

INTRODUCTION TO THE SAN FRANCISCO PUBLIC FINANCING PROGRAM

NOVEMBER 8, 2022 ELECTION

Candidates and Treasurers



City & County of San Francisco
Ethics Commission

WWW.SFETHICS.ORG

Introduction

Welcome to the San Francisco Ethics Commission's (the "Commission") introduction to the San Francisco Public Financing Program (the "Program"). This presentation is intended for informative purposes only and is not a prerequisite for or requirement of the Program.

What is the Public Financing Program?

Adopted in November 2000, Prop. O established a program of limited public financing for candidates for the Board of Supervisors. This was later expanded in 2006 to include Mayoral candidates. Candidates who meet established criteria are provided limited amount of public funds for their campaign.

Candidates can then spend less time fundraising and more time discussing issues important with their constituents, strengthening the accountability of City candidates to the voters who elect them. The program also increases the importance of relatively small, individual contributions in election campaigns and encourages new and diverse voices among candidates as well as those whom they are elected to represent.

Additional Resources

This is an overview of the public financing program and only contains general information. Candidates and treasurers are expected to familiarize themselves with the following guides available at the office of the Ethics Commission and online.

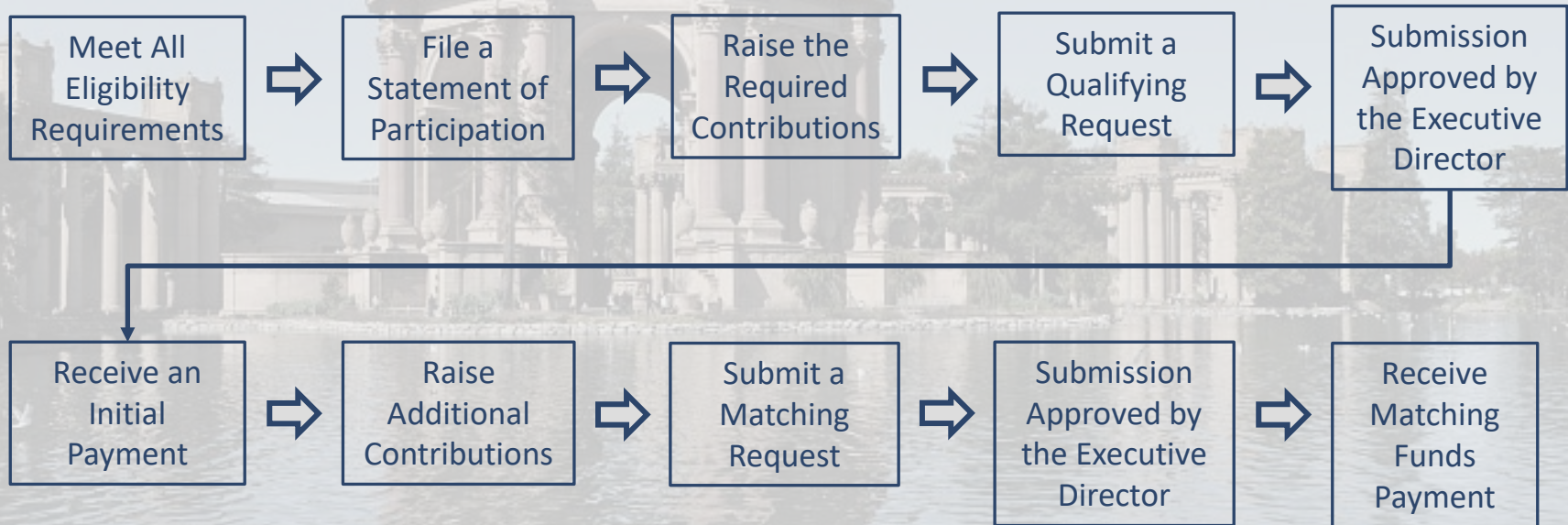
- ❑ The Ethics Commission's Supplemental Guides for Public Financing
- ❑ The Ethics Commission's Candidates' Guide for City Elective Office
- ❑ The Fair Political Practice Commission's Manual 2

Specific questions may also be directed to the Commission at **(415) 252-3100** or **ethics.commission@sfgov.org**.

In the event of any conflict or inconsistency between this presentation and the Supplemental Guides or the City's Campaign Finance Reform Ordinance and supporting Regulations, the Supplemental Guides, Ordinance, and Regulations shall control.

How does the Program work?

The general steps a candidate must follow to qualify for and receive public funds are:



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A wide-angle photograph of the San Francisco skyline, featuring the Transamerica Pyramid and various other skyscrapers. The city is situated on a hillside, with a bay and a bridge visible in the background. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text "PART I" and "BEFORE APPLYING".

