



# San Francisco Ethics Commission

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February 7, 2022

To: Members of the Ethics Commission

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

Subject: February 11 Meeting Agenda Item 7 - Public Hearing on Ethics Commission FY23-FY24 Budget Priorities

## Summary and Action Requested

The item provides an opportunity for the Commission to be briefed, receive public comment, and take action on a departmental budget for Fiscal Year 2023 that begins July 1, 2022. City departments are required to submit their FY23-FY24 budget proposals to the Mayor by the February 22, 2022 deadline.

## Background Information

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.

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. The Ethics Commission held [this hearing](#) at a [Special Meeting on January 21](#).

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. This hearing is scheduled for February 11 at the Commission's Regular monthly Commission meeting. The information provided in this meeting must include description of 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. An overview of the Commission's organization and functional structure appears in Attachment I. An overview of the proposed budget appears in Attachment II.

Following the Commission's discussion and any policy direction it may wish to adopt at its upcoming meeting, Staff will finalize the budget for submission on February 22.

## 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. In those instructions, the Mayor is not asking departments propose cuts. Instead, departments have been asked 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, which are:

- 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.

### Summary of Ethics Commission FY23 Proposed Budget

Through its annual budget proposal, the Ethics Commission seeks to ensure funding sufficient to achieve the purposes for which San Franciscans established the Commission. With the Commission's mission to practice and promote the highest standards of integrity in government, the department works to achieve that by delivering impactful programs that promote fair, transparent, and accountable governmental decision making for the benefit of all San Franciscans.

San Franciscans have charged the Ethics Commission, in part, with developing programs that advocate for and heighten awareness of the importance of ethics laws to the public's confidence in municipal government. In the wake of federal and local corruption investigations that have resulted in criminal charges over the past two years against more than a dozen respondents that include City officials, employees, and contractors, restoring public faith in local government through improved accountability and equity in the delivery of programs and services is more crucial than ever.

To do that, the Commission's proposed FY23 budget prioritizes funding necessary for essential public disclosure tools, compliance resources, and new community engagement initiatives that are vital to effective public participation in holding government accountable. As proposed, the Commission's FY23 budget will allow for the following specific needs to be addressed:

- Enable continuity of **essential online public disclosure functions** by reclassifying and retaining IS Engineer position
- Strengthen **direct support for filing compliance and guidance** across all program areas by creating a dedicated *Client Support Services Unit*
- 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 necessary work**
- **Deepen community engagement in shaping practical and effective public policy solutions** by funding a position in the Policy Division dedicated to civic and community participation

- **Expand community engagement in shaping how policy is implemented** by funding a position in the Engagement & Compliance Division focused on policy implementation practices and communications to maximize policy awareness and impact
- Strengthen reach and impact of Audit programs by adding a new *Senior Auditor* position to ensure **fuller, more timely oversight**
- **Maintain core business systems and functions** by funding essential technology and professional services that include services provided by other departments

To do this vital work, as detailed in Attachment II, the Ethics Commission's proposed budget seeks an FY23 operating budget of \$7.5M. This represents 8.8 percent increase over the Commission's FY23 operating budget of \$6.9M, including a 9 percent increase of three new staff positions over FY22 levels.

We look forward to presenting an overview of these proposals at the February 11 meeting and to receiving feedback from the Commission and public as part of finalizing our FY23 budget submission.

Commission Organizational Structure and Functional Divisions



**Engagement & Compliance:** As part of its duty to promote governmental accountability, the Ethics Commission provides information and guidance to city officers and employees, candidates for public office, the public, and others to help them understand and comply with their responsibilities under the law. The Engagement and Compliance Division publishes compliance materials and provides informal advice that applies the City’s ethics, campaign finance, and lobbying laws to circumstances faced in practice. The Commission also acts as filing officer for a wide range of public disclosure statements filed by designated local officials, candidates seeking local office, and lobbyists who seek to influence governmental decisions in the city and County of San Francisco.

**Ethics@Work Program:** This Division will implement the new Ethics@Work program by creating training and outreach resources necessary to deliver practical education on navigating ethical issues across City departments based on an assessment of specific training needs to promote and support ethical leadership at all levels of departmental decision making.

