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LEEANN PELHAM
EXECUTIVE DIRECTOR

Date: August 12, 2019
To: Members of the Ethics Commission
From: Pat Ford, Senior Policy Analyst
Re: **AGENDA ITEM 11 – Discussion and Possible Action on Monthly Staff Policy Report, Including the Policy Prioritization Plan**

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. The Policy Prioritization Plan is included as Attachment 1.

Action Requested: That the Commission review the updates provided in this report and approve Staff’s proposed ongoing Policy Prioritization Plan.

Section I of this memorandum provides status reports about ongoing policy projects that the Commission has identified as policy priorities as part of its Policy Prioritization Plan. This section also contains Staff’s proposals for how to reprioritize policy priorities for the coming months. 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

This section describes the status of the Commission’s current policy priorities. Additionally, a draft of the Policy Prioritization Plan for the coming months is provided as Attachment 1. This draft reflects Staff’s completion of one of the three policy projects listed on the current plan. Staff recommends retaining the remaining two projects as ongoing policy priorities. Also listed on the draft plan are potential policy projects that have been discussed at some point by the current members of the Commission. They are listed and briefly described to provide potential options for future policy projects. Staff does not recommend pursuing these potential projects at this time.

A. Review of the City’s Public Financing System

As part of the second phase of the Commission’s review of the City’s public campaign financing 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 4th, and the ordinance was assigned to the Government Audit and Oversight Committee. The ordinance was not scheduled for consideration by the committee before the Board of Supervisors entered its summer recess. Policy will seek to secure a prompt hearing date and 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.

Staff recommends that this project be retained as an ongoing policy priority. Although the initial research and drafting for the ordinance are complete, continued work will still be needed in order to secure the ordinance's passage by the Board and the Mayor. This project is thus listed as one of two policy projects on the draft Policy Prioritization Plan attached here as Attachment 1.

B. Review of Campaign and Governmental Conduct Code Regulations

This project sought to update and improve existing regulations and to 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 to 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 it to the Clerk of the Board on May 31st. The Board of Supervisors took no action on the regulations, and they thus became operative on July 29th. Policy has assisted other divisions in implementing the amended regulations.

Because these regulation amendments are now in the final stages of implementation, the Staff work required at this time is in the nature of an ongoing administrative function, rather than a current policy project. The project is thus no longer included in the Policy Prioritization Plan provided here as Attachment 1.

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.

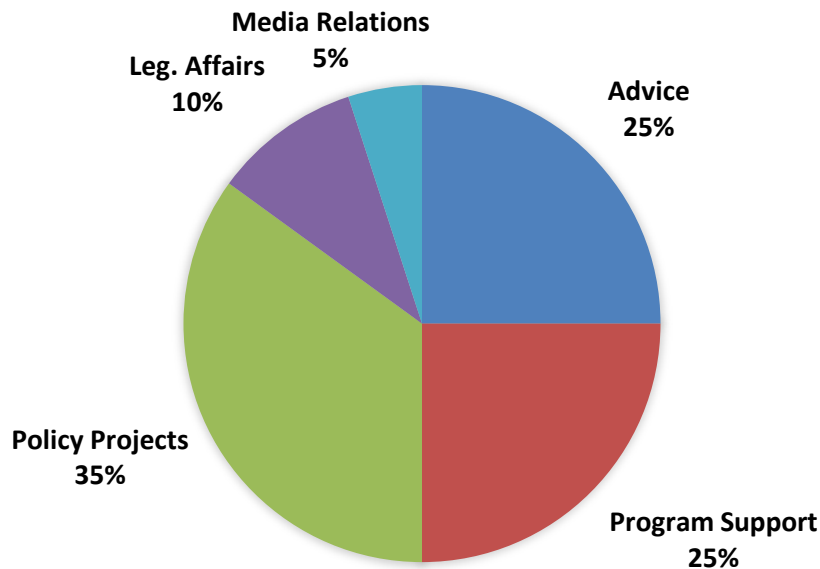
As reported in the last Policy Report, Staff is in the process of planning the project needs and requirements to allow all designated filers to use electronic filing for their required Statements of Economic Interests. While other divisions are in the process of assessing and planning the technology 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. 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.

Because this project will require an increasing level of research, inter-departmental collaboration, and bargaining unit interaction, Staff recommends that this project continue to be an ongoing policy priority. Along with the public financing ordinance, it is listed as one of two projects on the attached draft Policy Prioritization Plan.

