*(b) **Audits; Retention of Records.** The Executive Director of the Ethics Commission may initiate audits of any candidate or any person who made independent expenditures in support of or opposition to any candidate. All candidates and persons who are required to file statements under Sections 16.553-1, 16.553-2, and 16.553-3 shall maintain detailed accounts, records, bills, and receipts as necessary to prepare those statements for a period of four years following the election for which they filed those statements.*~~

~~*(c) **Enforcement and Penalties.***~~

~~*(1) **Administrative Enforcement.** Any person who intentionally or negligently violates Sections 16.553-1, 16.553-2, and 16.553-3 shall be liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for any penalties authorized therein.*~~

~~*(2) **Statute of Limitations.** Ethics Commission investigations must be commenced within four years after the date on which the violation occurred.*~~

~~*(3) **Late Filing Fees.***~~

~~*(A) **Late Fee.** In addition to any other penalty, any person who files a paper copy of any statement required by Sections 16.553-1, 16.553-2, and 16.553-3 after the deadline imposed by this Chapter shall be liable in the amount of $10 per day after the deadline until the statement is filed.*~~

~~*(B) **Limitation on Liability.** Liability imposed by subsection(c)(3)(A) shall not exceed the cumulative amount stated in the late statement, or $100, whichever is greater.*~~

~~*(C) **Reduction or Waiver.** The Executive Director may reduce or waive a fee imposed by this subsection if the Commission determines that the late filing was not willful and that enforcement will not further the purposes of this Chapter.*~~

~~*(4) **Provision of False or Misleading Information to the Ethics Commission; Withholding of Information.** Any person who knowingly or willfully furnishes false or fraudulent evidence, documents, or information to the Ethics Commission under this Chapter, or misrepresents any material fact, or conceals any evidence, documents, or information, or fails to furnish to the Ethics Commission any records, documents, or other information required to be provided under this Chapter shall be subject to the penalties provided in this subsection 16.553-4(c).*~~

~~*(d) **Subpoenas.** The Executive Director of the Ethics Commission may issue subpoenas in furtherance of her duties under the Chapter including, but not limited to, audits and enforcement of its provisions.*~~

Section 2. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

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

Section 3. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Kathleen Vermazen Radez
KATHLEEN VERMAZEN RADEZ
Deputy City Attorney

n:\ethics\as2025\2500330\01867586.docx

FILE NO. 250928

LEGISLATIVE DIGEST

[Administrative Code - Elections to Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board]

Ordinance amending the Administrative Code to eliminate statement of intention, disclosure, and reporting requirements for candidates seeking election to the Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board; eliminate third-party disclosure requirements for persons or entities making independent expenditures to support or oppose such candidates; and delete corresponding training, audit, and enforcement provisions.

Existing Law

Article XII, Chapter 16 of the Administrative Code governs elections for members of the Retirement Board, Health Service Board, and the Retiree Health Care Trust Fund Board (collectively "Boards"). Candidates for these Boards are required to file certain disclosures with the Ethics Commission, including a candidate intention statement, Statement of Economic Interests (Form 700), and other filings concern campaign contributions and expenditures. Any person or entity that makes independent expenditures totaling $1,000 or more in a calendar year to support or oppose candidate(s) for the Boards must comply with third-party disclosure requirements. Each Board is required to notify its members of these disclosure requirements.

Candidates for the Boards must attend trainings conducted or sponsored by the Ethics Commission, and must retain certain records. The Ethics Commission has the authority to initiate audits of any candidate for the Boards, or of any person who made an independent expenditure in support of or opposition to any candidate for the Boards, and may impose late filing fees and levy penalties on persons who fail to file the required statements.