**Electronic Disclosure & Data Analysis (EDDA):** This Division serves filers, Commission staff, and the public by providing integrated and effective technology solutions for compliance, agency operations, and access to electronic disclosure records and data. The EDDA Division develops integrated technology solutions to support the Commission’s various programs. The Division maintains the electronic disclosure platforms for campaign finance, lobbyist, Form 700, and other filings. The Division also

ensures that the public has complete and timely access to the disclosures, such as through the campaign finance data dashboards and the City's open data portal.

**Policy:** This Division leads the Commission's public policy research, analysis, and legislative work. It is responsible for analyzing how well current laws and programs are achieving their intended purposes and formulating new regulatory and legislative approaches to ensure the City's political reform laws are strong, workable, and enforceable. Related duties assigned to the Division include media relations, interpreting and advising on the law, and stakeholder outreach and engagement. The Division also administers the Commission's opinion and waiver programs.

**Audits:** To help fulfill the Ethics Commission's oversight function, the Audit Division is responsible for conducting campaign audits pursuant to the Commission's Charter authority and mandate under City law to determine whether committees have materially complied with applicable requirements of State and local laws. The Division also administers the Public Campaign Financing Program qualification and claim review process to determine candidate eligibility and public funds disbursements. In addition, the Audit Division is responsible for conducting audits required under City law related to the lobbyist registration and reporting and for conducting post-filing compliance reviews of other disclosures, such as public economic interest filings by City officials.

**Enforcement:** To fulfill the Ethics Commission's oversight mandate as an independent administrative enforcement agency, the Enforcement Division is charged with ensuring fair, thorough, and timely investigations and case outcomes that serve as an effective deterrent and promote accountability in government. The Division has responsibility to identify, investigate, and remedy unlawful conduct within the scope of the Commission's jurisdiction. The Division's investigators are responsible for investigating alleged violations of the law to ensure allegations are fully and objectively evaluated and that those who violate the law are held publicly accountable for their actions. This can include imposition of monetary penalties levied by the five-member Ethics Commission as provided for under the law.



