



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

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LEEANN PELHAM  
EXECUTIVE DIRECTOR

Date: June 22, 2016

To: Members of the Ethics Commission

From: LeeAnn Pelham, Executive Director

Subject: **AGENDA ITEM 8 – Proposed Ethics Commission Annual Policy Plan for FY2017**

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**Summary** This memo provides information regarding a proposed Annual Policy Plan for the Ethics Commission beginning in FY2017

**Action Requested** That the Commission discuss and adopt an Annual Policy Plan at its June 27<sup>th</sup> meeting for the fiscal year that begins July 1, 2016

### Background

The San Francisco Charter provides, in part, that the Ethics Commission “shall have responsibility for the impartial and effective administration and implementation of the provisions of this charter, statutes and ordinances concerning campaign finance, lobbying, conflicts of interest and governmental ethics. C3.699-10. In addition, the Charter vests the Commission with responsibility

“[t]o make recommendations to the mayor and the board of supervisors concerning (a) campaign finance reform, (b) adoption of and revisions to City ordinances [sic] laws related to conflict of and lobbying laws and governmental ethics and (c) the submission to the voters of charter amendments relating to campaign finance, conflicts of interest and governmental ethics. The Commission shall report to the board of supervisors and mayor annually concerning the effectiveness of such laws.”

In the Commission’s *Blueprint for Accountability*, its budget request for FY2017 and 2018, the Commission identified several overarching priorities for the agency going forward, including a strengthened policy focus. This approach recognizes that fully achieving the voters’ charter mandate requires regular, rigorous assessments of existing laws and their impact, and addressing timely any emerging policy issues through effective legislation and regulation.

To enable that outcome, the Commission’s budget request for the next two years prioritized the creation of a dedicated policy function at the agency, with two positions (a Senior Policy Analyst and a Policy Analyst) charged with conducting regular policy analysis and evaluation, and identifying and developing strong, workable and enforceable approaches to emerging policy issues. These positions would also provide compliance guidance and advice based on their subject matter expertise in the laws within the commission’s jurisdiction and the

practical application of those laws. As part of the Commission's heightened policy focus, these positions would also help serve to deepen policy engagement with interested persons in the evaluation and development of policies and regulations. Both positions were recommended as part of the Mayor's budget proposal for the Ethics Commission for FY 2017 and FY2018. Action on the Mayor's proposed budget, including the Ethics Commission's resources for the coming two years, is pending in the Board of Supervisors and is expected before the end of June.

Although no final action has yet been taken, for planning purposes this memorandum assumes the addition of two policy staff at the Commission in the fall of 2016.

### **Annual Policy Plan as a Foundation**

To help manage the volume and flow of the Commission's policy work over the next year, this memorandum suggests the adoption of an Annual Policy Plan. It includes:

- items the Commission identified in its 2015 discussions about its desired policy agenda, then placed on hold pending resolution of its Executive Director hiring in late 2015;
- items initiated by others requesting the Commission's policy action and/or input; and
- items Staff have identified since the beginning of 2016 as also warranting review.

In considering how to distinguish among matters the Commission wishes to prioritize for the coming year – and how that work should be sequenced, all things being equal – several guiding principles to consider are:

- the most significant areas of policy most overdue for examination;
- areas of known policy gaps where the risks posed by those gaps are greatest;
- current programs or policies most in need of evaluation to identify effectiveness gaps;
- ensuring policies are addressed as part of a comprehensive whole rather than piecemeal, wherever possible, to ensure approaches to one issue also support the overall goals of related policies;
- establishing processes for policy analysis and development that broadly engage the public; and
- emerging issues not yet addressed by existing policies, but should be.

Having expressed the desire to convene a policy summit in FY2017, the Commission also has the opportunity to use the experience of the November 2016 elections to assess key campaign finance and disclosure laws within its jurisdiction. Convening of a policy summit with most recent data and fresh analysis from that election, and engaging national thought leaders and state and local practitioners on leading practices in that effort, can form the basis for strengthening the City's reform laws to maximize their effectiveness over the long term.

### **Annual Policy Plan Elements**

A proposed Annual Policy Plan appears in Attachment 1. It is designed to illustrate the range of policy issues identified as desired by the Commission, advocates, recent Civil Grand Juries, and Staff. It also proposes a rough schedule for the sequencing of these issues in FY2017. As a planning tool, it is premised on three key goals:

*Advancing the Commission's pro-active, independent policy role.* Through its role administering programs, advising and educating about compliance, and auditing and enforcing the laws, the Commission has a critical perspective on when and where the laws may need strengthening to ensure they are effective. An annual process for the Commission to identify the programs and policies most in need of attention will help regularize its processes for ensuring effective legislation and regulation.

