



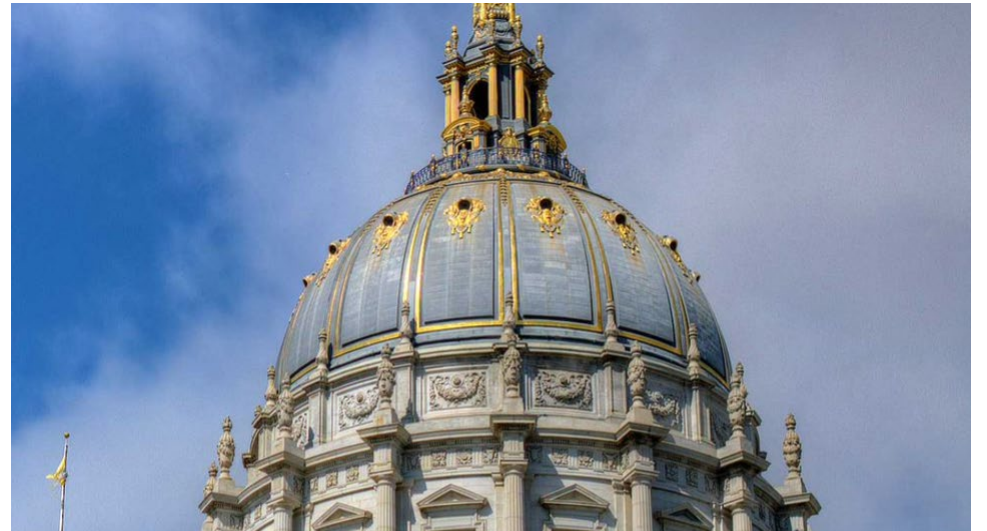
City & County of San Francisco
Ethics Commission

FY 2023-24 and FY 2024-25 Departmental Budget Presentation

BOS Budget and Appropriations Committee

June 14, 2023

Gayathri Thaikkendiyil,
Acting Executive Director





Overview of Proposed Department Operating Budget - General Fund

| ETH Budget | FY23 | FY24 | Percent Change From FY23 | FY25 | Percent Change From FY24 |
|----------------------|-------------|-------------|--------------------------|-------------|--------------------------|
| Operating Budget | \$7,139,993 | \$6,781,749 | -5% | \$4,883,027 | -28% |
| Authorized Positions | 34.44 | 34.63 | 0.6% | 24.63 | -29% |
| Budgeted FTEs* | 31.43 | 28.80 | -8% | 18.84 | -35% |

* With reductions in Salary and Fringe due to attrition savings and Mayor's proposed reductions.

Comparing current authorized positions to budgeted FTEs, the total effective FTE reduction will be 47% by FY25.

Overview of Proposed Contributions to Election Campaign Fund

| | | | | | |
|-------------------------------------|-----------|-----------|--|-------------|--|
| Election Campaign Fund Contribution | \$446,860 | \$446,860 | | \$3,702,199 | |
|-------------------------------------|-----------|-----------|--|-------------|--|



Mayor's Budget Proposal in Summary

- **Continue currently filled staff positions** and retain IS Engineer position (approved for only FY23-24).
- **Fill two positions** - Executive Director and Form 700 Client Support Specialist position (approved for only FY23-24).
- **Not fill any** remaining **vacancies** for two years. Ten positions are currently vacant in total (vacancy rate is 29%).
- **Let 10 positions expire by June 30, 2024**, impacting **7 current staff**. Creates **significant attrition risk** in FY24.
- **Reduce total staffing** by 16 positions out of 34 authorized positions (**47% reduction**) by FY25.
- **Insufficient funding for key positions** required to **fulfill charter mandates** and **essential functions**.



