

**San Francisco
Ethics Commission**



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Report on

San Francisco's Limited

Public Financing Program

Board of Supervisors November 7, 2006 Election

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I. Introduction

San Francisco's public financing program for candidates for the Board of Supervisors was adopted through a ballot measure (Proposition O) in November 2000. The San Francisco Ethics Commission ("Commission") administered the public financing program in elections for candidates for the Board of Supervisors in 2002, 2004 and 2006. The public financing program provides candidates running for the Board of Supervisors with partial public funding 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 2006 election. The report presents information on the fundraising and expenditure activities of the supervisorial candidates who qualified to appear on the November 7, 2006 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, 2006 and from the Commission's record of public funds disbursements.¹

II. Report of the Public Financing Program of 2006

A. The Amount of Public Funds Disbursed in 2006

There are eleven supervisorial districts in San Francisco. In 2006, elections were held in the five even-numbered districts: Districts 2, 4, 6, 8 and 10. A total of 26 candidates in five districts appeared on the November 2006 ballot; by comparison, a total of 65 candidates in seven districts and 28 candidates in five districts appeared on the November 2004 and 2002 ballots, respectively.

The City set aside approximately \$600,000 in the Supervisorial Election Campaign Fund for the disbursement of public grants. Because only seven candidates submitted a

¹ The data regarding candidates who ran for the Board of Supervisors in November 2002 and November 2004 is based on campaign statements covering through December 31, 2002 and December 31, 2004, respectively.

Declaration for Public Funds, the Executive Director determined that pro-ration was not necessary. Therefore, each of the six candidates who were certified as eligible to receive public funds was eligible to receive up to the maximum allowable per candidate of \$43,750. The six eligible candidates received a total of \$216,784 in public funds. Four candidates received the maximum available amount. The average distributed per candidate was \$36,131. 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 2006

#	Candidate	District	Amount of Public Funds Received	Public Funds as a Percentage of Total Private and Public Funds Received by Candidate
1	Ron Dudum	4	\$43,750	44%
2	Jaynry Mak	4	\$43,750	20%
3	Chris Daly	6	\$43,750	21%
4	Rob Black	6	\$43,750	20%
5	Alix Rosenthal	8	\$32,004	50%
6	Dwayne Jusino	10	\$9,780	65%
Total			\$216,784	26%

Table 2: Average of Public Grants by District

District	No. of Candidates who Received Public Grants	Average Disbursement
District 4	2	\$43,750
District 6	2	\$43,750
District 8	1	\$32,004
District 10	1	\$ 9,780
Total	6	\$36,131

B. The Number of Candidates Who Received Public Funds

As noted above, a total of 26 candidates in five districts appeared on the November 2006 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

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

Of the 26 candidates who appeared on the ballot, 15 candidates initially expressed interest in participating in the public financing program. Seven 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, six were deemed eligible to receive public funding. One candidate did not qualify because he did not raise the required \$5,000 in qualifying contributions.

The six participants of the public financing program ran for office from four districts: Districts 4, 6, 8 and 10. There were no participating candidates from District 2. Of the five members of the Board of Supervisors who were elected to office in the November 7, 2006 election, one, or 20 percent of those elected, was a participating candidate. In comparison, 43 percent who were elected in November 2004 and 60 percent who were elected in November 2002 were participating candidates. Table 3 below lists the 2006 candidates who participated in the public financing program and whether the candidate was elected to office.

Table 3: Candidates Who Participated in the Public Financing Program in 2006 and Whether They Were Elected to Office

#	Candidate	District	Elected/Defeated
1	Ron Dudum	4	Defeated
2	Jaynry Mak	4	Defeated
3	Chris Daly	6	Elected
4	Rob Black	6	Defeated
5	Alix Rosenthal	8	Defeated
6	Dwayne Jusino	10	Defeated

In 2006, in all but one district (District 4), incumbents ran for office. All four incumbents won re-election regardless of whether they participated in the public financing program. Similarly, in 2004 and 2002, all incumbents who ran for office won re-election regardless of whether they participated in the public financing program. In 2006, in the district where no incumbent ran, the winner was a candidate who did not receive public funding. In contrast, in 2004 and 2002, in the districts where no incumbent ran (one in 2004 and two in 2002), participating candidates won. See Table 4 for a list of candidates who were elected to office in 2006, 2004 and 2002.

