



San Francisco Ethics Commission

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Date: May 5, 2025

To: Members of the Ethics Commission

From: Michael Canning, Policy & Legislative Affairs Manager
Ryan Abusaa, Senior Policy Research Specialist

Re: **AGENDA ITEM 5 – Presentation and Discussion on Streamlining of Expenditure Ceilings & Reporting Requirements for the Public Financing Program and Other Changes to Campaign Finance Rules**

Summary and Action Requested

This memo provides a preview of recommendations Staff are developing regarding the expenditure ceilings and supplemental reporting requirements associated with the City's Public Financing Program and other updates related to the City's campaign finance rules. This item is informational and requires no action by the Commission. Staff does request the Commission consider and offer feedback on the preliminary recommendations presented so that Staff may incorporate that feedback into finalized recommendations and legislation for the Commission.

Background

To be eligible to participate in the City's Public Financing Program, candidates must agree to adhere to an expenditure ceiling. Additionally, all candidates in a race with at least one publicly financed candidate are required to file numerous supplemental reports with the Commission regarding their funding. As part of the Commission's current streamlining project, discussed in **Item 4**, Staff have evaluated the current processes regarding expenditure ceilings and supplemental reporting requirements. This memo also presents findings regarding two other preliminary recommendations for the City's campaign finance rules.

Staff held a series of [Interested Persons meetings](#) on March 11 and March 13 to solicit feedback from candidates, treasurers, and members of the public based on their experience with the Individual Expenditure Ceilings and the Public Financing Program more broadly. As part of an informational presentation by Staff given to the California Political Treasurers Association on March 21, additional feedback was also received during the Question & Answer portion of the presentation.

The Public Financing Program

The Public Financing Program was implemented after the passage of [Proposition O](#) in the November 2000 election. Proposition O was placed on the ballot by the Ethics Commission to address public concerns about the role of money in campaigns and politics, with particular interest in establishing strong anti-corruption guardrails.

As part of the proposition, the Ethics Commission noted that the program's intent is "to encourage candidates to limit their spending, decrease the time candidates spend fundraising, increase the opportunity for candidates to run for office, and ensure the integrity of the electoral process" due to

concerns over third-party spending.¹ There were additional provisions to release candidates from “their agreements to limit campaign spending if spending by their opponents or independent committees exceeded certain amounts.”² In its current iteration, the program offers partial public financing for candidates for the Board of Supervisors (up to \$255,000) and Mayor (up to \$1,200,000).

The program ultimately seeks to ensure that candidates with a demonstrated level of community support can secure sufficient resources to mount a viable campaign, particularly when competing against wealthier candidates, who may self-finance their campaigns, or those supported by well-funded third-party spenders.

The Public Financing Program reduces candidates’ dependence on larger private contributions, which lessens the potential for and appearance of undue influence by contributors and seeks to improve the public’s trust in local government. The program also seeks to enable candidates to spend less time fundraising and more time interacting with voters and engaging in discussions with their constituents on important issues. The availability of public funds also encourages citizens to be more politically active by incentivizing and empowering small-dollar contributions. By supporting candidates who have community support, public financing can also lead to more competitive races, which is important in ensuring quality representation of constituents.

Individual Expenditure Ceiling

The Individual Expenditure Ceiling (IEC) is a set expenditure ceiling established for each individual candidate for Mayor or the Board of Supervisors whom the Ethics Commission has certified as eligible to receive public funds under the provisions of the Campaign and Governmental Conduct Code (C&GCC).

To participate in the Public Financing Program, candidates must agree to adhere to campaign spending limits (their IEC) which may be adjusted. The initial IEC for Supervisorial candidates is \$350,000, and the initial IEC for Mayoral candidates is \$1.7 million. These limits have not been adjusted since 2019.

Once a candidate has been deemed eligible to receive public funds, candidates for the Board of Supervisors receive an initial disbursement of \$60,000 and candidates for Mayor receive an initial disbursement of \$300,000.

Once the Ethics Commission has certified that at least one candidate for Mayor or the Board of Supervisors is eligible to receive public funds, the Individual Expenditure Ceilings go into effect and apply to all participating candidates. Those candidates may not make or incur any expenditures that would cause their total reported expenditures to exceed their current IEC amount.

