From: Alison Goh

To: <u>Ethics Commission, (ETH)</u>

Cc: LWVSF Advocacy; Ford, Patrick (ETH); Canning, Michael (ETH)

Subject: Letter opposing Agenda Item 8, Attachment 4 -- request to collaborate

**Date:** Friday, September 12, 2025 10:15:16 AM

Attachments: 2025-09-12 Ethics committee, Request delay to collaborate.pdf

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## Hello Patrick and Michael,

Public financing has been a top priority for the League for years because it goes right to the heart of our mission—making sure elections reflect the will of the voters, not just the biggest donors. We've seen in the cities that have public financing that it makes a real difference: candidates don't have to spend all their time fundraising, and people from different backgrounds—including women, people of color, and those from working-class communities—have a better shot at running and winning.

When voters see candidates who look like them, share their life experiences, and speak to their concerns, they're more likely to believe their vote matters—and more likely to turn out. Public financing helps engage underrepresented communities in the political process and makes our democracy stronger. San Francisco's innovative 6-to-1 matching funds system has delivered these benefits by empowering small donors and candidates with broad grassroots support.

We are asking for a delay of the vote so that we — along with partners such as California Common Cause and the California Clean Money Campaign — can collaborate with you on a better solution.

We look forward to discussing more.

Alison

Alison Goh

President president@lwvsf.org pronouns: she/her

League of Women Voters of San Francisco

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September 12, 2025

Chair Feng and Commissioners San Francisco Ethics Commission 25 Van Ness Ave, Suite 220 San Francisco, CA 94102

RE: OPPOSE AGENDA ITEM 8, Attachment 4 — REQUEST DELAY TO COLLABORATE ON OPTIONS

Dear Chair Feng and Commissioners,

Public financing has been a top priority for the League for years because it goes right to the heart of our mission—making sure elections reflect the will of the voters, not just the biggest donors. We've seen in the cities that have public financing that it makes a real difference: candidates don't have to spend all their time fundraising, and people from different backgrounds—including women, people of color, and those from working-class communities—have a better shot at running and winning.

When voters see candidates who look like them, share their life experiences, and speak to their concerns, they're more likely to believe their vote matters—and more likely to turn out. Public financing helps engage underrepresented communities in the political process and makes our democracy stronger. San Francisco's innovative 6-to-1 matching funds system has delivered these benefits by empowering small donors and candidates with broad grassroots support.

Unfortunately, the proposed changes in Agenda Item 8, Attachment 4—which we only learned about last night—could undermine many of these advantages. In brief:

**Doubling contribution limits:** While costs have risen since 2000, doubling the limit would move our elections in the wrong direction. It would increase reliance on large checks from affluent donors, disadvantage candidates with broad small-donor support, and make it harder for those using matching funds to compete with privately financed opponents. Most San Franciscans cannot give \$1,000 to a campaign; raising the cap from \$500 would



tilt the playing field toward the wealthiest contributors and away from the diverse voices public financing is meant to amplify.

**Nearly doubling personal loan limits:** Increasing the amount candidates can loan to their own campaigns to \$27,000 would primarily benefit those with substantial personal wealth, deepening the disadvantage for candidates without such resources and further skewing the playing field toward the affluent.

Replacing the incremental approach with "one-and-done": Abandoning San Francisco's fair, incremental method of adjusting expenditure limits in favor of a "one-and-done" system would risk making those limits largely ineffective and could trigger unnecessary fundraising escalations. The current approach is targeted: it raises caps only for candidates disadvantaged by independent expenditures, without giving an added boost to those who benefit from them.

As the California Clean Money Campaign letter describes, Los Angeles' "one-and-done" model has led to numerous situations where incumbents benefiting from independent expenditures can then raise unlimited sums from large donors. This undermines the balance that matching funds are meant to provide and could push publicly financed candidates into costly fundraising battles with one another—the opposite of what public financing is intended to achieve.

We appreciate the challenges staff have identified with the current system, including the high number of incremental increases, and agree it may be worth exploring an inflation adjustment for contribution and loan limits going forward.

