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Good Government Counter Proposals to SF Ethics “Streamlining Proposals”

October 8, 2025

1. Contribution Limits

Strongly Oppose Doubling Contribution Limits to \$1,000 from \$500: 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. Most voters cannot afford such large contributions.

Strongly Prefer Keeping Limits at \$500: San Francisco candidates who use public financing don’t need higher contribution limits because Supervisor candidates can receive \$250,000 in matching funds — 71% of the normal \$350,000 Individual Expenditure Ceiling (IEC). Matching funds are meant to empower small donors, and raising the limit undermines that goal. We could support beginning inflation indexing now.

2. Limits on Self-Loans to Candidates

Strongly Oppose Nearly Doubling Limits on Personal Fund Loans. Increasing the amount candidates can loan to their own campaigns would only benefit those with substantial personal wealth, since non-wealthy candidates cannot afford to loan significant funds to their campaigns in the first place.

Current law allows Supervisor candidates to make \$15,000 personal loans to their campaigns and Mayoral candidates to make \$120,000. That is plenty to jump-start their campaigns. Allowing wealthy candidates to personally loan \$27,000 to their Supervisor campaigns or \$213,000 to their Mayoral campaigns further advantages those who are wealthy enough to self-fund over those who cannot.

We Will Not Oppose Indexing Loan Limits to Inflation if Rest of Our Proposed Compromises Are Accepted.

3. Strongly Oppose “One-and-Done”: It Means Unlimited Spending for Publicly Funded Candidates

We strongly oppose the One-and-Done proposal because, as the experience of Los Angeles clearly shows, it effectively abolishes expenditure limits in most competitive races, allowing publicly funded candidates to spend without limit once the trigger is met.

In 2024, expenditure limits would have been removed in every Supervisor race except Districts 7 and 9. When combined with higher contribution limits, this change will fuel fundraising arms races, give greater advantage to candidates able to raise the most from wealthy interests, and erode public trust in San Francisco elections.

Experience in Los Angeles Shows Unfairness of One-And-Done. In all four Los Angeles City Council races in 2024 where candidates actually exceeded the initial expenditure cap after One-and-Done eliminated it, the candidate who benefited was always the one backed by the independent expenditures that triggered the cap’s removal — allowing them to spend even more and double their advantage.

For example, in the Council District 2 primary, the \$618,000 cap was lifted for all candidates because former Assemblymember Adrin Nazarian had \$1.186 million in IEs supporting him. Did removing the cap help his opponents raise and spend enough to counter those IEs? No. None even reached the original \$618,000 limit. Instead, it freed Nazarian to raise and spend without limit — \$277,197 over the cap, for a total of \$895,197.

Similar situations occurred in the three other races where cap removal mattered — each one advantaging incumbents or former legislators, including Nazarian again in the general election.¹ This system rewards candidates with wealthy allies making huge IEs by allowing them to raise and spend even more — a direct affront to the purpose of expenditure limits.

San Francisco should not follow Los Angeles down this One-and-Done “unlimited expenditures for publicly financed candidates” path, which amplifies the advantage of large IEs by enabling their favored candidates to pile on even more spending.

Ethics One-and-Done Proposal Is Also Highly Problematic in Races Where It Isn’t Triggered: If no privately funded candidate meets the threshold to trigger One-and-Done, the Ethics proposal would allow one candidate to receive up to \$308,000 in outside supportive funds (just under 75% of \$412,000) without the other candidates’ expenditure limits being increased to allow them to respond. This is highly unfair.

This isn’t a hypothetical problem. In last year’s District 7 and 9 races, three candidates received \$49,000 or more in outside supportive funds, but overall outside spending was less than 75% of the IEC, so none of the opposing candidates would have had their IEC raised to allow them to respond.

One-and-Done Clearly Does Not “Further the Purpose” of the Public Financing Program. According to Section 1.103 of the Public Financing Program, the Board of Supervisors may amend this Chapter only if “the amendment furthers the purposes of this Chapter.”² One-and-Done:

Violates Purpose (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;”*

— Completely removing expenditure limits in most competitive races directly defeats this purpose.

Violates Purpose (4): *“Reduce the advantage of incumbents and thus encourage competition for elective office;”*

—As shown in Los Angeles, One-and-Done removal of expenditure limits typically benefits incumbents who are more likely to receive large IEs in their favor than their challengers.

Violates Purpose (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;”*

— Completely removing expenditure limits in most competitive races directly defeats this purpose.

