



Weekly Management Report

November 22, 2023

1. Memo

Mayor Anthony's Request Regarding the Implementation of Publicly Matching Funds and Waiving Candidate Statement Fees for City of Burbank General Municipal Elections
City Clerk's Department

MEMORANDUM



CITY CLERK'S OFFICE

DATE: November 21, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Kimberley Clark, City Clerk
BY: Melissa Dekermenji, CMC, Records Manager

SUBJECT: Memorandum on Mayor Anthony's Request Regarding the Implementation of Publicly Matching Funds and Waiving Candidate Statement Fees for City of Burbank General Municipal Elections

BACKGROUND

At the January 10, 2023, City Council Meeting, Mayor Anthony requested a follow-up to his June 2022 request regarding publicly matching funds for the city election and waiving the candidate statement fee for candidates who collect a certain number of signatures.

DISCUSSION

In January 2023, the City Clerk's Office conducted a City Clerk Listserv Query and conducted additional phone surveys (Attachment 1). A review of the responses indicated that most of do not have a publicly matching funds program. Of the 36 cities that responded, five have Public Matching/Financing programs: Berkeley, Long Beach, Los Angeles, Oakland, and San Francisco. These cities received approval from their respective voters prior to implementation. For example, Berkeley voters adopted the Berkeley Fair Elections Act of 2016. This ballot measure created a voluntary program providing public matching funds for candidates running for the office of Mayor or Councilmember. In 2022, the program was expanded to include Auditor, School Board Director, and Rent Stabilization Board Commissioner candidates. Participating candidates are eligible to receive a 6-to-1 match on qualifying contributions of up to \$60 (or \$360 total).

Oakland voters recently approved Measure W – Democracy Dollars, which gives each registered voter \$100 annually to put towards the political campaign of their choice; this measure will be implemented in 2024. The Democracy Dollars program models the

Democracy Vouchers program. Prior to approving Democracy Dollars, the City of Oakland did have a Publicly Matching Funds Program. In discussing this program with City of Oakland staff, they found that the Publicly Matching Funds program tends to favor incumbents rather than candidates who are running for the first time.

Seattle was the first city in the nation to introduce this type of public campaign financing. Their Democracy Voucher program is overseen by the Seattle Ethics and Elections Commission (SEEC). The SEEC is comprised of three staff members—one manager who oversees two staff members. In election years they hire two temporary workers for approximately 6-7 months. Upon the first year of implementation, the City of Seattle received a 3% return rate and are currently experiencing a 9.9% return rate meaning that most of the funding was not utilized. Seattle’s Democracy Voucher program is funded by a 10-year property tax levy of \$3 million per year. In the 2021 election, the program cost the City of Seattle \$4,698,480. In 2020 (a non-election year for local races) the program cost \$648,530.

City	Year Approved	Approved By	Administering Agency	Total Budgeted Matchable Funds
Berkeley	2016	Measure X1	Berkeley Fair Campaign Practices Commission	\$500,000 annually (fund capped at \$2,000,000 and administrative and enforcement costs; shall not exceed \$250,000 in any four-year election cycle)
Long Beach	1994	Proposition M	City Clerk	\$1,800,000 included election cost
Los Angeles	1990	Proposition H	City of Los Angeles Ethics Commission	<u>City Council</u> \$182,000 (P) \$228,000 (G) <u>City Controller</u> \$486,000 (P) \$547,000 (G) <u>City Attorney</u> \$547,000 (P) \$637,000 (G) <u>City Mayor</u> \$1,215,000 (P) \$1,457,000 (G) Matching funds trust fund and adjust numbers for the consumer price index

Oakland	1999 2022 <i>(updated)</i>	Measure W – Democracy Dollars	City of Oakland Public Ethics Commission	\$177,000 available for all candidates \$35,400 Matching Program focused on just Council District seats (only 5 candidates participated) \$4,000,000 budget for Democracy Dollars, all elected offices (General Fund)
San Francisco	2000	Proposition O	City and County of San Francisco Ethics Commission	Fund capped at \$7,000,000

Candidate Statement Fee Waivers/Subsidies

The responses indicated that most cities neither waive nor subsidize the Candidate Statement Fees, but three of the 36 cities surveyed do pay the entire fee of the Candidate Statement and two pay a subsidy towards this cost. The City of Burbank previously provided a \$300 subsidy towards the Candidate Statement, however, beginning with the November 2020 election, the City Council voted to have candidates bear the entire cost of the Candidate Statement. Additionally, of the 36 cities that responded to the Listserv, the City Clerk's Office found that one city does not charge a filing fee and three cities waive the filing fee for the Candidates.

