



San Francisco Ethics Commission

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January 14, 2022

To: Members of the Ethics Commission

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

Subject: January 21 Meeting Agenda Item 5 - Public Hearing on Ethics Commission FY23-FY24 Budget Priorities

Summary and Action Requested

The attached overview is presented for informational purposes only as background on the Ethics Commission's departmental budget. No action is required at this public hearing. The Agenda item has been noticed for both discussion and possible action should the Commission wish to take action at this meeting after receiving public comment on departmental budget priorities for FY23-FY24.

Budget Submission Deadline

Departmental budget submissions for the Fiscal Years that begin July 1, 2022 and end June 30, 2024 must be submitted to the Mayor's Office on February 22, 2022. As part of the annual budget process, departments are subject to requirements that took effect in 2020 under Ordinance No. 294-19. That ordinance was adopted by the Board of Supervisors in December 2019 and modified the process for adopting the City's annual budget with the goal of expanding public input in the development of the City's annual budget.

Public Hearing on Departmental Budget Priorities

Under the Ordinance, following the issuance of annual budget instructions from the Mayor, departments are required to hold a public meeting concerning departmental budget priorities at which members of the public may provide input. The purpose of the meeting is to allow for public input on departmental budget priorities for the upcoming Fiscal Year prior to the department finalizing a proposed budget. For departments subject to the oversight of a commission, this requirement may be satisfied by holding a public hearing regarding budget priorities at a regular or special meeting subject to both the Brown Act and the Sunshine Ordinance. The meeting must be held at least 15 days prior to the commission's final approval of the agency's proposed budget.

Subsequent Public Hearing on Department's Proposed Budget

The Ordinance also requires that by no later than February 14 each year, agencies must hold a public meeting concerning the department's proposed budget to allow for public input prior to the agency's submission of their proposed budget. At that meeting, information provided must include information about the agency's divisions; budget totals and major changes including new or reduced initiatives and

staffing changes; changes in service levels; projected salary savings; and how the agency is meeting budget instruction targets. The Ordinance requires this public meeting to occur no less than 15 days after the public meeting to obtain input on budget priorities. For Commissions, this requirement can be satisfied at a regular or special meeting at which it considers final approval of the agency's proposed budget.

Mayor's Budget Instructions for Fiscal Years 2023 and 2024

The Mayor issued annual budget instructions to City departments for FY23 and FY24 on December 15, 2021. The City is projecting a budget surplus of \$108 million over the upcoming two budget years, out of an annual general fund budget of approximately \$6 billion. Therefore, departments are not being asked to make any proposed cuts, but instead to reprioritize existing funding towards programs and services that will deliver results and meet the top priorities that the Mayor has identified for the City. These priorities include:

- Restoring vibrancy to San Francisco, including improved public safety and street conditions
- Recovery of the local economy
- Reprioritization of funding to improve core service delivery
- Accountability and equity in delivery of programs, services, and spending

Following submission of the budget proposals, the Mayor's Budget Office will evaluate the requests and develop the Mayor's proposed balanced budget to submit to the Board by June 1, 2022. The Board of Supervisors then considers the budget and must send a balanced budget back to the Mayor for signature by August 1, 2022.

Public Input on Ethics Commission Budget

In preparation for submitting its FY23-FY24 budget to the Mayor's Office on February 22, as required, the Ethics Commission has planned the following specific opportunities to receive public input on its budget:

- In accordance Ordinance 294-19, the Ethics Commission has scheduled a remote public hearing on departmental budget priorities for Friday, January 21, 2022. This meeting will be conducted via Webex and livestreamed via SFGovTV. For the January 21 public hearing, Commission Staff will present an overview of budget proposals, which appears in Attachment 1.
- Also in accordance Ordinance 294-19, the Commission will schedule a public hearing related to the department's proposed budget at its next Regular Meeting on Friday, February 11, 2022. At this meeting Staff will provide a further detailed presentation on the budget planned for submission for FY23-FY24. As a regular monthly meeting of the Commission, this meeting will be streamed via Webex and cablecast live on SFGovTV. Details and materials for this meeting will be posted in advance of the meeting as required by the Brown Act and Sunshine Ordinance no later than Tuesday, February 8.
- Written comment may also be submitted to ethics.commission@sfgov.org.



