

**San Francisco
Ethics Commission**



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Report on San Francisco's Limited Public Financing Program

Board of Supervisors November 5, 2002 Election

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I. Introduction

In 2000, San Francisco voters adopted the Fair Elections Ordinance (Proposition O) to provide limited public financing to candidates for the Board of Supervisors. Candidates who met certain requirements and who agreed to limit their spending could receive public grants in amounts ranging from \$5,000 to \$43,750 in a general election and up to \$17,000 in a run-off election.¹

The San Francisco Ethics Commission (“the Commission”) implemented the first cycle of the public financing program in the 2002 Board of Supervisors elections. Proposition O requires the Ethics Commission to present a report on the public financing program to the Mayor and the Board of Supervisors following each election at which members of the Board of Supervisors are elected. (S.F. Campaign and Governmental Conduct Code § 1.156). The report must state the amount of public funds disbursed to campaigns in the election and other information that the Ethics Commission deems useful, such as the number of candidates who received public funds, the number of non-participating candidates, the amount of qualified campaign expenditures made by all candidates, and the amount of independent expenditures.

This is the Commission’s report on the public financing program as it was effectuated in the November 2002 election.² Because the November 2002 election was the first time that public financing was implemented, the Commission believes that it is too early to draw conclusions as to whether the program succeeded in achieving all of its goals. Nonetheless, the results show that public financing played a central role in the November 2002 election. Sixty percent of the candidates in that election who were elected to the Board of Supervisors participated in the program.³

II. Report of the Public Financing Program of 2002

A. The Amount of Public Funds Disbursed in 2002

The City disbursed a total of \$315,989 in public funds to eligible candidates--\$281,989 for the general election and \$34,000 for the run-off election. No candidate received the maximum available amount (\$43,750) in the general election; and two candidates received the maximum available amount (\$17,000) in the run-off election. Please refer to Table 1 below for a breakdown by candidate of how public funds were disbursed.

¹ Please see Appendix I for an overview of the public financing program.

² The data used in this report is based on unaudited campaign statements filed by candidates covering through December 31, 2002 for candidates who ran in 2002. For candidates who ran in 2000, the campaign statements covering through December 31, 2000 were analyzed.

³ Forty percent of the candidates who were elected received public funds. One candidate who participated in the public financing program chose not to receive public funds.

Table 1: Public Funds Disbursed in 2002

Candidate	District	Amount Disbursed for General Election	Amount Disbursed for Run-Off Election	Total Amount Disbursed
Ron Dudum	4	\$41,760	\$17,000	\$58,760
Barry Hermanson	4	\$29,691	n/a	\$29,691
Fiona Ma	4	\$40,200	\$17,000	\$57,200
Joel Ventresca	4	\$25,548	n/a	\$25,548
Chris Daly	6	\$40,049	n/a	\$40,049
Michael Sweet	6	\$37,205	n/a	\$37,205
Bevan Dufty	8	\$0	\$0	\$0
Eileen Hansen	8	\$35,951	\$0	\$35,951
Tom Radulovich	8	\$31,585	n/a	\$31,585
Grand Total		\$281,989	\$34,000	\$315,989

B. The Number of Candidates Who Received Public Funds

There are eleven supervisorial districts in San Francisco. In 2002, elections were held in the five even-numbered districts, districts 2, 4, 6, 8 and 10. A total of 28 candidates for the Board of Supervisors appeared on the ballot in November 2002.

Based on a study of the amount of contributions received by supervisorial candidates in 2000, the Commission forecasted that 25 candidates would meet the eligibility criteria for receiving public funds in 2002 by raising \$7,500 in qualifying contributions.⁴ A review of the contributions raised by candidates in 2002 indicated that only 16 candidates may have reached the qualifying threshold of receiving \$7,500 in qualifying contributions. In 2002, 11 candidates applied for public financing.

Nine of the 11 candidates who sought public financing were certified as eligible to receive public funds. One candidate was not eligible to participate because he had not raised the required \$7,500 in qualifying contributions. A second candidate was deemed not eligible to participate because although she had raised \$7,500 in qualifying contributions, she did not have an opponent, which is also a requirement for public financing. *See* Appendix I. Of the nine candidates who were deemed eligible to receive funds, one asked the Commission not to disburse any funds to his campaign. This candidate nonetheless was required to abide by the rules of the public financing program, including limiting his expenditures to the expenditure ceiling.

⁴ See Appendix I for the criteria that a candidate must meet to qualify for public financing.

The nine participants of the public financing program ran for office from three districts: districts 4, 6 and 8. There were no participating candidates from districts 2 and 10.⁵

There was a run-off election in two of the five districts: districts 4 and 8. All four candidates who were involved in the run-off election were candidates who participated in the public financing program. In district 4, the two candidates who were involved in the run-off election received public funds for both the general and run-off elections. In district 8, although both candidates involved in the run-off election were eligible to receive public funds, one chose to receive public funds only for the general election and the other chose to receive no public funds.

The three winners in districts 4, 6 and 8 participated in the public financing program. One third of the participants in the public financing program were elected to office. Table 2 below lists the candidates who participated in the public financing program.

Table 2: Candidates Who Participated in the Public Financing Program in 2002

Candidate	District	Elected/Defeated
Ron Dudum	4	Defeated
Barry Hermanson	4	Defeated
Fiona Ma	4	Elected
Joel Ventresca	4	Defeated
Chris Daly	6	Elected
Michael Sweet	6	Defeated
Bevan Dufty	8	Elected
Eileen Hansen	8	Defeated
Tom Radulovich	8	Defeated

C. The Number of Non-Participating Candidates

As stated above, a total of 28 candidates running for the Board of Supervisors appeared on the ballot in November 2002. Nineteen of these candidates did not participate in the public financing program. The 19 candidates are listed in Table 3, as follows:

⁵ Supervisor Sophie Maxwell, who won re-election in District 10, applied to participate in the program and raised sufficient qualifying contributions; however, she did not have an opponent and thus could not qualify to receive public funds.

