October 10, 2026

Hon. Argemira Flórez Feng, Chair
Hon. Yaman Salahi, Vice Chair
Hon. David Tsai, Member
Hon. Karen Bell Francois, Member
Hon. Kevin Yeh, Member
San Francisco Ethics Commission
25 Van Ness Ave, STE 220
San Francisco, CA 94102

Re: File No. 250868, Campaign Public Financing Expenditure Ceilings and Reporting Requirements, and Campaign Contribution Limits — **Strongly Oppose Unless Amended**

Dear Chair Sherrill and Members of the Government Audit and Oversight Committee,

The undersigned organizations write to respectfully but strongly oppose File No. 250868, which as drafted would disadvantage candidates with small-donor bases and increase reliance on wealthy donors by doubling the contribution limits from $500 to $1,000 and make it less fair for matching funds candidates by dismantling San Francisco's current nation-leading and fair incremental expenditure ceiling formulas.

Strongly Oppose Doubling Contribution Limits

San Francisco's campaign finance system was passed by the voters to ensure that wealthy donors don't have an outsized impact on candidate fundraising. The City's matching fund program empowers small donors by matching contributions on a 6-to-1 basis on up to $150 worth of donations, while its contribution limit of $500 ensures that contributions from wealthy donors can't completely overpower them.

File No. 250868 would upset that balance by doubling the contribution limit from $500 to $1,000. This increase would only benefit wealthy donors and candidates that have the most connections to wealthy special interests. The vast majority of voters in San Francisco could never make $1,000 contributions to candidates. While a modest increase and pegging future contribution limits to inflation might be warranted, doubling the contribution limits would put small San Francisco voters even further behind.

Strongly Oppose Dismantling of Fair Incremental Expenditure Ceiling Increase Formula

San Francisco's longtime incremental approach to increasing expenditure ceilings for matching funds candidates in the face of outside spending is a fair and elegant system. It served as the basic model for the expenditure ceiling increase formulas in the California Fair Elections Act — Proposition 4 on this November's ballot — which would repeal the ban on public financing of campaigns that currently applies outside charter cities

With the current system, every time a candidate is outspent by $50,000 or subject to third party spending attacking them or supporting one of their opponents in a similar amount, their expenditure limit is increased to let them respond, but not in a way that lets them engage in unlimited spending.

Though we appreciate that the Ethics Commission's latest proposal avoids the worst impacts of their original one-and-done proposal, we still strongly oppose the current proposal that would dismantle San Francisco's model incremental approach and not allow any increases in expenditure limits for candidates unless:

1. The total amount of independent expenditures against the candidate and those supporting the candidate's opponents exceeds 50% of the expenditure ceiling, OR
2. A non-participating candidate in that race (who is thus not subject to any spending limit), raised or spent more than 75% of the expenditure ceiling in that race.

Candidates Would Be Unable to Respond to Up to $174,999 in Outside Spending

Under this proposal, a Supervisor candidate could be attacked by up to $174,999 in outside spending — or face the same amount supporting their opponents — and be completely unable to respond by having their expenditure ceiling increased, unlike with the current incremental system.

This is not hypothetical. Per the Ethics Commission's own analysis, this proposed change would have meant that in six out of the last 15 races with publicly financed candidates, no candidate's ceiling would have been lifted — even though 4 of those 6 races saw over $100,000 in outside spending.

In the 2022 District 6 race, for example, outside groups spent $39,977 against Supervisor Dorsey and $70,034 for his opponent — a total of over $110,000 in independent expenditures benefiting his opponent. Under the current process, his expenditure ceiling was raised so he could respond. Under the Ethics proposal, he would have been stuck at the $350,000 cap since the 50% trigger wasn't met.

Denying matching funds candidates the opportunity to respond to such large independent expenditures isn't a feature. It's a terrible bug.

In Other Cases, This Proposal Would Unfairly Unleash Unlimited Spending

Consider a race where two candidates each have $100,000 in outside spending supporting them. San Francisco's incremental approach would raise the third candidate's ceiling by $100,000 — enough to respond, but not unlimited. Under the Ethics proposal, that third candidate's limit would be completely removed, allowing unlimited spending while their opponents remain capped at $350,000. This problem would only be magnified by simultaneously raising contribution limits.

