

San Francisco
Ethics Commission



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Report on

San Francisco's Limited

Public Financing Program

Board of Supervisors November 2, 2004 Election

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I. Introduction

In 2004, the San Francisco Ethics Commission (“the Commission”) implemented its limited public financing program for the second time in history. The program, which was approved by voters in November 2000 (Proposition O), was implemented for the first time in the Board of Supervisors elections in 2002. The public financing program provides candidates running for the Board of Supervisors with partial public financing to fund their campaigns. The Commission developed the program with the intent that it would provide candidates a neutral source of additional funding; encourage more candidates to run for office; allow candidates to spend more time discussing the issues and spend less time fundraising; and encourage candidates to limit their spending.

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 implemented in the November 2004 election. The report presents information on the fundraising and expenditure activities of the supervisorial candidates who qualified to appear on the November 2, 2004 ballot and on the independent spending that affected these candidates. The data presented is based on information reported in campaign disclosure statements covering through December 31, 2004 and from the Commission’s record of public funds disbursements.¹ Because Ranked Choice Voting was implemented in 2004, there was no run-off election; therefore, the public financing provisions relating to run-off elections were not applicable.

II. Report of the Public Financing Program of 2004

A. The Amount of Public Funds Disbursed in 2004

In 2004, supervisorial elections were held in the six odd-numbered districts in San Francisco: Districts 1, 3, 5, 7, 9 and 11. The District 2 supervisorial seat was also subject to election in 2004 because the candidate who was elected to that office in 2002 left and a replacement was appointed in early 2004. A total of 65 candidates in seven districts appeared on the November 2004 ballot; by comparison, a total of 28 candidates in five districts appeared on the November 2002 ballot.

Through the budget process, the City set aside \$670,000 in the Election Campaign Fund for the disbursement of public grants. The \$670,000 was estimated by anticipating that 20 candidates would qualify to receive public financing and that each would receive an average amount of

¹ The data regarding candidates who ran for Board of Supervisors in November 2002 and November 2000 is based on campaign statements covering through December 31, 2002 and December 31, 2000, respectively.

\$33,500. When 25 candidates submitted an application for public funds, the Commission determined that pro-ration would be necessary and requested that the City allocate more funds to the Election Campaign Fund so that eligible candidates could receive full funding up to \$43,750. The Mayor and the Board acted to secure full funding for the program and as a result, the 23 candidates who qualified to receive public financing were able to receive up to the maximum allowable per candidate of \$43,750. If the Commission's initial determination that pro-ration would be necessary caused candidates to withdraw from running for office or kept them from applying for public financing, the extent to which this occurred is unclear. Please see page 7 for an analysis regarding candidates who initially expressed an interest to participate in the public financing program but did not submit an application. In addition, the Commission cannot ascertain the costs the City may have incurred as a result of initially underestimating the amount necessary to fund the Election Campaign Fund and then subsequently acting to secure a supplemental appropriation to enable full funding for all candidates who qualified for public grants.

The City disbursed a total of \$757,678 in public funds to eligible candidates. Forty-two percent of the \$757,678 was disbursed to candidates in District 5. Candidates in Districts 1 and 9 received a combined amount of approximately 30 percent. Two candidates received the maximum available amount of \$43,750. The average distributed per candidate was \$32,943. Please refer to Table 1 below for a breakdown of the amount of public funds disbursed to each qualifying candidate.

Table 1: Public Funds Disbursed in 2004

#	Candidate	District	Amount Disbursed	Public Grants as a Percentage of Total Contributions Received by Candidate
1	Leanna Dawydiak	1	\$26,728	43%
2	Jake McGoldrick	1	\$43,750	22%
3	Matt Tuchow	1	\$41,067	41%
District 1 Total			\$111,545	
4	David Pascal	2	\$25,854	68%
District 2 Total			\$25,854	
5	Brian O'Flynn	3	\$37,735	48%
6	Eugene Wong	3	\$31,864	46%
District 3 Total			\$69,599	
7	Bill Barnes	5	\$40,575	53%
8	Lisa Feldstein	5	\$35,792	43%
9	Robert Haaland	5	\$41,294	50%
10	Dan Kalb	5	\$26,139	41%
11	Susan King	5	\$14,740	60%
12	Ross Mirkarimi	5	\$29,501	35%
13	Jim Siegel	5	\$27,352	39%
14	Andrew Sullivan	5	\$28,227	55%
15	Nick Waugh	5	\$35,644	45%
16	Brett Wheeler	5	\$35,957	61%

District 5 Total			\$315,221	
17	Vernon Grigg	7	\$41,661	41%
18	Christine Linnenbach	7	\$43,750	48%
District 7 Total			\$85,411	
19	Tom Ammiano	9	\$35,000	41%
20	Lucrecia Bermudez	9	\$24,904	71%
21	Renee Saucedo	9	\$33,845	41%
District 9 Total			\$93,749	
22	Jose Medina	11	\$27,224	43%
23	Rebecca Silverberg	11	\$29,075	44%
District 11 Total			\$56,229	
Total			\$757,678	43%

Table 2: Average of Public Grants by District

	No. of Candidates who Received Public Grants	Average Disbursement
District 1	3	\$37,182
District 2	1	\$25,854
District 3	2	\$34,800
District 5	10	\$31,522
District 7	2	\$42,706
District 9	3	\$31,250
District 11	2	\$28,150
Total	23	\$32,943

B. The Number of Candidates Who Received Public Funds

As noted above, in 2004, supervisorial elections were held in the six odd-numbered districts in San Francisco: Districts 1, 3, 5, 7, 9 and 11. In addition, the District 2 supervisorial seat was also subject to election. A total of 65 candidates in seven districts appeared on the November 2004 ballot; by comparison, a total of 28 candidates in five districts appeared on the November 2002 ballot.

Candidates running for the Board of Supervisors were required to submit a Statement of Participation or Non-Participation (*Form SFEC-142(a)*) no later than the deadline for filing nomination papers to indicate whether they intended to apply for public financing.² Of the 65 candidates who appeared on the ballot, 50 candidates initially expressed interest in participating in the public financing program.³ Twenty-five candidates actually submitted a Declaration for Public Funds and a List of Qualifying Contributions (*Forms SFEC-142(b)-1 and SFEC-142(b)-2*); of these, 23 were deemed eligible to receive public funding. One candidate was not qualified because he did not raise the required \$5,000 in qualifying contributions. A second candidate was

² See Appendix I for a complete overview of the requirements of the public financing program.

³ Two of these 50 candidates did not accept the voluntary expenditure ceiling, which made them ineligible to participate in the public financing program.

not qualified because he had not filed a statement indicating that he agreed to abide by the voluntary expenditure ceiling, which is a prerequisite for receiving public funding.

There was at least one participating candidate in every district. Of the seven members of the Board of Supervisors who were elected to office in the November 2, 2004 election, three, or 43 percent, were participating candidates. In comparison, 60 percent who were elected in November 2002 participated in the public financing program, although only forty percent actually received public funds (one candidate qualified for, but did not accept, public financing). Table 3 below lists the 2004 candidates who participated in the public financing program and indicates whether the candidate was elected to office.

Table 3: Candidates Who Participated in the Public Financing Program in 2004 and Whether They Were Elected to Office

#	Candidate	District	Elected/Defeated
1	Leanna Dawydiak	1	Defeated
2	Jake McGoldrick	1	Elected
3	Matt Tuchow	1	Defeated
4	David Pascal	2	Defeated
5	Brian O’Flynn	3	Defeated
6	Eugene Wong	3	Defeated
7	Bill Barnes	5	Defeated
8	Lisa Feldstein	5	Defeated
9	Robert Haaland	5	Defeated
10	Dan Kalb	5	Defeated
11	Susan King	5	Defeated
12	Ross Mirkarimi	5	Elected
13	Jim Siegel	5	Defeated
14	Andrew Sullivan	5	Defeated
15	Nick Waugh	5	Defeated
16	Brett Wheeler	5	Defeated
17	Vernon Grigg	7	Defeated
18	Christine Linnenbach	7	Defeated
19	Tom Ammiano	9	Elected
20	Lucrecia Bermudez	9	Defeated
21	Renee Saucedo	9	Defeated
22	Jose Medina	11	Defeated
23	Rebecca Silverberg	11	Defeated

In 2004, in all but one district (District 5), incumbents ran for office. All six incumbents won re-election regardless of whether they participated in the public financing program. In the district where no incumbent ran, the winner was a candidate who received public funding. Similarly, in 2002, three incumbents ran for office and all three won re-election regardless of whether they participated in the public financing program. In the two districts (Districts 4 and 8) where no incumbent ran, two participating candidates won. See Table 4 for a list of candidates who were elected to office in either 2002 or 2004.