Table 3: Candidates Who Did Not Participate in the Public Financing Program

Candidate	District	Elected/Defeated
Harold L. Brown	2	Defeated
Gavin Newsom	2	Elected
Len Pettigrew	2	Defeated
Lynne Newhouse Segal	2	Defeated
Ed Jew	4	Defeated
Marks Lam	4	Defeated
Andrew Lee	4	Defeated
Krista Loretto Spence	4	Defeated
James Leo Dunn	6	Defeated
Roger Gordon	6	Defeated
Arthur Jackson	6	Defeated
Garrett Jenkins	6	Defeated
Malinka Moye	6	Defeated
Robert N. Power	6	Defeated
Burke Strunsky	6	Defeated
James Green	8	Defeated
Shawn O'Hearn	8	Defeated
Starchild	8	Defeated
Sophie Maxwell	10	Elected

D. Candidate Spending

Candidate spending totaled \$2,213,316 in 2002. Of this amount, \$1,874,644 represented spending that was incurred in connection with the general election and \$338,672 was incurred in connection with the run-off election. Table 4 below provides data about the amount of candidate spending that occurred in 2002.

Table 4: Candidate Spending in 2002⁶

Candidate	Expenditures Incurred for General Election	Expenditures Incurred for Run-Off Election	Total Expenditures⁷
Harold L. Brown	----	n/a	< less than \$1,000
Gavin Newsom	\$315,735	n/a	\$315,735
Len Pettigrew	----	n/a	< less than \$1,000
Lynne Newhouse Segal	\$80,893	n/a	\$80,893
Ron Dudum	\$100,575	\$75,489	\$176,064
Barry Hermanson	\$49,766	n/a	\$49,766
Ed Jew	\$136,960	n/a	\$136,960
Marks Lam	\$29,536	n/a	\$29,536
Andrew Lee	\$333,185	n/a	\$333,185
Fiona Ma	\$154,868	\$175,370	\$330,238
Krista Loretto Spence	\$8,698	n/a	\$8,698
Joel Ventresca	\$39,828	n/a	\$39,828
Chris Daly	\$90,406	n/a	\$90,406
James Leo Dunn	----	n/a	< less than \$1,000
Roger Gordon	\$31,849	n/a	\$31,849
Arthur Jackson	\$54,364	n/a	\$54,364
Garrett Jenkins	----	n/a	< less than \$1,000
Malinka Moye	----	n/a	< less than \$1,000
Robert N. Power	----	n/a	< less than \$1,000
Burke Strunsky	\$118,814	n/a	\$118,814
Michael Sweet	\$62,596	n/a	\$62,596
Bevan Dufty	\$74,666	\$67,813	\$142,479
James Green	\$13,209	n/a	\$13,209
Eileen Hansen	\$70,258	\$20,000	\$90,258
Shawn O’Hearn	\$3,026	n/a	\$3,026
Tom Radulovich	\$72,316	n/a	\$72,316
Starchild	----	n/a	< less than \$1,000
Sophie Maxwell	\$33,096	n/a	\$33,096
Total Candidate Spending	\$1,874,644	\$338,672	\$2,213,316

⁶ Spending that exceeded the limits is italicized and bold. Because the spending limits were lifted in most races, many candidates who had accepted the limits exceeded the limits.

⁷ Candidates whose expenditures were noted as “ < \$1,000” filed FPPC Form 470. Form 470 is used by candidates who do not accept contributions or make expenditures that total \$1,000 or more.

E. Independent Expenditures

Spending to advocate for the defeat or election of candidates that is done by someone other than the candidate and that is not in coordination with the candidate is referred to as independent spending. Proposition O, which created the public finance program, also imposed a \$500 per contributor per year limit on contributions to committees that make independent expenditures to support or oppose local candidates. In addition, Proposition O imposed an overall contribution limit of \$3,000 per contributor to all committees that make independent expenditures relating to local candidates. In 2000, there was no limit on such committees.

Independent spending on behalf of candidates for the Board in the 5 districts totaled \$261,906, as reported by filers on the Form 465 (Supplemental Independent Expenditure Report). About three-fourths (or 77 percent) of the \$261,906 in independent spending was spent to support candidates in the run-off election in districts 4 and 8, as shown below in Table 5.

Table 5: Independent Expenditures Made in 2002 Board of Supervisors Race

Affected Candidate	District	Independent Spending during General Election	Independent Spending during Run-Off Election	Total Independent Spending	Candidate Spending
Gavin Newsom	2	\$1,250	N/A	\$1,250	\$315,735
Ron Dudum	4	N/A	\$29,153	\$29,153 ⁸	\$176,064
Fiona Ma	4	\$18,463	\$35,638	\$54,101	\$330,238
Bevan Dufty	8	\$3,304	\$66,608	\$69,912	\$142,479
Eileen Hansen	8	\$33,169	\$71,150	\$104,319	\$90,258
Tom Radulovich	8	\$1,921	N/A	\$1,921	\$72,316
Sophie Maxwell	10	\$1,250	N/A	\$1,250	\$33,096
Total		\$59,357	\$202,549	\$261,906	\$1,160,186

Reported independent spending in all 11 districts in 2000 was \$7,070,000.⁹ Independent spending in the even-numbered districts in 2000 was \$3,343,847, much greater than the amount of independent spending in these districts in 2002, as shown in Table 6 below.

