



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

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LEEANN PELHAM  
EXECUTIVE DIRECTOR

Date: April 21, 2016  
To: Members of the Ethics Commission  
From: LeeAnn Pelham, Executive Director  
Subject: **AGENDA ITEM 4 - Ethics Commission Policy Agenda for FY2017**  
(July 1, 2016 through June 30, 2017)

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**Summary** This agenda item provides information to assist the Commission in the development of an Ethics Commission policy agenda for Fiscal Year 2017 (July 1, 2016 through June 30, 2017)

**Action Requested** That the Commission discuss, take public feedback on, and provide direction to staff about any policy matters or policy areas discussed in this report

### Background

The San Francisco Charter provides, in part, that the Ethics Commission “shall have responsibility for the impartial and effective administration and implementation of the provisions of this charter, statutes and ordinances concerning campaign finance, lobbying, conflicts of interest and governmental ethics. C3.699-10. In addition, the Charter vests the Commission with responsibility

“[t]o make recommendations to the mayor and the board of supervisors concerning (a) campaign finance reform, (b) adoption of and revisions to City ordinances [sic] laws related to conflict of and lobbying laws and governmental ethics and (c) the submission to the voters of charter amendments relating to campaign finance, conflicts of interest and governmental ethics. The Commission shall report to the board of supervisors and mayor annually concerning the effectiveness of such laws.”

In the Commission’s *Blueprint for Accountability*, its budget request for FY2017 and 2018, the Commission identified several overarching priorities for the agency going forward, including a strengthened policy focus. This approach recognizes that fully achieving the voters’ charter mandate requires regular, rigorous assessments of existing laws and their impact, and addressing timely any emerging policy issues through effective legislation and regulation.

To enable that outcome, the Commission’s budget prioritizes the creation of a dedicated policy function at the agency, with two positions, a Senior Policy Analyst and a Policy Analyst charged with conducting regular policy analysis and evaluation; and identifying and

developing strong, workable and enforceable approaches to emerging policy issues.<sup>1</sup> These positions would also provide compliance guidance and advice based on a deep knowledge of the laws and their practical application, and would also serve to deepen policy engagement with interested persons in the evaluation and development of policies and regulations.

In 2015, the Ethics Commission identified a number of policy topics to be considered over the current fiscal year, but further discussion was placed on hold pending resolution of its Executive Director hiring process. These topics included:

- Limits for candidate-controlled committees
- Reporting of bundled contributions
- Contribution bans involving a “Public benefit” element
- Slate mailer filings
- Enforcement policies and regulations, including forfeiture/late fine penalties
- Additional gift of travel reporting
- Extension of Form 700 e-filing requirement to all designated filers
- Revisiting various provisions of Prop. J
- Permit consultant regulations

In addition to these items, a more recent review by Staff identified several other items on the horizon that also appear to warrant policy assessments and/or development. These items include:

- Updating the Campaign Finance Reform Ordinance (“CFRO”) regulations
- Assessing public financing program: its policies, mechanics, and impact
- Current independent expenditure reporting requirements: what’s known, what’s not
- A one-year program review of the Expenditure Lobbying program

### **Developing a Policy Agenda Going Forward**

A planned policy agenda can help the public and interested persons to engage on issues they care about. The predictability of a policy schedule can both the public and Staff focus their efforts and plan for upcoming discussions. Importantly, the scope of pace of the Commission’s planned policy work in FY2017 and going forward will be significantly impacted by resolution of the Commission’s proposed budget in June. In addition, several other factors will be useful to assess in developing a policy agenda.

*Factors to Assess.* As the Commission identifies which matters it would like to prioritize and sequence for upcoming review, all things being equal, a range of initial questions may be worth considering:

- What are the most significant areas of policy most overdue for examination?
- What policy gaps have been identified, and which of these are most in need of strengthening?
- What steps will be needed to evaluate current programs or policies and identify gaps that haven’t yet been identified?

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<sup>1</sup> Further detail about the Commission’s proposed Policy function, including and performance indicators for the two proposed positions, is discussed in Item 5 on the Commission’s April 25, 2016 agenda.