Campaign Finance Reform Ordinance (CFRO) Administration for 2024 Elections

Priority

Monitor and enforce compliance with **campaign finance laws**, provide filer assistance and advice, conduct charter mandated filing officer duties, audit publicly financed campaigns and eliminate backlog, and provide online tools for the public and press to track campaign finance activity for the **March and November 2024 elections**.

| Fiscal Year | Mayor's Budget Proposal | Impact |
|------------------|--|--|
| Starting FY23-24 | Continue funding for expiring IS Engineer position (one 1043). | Online tools for public and press to track campaign finance activity will be available for the March 2024 election . |
| | Leave all campaign finance compliance positions vacant for two years (one 1844 and one 1824). | Inability to fulfill charter mandated filing officer duties. Insufficient staffing to monitor compliance with campaign finance laws, administer public financing program , or provide filer support for campaigns with disclosure obligations involved in the 2024 elections . |
| Starting FY24-25 | Discontinue funding for IS Engineer position (one 1043). | Online tools for public and press to track campaign finance activity will be discontinued for the November 2024 election . |
| | In addition to leaving campaign finance compliance positions vacant, discontinue funding for campaign finance investigator (one 1823). | Insufficient staffing to enforce campaign finance laws for 2024 election cycle . |



Enforcement

Priority

Continue to execute **BLA recommended plan to reduce investigative case closure times, resolve all investigations** within two years, and **monitor and track performance**.

| Fiscal Year | Mayor’s Budget Proposal | Impact |
|------------------|--|--|
| Starting FY23-24 | Continue funding for expiring IS Engineer position (one 1043). | Continue technical support for case management system in FY24. |
| | Reduce investigative staffing by 25% from FY23 (one 1822 Investigator and one 1823 Senior Investigator). | <ul style="list-style-type: none"> ➤ Ethics Commission has increased case closure rates (see Appendix D) as recommended by the BLA. This proposal will return performance to FY21 levels (below) by FY25: <ul style="list-style-type: none"> ➤ 50% increase in time taken to close cases. ➤ 322% increase in average days to complete preliminary review. ➤ High attrition risk in FY24 though positions are expiring in FY25. |
| Starting FY24-25 | Reduce investigative staffing by 50% from FY23 (one 1822 Investigator and three 1823 Senior Investigators). | |
| | Discontinue funding for IS Engineer position (one 1043). | Discontinue technical support for case management system in FY25 . This will impact the ability to monitor and track performance as recommended by the BLA . |



Ethics Training and Education for City Employees (Ethics@Work Program)

Priority

Train City employees on governmental ethics and develop multi-lingual resources on topics including Form 700, conflict of interest, whistleblowing, gifts, behested payments, and secondary employment.

Impacts

| Fiscal Year | Mayor's Budget Proposal | Impact |
|------------------|---|--|
| Starting FY24-25 | <p>Discontinue funding for four staff training and education positions (one 1824, two 1823s, and one 1230).</p> | <ul style="list-style-type: none"> ➤ Fails to address City work culture that led to federal probe and indictments of top City officials. ➤ Ends the Commission's ethics training and education programs for City employees in FY25. ➤ Creates disincentives for departments to participate in ethics training and education programs in FY24 if program is to be terminated in FY25. ➤ Terminates existing training and education plans underway with City departments effective June 30, 2024. ➤ High attrition risk in FY24 though positions are expiring in FY25. |



Citywide Form 700 Program Administration

Priority

Administer **Citywide Form 700 program**, provide filer and filing officer **advice and e-filing technical support**, conduct filing officer duties, and **make disclosures available to the public online**.

| Fiscal Year | Mayor’s Budget Proposal | Impact |
|------------------|---|--|
| Starting FY23-24 | Continue funding for expiring Client Support Specialist position (one 1840). | Continue Form 700 client support for filers and filing officers through June 2024. |
| | Continue funding for expiring IS Engineer position (one 1043). | Continue publishing new Form 700 disclosure data accessible to the public on DataSF through June 2024. |
| Starting FY24-25 | Discontinue funding for expiring Client Support Specialist position (one 1840). | Insufficient staffing to provide Form 700 filer and filing officer e-filing technical support starting July 2024. |
| | Discontinue funding for IS Engineer position (one 1043). | Discontinue publishing new Form 700 disclosure data accessible to the public on DataSF starting July 2024. |