⁸ Of the \$29,153 spent in district 4, \$4,426 was spent to oppose this candidate. All other independent expenditure amounts listed in the chart were spent to support the respective candidates.

⁹ Supervisorial elections in San Francisco were conducted at large prior to 2000. In 2000, after 20 years, San Francisco returned to district elections. For this reason, all 11 districts were open races in the 2000 election.

Table 6: Independent Expenditures Incurred in Even-Numbered Districts in 2000 and 2002

District	Independent Spending in 2002	Independent Spending in 2000
2	\$1,250	\$139,525
4	\$83,254	\$765,846
6	\$0	\$519,197
8	\$176,152	\$245,270
10	\$1,250	\$1,674,009
Total	\$261,906	\$3,343,847

As shown above, in the even-numbered districts, independent spending in 2002 was \$3,081,941 less than independent spending in 2000, or a 92 percent decrease. A comparison of independent spending in only those races that involved participating candidates also reflected a decrease in independent spending in 2002, by \$1,270,907 or 83 percent, as shown in Table 7 below:

Table 7: Independent Expenditures Incurred in Districts Involving Participating Candidates

District	Independent Spending in 2002	Independent Spending in 2000
4	\$83,254	\$765,846
6	\$0	\$519,197
8	\$176,152	\$245,270
Total	\$259,406	\$1,530,313

III. Additional Information About the Public Financing Program

Section 1.156 of the Campaign and Governmental Conduct Code authorizes the Ethics Commission to provide additional information on the public finance program that it deems useful. Although it is too soon to draw conclusions about the public financing program, the following campaign data and candidate testimony in the first election under this program may serve as a starting point for analysis of the program in the future.

A. Campaign Data

Many factors may have affected the results of the 2002 election for the Board of Supervisors, including the imposition of new campaign contribution limits, the fact that some incumbents who chose to run in 2002 had an opportunity to serve only two years, and other incumbents chose to run for higher office. It is difficult to distinguish between the effects of these factors from the effects of the public financing program on the outcome of the elections. Nonetheless, in reviewing the data related to the 2002 election, the Ethics Commission made the following observations regarding contributions, cost per vote, voluntary spending limits, competition and public funds.

1. Contributions

With regard to contributions, the data showed:

- Contributions that were less than \$100 to participating candidates represented 11 percent of their total contributions, whereas contributions that were less than \$100 to nonparticipating candidates represented only 3 percent of their total contributions;
- In the general election, the average of contributions that were \$100 or more decreased from \$269 in 2000 to \$217 in 2002;
- In the run-off election, the average of contributions that were \$100 or more decreased from \$250 in 2000 to \$161 in 2002; and
- The percentage of contributions that were received from individuals, rather than from businesses or other groups, increased from 72 percent in 2000 to 84 percent in 2002.

State disclosure requirements do not require the itemization of contributions that are less than \$100. Although state disclosure requirements do require candidates to provide a lump sum dollar amount for all contributions that are less than \$100, candidates are not required to disclose the number and the individual dollar amounts of such contributions. In 2002, the total unitemized monetary contributions represented six percent of total monetary contributions.¹⁰ For participating candidates, unitemized contributions represented an average of 10.6 percent of total contributions. For nonparticipating candidates, the percentage was 2.6. The ratio of unitemized to itemized contributions was significantly higher for candidates who participated in the public financing program.

¹⁰ Contributions that are less than \$100 are referred to as unitemized contributions because they are not required to be listed individually on the campaign disclosure statements. Only contributions that total \$100 or more must be itemized, that is, listed individually, on the candidates' campaign disclosure statements.

Table 8: Itemized Versus Unitemized Contributions in 2002

District	Candidates-2002	Sch A Total	Sch A Unitemized	Sch A Itemized	Unitemized Percentage	Status
6	Daly, Chris	\$65,200.15	\$7,839.15	\$57,361.00	12.02%	P
4	Dudum, Ron	\$104,551.00	\$6,486.00	\$98,065.00	6.20%	P
8	Dufty, Bevan	\$143,517.84	\$24,755.84	\$118,762.00	17.25%	P
8	Green, James	\$13,225.00	\$0.00	\$13,225.00	0.00%	N/A
8	Hansen, Eileen	\$103,174.48	\$11,691.48	\$91,483.00	11.33%	P
4	Hermanson, Barry	\$21,956.00	\$5,346.00	\$16,610.00	24.35%	P
6	Jackson, Arthur	\$39,842.00	\$1,642.00	\$38,200.00	4.12%	N/A
4	Jew, Ed	\$132,144.00	\$4,346.00	\$127,798.00	3.29%	N/A
4	Lam, Marks	\$32,578.00	\$6,848.00	\$25,730.00	21.02%	I
4	Lee, Andrew	\$333,554.25	\$0.00	\$333,554.25	0.00%	N/A
4	Loretto, Krista Spence	\$12,020.00	\$2,175.00	\$9,845.00	18.09%	I
4	Ma, Fiona	\$268,995.40	\$14,010.40	\$254,985.00	5.21%	P
10	Maxwell, Sophie	\$49,619.00	\$5,194.00	\$44,425.00	10.47%	I
2	Newsom, Gavin	\$296,223.00	\$3,248.00	\$292,975.00	1.10%	N/A
8	Radulovich, Tom	\$47,324.67	\$6,734.67	\$40,590.00	14.23%	P
2	Segal, Lynne Newhouse	\$28,056.99	\$2,082.99	\$25,974.00	7.42%	N/A
6	Strunsky, Burke	\$107,387.00	\$1,387.00	\$106,000.00	1.29%	N/A
6	Sweet, Michael	\$42,974.00	\$4,719.00	\$38,255.00	10.98%	P
4	Ventresca, Joel	\$20,605.00	\$5,155.00	\$15,450.00	25.02%	P
	Total for participating candidates	\$818,298.54	\$86,737.54	\$731,561	10.6%	
	Totals for non-participating candidates	\$1,044,649.24	\$26,922.99	\$1,017,726.25	2.58%	
	Grand Totals	\$1,862,947.78	\$113,660.53	\$1,749,287.25	6.10%	