City & County of San Francisco
Ethics Commission

FY23 - FY24 Departmental Budget Overview

Special Meeting of the Ethics Commission

Agenda Item 5

Friday, January 21, 2022 | 10:00 a.m. | Webex Remote Meeting

LeeAnn Pelham, Executive Director

Gayathri Thaikkendiyil, Deputy Director & Chief Operating Officer

sfethics.org

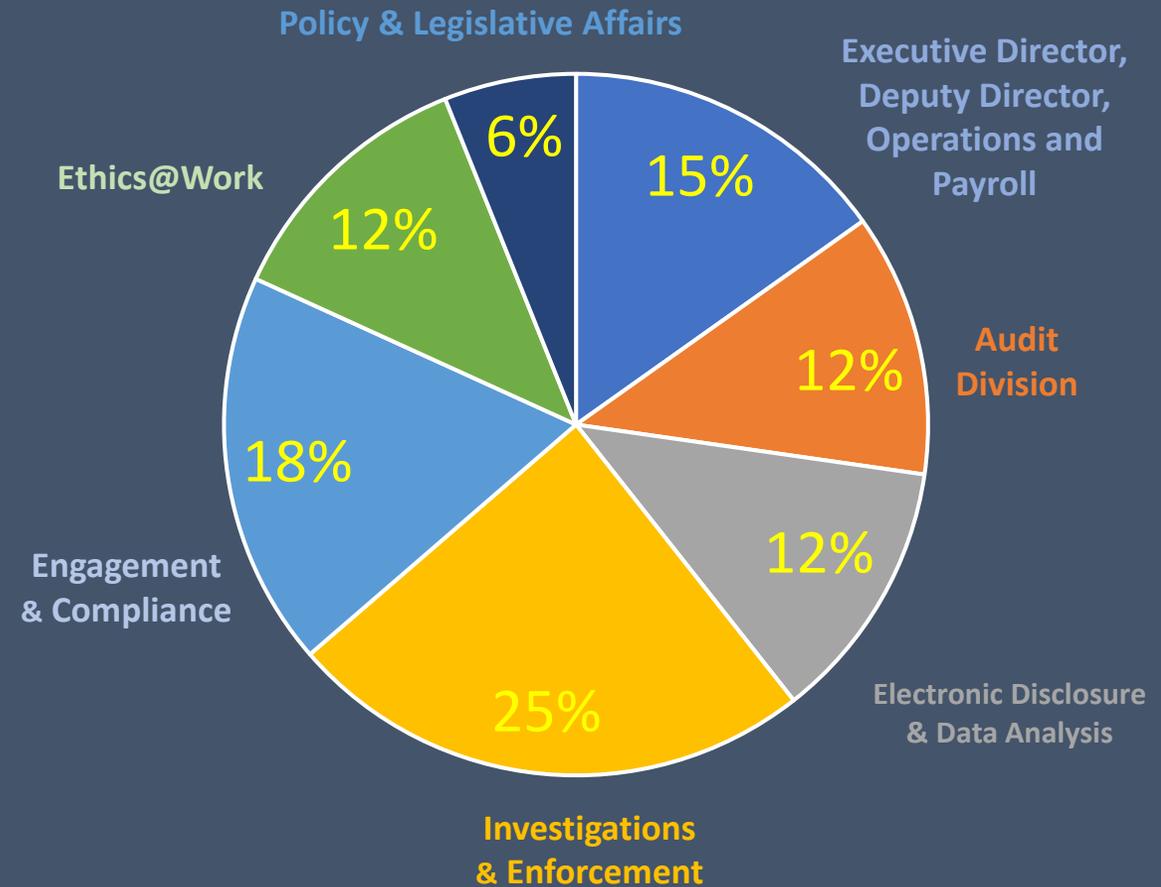
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Budget	FY22 (July 1, 2021 - June 30, 2022)	FY23 (July 1, 2022 - June 30, 2023)	FY24 (July 1, 2023 - June 30, 2024)
Allocated Operating Budget	\$6,551,078	\$6,956,814	\$6,555,296
Election Campaign Fund Contribution	-	\$446,860	\$446,860
Number of Staff Positions	33	33	31*

* Funding for two positions expire in FY24

Distribution of FY22 Staffing Resources





Mayor's Budget Instructions to City Departments

- Departments are not being asked to make any proposed cuts.
- Reprioritize existing funding towards programs and services that will deliver results and meet the following top priorities that the Mayor has identified for the City:
 - Restoring vibrancy to San Francisco, including improved public safety and street conditions
 - Recovery of the local economy
 - Reprioritization of funding to improve core service delivery
 - Accountability and equity in delivery of programs, services, and spending



Duties and responsibilities of the Ethics Commission under the City Charter include to:

