



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

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LEEANN PELHAM  
EXECUTIVE DIRECTOR

Date: July 16, 2018  
To: Members of the Ethics Commission  
From: Pat Ford, Senior Policy Analyst  
Re: **AGENDA ITEM 9 – Policy Report for the July 20, 2018 Meeting**

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**Summary:** This memorandum provides updates on ongoing policy projects, pending local legislation, and other operational projects involving the Policy Division to assist the Commission, the public, and Staff in engaging with the Commission’s policy work. This memo includes the Legislation Tracker as Attachment 1, updated for the month of July.

**Action Requested:** No action required—informational purposes only.

This memo provides an operational update on the Commission’s policy projects. Section I provides brief status reports about ongoing policy projects that the Commission identified as policy priorities as part of its quarterly Policy Prioritization Plan. Section II provides information about ongoing operations and projects that, while not a part of the Commission’s Policy Prioritization Plan, regularly require the attention of the Policy Division.

### I. Policy Prioritization Plan – Status of Ongoing Initiatives

#### A. Review of the City’s Public Financing System

At its June 2018 meeting, the Commission identified a review of the City’s public financing program as its first policy priority. As part of this project, Staff is providing a technical overview of the program and its administration at this meeting (Agenda Item 7). This is designed to assist the Commission and the public in better understanding the details of the program before commencing a substantive review of the program and potentially proposing amendments to the underlying statutes and regulations.

During July and August, the Policy Division will be engaged in substantively reviewing the program, including outreach to former candidates, their treasurers, and the public at large to solicit input about the program. Staff will hold two interested persons meetings for this purpose on July 31<sup>st</sup> from 2:15 to 3:45 PM and on August 1<sup>st</sup> from 4:15 to 5:45 PM. Both meetings will be held at 25 Van Ness Avenue, Room 70. Additionally, Staff will reach out to former candidates and their treasurers to solicit feedback during the next two months.

#### B. Review of Campaign Finance Reform Ordinance Regulations

The Commission identified a review of the supporting regulations for the Campaign Finance Reform Ordinance (“CFRO”) as its second policy priority. This project will seek to update and

improve existing regulations and develop new regulations to carry out the new requirements created by the Anti-Corruption and Accountability Ordinance. Most likely, this project will culminate in a set of regulations that Staff will present to the Commission. The Policy Division is in the process of soliciting Staff feedback about the regulations to identify amendments that would be most impactful in improving the administration of CFRO. Staff will engage in a phase of public input in the near future.

C. Online Paid Political Communications

The Commission identified research and a possible legislative proposal regarding paid online political communications as its third policy priority. Staff have been tracking the development of this nationwide issue over several months, engaging with subject matter experts and reviewing the developing field of literature on this topic. Staff have also contacted other jurisdictions to seek their input and experiences with this issue. Staff continues to monitor jurisdictions such as Washington state and Seattle, which has recently sought to enforce a requirement that certain online platforms archive and make available a record of the paid political ads that they display. This effort could shed light on how successful a similar effort in San Francisco might be.

**II. Miscellaneous Policy Administrative Projects**

A. Advice Regulations

Before the Commission determined its Policy Prioritization Plan at the June meeting, Staff had already developed a set of advice regulations based on previous Commission direction. A draft of regulations are set forth in Agenda Item 8. In addition, Staff will hold two interested persons meetings to solicit feedback on the proposed regulations, following discussion of the public financing program. These meetings will be held on July 31<sup>st</sup> from 2:15 to 3:45 PM and on August 1<sup>st</sup> from 4:15 to 5:45 PM.

B. Implementation of the Anti-Corruption and Accountability Ordinance

The Anti-Corruption and Accountability Ordinance (the “ACAO”), a piece of legislation that originated with the Commission, was approved by the Board of Supervisors and signed by the Mayor on May 30, 2018. Certain provisions of the ACAO became operative on June 30, 2018 (the remaining provisions will become operative on January 1, 2019). On July 2nd, Staff provided email notice to notice to all members of City boards and commissions and all elective officers to highlight the changes to City laws that are now operative. Staff also took the opportunity to remind board and commission members about other political activities restrictions of existing law. The Commission’s website has also been updated to reflect this new information.<sup>1</sup> In the coming weeks, Staff also plans to issue a “frequently asked questions” resource to provide information that is frequently being sought by those affected by the new laws.

C. Biennial Conflict of Interest Code Review

Every two years, City departments must review the list of designated filers and disclosure categories that, taken together, make up the list of individuals who are required to file a Statement of Economic

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<sup>1</sup> See ETHICS COMMISSION, New Conflict-of-Interest Rules for Elective Officers and Members of City Boards and Commissions, available at <https://sfethics.org/ethics/2018/07/new-conflict-of-interest-rules-for-members-of-city-boards-and-commissions.html>.

Interests (“Form 700”) under the City’s Conflict of Interest Code. The purpose of these biennial reviews is to ensure that they are up to date and reflect any changes in the departments’ operations or staffing. In addition to reviewing the Commission’s own designated filer categories, Staff will be reaching out to offer assistance to other departments in their reviews.

D. Pending San Francisco Legislation

1. File No. 180317 (Reforms to Whistleblower Protection Ordinance – Breed)

File No. 180317 would amend the Code to provide additional retaliation protections for whistleblowers, establish retaliation protections for City contractors, increase the remedies available for whistleblowers who have suffered retaliation, and establish greater confidentiality protections for whistleblowers’ identities. This ordinance, based on Commission recommendations, was re-introduced by President Breed on April 3, 2018 and referred to the Rules Committee for consideration. The ordinance is now awaiting a future hearing, which has not yet been scheduled. Staff is communicating a request on behalf of the Commission that the Committee schedule the item at its next scheduled meeting.

2. File No. 170738 (Disclosures in Trustee Elections – Cohen)

File No. 170738 would require disclosure of candidate and third-party spending in Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board elections. Pursuant to proposed amendments from Staff and the City Attorney’s Office, the Rules Committee amended the legislation on June 11<sup>th</sup> and continued the file to the call of the chair. The ordinance is now awaiting a future hearing, which has not yet been scheduled. This legislation does not require review by the Ethics Commission because its provisions are contained within the S.F. Administrative Code.

3. File No. 170868 (Miscellaneous Ethics Reforms – Kim)

At its regular meeting on May 7, 2018, the Commission approved File No. 170868, which would institute various reforms to the Campaign and Governmental Conduct Code (the “Code”). On June 13<sup>th</sup>, the Rules Committee continued the file to the call of the chair. The ordinance is now awaiting a future hearing, which has not yet been scheduled.

4. File No. 180545 (Privacy First Initiative – Peskin)

File No. 180545 would amend the City Charter to create a policy limiting use of personal information by City departments and contractors. Staff are in the process of evaluating whether this policy has the potential to impact the operations of NetFile, the contractor that administers the Commission’s online filing systems, and will formally comment on the ordinance as necessary.