



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

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LEEANN PELHAM  
EXECUTIVE DIRECTOR

Date: June 24, 2019  
To: Members of the Ethics Commission  
From: Pat Ford, Senior Policy Analyst  
Re: **AGENDA ITEM 7 – Discussion of Staff Policy Report**

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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.

**Action Requested:** That the Commission review the updates provided in this report.

This memo provides an operational update on the Commission’s policy projects. Section I provides status reports about ongoing policy projects that the Commission has identified as policy priorities as part of its 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 ongoing attention and resources of the Policy Division.

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

The following sections describe the status of the Commission’s current policy priorities.

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

As part of the first phase of the Commission’s review of the City’s public campaign financing program, the Commission approved an ordinance to make certain administrative changes to the program at its February meeting. The ordinance (File No. 190287) was approved by the Board of Supervisors and Mayor and became operative on June 9<sup>th</sup>. Policy assisted the Engagement and Compliance and Audits Divisions in implementing the new provisions of the Code by updating forms and resources for candidates and distributing communications to the regulated community to inform them of the new laws.

As part of the second phase of the review project, which examines more fundamental components of the program, the Commission approved an ordinance at its May meeting to increase the amount of funds available to participants, increase the matching rate, and increase the initial spending limits, among other changes. Supervisor Mar introduced the ordinance (File No. 190660) before the Board of Supervisors on June 4<sup>th</sup>, and the ordinance is currently on a thirty-day hold before it is assigned to committee by the President of the Board of Supervisors. Policy will engage with committee members to provide information about the

ordinance, describe the Commission’s process of developing and considering the ordinance, and recommend that the committee forward the legislation to the full Board with a positive recommendation.

**B. Review of Campaign and Governmental Conduct Code Regulations**

This project seeks to update and improve existing regulations and develop new regulations to clarify new provisions of the Code created by the Anti-Corruption and Accountability Ordinance. At its May meeting, the Commission approved amendments would affect various regulations that support Article I, Chapter I (Campaign Finance Reform Ordinance), Article III, Chapter II (Government Ethics Ordinance), and Article III, Chapter VI (Behested Payments Disclosures). Together with the City Attorney’s office, Staff finalized the version of the regulation amendments approved by the Commission and transmitted them to the Clerk of the Board on May 31<sup>st</sup>. Members of the Board will have the option to call a hearing on the regulations for sixty days, after which time the regulations will become operative. Policy will then assist other divisions in implementing the amended regulations.

**C. Electronic Filing of the Form 700**

All elected officials, board and commission members, department heads, and designated employees of the City must file the Form 700 Statement of Economic Interests to publicly disclose their personal financial interests. Under current regulations, elected officials, board and commission members, and department heads must file the form electronically through the Commission’s NetFile system, allowing the disclosed information to be easily searched by the public. However, designated employees file the Form 700 in paper form with their departments. Staff is in the process of planning the project needs and requirements to allow all designated filers to use electronic filing for their required Statements of Economic Interests.

While other divisions are in the process of assessing and planning the technology and compliance aspects necessary for implementation of this project, Policy is beginning the process of notifying employee bargaining units of the project in collaboration with the Department of Human Resources so that they will have the opportunity to meet and discuss the new requirements with Staff as we continue to move toward implementation. After any discussions with bargaining units is concluded, Policy will draft regulations to implement the e-filing project and will present the regulations at a future meeting of the Commission.

**II. Miscellaneous Policy Administrative Projects**

**A. Pending San Francisco Legislation**

**1. Initiative Ordinance – “Sunlight on Dark Money Initiative” (Mar)**

As described in previous Policy Reports, five members of the Board of Supervisors submitted an initiative ordinance to the Department of Elections that would amend provisions of the Campaign and Governmental Conduct Code to, among other things, prohibit political contributions from persons with a financial interest in a land use matter and change disclaimer requirements for certain political communications. Although this initiative ordinance does not require a vote of the Board of Supervisors, it will be the subject of a hearing before the election. Staff is reviewing the implications of these

potential changes to City law to provide the Controller's office with implementation cost estimates and will be submitting written comment for the hearing.

B. ACAO Implementation

Provisions of the Anti-Corruption and Accountability Ordinance (ACAO), which was approved by the Commission, the Board, and the Mayor in 2018, became operative on January 1, 2019. As the Engagement and Compliance and EDDA Divisions implement these new provisions, Policy is continuing to provide guidance and advice. The implementation process includes new disclosure forms, updates to the Commission's website and candidate guides, and development of regulations to provide more clarity about the new law.