- ▶ Act as City’s filing officer under Political Reform Act C3.699-11.3
- ▶ Provide assistance to agencies, officials, and candidates C3.699-11.5
- ▶ Investigate alleged violations of campaign finance, ethics, and conflicts of interests C3.699-11.4
- ▶ Make recommendations to Mayor and Board of Supervisors C3.699-11.6
- ▶ Submit to the voters charter amendments relating to campaign finance, conflicts of interest and governmental ethics C3.699-11.6
- ▶ Develop an educational program on ethics laws and the importance of ethics to the public's confidence in municipal government for newly elected and appointed officers and employees, candidates and campaign treasurers, and lobbyists C3.699-11.13
- ▶ Issue opinions and provide advice C3.699-12
- ▶ Advocate understanding of charter & ordinances C.699-11.10
- ▶ Audit campaign statements C3.699-11.4
- ▶ Administer lobbying registration and disclosure C3.699-11.2
- ▶ Assist departments in developing and maintaining their conflict of interest codes C.699-11.9
- ▶ Prepare and publish manuals and instructions and explain applicable duties C3.699-11.13
- ▶ Prescribe forms for reports, statements, notices and other documents C3.699-11.12
- ▶ Levy fines and penalties for violations C3.699-13



Ongoing Departmental Priorities

- Strong laws, well implemented, with timely and effective oversight and accountability to enhance the impact of core Commission programs.
- Heightened awareness of the laws through organization-wide focus on practical tools and information, essential outreach, and accessible public disclosure to enhance understanding, promote improved compliance, and foster equitable and meaningful public engagement.
- Strive for excellence through continuous improvement, transparency, and accountability for Commission's work. Implement program and business process improvements and re-calibrate services as needed to maximize impact.



Position Related Request

Enable continuity of essential public disclosure functions by reclassifying and retaining *IS Engineer* position

- Core disclosure projects now involve greater complexity of technical engineering which requires a senior level position to maintain and enhance systems.
- Funding for existing *IS Engineer* position expires effective June 30, 2023.
- Known technology projects in scope for this role include the following: build critical infrastructure to publish Commission’s data to DataSF, maintain complaint management system, migrate obsolete website infrastructure to City’s new platform, enhance DocuSign disclosure processes, and redesign campaign dashboards to make better data available to the public.



Investments:

- Reclassify existing 1042 *IS Engineer* position to 1043 *Senior IS Engineer* in FY23
- Provide full funding for this 1043 *Senior IS Engineer* position as a 3-year limited term exempt position starting in FY24

FY23

FY24

+\$20k

For reclassification

+\$232k

To fund year-1 of a 3-year limited term position



Position Related Request

Strengthen direct support for filing compliance and guidance across all program areas by creating dedicated *Client Support Services Unit*

- Funding for existing *Client Support Specialist* position for Form 700 e-filing launch expires effective June 30, 2023.
- A new 1840 *Client Support Specialist* position starting July 1, 2023 is needed to provide focused and streamlined filer assistance across program areas within the Engagement & Compliance Division to broader members of the public with faster and more efficient filer support services.
- Technical training and filing support continues to be an essential need; direct assistance is critical to 4700+ departmental Form 700 filers, 80+ departmental filing officers, 200+ lobbyists, 300+ active committees, and other members of the public with Ethics Commission filing obligations.
- Educational materials and outreach to enhance stakeholder understanding of e-filing requirements and processes are key to effective compliance.



Investments:

- Provide full funding for 1840 *Client Support Specialist* position as a 3-year limited term exempt position starting in FY24

FY23

-

FY24

+\$133k

To fund year-1 of a 3-year limited term position



Position Related Request

Ensure complex policy and legislative work necessary to achieve strong, workable, and effective political reform laws is supported by job classifications that reflect the full nature and level of that work



Since 2017 creation of a dedicated Ethics Commission policy unit, the duties of the two policy positions have significantly expanded to have broader City-wide responsibility, engagement, and impact. This work demands exercise of:

- Highly specialized legal and research skills, increasingly necessitated by the complex issues addressed in the Commission’s policy work.
- Application of significant strategic planning and thinking skills, independent sound judgement, strong negotiating and program management skills that have impact on the Commission’s operations and others Citywide, beyond the scope of duties that existed when the positions were initially created.

Investments:

- Reclassify the existing 1823 *Senior Policy and Legislative Affairs Counsel* position to 1824 *Policy and Legislative Affairs Manager* position
- Reclassify the existing 1822 *Policy Analyst* position to 1823 *Senior Policy Analyst* position

FY23

FY24

+\$49k

+\$49k

For reclassifications

For reclassifications



Position Related Request

Strengthen reach and impact of Audit programs by adding a new *Senior Auditor* position to ensure fuller, more timely oversight



- Performing mandatory and discretionary campaign audits, lobbying audits, Form 700 post-filing compliance reviews, and public campaign funds qualification and disbursement reviews are Audit Division duties.
- The Division’s capacity to perform more timely audits (as recommended in the BLA audit), to conduct discretionary audits, and establish post compliance reviews of Commission programs remains limited with only three 1822 *Auditor* positions.
- The breadth of projects required of the Division requires staffing aligned with the Commission’s auditing and growing post-compliance and review responsibilities. To help address unmet and emerging programmatic needs and ensure that relevant oversight work can be developed for improved impact and timely execution, a new *Senior Auditor* staff position is necessary.