Table 4: List of Candidates Elected in 2002 and 2004

District	Candidate	Incumbent	Status⁴	Year Elected
1	Jake McGoldrick	Yes	P	2004
2	Gavin Newsom	Yes	NP	2002
2	Michela Alioto-Pier	Yes	NP	2004
3	Aaron Peskin	Yes	NP	2004
4	Fiona Ma	No	P	2002
5	Ross Mirkarimi	No	P	2004
6	Chris Daly	Yes	P	2002
7	Sean Elsbernd	Yes	NP	2004
8	Bevan Dufty	No	P	2002
9	Tom Ammiano	Yes	P	2004
10	Sophie Maxwell	Yes	NP ⁵	2002
11	Gerardo Sandoval	Yes	NP	2004

C. The Number of Non-Participating Candidates

As stated elsewhere in this report, 65 candidates running for the Board of Supervisors appeared on the November 2004 ballot. Forty-two of these candidates did not participate in the public financing program, although 27 of these 42 candidates filed papers by August 6, 2004, the deadline for filing nomination papers, to indicate an intent to participate in the public financing program. Candidates were able to submit the actual application for public funds beginning June 1 through August 24, 2004 (the 70th day prior to the date of the election). As of August 24, 25 candidates who initially indicated an intent to participate in public financing did not file application papers. Table 5 below lists the 42 candidates who did not receive public financing, whether they initially indicated an intent to participate in the program, whether they were elected to office, and the amount of contributions they received through August 24, 2004.

⁴ Status refers to whether a candidate participated in the public financing program. P=Participating candidate; NP=Non-Participating candidate

⁵ In 2002, Sophie Maxwell applied for public financing. Although she raised the required amount in qualifying contributions, she was not qualified to receive public funding because she ran unopposed.

Table 5: Candidates who did not participate in the public financing program, whether they initially agreed to participate, whether they were elected to office and the amount of contributions they received as of August 24, 2004

#	Candidate	District	Intent to Participate in Public Financing Program (Form SFEC-142(a))	Elected/Defeated	Contributions Received as of August 24, 2004 ⁶
1	Jeffrey Freebairn	1	Agreed	Defeated	<\$1,000
2	David Heller	1	Agreed	Defeated	\$27,970
3	Lillian Sing	1	Declined	Defeated	\$154,865
4	Rose Tsai	1	Agreed	Defeated	\$100
5	Michela Alioto-Pier	2	Declined	Elected	\$110,958
6	Steve Braccini	2	Declined	Defeated	\$8,738
7	Roger Schulke	2	Agreed	Defeated	<\$1,000
8	Jay Shah	2	Agreed	Defeated	No e-filing
9	Sal Busalacchi	3	Agreed	Defeated	No e-filing
10	Aaron Peskin	3	Declined	Elected	\$183,173
11	Rob Anderson	5	Agreed	Defeated	<\$1,000
12	Joseph Blue	5	Agreed	Defeated	\$10,001
13	H. Brown	5	Agreed	Defeated	<\$1,000
14	Patrick Ciocca	5	Agreed	Defeated	No e-filing
15	Julian Davis	5	Agreed	Defeated	No e-filing
16	Emmett Gilman	5	Agreed	Defeated	\$800
17	Phillip House	5	Agreed	Defeated	<\$1,000
18	Michael O'Connor	5	Agreed	Defeated	\$8,272
19	Tys Sniffen	5	Agreed	Defeated	\$6,019
20	Francis Somsel	5	Agreed	Defeated	No e-filing
21	Phoenix Streets	5	Agreed	Defeated	\$1,390
22	Vivian Wilder	5	Declined	Defeated	<\$1,000
23	Arsenio Belenson	7	Agreed	Defeated	\$2,600
24	Gregory Corrales	7	Agreed	Defeated	\$7,450
25	Sean Elsbernd	7	Declined	Elected	\$11,400
26	Svetlana Kaff	7	Agreed	Defeated	No e-filing
27	Sheela Kini	7	Did not file	Defeated	\$11,100
28	Pat Lakey	7	Did not file	Defeated	\$7,164
29	Michael Mallen	7	Declined	Defeated	No e-filing
30	Rennie O'Brien	7	Agreed	Defeated	\$100
31	David Parker	7	Declined	Defeated	No e-filing
32	Shawn Reifsteck	7	Agreed	Defeated	\$20,545
33	Isaac Wang	7	Declined	Defeated	\$650

⁶ This figure includes monetary contributions reported electronically by candidates on the Form 460. This figure does not include public grants and it does not include candidates' contributions from their personal funds to their own campaigns. Candidates whose contributions are noted as "<\$1,000" filed the FPPC Form 470. Form 470, which is not filed electronically, is used by candidates who do not receive contributions or make expenditures that total \$1,000 or more. The "No e-filing" notation identifies candidates who did not file the Form 470 but also did not file electronic campaign statements. Because candidates who receive contributions totaling \$5,000 or more are required to file electronically, it is reasonable to assume that these candidates, who may have filed the paper version of the Form 460, received less than \$5,000 in contributions. For the purposes of this report, staff did not review the contents of each of the paper Form 470 or 460 that was filed.

34	Miguel Bustos	9	Declined	Defeated	\$40,165
35	James Perez Boris	9	Declined	Defeated	<\$1,000
36	Steve Zeltzer	9	Agreed	Defeated	No e-filing
37	Rolando Bonilla	11	Agreed	Defeated	\$9,950
38	Anita Grier	11	Agreed	Defeated	\$8,750
39	Myrna Lim	11	Declined	Defeated	\$34,440
40	Gerardo Sandoval	11	Declined	Elected	\$159,739
41	Fil Silverio	11	Agreed	Defeated	<\$1,000
42	Tom Yuen	11	Agreed	Defeated	<\$1,000

Of the 27 non-participating candidates who initially expressed an interest in receiving public funding, seven candidates filed Form 470; that is, these candidates received less than \$1,000 in contributions and spent less than \$1,000. Seven others did not file electronic campaign statements (candidates who receive contributions totaling less than \$5,000 are not required to file electronic campaign statements). Five other candidates reported receiving contributions that were less than \$5,000 (of these five candidates, the candidate who reported receiving the highest amount, reported that he received \$2,600). Because a candidate must raise \$5,000 in qualifying contributions to qualify for public funds, it is possible that these candidates did not seek public funds because they did not meet the qualifications.

The remaining eight candidates reported receiving contributions of \$5,000 or more. Two of these eight candidates submitted an application for public funds but did not qualify because one did not file papers indicating that he agreed to abide by the expenditure ceiling and the other did not raise \$5,000 in qualifying contributions. One candidate testified before the Ethics Commission that although he initially indicated that he would participate, he did not apply for public funds because it would have been incongruent with his platform to protect taxpayers' money. Although the remaining five candidates reported receiving contributions of \$5,000 or more, it is not clear why they did not apply. It is also not clear whether they would have qualified to receive public funding had they submitted an application. The reason for this is that the contribution amounts listed above may include contributions that are not considered to be qualifying contributions, i.e., contributions from individuals who donated more than once (to qualify for public financing, a candidate must receive contributions from at least 75 individuals who are residents of San Francisco), contributions that total more than \$100 (only the first \$100 counts as a qualifying contribution), contributions from non-individuals, and contributions from individuals who were not San Francisco residents.

D. Candidate Spending

In 2004, candidate spending totaled \$3,654,616. Of this amount, \$1,683,902, or 46 percent, represented spending that was incurred by the 23 participating candidates and \$1,970,714, or 54 percent, that was incurred by non-participating candidates. These figures do not include independent spending by non-candidates. Table 6 below lists the amounts spent by candidates in 2004. Spending by incumbent candidates is marked by an asterisk. The table also shows whether the candidate agreed to abide by the voluntary expenditure ceiling.⁷

⁷ Candidates who applied for public financing were required to agree to limit their spending. In the event that the expenditure ceiling was lifted in a district, the ceiling was no longer binding on any candidate in that district, including candidates who accepted the expenditure ceiling and candidates who received public funds.