Estimated Cost of Ballot Initiative

If the City Council chooses to place a measure on the ballot, the County estimates that the cost would be approximately \$350,000 (County services only) to include such a measure in a consolidated election. Additional funding would be needed for mandated legal notices, translation costs, and voter outreach materials. If additional costs are incurred from the County by reason of this consolidation, the City agrees to reimburse the County for any costs.

CONCLUSION

Given the relatively high cost of enacting, funding, and administering a public matching funds program, and varying levels of utilization by candidates in cities with such programs, City Council should carefully consider budget and community benefit trade-offs for other uses of such funds.

ATTACHMENTS

Attachment 1 – City Clerk Listserv Query and Phone Survey

Attachment 2 – City of San Francisco Introduction to the San Francisco Public Financing Program

City	Does your City publicly match funds for your city election? No If yes, what is the match ratio and what is the maximum matchable amount?	Does your City waive the candidate statement fee for candidates who collect a minimum amount of signatures? If so, how many signatures?	Does your City subsidize part of the Candidate Statement cost? Yes If so, how much does the City contribute?
Berkeley	Yes	No	Berkeley pays for the full cost of the candidate statement, there is no cost to the candidate.
Carmel-by-the-Sea	No	No	No
Chino Hills	No	No	No
Costa Mesa	No	No	No
Fort Bragg	No	No	Fort Bragg pays all costs of candidate statements in both English and Spanish for all candidates for City Council.
Fullerton	No	Only the candidate filing fee, not statement	No
Glendale	No	No	Yes the City of Glendale will pay the Candidate Statement fee if the Candidate participates in the Local Election Candidate Assistance Program where they agree to not accept contributions in excess of \$50,000. If they accept more they do not qualify for this program and will pay the entire cost of the Candidate Statement.
Kingsburg	No	No	No
La Cañada Flintridge	No	No	No
La Habra	No	No	No
Lake Elsinore	No	No, just the filing fee can be waived with a certain amount of signatures. 4 qualified signatures per \$1 totaling \$25.00. 100 qualified signatures total.	No
Long Beach	Yes	No	No

Los Angeles	Yes	We do have candidate filing fees that are waived if candidates obtain 1,000 valid signatures, as opposed to 500 valid signatures with a \$300 fee.	No
Los Gatos	No	No	No
Monrovia	No	No	No
Napa	No	No	We only charge the candidate \$200 for English and Spanish. The City subsidizes the rest. If they wanted another language they would have to pay the cost.
Norwalk	No	No	No
Orange	No	No	No
Pasadena	No	No	The candidate pays for the printing of the candidate statement in English, and English and Spanish in the English book if the candidate so chooses. The City pays for the cost to translate and print candidate statements in the required languages when printed in those language pamphlets.
Perris	No	No	No
Pismo Beach	No	No	No
Pleasant Hill	No	No	No
Sacramento	No	The City does not charge a candidate fee for filing Nomination Papers.	No
Santa Clarita	No	No	No
Santa Monica	No	No	Santa Monica does not charge candidates for their statements. The City incurs the cost for the candidate statements and translations.
Santa Rosa	No	No	No
Simi Valley	No	No	No
South Gate	No	No	No
South Lake Tahoe	No	No	No

Sunnyvale	No	100 signatures for District Council Candidates and 250 signatures for Mayoral Candidates. If candidates receive fewer than 100/250, they receive a partial subsidy. See Sunnyvale Municipal Code Section 2.28.030. In lieu petitions for cost of candidate's statement for additional information.	No
Temple City	No		No
Thousand Oaks	No		No
Torrance	No		No
Vacaville	No		No
Westlake Village	No		No
Whittier	No		The City subsidizes 60% of the cost.

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.

