

PROP 4: REPEAL THE BAN ON PUBLIC FINANCING OF POLITICAL CAMPAIGNS

Quick Facts

- **Official ballot title:** “Repeals Prohibition Against Public Funding of Election Campaigns.” The measure’s own name is the California Fair Elections Act of 2026.¹
- **Type:** Legislatively referred state statute. It was placed on the ballot by the legislature through Senate Bill 42 (Chapter 245, Statutes of 2025).²
- **A vote YES means:** State and local governments could set up public campaign financing programs for candidates, subject to limits on which public funds could be used, how they could be spent, and who could qualify.³
- **A vote NO means:** The state and most local governments would remain barred from creating public financing programs. The charter cities that already run them, such as Los Angeles and San Francisco, would keep operating under their own authority.⁴
- **Sponsor/proponent:** State Sen. Tom Umberg (D-Santa Ana), lead author, with coauthors Ben Allen (D-EI Segundo) and Alex Lee (D-San Jose). The campaign is led by Californians for Fair Elections, a coalition including California Common Cause, the League of Women Voters of California, and California Clean Money Action Fund.⁵
- **On the ballot because:** The legislature passed SB 42 in September 2025 (Assembly 59–20, Senate concurrence 29–8) and the governor signed it on October 2, 2025. Because Proposition 73 was enacted by the voters, the change itself must be approved by the voters.⁶
- **Full legal text:** [Senate Bill 42, California Legislative Information](#)
- **LAO analysis:** [Legislative Analyst’s Office, Proposition 4 \(2026\)](#)

1. WHAT WOULD IT DO?

Proposition 4 would lift a ban that has been in California law since 1988. Under current law, a public officer cannot spend, and a candidate cannot accept, public money for the purpose of seeking elective office. That prohibition was written into the Political Reform Act by Proposition 73, an initiative the voters approved in June 1988.⁷ The result is that the state, the counties, and most cities are forbidden from using taxpayer dollars to help fund campaigns.

Fifteen [states and Washington, DC](#), currently offer some form of statewide public financing for candidates, generally through grants or matching funds and often only for specified offices. Proposition 4 would not itself create such a program in California or require campaigns to be fully financed; it would only allow state and local governments to establish programs later under the measure’s rules.

CALIFORNIA DECIDES

There is one large exception under today's rules. Charter cities, which have independent authority over their own municipal affairs, are not bound by the state ban. Several already run public financing programs, including Los Angeles, San Francisco, Long Beach, Oakland, and Berkeley.⁸ Proposition 4 would extend that option to everyone else. The state, counties, and general-law cities could each decide whether to build a program of their own.

The measure does not itself create a program or appropriate any money. It removes the ban and sets guardrails for any government that later chooses to act. A program could not draw on funds earmarked for education, transportation, or public safety [1, Sec. 85300(a)]. Candidates who take public money would have to accept spending limits and meet strict qualifying criteria [1, Sec. 85300(b)]. The measure also bars public funds from being used to pay legal defense costs or fines or to repay a candidate's personal loans to the campaign [1, Sec. 85300(c), (d)].

2. THE LEGAL LANGUAGE

- **Full text:** [Senate Bill 42, "California Fair Elections Act of 2026," California Legislative Information](#) (Chapter 245, Statutes of 2025)
- **Key language:**

"A public officer shall not expend, and a candidate shall not accept, any public funds for the purpose of seeking elective office if the funds are earmarked by any state or local entity for education, transportation, or public safety." [1, Sec. 85300(a)]

"Candidates shall abide by expenditure limits and meet strict criteria to qualify for public funds." [1, Sec. 85300(b)]
- **What it amends:** It rewrites Section 85300 of the Government Code, the ban added by Proposition 73, and amends Section 85320 to raise penalties on foreign governments and foreign principals that contribute illegally to California campaigns.⁹ Because these provisions sit inside the voter-approved Political Reform Act, the legislature could not simply repeal them on its own. It had to send the question to the voters.¹⁰