Based on financial activity in a candidate’s race, the candidate’s IEC is raised by the Ethics Commission. This provision is intended to allow candidates who are bound by a spending limit to have the ability to respond when independent expenditures and opponent fundraising exceed the candidate’s current IEC. Three factors are assessed to determine if an increase to a candidate’s IEC is warranted:

1. The sum of all funds (monetary, non-monetary, and public funds) received by a candidate.
2. Expenditures made by any person/committee (other than a candidate) to support that candidate.

¹ Proposition O – Voter Information Pamphlet: November 7, 2000;
https://webbie1.sfpl.org/multimedia/pdf/elections/November7_2000.pdf

² Ibid.

3. Expenditures made by any person/committee (other than a candidate) to oppose a specific candidate.

Ethics Commission auditors perform the necessary calculations, and the above factors are summed into two buckets – Total Opposition Spending (TOS) and Total Supportive Funds (TSF):

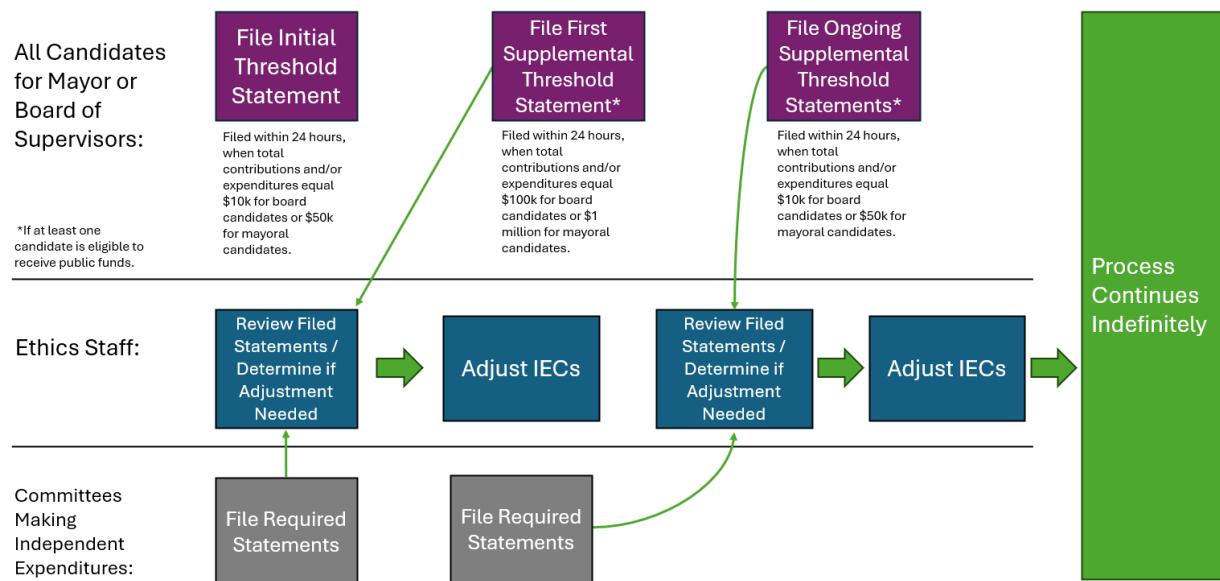
- Total Opposition Spending is the total amount of expenditures made by opponents or third parties in opposition to a candidate.
- Total Supportive Funds is the total amount of contributions a candidate has raised—up to their current IEC—plus any expenditures made by third parties in support of the candidate.

Whenever the sum of a candidate’s Total Opposition Spending and the highest level of Total Supportive Funds of any other candidate in the same race is greater than the candidate’s current IEC, that candidate’s IEC will be increased by the allowed increment. The IEC may be increased by multiple increments in a single day – and these adjustments can go on indefinitely throughout the course of an election.

A supervisorial candidate’s IEC is adjusted in increments of \$50,000, and a mayoral candidate’s IEC is adjusted in increments of \$250,000. Spending limits are regularly reviewed by Commission auditors and adjusted on a candidate-by-candidate basis. It is therefore possible, and common, for candidates in the same race to have different IEC limits or to have their IECs adjusted at different times or intervals.

