

# INTRODUCTION TO THE SAN FRANCISCO PUBLIC FINANCING PROGRAM

NOVEMBER 5, 2024 ELECTION

Candidates and Treasurers



City & County of San Francisco  
**Ethics Commission**

[WWW.SFETHICS.ORG](http://WWW.SFETHICS.ORG)



## Q&A

If participating in the live training session, questions may be asked by using the “raise hand” function (click the 🖐 icon) and waiting for the host to call your name and unmute your mic. Alternatively, questions may be submitted in writing via the chat function.

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



# 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, later expanded in 2006 to include Mayoral candidates. Candidates who meet established criteria are provided limited amount of public funds for use in their campaign.

The objectives of the program are to reduce candidate dependency on large contributions and time spent on fundraising, encourage more interaction and engagement with voters on important issues, and incentivize and empower small-dollar contributions. Public financing also helps lessen the appearance of undue influence by contributors and leads to more competitive races to ensure quality representation of constituents.



## Agency Contact Information

### **San Francisco Ethics Commission**

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(415) 252-3100

### **San Francisco Department of Elections**

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[Sfvote@sfgov.org](mailto:Sfvote@sfgov.org)

(415) 544-4375

### **CA Fair Political Practices Commission (FPPC)**

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[advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)

1-866-ASK-FPPC

### **CA Secretary of State – Political Reform Division**

1500 11th Street

4th Floor, Room 495

Sacramento, CA 95814

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(916) 653-6224



## Additional Resources

This is an overview of the public financing program and only contains general information. Candidates and treasurers should familiarize themselves with the specific information found in the following guides:

- ❑ 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 - Information for Local Candidates

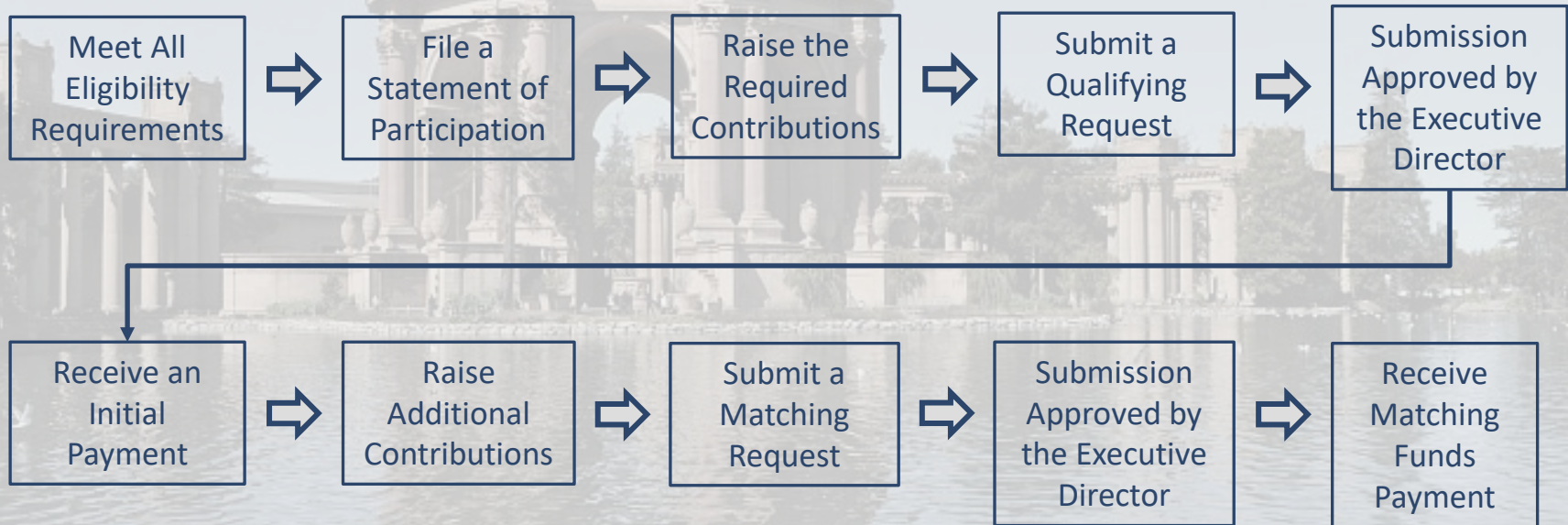
Guides are available online through the City's Ethics Commission and the state's Fair Political Practice Commission. Specific questions may also be directed to the Ethics Commission at **(415) 252-3100** or **ethics.commission@sfgov.org**.