Amendments to Current Law

The proposed ordinance eliminates the disclosure requirements for candidates seeking election to the Boards and for any person or entity that makes independent expenditures to support or oppose such candidates. It removes the authority of the Ethics Commission to initiate audits of such candidates or third-parties, and to impose late filing fees and to levy penalties on such persons. And it eliminates the obligation of the Boards to inform their members of these disclosure requirements. The ordinance does not change provisions of the Conflict of Interest Code that require members of the Boards to file Statements of Economic Interest (Form 700).

n:\ethics\as2025\2500330\01835384.docx

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Patrick Ford, Executive Director, Ethics Commission
Alison Romano, CEO/CIO, Retirement Board
Abbie Yant, Executive Director, Health Service System
Kelsey Lim, Retiree Health Care Trust Fund Board

FROM: Victor Young, Assistant Clerk Victor Young

DATE: September 16, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following proposed Ordinance:

File No. 250928

Ordinance amending the Administrative Code to eliminate statement of intention, disclosure, and reporting requirements for candidates seeking election to the Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board; eliminate third-party disclosure requirements for persons or entities making independent expenditures to support or oppose such candidates; and delete corresponding training, audit, and enforcement provisions.

If you have comments or reports to be included with the file, please forward them to Victor Young 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.

(attachment)

c. Michael Canning, Ethics Commission
Darlene Armanino, Retirement Board
Health Service Board (health.service.board@sfgov.org)

San Francisco Ethics Commission

25 Van Ness Avenue, STE 220
San Francisco, CA 94102-6053
ethics.commission@sfgov.org
415-252-3100 | sfethics.org

September 26, 2025

Honorable Members of the San Francisco Board of Supervisors
Attention: Angela Calvillo, Clerk of the Board of Supervisors

Re: Ethics Commission Comment on File #250928 Regarding Trustee Election Disclosure Requirements

Dear Members of the Board of Supervisors:

The San Francisco Ethics Commission is pleased to comment on the introduction of legislation regarding changes to the City's trustee election disclosure requirements (File #250928).

On June 13, 2025, Ethics Commission staff presented findings and recommended that the campaign reporting requirements currently imposed on candidates for the Health Service Board, Retirement Board, and Retiree Health Care Trust Fund Board be discontinued. At that meeting, the Commission voted to authorize the Chair and the Executive Director to send the attached letter to the Board of Supervisors requesting the Board introduce and enact legislation to implement this change.

On September 9, 2025, President Mandelman introduced an ordinance (File No. 250928) to enact the Commission's recommendation. The ordinance would eliminate the disclosure and reporting requirements for candidates seeking election to the Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board and third-party disclosure requirements for persons or entities making independent expenditures to support or oppose such candidates. As described in the attached letter and the June report, the Commission finds these disclosures to be unnecessary, overly strict, and burdensome for volunteer trustees.

The Ethics Commission appreciates the Board of Supervisor's action on this matter and continued consideration of this ordinance. Ethics Commission staff remain available to answer questions or otherwise assist the Board of Supervisors on this legislation as desired. If you have questions about this ordinance, please contact me (Michael.A.Canning@sfgov.org) or Executive Director Ford (Patrick.Ford@sfgov.org).

Sincerely,

Michael Canning

Michael Canning
Policy & Legislative Affairs Manager

Attachment Included

CC: Patrick Ford, Executive Director

ATTACHMENT 1

San Francisco
Ethics Commission

25 Van Ness Avenue, STE 220
San Francisco, CA 94102-6053
ethics.commission@sfgov.org
415-252-3100 | sfethics.org

July 14, 2025

Honorable Members of the San Francisco Board of Supervisors
Attention: Angela Calvillo, Clerk of the Board of Supervisors

Re: Ethics Commission Recommending Changes to Trustee Election Disclosures

Dear Members of the Board of Supervisors:

The San Francisco Ethics Commission recommends that the Board of Supervisors enact legislation that would discontinue the campaign reporting requirements of candidates for the Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board. The Commission has found these requirements to be unnecessary, overly strict, and administratively burdensome and does not believe they add sufficient value to the City to justify their continued existence.

This recommendation stems from the Commission's current *Streamlining Project* that was undertaken to evaluate various programs and policies administered by the Commission to determine if they are effective, efficient, adding value to the City, and furthering the Commission's mission of promoting the highest standards of integrity in government. This program evaluation included soliciting feedback from the regulated community, members of the public, and other stakeholders.