We therefore respectfully urge you to reject the current proposed language and instead work with good-government groups such as the California Clean Money Campaign, California Common Cause, the League, and other local experts to develop an approach that strengthens San Francisco's matching funds system while addressing the concerns staff has outlined.

Sincerely,

Alison Goh

President, League of Women Voters of San Francisco

lwvsf.org

From: <u>Trent Lange</u>

To: Ford, Patrick (ETH); Canning, Michael (ETH); Abusaa, Ryan (ETH)

Cc: Ethics Commission, (ETH)

**Subject:** Letter opposing Agenda Item 8, Attachment 4 -- But request to collaborate on alternatives

Date:Friday, September 12, 2025 3:08:57 AMAttachments:CCMC Letter on SF Ethics Item 8 2025-09-12.pdf

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#### Hi Pat, Michael, and Ryan --

Please distribute the attached letter from the California Clean Money Campaign to the Ethics Commissioners before today's meeting. I apologize for the late notice — we only learned of the proposal yesterday afternoon and want to ensure the Commission has our perspective in time for consideration.

The California Clean Money Campaign opposed the February 2019 Ethics Commission proposal to move to a "one-and-done" system for lifting expenditure limits, which the Commission ultimately rejected. As we testified then, and reiterate in the attached letter, we have seen significant fairness and other problems with Los Angeles' approach.

If the Commission adopts this proposal, we will be compelled to share our concerns with the Board of Supervisors and coordinate with other good-government groups and local activists to advocate against it.

That said, we understand the challenges posed by the unnecessarily large number of incremental increases under the current system. As lead sponsors of SB 42 (Umberg-Allen-Cervantes), a bill about to pass the Legislature to repeal the ban on public financing of campaigns, we have wrestled with this same issue and developed a simple fix that we believe would sharply reduce the number of incremental increases required while preserving the basic fairness and targeted nature of your current approach.

We are asking for a delay of the vote so that we — along with partners such as California Common Cause, the League of Women Voters, and Steven Hill — can collaborate with you on a better solution.

I look forward to the opportunity to discuss this with you soon.

- Trent

--

Trent Lange, PhD
President and Executive Director
California Clean Money Campaign
Sponsor of SB 42, the *California Fair Elections Act*(310) 428-1556



Help achieve an open and accountable government

September 12, 2025

Chair Feng and Commissioners San Francisco Ethics Commission 25 Van Ness Ave, Suite 220 San Francisco, CA 94102

RE: STRONGLY OPPOSE AGENDA ITEM 8, Attachment 4 — REQUEST DELAY TO COLLABORATE ON OPTIONS

Dear Chair Feng and Commissioners,

The California Clean Money Campaign is a non-partisan, non-profit organization working since 2002 to reduce the influence of big money in California politics, with more than 15,000 supporters in San Francisco and 150,000 statewide. We are the lead sponsors of SB 42 (Umberg-Allen-Cervantes), now poised to pass the Legislature, to place the *California Fair Elections Act* on the ballot and repeal the ban on public financing of campaigns. SB 42 is coauthored by San Francisco Senator Scott Wiener and Assemblymember Matt Haney.

I apologize for the late arrival of this letter; we only became aware yesterday afternoon of these sweeping and, in our view, deeply concerning changes — **especially the "one-and-done" proposal the Commission unanimously rejected in 2019.** 

## Strong Opposition to "One-and-Done" Lifting of Expenditure Limits

SB 42 models one of its provisions on San Francisco's current, fair, and targeted method of incrementally raising expenditure limits for publicly financed candidates facing significant independent expenditures (IEs). This approach protects fairness by raising limits only for candidates who are disadvantaged by IEs — not for all candidates indiscriminately, as in Los Angeles.

Allowing limits to be completely lifted when IEs occur, as Los Angeles does, effectively eliminates expenditure limits in most competitive races. That undermines the very purpose of having limits and typically benefits incumbents who are most likely to be able to raise more than the normal expenditure limits.

We were shocked to learn the Commission has on its agenda adopting this "one-and-done" system — the same approach you unanimously rejected six years ago after hearing from us, nearly 200 San Francisco Clean Money supporters, and many others.