Table 4: List of Candidates Elected in 2006, 2004 and 2002

District	Candidate	Incumbent	Status³	Year Elected
2	Michela Alioto-Pier	Yes	NP	2006
4	Ed Jew	No	NP	2006
6	Chris Daly	Yes	P	2006
8	Bevan Dufty	Yes	NP	2006
10	Sophie Maxwell	Yes	NP	2006
1	Jake McGoldrick	Yes	P	2004
2	Michela Alioto-Pier	Yes	NP	2004
3	Aaron Peskin	Yes	NP	2004
5	Ross Mirkarimi	No	P	2004
7	Sean Elsbernd	Yes	NP	2004
9	Tom Ammiano	Yes	P	2004
11	Gerardo Sandoval	Yes	NP	2004
2	Gavin Newsom	Yes	NP	2002
4	Fiona Ma	No	P	2002
6	Chris Daly	Yes	P	2002
8	Bevan Dufty	No	P⁴	2002
10	Sophie Maxwell	Yes	NP ⁵	2002

C. The Number of Non-Participating Candidates

As stated elsewhere in this report, 26 candidates running for the Board of Supervisors appeared on the November 2006 ballot. Twenty of these candidates did not participate in the public financing program, although 15 of these 26 candidates filed papers by August 11, 2006, 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 29, 2006 (the 70th day prior to the date of the election). As of August 29, eight candidates who initially indicated an intent to participate in public financing did not file application papers. Table 5 below lists the 20 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 29, 2006.

³ Status refers to whether a candidate participated in the public financing program. P=Participating candidate; NP=Non-Participating candidate.

⁴ In 2002, although Bevan Dufty applied for public financing and was certified as eligible to receive public funding, he chose not to receive public funds.

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 29, 2006⁶

#	Candidate	District	Intent to Participate in Public Financing Program (Form SFEC-142(a))	Elected/Defeated	Contributions Received as of August 29, 2006 ⁷
1	Vilma Guinto Peoro	2	Agreed	Defeated	No e-filing
2	Michela Alioto-Pier	2	Declined	Elected	\$87,500
3	David Ferguson	4	Agreed	Defeated	No e-filing
4	Doug Chan	4	Declined	Defeated	\$113,374
5	Houston Zheng	4	Declined	Defeated	\$1,500
6	Ed Jew	4	Agreed	Elected	\$23,389
7	Davy Jones	6	Declined	Defeated	No e-filing
8	Robert Jordon	6	Agreed	Defeated	No e-filing
9	Manuel Jimenez, Jr.	6	Agreed	Defeated	<\$1,000
10	Viliam Dugovic	6	Agreed	Defeated	<\$1,000
11	Matt Drake	6	Agreed	Defeated	\$10,966
12	George Dias	6	Declined	Defeated	\$1,130
13	Starchild	8	Declined	Defeated	<\$1,000
14	Bevan Dufty	8	Declined	Elected	\$57,300
15	Rodney Hampton Jr.	10	Agreed	Defeated	No e-filing
16	Marie L. Harrison	10	Agreed	Defeated	No e-filing
17	Sala Chandler	10	Declined	Defeated	<\$1,000
18	Sophie Maxwell	10	Declined	Elected	\$89,505
19	Charlie Walker	10	Declined	Defeated	\$3,100
20	Espanola Jackson	10	Declined	Defeated	\$0

Of the nine non-participating candidates who initially expressed an interest in receiving public funding, two candidates filed Form 470; that is, these candidates received less than

⁶ Because any candidate who receives contributions of \$5,000 or more must file electronic statements with the Ethics Commission, staff used the 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 cumulative amount of activity by any candidate who filed either Form 470 or 460 in paper form only should not exceed \$4,999.99, 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 and 2004 public financing programs, thus allowing for a more direct comparison between the 2006, 2004 and 2002 data. Of the candidates who filed electronically, candidates who failed to file complete reports (paper and electronic) by the time the data was collected for this report were: Houston Zheng and Charlie Walker.