Most of the recommendations emerging from this project involve changes to San Francisco's Campaign and Governmental Conduct Code and will thus require joint approval by the Board of Supervisors and the Ethics Commission. Commission staff will be reaching out to the Board soon to engage on those changes. However, the rules regarding the trustee election disclosure requirements are contained within the Administrative Code,[1] which is outside of the Ethics Commission's legislative authority. Thus, these changes require action solely from the Board of Supervisors.

On June 13, 2025, the Ethics Commission voted to authorize the Chair and the Executive Director to send this letter to the Board to formally make this legislative recommendation. At that meeting, Ethics Commission staff presented this recommendation, along with several others, under Agenda Item 7. The portion of the associated staff memo regarding the trustee election disclosure requirements is provided as **Attachment 1** to this letter.

A brief overview of the current program, the Commission's findings, and proposed recommendations are included below.

History of Trustee Election Disclosure Requirements

In 2018, the Administrative Code was amended to establish a uniform set of registration, disclosure, and termination filings for both candidates and third-party spenders in elections to the Health Service Board, Retirement Board, and Retiree Health Care Trust Fund Board. These trustee elections are

[1] Administrative Code Sections 16.553-1, 16.553-2, 16.553-3, and 16.553-4.

administered by the Department of Elections but are not open to the public and candidates for these seats are not considered candidates under State and local law. Although the disclosure program was created following a 2017 Retiree Health Care Trust Fund Board in which third-party spending was prevalent, in general there is little or no spending in these races.

Current Requirements are Unnecessary, Overly Strict, and Burdensome

The current program provides little public benefit, as these elections do not typically have candidates that raise or spend any money, and the poor program structure creates undue burdens on candidates and City officials.

- Since the program was implemented, there has been virtually no financial activity reported. Since 2018, there have been a total of **just seven candidates who have registered and filed disclosures with the Ethics Commission** – of those seven, **only one candidate has ever disclosed raising funds**. The **total amount raised was $78.60**, which is below the $100 threshold that requires contributor itemization on a campaign statement. No third-party spending has been reported during this time.
- The existing disclosure requirements are overly strict on trustee candidates, with the requirements being more stringent than those followed by candidates for City elective office. The current program requires these trustee candidates to establish a bank account regardless of whether they anticipate raising or spending any money. These requirements create a barrier to entry and discourage participation by potential candidates, who are typically City employees and retirees interested in how their benefits are managed.
- There are also unnecessary support costs borne by the Ethics Commission and the trustee bodies regarding the implementation of these rules, as they must coordinate to assist candidates and otherwise administer these trustee elections.

The public demands and deserves government agencies that are focused on using public resources in ways that are effective, efficient, and adding value to their lives. Discontinuing these unnecessary, overly strict, and burdensome reporting requirements will help encourage more people to run for trustee positions and enable Ethics Commission staff to focus more on the Commission's core functions that serve to promote the highest standards of integrity in City government.

Thank you for your consideration of legislation that would discontinue these requirements. If you have questions about this recommendation or would like to engage on this matter, please contact our Policy & Legislative Affairs Manager, Michael Canning (Michael.A.Canning@sfgov.org).

Sincerely,

/s/ Argemira Flórez Feng

Argemira Flórez Feng
Chair
San Francisco Ethics Commission

Patrick Ford
Executive Director
San Francisco Ethics Commission

President, District 8
BOARD of SUPERVISORS

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

Tel. No. 554-6968
Fax No. 554-5163
TDD/TTY No. 544-5227

RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date: 6/12/2026

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. 250928 Mandelman (Primary Sponsor)

Title. Administrative Code - Elections to Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board

From: Rules Committee

To: Government Audit & Oversight Committee

☐ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: ______ Replacing Supervisor: ______

For: ______ (Date) ______ (Committee) Meeting

Start Time: ______ End Time: ______

Temporary Assignment: ◉ Partial ○ Full Meeting

Rafael Mandelman, President
Board of Supervisors

City & County of San Francisco
Ethics Commission

Streamlining of Ethics Programs and Policies

(File #250867, File #250928, and File #250868)

Government Audit and Oversight Committee Presentation – July 16, 2026

Project Overview

- Evaluate whether existing programs are effective, efficient, and furthering the Commission’s mission.
- San Francisco is a leader on ethics rules, often trying new, unique approaches.
- Must ensure that the programs add value and are worth the continued cost to administer.
- If not, programs and policies may need to be scaled down or otherwise revised.
- This allows the Commission to focus on its core functions and administering the programs and policies that are most impactful.