Table 6: Candidate Spending in 2004⁸

Candidate	District	Status	Whether Candidate Accepted or Rejected Voluntary Expenditure Ceiling	Expenditures Incurred ⁹
Lillian Sing	1	NP	Reject	\$265,811
Jake McGoldrick	1	P	Accept	\$219,581*
Matt Tuchow	1	P	Accept	\$97,184
Leanna Dawydiak	1	P	Accept	\$62,727
Rose Tsai	1	NP	Accept	\$57,991
David Heller	1	NP	Reject ¹⁰	\$45,052
Total Spending in District 1				\$748,346
Michela Alioto-Pier	2	NP	Reject	\$285,473*
Steve Braccini	2	NP	Reject	\$61,108
David Pascal	2	P	Accept	\$39,549
Total Spending in District 2				\$386,130
Aaron Peskin	3	NP	Reject	\$259,739*
Brian Murphy-O'Flynn	3	P	Accept	\$73,870
Eugene Wong	3	P	Accept	\$71,704
Total Spending in District 3				\$405,313
Ross Mirkarimi	5	P	Accept	\$85,931
Robert Haaland	5	P	Accept	\$82,245
Lisa Feldstein	5	P	Accept	\$81,526
Nick Waugh	5	P	Accept	\$77,899
Jim Siegel	5	P	Accept	\$68,833
Andrew Sullivan	5	P	Accept	\$53,470

⁸ Because any candidate who receives contributions of \$5,000 or more must file electronic statements with the Ethics Commission, staff used these electronically filed reports to gather information for the purposes of this report. Staff believes that the electronic reports capture the information related to contributions and expenditures that is necessary to prepare this report. The amount of activity by any candidate who filed either the paper Form 470 or 460 should not exceed \$4999.99, which is an amount staff believes will not skew the general information provided in this report. Accordingly, staff did not look to the content of the paper filings to prepare this report. Staff used the same process in gathering data for the report on the 2002 public financing program, thus allowing for a more direct comparison between the 2002 and 2004 data. Of the candidates who filed electronically, candidates who failed to file reports (paper and electronic) for the period covering 10/17-12/31/04 by the time data was collected for this report were: Bill Barnes, Michael O'Connor, Brett Wheeler and Myrna Lim. Therefore, the contribution and expenditure data presented for these candidates may not be complete.

⁹ Candidates who agreed to abide by the voluntary expenditure ceiling were limited to spending no more than \$83,000 in qualified campaign expenditures unless the ceiling was lifted by the Ethics Commission. In 2004, the expenditure ceilings were lifted in all but two districts: Districts 5 and 9. Please note that the figures in this column indicate spending that is greater than \$83,000 by some candidates in these districts. The figures in this column were taken as reported by the candidates on Schedules E and F of FPPC Form 460. Figures greater than \$83,000 do not necessarily translate into qualified campaign expenditures in excess of the ceiling because these figures may include payments that are not considered to be qualified campaign expenditures, such as candidate filing fees and deposits (refunds on deposits are generally reported on Schedule I Miscellaneous Increases to Cash of Form 460 and therefore do not "cancel out" the deposit payments that were reported on Schedule E). The purpose of this report is not to determine whether there were any violations of the law; the audit process, which covers all publicly financed candidates, will determine whether there was compliance with the law.

¹⁰ This candidate stated that he agreed to accept the spending limit but there was no indication that he filed a statement to accept the expenditure ceiling.

Dan Kalb	5	P	Accept	\$53,040
Bill Barnes	5	P	Accept	\$41,218
Emmet Gilman	5	NP	Accept	\$35,977
Brett Wheeler	5	P	Accept	\$30,010
Susan King	5	P	Accept	\$24,409
Joseph Blue	5	NP	Accept	\$18,312
Tys Sniffen	5	NP	Accept	\$9,748
Phoenix Streets	5	NP	Accept	\$9,194
Michael O'Connor	5	NP	Accept	\$7,340
Total Spending in District 5				\$679,152
Sean Elsbernd	7	NP	Reject	\$225,459*
Rennie O'Brien	7	NP	Accept	\$109,355
Vernon Grigg	7	P	Accept	\$104,473
Christine Linnenbach	7	P	Accept	\$85,263
Gregory Corrales	7	NP	Accept	\$60,491
Pat Lakey	7	NP	Reject	\$48,322
Isaac Wang	7	NP	Accept	\$31,948
Sheela Kini	7	NP	Reject	\$31,568
Shawn Reifsteck	7	NP	Accept	\$28,283
Arsenio Belenson	7	NP	Accept	\$16,284
Total Spending in District 7				\$741,446
Tom Ammiano	9	P	Accept	\$85,242*
Renee Saucedo	9	P	Accept	\$83,253
Miguel Bustos	9	NP	Reject	\$58,601
Lucrecia Bermudez	9	P	Accept	\$32,138
Total Spending in District 9				\$259,234
Gerardo Sandoval	11	NP	Reject	\$215,472*
Jose Medina	11	P	Accept	\$66,316
Rebecca Silverberg	11	P	Accept	\$64,021
Myrna Lim	11	NP	Reject	\$36,413
Anita Grier	11	NP	Accept	\$31,487
Rolando Bonilla	11	NP	Accept	\$21,286
Total Spending in District 11				\$434,995
Total Candidate Spending				\$3,654,616

* = spending by incumbent candidates

With the exception of District 1, the candidate who spent the most won the election. In District 1, the winning candidate incurred the second highest level of spending in that district and he was the incumbent candidate. As stated elsewhere, all races except District 5 involved an incumbent; for the most part, the incumbents had the highest levels of financial activity.

Of the 65 candidates, 50 accepted the expenditure ceiling (23 of whom were candidates who received public financing) and 15 rejected the expenditure ceiling. In other words, 77 percent accepted the ceiling and 23 percent rejected the ceiling. In 2002, 89 percent of the 28 candidates who ran for the Board of Supervisors accepted the expenditure ceiling. In 2000, 100 percent of the 43 candidates who ran when district elections were reinstated agreed to abide by the voluntary spending limit.

To allow candidates who accept the spending limit to compete with excessive spending, the expenditure ceiling is lifted in certain circumstances. In 2004, the expenditure ceiling was lifted when either of two scenarios occurred: 1) when a candidate who had rejected the expenditure ceiling 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 that totaled more than 100 percent of the expenditure ceiling. The expenditure ceiling was lifted in all but two districts, Districts 5 and 9. In Districts 1, 2, 3, 7 and 11, the ceiling was lifted because a candidate who had rejected the ceiling either received contributions or made expenditures in excess of the limit. In 2002, the expenditure ceiling was lifted in the general election in 3 of the 5 districts, Districts 2, 4 and 6 (the seat for District 10 was uncontested and the ceiling in District 8 was lifted in the run-off election). In 2000, the expenditure ceiling was lifted in 9 of the 11 districts in the general election (one of the districts in which the ceiling was not lifted involved an uncontested race).

E. Independent Expenditures

Independent expenditures are expenditures that are made to advocate the defeat or election of a candidate by someone other than the candidate and that are not done in coordination with the candidate. In November 2000, when the voters approved the public financing program by voting for Proposition O, they also approved a \$500 per contributor per year limit on contributions to committees that make independent expenditures to support or oppose local candidates. Proposition O also provided an overall contribution limit of \$3,000 per contributor to all committees that make independent expenditures affecting local candidates. These limits were imposed on committees in the 2002 and 2004 supervisorial elections, but not in the 2000 supervisorial elections.

Based on filings of the Form 465 (Supplemental Independent Expenditure Report), independent spending relating to candidates for the Board of Supervisors in the seven districts in 2004 totaled \$251,201.¹¹ Independent spending represented 6 percent of combined independent and candidate spending ($251,201 / (251,201 + 3,654,616)$). Seventy-nine percent of the \$251,201 in independent spending was related to candidates in Districts 1 and 7, as shown below in Table 7.