Our Proposal: Mend It, Don’t End It, Using SB 42’s Formulas and an “Only When it Matters” Rule

Why Incremental IEC Formulas Are Critical: The incremental formulas for increasing IECs are targeted and designed to ensure that candidates can raise extra funds to respond to outside spending and privately funded candidates — *without eliminating the caps or rewarding candidates who benefit from such outside spending.*

Why Current Incremental Formulas Need Updating: As staff correctly points out, the current Ethics formulas (1) cause too many separate increments of the IECs to be raised, and (2) rarely constrain candidate spending. But there is a much better solution than throwing out IECs entirely in competitive races.

Changing to SB 42 Formulas Plus an “Only When it Matters” Rule Addresses These Problems:

SB 42 (Umberg-Allen-Cervantes), currently on Governor Newsom’s desk and co-authored by Senator Scott Wiener and Assemblymember Matt Haney, contains formulas that substantially resolve these issues. SB 42’s primary purpose is to repeal the statewide ban on public funding of campaigns, but it also establishes best-practice restrictions on how expenditure limits may be raised, modeled on San Francisco’s incremental

¹ See “LA” tab of California Clean Money Campaign analysis Google Sheet:
<https://docs.google.com/spreadsheets/d/16ndzNp38vSF1qS5dbq3QqutV73kcGXUT00fqiHVm1Ps/edit?gid=513347669#gid=513347669>

² https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_campaign/0-0-0-36

approach. SB 42 incorporates two key fixes that California Clean Money Campaign identified for San Francisco's current formulas. Here is how applying them would address staff's concerns and improve the system:

1) Replace "Total Supportive Funds" with "Net Supportive Funds": Regulation 1.143-2 instructs the Executive Director to increase a candidate's IEC *"when the sum of the highest Total Supportive Funds of any other candidate and the total opposition spending against the candidate"* exceeds their IEC.

Total Supportive Funds is essentially the amount a candidate has raised plus the amount of outside supportive spending they've benefited from. When a candidate benefits from \$200,000 in outside supportive spending, their Total Supportive Funds is higher, triggering an increase of \$200,000 in every other candidates' IEC — a fair provision that allows opponents to spend more to match the advantage created by that outside support.

However, Total Supportive Funds does not account for how much has been spent against a candidate. If the same candidate who received \$200,000 in outside supportive spending was also the target of \$200,000 or more in outside opposition spending, they have not received a *net* benefit from outside spending. In that situation, there is no reason their opponents need a higher IEC to "catch up," because the outside support has already been neutralized by the opposition spending.

Our SB 42-based proposal would replace "Total Supportive Funds" with "Net Supportive Funds" — subtracting Total Opposition Spending from Total Supportive Funds. This solves the problem by preventing artificial IEC increases when outside supportive spending is offset by opposition spending. See the attachment for the amended definition and below for an analysis of how this change would improve incremental IECs and reduce Ethics staff workload in practice.

2) Account for Total Outside Supportive Spending When Raising a Candidate's IEC: Regulation 1.143-2 considers outside spending *against* a candidate but not outside supportive spending *for* the candidate.

Under current rules, if the highest Total Supportive Funds received by any opposing candidate equals the base IEC, and a candidate has \$200,000 in outside opposition spending against them, that candidate's IEC will be increased by \$200,000 — a fair provision that allows them to raise and spend more to counter the outside opposition.

However, the current rules don't take into account when that same candidate also has outside supportive spending. In the example above, if a candidate also has \$200,000 in outside supportive spending, it offsets the opposition spending, meaning the candidate doesn't need their IEC raised.

Likewise, the current rules don't take into account when a candidate has been attacked by outside opposition spending but has little or no outside supportive spending. In that case, it is fair for their IEC to be raised by an equivalent amount so they can respond.

Our SB 42-based proposal would subtract total outside supportive spending from the current law IEC-increase calculation. This ensures IECs aren't unnecessarily raised when opposition spending is neutralized by supportive spending and also allows a candidate's IEC to be raised when they are disadvantaged by outside opposition. See our proposed amendments to Regulation 1.143-2 in the attachment.

3) Modified Increments — Increase a Candidate's IEC "Only When It Matters": One justified staff complaint is that IECs are raised repeatedly without affecting races, and that this results in a lot of unnecessary reporting and work. By our count from last year's press releases, there were 85 IEC increases in last year's mayoral race, most with no impact. For example, the last three increases for London Breed raised her IEC from \$13.3M to \$13.55M to \$14.55M to \$16.05M — even though she had only raised just over \$2M, so those increases made no difference whatsoever.

We propose amending regulations to *increase IECs only when a candidate's total contributions are within 75% of their current IEC.* Our simulations of this change, combined with our SB 42 changes above, show it would have reduced IEC increases in last year's mayoral race from 85 to just 6.