**City & County of San Francisco**  
**Ethics Commission**

# FY23 - FY24 Departmental Budget Overview

Commission Meeting Agenda Item 7 – Attachment II

Friday, February 11, 2022 | 9:30 a.m. | Webex Remote Meeting

LeeAnn Pelham, Executive Director

Gayathri Thaikkendiyil, Deputy Director & Chief Operating Officer

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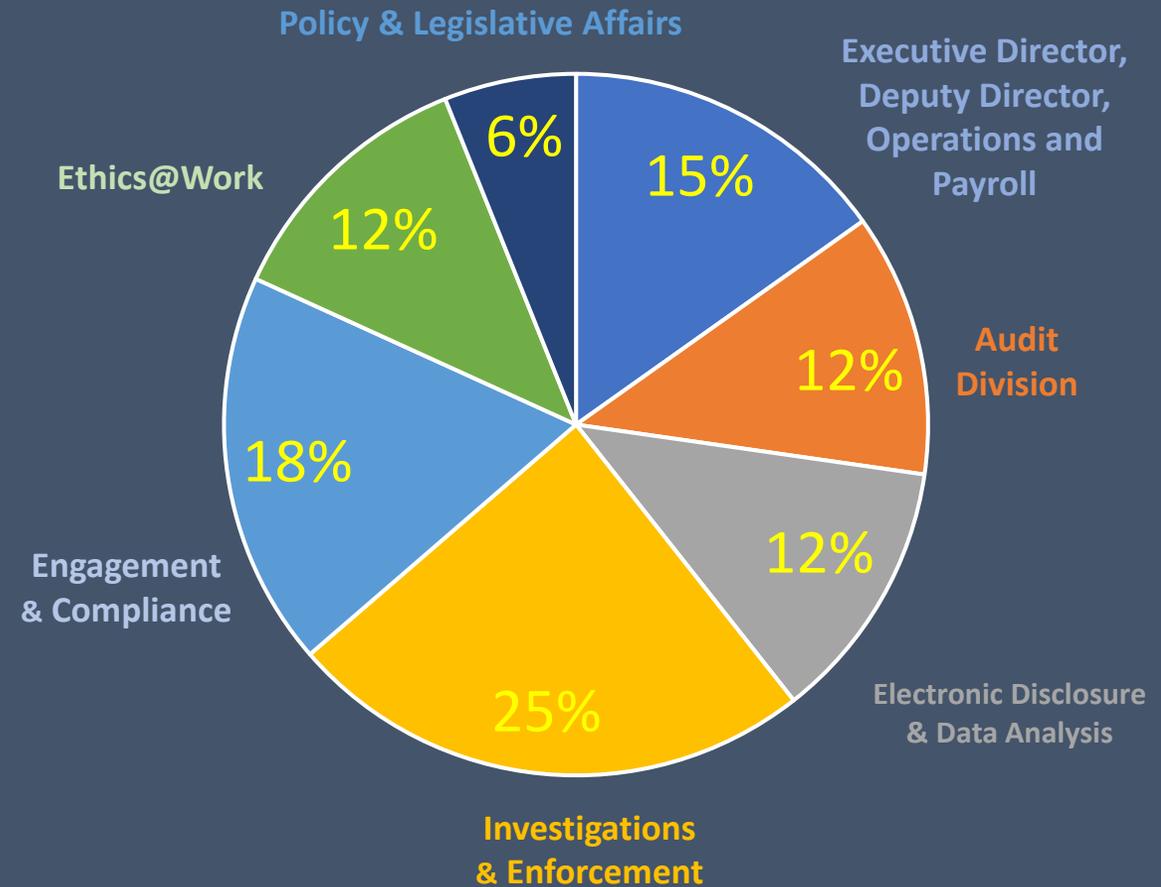
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Budget	FY22 (July 1, 2021 - June 30, 2022)	FY23 (July 1, 2022 - June 30, 2023)	FY24 (July 1, 2023 - June 30, 2024)
Allocated Operating Budget	\$6,551,078	\$6,956,814	\$6,555,296
Election Campaign Fund Contribution	-	\$446,860	\$446,860
Number of Staff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



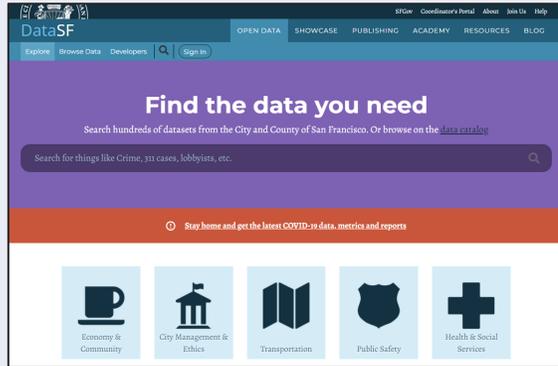
## Ongoing Departmental Priorities

- 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.



# City & County of San Francisco Ethics Commission

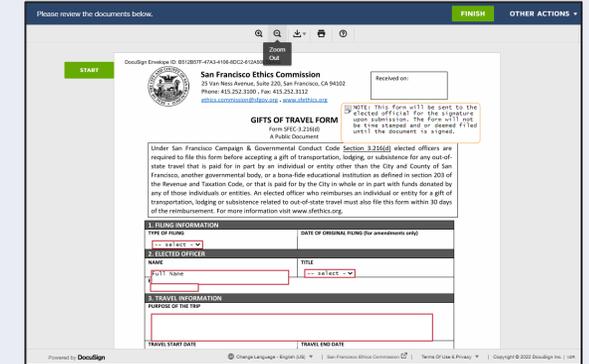
# Enable essential public disclosure functions