⁷ The contribution figures in this report do not include public grants or candidates' contributions from their personal funds to their own campaigns, unless noted otherwise. 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 filed Form 460 in paper form but did not file electronically.

\$1,000 in contributions and spent less than \$1,000. Five others did not file electronic campaign statements (candidates who receive contributions totaling less than \$5,000 are not required to file electronic campaign statements). 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 two candidates reported receiving contributions of \$5,000 or more. One of these two candidates submitted an application for public funds but did not qualify because he did not raise \$5,000 in qualifying contributions. Although the other candidate reported receiving contributions of \$5,000 or more, it is not clear why he did not apply.

D. Candidate Spending

In 2006, candidate spending totaled \$1,781,148. Of this amount, \$858,563, or 48 percent, represented spending that was incurred by the six participating candidates and \$922,585, or 52 percent, was incurred by non-participating candidates. These figures do not include spending by non-candidates. Table 6 below lists the amounts spent by candidates in 2006. The table also shows whether the candidate agreed to abide by the voluntary expenditure ceiling.

Table 6: Candidate Spending in 2006

Candidate (incumbents are in bold font)	District	Status	Whether Candidate Accepted or Did Not Accept Voluntary Expenditure Ceiling	Expenditures Incurred ⁸	Whether Elected
Michela Alioto-Pier	2	NP	Did Not Accept	\$204,156	Elected
Total Spending in District 2				\$204,156	
Ron Dudum	4	P	Accepted	\$99,674	
Jaynry Mak	4	P	Accepted	\$250,157	
Doug Chan	4	NP	Did Not Accept	\$336,099	
Houston Zheng	4	NP	Accepted	\$9,027	
Ed Jew	4	NP	Accepted	\$94,940	Elected
Total Spending in District 4				\$789,896	
Chris Daly	6	P	Accepted	\$209,578	Elected
Rob Black	6	P	Accepted	\$210,414	
Matt Drake	6	NP	Accepted	\$15,228	
George Dias	6	NP	Did Not Accept	\$1,222	

⁸ Candidates who applied for public financing were required to agree to limit their spending to more than \$83,000 in qualified campaign expenditures. 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. In 2006, the expenditure ceilings were lifted in all five districts. The figures in this column were taken as reported by the candidates on Schedules E and F of FPPC Form 460.

Total Spending in District 6				\$436,442	
Alix Rosenthal	8	P	Accepted	\$73,617	
Bevan Dufty	8	NP	Did Not Accept	\$151,645	Elected
Total Spending in District 8				\$225,262	
Dwayne Jusino	10	P	Accepted	\$15,123	
Sophie Maxwell	10	NP	Did Not Accept	\$105,549	Elected
Charlie Walker	10	NP	Did Not Accept	\$938	
Espanola Jackson	10	NP	Accepted	\$3,782	
Total Spending in District 10				\$125,392	
Total Candidate Spending				\$1,781,148	

With the exception of District 4, all races involved an incumbent. For the most part, the incumbents had the highest levels of financial activity and they won the election. In District 4, however, the winning candidate incurred the fourth highest level of spending in that district.

Of the 26 candidates, 17 accepted the expenditure ceiling (6 of whom were candidates who received public financing) and nine rejected the expenditure ceiling. In other words, 65 percent accepted the ceiling and 35 percent rejected the ceiling. In 2004, 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 2006, 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 committees in the aggregate, made independent expenditures, electioneering communications or member communications 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 districts. In Districts 2, 4, 8 and 10, the ceiling was lifted because a candidate who had rejected the ceiling received contributions in excess of the limit. In District 6, the ceiling was lifted because independent expenditures, member communications and/or electioneering communications made in support or in opposition to a candidate exceeded 100 percent of the expenditure ceiling. In 2004, the expenditure ceiling was lifted in 5 of the 7 districts, Districts 1, 2, 3, 7, and 11. 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 and Electioneering Communications

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 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 expenditures affecting local candidates. These limits were imposed on committees in the 2002, 2004 and 2006 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 five districts in 2006 totaled \$543,063.⁹ Independent spending represented 23 percent of combined independent and candidate spending ($543,063 / (543,063 + 1,781,148)$). Eighty-one percent of the \$543,063 in independent spending was related to candidates in District 6, as shown below in Table 7.

