

Section 3 –
When Donors Gave in 2011 &
Why Disclosure Laws Aren’t Keeping Up

This section examines when San Francisco campaign committees received monetary contributions from their donors in 2011ⁱ.

Table 1 - 2011 Itemized Contributions Received by SF Committees

Time frame	Amount	Candidates	Ballot Measure Committees	General Purpose Committees	Contributions under \$1,000
Entire year	\$15,597,706	\$7,595,513	\$3,543,394	\$4,458,799	\$7,732,555
16-day “late period” ⁱⁱ for disclosure	\$2,440,706	\$874,562	\$636,975	\$929,169	\$877,288
Election Day	\$111,504	\$35,255	\$11,250	\$64,999	\$36,354
Post election	\$746,586	\$358,176	\$218,441	\$169,969	\$294,596

The time frame distinctions in the table above suggest the presence of a spike in fundraising during the 16-day “late period” immediately before the election, especially for the General Purpose Committees (GPCs), which took in \$929,169 during that time. This would make sense, given the campaign demands for public outreach during the weeks immediately preceding the election.

When campaign contributions flow the most, we might assume that law would prioritize disclosure to the same extent, but that’s not the case here. We learn less about the contributions received during the 16-day “late period” than about contributions received during any other reporting period occurring before the election. The following table summarizes the basic requirements:

Table 2 – Basic contribution disclosure schedule for November 2011 election

Contribution reporting periods in advance of the 2011 election	Reporting deadline	Contributions disclosed
1/1 or 7/1 to 9/24/11	9/29/11	\$100 or more
9/25 to 10/22/11	10/27/11	\$100 or more
10/23 – 11/7/11	Within 24 hours of receiving \$1,000 or more	\$1,000 or more if received by Ballot Measure Committees (<i>see discussion below</i>)

For most reporting deadlines in advance of the election, the committees must report their contributions of \$100 or more cumulatively received from a single source. However, during the

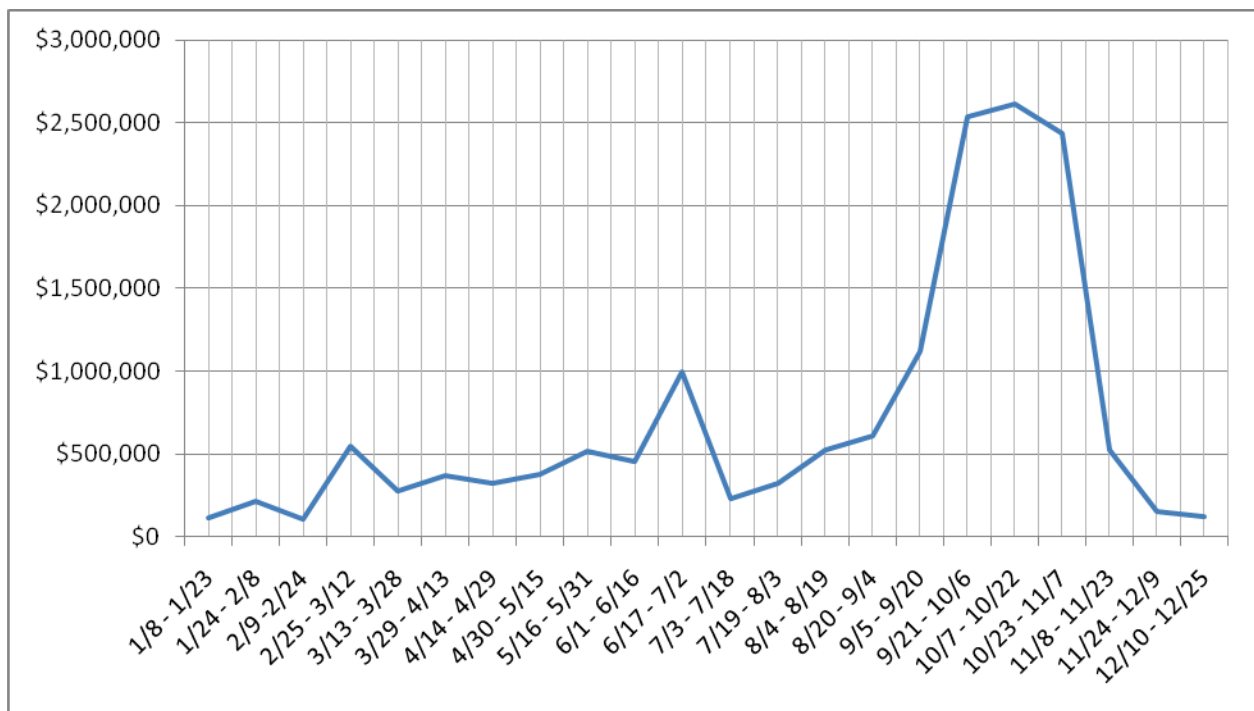
16-day period, state law requires candidates and Ballot Measure Committees (BMCs) to disclose only contributions of \$1,000 or more. Since candidates are limited to \$500 per donor maximum in San Francisco, virtually no 16-day period contributions received by San Francisco candidates are disclosed in advance of the election.