Table 7: Independent Expenditures Affecting Candidates in 2004

Affected Candidate	District	Candidate Spending	Independent Spending¹²
Leanna Dawydiak	1	\$62,727	\$7,472
David Heller	1	\$45,052	\$7,472
Jake McGoldrick	1	\$219,581	\$40,097
Lillian Sing	1	\$265,811	\$47,529

¹¹ Recipient committees, major donor committees and independent expenditure committees that make independent expenditures totaling \$1,000 or more in a calendar year to support or oppose a single local candidate must file the Form 465 with the Ethics Commission. The sum total of these reported amounts should reflect close to all independent expenditures affecting local candidates. Also included in the \$251,201 figure is independent spending that was reported on any Form 461 that was filed with the Ethics Commission but not reported on a Form 465.

¹² For the most part, the amounts in this column reflect independent spending that was spent to support the respective candidates. Independent spending that was made to oppose candidates is listed as follows: Of the \$40,097 in independent spending that affected Jake McGoldrick, \$39,097 was spent to defeat him.

<i>District 1 Total</i>			\$102,570
Bill Barnes	5	\$41,218	\$1,575
Ross Mirkarimi	5	\$85,931	\$6,938
Jim Siegel	5	\$68,833	\$10,230
Andrew Sullivan	5	\$53,470	\$6,526
Nick Waugh	5	\$77,899	\$6,526
<i>District 5 Total</i>			\$31,795
Greg Corrales	7	\$60,491	\$1,000
Sean Elsbernd	7	\$225,459	\$95,636
<i>District 7 Total</i>			\$96,636
Tom Ammiano	9	\$85,242	\$1,000
<i>District 9 Total</i>			\$1,000
Myrna Lim	11	\$36,413	\$1,000
Gerardo Sandoval	11	\$215,472	\$18,200
<i>District 11 Total</i>			\$19,200
<i>Grand Total</i>			\$251,201

Independent spending in the five even-numbered districts in 2002 totaled \$261,906 for the general and run-off elections. Of this amount, \$59,357 related to the general election and \$202,549 related to the run-off election. In contrast, independent spending in all 11 districts in 2000 totaled \$7,070,000 (which consists of \$3,343,847 in the even-numbered districts and \$3,726,153 in the odd-numbered districts).

In the 2004 election, the total amount of money that was spent relating to candidates was much greater than the amount of independent expenditures because there was an abundance of electioneering communications, also known as issue advocacy pieces, that did not expressly advocate the election or defeat of a candidate. There is no data to report on these electioneering communications because they were not regulated. (For further information, see attached article on "Campaign 2004" or see <http://sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2004/10/27/BAGL39GQPBI.DTL>.)

The Ethics Commission recently supported legislation sponsored by a number of the members of the Board of Supervisors to require persons who pay for issue advocacy or electioneering communications that refer to a clearly identified candidate for City elective office to identify themselves on the communication and file reports with the Ethics Commission disclosing the costs of each communication and the names of any other persons who donated money for the communications. The legislation was recently signed into law; thus, future reports will likely contain information about issue advocacy.

F. Contributions

Contributions reported by candidates in 2004 totaled almost \$3 million. Of this amount, \$1,979,455, or 67 percent, represents contributions received by 24 candidates who did not participate in the public financing program.¹³ The 23 participating candidates reported receiving \$991,702, or 33 percent, of the total \$3 million. In addition to these private funds, participating

¹³ There were more than 24 non-participating candidates. However, as stated elsewhere in this report, detailed information regarding contributions and expenditures were obtained only for those candidates who filed electronically.

candidates received a total of \$757,678 in public grants. Thus, the total amount of funds available to all candidates was \$3,728,835; of which 53 percent was available to the 24 non-participating candidates and 47 percent was available to the 23 participating candidates. A review of the amounts of contributions received by the non-participating candidates shows that they varied dramatically: the incumbents generally raised significantly more money than the non-incumbent candidates. Table 8 below shows the amounts of contributions received (including public grants) by both participating and non-participating candidates in 2004.

Table 8: Total Funds Available to Candidates¹⁴

Participating Candidates	Contributions and Public Grants	Non-Participating Candidates	Contributions
Jake McGoldrick (I)	\$201,893	Michela Alioto-Pier (I)	\$295,141
Matt Tuchow	\$101,146	Lillian Sing	\$268,787
Vernon Grigg	\$100,666	Aaron Peskin (I)	\$251,832
Christine Linnenbach	\$90,512	Sean Elsbernd (I)	\$245,515
Ross Mirkarimi	\$85,291	Gerardo Sandoval (I)	\$198,128
Tom Ammiano (I)	\$85,117	Rennie O'Brien	\$109,355
Renee Saucedo	\$83,414	Myrna Lim	\$83,010
Lisa Feldstein	\$83,010	Miguel Bustos	\$66,687
Robert Haaland	\$82,933	Rose Tsai	\$60,829
Brian Murphy-O'Flynn	\$79,104	Gregory Corrales	\$60,491
Nick Waugh	\$78,802	Steve Braccini	\$50,576
Bill Barnes	\$75,922	David Heller	\$44,334
Jim Siegel	\$70,033	Emmet Gilman	\$33,948
Eugene Wong	\$68,741	Sheela Kini	\$31,568
Rebecca Silverberg	\$65,713	Anita Grier	\$29,000
Jose Medina	\$63,598	Rolando Bonilla	\$26,969
Dan Kalb	\$63,030	Shawn Reifsteck	\$24,197
Leanna Dawydiak	\$62,533	Isaac Wang	\$21,400
Brett Wheeler	\$58,805	Arsenio Belenson	\$18,594
Andrew Sullivan	\$51,097	Joseph Blue	\$17,430
David Pascal	\$38,248	Pat Lakey	\$16,311
Lucrecia Bermudez	\$35,244	Tys Sniffen	\$11,112
Susan King	\$24,528	Michael O'Connor	\$8,822
		Phoenix Streets	\$5,419
Total	\$1,749,380	Total	\$1,979,455

Public grants represented 43 percent of the total of \$1,749,380 that was available to the participating candidates. Of the 23 participating candidates, two of the three candidates who were elected each received the highest amount of public funds in their respective districts

¹⁴ Contributions in this table include monetary contributions, loans and in-kind contributions. With regards to participating candidates, the figures listed also include public grants.

(although there were non-participating candidates in their districts who received more private contributions). The other four candidates who were elected to office were all non-participating, incumbent candidates, each of whom raised more funds than any other candidate in their respective districts.

State and local disclosure requirements do not require the itemization of contributions that total less than \$100. Instead, candidates generally report contributions that total less than \$100 in a lump sum amount; that is, for these contributions, candidates are not required to disclose detailed information about individual contributors and individual contribution amounts. Table 9 below lists the amount of itemized and unitemized monetary contributions. The table also shows the percentages of unitemized contributions. Although, as stated above, contributions that total less than \$100 are not required to be itemized, some candidates may have nevertheless itemized such contributions. Therefore, the unitemized percentages that are based on the itemized and unitemized amounts reported by candidates may not necessarily be representative of the actual contributions that total less than \$100.