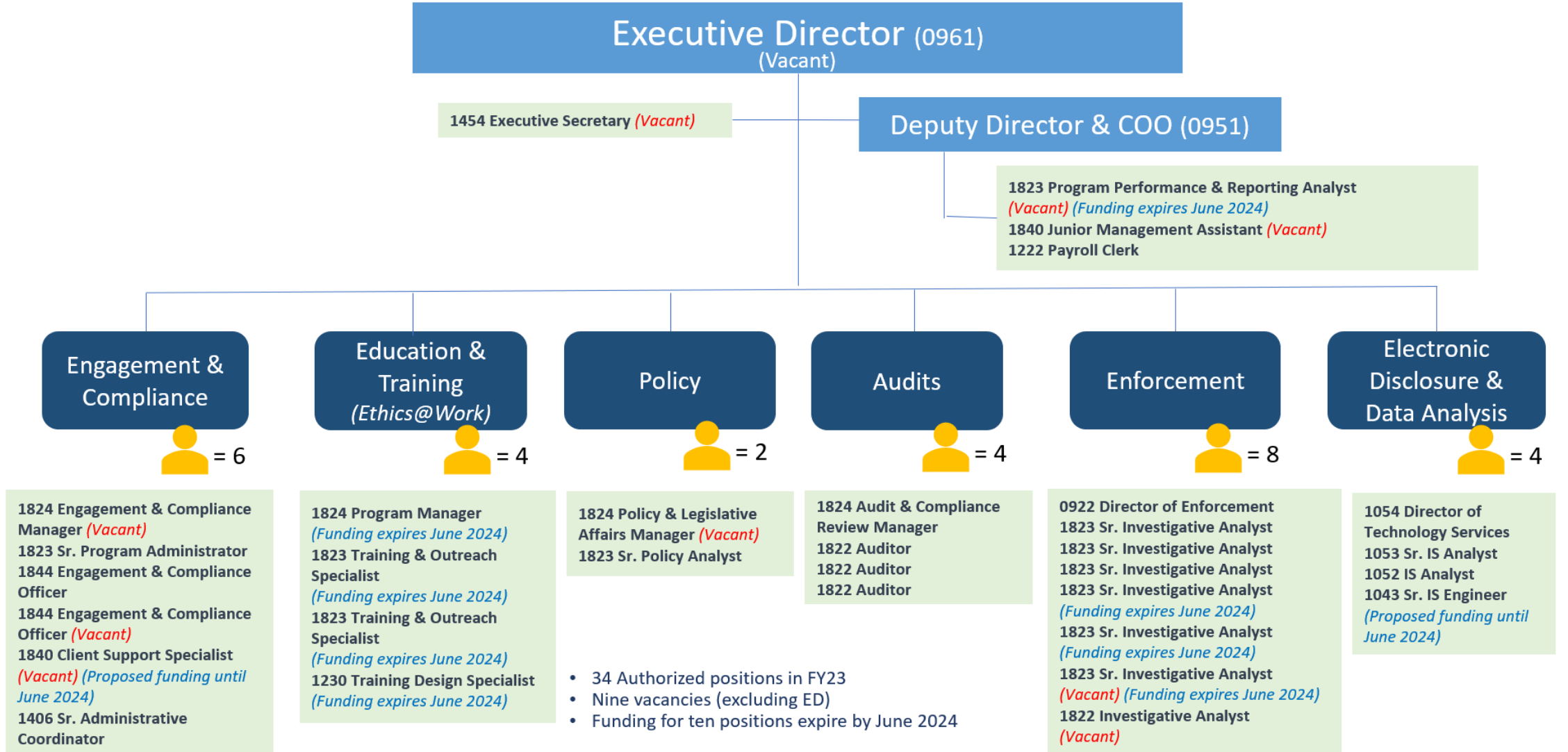


Summary of Funding Needed to Maintain Commission’s Essential Programs

| Programs | FY23-24 | FY24-25 |
|--|---------|---------|
| <p>Information Systems Staff <i>1043 IS Engineer</i> Minimum staffing to cover IS engineering needs for Campaign Finance, Enforcement, and Form 700 administration</p> | | \$250k |
| <p>Campaign Finance Compliance Staff <i>1824 Engagement & Compliance Manager & 1844 Engagement & Compliance Officer</i> Minimum staffing needed for 2024 election campaign finance compliance</p> | \$392k | \$403k |
| <p>Enforcement Staff <i>(Starting FY23-24) 1823 Senior Investigator & 1822 Investigator</i> <i>(Starting FY24-25) Two additional 1823 Senior Investigators</i> Minimum staffing needed for Enforcement division to continue to meet BLA recommendations</p> | \$357k | \$758k |
| <p>Ethics Training & Education Staff <i>1824 Program Manager, two 1823 Training and Outreach Specialists, & 1230 Training Design Specialist</i> Minimum staffing needed to continue the ethics training & education programs for City employees</p> | | \$811k |
| <p>Form 700 Program Administration <i>1840 Client Support Specialist</i> Minimum staffing needed to continue providing timely support to filers and filing officers in FY25</p> | | \$142k |
| <p>Total Funding Gap</p> | \$749k | \$2.36m |