- How might the Commission’s policy agenda include a *comprehensive* review of the laws to ensure approaches to one specific issue also supports the overall goals of other related policies?
- In what ways should the Commission’s policy analysis and development process more broadly engage the public?
- What emerging issues have not yet been addressed by existing policies? What resources might the Commission tap to examine these issues, better understand emerging trends, and develop leading policies or practices?
- How might the convening of a policy summit, that includes national thought leaders, and state and local practitioners, set the foundation for a new road map for ensuring strong and effective reforms over the long term?

*Time-Sensitive Issues.* In setting out its policy agenda, the Commission may also want to consider how it will address issues brought to the Commission that are not contemplated in a planned policy agenda and that have a specific time sensitivity. Two items recently received at the Commission require more immediate action and provide an illustration of items with time sensitivity. The items have been received that the Commission is being asked to act upon now are:

A Proposed Ballot Measure for the November Ballot. The Commission this month received a request from **Represent.Us and the Friends of Ethics**, asking the Commission to place on the November 2016 various restrictions related to lobbyist contributions and bundling. For further information, the Represent.Us/Friends of Ethics ballot measure request and proposed language appear in Attachment 1.

SB1107. Staff was also recently contacted by **California Common Cause** with a request for the Commission to join in supporting SB1107, a state bill that would, among other things, remove an existing restriction in state law that bans local jurisdictions (general law cities) from establishing public campaign financing systems if they desire to do so. Information about SB1107 and the request by Common Cause for the Ethics Commission’s support appears in Attachment 2.

Due to deadlines that exist for placing measures on the ballot and in the state legislative process, both of these items would require more time-sensitive consideration and action by the Commission. As part of that, the Commission may find it useful to also consider what existing processes exist in the City for departments or commissions to develop and communicate positions on State legislation.

## **Recommendations**

Staff recommends that the Commission take the following actions at its April 25<sup>th</sup> meeting:

1. That the Commission request Staff to provide its analysis and recommendations regarding the ballot measure proposed by Represent.Us/Friends of Ethics for the Commission’s consideration and possible action at the regular May meeting.

2. That the Commission seek input from the Mayor's Office and City Attorney's Office about the process for taking a position on state legislative matters that may arise related to the Commission's areas of work;
3. That, based on the Commission's April discussion and any direction or consensus about its policy priorities or preferred approaches, the Commission request Staff to provide two policy agenda options at its May meeting: (1) if the Commission is authorized and funded with the two Policy positions going forward; and (2) if the Commission's policy resources remain static.

## Attachment 1

**From:** Pelham, LeeAnn (ETH)  
**To:** "[Morgan Aitken-Young](#)"; [Alex Kaplan](#); [Zach Goldfine](#); [Greg Bryan](#)  
**Bcc:** [Shen, Andrew \(CAT\)](#); [REDACTED]; [REDACTED]; [Peter Keane](#); [BrettA@positiveresource.org](#); [Chatfield, Garrett \(ETH\)](#)  
**Subject:** RE: 4/19/16 Ethics Reform Proposal from Represent Us San Francisco  
**Date:** Wednesday, April 20, 2016 11:37:00 AM

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Thank you, All, for providing the Ethics Commission with a copy of your letter and proposed amendment to the Campaign and Governmental Conduct Code.

The Commission is scheduled to have a general policy planning item on its regular meeting agenda next week, Monday, April 25<sup>th</sup>, at 5:30 pm, and we will include your letter and proposal as part of that discussion. The item will allow for both "discussion and possible action" should the Commission wish to provide any specific policy direction at that time on any of the items listed, or others they might want to add.

We are continuing to finalize all meeting materials, and it is possible that the agenda and supporting documentation may not be posted until Friday morning, so please do keep an eye out. We are working to complete things as soon as possible, however, and we appreciate your patience while we do.

Thanks again for the material you sent. If you have any questions, please feel free to reach me by return email or at the contact info below.

