

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

RULES COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Jane Kim, Chair
Rules Committee

FROM: Linda Wong, Committee Clerk

DATE: September 19, 2011

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, September 20, 2011

The following file should be presented as **COMMITTEE REPORT** at the Board meeting on Tuesday, September 20, 2011. This item was acted upon at a Special Committee Meeting today at 10:30 a.m. by the vote indicated.

Item No. 30 **File No. 110718**

[Campaign and Governmental Conduct Code - Capping the Amount of Public Matching Funds]

Ordinance amending the San Francisco Campaign and Governmental Conduct Code Section 1.144 to cap the amount of public matching funds.

REFERRED WITHOUT RECOMMENDATION AS COMMITTEE REPORT

Vote: Kim – Aye
Elsbernd – Aye
Chu - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Cheryl Adams, Deputy City Attorney
Rick Caldeira, Legislative Deputy Director

File No. 110718

Committee Item No. 1

Board Item No. 30

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules

Date 9/19/11

Board of Supervisors Meeting

Date 9/20/11

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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OTHER

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Completed by: Linda Wong

Date 9/16/11

Completed by: L.W.

Date 9/19/11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Campaign and Governmental Conduct Code - Capping the Amount of Public Matching
2 Funds.]

3 **Ordinance amending the San Francisco Campaign and Governmental Conduct Code**
4 **Section 1.144 to cap the amount of public matching funds.**

5 Note: Additions are *single-underline italics Times New Roman*;
6 deletions are ~~*strikethrough italics Times New Roman*~~.
7 Board amendment additions are double underlined.
8 Board amendment deletions are ~~strikethrough normal~~.

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

10 Section 1. The San Francisco Campaign & Governmental Conduct Code is hereby
11 amended by amending Sections 1.144 to read as follows:

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

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

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

23 (c) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR MAYOR.

24 (1) ~~Until the Per Candidate Available Disbursement Limit has been determined,~~ eCandidates for
25 Mayor whom the Ethics Commission has certified as eligible to receive public financing for

1 their election campaigns will have access to up to a maximum per candidate of \$900,000 in
2 funds from the Election Campaign Fund on a first come, first served basis according to the
3 formula set forth in Subsection (c)(~~32~~) of this Section.

4 ~~(2) Once the Per Candidate Available Disbursement Limit has been determined, candidates for Mayor~~
5 ~~whom the Ethics Commission has certified as eligible to receive public financing for their election~~
6 ~~campaigns shall have access to funds from the Election Campaign Fund as follows:~~

7 ~~(A) If the Executive Director determines that the Per Candidate Available Disbursement Limit is~~
8 ~~greater than \$900,000, each participating candidate shall have access to the amount of the Per~~
9 ~~Candidate Available Disbursement Limit, subject to the limitations set forth under Subsection (c)(3)(D)~~
10 ~~and (c)(3)(E) of this Section.~~

11 ~~(B) If the Executive Director determines the Per Candidate Available Disbursement Limit is less than~~
12 ~~or equal to \$900,000, participating candidates shall have access to funds from the Election Campaign~~
13 ~~Fund on a first come, first served basis up to a maximum per candidate of \$900,000.~~

14 ~~(32)~~ A candidate for Mayor who is certified as eligible to receive public financing under this
15 Chapter shall receive payments for eligible matching contributions according to the following
16 formula:

17 (A) Upon qualification the candidate shall receive a one-time payment of \$50,000 from the
18 Election Campaign Fund.

19 (B) After the initial payment under Subsection (c)(~~32~~)(A), for the first \$100,000 in matching
20 contributions raised by the candidate, the candidate shall receive four dollars from the
21 Election Campaign Fund for each dollar raised.

22 (C) After the payments under Subsection (c)(~~32~~)(B), for the next \$450,000 in matching
23 contributions raised by the candidate, the candidate shall receive one dollar from the Election
24 Campaign Fund for each dollar raised.

1 (D) The maximum amount of public funds a mayoral candidate may receive is \$900,000.,
2 ~~unless the candidate's Individual Expenditure Ceiling is adjusted according to the rules set forth under~~
3 ~~Section 1.143.~~

4 ~~(E) If the Per Candidate Available Disbursement Limit has been determined to be an amount greater~~
5 ~~than \$900,000, a candidate who has already received at least \$900,000 in disbursements from the City~~
6 ~~shall continue to be eligible to receive public funds from the City at the rate of one dollar for each~~
7 ~~dollar of a matching contribution raised up to the Per Candidate Available Disbursement Limit,~~
8 ~~provided that no funds shall be disbursed if disbursement of the funds would result in the candidate~~
9 ~~exceeding his or her Trust Account Limit.~~

10 (d) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR THE BOARD OF
11 SUPERVISORS.

12 (1) ~~Until the Per Candidate Available Disbursement Limit has been determined,~~ eCandidates for the
13 Board of Supervisors whom the Ethics Commission has certified as eligible to receive public
14 financing for their election campaigns will have access to up to a maximum per candidate of
15 \$89,000 in funds from the Election Campaign Fund on a first come, first served basis
16 according to the formula set forth in Subsection (d)(3) of this Section.