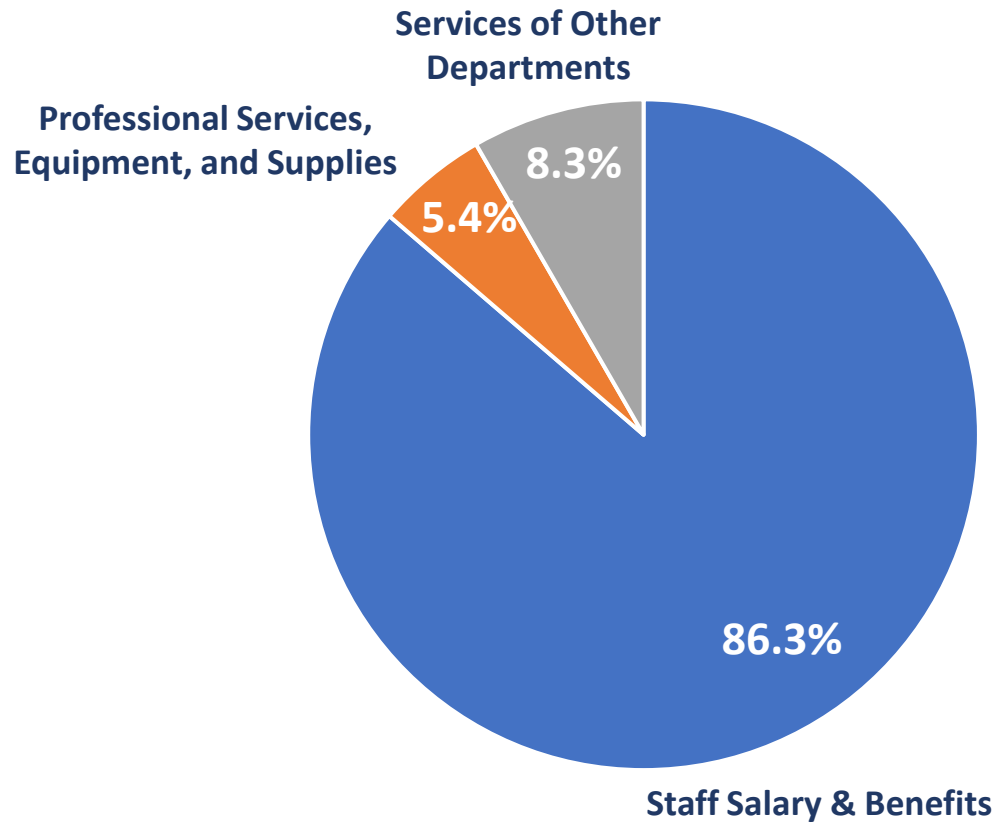


Ethics Commission Organization Chart

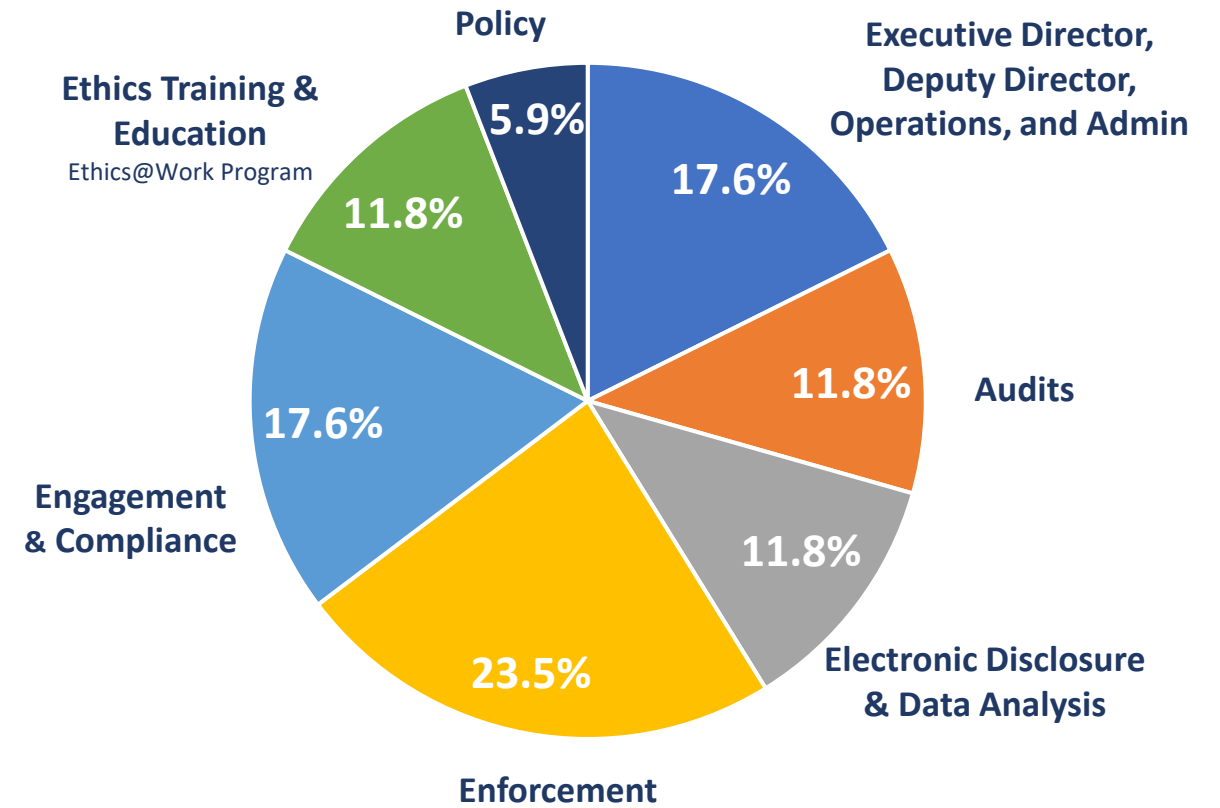




FY23 Budget Distribution



FY23 Staffing Distribution





Ethics Commission Staffing Levels

| Staffing | FY20 | FY21 | FY22 | FY23 | FY24 <i>Proposed</i> | FY25 <i>Proposed</i> |
|----------------------|-------|-------|-------|-------|-------------------------|-------------------------|