Legend:

P=Participating candidate

I=Candidate expressed interest in program but did not apply and/or qualify

N/A=Candidate did not express interest in program

Table 9: Itemized Versus Unitemized Contributions in 2000

Candidates-2000	Sch A Total	Sch A Unitemized	Sch A Itemized	Unitemized Percentage
Ammiano, Tom	\$72,533.92	\$14,136.02	\$58,397.90	19.49%
Becerril, Alicia	\$151,058.86	\$16,703.86	\$134,355.00	11.06%
Blue, Joseph	\$5,526.59	\$100.00	\$5,426.59	1.81%
Brown, Amos	\$244,002.57	\$1,241.00	\$242,761.57	0.51%
Currier, Steven	\$7,960.00	\$1,687.50	\$6,272.50	21.20%
Daly, Chris	\$53,721.96	\$11,149.96	\$42,572.00	20.75%
D'Anne, Denise	\$5,550.00	\$1,350.00	\$4,200.00	24.32%
Denunzio, Mike	\$52,592.00	\$3,357.00	\$49,235.00	6.38%
Dittenhafer, Chris	\$74,205.97	\$2,430.97	\$71,775.00	3.28%
Dudum, Ron	\$79,983.00	\$4,163.00	\$75,820.00	5.20%
Gonzalez, Matt	\$54,244.00	\$14,004.00	\$40,240.00	25.82%
Hall, Tony	\$113,620.75	\$8,250.75	\$105,370.00	7.26%
Hansen, Eileen	\$75,240.08	\$13,399.00	\$61,841.08	17.81%
Holland, Brenton	\$1,600.00	\$200.00	\$1,400.00	12.50%
Hoogasian, Harold	\$24,033.00	\$1,558.00	\$22,475.00	6.48%
Hsieh, Tom	\$129,866.00	\$2,941.00	\$126,925.00	2.26%
Jaicks, Agar	\$59,512.52	\$10,964.00	\$48,548.52	18.42%
Konapski, Ronald	\$10,939.00	\$1,744.00	\$9,195.00	15.94%
Leno, Mark	\$162,491.50	\$7,741.50	\$154,750.00	4.76%
Levitan, Meagan	\$96,321.98	\$3,320.98	\$93,001.00	3.45%
Lim, Myrna Viray	\$36,063.75	\$3,238.75	\$32,825.00	8.98%
Magilavy, Beryl	\$42,298.00	\$6,520.00	\$35,778.00	15.41%
Maxwell, Sophie	\$59,362.99	\$12,142.99	\$47,220.00	20.46%
McGoldrick, Jake	\$58,905.00	\$13,522.00	\$45,383.00	22.96%
Moran, Douglas	\$525.00	\$225.00	\$300.00	42.86%
Newsom, Gavin	\$140,529.00	\$5,554.00	\$134,975.00	3.95%
O'Hearn, Shawn	\$2,260.00	\$1,010.00	\$1,250.00	44.69%
Owens, Juanita	\$130,177.90	\$3,029.00	\$127,123.90	2.33%
Peskin, Aaron	\$154,846.95	\$12,034.65	\$142,812.30	7.77%
Richardson, Linda	\$156,460.00	\$2,305.00	\$154,155.00	1.47%
Rodriguez, James	\$1,875.00	\$0.00	\$1,875.00	0.00%
Sandoval, Gerardo	\$74,364.00	\$9,564.00	\$64,800.00	12.86%
Shanley, John	\$68,351.00	\$16,591.00	\$51,760.00	24.27%
Shockey, Larry	\$2,110.00	\$60.00	\$2,050.00	2.84%
Silver, Carol Ruth	\$13,620.00	\$1,170.00	\$12,450.00	8.59%
Silverberg, Rebecca	\$5,794.00	\$1,094.00	\$4,700.00	18.88%
Teng, Mabel	\$236,953.97	\$7,703.97	\$229,250.00	3.25%
Tsai, Rose	\$6,200.00	\$0.00	\$6,200.00	0.00%
Virginia, Gary	\$13,345.00	\$3,484.00	\$9,861.00	26.11%
Vuong, Vu Duc	\$4,850.00	\$0.00	\$4,850.00	0.00%
Wilson, Elbert "Bud"	\$4,329.00	\$704.00	\$3,625.00	16.26%
Wilson, Hank	\$11,703.84	\$2,665.84	\$9,038.00	22.78%
Wong, Lawrence	\$143,568.19	\$10,404.00	\$133,164.19	7.25%
Yaki, Michael	\$216,460.83	\$1,245.00	\$215,215.83	0.58%

Table 9 continued from previous page:

Candidates-2000	Sch A Total	Sch A Unitemized	Sch A Itemized	Unitemized Percentage
Yee, Leland	\$292,691.00	\$11,933.00	\$280,758.00	4.08%
Grand Total	\$3,352,648.12	\$246,642.74	\$3,105,980.38	7.36%

In 2000, the ratio of unitemized to itemized contributions overall was slightly higher than the corresponding ratio in 2002. One reason for this was that there were many more candidates who ran in 2000 (43) and many more candidates in 2000 whose campaign fundraising was approximately at or below \$10,000 (12).

In 2000, the average amount of contributions that were \$100 or more was \$268.94 for the general election and \$250.97 for the run-off election.¹¹ In 2002, the average amount of contributions that were \$100 or more decreased to \$217.46 and \$161.41, respectively, for the general and run-off elections.