***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 the Golden Gate Bridge visible in the distance across the water. The image is overlaid with a semi-transparent white rectangle that contains the text.

# 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 web-site
- ☐ There is no guarantee that a candidate will qualify for public funds, or the total amount of public funds 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
- Qualification Requirements

### Maintain Good Records

- ❑ Good recordkeeping is critical for any committee. Establish a good system early on and stay organized!
- ❑ 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 activity; and
  - Advertisements/communications.
- ❑ To receive public funds, candidates must submit electronic copies of supporting documents with their applications.



## ➤ BEFORE APPLYING

- Getting Started
- Good Recordkeeping
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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 Statement of Participation – Form SFEC-142(a)**

By Friday, June 14, 2024

### ☐ **Collect Eligible Qualifying Contributions**

#### ▪ **For Mayoral Candidates Only:**

Saturday, May 7, 2022 – Thursday, December 1, 2022

#### ▪ **For All Candidates (Including Mayor):**

Friday, May 5, 2023 – Tuesday, August 27, 2024

### ☐ **Submit a Qualifying Request – Form SFEC-142(b)**

No later than Tuesday, August 27, 2024



## ➤ BEFORE APPLYING

- Getting Started
- Good Recordkeeping
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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

- Qualifying Request & Contribution List
- Review of Application
- Matching Request & Disbursement of Funds

### Filing the Qualifying Request

Candidates 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 minimum number and dollar amount of Qualifying Contributions.

### What is a Qualifying Contribution?

A qualifying contribution is:

- made by an *individual* who is a San Francisco resident; and
- between \$10 - \$100 per contributor; and
- received within 18 months prior to the election and no later than the 70th day before the election.

***For contributions over \$100, only the first \$100 will be counted towards eligibility. The remaining balance can be re-submitted at a later date.***



- ESTABLISHING ELIGIBILITY
- Qualifying Request & Contribution List

▪ Review of Application

▪ Matching Request & Disbursement of Funds

## 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.***



➤ ESTABLISHING  
ELIGIBILITY

- Qualifying Request & Contribution List
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## What is NOT a Qualifying Contribution?

Transactions that do not count as Qualifying Contributions, and cannot be used to establish eligibility, include:

- Loans and non-monetary contributions;
- Contributions received from the candidate or their immediate family;
- Contributions not deposited or posted to the candidate's account, or that are returned to the contributor; or
- Contributions received for a different election/office or a different election year (even if transferred to the current committee account).



## ➤ ESTABLISHING ELIGIBILITY

- Qualifying Request & Contribution List
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### Required Information for Qualifying Contributions

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

- ☐ Contributor's full name and occupation & employer (if donating \$100 or more);
- ☐ Contributor's primary home address;
- ☐ Date & full amount of contribution (not amount submitted for matching);
- ☐ Deposit date and deposit batch number of contribution; and
- ☐ Method of payment (e.g., check, cash, credit card).

### Supporting Documentation

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

***Remember: Information in the contribution list must be confirmed in supporting documentation. Maintain complete and organized records from Day 1.***

SFEC Regulation § 1.142-2.



- ESTABLISHING ELIGIBILITY
  - Qualifying Request & Contribution List
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## Reviewing the Qualifying Request & Contribution List

Submissions are reviewed on a “first come, first served” basis and will be completed within 30 days.

Incomplete submissions or submissions missing supporting documents may 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.***

S.F. C&GC § 1.109 & § 1.142; SFEC Regulation § 1.104-2 & 1.142-3



- ESTABLISHING ELIGIBILITY
  - Qualifying Request & Contribution List
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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 27, 2024
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### **Resubmission**

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

Deadline to Resubmit Existing Qualifying Request	Wednesday, September 6, 2024
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### **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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## Submitting Claims for Additional Matching Funds

Once a candidate has been certified to receive public funds, they can submit claims for additional public funds by filing a “Matching Request” (Form SFEC-144(c)).

The “Matching Request” must demonstrate the candidate has received matching contributions beyond those approved in the Qualifying Request.