The factors listed above are calculated across several filings to determine when IEC adjustments are warranted – this process is presented below in **Figure 1**.

Figure 1: Current Process for Making IEC Adjustments



Raising the IEC of a candidate can increase that candidate’s Total Supportive Funds, which in turn can increase the Total Opposition Spending of a candidate they are opposing. This means that raising the IEC for one candidate in a race can trigger the need to adjust the IEC of another candidate in the same race. This process of incrementally adjusting each candidate’s IEC can continue indefinitely, requiring ongoing reporting by candidates and ongoing adjustments by Ethics Commission auditors.

Threshold Statements

Every candidate in a race for the Board of Supervisors or Mayor must file an Initial Threshold Notice once they either receive funds (monetary, non-monetary, or public financing) or make or accrue expenditures that total \$10,000 or more for candidates for the Board of Supervisors or \$50,000 for candidates for Mayor – whichever is greater. The Initial Threshold Notice must be filed within 24 hours of reaching this threshold and must be filed regardless of public financing status. This initial statement is necessary for determining the potential eligibility of other candidates for the Public Financing Program, as being opposed by a candidate of certain funding level is a requirement of eligibility.

If at least one candidate in a race for the Board of Supervisors or Mayor has been certified as eligible to receive public funds, every candidate running for the same seat must file a Supplemental Threshold Notice within 24 hours after:

- The candidate has received contributions (monetary, non-monetary, or public financing) or made or accrued expenditures that total \$100,000 or more for candidates for the Board of Supervisors or \$1,000,000 or more for candidates for Mayor – whichever is greater.
- Thereafter, when the candidate has received additional contributions or made or accrued additional expenditures at increments of \$10,000 for candidates for Board of Supervisors or \$50,000 for candidates for Mayor.

As presented in **Figure 1** above, the process of filing supplemental threshold statements informs the processes for adjusting IECs and continues indefinitely throughout the election.

In addition to reviewing Threshold Statements, auditors also need to monitor a variety of campaign finance disclosures to monitor independent expenditures and determine if such expenditures necessitate adjustments to any candidate's IEC.

Voluntary Expenditure Ceiling

As a complement to the IEC for publicly financed candidates, there is a Voluntary Expenditure Ceiling (VEC) for the other candidates for City elective office, which can be voluntarily accepted by candidates for Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District. Candidates for the Board of Supervisors and Mayor may not opt-in to a VEC.

These candidates may accept the VEC for their race by filing a statement with the Ethics Commission by the deadline for filing nomination papers with the Department of Elections. Once filed, the statement may not be withdrawn.

The current VEC's are set at the following limits, and have not been adjusted since 2009:

- \$243,000 for candidates for Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, and Treasurer.
- \$104,000 for candidates for the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District.

Unlike the IEC, which is gradually increased on a per-candidate basis, the VEC is lifted for all candidates in a race if any of the following occur:

- If a candidate seeking election to the same City elective office, who has declined to accept the voluntary expenditure ceiling, receives contributions or makes qualified campaign expenditures in excess of 100 percent of the applicable voluntary expenditure ceiling;
- If a person or persons make expenditures or payments, or incur expenses for the purpose of making independent expenditures, electioneering communications or member communications that total more than 100 percent of the applicable voluntary expenditure ceiling, and those expenditures or communications clearly identify a candidate seeking election to the same City elective office; or
- If a candidate seeking election to the same City elective office, who has accepted the voluntary expenditure ceiling, makes qualified campaign expenditures in excess of 100 percent of the voluntary expenditure ceiling.

Instead of candidates filing ongoing Threshold Statements, any candidate committee that receives contributions, makes qualified campaign expenditures, incurs expenses or has funds in its bank account that total more than 100 percent of the applicable VEC is required to, within 24 hours of exceeding 100 percent of the applicable VEC, file a statement with the Ethics Commission stating that fact and any additional information required. Additionally, Staff must monitor and review various campaign statements to determine if independent expenditures have been made that would necessitate lifting the VEC for a given race, for as long as that ceiling is in place.

Within one business day after determining that the applicable VEC has been surpassed with respect to an office appearing on the ballot, the Ethics Commission must inform every candidate for that office that the applicable VEC has been lifted.