LeeAnn

LeeAnn Pelham  
Executive Director  
San Francisco Ethics Commission  
25 Van Ness Avenue, Suite 220  
San Francisco, CA 94102  
415.252.3100  
[leeann.pelham@sfgov.org](mailto:leeann.pelham@sfgov.org)  
[sfethics.org](http://sfethics.org)

**From:** Morgan Aitken-Young [mailto:morganay28@gmail.com]  
**Sent:** Tuesday, April 19, 2016 1:45 PM  
**To:** Ethics Commission, (ETH) <ethics.commission@sfgov.org>; paul.renne@sfgov.org; brett.andrews@sfgov.org; beverly.hayon@sfgov.org; peter.keane@sfgov.org; pkeane@ggu.edu; rennepal@cooley.com  
**Cc:** Alex Kaplan <[REDACTED]>; Zach Goldfine <[REDACTED]>; Greg Bryan <[REDACTED]>; Pelham, LeeAnn (ETH) <leeann.pelham@sfgov.org>  
**Subject:** 4/19/16 Ethics Reform Proposal from Represent Us San Francisco

Dear Commissioners,

Attached please find a letter to the Ethics Commissioners from 19 San Francisco voters that requests that the Commission place an amendment to Section 2.115 of Article II, Chapter 1 of the Campaign and Governmental Conduct Code on the November 2016 ballot. The proposed amendment would 1) prohibit all gifts from lobbyists to

City officers; 2) limit to \$50 in an election the amount a lobbyist may contribute to candidates for City office; and 3) prohibit campaign contribution bundling by lobbyists.

We look forward to your review and are available to answer any questions you may have.

Sincerely,

**Friends of Ethics members**

Larry Bush  
Bob Dockendorff  
Hulda Garfalo  
Joe Kelley  
Charles Marsteller  
Bob Planthold  
Marc Saloman  
Sharyn Saslafsky  
Elena Schmid  
Robert VanRavenswaay

**Represent.Us San Francisco members**

Morgan Aitken-Young  
Kevin Baker  
Tyler Disney  
Zach Goldfine  
Charlotte Hill  
Carol Lena  
Ben Liyanage  
David Mihai  
Mathew Sommers



“To remain indifferent to the challenges we face is indefensible. If the goal is noble, whether or not it is realized within our lifetime is largely irrelevant. What we must do therefore is to strive and persevere and never give up.”

— Dalai Lama XIV

April 19, 2016

**San Francisco Ethics Commission**  
**25 Van Ness Avenue, Suite 220, San Francisco, CA 94102**  
Via email to: [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org)

Dear Commissioners:

We are a group of San Francisco voters concerned about the improper role of lobbyists in city campaign financing as well as the ability of lobbyists to make gifts to our elected officials. These are demonstrated problems in San Francisco that rightfully anger voters and reduce their confidence in our city's system of electoral politics. We write to ask you to vote to place on the November 2016 ballot the below proposed changes to Section 2.115 of Article II, Chapter 1 of the Campaign and Governmental Conduct Code, amending section (a) and adding new sections (e), (f), and (g):

(a) GIFT LIMIT. No lobbyist shall make gifts to an officer *or parent, spouse, or child of an officer* of the City and County. *This prohibition shall include gifts of travel and ~~that have a fair market value of more than \$25, except for~~ those gifts that would otherwise qualify for one of the exemptions under Section 3.216(b) of this Code and its implementing regulations.*

\* \* \* \*

*(e) LIMIT ON CAMPAIGN CONTRIBUTIONS. No lobbyist shall make political campaign contributions exceeding \$50 in the aggregate in an election to any officer of the City and County, a candidate for such office, or a committee controlled by such officer or candidate.*

*(f) BUNDLING PROHIBITION: No lobbyist shall deliver, bundle, arrange, or otherwise transmit political campaign contributions, other than contributions made by the lobbyist, to any officer of the City and County, a candidate for such office, or a committee controlled by such officer or candidate.*

*(g) REGULATIONS TO PREVENT CIRCUMVENTION. The Ethics Commission may adopt regulations to prevent circumvention of the provisions of this Section.*

## Discussion

In 2000, California Proposition 34 created a prohibition on lobbyist contributions to state officers and candidates.<sup>1</sup> This prohibition was upheld in court,<sup>2</sup> and similar prohibitions have more recently been upheld or viewed favorably by federal circuit courts.<sup>3</sup> However, no prohibition exists in San Francisco.