PART I
BEFORE APPLYING

➤ BEFORE APPLYING

▪ Getting Started

- Good Recordkeeping
- Important Dates
- Qualification Requirements

Getting Started with Public Financing

- ☐ Know what you're signing up for including all applicable campaign laws & rules for the program:
 - Commission's "Supplemental Guides for Public Financing"
 - "Laws" & "Public Financing" sections of the Commission's website
- ☐ There is no guarantee that a candidate will qualify for public funds, or how much they will receive.
- ☐ Your committee is limited in how it can use public funds and will be subject to overall expenditure limits.
- ☐ All candidates who receive public funds are subject to mandatory audit.

➤ BEFORE APPLYING

- Getting Started
- Good Recordkeeping
- Important Dates
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Maintain Good Records

- ❑ Good recordkeeping is critical for any committee. Establish a good system early on!
- ❑ The law requires all records to be kept for four years.
- ❑ Candidates are expected to maintain a wide range of documents related to:
 - Contributions;
 - Expenditures;
 - Banking; and
 - Advertisements/communications.
- ❑ To receive public funds, candidates must submit supporting documents with their applications.

➤ BEFORE
APPLYING

- Getting Started
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Important Dates for Candidates Seeking Public Financing

If seeking public financing, don't miss the following deadlines or you may be disqualified.

File a Statement
of Participation

The "Statement of Participation" must be filed *no later than Friday, June 17, 2022*



Raise the
Required
Contributions

Eligible contributions must be received by the committee between May 8, 2021 and August 30, 2022



Submit a
Qualifying
Request

A "Qualifying Request" must be filed *no later than Tuesday, August 30, 2022*

➤ BEFORE APPLYING

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Candidate Requirements for Public Financing

Some of the requirements of the Program include:

- ☐ Must be eligible to run for and hold office (Contact the Department of Elections);
- ☐ File all required forms/statements with Ethics and Election;
- ☐ Follow campaign spending limits (Individual Expenditure Ceiling);
- ☐ Have no outstanding fines/penalties owed or findings of campaign finance violations (last 5 years);
- ☐ Agree to only accept loans from yourself and not in excess of \$5,000.

This is only a partial list of requirements. Full requirements are outlined in the Supplemental Guides for Public Financing.

Candidates are responsible for knowing and abiding by all rules of the Program.

The background image is a faded, high-angle view of a San Francisco street, likely Taylor Street, looking down towards the city. The Transamerica Pyramid is the most prominent building in the distance, centered in the frame. On either side of the street are multi-story residential buildings with bay windows and balconies. The street is lined with parked cars, and a few trees are visible in the middle ground. The overall tone is light and airy, with a blue sky and scattered clouds.

PART II ESTABLISHING ELIGIBILITY

➤ ESTABLISHING ELIGIBILITY

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Filing the Qualifying Request

Candidates can apply to participate in the program by filing a “Qualifying Request” (Form SFEC-142(b)) and contribution list.

The “Qualifying Request” demonstrates the candidate has raised the required number and amount of Qualified Contributions.

What is a Qualifying Contribution?

A qualifying contribution is:

- made by an *individual* who is a San Francisco resident;
- between \$10 - \$100 per contributor (cumulatively);
- received within 18 months prior to the election (May 8, 2021) and no later than the 70th day before the election (August 30, 2022).

For contributions over \$100, only the first \$100 counts towards eligibility.

S.F. C&GC Code § 1.104; SFEC Regulation § 1.104-2.

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Filing the Qualifying Request Cont'd

The Qualifying Request and supporting documentation must be submitted electronically (no emails or hard copies).

How much do I have to raise in Qualifying Contributions?

	Incumbent	Non-Incumbent
Candidates for Mayor	\$75,000 from at least 750 Contributors	\$50,000 from at least 500 Contributors
Candidates for Board of Supervisors	\$15,000 from at least 150 Contributors	\$10,000 from at least 100 Contributors

Specific information regarding the content of the Qualifying Request can be found in the Commission's Supplemental Guides for Public Financing.

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What is NOT a Qualifying Contribution?

Certain types of transactions do not count as Qualifying Contributions and cannot be used to establish eligibility:

- Loans or non-monetary contributions;
- Contributions received from the candidate or his/her immediate family;
- Contributions not deposited or posted to the candidate's account or are returned to the contributor; or
- Contributions received for a different election/office or a different election year.

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Required Information for Qualifying Contributions

The Qualifying Request must include the following info for each contribution:

- Contributor's full name;
- Contributor's primary home address;
- Date & full amount of contribution (no amount submitted for matching);
- Deposit date and deposit batch number of contribution; and
- Method of payment (e.g., check, cash, credit card).

Supporting Documentation

Detailed supporting documents/records must be submitted and must match information reported in the Contribution List. Contributions with missing or insufficient supporting documents may not be approved.

Remember: Information in supporting documents must match information in contribution list. Maintain complete and organized records from Day 1.

- ESTABLISHING ELIGIBILITY
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Reviewing the Qualifying Request & Contribution List

- ☐ Submissions are reviewed on a “first come, first served” basis.
- ☐ Review completed in 30 days.
- ☐ Incomplete submissions will be rejected without review.