Findings

Staff have focused this review of the current program on its effectiveness at reaching its desired outcomes, the current burdens on candidates and Ethics Commission staff, and comparisons to existing programs across other jurisdictions.

Ineffective at Limiting Candidate Spending

In its current form, the IEC mechanism has been found to be ineffective at limiting candidate spending. As noted in the [Audits Division's Public Financing Program Post-Election Report](#) in March, the most recent election had the largest number of candidates participating in the Public Financing Program (27 candidates) and the highest amount of public funds disbursed (\$8.8 million). The 2024 election also had the highest total spending by all mayoral and supervisorial candidates (\$26.8 million) and the highest total spending by third parties on mayoral and supervisorial races (\$19.0 million).

Based on an analysis of elections since 2018, particularly the 2024 contests, Staff have observed that the current IEC system does a poor job of limiting candidate spending – evidenced by the high frequency and total number of IEC adjustments that occur in many elections. Additionally, there is strong evidence that the current model of perpetual IEC raising does not significantly limit candidate spending, as candidates are frequently able to spend all of their available funds, without ever hitting against their IEC.

For the 2024 election, there were 295 IEC increases – of which only 12 impacted a candidate’s ability to make expenditures. Similarly, in 2020 only 10 of 51 adjustments impacted candidate spending and in 2022 only six of 20 adjustments impacted candidate spending. In all other instances, spending by opponents and third parties entitled candidates to an IEC increase even though they had not yet raised sufficient funds to be able to make expenditures up to their current IEC level.

While the current IEC system is not effective at limiting candidate spending, it is also important to note that limiting candidate spending is not a primary goal of the program. As discussed later in this memo, the purpose of public financing programs has shifted in recent years, in part due to court decisions issued since the program’s creation. Currently, inhibiting candidate spending is less important than empowering candidates to run viable campaigns in an arena awash with independent expenditures.

Administrative Burden on Candidates and City Resources

In addition to concerns over its effectiveness at limiting spending, the IEC mechanism also creates a large administrative burden for both Ethics Commission staff and participating committees. For each candidate, auditors must calculate Total Opposition Spending and Total Supportive Funds on an ongoing basis as financial disclosures are filed. When adjustment is needed, auditors must make the adjustment and prepare the communication to candidates and the public that the adjustment has been made. In 2024, this process occurred 295 times during the election cycle.

Externally, candidate campaigns must use campaign resources to file their Threshold Statements and revise their fundraising strategy indefinitely as adjustments are made. This administrative burden raises broader equity concerns for first-time candidates, candidates with fewer resources, and less experienced treasurers, who may have to use a disproportional amount of their limited campaign resources on administrative costs, rather than engaging directly with voters.

Moreover, calculating IEC adjustments is a labor-intensive and paperwork-heavy process. City law requires candidates in publicly financed races to file a Threshold Statement within 24 hours each time the candidate reaches a designated threshold of contributions received or expenditures made. In 2024, mayoral and supervisorial candidates filed a total of 263 Threshold Statements. Daily, as Threshold Statements and Independent Expenditure Reports are filed, Commission staff review financial information, calculate Total Supportive Funds and Total Opposition Spending for each candidate in each race for which new information is available, and determine whether candidates’ IECs should be adjusted.

In practice, ceilings are often adjusted so frequently that they are essentially hypothetical and comparable to an outright removal of the ceilings altogether. Given this, and the sizable administrative burden these requirements impose on Commission auditors and candidate campaigns, these limits are not worthwhile.

With no ability to set limits on third party spending, the current IEC mechanism will likely remain ineffective because third party spending in races will increase the Total Opposition Spending and Total Supportive Funds associated with a candidate regardless of that candidate’s ability to raise funds. This is supported by Staff’s analysis that a higher percentage of third-party spending in a race was correlated with a larger average number of IEC adjustments per candidate and that the vast majority of IEC adjustments were far beyond the actual fundraising and expenditures of candidates.

Given that the current IEC mechanism is not achieving its intended purpose, and in line with feedback received from candidates and their treasurers, the burden it imposes on participating candidates is not justified. Staff received feedback from professional treasurers that indicated their clients regularly require assistance with monitoring and complying with constantly changing IEC limits. This process requires committees to expend campaign resources on compliance that could otherwise be spent interacting with voters. This burdensome level of reporting is at odds with the Public Financing Program's goal of enabling candidates to spend more time engaging directly with voters.