While San Francisco's \$500 contribution limit does much to diffuse the direct monetary influence any one individual may have in our elections, SF OpenData shows that registered lobbyists do routinely make maximum contributions to elected officials and candidates.<sup>4</sup> But what is more concerning is that these lobbyists bundle maximum contributions in such numbers that city residents may reasonably assume that

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<sup>1</sup> Cal. Govt. Code § 85702.

<sup>2</sup> *Inst. of Governmental Advocates v. Fair Political Practices Comm'n*, 164 F. Supp. 2d 1183 (E.D. Cal. 2001).

<sup>3</sup> *Preston v. Leake*, 660 F.3d 726 (4th Cir. 2011); *Green Party of Connecticut v. Garfield*, 616 F.3d 189, 207 (2d Cir. 2010).

<sup>4</sup> "Lobbyist Activity - Political Contributions." SF OpenData. Accessed April 4, 2016. <https://data.sfgov.org/City-Management-and-Ethics/Lobbyist-Activity-Political-Contributions/sa8r-purn>.

there exists a quid pro quo arrangement between some candidates and lobbyists seeking specific outcomes. When this appearance arises, confidence in our city's governmental process withers. And where an actual such relationship exists, the process is materially harmed.

Our research shows that lobbyist bundling is a significant problem.<sup>5</sup> In total, candidates for city office have taken well over \$250,000 in bundled contributions from lobbyists over the last 5 years. Moreover, just four lobbyists – bundling an average of \$32,500 each – transmitted \$130,000 to a 2015 mayoral campaign. And one lobbyist alone bundled \$80,000 for just two recipients in the 2015 election.

Limiting the amount lobbyists can contribute to \$50 per candidate per election preserves the associational freedoms at the core of political contributions, but subjects the class to a lower limit than the general public because of the corruption risk inherent to their profession. And prohibiting lobbyist bundling does nothing to limit the key contribution rights of those persons whose contributions are being bundled by the lobbyist. Instead, it simply requires that contributors send their checks directly to candidates instead of allowing lobbyists to peddle such contributions for influence and outcomes.

In addition, we believe that lobbyists should not be able to give gifts to officers of the City. While the current gift prohibition stands at \$25 for non-exempted gifts, the notion that lobbyists may give gifts to those they are lobbying is harmful to the public's conception of the integrity of our governmental process. Changing this already low limit to a prohibition will not significantly alter the value of non-exempted gifts currently allowed, and a prohibition instills far more confidence in the electorate than does a limit. Moreover, that lobbyists may currently give unlimited gifts to public officials – including gifts of travel – is an affront to a clean governmental process. The gift limit or ban should apply to all types of gifts.

The reasonable and narrowly tailored restrictions suggested above burden only lobbyists, and not significantly. Lobbying is an important and valuable part of our policymaking process, but San Francisco voters should be able to feel confident that such persons employed to influence the decisions of our elected officials and City officers are not mixing the business of information expertise with large campaign contributions and gifts. As you so commendably did with Proposition C in 2015, we urge you to vote to place the proposed language on the November 2016 ballot so voters may have their say.

Respectfully,

***Friends of Ethics members***

Larry Bush  
Bob Dockendorff  
Hulda Garfolo  
Joe Kelley  
Charles Marsteller  
Bob Planthold  
Marc Saloman  
Sharyn Saslafsky  
Elena Schmid  
Robert VanRavenswaay

***Represent.Us San Francisco members***

Morgan Aitken-Young  
Kevin Baker  
Tyler Disney  
Zach Goldfine  
Charlotte Hill  
Carol Lena  
Ben Liyanage  
David Mihai  
Mathew Sommers

CC: LeeAnn Pelham, Executive Director, San Francisco Ethics Commission

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<sup>5</sup> You can view our research spreadsheet on lobbyist contributions and bundling at: [bit.ly/1SI0xpi](http://bit.ly/1SI0xpi)



## Attachment 2

**From:** [Gavin Baker](#)  
**To:** [Pelham, LeeAnn \(ETH\)](#)  
**Subject:** RE: Support request: SB 1107 - strengthen election accountability  
**Date:** Friday, April 15, 2016 2:37:48 PM

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Hi LeeAnn: good to hear from you!

The current status of [SB 1107](#) is that the Senate Elections Committee will consider it on April 19. The committee consultant should issue his analysis today or Monday at the latest.

