



ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

NOREEN AMBROSE
CHAIR

June 7, 2021

YVONNE LEE
VICE-CHAIR

To: Members of the Ethics Commission

DAINA CHIU
COMMISSIONER

From: LeeAnn Pelham, Executive Director
Gayathri Thaikkendiyil, Deputy Director and Chief Operating Officer

LARRY BUSH
COMMISSIONER

Subject: **Agenda Item 9 – Discussion and Possible Action on Ethics Commission
Annual Budget as Proposed by the Mayor’s Office for FY22 and FY23**

JAMES BELL
COMMISSIONER

LEEANN PELHAM
EXECUTIVE DIRECTOR

Summary This item provides the Ethics Commission with an update on the Commission’s budget as proposed by the Mayor for Fiscal Years FY22 and FY23.

Action Requested No action is required as this item is provided for informational purposes only, however the item has been noticed for possible action should the Commission wish to take any action regarding the budget as proposed by the Mayor’s Office.

Mayor’s Proposed Budget for FY22 and FY23

On June 1, Mayor Breed released her proposed \$13.1 billion [City budget for Fiscal Year \(FY\) 2021-22](#). As detailed in the Mayor’s budget proposal, the proposed operating budget for the Ethics Commission in FY22 is \$6.55 million, reflecting a roughly 23.6 percent increase from the Commission’s FY22 operating base budget of \$5.3 million and a roughly 38.7 percent increase from the Commission’s FY21 operating budget of \$4.72 million.

As recommended by the Mayor, the budget proposes to fund the full set of budget recommendations for its operating budget put forward by the Ethics Commission in its [FY22 Ethics Commission Budget request](#) submitted to the Mayor’s Office on February 22, 2021. These include:

- **Retention of its existing organizational capacity** through continuation of full departmental funding, including for all existing position authorities, to avoid disruption of Commission services to the public and filers across core programs. In Mayor’s FY22 budget instructions issued in December 2020, City departments were directed to submit an annual budget that identified a mandatory reduction of 7.5% and an additional contingency reduction of 2.5% to account for the projected deficit caused by the COVID-19 pandemic. Since then, the City received over \$630 million in federal

stimulus funds which helped prevent projected layoffs and cuts to basic city services. The Mayor’s proposed budget for the Commission does not include any targeted cuts.

- **Funding for Ethics@Work as proposed by the Commission to establish an ethics training and outreach team** to ensure City officials, employees, and contractors throughout city government can be equipped with tools to effectively navigate ethical issues in public service and actively contribute to a citywide culture of integrity. This includes funding for four training specialists, one 1824 Principal Administrative Analyst and three 1823 Senior Administrative Analysts, for a limited three-year term to pursue this core anti-corruption work with departments citywide.
- **New investigative resources to help reduce case resolution times and increase the number, proportion, and severity of cases investigated.** This includes funding for three new Investigator positions, limited three-year 1823 Senior Administrative Analysts, and an enforcement case management system as proposed by the Commission.
- **Funding to ensure the Ethics Commission can develop and implement standardized methods to track and regularly report on the performance of the department’s core functions.** This includes funding for a Program Performance and Reporting Analyst, a limited three-year 1823 Senior Administrative Analyst position.

The additional funding in the FY22 proposed budget will allow the Commission to continue to deliver its core services aligned with its strategic goals, and implement recommendations of the Controller’s Office public integrity reports issued thus far, and of BLA’s August 2020 performance audit report of the Ethics Commission.

Overview of Ethics Commission Operating Budget as Proposed by Mayor’s Office

The table below summarizes the Ethics Commission’s operating budget as recommended in the Mayor’s June 1 budget proposal along with the Commission’s FY20-21 budget levels.

Budget Item	Ethics Commission Budget for FY 20-21	As Proposed by Mayor for FY 21-22	As Proposed by Mayor for FY 22-23
Operating Budget	\$4,724,515	\$6,551,078	\$7,011,341
Total Staff Positions Authorized to Fill	25	33	33
Total Position FTEs Budgeted*	22.78	30.5**	32.33

* Includes reductions in Salary and Fringe accounts for authorized positions due to attrition savings
 ** Includes eight new positions at 0.77 FTE authorized to be filled starting on October 1, 2021, which is the standard timeline for allocating new positions in a fiscal year in the City’s budgeting process.

Election Campaign Fund

The Election Campaign Fund is established in the City's Campaign Finance Reform Ordinance Sec. 1.138 and provides a dedicated source of funding for use in providing qualified candidates for the offices of Mayor or Board of Supervisors with a limited amount of public financing for their election campaign. This fund currently has an available balance of \$4.25 million. The proposed budget for FY22 does not include an additional allocation to this fund. The proposed budget for FY23 includes an allocation of \$446,860.

BOS Budget and Appropriations Committee Hearings

The Board of Supervisors Budget and Appropriations Committee is scheduled to begin its consideration of the Mayor's proposed FY22 and FY23 budget with department budget presentations that start on June 14. The Committee is comprised of Supervisors Haney (Chair), Safai, Mar, Ronen, and President Walton. The Committee has asked City departments to demonstrate plans in their budget presentations that will further the following core principles; 1) Eliminate Corruption and Waste, 2) Rebuild a Better City, and 3) Innovate by Focusing on Impact. More information regarding the instructions to departments can be accessed on the [BOS website](#). The City's budget will be considered by the Board of Supervisors in July.

The Ethics Commission's budget presentations at the committee are scheduled for June 14 and 21. Further updates on FY22 budget actions will be provided in the upcoming Commission meetings. The Commission's budget proposals and related documents are available on the [budget page](#) on its website.