

April 21, 2021

The Honorable Budget and Finance Committee
c/o Mandy Morales, Legislative Assistant
200 North Spring Street
City Hall Room 395
Los Angeles CA 90012

Re: Ethics Commission Budget for Fiscal Year 2021-22 (CF # 21-0600)
FOR COUNCIL CONSIDERATION

Dear Committee Members:

Thank you for the opportunity to discuss our budget and your past support for the critical work we do. We understand the challenges you face addressing the upcoming budget but want to provide you with as much information as possible about how the proposed budget will impact our legally mandated work.

For Fiscal Year 2020-21, we made five requests: 1) Maintain the Director of Audits position, which became vacant due to the Separation Incentive Program (SIP); 2) Add a Developer Program Manager position; 3) Maintain and regularize a Programmer position; 4) Maintain the Lobbying Program Manager position, which became vacant due to the SIP; and 5) Restore \$40,000 in as-needed money for matching funds work related to the 2022 elections.

The Mayor's budget proposal does maintain the Lobbying Program Manager position and the Programmer position (without regularizing it). But it also cuts the Director of Audits position, and it does not add the Developer Program Manager position or the \$40,000 as-needed funding. We believe these positions and funding are critical to meet our legal mandates.

We respectfully urge you to approve the Mayor's proposal of the lobbying and programmer positions and to also include the Director of Audits, the Developer Program Manager, and the additional as-needed funds. Details about each request are provided below.

1) Maintain/fund the Director of Audits position (Ethics Officer II), which became vacant through the SIP.

This position directs and oversees the mandatory audit program, including personally conducting audits. The position also serves as our chief accounting employee and, in addition to the audit work, is the one position that handles the significant demands of our budget workload. The position became vacant because the incumbent participated in the SIP. The work required of this position cannot be absorbed by the remaining staff. Without this position, we will not be able to sustain the gains we made in completing campaign committee audits as far in advance of re-election dates as possible. It has taken

us many years to reach the point of eliminating our audit backlog because of the loss of audit positions during the previous financial crisis.

2) Add/fund one Developer Program Manager position (Senior Management Analyst I).

The City Council recently adopted a ban on campaign contributions from City developers and their principals, and the program includes creating a proprietary online disclosure system. The developer ban takes effect with the 2022 general elections. The newly mandated developer program requires a position to provide compliance assistance and legal advice and to process mandatory disclosure statements. This position is also necessary for a variety of other reasons, including working with the Planning Department to design and implement an online filing system for developers; educating the development community, candidates, and the public about the new disclosure requirements and the new limits on contributions and fundraising; and assisting filers and City personnel with both the substantive and the technical aspects of complying with the new disclosure requirements. The work required for the developer program cannot be absorbed by existing staff. Without this position, we will not be able to implement the developer program.

3) Regularize/fund one Programmer/Analyst III position for the developer database.

The new developer program requires us to create a proprietary online disclosure system. This resolution authority position was added to our budget for last year with partial funding, but we were not able to fill the position because funding was needed to help pay for salaries as a result of the cancellation of the furloughs and costs related to the SIP. The position remains vacant. *The Mayor's proposal maintains the position as a resolution position*, but we believe it is critical to regularize it to create certainty that it will be in place for years to come. The work required of this position not only consists of creating the developer database but also helping to maintain and support our other four proprietary databases that allow for web-based filing systems.

4) Maintain/fund the Lobbying Program Manager position (Senior Management Analyst I), which became vacant through the SIP.

The mandatory lobbying program includes providing compliance assistance, education, and legal advice; processing mandatory disclosure statements; and ensuring the proper functioning of our proprietary online disclosure system. There is just one position that handles the entire lobbying program. It became vacant because the incumbent participated in the SIP. The work of the lobbying program cannot be absorbed by the remaining staff. *The Mayor's proposal maintains this position.*

5) Restore as-needed funding to previous election-year levels.

As-needed funding is always necessary to comply with our legal mandates, especially during an election cycle. And the 2022 elections are expected to be much more competitive than usual, because all three Citywide races and several City Council races will be open-seat. Competitive elections result in dramatic increases in our workload, especially related to the matching funds program. In order to meet the needs of all candidates, committees, and treasurers during the 2022 elections, including timely and accurately processing matching funds claims, the Ethics Commission will have to bring on temporary staff. The increased work associated with the 2022 elections cannot be absorbed by existing staff.

Thank you for supporting the important work of the Ethics Commission. We will be happy to answer questions that you or your staff may have at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "David Tristan", written in a cursive style.

David Tristan
Executive Director

cc: Raoul Mendoza, Budget Director, Mayor's Office
Angelo Yenke, Analyst, CAO's Office