I don't know the extent to which the Commission typically engages with state legislation. I do know that the Commission was quite involved in the development of AB 2452 (2012), which authorized local governments to require online filing for campaign finance statements. See pp. 2-3 here:

[http://www.sfethics.org/files/commissions\\_memo\\_re\\_1.112\\_amendments\\_7.18.12\\_packet.pdf](http://www.sfethics.org/files/commissions_memo_re_1.112_amendments_7.18.12_packet.pdf)

If you would like to engage with SB 1107, I'll be glad to provide any information or discuss further. Since the central component of the bill is to permit governments other than charter cities to enact public campaign financing, I think it would be great for the Commission to speak about its experience administering public financing in San Francisco.

Thank you!

Gavin Baker  
Open Government Program Manager  
[California Common Cause](#)  
[gbaker@commoncause.org](mailto:gbaker@commoncause.org)  
(916) 443-1792  
Twitter: [@OpenGavin](#)

"A people who mean to be their own governors must arm themselves with the power which knowledge gives." –[James Madison](#)

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**From:** Pelham, LeeAnn (ETH) [mailto:[leeann.pelham@sfgov.org](mailto:leeann.pelham@sfgov.org)]  
**Sent:** Friday, April 15, 2016 1:15 PM  
**To:** Gavin Baker <[GBaker@commoncause.org](mailto:GBaker@commoncause.org)>  
**Subject:** RE: Support request: SB 1107 - strengthen election accountability

Hello Gavin,

Would you tell me the current status of SB1107? I want to do a bit of research to understand what policies and practices have shaped any past actions by the Commission to weigh in on state legislative positions. Our Commission meets next on April 25<sup>th</sup>.

Thanks for any further info you can provide.

Regards,  
LeeAnn

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**From:** Gavin Baker [<mailto:GBaker@commoncause.org>]  
**Sent:** Monday, April 11, 2016 2:02 PM  
**To:** Pelham, LeeAnn (ETH) <[leeann.pelham@sfgov.org](mailto:leeann.pelham@sfgov.org)>  
**Subject:** Support request: SB 1107 - strengthen election accountability

Hi LeeAnn,

I would like to invite you to join Common Cause in supporting [SB 1107](#) (Allen/Hancock), which would strengthen election accountability. SB 1107 would allow California and local governments to adopt new approaches to campaign financing by removing the ban on voluntary public campaign funds, and includes other commonsense reforms to increase the accountability of our elections.

Under a provision of 1988's Proposition 73, state law prohibits local governments and the state from enacting public campaign financing. Charter cities have been ruled exempt from this provision of law, which is why San Francisco's program can exist. However, counties, general law cities, districts, and the state are banned from enacting a system like San Francisco's.

We would love for the San Francisco Ethics Commission to weigh in with the Legislature, describing the success of its local program so that other local governments could have the ability to choose if such programs are right for them. SB 1107 would leave the decision up to local governments.

Support letters for the first policy committee are **due by Wednesday**, April 13, at close of business. Please send letters to Darren Chesin ([Darren.Chesin@sen.ca.gov](mailto:Darren.Chesin@sen.ca.gov)) and copy me.

Attached for your reference are:

- A template support letter which you may send or draw from
- A fact sheet summarizing the bill
- A fact sheet highlighting the issues for local governments
- A copy of Common Cause's support letter

The Senate Elections Committee is scheduled to hear SB 1107 on April 19 at 1:30 pm in Room 3191.

Please contact me if you have any questions. Thank you!

Gavin Baker  
Open Government Program Manager

[California Common Cause](#)  
[gbaker@commoncause.org](mailto:gbaker@commoncause.org)

(916) 443-1792

Twitter: [@OpenGavin](#)

“A people who mean to be their own governors must arm themselves with the power which knowledge gives.” –[James Madison](#)



[www.commoncause.org](http://www.commoncause.org)

April 7, 2016

The Honorable Ben Allen  
State Capitol, Room 2054  
Sacramento, CA 95814

**RE: Senate Bill 1107 – Accountable Elections – SUPPORT**

Dear Senator Allen,

On behalf of California Common Cause and our members, I am writing with a letter of support for Senate Bill 1107, which would restore control to local governments and the state to enact new options for election campaign funding. Thank you for your leadership on this bill.