The total number of contributions that were received in the 2002 election and that were \$100 or more was 6,154. Of these 6,154 contributions, 5,148, or 84 percent, were made by contributors who were individuals. The remaining 1,006 contributions were made by business organizations, political committees, or other groups. With respect to the 2000 election, 72 percent of contributions were from individuals. The percentage of contributions that were received from individuals in 2002 was significantly higher than the percentage of contributions received from individuals in 2000. This data supports an observation that the public financing program may have succeeded in encouraging contributions from individuals.

Table 10 presents a detailed breakdown of the average amount and number of contributions received by candidates for the Board in 2002:

¹¹ The average contribution amount stated here represents the average of contributions that in cumulative amounts range from \$100 to \$500 because state disclosure requirements do not require itemization of contributions that are less than \$100.

Table 10: Average Amount and Total Number of Contributions Received in 2002 that were \$100 or More

District	Candidate	Average of contributions	Number of contributions ¹²	Number of contributions from individuals	Number of contributions from other types of contributors ¹³	Percentage of contributions that were from individuals
6	Chris Daly	\$209.82	271	217	54	80%
4	Ron Dudum	General: \$246.09 Run-Off: \$185.14	General: 239 Run-Off: 212	371	80	82%
8	Bevan Dufty	General: \$99.41 Run-Off: \$97.24	General: 642 Run-Off: 565	1206	1	100%
8	James Green	\$151.39	18	16	2	89%
8	Roger Gordon	\$235.42	72	49	23	68%
8	Eileen Hansen	General: \$164.62 Run-Off: \$131.15	General: 201 Run-Off: 133	319	15	96%
4	Barry Hermanson	\$120.36	138	133	5	96%
6	Arthur Jackson	\$292.13	127	100	27	79%
4	Ed Jew	\$247.59	208	155	53	75%
4	Marks Lam	\$201.64	122	92	30	75%
4	Andrew Lee	\$361.18	234	217	17	93%
4	Krista Spence Loretto	\$161.80	25	25	0	100%
4	Fiona Ma	General: \$223.10 Run-Off: \$232.12	General: 551 Run-Off: 610	765	396	66%
4	Tom Martin	\$255.00	15	15	0	100%
10	Sophie Maxwell	\$227.82	195	133	62	68%
2	Gavin Newsom	\$336.37	871	704	167	81%
8	Tom Radulovich	\$195.76	191	158	33	83%
2	Lynn Newhouse Segal	\$254.65	102	90	12	88%
6	Burke Strunsky	\$274.34	113	111	2	98%
6	Michael Sweet	\$176.43	214	187	27	87%
4	Joel Ventresca	\$131.76	85	85	0	100%
	Grand Average/Total	General: \$217.46 Run-Off: \$161.41	General: 4634 Run-Off: 1520	5148	1006	84%

Table 11 reflects the same data for candidates who ran in 2000.

¹² If contributors made multiple contributions, each contribution was treated as a separate entry.

¹³ The “other” category here refers to all contributors that are not individuals. Non-individual contributors include contributors that are political action committees, businesses and other organizations.

Table 11: Average Amount and Total Number of Contributions Received in 2000 that were \$100 or More

District	Candidate	Average of contributions for the general election	Average of contributions for the run-off election	Number of contributions	Number of contributions from individuals	Number of contributions from other types of contributors	Percentage of contributions that were from individuals
9	Ammiano, Tom	\$183.96	n/a	318	286	32	90%
3	Becerril, Alicia	\$337.14	n/a	400	199	201	50%
11	Brown, Amos	\$290.07	\$281.71	853	390	463	46%
3	Chung, Rose	\$168.44	n/a	314	301	13	96%
11	Currier, Steven	\$146.13	n/a	20	18	2	90%
6	Daly, Chris	\$227.59	\$227.68	181	153	28	85%
6	D'Anne, Denise	\$190.91	n/a	22	15	7	68%
3	Denunzio, Mike	\$185.85	n/a	266	242	24	91%
6	Dittenhafer, Chris	\$326.85	\$260.54	251	100	151	40%
4	Dudum, Ron	\$234.74	n/a	323	292	31	90%
5	Gonzalez, Matt	\$182.22	\$163.01	271	259	12	96%
7	Hall, Tony	\$225.62	\$181.74	490	379	111	77%
8	Hansen, Eileen	\$200.79	\$167.31	326	315	11	97%
6	Holland, Brenton	\$200.00	n/a	7	5	2	71%
7	Hoogasian, Harold	\$249.11	n/a	28	22	6	79%
4	Hsieh, Tom	\$328.82	n/a	386	285	101	74%
5	Jaicks, Agar	\$195.96	n/a	285	267	18	94%
1	Konopaski, Ronald	\$184.49	n/a	39	35	4	90%
8	Leno, Mark	\$299.06	\$198.83	652	560	92	86%
3	Levitan, Meagan	\$301.62	n/a	310	250	60	81%
11	Lim, Myrna Viray	\$325.00	n/a	101	52	49	51%
6	Magilavy, Beryl	\$191.50	n/a	261	250	11	96%
10	Maxwell, Sophie	\$216.25	\$168.21	545	390	155	72%
1	McGoldrick, Jake	\$205.88	\$188.89	392	326	66	83%
11	Moran, Douglas	\$100.00	n/a	3	3		100%
2	Newsom, Gavin	\$323.71	n/a	425	314	111	74%
8	O'Hearn, Shawn	\$125.00	n/a	10	9	1	90%
5	Owens, Juanita	\$325.72	\$339.29	383	211	172	55%
3	Peskin, Aaron	\$238.58	\$174.68	768	636	132	83%
10	Richardson, Linda	\$362.00	\$287.87	488	228	260	47%
10	Rodriquez, Jim	\$133.93	n/a	14	13	1	93%
11	Sandoval, Gerardo	\$229.94	\$183.67	350	283	67	81%
4	Shanley, John	\$142.54	\$401.61	205	161	44	79%
10	Shockey, Larry	\$159.38	n/a	16	15	1	94%
6	Silver, Carol Ruth	\$211.02	n/a	59	50	9	85%
11	Silverberg, Rebecca	\$223.81	n/a	21	16	5	76%
7	Teng, Mabel	\$297.41	\$262.02	777	531	246	68%
1	Tsai, Rose	\$250.00	n/a	88	66	22	75%
8	Virginia, Gary	\$224.11	n/a	44	40	4	91%
4	Vuong, Vu Duc	\$210.87	n/a	23	23		100%