### **What is a Matching Contribution?**

A Matching Contribution is any contribution that meets the same requirements of a Qualifying Contribution. In addition, Matching Contributions:

- Cannot include any contribution (or portion thereof) that was approved in a prior submission; and
- Cannot exceed \$150 from a single contributor.

***For contributions over \$100 that were approved in the Qualifying Request, the remaining balance could be submitted in the Matching Request.***



## ➤ ESTABLISHING ELIGIBILITY

- Qualifying Request & Contribution List
- Review of Application
- Matching Request & Disbursement of Funds

### Filing the “Matching Request”

The “Matching Request” (Form SFEC-144(c)) and contribution list must include the same information and documentation included with the Qualifying Request.

- ☐ “Matching Request” submissions are reviewed on a continuous first come, first served basis and completed in 4 days.
- ☐ Can be submitted until 5:00 pm on the 30<sup>th</sup> day after the election – **December 5, 2024**
- ☐ Submissions must include a minimum amount of matching contributions: \$5,000 for Mayor; \$1,000 for Supervisor.
- ☐ Contributions approved in the “Matching Request” are matched at a ratio of 6:1.

***There is no limit on the number of Matching Requests a candidate can submit***



- ESTABLISHING ELIGIBILITY
  - Qualifying Request & Contribution List
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# How Much Can a Candidate Receive?

The maximum allowable funds candidates can receive are:

## Candidates for Board of Supervisors

	Non-Incumbent Candidates		Incumbent Candidates	
	Private Funds	Public Funds	Private Funds	Public Funds
Initial Grant	\$10,000	\$60,000	\$15,000	\$60,000
6:1 Match	\$32,500	\$195,000	\$32,000	\$192,000
Total	\$42,500	\$255,000	\$47,000	\$252,000

## Candidates for Mayor

	Non-Incumbent Candidates		Incumbent Candidates	
	Private Funds	Public Funds	Private Funds	Public Funds
Initial Grant	\$50,000	\$300,000	\$75,000	\$300,000
6:1 Match	\$150,000	\$900,000	\$147,500	\$885,000
Total	\$200,000	\$1,200,000	\$222,500	\$1,185,000

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, stretches across the background under a clear sky. The foreground shows the bridge's approach and some greenery.

## PART III ELIGIBLE CANDIDATES



➤ ELIGIBLE  
CANDIDATES

- Additional Disclosure Requirements
- Individual Expenditure Ceilings (IECs)
- Use of Public Funds
- Post-Election Procedures

## Supplemental Reporting Requirements

Candidates in Board and Mayoral elections have additional filing requirements to report fundraising and/or spending levels.

### **What is the “Initial Threshold Statement”?**

- Required for all candidates, regardless of Public Financing.
- Filed within 24-hours when a candidate’s total contributions raised and/or expenditures made equals:
  - \$10,000 for Candidates for Supervisor
  - \$50,000 for Candidate for Mayor

The Initial Threshold Statement *must* be filed by all candidates even if you do not plan to participate in the public financing program.



## Supplemental Reporting Requirements Cont'd

Once a candidate is certified to receive public financing, all candidates in that race must start filing Supplemental Threshold Statements, even if they are not receiving public financing.

### **What are “Supplemental Threshold Statements”?**

- The first supplemental statement is filed within 24-hours when a candidate’s total funds raised or combined expenditures reaches:
  - \$100,000 for Candidates for Supervisor
  - \$1,000,000 for Candidates for Mayor
- Additional supplemental statements must be filed within 24-hours when a candidates total funds raised or combined expenditures increase by:
  - \$10,000 for Candidates for Supervisor
  - \$50,000 for Candidates for Mayor



➤ ELIGIBLE  
CANDIDATES

- Additional Disclosure Requirements
- Individual Expenditure Ceilings (IECs)
- Use of Public Funds
- Post-Election Procedures

## 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 total combined expenditures (both paid and unpaid);
- Is adjusted on an individual candidate based on activity by opponents and by third-parties;
- Can be increased but cannot be reduced or removed.

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

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



➤ ELIGIBLE  
CANDIDATES

- Additional Disclosure Requirements
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## Qualified Campaign Expenditures

Public funds may only be used for 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 must raise private funds to pay for these types of expenses.



➤ ELIGIBLE  
CANDIDATES

- Additional Disclosure Requirements
- Individual Expenditure Ceilings (IECs)
- Use of Public Funds
- Post-Election Procedures

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 30<sup>th</sup> 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

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