As noted, the current mechanism also strains limited staff resources at the Ethics Commission that are required to administer the current program. It takes significant staff time to interpret financial disclosures in real time, conduct calculations using the IEC formula, create running IEC totals for each candidate, and provide timely notice to candidates affected by IEC adjustments. This work is done internally by the Audits Division, which would benefit from improvements to the expenditure ceiling and threshold reporting processes. The Audits Division has historically had a backlog of audits, but the Commission's auditor positions were recently reclassified and refilled to help address this issue. Reducing the administrative burden on these new auditors is crucial for ensuring they can focus more on completing timely, accurate audits, and less on unnecessarily complex administrative tasks related to the Public Financing Program.

Comparison to Similar Programs in Other Jurisdictions

A comparative review of other jurisdictions was conducted to determine how other localities operate their public financing programs. The main factor of interest is the existence of an expenditure ceiling – and in jurisdictions where there is an expenditure ceiling, how it is applied to candidates and whether there are criteria for gradual adjustments over time or the outright lifting of the ceiling. More specifically, the expenditure ceiling structures of interest were:

- A 'one and done' expenditure ceiling that is lifted entirely when certain criteria are met, rather than incrementally raised.
- An expenditure ceiling that is uniformly applied to all candidates in a race, rather than one applied on a per-candidate basis.

The jurisdictions reviewed by Staff have varied program structures, and it was determined that comparable public financing programs tend to adopt structures that fall into either of the below categories:

1. There is no Expenditure Ceiling, but this is offset by limits on fundraising.
2. There is an Expenditure Ceiling, and it is applied broadly and consistently to all the candidates in the race and has set criteria for being lifted entirely rather than adjusted incrementally.

In line with those findings, Staff's proposed changes reflect a shift to a 'one and done' expenditure ceiling model, applying the expenditure ceilings on a per-race basis, and establishing a financial activity threshold for lifting the applicable expenditure ceiling. Jurisdictions with differently structured public financing programs are presented in Table 1 below.

Table 1: Comparative Review of Public Financing Programs

Jurisdiction	Expenditure Ceiling?	Adjustment Mechanism
Los Angeles, CA	<p>Yes - applied on a per-race basis.</p> <p>Candidates submit written notice within one calendar day of receiving funds in exceed of the applicable expenditure ceiling.</p>	<p>Ceiling is lifted when:</p> <ul style="list-style-type: none"> • A non-participating candidate in the same race makes or incurs campaign expenditures in excess of the ceiling; or • Independent expenditures in support of or opposition to any candidate in the same race exceed a predetermined level.
Richmond, CA	No - there is a limit on the amount candidates can fundraise before losing their eligibility for Public Financing.	N/A
Oakland, CA	<p>Yes – applied on a per-race basis.</p> <p>Candidates may submit petitions to be released from the applicable expenditure ceiling.</p>	<p>Ceiling is lifted when:</p> <ul style="list-style-type: none"> • Value of contributions received by another candidate for the same office exceed the applicable expenditure ceiling; or • Value of independent expenditures opposing the candidate who petitions for release exceed the applicable expenditure ceiling; or • Value of independent expenditures supporting another candidate for the same office exceed the applicable expenditure ceiling.
Seattle, WA	No – there is a limit on the campaign’s total valuation (although candidates may be released from this limit).	N/A

New York, NY	<p>Yes - applied on a per-race basis</p> <p>Participating candidates agree to comply with lower contribution limits, compared to non-participating candidates who are not otherwise subject to that limit.</p>	<p>The ceiling is increased by 50% when:</p> <ul style="list-style-type: none"> • A non-participating candidate raises or spends more than half of the applicable spending limit. <p>The ceiling is lifted when:</p> <ul style="list-style-type: none"> • A non-participating candidate raises or spends more than 3 times the applicable spending limit.
Washington, D.C.	<p>No Expenditure Ceiling</p> <p>Participating candidates agree to comply with lower contribution limits, compared to non-participating candidates who are not otherwise subject to that limit.</p>	N/A

Some jurisdictions also adjust or lift their ceilings before spending by non-participating candidates or third parties reaches 100% of the applicable ceiling. Given this, it is appropriate to consider a similar mechanism where the applicable expenditure ceiling is lifted before spending by third parties or non-participating candidates reaches 100% of the ceiling. By setting a lower threshold for lifting the ceiling, additional lead time can be made available for increased fundraising by participating candidates before they are outspent by other candidates or third parties.