Table 11 continued from previous page:

District	Candidate	Average of contributions for the general election	Average of contributions for the run-off election	Number of contributions	Number of contributions from individuals	Number of contributions from other types of contributors	Percentage of contributions that were from individuals
7	Wilson, Elbert	\$139.29	n/a	28	28		100%
6	Wilson, Hank	\$200.97	n/a	40	37	3	93%
3	Wong, Lawrence	\$199.37	\$282.33	547	374	173	68%
1	Yaki, Michael	\$405.96	\$282.61	656	338	318	52%
4	Yee, Leland	\$273.06	\$284.77	1016	621	395	61%
	Total	\$268.94	\$250.97	13002	9388	3614	72%

2. Cost per Vote

In the November 2002 general election, the average amount spent by participating candidates per vote was \$11.25 less than the average amount spent by nonparticipating candidates per vote. As Table 12 shows, the average amount spent by a participating candidate per vote in the general election was \$16.67. The average spent by a nonparticipating candidate per vote in the general election was \$27.92.

Table 12: Candidate Spending per Vote in 2002

District	Candidate	General Election Expenses	No. of Votes Received in General Election	General Election Cost per Vote	Run-off Election Expenses	No. of Votes Received in Run-Off Election	Run-Off Election Cost per Vote
2	Newsom, Gavin	\$315,735	15674	\$20.14	n/a	n/a	n/a
2	Segal, Lynne Newhouse	\$80,893	3147	\$25.70	n/a	n/a	n/a
4	Loretto, Krista Spence	\$8,698	393	\$22.13	n/a	n/a	n/a
4	Dudum, Ron	\$100,575	4145	\$24.26	\$75,489	6462	\$11.68
4	Ventresca, Joel	\$39,828	1522	\$26.17	n/a	n/a	n/a
4	Ma, Fiona	\$154,868	4259	\$36.36	\$175,370	8289	\$21.16
4	Hermanson, Barry	\$49,766	1252	\$39.75	n/a	n/a	n/a
4	Lam, Marks	\$29,536	675	\$43.76	n/a	n/a	n/a
4	Jew, Ed	\$136,960	2915	\$46.98	n/a	n/a	n/a
4	Lee, Andrew	\$333,185	2897	\$115.01	n/a	n/a	n/a
6	Daly, Chris	\$90,406	6645	\$13.61	n/a	n/a	n/a
6	Gordon, Roger	\$31,849	1859	\$17.13	n/a	n/a	n/a
6	Sweet, Michael	\$62,596	1247	\$50.20	n/a	n/a	n/a
6	Strunsky, Burke	\$118,814	1896	\$62.67	n/a	n/a	n/a
6	Jackson, Arthur	\$54,364	343	\$158.49	n/a	n/a	n/a
8	Green, James	\$13,209	1896	\$6.97	n/a	n/a	n/a
8	Hansen, Eileen	\$70,258	9820	\$7.15	\$20,000	9995	\$2.00
8	Dufty, Bevan	\$74,666	8795	\$8.49	\$67,813	11096	\$6.11
8	Radulovich, Tom	\$72,316	5221	\$13.85	n/a	n/a	n/a
10	Maxwell, Sophie	\$33,096	9723	\$3.40	n/a	n/a	n/a

3. Voluntary Spending Limits

In 2000, when district elections were reinstated in San Francisco, all 43 candidates for the eleven seats on the Board agreed to abide by the voluntary spending limits, which were \$75,000 for general election and \$20,000 for the run-off. In 2002, when the spending limits were the same, 25 of the 28 candidates for the Board (or 89 percent) accepted the voluntary spending limits.¹⁴

Table 13: Whether Candidates Accepted or Rejected the Voluntary Spending Limit

Candidate	Whether Candidate Accepted or Rejected Voluntary Spending Limit
Harold L. Brown	Accepted
Gavin Newsom	Rejected
Len Pettigrew	Accepted
Lynne Newhouse Segal	Accepted
Ron Dudum	Accepted
Barry Hermanson	Accepted
Ed Jew	Accepted
Marks Lam	Accepted
Andrew Lee	Accepted
Fiona Ma	Accepted
Krista Loretto Spence	Accepted
Joel Ventresca	Accepted
Chris Daly	Accepted
James Leo Dunn	Accepted
Roger Gordon	Accepted
Arthur Jackson	Rejected
Garrett Jenkins	Accepted
Malinka Moye	Accepted
Robert N. Power	Rejected
Burke Strunsky	Accepted
Michael Sweet	Accepted
Bevan Dufty	Accepted
James Green	Accepted
Eileen Hansen	Accepted
Shawn O'Hearn	Accepted
Tom Radulovich	Accepted
Starchild	Accepted
Sophie Maxwell	Accepted

¹⁴ The Ethics Commission noted that a candidate in district 4 filed a statement with the Ethics Commission on which she stated that she would abide by the spending limit. However, on the Voluntary Expenditure Ceiling Statement that she submitted to the Department of Elections, she stated that she declined to accept the voluntary expenditure ceiling. The candidate confirmed that she intended to accept the voluntary expenditure ceiling. For purposes of this report, the candidate is considered as having agreed to abide by the spending limit.