This is the fundamental problem with any one-and-done threshold: A dollar below it, and candidates are unfairly barred from spending any more than their base expenditure limit to respond. A dollar above it, and candidates who accept matching funds can raise and spend unlimited amounts.

This is why we must continue to strongly oppose dismantling San Francisco's fair and elegant incremental expenditure ceiling formulas, even as we acknowledge that tweaks are needed to make them more workable.

A Proposed Compromise to Mend San Francisco's System, Not End It

We do acknowledge the issues that Ethics raises about the mechanics of the current incremental system and have proposed solutions to address them while retaining its inherent fairness:

Original Proposal to Limit Ceiling Adjustments While Making Them More Effective

Our good government coalition has put forward amendments, **sponsored by Supervisor Chan** and based on Proposition 4/SB 42, that address staff concerns about how often ceilings have to be adjusted. These amendments strengthen the system while reducing the burden on candidates and Ethics staff, resulting in a nearly eightfold decrease in ceiling increases — from 295 in 2024 under the current process to only 38 under our proposal. Perhaps most importantly, they make the ceilings relevant and effective in 5 out of 6 Supervisor races in 2024, rather than just one.[1]

New Proposal to Dramatically Decrease Administrative Burden on Candidates

The current system requires candidates to file ongoing supplemental threshold statements within 24 hours whenever they receive additional contributions or make or accrue additional expenses at increments of $10,000 for candidates for Board of Supervisors or $50,000 for candidates for Mayor. The Commission reports that they received 263 of these threshold statements in 2024.

We agree that this is excessive and believe that reporting every $10,000 increment is unnecessary for the incremental system to be effective.

We therefore propose that the reports only be required at increments of $50,000 for candidates for Board of Supervisors and $100,000 for candidates for Mayor. This would decrease the number of times that Supervisor candidates must file these reports up to fivefold.

New Proposals to Dramatically Decrease Administrative Burden on Ethics Commission

The Ethics Commission reasonably raises the concern that the current system's reporting and adjustment requirements require daily monitoring, calculating, and communicating on ceiling adjustments. We agree and propose three changes to dramatically reduce that burden:

1) Only require the Commission to calculate potential ceiling adjustments once a week, except in the last week before the election. This change in itself would dramatically reduce the Commission's workload, while still allowing the current incremental system to work effectively.

2) Only increase expenditure ceilings when the existing thresholds are exceeded by $20,000, not $1. As the Commission report describes, currently any amount of independent spending — even $1 — can necessitate a ceiling increase of $50,000. It is unnecessary and unfair for a candidate's ceiling to be increased by $50,000 based on truly small amounts of outside spending, and as the Commission reports, doing so can trigger "a cascade of additional adjustments." Only triggering increases based on larger excessive amounts, such as $20,000, would address this problem while still ensuring that matching funds candidates can still respond to large independent expenditures.

3) Implement our and Supervisor Chan's proposed "Only When It Matters" rule to only increase expenditure ceilings when a candidate's total contributions exceed 75% of their current ceiling. This change in itself would have eliminated the vast majority of the 295 ceiling increases in 2024 that were meaningless because the candidates who received the increases were never going to raise that much money anyway.

[1] See "Good Government Expenditure Ceiling Proposal Analysis" by California Clean Money Campaign, 10/29/25, www.yesfairelections.org/content/pdf/reports/cacleanmoney_expenditure_ceiling_proposal_analysis.pdf

Overall Compromise To Remove Our Opposition

For the reasons above, we will have to continue to strongly oppose File No. 250868 if it isn't amended to address the above concerns.

We would remove our opposition, however, if it were amended to (1) only increase the contribution limit to $750, in line with the $777 average contribution limit among California cities with self-imposed limits[2], and (2) retain San Francisco's incremental system with the burden-reducing amendments like the ones described above.

The choice before you is simple: preserve and strengthen San Francisco's leading matching funds system and contribution limits that empower small donors — or weaken both, empower wealthy donors, lessen matching funds candidates' ability to respond to outside spending, and erode public trust in City elections.

Sincerely,

California Clean Money Campaign
California Common Cause
Indivisible San Francisco
League of Women Voters of San Francisco

[2] "California Municipal Campaign Finance Index", California Common Cause, 1/28/25. https://www.commoncause.org/california/resources/california-municipal-campaign-finance-index/