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18 ~~Board of Supervisors whom the Ethics Commission has certified as eligible to receive public financing~~
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2 ~~or equal to \$89,000, participating candidates shall have access to funds from the Election Campaign~~
3 ~~Fund on a first come, first served basis up to a maximum per candidate of \$89,000.~~

4 (32) A candidate for the Board of Supervisors who is certified as eligible to receive public
5 financing under this Chapter shall receive payments for eligible matching contributions
6 according to the following formula:

7 (A) Upon qualification the candidate shall receive a one-time payment of \$10,000 from the
8 Election Campaign Fund.

9 (B) After the initial payment under Subsection (d)(32)(A), for the first \$10,000 in matching
10 contributions raised by the candidate, the candidate shall receive four dollars from the
11 Election Campaign Fund for each dollar raised.

12 (C) After the payments under Subsection (d)(32)(B), for the next \$39,000 in matching
13 contributions raised by the candidate, the candidate shall receive one dollar from the Election
14 Campaign Fund for each dollar raised.

15 (D) The maximum amount of public funds a candidate for the Board of Supervisors may
16 receive is \$89,000. ~~, unless the candidate's Individual Expenditure Ceiling is adjusted according to~~
17 ~~the rules set forth under Section 1.143.~~

18 ~~(E) If the Per Candidate Available Disbursement Limit has been determined to be an amount greater~~
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22 ~~funds shall be disbursed if disbursement of the funds would result in the candidate exceeding his or her~~
23 ~~Trust Account Limit.~~

1 ~~(e) PER CANDIDATE AVAILABLE DISBURSEMENT LIMIT. On the 59th day before the election, the~~
2 ~~Executive Director shall divide the total amount of non-administrative funds in the Election Campaign~~
3 ~~Fund by the number of qualified candidates. This number shall be deemed the Per Candidate Available~~
4 ~~Disbursement Limit. For the purposes of this section, the total amount of non-administrative funds in~~
5 ~~the Election Campaign Fund shall be the total amount of funds that existed in the Fund nine months~~
6 ~~before the date of election plus any funds deposited into the Fund between that date and the 59th day~~
7 ~~before the election minus any funds necessary to cover the administrative costs associated with~~
8 ~~implementing the public financing program for the next election.~~

9 ~~If there are candidates who have submitted a Declaration of Qualification but whose eligibility has not~~
10 ~~been determined as of the 59th day before the election, the Executive Director shall assume that they~~
11 ~~are qualified for the purposes of determining the Per Candidate Available Disbursement Limit. The Per~~
12 ~~Candidate Available Disbursement Limit shall be revised upward according to the formula above if~~
13 ~~and when it is determined that the candidate or candidates in question did not qualify to receive public~~
14 ~~financing.~~

15 ~~Immediately upon calculating the Per Candidate Available Disbursement Limit, the Executive Director~~
16 ~~shall inform the Controller of the initial determination of the Per Candidate Available Disbursement~~
17 ~~Limit. Thereafter, the Executive Director shall immediately inform the Controller of any subsequent~~
18 ~~changes in the Per Candidate Available Disbursement Limit due to a determination that a candidate~~
19 ~~has not qualified to receive public financing.~~

20 (fe) SUBMISSION OF CLAIMS FOR PUBLIC FUNDS. The Ethics Commission shall
21 determine the information needed to submit a claim for payment of public funds. The
22 Executive Director shall certify each request for payment of public funds within four business
23 days of the request, except that within 14 calendar days before the election, when the
24 certification of a request for public funds shall be made within two business days of the
25

1 request. No candidate may submit a claim for public funds if the candidate has any such
2 claims pending with the Ethics Commission. For candidates for Mayor, any submission of a
3 claim for public funds must include a minimum of \$5,000 of matching contributions; provided
4 that in the 14 calendar days preceding an election, a claim must include a minimum of \$1,000
5 of matching contributions. For candidates for the Board of Supervisors, any submission of a
6 claim for public funds must include a minimum of \$1,000 of matching contributions; provided
7 that in the 14 calendar days preceding an election, a claim must include a minimum of \$200 of
8 matching contributions. All claims for public funds must be submitted no later than 5:00 p.m.
9 on the 30th day following the date of the election.

10 (g) DEPOSIT IN CAMPAIGN CONTRIBUTION TRUST ACCOUNT. A candidate must
11 deposit all payments received from the Election Campaign Fund in his or her candidate
12 committee's Campaign Contribution Trust Account.

13
14 APPROVED AS TO FORM:
15 BARBARA J. PARKER, Oakland City Attorney
Acting as Special City Attorney, City and County of San Francisco

16 By: See file for signature
17 MARK MORODOMI
18 Deputy City Attorney
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LEGISLATIVE DIGEST

[Campaign and Governmental Conduct Code - Capping the amount of public matching funds]

Ordinance amending sections 1.144 of the Campaign and Governmental Conduct Code, to cap the amount of public matching funds.