To enhance the ability of candidates who accept the spending limit to compete with excessive spending by opponents, the expenditure ceilings are lifted in certain circumstances. In 2002, the expenditure ceiling for candidates for the Board was lifted in two scenarios: 1) when a candidate who did not participate in the public financing program received contributions or made expenditures in excess of 100 percent of the expenditure ceiling; or 2) when a committee (or two or more committees combined) made independent expenditures in support of or in opposition to a candidate in excess of 100 percent of the expenditure ceiling.¹⁵

One unintended consequence of the 2002 public financing program was that the Ethics Commission was required to lift the expenditure ceiling when a non-participating candidate who had agreed to abide by the voluntary expenditure ceiling, received contributions that exceeded 100 percent of the expenditure ceiling.¹⁶ The ceiling was lifted early in the race in district 4 (in August 2002), even though all the candidates had agreed to abide by the spending limit, because contributions (including loans) received by one non-participating candidate exceeded the \$75,000 spending cap.¹⁷ The ceiling was also lifted in district 6 by a non-participating candidate who raised funds that exceeded 100 percent of the \$75,000 spending limit even though the candidate had agreed to abide by the voluntary spending limit. The ceiling was lifted in district 2 because a non-participating candidate who did not agree to accept the spending limit spent in excess of the spending limit.

In 2000, the expenditure ceiling was lifted in 9 of 11 districts in the general election.¹⁸ With respect to the even-numbered districts, the ceiling was lifted in four of five races in 2000. In 2002, the expenditure ceiling was lifted in districts 2, 4 and 6 in the general election because non-participating candidates had received or spent in excess of \$75,000. Although the expenditure ceiling remained intact in district 8 for the general election, it was lifted during the run-off election because independent spending exceeded the spending limit of \$20,000. The spending limit remained in place in district 10, where the incumbent ran unopposed. Table 4 shows the expenditures made by each supervisorial candidate in the 2002 election.

¹⁵ Independent expenditures are campaign spending by committees, individuals or other groups to advocate for the defeat or election of a candidate without coordinating their message with the candidate.

¹⁶ The CFRO has since been amended so that candidates who agree to limit their spending will not cause the expenditure ceiling to be lifted when they receive contributions—but do not make expenditures—in excess of the spending limit.

¹⁷ Section 1.146(a)(1) of the CFRO previously provided that if a non-participating candidate's contributions exceeded 100 percent of the spending limit, such candidate caused the expenditure ceiling to be lifted even when the candidate had agreed to abide by the expenditure ceiling.

¹⁸ One of the two districts in which the ceiling was not lifted involved an uncontested race. The other race involved an incumbent.

4. Competition

For the 2002 Board of Supervisors race, the data showed:

- There was no change in 2002 from 2000 in the percentage of contested races and the incumbent re-election rate;
- The number of incumbents running for office in the even-numbered districts remained unchanged in 2002 from 2000; and
- The margin of victory between candidates who received the most votes and the runner-up candidates was much smaller in the two races where the two top candidates were both participating candidates than in other races.

Three indicators that can be used to measure electoral competition are: 1) number of contested races; 2) incumbent re-election rates; and 3) victory margins. In order to identify any trend, more data regarding elections before and after the implementation of public financing would be required.

In 2002, there were four contested races out of a possible five. With respect to the even-numbered districts, there was no change in the percentage or number of contested races in 2002 from 2000.

With regard to incumbent re-election rates, there were three races in 2002 that involved incumbent candidates: districts 2, 6 and 10. Of these races, only the race in district 6 involved candidates who received public financing, including the incumbent candidate. All three incumbents in 2002 were re-elected. The re-election rates of incumbents remained unchanged at 100 percent in 2002 from the reelection rates of the even-numbered district races in 2000, when three incumbents in the even-numbered districts were re-elected.

The test of the third measure of competition, winner victory margins, consists of examining the difference between the percentage of votes received by the winning candidate and the candidate who received the second-most votes.

In 2002, in the two districts in which both the highest vote-getter and runner-up were participating candidates (i.e., districts 4 and 8), the difference in the percentage of votes received by the two candidates was very low, as shown below in Table 14.

Table 14: Victory Margins in the 2000 and 2002 General Elections

Election Year	District	Winning Candidate	Runner-up Candidate	Victory Margin (in percentage points)	Whether race included participating candidates
2000	2	Gavin Newsom	Uncontested race	Uncontested race	n/a
2002	2	Gavin Newsom	Lynn Newhouse Segal	62.96	No
2000	4	Leland Yee	John Shanley	26.70	n/a
2002	4	Fiona Ma	Dudum	.63	Yes-both candidates
2000	6	Chris Daly	Chris Dittenhafer	16.50	n/a
2002	6	Chris Daly	Burke Strunsky	36.60	Yes-incumbent
2000	8	Mark Leno	Eileen Hansen	16.15	n/a
2002	8	Eileen Hansen	Bevan Dufty	3.78	Yes-both candidates
2000	10	Linda Richardson	Sophie Maxwell	12.10	n/a
2002	10	Sophie Maxwell	Uncontested race	Uncontested race	No

5. Public Funds

Public funds represented between 16 and 64 percent of all campaign funds available to candidates who received public financing.

Table 15 below provides an overall summary of the private funds and public funds that candidates received in 2002. In 2002, candidates raised approximately \$1.7 million from private contributors.¹⁹ Public grants totaled \$315,989, representing between 16 and 24 percent of contributions received in districts that had participating candidates.