Positive Effects of Our Proposed Changes

California Clean Money Campaign ran simulations of all 2024 Supervisor and Mayoral races to compare the current Ethics formulas with our proposal.³

Example: 2024 District 7 Race Where Proposed Formulas Would Have Made a Major Difference

Candidate	Total CTBs Reported by Candidate	3 rd Party Supportive Funds	Total Opposition Spending	Ethics Final IEC	Proposed Formula Final IEC
Boschetto, Matthew	\$400,633	\$49,325	\$36,306	\$400,000	\$350,000
Melgar, Myrna	\$339,740	\$1,006	\$2,505	\$500,000	\$400,000
Martin-Pinto, Stephen	\$10,288	\$0	\$0	\$450,000	\$350,000

In this race, Matthew Boschetto's IEC was raised to \$400,000, letting him spend an extra \$50,000 despite receiving \$49,325 in outside supportive spending versus only \$36,306 in opposition spending. This made the IEC essentially toothless and gave him an additional, unwarranted financial edge.

Under our proposal, his IEC would have stayed at \$350,000, allowing Myrna Melgar and the other candidate to remain more financially competitive — the very purpose of incremental IEC increases. Our formulas would also have cut IEC increases in this race from six to just one. Stephen Martin-Pinto, whose IEC was raised three times, would not have had it raised at all since he never reached 75% of his IEC.

Overall, our SB 42-based formulas and “only when it matters” rule would make incremental IECs far more relevant and fair, while greatly reducing the burden on staff and campaigns. Simulations show that in last year's races, IECs under our proposal would have created a more level playing field in five of six Supervisor contests — compared to only one under current formulas (and that one barely) — while cutting total IEC increases five-fold, from 193 to just 38.

Overall Formula Comparison

Races	Current Law Average IEC	IECs That Impact Race	Total IEC Increases	Proposed Formula Average IEC	IECs That Impact Race	Total IEC Increases
Mayoral	\$16,050,000	0/1	85	\$6,000,000	0/1	6
Supervisor	\$608,931	1/6	108	\$373,215	5/6	32
Total		1/7	193		5/7	38

Attached are our draft amendments to implement these improvements. We look forward to discussing them and are open to the exact details.

³ The Google Sheet with all these calculations, based on the data from the Ethics Commission's press releases, are at: <https://docs.google.com/spreadsheets/d/16ndzNp38vSF1qS5dbq3QqutV73kcGXUTO0fqjHVM1Ps/edit?usp=sharing>. Contact Trent Lange, tlange@caclean.org for questions on the calculations.

Draft Amendments to Implement Proposed Solutions

SEC. 1.104. DEFINITIONS.

“~~Net Total~~ Supportive Funds” shall mean the sum of all contributions received by a candidate committee supporting a candidate for Mayor or the Board of Supervisors, other than any funds that exceed the candidate’s Individual Expenditure Ceiling, plus the total outside supportive spending for that candidate, minus the total opposition spending against that candidate. ~~expenditures made or expenses incurred by any person or persons for the purpose of making independent expenditures, electioneering communications or member communications in support of that same candidate.~~

"Total Outside Supportive Spending" shall mean the sum of any expenditures made or expenses incurred by any person or persons for the purpose of making independent expenditures, electioneering communications or member communications in support of a specific candidate for Mayor or the Board of Supervisors.

Regulation 1.143-2: Lifting of Individual Expenditure Ceiling.

(a) The Executive Director will raise the individual expenditure ceiling of a candidate for the Board of Supervisors who has been certified as eligible to receive public funding when the sum of the highest ~~net total~~ supportive funds of any other candidate and the total opposition spending against the candidate minus the total outside supportive spending for the candidate exceeds \$350,000 by any amount. The Executive Director may only raise an individual expenditure ceiling in increments of \$50,000. The Executive Director will review information provided on Forms SFEC-152 and, in his or her discretion, any other relevant information to determine whether it is appropriate to raise an individual expenditure ceiling.

(b) The Executive Director will raise the individual expenditure ceiling of a candidate for Mayor who has been certified eligible to receive public funding when the sum of the highest ~~net total~~ supportive funds of any other candidate and the total opposition spending minus the total outside supportive spending for the candidate against the candidate exceeds \$1,700,000 by any amount. The Executive Director may only raise an individual expenditure ceiling in increments of \$250,000. The Executive Director will review information provided on Forms SFEC-152 and, in his or her discretion, any other relevant information to determine whether it is appropriate to raise an individual expenditure ceiling.

(c) Notwithstanding subsections (a) and (b), the Executive Director shall only raise the individual expenditure ceiling of a candidate for Board of Supervisors or Mayor when the sum of all contributions received by the candidate are at least 75% of the candidates’ individual expenditure ceiling.