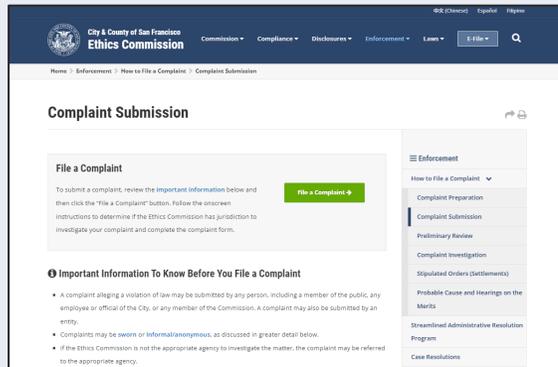
## Open Data



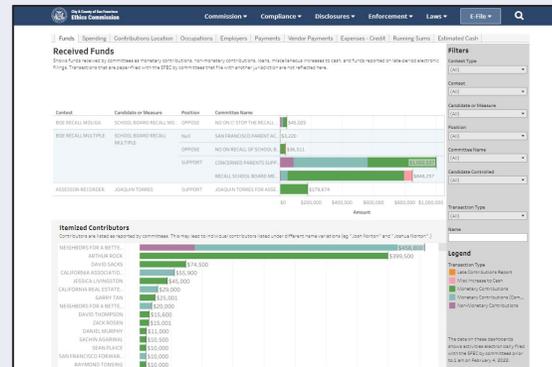
## Web Site



## E-Filing



## Complaints System



## Campaign Dashboards

```
> GET allcontributions.json
[
  {
    "Filer_NamL": "Committee",
    "Tran_NamL": "Smith, John",
    "Amount": "500"
  }
]
```

## Application Programming Interfaces



*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

**+\$20k**

For reclassification

FY24

**+\$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

-

Funding currently authorized through June 20, 2023

FY24

+\$133k

Funding necessary to sustain proactive client services in year-1 of a newly authorized 3-year limited term position



- Address identified need to expand community engagement and outreach initiatives in policy development and policy implementation processes to inform policy outcomes and achieve strongest impact.
- Improve accountability with a focus on engaging broader civic and community organizations as key participants in the Commission's policy-making processes.
- Provide information and resources about policy initiatives, proposed laws, and adopted legislation as platform for further inquiry and engagement with community.





*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 its 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*

## Deepen community engagement in shaping practical and effective public policy solutions by funding a position dedicated to civic and community participation



- Create and implement consistent and sustainable community engagement strategies and approaches by collaborating as member of Policy team to promote regular participation by community and civic stakeholders in policy development process.
- Lead efforts to establish and maintain relationships with community stakeholders and proactively create opportunities to timely seek their input in developing policy solutions.
- Engage in community meetings and events to heighten awareness of the Ethics Commission’s mission and its ongoing policy initiatives.
- Develop new communications and improve online materials on policy projects and legislative matters to share with community organizations.

**Investments:**

- One new 1823 *Civic & Community Engagement Specialist* in the Policy Division for a 3-year limited term exempt project starting in FY23

FY23

FY24

+\$145k

At 0.79 FTE in the first year

+\$184k

At 1 FTE



*Position Related Request*

Expand community engagement in shaping how policy is implemented by funding a position in the Engagement & Compliance Division focused on policy implementation practices and communications to maximize policy awareness and impact



- Develop and lead execution of Policy Implementation & Communications Plan in roll-out of new laws and regulations in collaboration with Policy staff.
- Develop communications, web content, and online materials to inform the public regarding new policy requirements.
- Act as lead to ensure programmatic and operational insights and stakeholder feedback are consistently integrated into ongoing policy development processes.
- Collaborate cross-functionally across divisions, with other City departments, and community stakeholders to identify, design, and implement business process changes, disclosure requirements, and e-filing solutions to maximize effectiveness of new policies.

**Investments:**

- One new 1823 *Policy Implementation Specialist* in the Engagement & Compliance Division for a 3-year limited term exempt project starting in FY23

FY23

FY24

+\$145k

+\$184k

At 0.79 FTE in the first year

At 1 FTE



*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

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

+\$90k

+\$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

+\$21k

+\$71k



Description	FY23 (July 1, 2022 - June 30, 2023)	FY24 (July 1, 2023 - June 30, 2024)
<b>Budget Pre-allocated</b>		
Operating Budget	\$6,956,814	\$6,555,296
<b>ETH Requests</b>		
<i>Position Related Requests</i>	\$505,857	\$965,881
<i>Non-Position Related Requests*</i>	\$110,880	\$154,301
Total Increase to Operating Budget	\$616,737	\$1,120,182
<b>Revised Budget Total</b>		
Revised Operating Budget	\$7,573,551	\$7,675,478
Increase to Operating Budget	8.8%	17%