¹⁹ This amount of private fundraising excludes loans and non-monetary contributions. Loans outstanding on 12/31/02 totaled \$75,300. Non-monetary contributions totaled \$4,343. The total amount of funds available to candidates, including monetary contributions, loans, non-monetary contributions and public funds, was \$2,117,293.

Table 15: Percentages of Private and Public Funds Received by Candidates in 2002

District	Private Contributions	Private contributions as a percentage of total available campaign funds	Public grants	Public grants as a percentage of total available campaign funds	Total of private fundraising and public grants
2	\$318,949	100%	\$0	0%	\$318,949
4	\$881,612	84%	\$171,199	16%	\$1,052,811
6	\$256,766	77%	\$77,254	23%	\$334,020
8	\$219,909	76%	\$67,536	24%	\$287,445
10	\$44,425	100%	\$0	0%	\$44,425
Total	\$1,721,661	84%	\$315,989	16%	\$2,037,650

Table 16: Amounts of Private and Public Funds Received by Candidates in 2002²⁰

District	Candidate	Run-Off	General	Public Grants	Grand Total	Public Grants as Percentage of Total Funds
2	Newsom, Gavin		\$292,975	\$0	\$292,975	---
	Segal, Lynne Newhouse		\$25,974	\$0	\$25,974	---
2 Total			\$318,949	\$0	\$318,949	---
4	Dudum, Ron	\$39,250	\$58,815	\$58,760	\$156,825	37%
	Hermanson, Barry		\$16,610	\$29,691	\$46,301	64%
	Jew, Ed		\$127,798	\$0	\$127,798	---
	Lam, Marks		\$25,730	\$0	\$25,730	---
	Lee, Andrew		\$333,554	\$0	\$333,554	---
	Loretto, Krista Spence		\$9,845	\$0	\$9,845	---
	Ma, Fiona	\$132,058	\$122,927	\$57,200	\$312,185	18%
Ventresca, Joel		\$11,200	\$25,548	\$36,748	61%	
4 Total		\$171,308	\$706,479	\$171,199	\$1,048,986	16%
6	Daly, Chris		\$57,361	\$40,049	\$97,410	41%
	Gordon, Roger		\$16,950	\$0	\$16,950	---
	Jackson, Arthur		\$38,200	\$0	\$38,200	---
	Strunsky, Burke		\$106,000	\$0	\$106,000	---
	Sweet, Michael		\$38,255	\$37,205	\$75,460	49%
6 Total			\$256,766	\$77,254	\$334,020	23%
8	Dufty, Bevan	\$54,942	\$63,820	\$0	\$118,762	---
	Green, James		\$13,225	\$0	\$13,225	---
	Hansen, Eileen	\$17,443	\$33,089	\$35,951	\$86,483	42%
	Radulovich, Tom		\$37,390	\$31,585	\$68,975	46%
8 Total		\$72,385	\$147,524	\$67,536	\$287,445	24%
10	Maxwell, Sophie		\$44,425	\$0	\$44,425	---
10 Total			\$44,425	\$0	\$44,425	---
Grand Total		\$243,693	\$1,474,143	\$315,989	\$2,033,825	---

²⁰ Unitemized contributions are not included in Table 16. Table 8 reflects unitemized contributions.

As shown in the table above, public grants represented a significant portion—between 16 and 64 percent—of all campaign funds available to candidates who received public financing. These candidates stated that public funds helped them communicate with voters.

B. Testimony from Candidates

In addition to the campaign data, the Commission gathered testimony from participants and observers of the program. At the December 16, 2002 Ethics Commission meeting, candidates who ran for the Board of Supervisors in 2002 and members of the public offered comments in evaluating the public financing program.

Most candidates and their representatives who testified stated that it was difficult to meet the \$7,500 qualification threshold. Candidates who qualified for public financing did not recommend lowering the \$7,500 threshold. They stated that although raising contributions of \$100 or less from at least 75 residents of San Francisco was difficult, such thresholds were a test of a candidate's viability. Others recommended that the qualification threshold be lowered to allow more community-based candidates to qualify.

Candidates and their representatives stated that public financing provided candidates the opportunity to convey their message to the voters. Those who received public financing stated that public financing allowed them to spend more time campaigning and less time fundraising.

Candidates expressed concern that the spending limits were lifted too easily. Non-participating candidates who raised more than 100 percent of the spending limit caused the limit to be lifted, even though such candidates agreed to abide by the spending limit.²¹ They urged the Commission to consider strong enforcement action against candidates who break spending pledges. Candidates also expressed concern about independent spending. They explained that it was difficult for them to match high independent spending.

The candidates stated that the \$75,000 expenditure ceiling was too low for the general election and that \$20,000 was especially low for the run-off election. They noted the difficulty of running effective campaigns on such limits. They said the formulas for calculating public funds worked well in allowing them to build campaign funds. However, they said that although the public funds were helpful, the total amount available for the run-off election, \$17,000, was too low and no match for high independent spending and high spending by other candidates.

²¹ The amendments to the CFRO remedy this problem. CFRO now provides that a candidate will cause the spending limit to be lifted only when the candidate has declined to accept the spending limit and raises or spends more than 100 percent of the spending limit. The limit will not be lifted if a candidate who agrees to accept the limit raises contributions, but does not make expenditures, that exceed the limit.

As a result of the Commission's experience with the public financing program and testimony from candidates, the Commission proposed amendments to the provisions of the public financing program with the expectations that these changes will help achieve the goals of the program. The amendments, which took effect on July 27, 2003, are attached as Appendix II. The Commission will continue to monitor the progress of the public financing program.