3. WHO, WHAT, WHERE, WHEN, WHY?

- **Who?** Authored by State Sen. Tom Umberg, with coauthors Ben Allen and Alex Lee. The Yes campaign is run by Californians for Fair Elections, whose members include California Common Cause, the League of Women Voters of California, the ACLU of California, and organized labor. Opposition centers on taxpayer groups such as the Howard Jarvis Taxpayers Association, which defended the ban in court.¹¹
- **What?** Repeal of the 1988 ban on public campaign financing, replaced with permission for state and local governments to build their own programs, subject to spending limits, small-donor qualifying rules, and restrictions on which funds may be tapped.¹²
- **Where?** Statewide. It changes the Political Reform Act, so it reaches the state, all counties, and every city, not only the charter cities that are already exempt.¹³
- **When?** On the November 3, 2026, ballot. If it passes, it takes effect but creates no program by itself. Any state or local program would come later, through separate legislation, ordinances, or charter changes.¹⁴
- **Why?** Supporters argue the 1988 ban is out of date and that public financing lets candidates run on small donations rather than large private checks. The stated aim is to reduce the influence of big money and open the door to candidates without wealthy networks.¹⁵

4. TRADE-OFFS

Proposition 4 authorizes public financing but spends no money and forces no jurisdiction to act. That makes the near-term fiscal stakes modest and the long-term stakes almost entirely dependent on choices the state and local governments have not yet made.¹⁶ The Legislative Analyst's Office estimates only a few hundred thousand dollars a year in ongoing state costs for the Fair Political Practices Commission to field questions from governments about setting up programs.¹⁷ The real cost, if any, arrives only when a specific government decides to fund campaigns and voters see how large that program is.

On one side, public financing has a real record. The charter city programs in Los Angeles, San Francisco, and elsewhere have operated for years, and matching-fund systems can amplify small donors and let candidates without personal wealth or major donors compete.¹⁸ On the other side, this is taxpayers' money spent on politics, including on candidates and messages that many taxpayers oppose. In a state where affordability dominates the debate, opponents argue that public dollars belong in classrooms and clinics, not campaign ads.

Two cautions belong in any fair reading. First, the evidence that public financing reduces corruption or the influence of money in politics is genuinely mixed. It changes who funds campaigns more clearly than it changes outcomes, and independent spending flows around any candidate program. Second, public financing does not obviously favor challengers over incumbents. Depending on design, it can entrench officeholders who are best positioned to collect qualifying small donations. Voters should treat the strongest claims on both sides—that this cleans up politics or that it wastes tax money on incumbents—as design questions the measure leaves open rather than results it guarantees.

5. POTENTIAL RISKS AND BENEFITS

Potential benefits

- It ends an inconsistency in state law. Charter cities can already run these programs, and Proposition 4 lets the rest of the state make the same choice.¹⁹
- Small-donor matching systems can help candidates without personal wealth or big donors compete, and they can pull more small givers into campaigns.²⁰
- The measure builds in guardrails. Programs cannot use education, transportation, or public safety funds, and candidates must accept spending limits and demonstrate broad-based support [1, Sec. 85300(a), (b), (e)].
- It leaves the decision local. No jurisdiction is required to spend a dollar unless its own voters or officials choose to create a program.²¹
- It also stiffens penalties on illegal foreign contributions to California campaigns [1, Sec. 85320].

Potential risks

- It authorizes taxpayer money for political campaigns, including candidates and messages many taxpayers reject. That is the core objection, and it does not depend on program details.
- The fiscal effect is open-ended. The LAO's few-hundred-thousand-dollar estimate covers only state oversight, not the cost of any program a government later builds.²²
- The evidence that public financing curbs corruption or the influence of money is mixed, and independent spending continues regardless.
- Depending on design, qualifying rules can favor incumbents and well-organized candidates rather than outsiders.
- The measure sets a framework but leaves the hard choices, spending caps, match ratios, and eligibility to future legislation the voters are not approving now.²³

6. OPEN QUESTIONS

- If Proposition 4 passes, will the state actually create a statewide program, and how large would it be?
- How much would a full state matching-fund system cost taxpayers, a figure the measure itself does not set?²⁴
- Do public financing programs measurably reduce the influence of large donors, or do they mainly shift who writes the checks while independent spending continues?
- Will qualifying rules built around small-dollar contributions help challengers or entrench incumbents who are better at collecting them?
- Are the guardrails, especially the ban on using education, transportation, and public safety funds, strong enough to hold once programs are designed and budgets get tight [1, Sec. 85300(a)]?