Any supporting documentation not included with your submission will not be considered or reviewed.

What Happens if You Are Certified Eligible?

- ☐ If eligible, candidates will receive the following initial payment amount:

Candidates for Mayor	\$300,000
Candidates for Board of Supervisors	\$60,000

Reminder: There is no promise or guarantee of how much funding a candidate will receive.

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What Happens if You are Not Certified?

Refile

A Qualifying Request can be refiled with new info and/or contributions up to 70 days before the election.

Deadline to Refile a New Qualifying Request	Tuesday, August 30, 2022
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Resubmission

After the deadline, existing Qualifying Requests can be resubmitted with new documents (but not new contributions) up to the 55th day before the election.

Deadline to Resubmit Existing Qualifying Request	Wednesday, September 14, 2022
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Please consult the Supplemental Guides for Public financing for additional information on refiling and resubmitting the Qualifying Request.

Appeal

Candidates may appeal final determinations to the Ethics Commission. However, the failure to timely file a required form is not eligible for appeal.

- ESTABLISHING ELIGIBILITY
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How Much Can a Candidate Receive?

- ❑ Once a candidate is eligible, claims for additional public funds can be made using the Matching Request.
- ❑ The Matching Request includes the same information & supporting documents used in the Qualifying Request.
- ❑ Matching Request submissions are reviewed on a continuous first come, first served basis.
- ❑ Additional public funds will be matched at a ratio of 6:1 and the maximum allowable funds candidates can receive are:

	Non-Incumbent Candidates		Incumbent Candidates	
	Private Contributions	Matching Public Funds (@ 6:1)	Private Contributions	Matching Public Funds (@ 6:1)
Candidates for Mayor	\$150,000	\$900,000	\$147,500	\$885,000
Candidates for Board of Supervisors	\$32,500	\$195,000	\$32,000	\$192,000

S.F. C&GC Code § [1.144](#); [SFEC Regulation](#) § 1.144-1, 1.144-2, and 1.144-3

A wide-angle photograph of the San Francisco skyline and the Golden Gate Bridge. The bridge's suspension tower is prominent on the left, with traffic visible on the deck. The city skyline, including the Transamerica Pyramid, is visible across the water. The foreground shows green trees and foliage.

PART III ELIGIBLE CANDIDATES

➤ ELIGIBLE
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24-Hour Notice of Reaching Thresholds

Candidates can have additional filing requirements to report fundraising and/or spending levels.

The Initial Threshold Statement

- ☐ Required for all candidates, regardless of Public Financing.
- ☐ Filed within 24-hours of reaching initial threshold for contributions raised and/or expenditures made (\$10k for Supervisor; \$50k for Mayor).

The Supplemental Statement

- ☐ Required only for candidates: a) receiving public financing; or b) in a race where another candidate is receiving public financing.
- ☐ Filed within 24-hours when a candidate's total funds raised or combined expenditures increase by a specific amount.

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Individual Expenditure Ceilings

Publicly financed candidates are subject to mandatory expenditure limits, called the Individual Expenditure Ceiling (“IEC”). The IEC:

- applies to a candidate’s combined total of paid and unpaid expenses;
- can be increased based on activity by opponents and by third-parties;
- can be adjusted on an individual candidate basis but cannot be reduced or removed.

Exceeding your IEC may result in fines and/or repayment of all public funds received.

A detailed explanation of IEC limits and adjustments, including examples, can be found in the [Supplemental Guides for Public Financing](#).

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Qualified Campaign Expenditures

Public funds may only be used for *qualified campaign expenditures* that further the candidate's campaign such as:

- campaign literature & mailings
- radio/tv ads
- consultants, professional campaign services, campaign staff.

Candidates may not use public funds to pay for expenditures that do not further their campaign such as:

- late filing penalties and administrative fines
- non-campaign related legal fees
- post-election activities (e.g., election parties, consultant/staff bonuses)

Using public funds in this way may result in penalties. Candidates can raise private funds to pay for these types of expenses.

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After the Election

Additional Claims for Matching Funds – accepted up to 30 days after the election. Use of public funds received post-election are still restricted.

Unexpended Public Funds – surplus funds, both private and public funds, in your account on the 30th day after the election may be subject to forfeiture to the City.

Funds Raised After the Election – Candidates can continue to raise private funds after the election to pay off debt. However, only funds received more than 30 days after the election would not be subject to the forfeiture above.

Mandatory Audit – Any candidate receiving public funds, regardless of the amount received, is subject to mandatory audit. The audit process will begin after your first post-election campaign report is filed.

Q&A

Joining by Computer

“raise hand” by selecting the 🖐 icon and wait for the host to call your name and unmute your mic.

Joining by Phone

dial *3 to “raise hand”

If your questions are not answered during the training, please email your questions to ethics.commission@sfgov.org and staff will follow up with you after the training to provide guidance.