Project Overview Cont.

- Project launched in February of 2025.
- Led to recommendations that are reflected in three ordinances:
  - **File No. 250867:** Regarding campaign consultants, supplemental recusal notifications, and major developers.
  - **File No. 250938:** Regarding the disclosure and reporting requirements in trustee elections.
  - **File No. 250868:** Regarding expenditure ceilings and contribution limits.
- In June of 2025 the Commission authorized the Chair to write to the Board requesting File No. 250938 be introduced and in September 2025, Ethics Commission voted unanimously to approve the other two ordinances which were then referred to the Board.

File No. 250867 - Regarding **campaign consultants**, supplemental recusal notifications, and major developers.

Campaign Consultant Disclosure Requirement

Current Law

- Campaign Consultants are required to register and file quarterly reports with the Ethics Commission.
- This disclosure requirement was created in 1997, before campaign finance was filed and presented to the public electronically.
- This **disclosure requirement is redundant** as the same information is available online via disclosures made by campaigns.
- Similar disclosure requirements do **not exist in other jurisdictions**.

Ordinance Would

- **Discontinue the registration and reporting requirements for campaign consultants.**
- Instead require consultants to supply their clients with the information necessary to report the consultant’s activities through the campaign committee’s other existing campaign finance disclosures.

File No. 250867 - Regarding campaign consultants, **supplemental recusal notifications**, and major developers.

Supplemental Recusal Notifications

Current Law

- Members of City boards and commissions who have a financial conflict of interest in a matter are required to recuse themselves from discussing or voting on the matter.
- Additionally, the City requires members of boards and commissioners (excluding the Board of Supervisors) to file a disclosure with the Ethics Commission whenever they recuse.
- This supplemental recusal **notification is redundant** as the information is already publicly disclosed when the recusal occurs.

Ordinance Would

- **Remove the City's requirement to file supplemental recusal notifications** with the Ethics Commission.
- Retain the existing recusal procedures that occur during the meeting in which the recusal is made, which would have members of other boards and commissions follow the same process that is required for the Board of Supervisors.

File No. 250867 - Regarding campaign consultants, supplemental recusal notifications, and **major developers**.

Major Developer Disclosures

Current Law

- Requires real estate developers to disclose certain donations made to nonprofit organizations that have contacted City officers regarding major projects of the developer.
- Requires a registration fee be paid by all developers and the filing of four quarterly reports (half of which report no donations made).
- Disclosures **occur retroactively and are of unclear benefit** to City officers or the public.
- Similar rules do **not exist in other jurisdictions**.

Ordinance Would

- **Eliminate the registration and reporting components on major developers.**
- Instead require major developers that pay or donate to a nonprofit in exchange for lobbyist services, to provide the person performing the services with the information they would need to register and report that activity under the City's existing lobbyist rules.

File No. 250938 - Regarding the disclosure and reporting requirements in trustee elections.

Current Law	**Ordinance Would**
• San Francisco has three benefit-related boards that manage retirement and health benefits for City employees and retirees (*Health Service Board, Retirement Board, and Retiree Health Care Trust Fund Board*). • Since 2018, candidates for these positions have been required to follow strict campaign finance reporting requirements, despite virtually no financial activity: • Seven candidates since 2018, of those just a single candidate has reported raising funds (***$78.60 in total funds***). • These requirements provide **minimal public benefit**, impose **disproportionate and unnecessary burdens on candidates**, and continuing to administer the requirements is a **poor use of City resources**.	• **Remove the Trustee Election Filing Requirements.**

File No. 250868 - Regarding **expenditure ceilings** and contribution limits.