In our February 2019 letter, we warned that Los Angeles' rules remove ceilings for all candidates after modest IEs, leading to fundraising explosions and eroding public trust. San Francisco's incremental method, while not perfect, is vastly preferable because it prevents wholesale removal of limits after limited IEs.

Our 2019 letter demonstrated the harm of Los Angeles' approach by comparing two competitive mayoral races:

#### **Expenditures From Largest Spender in Previous Competitive Mayoral Races**

			Final	% Expenditures
Candidate	<b>Initial Ceiling</b>	Final Ceiling	Expenditures	<b>Over Initial Ceiling</b>
San Francisco London Breed, 2018	\$1,475,000	\$2,175,000	\$2,251,065	53%
Los Angeles Eric Garcetti, 2013 runoff	\$2,237,000	None	\$5,292,174	137%

San Francisco's approach limited the largest spender to a 53% increase over the initial ceiling; Los Angeles' complete removal of limits allowed a 137% increase — over \$3 million more than the initial ceiling.

Since 2019, the harms have worsened in Los Angeles. In all three 2024 Los Angeles City Council primaries with more than two candidates where the limit was lifted and at least one candidate exceeded the \$608,000 primary cap, the only candidate who actually raised enough funds to benefit from removing the ceiling was the candidate who benefited from the IEs in the first place.

In other words, the candidates that benefited from independent expenditures got a double benefit, not only from the IEs, but by being able to use their wealthy connections to blow past the normal expenditure limit that their less-well-funded matching funds opponent couldn't even reach in the first place. It will come as no surprise that in the two races involving incumbents that it was the incumbent who cynically was able to benefit from having their expenditure limits raised due to the very IEs that supported them.

In San Francisco's current iterative approach, that wouldn't have happened. The candidates that were attacked by the independent expenditures would have had <u>their</u> expenditure limits raised — which is completely fair to allow them to respond. The candidates who benefited from those IEs would not have had their limits raised.

We therefore urge you to reject the "one-and-done" approach once again.

#### **Delay Vote and Collaborate on Improvements**

We believe other good-government groups — including California Common Cause, the League of Women Voters, and the SB 42 coalition — will also oppose "one-and-done." That said, we acknowledge San Francisco's current formula can trigger too many incremental increases, creating an "expenditure limit increase spiral."

SB 42 includes a simple fix that would sharply reduce unnecessary increases while preserving fairness. Delaying today's vote would allow collaboration with you, other good government groups, and local experts like Steven Hill to refine an incremental approach that addresses concerns without dismantling the system's integrity.

#### **Opposition to Doubling Contribution and Loan Limits**

We are also deeply concerned about doubling contribution and loan limits. While inflation since 2000 is significant, doubling limits would increase reliance on wealthy donors, disadvantage candidates with small-donor bases, and make it harder for matching-funds candidates to compete with privately funded opponents. The average San Franciscan cannot afford to give \$1,000 contributions.

**In closing**: We appreciate your work and recognize the need for improvements to the incremental system. But we urge you to stand with your 2019 colleagues in rejecting the flawed and unfair "one-and-done" approach, and to delay today's vote so we can work together on better solutions — both for increasing expenditure limits and for contribution and loan thresholds.

Sincerely,

Trent Lange, PhD.

President and Executive Director California Clean Money Campaign

From: Steven Hill

To: <u>Ethics Commission, (ETH)</u>

**Subject:** For tomorrow (Fri) meeting: OPPOSE proposed changes to the public financing program, will undermine

campaign reform in SF

**Date:** Friday, September 12, 2025 2:32:33 AM

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# PLEASE DISTRIBUTE THIS TO ALL ETHICS COMMISSIONERS BEFORE FRIDAY'S MEETING

**To: SF Ethics Commissioners** 

From: Steven Hill, co-founder, FairVote, co-author of SF's public financing program

Re: Friday meeting agenda item on changes to the public financing program

Dear SF Ethics Commissioners,

Just two days ago I found out about the significant changes that Ethics staff have proposed for San Francisco's public financing program. For reasons that I will explain below, these changes were unanimously rejected by the Ethics Commission in 2019, and have not been adequately reviewed by campaign-finance reform experts and public financing advocates in San Francisco. With proper time for review, and a collaborative approach between the Ethics Commission and experts and advocates, I feel confident that a consensus can be reached. Therefore, I would request that you delay any final vote on these proposals for one month for this process to occur. Since public financing will not be needed for any San Francisco elections until June 2026, a one-month delay will still leave you adequate time for completing your work.