Voters are increasingly concerned about political mega-donors in our elections. According to recent polls, 76% of Americans say money has a greater role on politics than in the past,<sup>1</sup> 83% think that money has too much influence in American political campaigns today,<sup>2</sup> and 87% believe that campaign finance should be reformed so that a rich person does not have more influence than a person without money.<sup>3</sup>

To address voters' concerns, governments are increasingly considering new approaches to campaign financing. In November 2015, voters in Maine and Seattle approved ballot measures that put power back into the hands of voters and small donors. In Maine, 55% of voters approved strengthening that state's Clean Elections Act, which provides public funds to candidates for state office. In Seattle, 63% of voters approved creating a program to offer public financing for local candidates.

In fact, six California cities *already* had laws similar to those recently approved by voters in Maine and Seattle. Los Angeles, San Francisco, Sacramento, Long Beach, Oakland, and Richmond offer limited public funds to match small campaign donations. These laws amplify the voices of everyday Californians who make small contributions and provide candidates with an alternative to relying on large donors.

Unfortunately, such programs are currently prohibited in other California jurisdictions. Unlike charter cities, state law bans counties, districts, general law cities, and the state from offering public campaign funds, under a provision enacted by Proposition 73, a 1988 initiative that toughened election laws.

Much has changed since 1988 when it comes to campaign finance. Voters in 1988 could have not envisioned the multi-million dollar SuperPACs that exist in 2016. It is time for the Legislature and voters to bring our campaign finance laws into the 21<sup>st</sup> century.

SB 1107 would remove the ban on voluntary public campaign financing programs. Because the ban was originally instituted by ballot initiative, the bill would refer the issue to the ballot for voters' approval.

SB 1107 *would not* create a public financing program or require any government to offer public financing. It would not spend any public funds or raise any taxes or fees. It would simply remove the ban and permit local governments or the state, if they so choose, to enact laws that create public financing programs. By removing the ban, local governments would have the flexibility to tailor policies to local

concerns and conditions, while requiring basic protections for fairness and accountability. Governments would not be required to take any action: SB 1107 would simply restore local control to decide.

Studies of existing public financing programs have found they reduce the need to fundraise while increasing the diversity of donors. A 2006 study for the San Francisco Ethics Commission found that the city's public financing program "reduces fundraising pressures on candidates, and that this most likely means that candidates have more time to spend discussing issues."<sup>4</sup> A 2012 study by the Brennan Center for Justice and the Campaign Finance Institute of New York City's public financing system found that it "help[s] bring participants into the political process who traditionally are less likely to be active" and "gives candidates an incentive to reach out to a broader and more diverse array of constituents," thus "strengthening the connections between public officials and their constituents."<sup>5</sup>

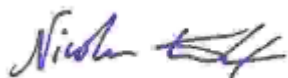
SB 1107 also includes two other commonsense reforms to increase the accountability of our elections:

*Prohibits foreign contributions to state and local candidates:* Currently, foreign corporations and governments may not donate to ballot measure campaigns, but current law does not ban contributions to candidates. SB 1107 would extend the ban to prohibit foreign corporations and governments from donating to state or local candidates, enforceable by the state Fair Political Practices Commission.<sup>6</sup>

*Winds down campaign funds of convicted officials:* Under current law, if an elected official is convicted of a felony that includes the abuse of their office, such as bribery or embezzlement, they are disqualified from running for office again. In these rare but serious cases, SB 1107 would require the convicted official to return any unused campaign funds to donors or pay past debts, and forfeit any surplus funds after six months to the state's general fund. (Legal defense funds would not be affected.)

For these reasons, California Common Cause strongly supports SB 1107 and we urge its expeditious passage. Please contact me at [nheidorn@commoncause.org](mailto:nheidorn@commoncause.org) or (916) 443-1792 if you have any questions.

Sincerely,



Nicolas Heidorn  
Policy and Legislative Counsel  
California Common Cause



Gavin R. Baker  
Open Government Program Manager  
California Common Cause

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<sup>1</sup> Pew Research Center, "Beyond Distrust: How Americans View Their Government," Nov. 23, 2015, <http://www.people-press.org/2015/11/23/6-perceptions-of-elected-officials-and-the-role-of-money-in-politics/>.