Table 9: Contributions Received by Candidates

Candidate	Dist.	Status	Itemized Monetary Contributions	Unitemized Monetary Contributions	Total Monetary Contributions	Unitemized Percentage
Leanna Dawydiak	1	P	\$26,050	\$2,755	\$28,805	10%
David Heller	1	NP	\$41,245	\$2,989	\$44,234	7%
Jake McGoldrick	1	P	\$135,417	\$13,301	\$148,718	9%
Lillian Sing	1	NP	\$259,998	\$5,684	\$265,682	2%
Rose Tsai	1	NP	\$43,485	\$2,344	\$45,829	5%
Matt Tuchow	1	P	\$52,355	\$4,819	\$57,174	8%
District 1 Total			\$558,550	\$31,892	\$590,442	5.4%
Michela Alioto-Pier	2	NP	\$284,732	\$2,799	\$287,531	1%
Steve Braccini	2	NP	\$39,738	\$7,942	\$47,679	17%
David Pascal	2	P	\$9,276	\$3,118	\$12,394	25%
District 2 Total			\$333,746	\$13,859	\$347,604	4.0%
Brian Murphy-O'Flynn	3	P	\$30,190	\$2,579	\$32,769	8%
Aaron Peskin	3	NP	\$240,498	\$8,538	\$249,036	3%
Eugene Wong	3	P	\$28,801	\$4,076	\$32,877	12%
District 3 Total			\$299,489	\$15,193	\$314,682	4.8%
Bill Barnes	5	P	\$32,250	\$3,097	\$35,347	9%
Joseph Blue	5	NP	\$16,153	\$1,277	\$17,430	7%
Lisa Feldstein	5	P	\$40,470	\$5,876	\$46,346	13%
Emmet Gilman	5	NP	\$13,798	\$150	\$13,948	1%
Robert Haaland	5	P	\$34,484	\$6,431	\$40,915	16%
Dan Kalb	5	P	\$18,050	\$8,641	\$26,691	32%
Susan King	5	P	\$5,450	\$4,213	\$9,663	44%
Ross Mirkarimi	5	P	\$49,250	\$6,175	\$55,425	11%
Michael O'Connor	5	NP	\$8,822	\$0	\$8,822	0%
Jim Siegel	5	P	\$17,085	\$9,396	\$26,481	35%
Tys Sniffen	5	NP	\$7,244	\$1,674	\$8,918	19%

Phoenix Streets	5	NP	\$4,640	\$779	\$5,419	14%
Andrew Sullivan	5	P	\$19,075	\$3,795	\$22,870	17%
Nick Waugh	5	P	\$34,885	\$8,273	\$43,158	19%
Brett Wheeler	5	P	\$10,791	\$2,057	\$12,848	16%
District 5 Total			\$312,447	\$61,834	\$374,281	16.5%
Arsenio Belenson	7	NP	\$17,419	\$1,175	\$18,594	6%
Gregory Corrales	7	NP	\$55,544	\$4,948	\$60,491	8%
Sean Elsbernd	7	NP	\$238,393	\$5,927	\$244,320	2%
Vernon Grigg	7	P	\$34,589	\$5,200	\$39,789	13%
Sheela Kini	7	NP	\$30,848	\$720	\$31,568	2%
Pat Lakey	7	NP	\$16,289	\$22	\$16,311	0%
Christine Linnenbach	7	P	\$23,525	\$5,069	\$28,594	18%
Rennie O'Brien	7	NP	\$109,235	\$120	\$109,235	0%
Shawn Reifsteck	7	NP	\$24,197	\$0	\$24,197	0%
Isaac Wang	7	NP	\$6,900	\$0	\$6,900	0%
District 7 Total			\$556,939	\$23,181	\$579,999	4.0%
Tom Ammiano	9	P	\$42,515	\$7,602	\$50,117	15%
Lucrecia Bermudez	9	P	\$10,340	\$0	\$10,340	0%
Miguel Bustos	9	NP	\$62,085	\$4,602	\$66,687	7%
Renee Saucedo	9	P	\$36,823	\$11,438	\$48,261	24%
District 9 Total			\$151,763	\$23,642	\$175,405	13.5%
Rolando Bonilla	11	NP	\$26,300	\$669	\$26,969	2%
Anita Grier	11	NP	\$26,492	\$2,508	\$29,000	9%
Myrna Lim	11	NP	\$68,010	\$0	\$68,010	0%
Jose Medina	11	P	\$33,735	\$2,639	\$36,374	7%
Gerardo Sandoval	11	NP	\$191,439	\$4,439	\$195,878	2%
Rebecca Silverberg	11	P	\$33,601	\$3,037	\$36,638	8%
District 11 Total			\$379,577	\$13,292	\$392,869	3.47%
Total Contributions Received			\$2,592,511	\$182,893	\$2,775,282	6.6%

The unitemized contributions reported by candidates in Districts 5 and 9, the only two districts where the spending cap was not lifted, represent the highest percentages of all the districts. For participating candidates, unitemized contributions represented 14 percent of total contributions. For non-participating candidates, unitemized contributions represented 3 percent of total contributions. In 2002, unitemized contributions reported by participating candidates represented 11 percent of total contributions, whereas unitemized contributions reported by non-participating candidates represented only 3 percent of total contributions.

The total number of contributions that were itemized by candidates in 2004 was 9,073. Of these 9,073 contributions, 7,346, or 81 percent, were made by contributors who were individuals. The remaining 1,727 contributions were made by business organizations, political committees or other groups. With respect to prior elections, in 2002, 84 percent of contributions were from individuals; in 2000, 72 percent of contributions were from individuals. The percentage of contributions that was received from individuals in 2004 and 2002, years in which public financing was available, was approximately ten percent higher than the percentage of contributions received from individuals in 2000. Please see Table 10 below for detailed

information regarding the average amount and number of contributions received by candidates for the Board in 2004.

“Had to spend more time with individuals in the beginning to qualify for the public funding”

---2004 publicly-financed candidate

Table 10: Analysis of Monetary Contributions that were Itemized on Schedule A¹⁵

Candidate	Dist	Status	Total amount of contributions	Average of contributions ¹⁶	Number of contributions ¹⁷	# of contributions from individuals	# of contr. from other types of contributors ¹⁸	Percentage of contribution that were from individuals
Leanna Dawydiak	1	P	\$14,550	\$279.81	52	43	9	83%
David Heller	1	NP	\$41,245	\$229.14	180	104	76	58%
Jake McGoldrick	1	P	\$137,642	\$249.80	551	422	129	77%
Lillian Sing	1	NP	\$259,998	\$321.38	809	700	109	87%
Rose Tsai	1	NP	\$33,485	\$384.89	87	46	41	53%
Matt Tuchow	1	P	\$52,355	\$231.66	226	201	25	89%
District 1 Total			\$539,275	\$283.08	1905	1516	389	80%
Michela Alioto-Pier	2	NP	\$284,732	\$334.98	850	598	252	70%
Steve Braccini	2	NP	\$22,038	\$183.65	120	103	17	86%
David Pascal	2	P	\$8,776	\$190.78	46	46	0	100%
District 2 Total			\$315,546	\$310.58	1016	747	269	74%
Brian Murphy-O'Flynn	3	P	\$30,780	\$250.24	123	102	21	83%
Aaron Peskin	3	NP	\$240,498	\$297.28	809	588	221	73%
Eugene Wong	3	P	\$28,801	\$180.01	160	141	19	88%
District 3 Total			\$300,079	\$274.80	1092	831	261	76%
Bill Barnes	5	P	\$32,500	\$285.09	114	85	29	75%
Joseph Blue	5	NP	\$12,453	\$177.90	70	50	20	71%
Lisa Feldstein	5	P	\$40,470	\$249.81	162	133	29	82%
Emmet Gilman	5	NP	\$1,098.45	\$219.69	5	5	0	100%
Robert Haaland	5	P	\$33,984	\$174.28	195	189	6	97%
Dan Kalb	5	P	\$15,550	\$163.68	95	86	9	91%
Susan King	5	P	\$5,450	\$113.54	48	46	2	96%
Ross Mirkarimi	5	P	\$48,750	\$250	195	149	46	76%

¹⁵ The figures provided in this table do not include the amounts of public grants that some candidates disclosed on Schedule A. The data also excludes candidates' contributions from their personal funds to their own campaigns. In addition, the data excludes negative entries that were reported on Schedule A (i.e., returned contributions).

¹⁶ The average of contributions amount here represents the average of the contributions that were itemized (i.e., listed individually and not in a lump sum amount) on the campaign statements. Please note that although itemization of contributions that total less than \$100 is not required, some candidates may have itemized some or all such contributions.

¹⁷ If contributors made multiple contributions, each contribution was treated as a separate entry.

¹⁸ 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.