By way of brief introduction, I was one of the co-authors of the original legislation that was passed by San Francisco voters in 2000 and subsequently implemented. Since that time, I have worked with a number of previous ethics commissions, as well as the Board of Supervisors, to amend and update the law, including adding in 2005 the mayor's race to the original legislation focused only on the Board of Supervisors. Over the years, a number of individuals and organizations have acted as "watchdogs" on the public financing system, including organizations like FairVote, League of Women Voters, California Clean Money Campaign, Common Cause and others. I personally worked closely with the Ethics Commission and the Board of Supervisors in 2019 to shepherd a number of important amendments through the Ethics Commission, which required 4 out of 5 votes, and to reach a legally required two-thirds vote at the Board of Supervisors.

Before I get to the substance of my strong concern over the current proposal, I want to briefly mention the inadequacies of the current process. In 2019, LeeAnn Pelham was Executive Director and she sponsored a process in which local experts and advocates met with the Ethics Commission staff as well as commissioners in several face-to-face meetings *before* the drafting of the legislation. That was a process that facilitated finding common ground and consensus. Director Pelham established a sound precedent that individual and organizational advocates would be directly involved in fashioning any substantive changes. Unfortunately that has not occurred in this round of proposed changes. I have checked with many of the organizations that were involved in 2019, and none of them were consulted or invited directly to participate in this process. Most recently I spoke today, Thursday, with Common Cause's expert on ethics and campaign finance reform, and was told that the Ethics Commission staff only spoke to him TODAY for the first time, and only after I had inquired of staff, "Have you spoken to anyone at Common Cause or any of the other organizations who were involved last time?"

So the process itself has been inadequate, has ignored the potential for government-community collaboration, and has not lived up to the ethical standard that the Ethics Commission fostered in 2019.

Concern with changes to the expenditure ceiling. Now I will address my strong concern with the staff proposal to replace the current incremental increase in individual candidate's expenditure ceiling to a "one-and-done" approach in which the ceiling is removed for all candidates within a particular contest once spending by any one candidate reaches a specified amount. Since all of the current Ethics commissioners have been seated since the 2019 changes, I think it is important for you to be aware that the Ethics Commission staff, led by Mr. Pat Ford who is now Executive Director, proposed this change in 2019. And this change was unanimously rejected by the Ethics Commission. It was also rejected by the Board of Supervisors, who communicated to the Ethics Commission its unwillingness to agree to this change. Here is a link to a news article from the local publication 48 Hills, dated February 18, 2019, reporting on that Ethics Commission meeting in which Mr. Ford's proposal was unanimously rejected, specifically because it was found to not "further the purpose" of the public financing program, which any change is required to do by law (more on that below).

I am guessing that Ethics staff have showed you a number of charts and graphs purporting to illustrate that the incremental lifting of the expenditure limits has no impact on SF elections. That's what they did in 2019 as well. However, during the meetings and public hearings in 2019, the Ethics Commission heard testimony from a number of local campaign consultants who spoke from their deep expertise *in actual campaigns*. Their testimony, based on their experiences, said that as a campaign manager, if you know that there are only incremental increases in the spending cap, it changes a lot how you approach the campaign. You have to be more careful with the dollars you have, you can't just go out and freely spend because it might turn out that your opponents do not keep raising money and so at some point the cap does kick in. But if the expenditure caps are lifted entirely, it will blow campaign spending through the roof, especially the use of independent expenditures even more than today, because then candidates and their consultants will know that they can raise and spend UNLIMITED amounts of money. In effect, the "one-and-done" approach means there will be no expenditure limits at all, because independent expenditures for the most competitive candidates, as well as the candidates own spending, will quickly blow through the expenditure

limit, and at that point expenditure limits for all candidates will be removed.