Table 7: Independent Expenditures Affecting Candidates in 2006

Affected Candidate	District	Candidate Spending	Independent Spending ¹⁰
Doug Chan	4	\$336,099	\$78,496
Jaynry Mak	4	\$250,157	\$10,846
Ron Dudum	4	\$99,674	\$7,380
District 4 Total			\$96,722
Chris Daly	6	\$209,578	\$156,283
Rob Black	6	\$210,414	\$281,754
District 6 Total			\$438,037
Bevan Dufty	8	\$151,645	\$7,232
District 8 Total			\$7,232
Sophie Maxwell	10	\$105,549	\$1,072
District 10 Total			\$1,072
Grand Total			\$543,063

⁹ 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 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.

¹⁰ 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 \$10,846 relating to Jaynry Mak, \$9,774 was spent to oppose her; of the \$156,283 relating to Chris Daly, \$78,323 was spent to oppose him; and of the \$281,754 relating to Rob Black, \$45,187 was spent to oppose him.

An electioneering communication is any communication, including but not limited to any broadcast, cable, satellite, radio, internet or telephone communication, and any mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard, facsimile, or printed advertisement, that: (a) refers to a clearly identified candidate for City elective officer or a City elective officer who is the subject of a recall election, and (b) is distributed within 90 days prior to an election for the City elective office sought by the candidate or a recall election regarding the City elective officer to 500 or more individuals who are registered or eligible to register to vote in the election or recall election. Any individual, partnership, corporation, association, firm, committee, club or other organization or group of persons, however organized, who makes payments for electioneering communications that total \$1,000 during any calendar year is required to file an itemized disclosure statement with the Ethics Commission within 48 hours of each disclosure date.¹¹

In the 2006 supervisorial election, no electioneering communications were reported. In supervisorial elections preceding 2006, there was no data to report on electioneering communications because they were not regulated. Therefore prior years' data includes an analysis of only independent spending. Independent spending in the seven districts in 2004 totaled \$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).

F. Contributions

Contributions reported by candidates in 2006 totaled almost \$1,544,870. Of this amount, \$933,467, or 60 percent, represents contributions received by 10 candidates who did not participate in the public financing program.¹² The six participating candidates reported receiving \$611,403, or 40 percent, of the total \$1,544,870. In addition to these private funds, participating candidates received a total of \$216,784 in public grants. Thus, the total amount of funds available to all candidates was \$1,761,654; of which 53 percent was available to the 10 non-participating candidates and 47 percent was available to the six participating candidates. Table 8 below shows the amounts of contributions received (including public grants) by both participating and non-participating candidates in 2006.

¹¹ Electioneering communications do not include communications that are otherwise considered to be expenditures or independent expenditures. Thus, expenditures made by recipient committees are not electioneering communications.

¹² There were more than 10 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.

Table 8: Total Funds Available to Candidates¹³

Participating Candidates (incumbents are in bold font)	Contributions and Public Grants	Non-Participating Candidates Contributions (incumbents are in bold font)	Contributions
Jaynry Mak	\$220,067	Doug Chan	\$323,435
Rob Black	\$217,035	Michela Alioto-Pier	\$198,521
Chris Daly	\$211,747	Bevan Dufty	\$155,734
Ron Dudum	\$99,673	Sophie Maxwell	\$121,801
Alix Rosenthal	\$64,515	Ed Jew	\$104,847
Dwayne Jusino	\$15,150	Matt Drake	\$15,781
		Houston Zheng	\$4,429
		Espanola Jackson	\$3,489
		Charlie Walker	\$3,300
		George Dias	\$2,130
Total	\$828,187	Total	\$933,467

Of the total funds (public and private) that were available to candidates who received public funding, public grants represented 26 percent and 43 percent in 2006 and 2004, respectively. In 2006, the participating candidate who was elected to office, an incumbent, had a relatively high level of financial activity and received the maximum amount of public funds allowable. The other four candidates who were elected to office were all non-participating candidates, three of whom were incumbents and 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. As stated above, although, 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.

¹³ Contributions in this table include monetary contributions, loans and in-kind contributions. With regards to participating candidates, the figures listed also include public grants.