<sup>2</sup> "Americans' Views on Money in Politics," *The New York Times*, June 2, 2015, <http://www.nytimes.com/interactive/2015/06/02/us/politics/money-in-politics-poll.html>.

<sup>3</sup> Greg Stohr, "Bloomberg Poll: Americans Want Supreme Court to Turn Off Political Spending Spigot," *Bloomberg Politics*, Sept. 28, 2015, <http://www.bloomberg.com/politics/articles/2015-09-28/bloomberg-poll-americans-want-supreme-court-to-turn-off-political-spending-spigot>.

<sup>4</sup> "Evaluating San Francisco's Partial Public Campaign Funding Program After Two Elections," May 12, 2016, [http://www.sfgov3.org/ftp/archive/agencies/ethics/www.sfgov.org/site/uploadedfiles/ethics/campaign\\_finance/Goldman\\_School\\_report\\_5\\_06.pdf](http://www.sfgov3.org/ftp/archive/agencies/ethics/www.sfgov.org/site/uploadedfiles/ethics/campaign_finance/Goldman_School_report_5_06.pdf).

<sup>5</sup> Brennan Center for Justice and Campaign Finance Institute, *Donor Diversity Through Public Matching Funds*, 2012, [http://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport\\_WEB.PDF](http://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport_WEB.PDF).

<sup>6</sup> Federal law already prohibits campaign contributions by foreign nationals to state and local candidates; see 52 U.S.C. § 30121. By adding this provision to state law, SB 1107 would enable state enforcement of the prohibition.

## **Restore Local Control to Enact Election Accountability Policies**

In the wake of the U.S. Supreme Court's *Citizens United* decision, local governments are increasingly reviewing their campaign finance ordinances in order to ensure the accountability of their elections. However, most California local governments *do not* have the option to offer any public funding to electoral campaigns, under an existing statewide ban.

Currently, six charter cities provide limited public funding to match small campaign contributions. These programs provide candidates with an alternative to relying on large campaign contributions and amplify the voices of everyday Californians who make small donations.

**Unfortunately, other local governments are prohibited from offering public campaign funding,** due to a provision adopted nearly 30 years ago as part of Proposition 73 (1988). While charter cities such as L.A. are exempt under the state Constitution, general law cities, counties, districts, and the state government are covered by the current state ban.<sup>1</sup> In fact, after voters in Sacramento County enacted public financing, the courts struck it down under Prop. 73.<sup>2</sup>

<i>Status of public campaign financing in California jurisdictions</i>		
<b>Enacted</b>	<b>Not prohibited by state law</b>	<b>Prohibited by state law</b>
<ul style="list-style-type: none"><li>• City of Los Angeles</li><li>• City and County of San Francisco</li><li>• City of Long Beach</li><li>• City of Oakland</li><li>• City of Richmond</li><li>• City of Sacramento</li></ul>	<ul style="list-style-type: none"><li>• Other charter cities</li></ul>	<ul style="list-style-type: none"><li>• Counties</li><li>• General law cities</li><li>• Special districts</li><li>• State</li></ul>

**SB 1107 (Allen/Hancock)** would remove the ban on voluntary public campaign financing programs, subject to voter approval. Programs would have to meet basic criteria for fairness and accountability. SB 1107 *does not* create, or require any government to create, any public campaign financing program – it simply restores the option for local governments and the state.

Additionally, SB 1107 includes two other commonsense provisions to increase election accountability. The bill would require elected officials, who under current law are banned from running for office due to conviction of a specified felony such as bribery, to forfeit their campaign funds within six months, after paying debts or returning contributions, other than legal defense funds. SB 1107 also would extend the current prohibition against foreign corporations or governments contributing to ballot measure campaigns to also include candidate campaigns, and would increase the maximum fine for violating that prohibition.

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<sup>1</sup> *Johnson v. Bradley*, 4 Cal. 4th 389 (1992).

<sup>2</sup> *County of Sacramento v. Fair Political Practices Comm'n*, 222 Cal. App. 3d 687 (1990).