



September 4, 2019

Submitted electronically to [john.carroll@sfgov.org](mailto:john.carroll@sfgov.org)

The Honorable Gordon Mar  
Chair, Government Audit & Oversight Committee  
San Francisco Board of Supervisors

Dear Chair Mar and Members of the Committee,

The Campaign Legal Center (“CLC”) respectfully submits this letter in support of the proposed ordinance to amend San Francisco’s public financing program.<sup>1</sup> CLC is a nonpartisan, nonprofit organization dedicated to protecting and strengthening American democracy across all levels of government. Since the organization’s founding in 2002, CLC has participated in every major campaign finance case before the U.S. Supreme Court, and in numerous legislative and regulatory proceedings. Our work promotes every citizen’s right to participate in the democratic process and to know the true origin of funds spent to influence elections.

CLC strongly supports the proposed ordinance as a measure to expand San Franciscans’ participation in city campaigns and promote engagement between local candidates and their prospective constituents. The vast amount of money being raised and spent in U.S. elections has left many Americans feeling excluded from the political process, and campaign contributions increasingly come from a small group of wealthy and well-connected donors.<sup>2</sup> As an alternative to campaigns financed entirely by private contributions, public financing can amplify the voices of all citizens in our elections—not just those who can afford to provide large contributions—and expand political participation among the public at large. Accordingly, public financing advances both the goals of the San Francisco

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<sup>1</sup> File No. 190660,  
<https://sfgov.legistar.com/LegislationDetail.aspx?ID=3975469&GUID=9F32D481-9A00-4470-ADFC-60FE40F1E456>.

<sup>2</sup> In 2016, half of all campaign contributions to federal candidates came from only 15,810 individuals. By comparison, 73,926 individuals accounted for half of all contributions given to federal candidates in 2000. See NATHANIEL PERSILY, ROBERT F. BAUER, & BENJAMIN L. GINSBURG, BIPARTISAN POLICY CTR., CAMPAIGN FINANCE IN THE UNITED STATES: ASSESSING AN ERA OF FUNDAMENTAL CHANGE 22 (Jan. 2018), <https://bipartisanpolicy.org/wp-content/uploads/2018/01/BPC-Democracy-Campaign-Finance-in-the-United-States.pdf>.

Campaign Finance Reform Ordinance and the underlying aims of the U.S. Constitution.<sup>3</sup>

The proposed ordinance would make two key changes to San Francisco's public financing program. First, the proposal would increase the maximum amount of public funding available to city candidates in the program. Additionally, it would heighten the program's matching funds rate to six-to-one for contributions of up to \$150 made by city residents to participating candidates. Both changes would advance the objectives of the public financing program by providing stronger incentives for local candidates to maximize their voter outreach and for San Francisco residents, in turn, to become more involved with city campaigns.

A substantial body of research demonstrates that public financing programs offering competitive levels of funding and a high rate of public-to-private dollar matching can substantially boost local participation in elections. An analysis of New York City's matching funds program, which allows the maximum amount of public funding available to participating candidates to exceed more than half of the candidates' expenditure limits, found that the city's implementation of a four-to-one matching funds rate, in 2001, resulted in significant increases both in the number of individual donors of \$250 or less to city campaigns and in the proportional significance of those donors' contributions to competitive city council candidates participating in the program.<sup>4</sup> These findings were generally consistent across challengers, incumbents, and open-seat candidates.<sup>5</sup> A separate study of New York City's program similarly concluded that the city's decision to increase its matching funds rate to six-to-one, beginning in 2009, further increased the number of campaign contributions from donors of \$250 or less, and resulted in candidates raising a higher percentage of their total campaign funds from that bloc of donors.<sup>6</sup>

Research has also found that New York City's matching funds program has bolstered political participation among a larger and more demographically diverse portion of the city's population. A statistical assessment of donors to New York City campaigns found that 89% of the city's census-block groups had at least one resident who donated \$175 or less to a city candidate during the 2009 municipal elections.<sup>7</sup> By comparison, in 2010, only 30% of New York City's census-block groups contained at least one individual donor of \$175 or less to candidates for the New York State

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<sup>3</sup> See S.F. Campaign & Gov't Conduct Code § 1.100.; see also Stephen Breyer, *Our Democratic Constitution*, 77 N.Y.U. L. REV. 245 (2002).

<sup>4</sup> Michael J. Malbin et al., *Small Donors, Big Democracy: New York City's Matching Funds as a Model for the Nation and States*, 11 ELECTION L.J. 3, 9-10 (2012), [http://www.cfinst.org/pdf/state/NYC-as-a-Model\\_ELJ\\_As-Published\\_March2012.pdf](http://www.cfinst.org/pdf/state/NYC-as-a-Model_ELJ_As-Published_March2012.pdf).

<sup>5</sup> *Id.*

<sup>6</sup> Michael J. Malbin & Michael Parrott, *Small Donor Empowerment Depends on the Details: Comparing Matching Fund Programs in New York and Los Angeles*, 15 FORUM 219, 232-33 (July 2017), <https://www.degruyter.com/downloadpdf/j/for.2017.15.issue-2/for-2017-0015/for-2017-0015.pdf>.

<sup>7</sup> ELISABETH GENN ET AL., BRENNAN CTR. FOR JUSTICE, DONOR DIVERSITY THROUGH PUBLIC MATCHING FUNDS 10 (2012), [https://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport\\_WEB.PDF](https://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport_WEB.PDF).

Assembly, who are *not* eligible for matching funds.<sup>8</sup> In addition, the study determined that census-block groups with at least one donor of \$175 or less to a city candidate were statistically less affluent and more racially diverse than census-block groups with at least one “large donor,” defined as an individual contributor of \$1,000 or more, strongly suggesting that the matching funds program has fostered electoral engagement among politically underrepresented groups.<sup>9</sup>

Building on the successes of the city’s matching funds program, over 80% of New York City voters approved a set of charter amendments last November in order to further expand participation in local campaigns. Starting in 2021, all participating candidates in New York City’s program will be eligible to receive matching funds at an eight-to-one rate for contributions made by city residents.<sup>10</sup> Likewise, the charter amendments will increase the maximum amount of public funding available to candidates in New York City’s program.<sup>11</sup> Along with New York City, Los Angeles also amended its public financing program last year, increasing both the program’s matching funds rate, to six-to-one, and the total amount of public funds available to participating candidates in the program.<sup>12</sup>

CLC urges the Committee to support the proposed amendments to San Francisco’s public financing program so that these important changes are in effect for the city’s 2020 election. If it would be helpful to the Committee in its consideration of the proposed ordinance, we would be happy to provide additional information about public financing programs in other cities and states.

Respectfully submitted,

/s/

Austin Graham  
Legal Counsel, State & Local Reform

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 14.

<sup>10</sup> *Proposal 1: Campaign Finance*, N.Y.C. Campaign Fin. Bd., <https://www.nyccfb.info/nyc-votes/vgwelcome/state-general-2018/ballot-proposals/proposal-1/?languageType=English>.

<sup>11</sup> *Id.*

<sup>12</sup> Press Release, L.A. Ethics Commission, Small Contributions Now Have Greatest Impact in Los Angeles History (Jan. 28, 2019), <https://ethics.lacity.org/news/small-contributions-now-have-greatest-impact-in-los-angeles-history/>.