



Blueprint for Accountability

FY17 and FY18 Budget Recommendations
for the San Francisco Ethics Commission

February 22, 2016

I. Introduction

In its search for its next Executive Director in the Fall of 2015, the San Francisco Ethics Commission identified several overarching priorities for the agency going forward:

- ✓ Organizational efficiencies: employing new structure, tools, and approaches that can better serve achievement of the Ethics Commission's mission;
- ✓ Effective enforcement: strengthening current structure and processes to ensure accountability for compliance with appropriate transparency and the most proactive, thorough, fair, timely, and consistent investigations and case resolution;
- ✓ Supporting compliance: providing enhanced guidance to a broad range of stakeholders to promote practical understanding of the laws and facilitate compliance; and
- ✓ Strengthened policy focus: initiating the development of sound policy and collaborating broadly to identify and address emerging issues through effective legislation and regulation.

This budget blueprint reflects this vision of the Commission's future and drives the core recommendation that the Commission must be right-sized to better align resources with its full Charter mission.¹

It is also premised on staff work that is committed to continuous improvement.

Organizations that continuously improve use the challenge of emerging issues, expanded mandates, and new technology as important opportunities for change. Toward that end, Commission Staff are committed to improving the efficiency and effectiveness of existing resources through ongoing innovation, by working to simplify the complex, and by identifying new, more nimble processes, structures, and systems for the agency's work. As part of this effort, over the coming year the staff will work to

- assess existing structures and functions for needed improvements;
- examine what approaches in the organization are, or should be changing, and why; and
- identify operational interdependencies to better understand where more collaborative approaches, both internally and with external stakeholders, would benefit the delivery of Commission programs and services.

Ultimately, achieving the voters' directives requires political will, sufficient resources, and the right legal and structural frameworks to lead change and implement it effectively. This blueprint for accountability presents a strategic and aggressive set of budget recommendations necessary to enable the Ethics Commission to achieve its mission consistent with the voters' continuing strong mandate for both good and effective governance in the City and County of San Francisco.

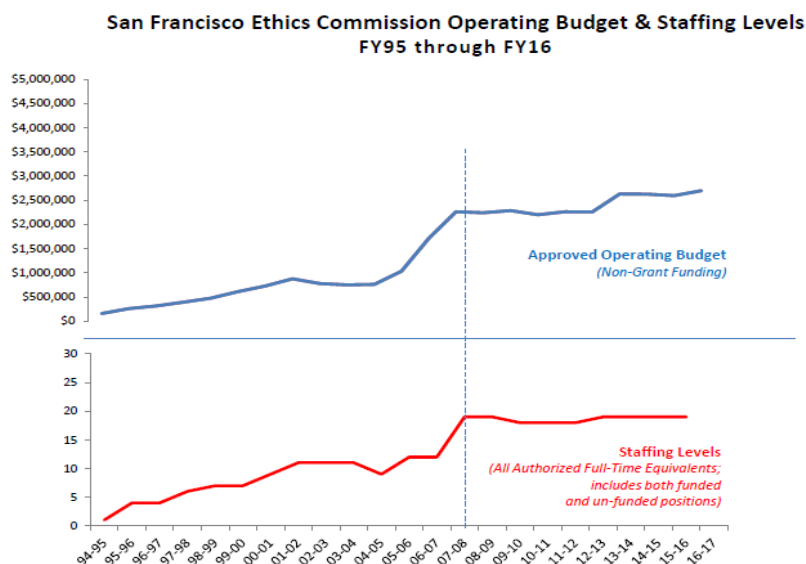
¹ See San Francisco Charter Sections C3.699-10 and C3.699-11 at Attachment 1.

II. Background and Context

In the past decade, issues confronting local government have become more complex and as public officials and employees pursue new and creative approaches to difficult public policy questions. Over this same period, the policy and political landscape for agencies that administer and enforce campaign finance, governmental ethics, lobbying regulation, and transparency laws have also continued to change.

In San Francisco, in just the past five years, three City and County Civil Grand Jury Reports² were issued that focus on the Ethics Commission’s own role and responsibilities, with each report raising a series of important questions about how the Commission should most effectively pursue its voters’ mandate for meaningful transparency and accountability in City and County government. Against this fluid and evolving backdrop, however, in the past decade the Ethics Commission’s annual operating budget and staffing have remained relatively level, as Chart 1 below illustrates.