Michael O'Connor	5	NP	\$8,722	\$90.85	96	94	2	98%
Jim Siegel	5	P	\$16,985	\$106.82	159	137	22	86%
Tys Sniffen	5	NP	\$7,144	\$142.89	50	43	7	86%
Phoenix Streets	5	NP	\$4,640	\$185.60	25	25	0	100%
Andrew Sullivan	5	P	\$17,450	\$179.80	97	90	7	93%
Nick Waugh	5	P	\$34,385	\$220.42	156	154	2	99%
Brett Wheeler	5	P	\$8,641	\$176.35	49	49	0	100%
District 5 Total			\$288,222	\$190.12	1516	1335	181	88%
Arsenio Belenson	7	NP	\$3,700	\$142.31	26	25	1	96%
Gregory Corrales	7	NP	\$55,544	\$219.54	253	231	22	91%
Sean Elsbernd	7	NP	\$241,244	\$327.33	737	528	209	72%
Sheela Kini	7	NP	\$11,850	\$320.27	37	37	0	100%
Pat Lakey	7	NP	\$16,289	\$135.74	120	96	24	80%
Christine Linnenbach	7	P	\$23,025	\$201.97	114	114	0	100%
Rennie O'Brien	7	NP	\$100	\$100	1	0	1	100%
Shawn Reifsteck	7	NP	\$24,197	\$113.07	214	213	1	99.5%
Isaac Wang	7	NP	\$6,900	186.49	37	32	5	86%
District 7 Total			\$382,849	\$248.76	1539	1276	263	83%
Tom Ammiano	9	P	\$42,515	\$183.25	232	203	29	88%
Lucrecia Bermudez	9	P	\$10,240	\$104.49	98	95	3	97%
Miguel Bustos	9	NP	\$62,085	\$182.60	340	328	12	96%
Renee Saucedo	9	P	\$37,173	\$196.68	189	174	15	92%
District 9 Total			\$152,013	\$176.97	859	800	59	93%
Rolando Bonilla	11	NP	\$18,800	\$303.23	62	45	17	73%
Anita Grier	11	NP	\$16,200	\$270	60	44	16	73%
Myrna Lim	11	NP	\$48,010	\$194.37	247	230	17	93%
Jose Medina	11	P	\$23,635	\$262.61	90	65	25	72%
Gerardo Sandoval	11	NP	\$193,239	\$327.52	590	376	214	64%
Rebecca Silverberg	11	P	\$24,001	\$247.43	97	81	16	84%
District 11 Total			\$323,885	\$282.62	1146	841	305	73%
Grand Total			\$2,301,869	\$253.71	9073	7346	1727	81%

As stated and shown above, in 2004, contributions from individual contributors represented 81 percent of all contributions. The same percentage broken down by participating versus non-participating candidates is shown in Table 11:

Table 11: Average Contribution and Percentage of Contributions Received from Individuals by Participating and Non-Participating Candidates

Status	Average Contribution	Percentage of Contributions from Individuals
Participating Candidates	\$211.72	86%
Non-Participating Candidates	\$277.12	78%

In 2004, the average amount of itemized contributions was \$253.71 for all candidates, or \$211.72 for participating candidates and \$277.12 for non-participating candidates. Once again, the statistics in Districts 5 and 9 are interesting in that the average itemized contributions in these districts were \$190.12 and \$176.97, respectively, which are significantly lower than the total

average of \$253.71. The reasons for this could include: the spending cap remained intact in these districts; there was no incumbent running in District 5; and although there was an incumbent in District 9, he was a participating candidate in a district where the spending cap was not lifted and the amount of his average contribution was only \$183.25. The average amount of contributions in Districts 1, 2, 3 and 11 was close to \$300. The average amount in District 7 was \$248.76, although the incumbent's average in this district was \$327.33. By comparison, the average amount of contributions in the general election was \$217.46 in 2002 and \$268.94 in 2000.

G. Cost per Vote

In 2004, the amount spent per vote by participating candidates to obtain a first-choice vote was \$18.67 and the amount spent per vote by nonparticipating candidates to obtain a first-choice vote was \$20.17. In the November 2002 general election, the cost per vote was \$16.67 for participating candidates and \$27.92 for non-participating candidates. It is difficult to compare the costs per vote in 2004 with the costs per vote in prior elections because Ranked Choice Voting eliminated the run-off election in 2004. Candidates who received other than "first-choice" votes were elected to office as compared to candidates who received only first-choice votes in the traditional general and run-off elections scheme. Table 12 provides a detailed breakdown of the cost per vote by candidate and by district.

Table 12: Candidate Spending per Vote in 2004

Candidate	Dist.	Status	Whether Candidate Accepted or Rejected Voluntary Expenditure Ceiling	Expenditures Incurred	No. of First-Choice Votes Received	Cost Per Vote ¹⁹
Leanna Dawydiak	1	P	Accept	\$62,727	1373	\$45.69
David Heller	1	NP	Reject ²⁰	\$45,052	2003	\$22.49
Jake McGoldrick	1	P	Accept	\$219,581	11791	\$18.62
Lillian Sing	1	NP	Reject	\$265,811	8959	\$29.67
Rose Tsai	1	NP	Accept	\$57,991	1581	\$36.68
Matt Tuchow	1	P	Accept	\$97,184	2859	\$33.99
District 1 Total				\$748,346	28,566	\$26.20
Michela Alioto-Pier	2	NP	Reject	\$285,473	21013	\$13.59
Steve Braccini	2	NP	Reject	\$61,108	5763	\$10.60
David Pascal	2	P	Accept	\$39,549	4207	\$9.40
District 2 Total				\$386,130	27,983	\$13.80
Brian Murphy-O'Flynn	3	P	Accept	\$73,870	4581	\$16.13
Aaron Peskin	3	NP	Reject	\$259,739	16120	\$16.11
Eugene Wong	3	P	Accept	\$71,704	3534	\$20.29
District 3 Total				\$405,313	24,235	\$16.72
Bill Barnes	5	P	Accept	\$41,218	1659	\$24.85

¹⁹ The cost per vote for each candidate was calculated by dividing the amount of expenditures incurred by the candidate by the number of "first-choice" votes the candidate received.

²⁰ See footnote 10.

Joseph Blue	5	NP	Accept	\$18,312	792	\$23.12
Lisa Feldstein	5	P	Accept	\$81,526	3242	\$25.15
Emmet Gilman	5	NP	Accept	\$35,977	390	\$92.25
Robert Haaland	5	P	Accept	\$82,245	5096	\$16.14
Dan Kalb	5	P	Accept	\$53,040	1393	\$38.08
Susan King	5	P	Accept	\$24,409	971	\$25.14
Ross Mirkarimi	5	P	Accept	\$85,931	9928	\$8.66
Michael O'Connor	5	NP	Accept	\$7,340	860	\$8.53
Jim Siegel	5	P	Accept	\$68,833	1537	\$44.78
Tys Sniffen	5	NP	Accept	\$9,748	684	\$14.25
Phoenix Streets	5	NP	Accept	\$9,194	654	\$14.06
Andrew Sullivan	5	P	Accept	\$53,470	1659	\$32.23
Nick Waugh	5	P	Accept	\$77,899	3007	\$25.91
Brett Wheeler	5	P	Accept	\$30,010	825	\$36.38
District 5 Total				\$679,152	32,697	\$20.77
Arsenio Belenson	7	NP	Accept	\$16,284	507	\$32.12
Gregory Corrales	7	NP	Accept	\$60,491	2550	\$23.72
Sean Elsbernd	7	NP	Reject	\$225,459	10475	\$21.52
Vernon Grigg	7	P	Accept	\$104,473	2082	\$50.18
Sheela Kini	7	NP	Reject	\$31,568	349	\$90.45
Pat Lakey	7	NP	Reject	\$48,322	760	\$63.58
Christine Linnenbach	7	P	Accept	\$85,263	6764	\$12.61
Rennie O'Brien	7	NP	Accept	\$109,355	2359	\$46.36
Shawn Reifsteck	7	NP	Accept	\$28,283	1103	\$25.64
Isaac Wang	7	NP	Accept	\$31,948	2717	\$11.76
District 7 Total				\$741,446	29,666	\$25.00
Tom Ammiano	9	P	Accept	\$85,242	12547	\$6.79
Lucrecia Bermudez	9	P	Accept	\$32,138	1018	\$31.57
Miguel Bustos	9	NP	Reject	\$58,601	4318	\$13.57
Renee Saucedo	9	P	Accept	\$83,253	5460	\$15.25
District 9 Total				\$259,234	23,343	\$11.11
Rolando Bonilla	11	NP	Accept	\$21,286	2279	\$9.34
Anita Grier	11	NP	Accept	\$31,487	2787	\$11.30
Myrna Lim	11	NP	Reject	\$36,413	4259	\$8.55
Jose Medina	11	P	Accept	\$66,316	2852	\$23.25
Gerardo Sandoval	11	NP	Reject	\$215,472	7427	\$29.01
Rebecca Silverberg	11	P	Accept	\$64,021	1810	\$35.37
District 11 Total				\$434,995	21,414	\$20.31
Grand Total				\$3,654,616	187,904	\$19.45

III. Additional Information About the 2004 Board of Supervisors Election

In order to measure whether the public financing program resulted in greater competition, three indicators can be used: 1) number of contested races; 2) incumbent re-election rates; and 3) victory margins.