Staff are unaware of a comparable jurisdiction that employs a similar model of ongoing incremental expenditure ceiling adjustments as San Francisco. All other jurisdictions appear to use a type of model in which there is no limit, or a limit that is permanently lifted once financial activity reaches a certain level, with strong regard for independent spending.

Preliminary Recommendations

It is important to underscore the importance of public financing as a tool to provide additional transparency in elections, combat corruption, expand participation of both candidates and contributors, and to maintain accountability of elected officials to the people they represent. The goal is a dynamic program that systematically encourages candidates for local office to appeal to their constituents rather than wealthier special interests. Such programs lower barriers to entry and thereby encourage candidates without great personal wealth or access to wealthy contributor networks to be able to run for office.

By increasing accessibility, the program creates an incentive for candidates to fundraise from and connect with the people they seek to represent – primarily those who lack the financial means to spend heavily on elections. A broader, more diverse set of candidates and contributors lends itself to a better functioning system with transparency, accountability, and responsiveness as the end results. This is complemented by an onus on the Ethics Commission to ensure that funds are disbursed and spent appropriately, given the additional levels of scrutiny inherent in a public-facing process.

Given the Ethics Commission’s ongoing work to deliver impactful programs for the benefit of all San Franciscans, Staff have developed the following recommendation to improve the Public Financing Program. The recommendation intends to provide much-needed updates given the length of time since major changes were made to the program, reflect differences in the ever-changing campaign landscape, and account for the broader trend of rising costs in campaigns.

Recommendation 1: Adopt More Streamlined Expenditure Ceiling & Reporting Mechanisms

Given that the current mechanism of incremental IEC adjustments is not effective at achieving its desired outcomes, it is no longer reasonable to maintain the current system, as it places a significant compliance burden on candidates and consumes limited auditor resources on a process that provides little, if any, current benefit.

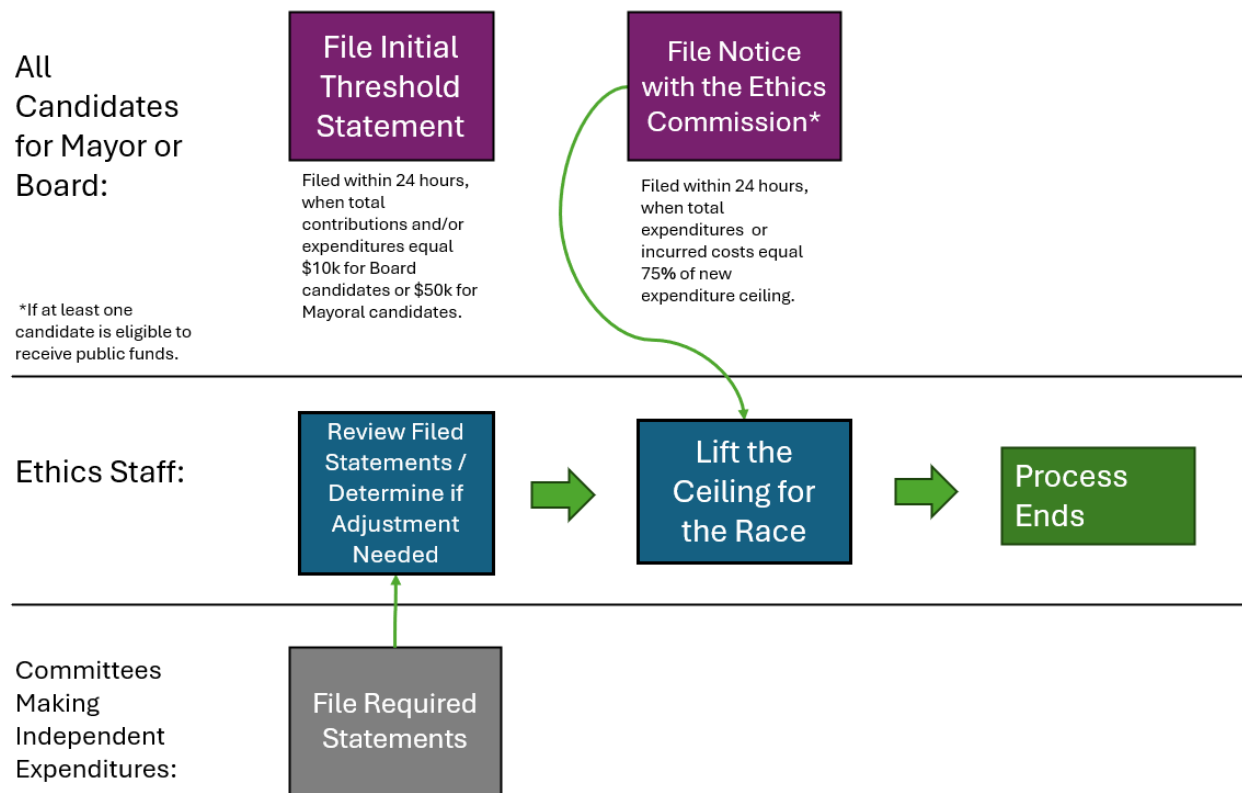
Staff recommend that the Commission adopt an expenditure ceiling mechanism that mirrors the successfully applied ‘one-and-done’ limit in other comparable jurisdictions. In such a model, the expenditure ceiling for given race would be lifted as soon as either:

1. A non-participating candidate, not subject to the expenditure ceiling, makes expenditures or receives contributions in excess of 75% percent of the ceiling in their race, or
2. Independent expenditures made in the race exceed 75% of the current expenditure ceiling in the race.

To trigger the lifting of the applicable expenditure ceiling, non-participating candidates would be required to file a notice with the Ethics Commission within one business day of making or accruing expenditures that aggregate to 75% or more of the applicable expenditure ceiling total. Additionally, Staff would monitor the level of independent expenditures made in a race to determine when independent spending exceeds 75% of the current ceiling. This will allow participating candidates to have sufficient lead time before they are surpassed by independent expenditures or spending by non-participating candidates.

In conjunction with these changes, the existing Threshold reporting requirements would be adjusted to reflect that the ongoing disclosures are no longer required. Once the revised formula indicates that any change to an expenditure ceiling is warranted, all candidates in the race would be permanently released from the applicable expenditure ceiling. A visualization of the proposed system is presented below in Figure 2.

Figure 2: Proposed Process for Lifting Expenditure Ceilings



Given the current campaign finance landscape and standing legal precedent from cases such as *Citizens United v. FEC*, it is less important to inhibit candidate spending than it is to empower candidate spending relative to independent expenditures. This is one of the primary purposes of the Public Financing Program – to empower viable candidates to run competitive campaigns. With the current landscape, that means having the resources to compete against the impact of independent expenditures. Switching to a one-time, permanent lift model of expenditure ceilings, with lessened reporting, can bring the program closer to serving this purpose because it effectively allows candidates to increase what they spend on campaigning versus compliance without giving them additional public funds.

With this proposed change, the sections of the Campaign and Governmental Conduct Code currently governing both the Voluntary Expenditure Ceilings and Individual Expenditure Ceilings would be combined for the sake of consistency. Additionally, relevant financial limits, such as the initial expenditure ceiling levels would also be adjusted to reflect changes in the California Consumer Price Index since they were last updated. Changes would also be made to clarify future adjustments based on changes in the California Consumer Price Index can be easily made by the Commission.

In summary, the proposed recommendations are as follows:

1. Reformulate the current expenditure ceilings and apply new limits across the entire race, rather than individualized to specific candidates.
2. Set a threshold and criteria that must be met for an expenditure ceiling to be permanently lifted for a given race and discontinue the current policy of adjusting limits indefinitely.
3. Adjust requirements to the additional reporting that is required under the current Public Financing Program to reflect that this level of ongoing reporting is not necessary under the revised model.

It is important to note these recommendations would not change the eligibility requirements for the Public Financing Program or change the amount of public financing a candidate may receive under the program. As such, these changes would be budget neutral, not counting any potential cost savings associated with more streamlined program administration.