Investments:

- One new 1823 *Senior Auditor* position as a 3-year limited term exempt position starting in FY23
- Funding for technology equipment and software for this new position

FY23

FY24

+\$145k

+\$184k

At 0.79 FTE in the first year

At 1 FTE



Non-Position Related Request

Maintain core business systems by funding essential technology and professional services



- Essential technology includes software tools such as ticketing application to track issues reported by staff and filers; application to build user-friendly forms for e-filing disclosures; and data visualization tool to re-design and improve campaign dashboards.
- Funding is needed to meet maintenance cost increase for NetFile e-filing system per consumer price index adjustment.
- End-of-support laptops and accessories for staff must be replaced and an inventory of back-up equipment for business continuity is essential.

Investments:

- Provide funding to procure software tools, professional services, and equipment

FY23

FY24

+\$78k

+\$84k



Non-Position Related Request

Provide necessary support for Commission’s core business functions by funding essential services provided by other departments



- Funding for the Department of Technology to cover cost increases for office software tools due to increase in staffing levels, volume of DocuSign public disclosure e-filings, device support services, and website hosting charges.
- New funding arrangement with the Office of Contract Administration is necessary to assist the Commission in ensuring it has the capability to secure external auditing contracts as necessary for mandatory audits of publicly financed campaign audits, and for contracts related to technology services. Note: Funding for work related to audits of publicly-financed candidates will be allocated from the Election Campaign Funds as administrative expenses.

Investments:

- Provide necessary funding for technology and contracting services

FY23

FY24

+\$20k

+\$70k



No budgetary impact

Repurposing Existing Position

- Commission's vacant 1840 *Fines Collection Officer* position will be repurposed as 1840 *Finance and Operations Coordinator* within the Executive team to consolidate Commission support operations and other departmental functions currently distributed across program staff to enable better operational and program delivery.
- This re-aligned role will assist with;
 - Commission meeting support, communications, and related responsibilities
 - Commissioner onboarding and ongoing technical support
 - Departmental budgeting activities and day-to-day financial operations
 - Supporting IT procurement and contracting functions
 - Department-wide initiatives and special projects
- The fines collection functions will be incorporated in the Streamlined Administrative Resolution Program in the Enforcement Division.
- As this position is already fully funded in the Commission's budget, this change does not require a budget request.



Description	FY23 (July 1, 2022 - June 30, 2023)	FY24 (July 1, 2023 - June 30, 2024)
Allocated Operating Budget	\$6,956,814	\$6,555,296
ETH Requests		
Position Related Requests	\$215,129	\$598,233
Non-Position Related Requests*	\$98,162	\$153,683
Total Request	\$313,291	\$751,916
Increase from allocated budget	4.5%	11.5%

** Includes software applications, technology equipment, professional services, and services of other departments*

Proposed Ethics Commission Staffing Structure, FY23 - FY24

Executive Director (0961)

Deputy Director & COO (0951)

1823 Program Performance & Reporting Analyst
1840 Finance and Operations Coordinator
1222 Payroll Clerk

Engagement & Compliance

 = 6

1824 Engagement & Compliance Manager
1823 Senior Program Administrator
1844 Engagement & Compliance Officer
1844 Engagement & Compliance Officer
1840 Client Support Specialist
1406 Senior Administrative Coordinator

Education & Training
(Ethics@Work)

 = 4

1824 Program Manager
1823 Training and Outreach Specialist
1823 Training and Outreach Specialist
1823 Training Technology Specialist

Policy

 = 2

1824 Policy & Legislative Affairs Manager
(reclassified)
1823 Senior Policy Analyst
(reclassified)

Audits

 = 5

1824 Audit & Compliance Review Manager
1823 Senior Auditor (New)
1822 Auditor
1822 Auditor

Enforcement

 = 8

0922 Director of Enforcement
1823 Senior Investigative Analyst
1822 Investigative Analyst

Electronic Disclosure & Data Analysis

 = 4

1054 Director of Technology Services
1053 Senior IS Analyst
1052 IS Analyst
1043 Senior IS Engineer
(reclassified)

34 Staff positions funded by Annual Operating Budget



At the Commission's Special Meeting on January 21, the Commission welcomes all public comment on its FY23-FY24 budget priorities.

- To provide public comment at the Commission's January 21 meeting, please see the instructions on how to participate on the Commission's Special Meeting Agenda.
- Written comment may be submitted to ethics.commission@sfgov.org.