| Authorized Positions | 24.53 | 24.75 | 31.84 | 34.44 | 34.63 | 24.63 |
| Budgeted FTEs* | 23.26 | 22.34 | 30.50 | 31.43 | 28.80 | 18.84 |

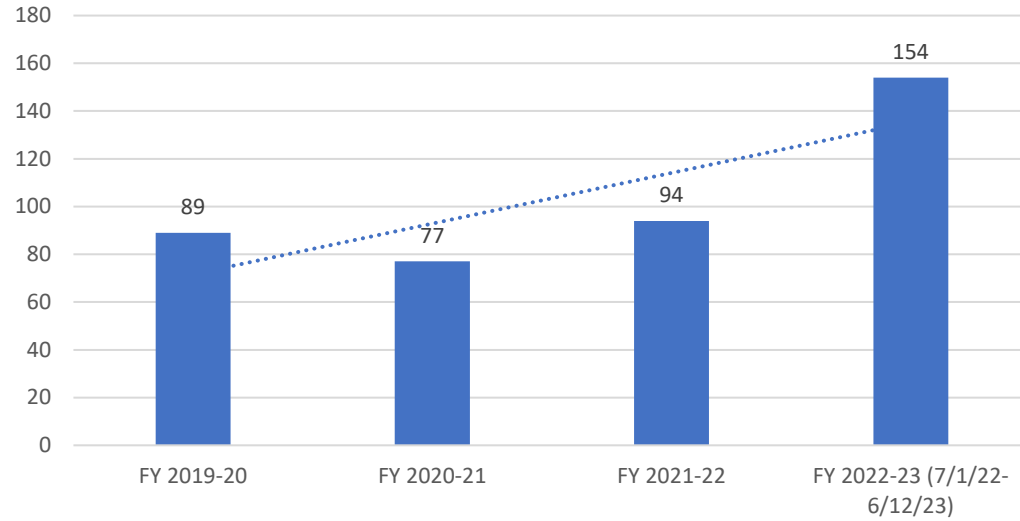
Historical data from the City's Salary Ordinance

** With reductions in Salary and Fringe due to attrition savings and Mayor's proposed reductions as applicable.*



Enforcement Performance Measures

Number of Cases Completed



Average Days to Complete Preliminary Review