The recommendations to adopt more streamlined expenditure ceiling and reporting mechanisms will reduce the reporting obligations on candidates allowing them to spend more time engaging with voters, lower the administrative burden on Commission auditors allowing them to spend more time auditing, and simplify the process for all involved.

Additional Recommendations

There are two additional recommendations related to the City's campaign finance rules included in this memorandum. While neither is related specifically to the Public Financing Program, they do involve the City's campaign finance rules more broadly. These recommendations deal with the City's campaign contribution limit and campaign communication disclaimer requirements.

Findings

In California, the Political Reform Act governs the reporting of campaign contributions and expenditures at the state and local levels – the law allows for cities and counties to adopt their own contribution limits that may differ from the state default. San Francisco is one of the jurisdictions that has adopted its own limit of \$500.³ San Francisco's limit of \$500 was set in 2009 and has not been adjusted since ([Ord. 228-06](#)).

The existence of campaign contribution limits helps to ensure that candidates are not overly reliant on fewer, wealthy contributors and mitigates an actual or perceived risk of corruption. Since its original implementation, the contribution limit in San Francisco has largely gone unchanged, with the only substantive adjustments made to reflect the move to a ranked choice voting system. Local law does not currently have statutory language that mirrors the state-law-sanctioned inflationary adjustments for contribution limits.

Given that adjustments for inflation allow for an accurate understanding of the current real value of money and the rising costs of campaigns means that candidates need to raise more funds to achieve their campaign goals, it is an appropriate time to adjust the City's limits for inflation.

³ Campaign & Governmental Conduct Code § [1.114](#).

Additionally, the Ethics Commission's Electronic Disclosure and Data Analysis (EDDA) Division has also identified a time sensitive change that must soon be made to the current disclaimer requirements for local campaign advertisements. As the Ethics Commission will soon migrate to a new web domain, [as required by State law](#), the current disclaimer language will be out of date and thus requires adjustment.

As such, additional recommendations are outlined below:

Recommendation 2: Adjustment of Contribution Limits for Inflation

Adjust the contribution limit to reflect changes to the California Consumer Price Index since the limit was created. The current \$500 limit outlined in [San Francisco Campaign and Governmental Conduct Code Section 1.114\(a\)](#) has never been adjusted. If adjusted to the nearest \$100 the new limit would be \$900. Increasing the City's limit from \$500 to \$900 would keep it comparable to other local jurisdictions, such as Los Angeles, which also has a limit of \$900. In 2024, the average contribution limit among California cities with their own local contribution limits was \$777.⁴ The new amount of \$900 would also still be significantly less than the current State limit of \$5,900.

While making this adjustment, language should also be added to codify a mechanism for regularly raising the limit going forward. Such language would allow the Ethics Commission to regularly adjust the limit to the nearest \$100, similar to how the State makes periodic adjustments to its limit. Regular adjustments would be smaller and more predictable going forward, which would be less potentially jarring for campaigns, treasurers, Commission staff, and contributors.

Recommendation 3: Advertising Disclosure Changes

Under the requirements of [AB 1637 \(2023\)](#), cities and counties must maintain websites that utilize a ".gov." or ".ca.gov" domain by January 1, 2029. The disclaimer requirements outlined in Campaign and Governmental Conduct Code Sections 1.161 and 1.162 state that campaign advertisements must contain a disclaimer with the language "Financial disclosures are available at sfethics.org." Given that the Ethics Commission will soon transition to a different web domain, the disclaimer language required in this section will be outdated at the point when the new domain becomes active. This will necessitate changes to these disclosure requirements to ensure future accuracy and compliance with State law.

Next Steps

These recommendations are being presented for feedback and discussion now, as Staff are currently working with the City Attorney's Office on drafting legislative language regarding these changes. Unless significant changes are needed based on Commissioner feedback, Staff anticipate presenting draft legislation on this item to be reviewed and potentially voted on during the next full meeting of the Ethics Commission.

⁴ California Municipal Campaign Finance Index - Common Cause California. (2025, February 4). Common Cause California. <https://www.commoncause.org/california/resources/california-municipal-campaign-finance-index/>