Expenditure Ceilings

Current Law

- The City's Public Financing Program was established by Prop O in 2000 and helps ensure that candidates with a demonstrated level of community support can secure sufficient resources to mount a viable campaign.
- To participate in the Public Financing Program, candidates agree to adhere to an **expenditure ceiling**.
- San Francisco has a unique process by which these ceilings **are incrementally adjusted indefinitely** for each participating candidate.
- Most other public financing programs in the country do not have expenditure ceilings at all and none of them have an adjustment process like San Francisco's.

File No. 250868 - Regarding **expenditure ceilings** and contribution limits.

Issues with Current Ceiling Adjustment Process:

Rarely Limits Spending

- In 2024, ceilings were **adjusted 295 times**, and at the end of the election were **only limiting the spending of a single candidate**.
- Ceilings are regularly increased before the candidates have raised enough money to potentially spend beyond their ceiling.

Too Easily Influenced by Independent Spending

- Currently, **any amount of independent spending can necessitate a ceiling adjustment**, which can then trigger a cascade of additional adjustments.

Administrative Burden on Candidates and City Resources

- Places additional burden on candidate campaigns:
  - In 2024, candidates were **required to file 263 threshold statements**.
  - Candidates must file the statements **within 24** hours of each threshold crossed.
  - Takes time and campaign resources that could be **better spent engaging with voters**.
  - Disproportionate **impact on first-time, under-resourced candidates**.
- Daily monitoring, calculating, and communicating on ceiling adjustments by Ethics Commission auditors, this is **time that could be spent performing additional audits**.

File No. 250868 - Regarding **expenditure ceilings** and contribution limits.

Expenditure Ceilings

Ordinance Would

- Create **more effective expenditure ceilings** by ending the process of indefinitely adjusting the ceilings in response to low levels of independent spending.
- Instead of indefinite adjustments, a candidate's ceiling would **only be removed if there is a large amount of independent spending against that candidate** (or for their opponents) or if there is a non-participating candidate on track to spend beyond the ceiling.
- This **simplifies the process** and eliminates the need for candidates to file ongoing 24-hour threshold reports.
- Based on an analysis of historical data, this proposed change would have resulted in the following (across the last three election cycles in the 15 races with publicly financed candidates):
    - *In **six races**, no candidate's ceiling would have been lifted.*
    - *In **six races**, some, but not all the candidate ceilings would have been lifted.*
    - *In **three races**, all the candidates would have had their ceilings lifted.*

File No. 250868 - Regarding expenditure ceilings and **contribution limits**.

Contribution Limits

Current Law

- Contribution limits help prevent overreliance on wealthy donors and reduce risk of corruption
- San Francisco's $500 contribution limit was set in 2000 and has **never been adjusted** since.
- No clear mechanism in the Code to make inflationary adjustments.

Ordinance Would

- Adjust the contribution for inflation from $500 to $1,000.
  - Comparable to State average ($777) and City of Los Angeles ($900).
  - Still well below state limit ($5,900).
- Codify a mechanism for ongoing CPI-based adjustments that are ***rounded down*** to the nearest $100 to ensure gradual, incremental updates in the future.

File No. 250868 - Regarding expenditure ceilings and contribution limits.

Amendments Based on Stakeholder Feedback

1. **Changed adjustment mechanism for expenditure ceilings:** Instead of applying one ceiling to the entire race, the amended legislation applies and lifts the ceilings on a per candidate bases, thus ensuring that outside spending in support of a candidate will never result in that candidate’s ceiling being lifted.

2. **Slowed future contribution limit increases:** Instead of rounding future inflationary adjustments to nearest $100, the amended legislation would round the adjustments down to the nearest $100, slowing the rate of future increases.

3. **Removed inflationary adjustment for loan limit:** Instead of retroactively adjusting this amount for inflation, the current amounts would be retained, but the ordinance would still allow for future inflationary adjustments.

4. **Increased public financing match ratios:** The amended legislation increases the match ratio from 1:6 to 1:8. This does not increase the maximum public funds that can be received but it would help candidates get access to funds earlier and some candidates would receive more funding.

Thank You & Questions