Table 9: Contributions Received by Candidates

Candidate	Dist.	Status	Itemized Monetary Contributions	Unitemized Monetary Contributions	Total Monetary Contributions on Schedule A	Unitemized Percentage
Michela Alioto-Pier	2	NP	\$197,125	\$896	\$198,021	<1%
<i>District 2 Total</i>			\$197,125	\$896	\$198,021	<1%
Ron Dudum	4	P	\$52,561	\$2,912	\$55,473	5%
Jaynry Mak	4	P	\$163,804	\$1,992	\$165,796	1%
Doug Chan	4	NP	\$299,711	\$8,224	\$307,935	3%
Houston Zheng	4	NP	\$1,700	\$1,929	\$3,629	53%
Ed Jew	4	NP	\$88,389	\$1,458	\$89,847	2%
<i>District 4 Total</i>			\$606,165	\$16,515	\$622,680	3%
Chris Daly	6	P	\$154,250	\$13,747	\$167,997	8%
Rob Black	6	P	\$164,821	\$6,852	\$171,673	4%
Matt Drake	6	NP	\$13,066	\$2,715	\$15,781	17%
George Dias	6	NP	\$2,130	\$0	\$2,130	0%
<i>District 6 Total</i>			\$334,267	\$23,314	\$357,581	7%
Alix Rosenthal	8	P	\$26,995	\$5,516	\$32,511	17%
Bevan Dufty	8	NP	\$137,626	\$18,108	\$155,734	12%
<i>District 8 Total</i>			\$164,621	\$23,624	\$188,245	13%
Dwayne Jusino	10	P	\$5,370	\$0	\$5,370	0%
Sophie Maxwell	10	NP	\$115,505	\$6,296	\$121,801	5%
Charlie Walker	10	NP	\$3,300	\$0	\$3,300	0%
Espanola Jackson	10	NP	\$3,300	\$189	\$3,489	5%
<i>District 10 Total</i>			\$127,475	\$6,485	\$133,960	5%
Total Contributions Received			\$1,429,653	\$70,834	\$1,500,487	4.7%

For participating candidates, unitemized contributions represented 5.2 percent of total contributions. For non-participating candidates, unitemized contributions represented 4.4 percent of total contributions. In 2004, unitemized contributions reported by participating candidates represented 14 percent of total contributions, whereas unitemized contributions reported by non-participating candidates represented only 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.

Table 10 below shows detailed information regarding the average amount and number of contributions received by candidates for the Board of Supervisors in 2006. The total number of contributions that were itemized by candidates in 2006 was 5,407. Of these 5,407 contributions, 4,698 or 87 percent, were made by contributors who were individuals. The remaining 709 contributions were made by business organizations,

political committees or other groups. With respect to prior elections, in 2004, 81 percent of contributions were from individuals; 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 2006, 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. In addition, the percentage of contributions received from individuals was highest in 2006 when new campaign finance restrictions precluded corporations from contributing to candidates for City elective office.