7. THE QUESTIONS TO ASK BEFORE YOU VOTE

Proposition 4 does not create a program or spend a dollar by itself. It removes a 1988 ban and hands the decision to future officials. So the real question is not whether you like public financing in the abstract. It is whether you trust the state and your local governments to design and pay for a program you have not seen yet.

California already lets its charter cities fund campaigns with public money. Do you want the rest of the state to have that same option, and are you willing to have some of your tax dollars support candidates and causes you may oppose, in exchange for a system built on small donors rather than large ones?

ENDNOTES

¹ Full text, Senate Bill 42, "Political Reform Act of 1974: Public campaign financing: California Fair Elections Act of 2026" (Chapter 245, Statutes of 2025), California Legislative Information: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB42.

² Full text, Senate Bill 42, "Political Reform Act of 1974"; California Secretary of State, "Secretary of State Shirley N. Weber, Ph.D., Assigns Numbers to November Ballot Measures, Invites Ballot Arguments," news release, June 29, 2026: <https://www.sos.ca.gov/administration/news-releases-and-advisories/2026-news-releases-and-advisories/secretary-state-shirley-n-weber-phd-assigns-numbers-november-ballot-measures-invites-ballot-arguments>.

³ Legislative Analyst's Office, analysis of Proposition 4 (2026), "Repeal Prohibition Against Public Funding of Election Campaigns": <https://lao.ca.gov/BallotAnalysis/Proposition?number=4&year=2026>.

⁴ Legislative Analyst's Office, analysis of Proposition 4.

⁵ Full text, Senate Bill 42, "Political Reform Act of 1974"; Ballotpedia, "California Proposition 4, Allow Public Financing of Election Campaigns Measure (2026)": [https://ballotpedia.org/California_Proposition_4._Allow_Public_Financing_of_Election_Campaigns_Measure_\(2026\)](https://ballotpedia.org/California_Proposition_4._Allow_Public_Financing_of_Election_Campaigns_Measure_(2026)).

⁶ Full text, Senate Bill 42, "Political Reform Act of 1974"; California Secretary of State, "Shirley N. Weber Assigns Numbers."

⁷ Full text, Senate Bill 42, "Political Reform Act of 1974"; Howard Jarvis Taxpayers Assn. v. Newsom (2019), California Courts of Appeal, striking down SB 1107 (2016) as an improper legislative amendment of Proposition 73: <https://law.justia.com/cases/california/court-of-appeal/2019/c086334.html>.

⁸ Legislative Analyst's Office, analysis of Proposition 4.

⁹ Full text, Senate Bill 42, "Political Reform Act of 1974"; California Secretary of State, "Shirley N. Weber Assigns Numbers."

¹⁰ Full text, Senate Bill 42, "Political Reform Act of 1974"; Howard Jarvis Taxpayers Assn. v. Newsom.

¹¹ Full text, Senate Bill 42, "Political Reform Act of 1974"; Ballotpedia, "California Proposition 4"; Howard Jarvis Taxpayers Assn. v. Newsom.

¹² Full text, Senate Bill 42, "Political Reform Act of 1974"; Legislative Analyst's Office, analysis of Proposition 4.

¹³ Legislative Analyst's Office, analysis of Proposition 4.

¹⁴ Full text, Senate Bill 42, "Political Reform Act of 1974"; Legislative Analyst's Office, analysis of Proposition 4.

¹⁵ Ballotpedia, "California Proposition 4."

¹⁶ Legislative Analyst's Office, analysis of Proposition 4.

¹⁷ Legislative Analyst's Office, analysis of Proposition 4.

¹⁸ Legislative Analyst's Office, analysis of Proposition 4; Ballotpedia, "California Proposition 4."

¹⁹ Legislative Analyst's Office, analysis of Proposition 4.

²⁰ Legislative Analyst's Office, analysis of Proposition 4; Ballotpedia, "California Proposition 4."

²¹ Legislative Analyst's Office, analysis of Proposition 4.

²² Legislative Analyst's Office, analysis of Proposition 4.

²³ Full text, Senate Bill 42, "Political Reform Act of 1974"; Legislative Analyst's Office, analysis of Proposition 4.

²⁴ Legislative Analyst's Office, analysis of Proposition 4.