Chart 1



For FY17, the Ethics Commission recommends a total operating budget of \$3,394,954, and an FY18 operating budget of \$3,659,457. This includes new funding requests of \$656,046 for FY17 and \$841,492 for FY18. When compared to the Commission’s FY16 operating budget of \$2,738,908, the proposed FY17 operating budget represents a roughly 24 percent increase over current levels. While robust, these recommendations are necessary to begin to equip the Commission with the resources needed to fully achieve the broad voter mandate it has been charged with the responsibility to achieve. As such, the recommendations are designed to move the Ethics Commission’s own work to the next level of effectiveness, accomplishment, and public trust.

The priorities identified by the Commission to pursue these ends in FY17 and FY18 are detailed as new funding packages in the following section.

² See *San Francisco’s Whistleblower Protection Ordinance Is In Need of Change*, City and County of San Francisco Civil Grand Jury 2014-15, May 2015; *Ethics in the City: Promise, Practice or Pretense*, City and County of San Francisco Civil Grand Jury 2013-14, June 2014; and *San Francisco Ethics Commission: The Sleeping Watch Dog*, City and County of San Francisco Civil Grand Jury 2010-11.

III. Priorities for New Funding

Priority and Goals	Estimated Investment
E-Filing Conversion Project	
<p>✓ Improve organizational efficiencies and strengthen public tools for meaningful transparency about government actions by establishing an integrated, searchable and downloadable framework for all Commission public disclosure programs.</p> <p><i>To develop a comprehensive network of fully online systems, additional staff is required to develop project scope and specifications; design system features; and conduct testing.</i></p>	
One IS Business Analyst position (1052) to provide systems support for timely project development and implementation →	\$ 111,296 FY17 \$ 149,771 FY18
Phase I, project development and implementation →	\$ 300,000 FY18
One IS Business Analyst-Assistant (1051) to serve as an E-Filing Project Assistant beginning in FY18; converted from an existing Jr. Management Assistant position (1840) first authorized for a three-year project basis only →	\$ 131,316 FY18
<i>E-Filing Conversion Project Package Total</i>	<u>\$ 111,296</u> in FY17 <u>\$ 581,087</u> in FY18

Effective Investigations & Enforcement

<p>✓ Strengthen agency’s capacity to fulfill its voter mandate for effective enforcement of ethics, campaign finance, disclosure, and lobbying laws, including resolution of Whistleblower and Sunshine complaints, by ensuring investigative and enforcement processes are thorough, timely, fair, and consistent.</p>	
Commitment of the balance of funds needed to fully fund one authorized, vacant Investigator (1823) position through retention of departmental “attrition savings” (In FY14-15, for example, these savings totaled approximately \$124,400)	<i>No new funding requested</i>
One Administrative Analyst (1822) position to serve as an Investigator →	\$ 101,323 FY17 \$ 136,365 FY18
Additional funds necessary to update enforcement tools and technology for improved functionality of legal and investigative research, teand to ensure appropriate access to process server and court reporter resources →	\$ 15,000 FY17 \$ 5,000 FY18
<i>Strengthened Enforcement Capacity Package Total</i>	<u>\$ 116,323</u> in FY17 <u>\$ 141,365</u> in FY18

Proactive Policy and Compliance Outreach

- ✓ Deepen policy engagement and heighten compliance outreach to improve the effectiveness of laws within the Commission’s jurisdiction by creating a dedicated Policy unit/function that provides broad, timely, and understandable guidance on the laws and their practical application; conducts regular, robust policy analysis and evaluation; and identifies and develops workable and enforceable approaches to emerging policy issues.

One Administrative Analyst (1822) position \$ 101,323 FY17
to provide policy analysis and compliance outreach → \$ 136,365 FY18

One Senior Administrative Analyst (1823) position \$ 116,637 FY17
to provide senior level policy analysis and compliance outreach → \$ 156,948 FY18

Proactive Policy and Compliance Outreach Package Total \$ 217,960 in FY17
\$ 293,313 in FY18

Administrative Support and Transparency

- ✓ Heighten capacity to sustain timely, accurate, and complete public information and assistance (including for Immediate Disclosure Requests, Public Records Act request responses, and public meeting materials) by enhancing and tailoring administrative support roles to better match public and stakeholder information needs.