This same sort of concern and testimony also came from staff representing members of the Board of Supervisors. We also heard testimony from experts from Los Angeles, most particularly from Trent Lange, director of the California Clean Money Campaign, since this "one-and-done" approach has been used in Los Angeles' matching public financing system for a number of years. Mr Lange's testimony said that in Los Angeles the "one-and-done" approach had led to skyhigh campaign spending because there was no longer any restraint whatsoever trying to tamp down expenditures. If you aren't familiar with LA politics, it might interest you to know that three recent city council members have now been sentenced to prison for corruption and violations of money in politics, and another councilor is currently on trial. While many factors have contributed to this rash of corruption, one can't help but wonder if the "one-and-done" approach, which has escalated campaign expenditures in Los Angeles, has contributed to that tragic outcome.

In 2019, this testimony was illuminating for the Ethics Commissioners, and they *unanimously* rejected this "one-and-done" approach.

#### It's time for collaboration – like in 2019

I understand why Ethics staff want to change our SF program to the same as the one in Los Angeles. They find it administratively burdensome to keep incrementally adjusting the expenditure limits for a number of candidates during the campaign season. Fortunately, there is a compromise between the current program and the LA style "no limits" approach.

Currently a piece of state legislation, SB 42, which the California Clean Money Campaign has sponsored, is about to pass both houses of the state legislature. That Senate bill has specifically modeled its proposed public financing program on San Francisco's, in particular the feature that provides incremental increases in the expenditure cap (isn't it odd that, at the exact time that Ethics staff is looking to remove this feature, the state legislature is copying it!). But it's a modified version of the SF program, and if used in San Francisco would result in the staff having to increase the expenditure limit fewer times.

So I would request that the Ethics Commission postpone approving the public financing package before you, and instead direct its staff to engage in good faith with campaign-finance experts like myself, Trent Lange from the California Clean Money Campaign, and others to find a consensus proposal that can be brought to you in time for next month's meeting.

## Staff proposals do not comply with the spirit or the letter of the law

I think it's important for the Ethics Commission to recognize that, for any proposal to be passed by the Board of Supervisors, you will need eight Supervisor's votes out of 11. That is a very high threshold to pass. When I and my co-authors wrote the public financing ballot measure, we specifically created a way to amend the public financing law without having to

go back to the voters, but only if four specific conditions were met: a four-fifths vote at Ethics; a two-thirds vote at the Board of Supervisors; and we also inserted language that says this: "The amendment furthers the purposes of this Chapter." If you have not seen the law, here is a link where you can see the four required conditions for amendment.

The reason why both the Ethics Commission and the Board of Supervisors rejected the "one-and-done" approach was because they recognized that it did not "further the purpose" of the public financing program we have in San Francisco. The law included a "Purpose and Intent" section which explicitly laid out the "purposes of this Chapter," 11 of them in fact. Here is a link to that section of the law where you can see "purposes" such as:

- (3) Create an incentive to limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign war chests for defensive purposes beyond the amount necessary to communicate reasonably with voters
- (7) Limit contributions to candidates and committees, including committees that make independent expenditures, to eliminate or reduce the appearance or reality that large contributors may exert undue influence over elected officials;

When the Ethics Commission in 2019 considered these and other "purposes" of this law, it was clear to them that the "one-and-done" approach, which would, in effect, completely remove expenditure limits from San Francisco's elections for Board of Supervisors and Mayor, was not furthering the purpose of the public financing program. That approach did not further the purpose of the program in 2019, and it still does not further it in 2025.

I encourage you to direct Ethics staff to work with myself, Trent Lange and other experts and advocates to find a consensus that is acceptable to all. Now that we experts and advocates are aware of this second attempt to once again dilute the San Francisco law into one more like the failed law in Los Angeles, we will be making our viewpoint known to the Board of Supervisors. To be honest, it seems hard to imagine that you will find eight out of 11 votes there if there is so much opposition. It seems better to work together in a collaborative spirit to find a way forward, as we did in 2019.

Sincerely,

Steven Hill

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