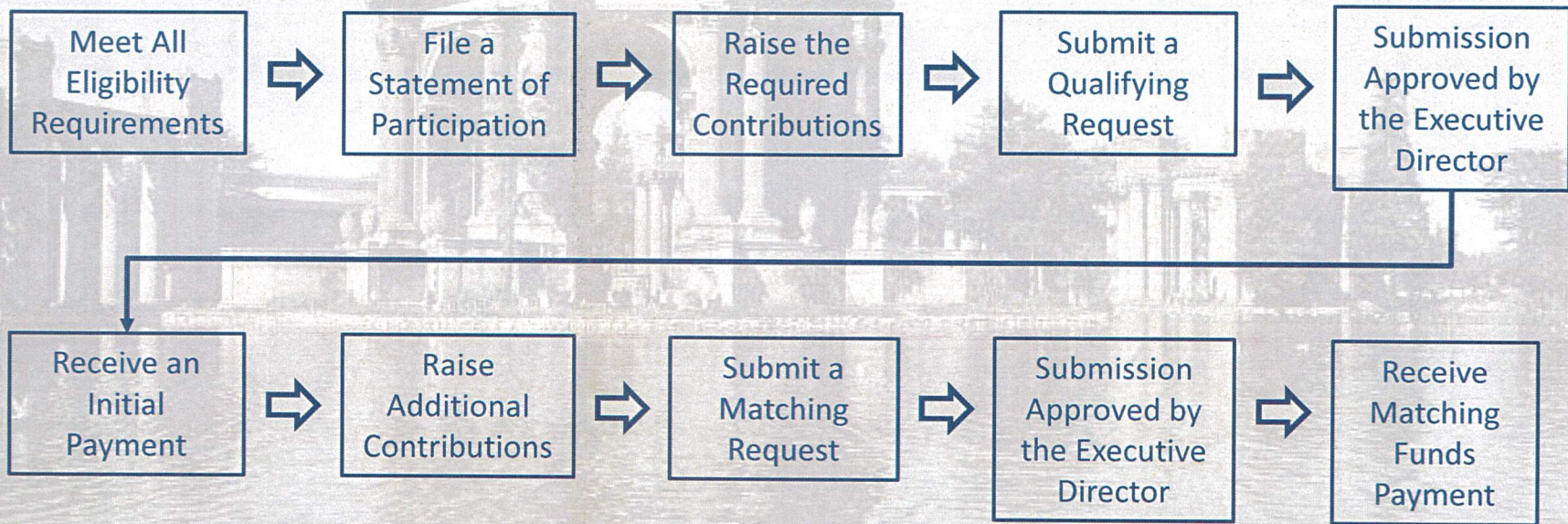
- The Ethics Commission's Supplemental Guides for Public Financing
- The Ethics Commission's Candidates' Guide for City Elective Office
- The Fair Political Practice Commission's Manual 2

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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- Getting Started
- Good Recordkeeping
- Important Dates
- Qualification Requirements

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- Matching Request & Disbursement of Funds

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ELIGIBLE CANDIDATES

- Additional Disclosures
- Individual Expenditure Ceilings
- Use of Public Funds
- Post-Election Procedures



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
- Qualification Requirements

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.

S.F. Campaign & Governmental Conduct ("S.F. C&GC") Code § 1.109; Cal. Gov't Code § 84104; 2 Cal. Code of Regs. § 18401.

➤ BEFORE APPLYING

- Getting Started
- Good Recordkeeping
- Important Dates
- Qualification Requirements

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



Raise the Required Contributions



Submit a Qualifying Request

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

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

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

➤ BEFORE
APPLYING

- Getting Started
- Good Recordkeeping
- Important Dates
- Qualification Requirements

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.

S.F. C&GC Code § 1.140; SFEC Regulations § 1.140-1



PART II
ESTABLISHING ELIGIBILITY

➤ ESTABLISHING
ELIGIBILITY

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

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.

➤ ESTABLISHING ELIGIBILITY

- Qualifying Request & Contribution List
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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.

S.F. C&GC Code § 1.142; SFEC Regulation § 1.142-2

➤ ESTABLISHING
ELIGIBILITY

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

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.

S.F. C&GC Code § 1.142; SFEC Regulation § 1.142-2

➤ ESTABLISHING
ELIGIBILITY

- Qualifying Request & Contribution List
- Review of Application
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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.

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.
- 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.

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

➤ ESTABLISHING ELIGIBILITY

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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.

S.F. C&GC Code § 1.142; SFEC Regulation § 1.142-6

➤ ESTABLISHING ELIGIBILITY

- Qualifying Request & Contribution List
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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

An aerial photograph of San Francisco, California, featuring the Golden Gate Bridge on the left and the city skyline in the background. The image is overlaid with a semi-transparent white rectangle containing the text "PART III ELIGIBLE CANDIDATES".

PART III
ELIGIBLE CANDIDATES

➤ ELIGIBLE CANDIDATES

- Additional Disclosure Requirements
- Individual Expenditure Ceilings (IECs)
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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.

S.F. C&GC Code § 1.152; SFEC Regulation § 1.152-1 & 1.152-2

➤ ELIGIBLE
CANDIDATES

- Additional Disclosure Requirements
- Individual Expenditure Ceilings (IECs)
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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](#).

S.F. C&GC Code § 1.104, 1.140 & 1.143; SFEC Regulation § 1.140-2 & 1.140-5

➤ ELIGIBLE
CANDIDATES

- Additional Disclosure Requirements

- Individual Expenditure Ceilings (IECs)

- Use of Public Funds

- Post-Election Procedures

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.

S.F. C&GC Code § 1.148; SFEC Regulation § 1.148-1

➤ 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 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.

S.F. C&GC Code § 1.148 & 1.150

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.