For the 2004 Board of Supervisors race, the data showed:

- There was no change in 2004 from 2002 in the incumbent re-election rate.²¹
- There was a change in the number of uncontested races in 2004.
- The victory margin was greater than 40 percent in two districts in which the winner outspent the runner-up by a significant amount (i.e., in District 2, the winner, who spent \$224,365 more than the runner-up, had a victory margin of 44.45 percentage points; and in District 3, the winner, who spent \$185,869 more than the runner-up, had a victory margin of 44.77 percentage points). However, the victory margin was less than 15 percent in two other districts in which the winner outspent the runner-up by a significant amount (i.e., in District 7, where the winner spent \$140,196 more than the runner-up, the margin of victory was 11.77 percentage points; and in District 11, where the winner spent \$179,059 more than the runner-up, the margin of victory was 13.75 percentage points). This difference could also be due to the greater number of challengers in Districts 7 and 11.

In 2004, incumbents were involved in all but one of the seven races, the race in District 5. The winner in the races where an incumbent ran was the incumbent. Thus, the incumbent re-election rate remained unchanged at 100 percent, which was the same rate in 2002. In 2004, two of the six incumbents re-elected were participating candidates. In 2002, one of the three incumbents re-elected was a participating candidate.

There was one uncontested race in each of the 2000 and 2002 elections. In 2004, all races were contested.

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. With the implementation of Ranked Choice Voting in 2004, the victory margins listed below in Table 13 should be compared with caution to the victory margins of the 2002 election because in 2004 candidates did not necessarily win with only first-choice votes.

²¹ In 2000, the incumbent re-election rate in the even-numbered districts was 100 percent. The incumbent re-election rate in the odd-numbered districts was 20 percent.

Table 13: Victory Margins (based on the number “first choice” votes)

District	Winning Candidate	Runner-Up Candidate	Victory Margin (in percentage points)
1	Jake McGoldrick	Lillian Sing	9.87
2	Michela Alioto-Pier	Steve Braccini	44.45
3	Aaron Peskin	Brian Murphy- O’Flynn	44.77
5	Ross Mirkarimi	Robert Haaland	13.82
7	Sean Elsbernd	Christine Linnenbach	11.77
9	Tom Ammiano	Renee Saucedo	28.65
11	Gerardo Sandoval	Myrna Lim	13.75

It is difficult to identify trends regarding competition and other indicators because there is not sufficient data from comparable elections that can be analyzed. Although the public financing program has now been implemented in the 2002 and 2004 elections, there are many variables relating to these elections. In 2002, elections took place in districts where only two-year terms had elapsed. In 2004, Ranked Choice Voting was implemented, which caused many prior constants to change, i.e., there were no more run-off elections and candidates were elected even though they may not have received more than 50 percent of the “first-choice” votes. The election in 2000 was also very different because San Francisco returned to district elections after 20 years. In addition, all 11 seats for the Board were up for election. Furthermore, the public financing program itself was different in 2004 than 2002. Significant provisions, such as the threshold for qualifying for public financing and the deadline for applying for public financing, were changed after the 2002 public financing cycle. 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. Therefore, conclusions relating to the data presented in this report should be made carefully.

IV. Testimony from Candidates

In studying the effects of the public financing program, the Commission requested that candidates who ran for Board of Supervisors in 2004 provide feedback regarding their experiences. Five candidates and/or their representatives (out of 23) completed and returned to the Commission a survey regarding the program.²² At its February 14, 2005 meeting, the Commission invited candidates and members of the public to offer comments on evaluating the public financing program.

Survey Results

All five of the candidates who responded to the Commission’s request to complete a survey believed that the availability of public financing encouraged them to run for office. They stated that the public financing program encouraged them to raise contributions in small amounts.

²² One of these candidates responded to only 7 of the 30 questions in the survey. All candidates were repeatedly requested to respond to the survey.

All candidates who responded to the survey believed that public financing provided sufficient funds for them to run a viable campaign. Although most of these candidates agreed that the formula regarding disbursements (i.e., the initial \$5,000 grant, the next level of 4-to-1 match and 1-to-1 match) is appropriate, only two believed that the \$5,000 threshold for qualifying to receive public financing is appropriate. Two others stated that the threshold is too low; one of these candidates recommended a threshold of \$7,500 in qualifying contributions from 75 San Francisco residents in amounts ranging from \$10 to \$100. The fifth candidate suggested that the Commission raise the threshold to \$10,000 but allow qualifying contributions of up to \$500.

“Public financing enabled us to make a real pitch to people who could not make large contributions, especially during the 4:1 match phase. Knowing your \$25 would turn into \$100, and that they won’t necessarily be outspent on the other side immediately encouraged small donors to give.”

---treasurer for publicly financed candidate

“I think the 4:1 match should be later to conserve public funds for candidates that can run viable campaigns.”

---treasurer for publicly-financed candidate

Two candidates stated that public financing allowed them to spend more time campaigning and less time fundraising. Two other candidates disagreed; one stated that he “had a lot of pressure to fundraise to meet the \$5,000 qualifying threshold.” The fifth candidate stated that although he spent a lot of time fundraising, public financing made his campaign more viable.

In evaluating the \$83,000 spending cap, one candidate stated that the amount is appropriate and one explained that the amount is too high for a small city with district elections. Two other candidates believed that the cap is too low and both recommended that the cap be raised to \$100,000.

With respect to the deadline for applying for public financing, two candidates responded that it was appropriate and two others stated that more time to raise qualifying contributions would have been helpful.

Comments Offered Before the Commission

One candidate who did not participate in the public financing program appeared before the Commission to state that public financing was excessive and that the Commission should reduce the maximum amount of funding available to candidates. He stated that although he raised adequate funds (\$61,000) to run a supervisorial campaign, he could not compete with the spending by the incumbent.

A campaign manager stated that \$83,000 (the current spending cap) is not sufficient for new candidates to compete successfully against incumbent candidates. He stated that incumbent candidates have access to free-media coverage and recommended that the amount of the spending cap be raised to at least \$90,000.

[My candidate] was able to run for office because of three reasons:

- *District elections;*
- *Ranked-choice voting; and*
- *Public financing.*

---campaign representative for a first-time candidate

Another campaign representative who assisted four campaigns stated that it would have been helpful if applicants for public financing could have received their funds earlier.

All respondents praised the Ethics Commission staff for its responsiveness and stated that they could not have complied with public financing and other campaign finance requirements without the ongoing assistance from the Commission staff.

XV. Public Financing at a Glance

Election Year	2002 ²³	2004
Amount of Public Funds Disbursed	\$281,989	\$757,678
Average Amount Disbursed Per Candidate in General Election	\$31,332	\$32,943
No. of Candidates Who Received Maximum Funding in General Election	0	2
Number of Seats up for Election	5	7
Number of Contested Seats	4	7
Number of Supervisorial Candidates on Ballot	28	65
Number of Participating Candidates	9	23
Number of Participating Candidates Elected	3	3
Number of Incumbents Running	3	6
Number of Incumbents Elected	3	6
Average of Itemized Contributions Received by Participating Candidates	\$173	\$212
Average of Itemized Contributions Received by Non-Participating Candidates	\$295	\$277
Total Amount of Candidate Spending	\$2,213,316	\$3,654,616
Total Amount of Spending by Participating Candidates	\$1,053,951	\$1,683,902
Average Spent by Participating Candidates	\$79,457	\$73,213
Average Spent by Non-Participating Candidates	\$105,122	\$82,113
Average Spent by Elected Participating Candidates	\$106,647	\$130,251
Average Spent by Elected Non-Participating Candidates	\$174,416 ²⁴	\$246,536
Amount of Independent Expenditures Reported	\$261,906	\$251,201

²³ The data in this column relate only to the November 2002 general election. Fundraising, spending or independent spending regarding the December 2002 run-off election are not reflected here.