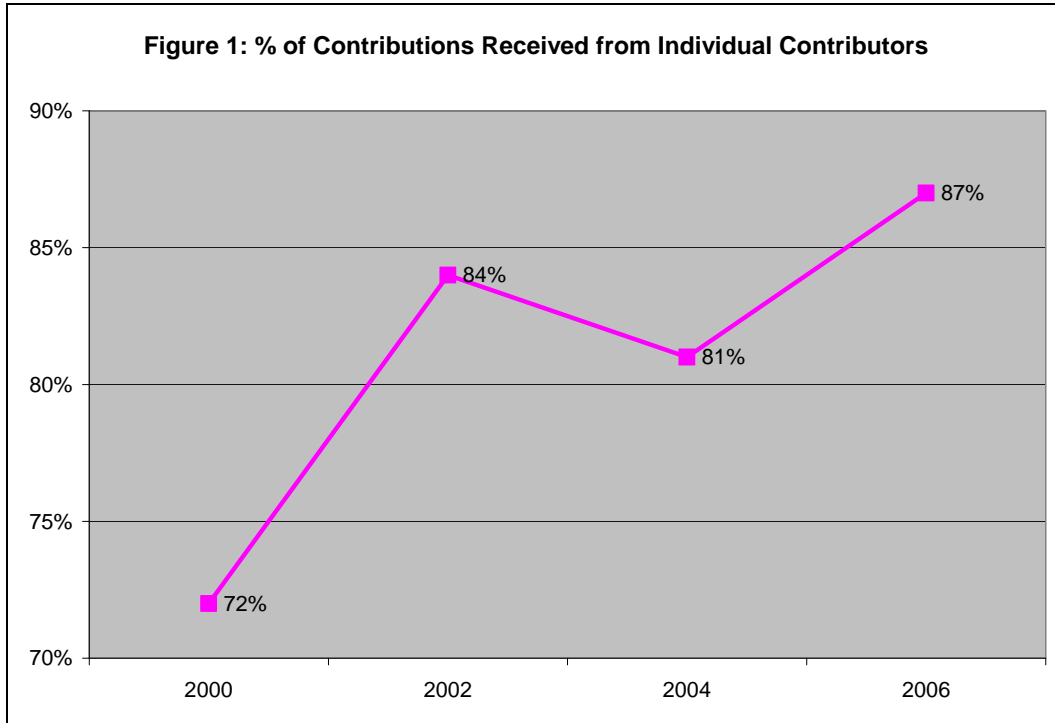


Table 10: Analysis of Monetary Contributions that were Itemized on Schedule A¹⁴

Candidate	Dist	Status	Total amount of contributions	Average of contributions	Number of contributions	# of contributions from individuals	# of contr. from other types of contributors	Percentage of contributions that were from individuals
Michela Alioto-Pier	2	NP	\$197,125	\$352	560	448	112	80%
District 2 Total			\$197,125	\$352	560	448	112	80%
Ron Dudum	4	P	\$52,561	\$253	208	188	20	90%
Jaynry Mak	4	P	\$149,004	\$357	417	299	118	72%
Doug Chan	4	NP	\$296,711	\$300	990	821	169	83%
Houston Zheng	4	NP	\$1,700	\$170	10	10	0	100%
Ed Jew	4	NP	\$23,389	\$263	89	85	4	96%
District 4 Total			\$523,365	\$305	1714	1403	311	82%
Chris Daly	6	P	\$153,750	\$319	482	424	58	88%
Rob Black	6	P	\$164,821	\$288	573	532	41	93%
Matt Drake	6	NP	\$12,966	\$203	64	63	1	98%
George Dias	6	NP	\$1,630	\$233	7	6	1	86%
District 6 Total			\$333,167	\$296	1126	1025	101	91%
Alix Rosenthal	8	P	\$26,495	\$179	148	147	1	99%
Bevan Dufty	8	NP	\$137,626	\$101	1360	1358	2	100%
District 8 Total			\$164,121	\$109	1508	1505	3	100%
Dwayne Jusino	10	P	\$5,370	\$74	73	12	61	16%
Sophie Maxwell	10	NP	\$115,505	\$286	404	285	119	71%
Charlie Walker	10	NP	\$3,300	\$330	10	9	1	90%
Espanola Jackson	10	NP	\$3,300	\$275	12	11	1	92%
District 10 Total			\$127,475	\$256	499	317	182	64%
Grand Total			\$1,345,253	\$249	5,407	4698	709	87%

As stated and shown above, in 2006, contributions from individual contributors represented 87 percent of all contributions. The same percentage broken down by participating versus non-participating candidates is shown in Table 11. Interestingly, in 2006 the percentage of contributions received from individuals was greater for non-participating candidates than for participating candidates; whereas in 2004, the percentage was greater for participating candidates. In addition, in 2006 the average

¹⁴ 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).

amount of itemized contributions received by participating candidates was greater than the average for non-participating candidates.

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	\$290.22	84%
Non-Participating Candidates	\$225.47	88%

By comparison, 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. In 2002, the average amount of itemized contributions in the general election was \$217.46 in 2002 and \$268.94 in 2000.

G. Cost per Vote

In 2006, the amount spent per vote by participating candidates to obtain a first-choice vote was \$23.80 and the amount spent per vote by nonparticipating candidates to obtain a first-choice vote was \$16.35. In 2004, the cost per vote was \$18.67 for participating candidates and \$20.17 for non-participating candidates. It is difficult to make comparisons with prior elections because Ranked Choice Voting eliminated the run-off election in 2004. Table 12 provides a detailed breakdown of the cost per vote by candidate and by district in 2006 election.