However, BMCs and GPCs, not candidates, are where the influence of huge campaign donors is strongest, since contribution limits cannot be placed upon such committees. Most of the total amount of their contributions comes from donations of \$1,000 or more, often a great deal more. While state law fortunately requires BMCs to disclose all of their 16-day period contributions of \$1,000 or more within 24 hours of receipt, one big loophole remains in state law for disclosure regarding \$1,000 + contributions. GPCs that spend their money on contributions to others, including BMCs and other GPCs, are not required to disclose any of their own 16-day period contributions received, until well after the electionⁱⁱⁱ.

The above dynamic facilitates a shell game in avoiding disclosure of the true source of funds for an election campaign. *Example:*

During the 16-day period, Unknown Contributor gives \$500,000 to General Committee X, which in turn gives \$250,000 each to General Committee Y and a Ballot Measure Committee, both of whom spend on political advertising. While General Committee X's contributions to General Committee Y and the BMC will have to be disclosed within 24 hours, no disclosure will be required of who funded General Committee X until months after the election.

In view of the above, I created a line graph of contributions received over time in 2011 to see if any pattern would emerge.



The chart shows that campaign contributions dramatically rose during the 9/21/11 – 10/6/11 period and remained high during the 10/7/11 – 10/22/11 and 10/23/11 – 11/7/11 periods. Approximately \$2.5 million was raised during each of those three 16-day windows.

While campaign needs may drive the spike in funding, disclosure isn't keeping up, as is apparent when the requirements in Table 2 are contrasted with the line graph above. Roughly \$5 million in contributions was received during the 9/25 – 10/22 period in 2011. Public disclosure of those contributions did not occur until October 27, 2011. Thus, the press and the public had a mere 12 days to react to the most concentrated fundraising disclosures of the whole election season. Furthermore, disclosure significantly decreased during the 10/23 – 11/7 period before the election, as previously explained, even as another \$2.5 million came in. Many of the contributions received during the latter period were not publicly disclosed until January 31, 2012.

Some legislative remedies for General Purpose Committees delaying disclosure of their funders:

1. San Francisco can pass a law that extends the existing Late Period Contribution Report law to include amounts received by General Purpose Committees. No more committee shell games during the 16-day period before the election!
2. In legislation adopted by Supervisor Scott Wiener, the Ethics Commission has proposed ending disclosure of funding sources for Electioneering Communications of \$5,000 or more. In addition, the Commission's proposed amendment decreases the frequency of reporting, ending the uniform requirement of 24-hour disclosure for independent spending of \$5,000 or more. Rather than end disclosure of the funding sources and decrease the frequency of soft money reporting, they should be expanding the disclosure requirement to all sources of independent spending of \$5,000 or more, as well as retaining existing 24-hour reporting.

The City & County campaign laws could be strengthened to require all supplemental Third Party Disclosure reports to disclose the spender's previously undisclosed contributions received. The Mayor and Board of Supervisors could also make sure budget resources are made available to facilitate electronic filing for and a database of the Third Party Disclosure reports.

These improvements would allow the public to learn about millions of dollars in contributions up to a month earlier than our system currently allows.

ⁱ Methodology note: For the sake of simplicity, this analysis used only the complete 2011 Ethics Commission database download for all San Francisco committees that submitted electronic data. This data includes some committees that were not involved in the 2011 election. Additionally, some data relevant to the 2011 election, such as early candidate fundraising done prior to 2011 and the contributions received by state level committees, was not included.

ⁱⁱ The 16-day "late period" is the 16-day period immediately before the election. For the November 8, 2011 election, the 16-day "late period" covered 10/23/11 to 11/7/11. This period of any election always follows the last regular Pre-election disclosure period for campaign financing. See Table 2 in this section for more information.

ⁱⁱⁱ Fortunately, another state law requires 24-hour disclosure of contributions received by General Purpose Committee during the 16-day “late period” IF the GPCs spend \$1,000 or more directly on Independent Expenditures regarding a candidate or measure.