²⁴ One of the two non-participating candidates who were elected in 2002 ran unopposed. Her spending in the general election was \$33,096. The other non-participating candidate who was elected spent \$315,735.

Appendix I: Overview of San Francisco's Limited Public Financing Program

Introduction

San Francisco's limited public financing program for candidates running for the Board of Supervisors was first implemented in the November 2002 election. Based on its experience of administering the program and testimony from candidates, in 2003 the Commission adopted changes to the public financing program, some of which significantly impacted the criteria for qualifying for public financing. The Commission administered the program in the November 2004 supervisorial elections under the amended criteria. The program provided eligible candidates up to \$43,750 in the general election. The total annual cost of the public financing program, including program administration, cannot exceed \$2 per year per resident of San Francisco.

Criteria and Conditions for Qualifying for Public Financing

In order to qualify for public financing, a candidate was required to:

- Seek election to the Board of Supervisors and be eligible to hold office if elected;
- By the deadline for filing nomination papers, file a Statement of Participation or Non-Participation indicating that he or she intended to participate in the public financing program;
- By the deadline for filing nomination papers, file a statement with the Ethics Commission indicating that the candidate accepted the spending limit;
- Raise at least \$5,000 in qualifying contributions from at least 75 contributors before the 70th day before the election;²⁵
- Be opposed by another candidate who had qualified for public financing or who had received contributions or made expenditures that equaled or exceeded \$5,000;
- Agree to limit qualified campaign expenditures to the amount of the expenditure ceiling, which was \$83,000 for supervisorial candidates in the November 2004 general election;
- Agree to bear the burden of proving that each contribution the candidate relied upon to establish eligibility was a qualifying contribution;
- Agree to participate in at least one debate with the candidate's opponents; and
- Submit a declaration and supporting documentation to the Ethics Commission to establish eligibility.

In addition, the candidate must show that each expenditure made with public funds was used only to pay for qualified campaign expenses. Candidates were prohibited from using public funds to pay administrative, civil, or criminal fines, or to pay for inaugural activities or officeholder expenses. Under the law, all qualified candidates are subject to a mandatory audit.

²⁵ A qualifying contribution is a contribution that is: from an individual who is a resident of San Francisco; not less than \$10 and not more than \$100; not a loan; and compliant with the requirements of the Campaign Finance Reform Ordinance and its implementing regulations.

Applying for Public Funds

In order to be certified by the Executive Director of the Ethics Commission as having met the requirements to receive public financing, candidates were required to submit, among other items: 1) between June 1 and August 24, 2004, a Declaration for Public Funds along with a list of qualifying contributions (*Forms SFEC-142(b)-1 and SFEC-142(b)-2*) and other supporting material; and 2) no later than August 6, 2004, the deadline for filing nomination papers, a Statement of Participation or Non-Participation indicating an intent to participate in the public financing program.

Candidates agree to comply with all the eligibility requirements set forth above by signing and submitting the *Declaration for Public Funds*. On the accompanying list of qualifying contributions, candidates must include the contributor's full name, street address, occupation and employer if the contribution is \$100 or more; the total amount contributed; the amount of the contributor's qualifying contribution; the date the qualifying contribution was received; the date the qualifying contribution was deposited; and the deposit batch number. Supporting materials include photocopies of the written instruments used by the contributors to make the qualifying contributions, affidavits from the contributor, deposit receipts and other items such as evidence of San Francisco residency. Claims for additional public funds must be submitted in a similar manner.

Formula for Disbursing Public Funds

Beginning on the day following the deadline for filing nomination papers, candidates who were certified as eligible to participate in the public financing program received a grant of \$5,000. After the initial payment of \$5,000, candidates were able to seek additional public funds based on the amount of matching contributions raised and documented in timely claims submitted to the Ethics Commission.²⁶ The maximum amount of additional public funds that candidates were able to receive was \$38,750. After the initial payment of \$5,000, for each dollar of matching contributions up to the next \$5,000 that candidates raised, they received four dollars from the Election Campaign Fund. Thereafter, for each additional dollar of matching contributions raised, candidates received one dollar of public funds until reaching the maximum. The maximum amount of public funds a candidate could have received was \$43,750 for the general election, as shown in the table below:

<i>Candidate raises</i>	<i>Election Campaign Fund pays</i>
\$5,000 in qualifying contributions	\$5,000 (initial payment)
Next \$5,000 in matching contributions	Up to \$20,000 (4 to 1 match)
Next \$18,750 in matching contributions	Up to \$18,750 (1 to 1 match)
Total available to a qualified candidate	Up to \$43,750

There was no run-off election in 2004 because Ranked-Choice Voting was implemented. Thus, the provisions of the public financing program that pertain to run-off elections did not apply.

²⁶ A matching contribution is a contribution that is: from an individual who is a resident of San Francisco; not a qualifying contribution; not a loan; and compliant with the requirements of the CFRO and its implementing regulations.

Pro-Ration of Public Funds

Under the law, after the deadline for filing nomination papers passes, the Executive Director must make an initial determination if pro-ration would be necessary if all the candidates who indicated an intent to participate on the *Statement of Participation or Non-Participation* applied for public financing. Thereafter, the Commission must make a determination, no later than 60 days before the election, of whether funds need to be pro-rated.

As of August 6, 2004, 50 candidates indicated an intent to participate in the program. Assuming that each of these candidates qualified to receive the maximum \$43,750, the amount required in the Election Campaign Fund would have exceeded the \$670,000 allocated to the Fund. Therefore, the Executive Director determined that pro-ration would be necessary. As of August 24, 2004, the deadline for submitting applications for public funds, 25 candidates actually submitted applications. At its meeting on August 31, 2004, the Ethics Commission determined that pro-ration would be necessary if all 25 candidates were deemed eligible to receive the maximum amount of public funding. Subsequently, on September 16, 2004, the Ethics Commission announced that it would no longer pro-rate public funding. At the request of the Commission, Mayor Gavin Newsom and Supervisor Chris Daly acted to secure full funding for the program. As a result, all eligible candidates were able to qualify for the maximum \$43,750 allowed under the law.

Campaign Spending Limits

To receive public funds, candidates were required to agree to limit their spending to the amount of the expenditure ceiling, or \$83,000. Candidates who intended to participate in the public financing program were required to submit a statement (*Form SFEC-128*) agreeing to abide by the voluntary expenditure ceiling no later than the deadline for filing nomination papers (August 6, 2004).

Lifting of Expenditure Ceilings

The spending limits were lifted when either of the following circumstances occurred:

- 1) a candidate who declined to accept the expenditure ceiling received contributions or made expenditures in excess of 100 percent of the expenditure ceiling; or
- 2) a committee or committees that make independent expenditures made expenditures in support of or in opposition to a candidate that in the aggregate totaled more than 100 percent of the expenditure ceiling.

When the spending limit was lifted, it was no longer binding on any candidate running for the same supervisorial office (i.e., in the same district), including candidates who participated in the public financing program. The amount of public funds paid to eligible candidates was not affected by the lifting of the spending limits.

Additional Reporting Requirements for Non-Participating Candidates

Candidates for the Board of Supervisors who filed a Statement of Participation or Non-Participation indicating that they did not intend to participate in the public financing program or

who received notice that they were ineligible to receive public funds were required to file, no later than the deadline for filing nomination papers, a statement (*Form SFEC-152*) indicating whether they received contributions, made expenditures or had funds that equaled or exceeded \$5,000. If the nonparticipating candidate reached the \$5,000 threshold after the deadline for filing nomination papers, or received notice of ineligibility to receive public funds after that date, the candidate was required to file a statement within 24 hours of reaching or exceeding the \$5,000 threshold or receiving notice of ineligibility. The statements filed by the nonparticipating candidates were used by the Commission to determine whether a candidate who had applied for public financing met the requirement of being opposed by a candidate who either qualified to receive public financing or who received contributions or made expenditures of \$5,000 or more.