

Statement by the Ethics Commission on Proposed Ethics Commission Budget for FY22

February 22, 2021

San Francisco is in crisis, make that plural, crises. We have a pandemic and its progeny: loved ones lost, health systems strained, schools shuttered, and businesses failing, all while City revenues are falling. Catastrophic climate change threatens the City with persistent wildfire smoke and rising sea levels. All this on top of the longstanding challenges of systemic racism, income inequality, youth unemployment, addiction, and homelessness.

Daunting, to say the least, but we are San Franciscans whose symbol is the Phoenix that rises from the ashes of destruction to begin anew. However, there is another, insidious crisis that directly threatens our ability to rise and meet these challenges. That is the corruption convictions and indictments involving bribery, fraud, self-dealing, contract bid rigging and pay-to-play entitlements infecting multiple City departments. To address these crises and ensure public trust in the integrity of our city government, we need leadership that sets the course and demonstrates through action and accountability that waste and corruption are not business as usual at City Hall, but that the “tone at the top” and throughout every city department, clear ethical standards, effective transparency, oversight and accountability are essential, integral and imperative.

Desmond Tutu instructs us, “A time of crisis is not just a time of anxiety and worry, it gives a chance, an opportunity, to choose well or to choose badly.” Indeed, the Chinese word for crisis, 危機 (wei ji), means danger + opportunity. Mayor Breed is our leader charged with making that choice for San Francisco as she prepares the City budget for submission to the Board for approval. As with any budget – whether government, corporate or personal – the allocation of resources is a bellwether indicator of priorities.

Every February the Mayor asks departments to submit proposed budgets; this year requiring every department to show how they would implement a very significant reduction of 7.5%, with an additional 2.5% contingency cut. Some context: the Ethics Commission’s current budget is \$4.7 million, or 0.00036% of the City’s \$13 billion total budget. San Franciscans have consistently voted to establish high ethical standards for behavior, disclosure and compliance, with an emphasis on verification in order to ensure the public’s trust in its officials and elections. Yet equally consistently, the Ethics Commission has been underfunded relative to its mandates as the Board’s Budget and Legislative Analyst 2020 audit report noted.

In the wake of the FBI’s corruption indictments, in September 2020 Mayor Breed authorized vacant positions to be filled to improve Commission investigations, audits, disclosure and compliance. A cut of 7.5% would eliminate those small advances before the positions can even be filled, or alternatively, eliminate numerous existing checks on ethical compliance with the law.

When there is a crisis, priorities come into focus. To meet the 7.5% cut requirement, which areas of corruption should we allow to flourish?

Should we ignore the voters' mandate to audit campaign finances, or lobbyists expenditures?

Or should we ignore the Controller and Budget Analyst careful recommendation that we eliminate loopholes in legislation that were exploited as revealed in the corruption indictments?

Or should we stop examining filings for gifts to, or payments at the behest of, government officials; conflicts of interest; or travel expenses?

Or should we defer collecting penalties for violations?

Or should we be less responsive to public requests, or provide less guidance on compliance?

The Mayor stated her priorities as guidance to departments, asking that they identify the implications of eliminating various staff positions or programs relative to these goals:

- Supporting small business and economic recovery,
- Prioritizing programs with demonstrated outcomes centered around equity,
- Implementing homelessness and mental health programming, and
- Continuing to respond to COVID-19.

Without addressing corruption, our ability to accomplish these goals and rise again is greatly diminished. We are living with the consequences of corruption both in our neighborhoods, when city maintenance of our streets and sidewalks was decidedly ill-managed, and in our small (and big) businesses when contract decisions are rigged and permits are stalled in favor of those who pay-to-play. Equity is not advanced when the public loses faith in the legitimacy of government and opts out of participating. In responding to COVID-19, the Ethics Commission has already dispatched a total of nine staff to engage in Disaster Service Work to address the pandemic crisis – 45% of the 20 positions currently filled at the small department of 25 staff – for a total of more than 3,900 staff hours this past year.

As the Mayor makes the hard choices in preparing the proposed budget to submit to the Board in May, we invite the public to get involved in these consequential decisions for democracy in our City. The Ethics Commission believes that this is a discussion San Franciscans cannot leave to City Hall alone. This is about investing in public integrity and making government effective for and accountable to the people of San Francisco. Please take some time to consider the implications of the Mayor's requested budget cuts, and share your feedback by sending an email to ethics.commission@sfgov.org.

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Approved by the San Francisco Ethics Commission at its meeting of February 12, 2021.