FY21 Departmental Budget Presentation

Budget and Appropriations Committee
August 12, 2020

LeeAnn Pelham, Executive Director
Steven Massey, Acting Chief Operating Officer
& Director of Technology Services

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“Public office is a public trust...”

San Francisco Charter Section 15.103
Overview: Funding and FTEs

<table>
<thead>
<tr>
<th>Budget</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget</td>
<td>$4,802,714</td>
<td>$4,649,516</td>
<td>$5,123,435</td>
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<tr>
<td>Election Campaign Fund Contribution</td>
<td>$6,803,704</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Authorized FTEs</td>
<td>23.77</td>
<td>24</td>
<td>25</td>
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<tr>
<td>Temporary Staff</td>
<td>.76</td>
<td>.75</td>
<td>.75</td>
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<tr>
<td>Attrition Savings Target</td>
<td>-1.27</td>
<td>-2.41</td>
<td>-1.4</td>
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<tr>
<td>Budgeted FTEs</td>
<td>23.26</td>
<td>22.34</td>
<td>24.35</td>
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Distribution of Staffing Resources

- Policy: 8%
- Admin: 13%
- Audits: 27%
- Engagement & Compliance: 17%
- Electronic Disclosure & Data Analysis: 15%
- Investigations & Enforcement: 21%

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## Current Capacity and Constraints

### Audit Division: 4 Authorized FTEs

**Vacancies:** One 1824 Audit Supervisor

**DSW:** One 1822 auditor on extended DSW duty through Dec. 2020

**Impact**
- Remaining audit resources are deployed to administer Public Financing program through November election
- Pending campaign audits and program improvements are effectively on hold until after election
- No additional compliance reviews until 2021

### Policy Division: 2 Authorized FTEs

**Vacancies:** One 1822 Policy Analyst

**Impact**
- Policy analysis process and development of legislative recommendations in response to Controller’s June report delayed until 2021

### Mayor’s Proposed Budget

- **Audit Division:** Authorizes hiring of existing 1824 Audit Supervisor effective Jan. 2021
- **Policy Division:** Authorizes hiring of existing 1822 Policy Analyst effective Jan. 2021
### Enforcement Division

- **5 Authorized Investigative FTEs**
- **Vacancies:** One 1822 Investigator
- **DSW:** One 1823 Investigator on extended DSW duty through Dec. 2020

**Impact**
- Delays timely investigations and case resolutions
- Delays progress on updating and further strengthening enforcement policies and practices

**Mayor’s Proposed Budget**
- Required attrition savings target prevents filling existing 1822 Investigator vacancy in both FY21 and FY22

### Electronic Disclosure & Data Analysis Division

- **4 Authorized FTEs in FY20**
- **Discontinued:** One 1042 IS Engineer

**Impact**
- Delayed planned Jan 2021 launch of e-filing of economic interest statements by designated departmental filers

**Mayor’s Proposed Budget**
- Reauthorizes 1042 IS Engineer position effective Jan. 2021, enabling project resumption
In Alignment:
Controller’s June 29th Report Recommendations

Rec: **Enable Citywide Electronic Filing of Form 700**
- Adds new 1840 Customer Support Specialist (for a 3-year limited term) effective Jan 2021
- Reauthorizes 1042 IS Engineer effective Jan 2021

Rec: **Conduct Annual Compliance Reviews**
- Authorizes hiring of 1824 Audit Supervisor effective Jan 2021

Rec: **Examine Gift Loopholes**
- Authorizes hiring of 1822 Policy Analyst effective Jan 2021
- Increases DHR Work Order support to .5 FTE equivalent in FY21 and to 1 FTE equivalent in FY22 for hiring assistance

Not Yet In Alignment:
BLA’s August 10 Performance Audit Recommendations

Rec 2.1: **Expedite Approval Of Requests to Fill Vacant Positions**
- Budget funds filling three vacant positions starting Jan. 2021
  - Required attrition savings target prevents filling the existing 1822 Investigator position authority in both FY21 and FY22

Recs 3.4 and 4.5: **Establish And Formalize Sufficient Training for Audit and Enforcement Staff**
- Reduction in staff training budget of $22k in FY21 and of $25k in FY22
Full funding of the Ethics Commission is critical at this time.

Reduce attrition savings target by .5 FTE in FY21 and by 1 FTE in FY22 to enable vacancy in existing 1822 Enforcement Division Investigator to be filled.

"Providing proactive outreach on the City’s ethics laws promotes voluntary compliance with these laws, reducing the need for enforcement efforts against those who want to comply…"

Budget and Legislative Analyst, Performance Audit of Ethics Commission, August 10

Invest in funding necessary to launch Ethics@Work - an ETH outreach team of four trainers for a 3-year limited-term project to develop and conduct targeted, practical ethics trainings for City employees and officials based on an assessment of their specific training needs and addresses areas of risk specific to their job function.

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<th>FY21</th>
<th>FY22</th>
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<tr>
<td>Reduce attrition savings</td>
<td>+$75k</td>
<td>+$150k</td>
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<tr>
<td>Invest in Ethics@Work</td>
<td>+$400k</td>
<td>+$815k</td>
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