Table 12: Candidate Spending per Vote in 2006

Candidate (incumbents are in bold font)	District	Status	Expenditures Incurred	No. of First-Choice Votes Received	Cost Per Vote ¹⁵
Michela Alioto-Pier	2	NP	\$204,156	16,393	\$12.45
<i>Total Spending in District 2</i>			\$204,156	16,393	\$12.45
Ron Dudum	4	P	\$99,674	5,072	\$19.65
Jaynry Mak	4	P	\$250,157	4,504	\$55.54
Doug Chan	4	NP	\$336,099	3,192	\$105.29
Houston Zheng	4	NP	\$9,027	225	\$40.12
Ed Jew	4	NP	\$94,940	5,125	\$18.52
<i>Total Spending in District 4</i>			\$789,896	18,118	\$43.60

¹⁵ The cost per vote for each candidate is calculated by dividing the amount of expenditures incurred by the candidate by the number of “first-choice” votes the candidate received.

Chris Daly	6	P	\$209,578	8,654	\$24.22
Rob Black	6	P	\$210,414	7,051	\$29.84
Matt Drake	6	NP	\$15,228	669	\$22.76
George Dias	6	NP	\$1,222	222	\$5.51
Total Spending in District 6			\$436,442	16,596	\$26.30
Alix Rosenthal	8	P	\$73,617	9,109	\$8.08
Bevan Dufty	8	NP	\$151,645	20,761	\$7.30
Total Spending in District 8			\$225,262	29,870	\$7.54
Dwayne Jusino	10	P	\$15,123	1,684	\$8.98
Sophie Maxwell	10	NP	\$105,549	7,916	\$13.33
Charlie Walker	10	NP	\$938	473	\$1.98
Espanola Jackson	10	NP	\$3,782	1,437	\$2.63
Total Spending in District 10			\$125,392	11,510	\$10.89
Grand Total			\$1,781,148	92,487	\$19.26

III. Additional Information About the 2006 Board of Supervisors Election

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

For the 2006 Board of Supervisors race, the data showed:

- The incumbent re-election rate remained unchanged at 100 percent.
- All races were contested.
- The winner victory margin was significantly low in the race where there was no incumbent; it was less than one percentage point. In three of the four races where incumbents were involved, the winning incumbent won by more than 10 percentage points.

In 2006, incumbents were involved in all but one of the five races, the race in District 4. 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 2004 and in 2002. In 2006, one of the four incumbents re-elected was a participating candidate. 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. The incumbent participation rate in the public financing program dropped from 33 percent in 2004 and 2002, to 25 percent in 2006.

There was one uncontested race in each of the 2000 and 2002 elections. In 2004 and 2006, all races were contested.

Winner victory margins listed in Table 13 consists of examining the difference between the percentage of votes received by the winning candidate and the candidate who received the second-most votes.

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

District	Winning Candidate	Whether Winning Candidate Participated in Public Financing Program	Runner-Up Candidate	Whether Runner-Up Candidate Participated in Public Financing Program	Victory Margin (in percentage points)
2	Michela Alioto-Pier	No	Vilma Guinto Peoro	No	63.74
4	Ed Jew	No	Ron Dudum	Yes	.27
6	Chris Daly	Yes	Rob Black	Yes	9.04
8	Bevan Dufty	No	Alix Rosenthal	Yes	37.18
10	Sophie Maxwell	No	Dwayne Jusino	Yes	44.22

Based on the data provided above, runner-up candidates in four of the five districts participated in the public financing program. In the district where the runner-up candidate was not a participating candidate, no candidate received public funding. The victory margin was the highest in this race, which was District 2. In District 2, no candidate other than the winning candidate raised \$5,000 or more. In the two races where the victory margins were less than ten percentage points, the runner-up candidates spent more than the winning candidates (by less than \$5,000 in one race and by less than \$1,000 in the other race).