*Predictability for Improved Policymaking.* An annual, planned policy agenda can help the general public and those who follow the Commission's policy work most closely engage effectively on issues they care about. Such a plan can help focus time and efforts tailored to upcoming discussions by providing some predictability about when they are likely to be scheduled for review and analysis, Staff outreach and Interested Persons meetings, and consideration by the full Commission. It also can help improve methods and timeframes for public engagement by enabling discussion about information the Commission is seeking, or should be seeking, to promote robust policy discussions.

*Flexibility.* As with any plan, some flexibility is needed to allow for the unanticipated. This is particularly the case when issues emerge with some time sensitivity. Ensuring the Commission can contribute most effectively in shaping public policy demands that its policy priorities allow the scope and pace of its work to adapt when needed. Recent items that illustrate this are the ballot measure proposed by Represent.Us and Friends of Ethics regarding lobbyist gifts, campaign contributions, and campaign bundling, and support of state legislation (SB1107), as proposed by California Common Cause.

Lastly, to support these aims, the Commission may wish to initiate a practice of gauging the priority level it wishes to assign to policy matters it considers. Whether formal or informal, developing and communicating a sense of the Commission in terms of how it will prioritize issues can help support continuity and predictability in the work it has planned, while also providing flexibility for incoming matters that may not have been anticipated. For example:

Level 1/Urgent - urgent or time-sensitive policy matters the Commission will place ahead of matters identified in its annual plan, due to the more urgent or time-sensitive need to establish, review or revise policies

Level 2/Priority - priority policy matters the Commission plans to consider during the fiscal year as identified and sequenced in its annual plan

Level 3/Significant - significant policy matters that the Commission will address following its action on the prioritized Level 2 matters identified in its annual plan

Staff looks forward to the Commission's discussion of these issues and to its consideration of an Annual Policy Plan as proposed for the fiscal year beginning July 1, 2016.

**Item 8 - Attachment 1**

June 27, 2016 SFEC Regular Meeting

San Francisco Ethics Commission - Proposed Annual Policy Plan for FY 2017 <i>Note: Current fiscal year items shown for reference. ** Indicates items identified during Ethics Commission's 2015 policy agenda discussions</i>		Staff-level rsch/analysis						Before Commission						At Board of Supv						In Implementation					
		Current Fiscal Year Ending 6/30/16						New Fiscal Year Beginning 7/1/2016 and Ending 6/30/2017																	
Area	Policy Issue or Topic	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June						
General	City elections						Election					Election													
	Ethics Commission Policy summit - <i>specific topics TBD</i>											COGEL	X												
	Commission Bylaws review/amendment																								
	Review of Annual Policy Plan																								
Admin	Bi-ennial budget policy / budget status report																								
	Audit - random selection																								
	Audit policy and program review																								
Enforcement	Whistleblower Protection Ordinance regs and ordinance amendments																								
	Enforcement Regulations (incl. forfeiture/late fines/waivers)																								
Lobbying	Expenditure Lobbyist** implementing regulations																								
	Restrictions on Lobbyist gifts, contributions, bundling (ballot measure)																								
	Expenditure Lobbyist program review																								
	Permit consultant program review (incl. regulations **)																								
Campaigns	Updating Campaign Finance Reform Ordinance ("CFRO") regulations																								
	Public financing review - Election 2016: policies, mechanics, impact																								
	Comprehensive review of campaign laws																								
	Independent expenditure review																								
	Contribution limits for candidate-controlled committees **																								
	Contribution bans involving a "public benefit" element **																								
	Reporting of bundling by other than lobbyists **																								
	Move Slate mailer filings from Elections Office to Ethics Comm**																								
	Campaign consultant program review																								
	Ban on candidate-controlled general purpose committees (Peskin)																								
Ethics	Bi-ennial Conflict of interest Code review																								
	Extend e-filing mandate to all Form 700 filers **																								
	Comprehensive review of governmental conduct laws																								
	Review revolving door regulations																								
	Additional gift of travel reporting **																								
	Behested donations reporting by Board/Commission members (Peskin)																								
State Leg	Contractor disclosure program review																								
	SB1107 (Allen) - to allow public funding of campaigns locally																								