Existing Law

Section 1.144 sets forth the amounts of public matching funds paid to mayoral and supervisorial candidates. Subsections 1.144(c)(1) and (d)(1) set a base public matching amount of \$900,000 for each eligible mayoral candidate and \$89,000 for each eligible supervisorial candidate. Subsections 1.144(c)(2)(D) and (d)(2)(D) allow for additional public matching funding if the Ethics Commission raises the Individual Expenditure Ceiling (the ceiling amount a candidate who participates in the public matching fund program can spend).

Amendment to Current Law

The proposed amendment to section 1.144 caps the amount of public funding for mayoral candidates at \$900,000 per election and supervisorial candidates at \$89,000 per election. The amendment eliminates any additional public matching funds if the Individual Expenditure Ceiling is raised. Subsections of the section 1.144 related to public funding beyond the \$900,000 and \$89,000 are deleted.

Background Information

The proposal amends the Campaign & Governmental Conduct Code (the "Campaign Finance Reform Ordinance" or "CFRO"). The Campaign Finance Reform Ordinance, which was originally approved by the voters, expressly authorizes amendment by the Board of Supervisors only if:

- 1) the amendment furthers the purposes of the CFRO;
- 2) the amendment is submitted to the Ethics Commission and recommended by its members by a four-fifths vote;
- 3) the legislation is made available for public review for 30 days; and
- 4) the Board of Supervisors adopts the legislation by a two-thirds vote.

See S.F. Campaign and Governmental Conduct Code Sec. 1.103.

The Ethics Commission adopted this proposed legislation by a 4-1 vote at its meeting on July 11, 2011.

BOARD of SUPERVISORS



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Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 AUG -1 AM 9:35

MEMORANDUM

TO: Ethics Commission
FROM: Angela Calvillo, Clerk of the Board
DATE: July 18, 2011
SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Rules Committee

The Board of Supervisors Rules Committee has received the following proposed ordinance, which is being referred to the Ethics Commission for comment and recommendation.

File: 110718

Ordinance amending the San Francisco Campaign and Governmental Conduct Code Section 1.144 to cap the amount of public matching funds.

Please return this cover sheet with the Commission's response to Linda Wong, Clerk, Rules Committee.

RESPONSE FROM ETHICS COMMISSION - Date: 7/28/11

- No Comment
- Recommendation Attached

Chairperson, Ethics Commission

This ordinance was passed by the Ethics Commission on July 11, 2011.

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2 Funds.]

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11 amended by amending Sections 1.144 to read as follows:

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

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

23 (c) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR MAYOR.

24 (1) ~~Until the Per Candidate Available Disbursement Limit has been determined,~~ Candidates for
25 Mayor whom the Ethics Commission has certified as eligible to receive public financing for

1 their election campaigns will have access to up to a maximum per candidate of \$900,000 in
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3 formula set forth in Subsection (c)(32) of this Section.

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14 (32) A candidate for Mayor who is certified as eligible to receive public financing under this
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17 (A) Upon qualification the candidate shall receive a one-time payment of \$50,000 from the
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19 (B) After the initial payment under Subsection (c)(32)(A), for the first \$100,000 in matching
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21 Election Campaign Fund for each dollar raised.

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1 request. No candidate may submit a claim for public funds if the candidate has any such
2 claims pending with the Ethics Commission. For candidates for Mayor, any submission of a
3 claim for public funds must include a minimum of \$5,000 of matching contributions; provided
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6 claim for public funds must include a minimum of \$1,000 of matching contributions; provided
7 that in the 14 calendar days preceding an election, a claim must include a minimum of \$200 of
8 matching contributions. All claims for public funds must be submitted no later than 5:00 p.m.
9 on the 30th day following the date of the election.

10 (e) DEPOSIT IN CAMPAIGN CONTRIBUTION TRUST ACCOUNT. A candidate must
11 deposit all payments received from the Election Campaign Fund in his or her candidate
12 committee's Campaign Contribution Trust Account.

13 APPROVED AS TO FORM:
14 BARBARA J. PARKER, Oakland City Attorney
15 Acting as Special City Attorney, City and County of San Francisco

16 By: See file for signature
17 MARK MORODOMI
18 Deputy City Attorney
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LEGISLATIVE DIGEST

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Amendment to Current Law

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Background Information

The proposal amends the Campaign & Governmental Conduct Code (the "Campaign Finance Reform Ordinance" or "CFRO"). The Campaign Finance Reform Ordinance, which was originally approved by the voters, expressly authorizes amendment by the Board of Supervisors only if:

- 1) the amendment furthers the purposes of the CFRO;
- 2) the amendment is submitted to the Ethics Commission and recommended by its members by a four-fifths vote;
- 3) the legislation is made available for public review for 30 days; and
- 4) the Board of Supervisors adopts the legislation by a two-thirds vote.

See S.F. Campaign and Governmental Conduct Code Sec. 1.103.

The Ethics Commission adopted this proposed legislation by a 4-1 vote at its meeting on July 11, 2011.