Fill existing vacant Senior Clerk Typist (1426) position.
This position has duties as assigned by the Executive Director for broad administrative support for the Commission and staff, including preparation and distribution of meeting materials and notices; handling of public inquiries and general front office duties, such as phones, photocopies, public counter assistance, and other administrative tasks as assigned. No new funding requested

Reclassify two authorized but vacant Senior Clerk(1406) positions into one new Management Assistant (1842) position to provide a higher level of administrative, hands-on support through a broader range of analytical and technological knowledge, skills, and abilities. → (\$ 89,278) FY17
(\$ 89,278) FY17
\$ 122,190 FY17
(\$ 56,365) FY17 net

Reclassify one existing, exempt Jr. Management Assistant (1840) position that functions as a Campaign Finance Officer to a Sr. Management Assistant (1844) to more appropriately align it with its more expansive and complex duties.
This position provides independent trouble-shooting guidance and hands-on training and compliance assistance to filers with reporting and e-filing obligations under the law; it analyzes, compiles and responds to data requests, and to public records and disclosure requests under state and City law; and has day to day responsibility for web and social media postings. → (\$ 109,270) FY17
\$ 138,084 FY17
\$ 28,814 FY17 net

Proactive Policy and Compliance Outreach Package Total (\$ 27,551) FY17 net

New Funding Request Total, FY17 \$ 418,028
New Funding Request Total, FY18 \$1,015,765

IV. Accountability: Indicators of Performance and Progress

Performance indicators for priority projects are valuable to ensure that the Ethics Commission can track progress toward its established goals. They are also important to enable appropriate transparency to elected policymakers and the public so that they can exercise sufficient oversight of the Commission’s progress toward meeting those goals. Toward that end, Commission Staff are continuing to identify a range of accountability measures for all priority items, including, for example those shown in Attachment 2, to ensure appropriate accountability measures are in place with the beginning of the fiscal year.

Addendum: Background on Current Budget Components

The Ethics Commission’s current budget is comprised of two main components: an operating budget, discussed in the foregoing sections (also referred to as “non-grant funding”), and the Election Campaign Fund (“Fund”).

As a point of reference, for FY16, the Commission’s expenditures can be broken down as follows:

Table 1		
Ethics Commission Budgeted Expenditures, by Category, FY16		
Total Salaries	\$	1,592,304
Total Benefits	\$	654,940
Total Salaries & Benefits		\$2,247,244
Non-Air Travel and Local Field Expenses	\$	950
Training	\$	7,911
Membership Fees	\$	1,767
Court Reporters, Legal Services and Subscriptions	\$	16,763
Electronic Filing System	\$	117,000
Equipment, Copy Machine, Printing	\$	11,000
Delivery and Postage	\$	4,353
Other Current Expenses (i.e., document storage and retrieval, business cards and other miscellaneous expenses)	\$	4,000
Total Non-Personnel		\$163,744
Total Materials and Supplies		\$13,466
IT Services from DT to Ethics	\$	46,606
Televised Meetings	\$	24,347
Telephone Costs	\$	6,539
Mail Services	\$	2,033
Rent Paid to City	\$	91,690
Total Services of other departments to Ethics Commission		\$171,215
Total Operating Expenses		\$2,595,669

Election Campaign Fund (“Fund”). Established in the City’s Campaign Finance Reform Ordinance (“CFRO”). Under CFRO, the Fund is capped at a maximum of \$7 million, and no more than 15 percent of the total amount of funds in the Fund for any given election may be used for administering the public financing program. CFRO section 1.138(b)(2). As of January, 2016, the balance of the Fund had reached its maximum. Staff projects that disbursements for the 2016 November election to be approximately \$4,099,650. Allocations to the Fund are based on a formula of \$2.75 per resident, unless the Fund has already reached its maximum.

Prop. C Funding. One other area of funding available to the Ethics Commission derives from Prop. C. Upon passage by the voters of Prop. C in November 2015, funding was allocated in the General Reserve for an electronic filing system for Expenditure Lobbyist disclosures, and for staff costs for education and outreach during the first year of the Expenditure Lobbyist program. While the \$560,000 established for those purposes is accessible to the Ethics Commission (and will roll over if not used), those funds are not included in the Commission’s general operating budget.