It is difficult to identify the effects of the public financing program on the outcome of the elections. Although the public financing program has now been implemented in the 2002, 2004 and 2006 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. In 2002 and 2006, seats in the even-numbered districts were up for election, whereas seats in the odd-numbered districts were voted on in 2004. Although for the most part, the public financing program was the same in 2004 and 2006, it was significantly different in 2002. 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. However, based on the data above, all runner-up candidates except the one in District 2 have participated in the public financing program.

IV. Public Financing at a Glance

Election Year	2002	2004	2006
Amount of Public Funds Disbursed	\$281,989	\$757,678	\$216,784
Average Amount Disbursed Per Candidate in General Election	\$31,332	\$32,943	\$36,131
No. of Candidates Who Received Maximum Funding in General Election	0	2	4
Number of Seats up for Election	5	7	5
Number of Contested Seats	4	7	5
Number of Supervisorial Candidates on Ballot	28	65	26
Number of Participating Candidates	9	23	6
Number of Participating Candidates Elected	3	3	1
Number of Incumbents Running	3	6	4
Number of Incumbents Elected	3	6	4
Average of Itemized Contributions Received by Participating Candidates	\$173	\$212	\$290
Average of Itemized Contributions Received by Non-Participating Candidates	\$295	\$277	\$226
Total Amount of Candidate Spending	\$2,213,316	\$3,654,616	\$1,781,148
Total Amount of Spending by Participating Candidates	\$1,053,951	\$1,683,902	\$858,561
Average Spent by Participating Candidates	\$79,457	\$73,213	\$143,094
Average Spent by Non-Participating Candidates	\$105,122	\$82,113	\$92,259
Average Spent by Elected Participating Candidates	\$106,647	\$130,251	\$209,578
Average Spent by Elected Non-Participating Candidates	\$174,416	\$246,536	\$139,073
Amount of Independent Expenditures Reported	\$261,906	\$251,201	\$543,063

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. Based on its experience of having administered the program in the November 2004 supervisorial elections, the Commission adopted further changes to the program. The Commission administered the program in the November 2006 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;
- Raise at least \$5,000 in qualifying contributions from at least 75 contributors before the 70th day before the election;¹⁵
- 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 bear the burden of proving that each contribution the candidate relied upon to establish eligibility was a qualifying contribution;
- Agree to bear the burden of proving that public funds were used for qualifying campaign expenditures;
- Agree to limit qualified campaign expenditures to the amount of the expenditure ceiling, which was \$83,000 for supervisorial candidates in the November 2006 election;
- Agree to participate in at least one debate with the candidate's opponents;
- Have paid any outstanding late fines or penalties, owed to the City by the candidate or any of the candidate's campaign committees;
- Have filed any outstanding forms, owed to the City by the candidate or any of the candidates campaign committees; and
- Have no finding by a court within the prior five years that the candidate knowingly, willfully, or intentionally violated campaign finance provisions of local and state laws.

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.

¹⁵ A qualifying contribution is a contribution that is not less than \$10 and not more than \$100; is not a loan; is made by an individual who is a resident of San Francisco; is not received more than 18 months before the date of the election; and is not made by the candidate or the candidate's immediate family.

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

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 29, 2006, 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 11, 2006, the deadline for filing nomination papers, a Statement of Participation or Non-Participation (*Form SFEC-142(a)*) 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.¹⁶ 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)
Up to \$5,000 in matching contributions	Up to \$20,000 (4 to 1 match)
Up to \$18,750 in matching contributions	Up to \$18,750 (1 to 1 match)
Total available to a qualified candidate	Up to \$43,750

¹⁶ A matching contribution is a contribution that is not a qualifying contribution or a loan, is made by an individual who is a resident of San Francisco (other than the candidate or the candidate's immediately family), is not received more than 18 months before the November election, and complies with all the requirements of the CFRO and its implementing regulations.

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

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 11, 2006, the deadline for filing nomination paper, 15 candidates indicated an intent to participate in the program. Assuming that each of these candidates qualified to receive the maximum of \$43,750, the amount available in the Election Campaign Fund would have been sufficient to provide such funding. As of August 29, 2006, the deadline for submitting applications for public funds, seven candidates actually submitted applications, six of whom were certified as eligible to receive public funds. For these reasons, pro-ration was not necessary. 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 11, 2006).

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 made expenditures relating 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

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

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.