II. Miscellaneous Policy Administrative Projects

This Section describes some of the ongoing work by the Policy division that does not fall within the policy projects identified under the Policy Prioritization Plan. This work includes: advice to Staff and the regulated community regarding the laws administered by the Commission; legislative affairs; media relations; and general program support for various office functions. On average, these roles create a portfolio of work that is roughly distributed as shown in Chart 1 below. These relative distributions are often shifted based on the department’s needs, especially during an election. But, Chart 1 reflects how Policy’s work is generally allocated.

Chart 1



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. Staff collaborated with the Controller’s Office to develop a cost estimate for implementing the ordinance if it is approved by the voters. The ordinance was the subject of a hearing before the Rules Committee, and the Ballot Simplification Committee has approved a final ballot measure digest for inclusion in the voter information pamphlet.

2. File 190660 – Public Financing Ordinance (Mar)

As described in section I.A above, the public financing ordinance approved by the Commission at its May meeting is pending before the Government Audit and Oversight Committee. Staff will continue to provide information to members of the committee and all other members of the Board and to encourage the ordinance's approval.

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. Information about this implementation effort and the new forms that have been created is provided under Agenda Item 9.

Policy Prioritization Plan (PPP)

Ongoing Policy Projects

Priority	Project	Impact	Urgency/ Timeliness	Project Timeframe
1	<p>E-filing Form 700:</p> <p>The Commission has expressed its continuing support for disclosure forms submitted in an electronic format to increase accountability and transparency and ease filer compliance. This project will develop the systems and requirements for Statements of Economic Interests for all designated filers in the City to be filed electronically using the Commission’s online filing system.</p>	7	7	18+ Months
2	<p>Public Financing Program Review:</p> <p>Continued legislative support for File 190660, approved by the Commission at the May 2019 meeting. Implementation support if approved by Board and Mayor.</p>	9	8	3-6 Months

Potential Policy Projects

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p>Campaign Consultant Program Review (Art I, Ch V):</p> <p>The Campaign Consultant program was instituted by Ordinance No. 71-00. The program hasn’t been significantly reviewed since 2014, with amendments being proposed, but not adopted, in 2010 and 2011.</p>	6	5	3-6 Months
	<p>Lobbying Code and Regulations Review (Art II, Ch I):</p> <p>The Commission has not embarked on a comprehensive review of the lobbying program. This project would entail a review of all relevant codes and regulations and identify potential changes to improve program outcomes.</p>	8	5	6-9 Months

Policy Prioritization Plan (PPP)

	<p>Expenditure Lobbying Program Review:</p> <p>The expenditure lobbyist program was enacted by Proposition C (2016). This project would entail a review of all relevant codes and regulations and identify potential changes to improve program outcomes.</p>	6	5	3-6 Months
	<p>Conflict of Interest Code and Regulations Review (Art III, Ch II):</p> <p>The Commission has not embarked on a comprehensive review of conflict of interest program. This project would entail a review of all relevant codes and regulations and identify potential changes to improve program outcomes.</p>	6	5	9-12 Months
	<p>Permit Consultant Program Review (Art III, Ch IV):</p> <p>The Permit Consultant program was added by Ordinance 98-14. No significant review of the program has been initiated since its inception. This project would entail a review of all relevant codes and regulations and identify potential changes to improve program outcomes.</p>	6	5	3-6 Months
	<p>Major Developer Program Review (Art III, Ch V):</p> <p>The Developer Disclosure program was added by Ordinance 98-14. No significant review of the program has been initiated since its inception. This project would entail a review of all relevant codes and regulations and identify potential changes to improve program outcomes.</p>	6	5	3-6 Months
	<p>Create Limit on Contributions to IE Committees:</p> <p>Stakeholders have proposed limiting contributions to committees that make independent expenditures to \$5,000, unless the contribution comes from a <i>limited contributor committee</i>. This project would entail researching potential policy, legal, compliance, and administrative aspects of such a law and would result in a recommendation to the Commission as to whether one should be enacted in San Francisco.</p>	5	4	6 months

Policy Prioritization Plan (PPP)

	<p>Commission Independent Counsel Project:</p> <p>The Commission has identified concerns with having the City Attorney’s office represent and consult the Commission, given the Commission’s unique duty to review the activities of public officials and employees and the City Attorney’s dual roles of advising both the Commission and regulated public officials. The Commission has expressed interest in having its own Commission counsel. This project would entail researching whether such an arrangement is feasible.</p>	5	5	3-6 Months
	<p>Slate-Mailer Project:</p> <p>State-mandated disclosures regarding slate mailers are currently filed with the Department of Elections. Because slate mailers are largely campaign-related, they may be more appropriately handled by the Ethics Commission. This project would entail researching potential policy, legal, compliance, and administrative aspects of requiring slate mailer disclosures to be made with the Ethics Commission instead of the Department of Elections.</p>	5	3	6+ Months