\* 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

= 7

1824 Engagement & Compliance Manager  
 1823 Senior Program Administrator  
 1844 Engagement & Compliance Officer  
 1844 Engagement & Compliance Officer  
 1840 Client Support Specialist  
 1406 Senior Administrative Coordinator  
**1823 Policy Implementation Specialist (New)**

Ethics@Work Program

= 4

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

Policy

= 3

1824 Policy & Legislative Affairs Manager  
*(reclassified)*  
 1823 Senior Policy Analyst  
*(reclassified)*  
**1823 Civic and Community Engagement Specialist (New)**

Audits

= 5

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

Enforcement

= 8

0922 Director of Enforcement  
 1823 Senior Investigative Analyst  
 1823 Senior Investigative Analyst  
 1823 Senior Investigative Analyst  
 1823 Senior Investigative Analyst  
 1823 Senior Investigative Analyst  
 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)*

**36 Staff positions funded by Annual Operating Budget**

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No budgetary impact

## Repurpose 1840 Position to Finance and Operations Coordinator

- Commission's vacant 1840 *Fines Collection Officer* position will be repurposed to 1840 *Finance and Operations Coordinator* reporting to the Deputy Director to consolidate Commission support operations and other departmental functions currently distributed across program staff to enable better operational and program delivery. This position will:
  - Coordinate preparation, posting, and distribution of Commission meeting Agenda, Meeting Summary, and Minutes
  - Assist with Commission meeting facilitation
  - Provide Commissioner support for onboarding, training, and technology
  - Maintain Commission records, information, and correspondence
  - Assist executive team with budget and financial management
  - Support IT procurement and other purchasing functions
  - Assist with staff onboarding, office projects, and departmental external communications
  - Perform web posting and social media management
- Funding for this position is already allocated in FY23 – FY24 baseline operating budget.
- The fines collection functions will be incorporated in the Streamlined Administrative Resolution Program in the Enforcement Division.



Should the Commission seek an Executive Secretary position to help facilitate Commission meetings and perform other Commission support related duties?



- Reporting to Executive Director as its Appointing Authority, the position could:
  - coordinate preparation, posting, and distribution of Commission meeting Agenda, Meeting Summary, and Minutes
  - provide Commissioner support for onboarding, training, and technology
  - maintain Commission records, information, and correspondence, including notes for preparation of Meeting Summary and Minutes
  - serves as clerk at regular and special meetings by calling out agenda items, and monitoring time allotments for public comment
  - provides parliamentary support during Commission meeting
  - attend Board and Commission Secretary meetings

FY23

FY24

+\$86k

+\$135k

At 0.79 FTE in the first year

At 1 FTE

**Potential Investments:**

- One new exempt 1446 *Secretary II* position starting in FY23
- Funding for technology equipment and software for the position



# Consideration of Roles & Functions

Duties Assigned	1840 Finance and Operations Coordinator	1446 Executive Secretary
Coordinate and distribute meeting agenda materials	✓	✓
Prepare and post meeting minutes/summary	✓	✓
Support commissioner onboarding	✓	✓
Maintain commission records and correspondence	✓	✓
Assist with commission meeting facilitation	✓	✓
Provide parliamentary support at commission meetings	✓	✓
Assist with budget and finance management	✓	
Support IT procurement and purchasing functions	✓	
Coordinate staff onboarding and training	✓	
Support web posting, social media management, and departmental external communications	✓	
Assist with departmental operations and office projects	✓	
<b>Budgetary Increase</b> <i>(Salary, benefits, and technology equipment)</i>	No budget impact <i>(Position is funded in existing budget)</i>	+ \$86K in FY23 at 0.79 FTE + \$135K in FY24 at 1 FTE



At the Commission's Meeting on February 11, the Commission welcomes all public comment on its FY23-FY24 proposed budget.

- To provide public comment at the Commission's February 11 meeting, please see the instructions on how to participate on the Commission's Meeting Agenda.
- Written comment may be submitted to [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org).