

April 23, 2020

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 2020-21
FOR COUNCIL CONSIDERATION

Dear Committee Members:

The Ethics Commission is aware of the financial challenges in which we find ourselves during this year's budget discussions. We share in the serious concern regarding the City's economic stability and want to be as helpful as possible in any recovery that is necessary.

For Fiscal Year 2020-21, we made three requests: 1) Reclassify one position; 2) Convert one position from a resolution authority to a regular authority; and 3) Provide resources to comply with a new law that was recently adopted in connection with Councilmember Ryu's motion in Council File No. 19-0046. The new law mandates an online disclosure system for developers and bans political contributions and fundraising by certain developers. Based on our understanding of how the law might look at the time our budget request was due (the law was not finalized until several months later), we requested two Programmer/Analyst III positions, one Senior Management Analyst 1 position, one Management Analyst position, and funding for hardware, software, and cloud storage resources.

The Mayor's budget proposal grants the first two requests to reclassify and convert positions and, in response to the third request, provides nine-month funding for one Programmer/Analyst III position. We appreciate those positive proposals from the Mayor's office. However, we will need additional resources to fully implement the new developer program.

The developer law that was adopted is less comprehensive than the law that the members of the Ethics Commission recommended. As a result, we believe that the single Programmer/Analyst III position in the Mayor's budget proposal will likely be sufficient to create the technological infrastructure that is required for the new disclosure system. However, we will also need one Senior Management Analyst 1 position to administer the substantive aspects of the program. This position is necessary for a variety of 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

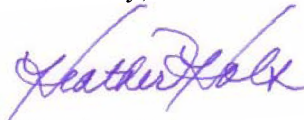
personnel with both the substantive and the technical aspects of complying with the new disclosure requirements. These functions cannot be absorbed by existing staff.

The new developer program takes effect with the general election in 2022. As the Mayor's budget proposal recognizes, we need staff resources well before the effective date in order to properly implement the program. We need staff on both the technological side of the program and the administrative side of the program, but the need for administrative staff is not as immediate. Therefore, we ask you to ***add one Senior Management Analyst 1 position to our budget with three-month funding.*** With that, we will be able to bring a programmatic staff member on board next March, while the filing system is being created and before the 2022 fundraising window opens for City Council candidates. The three-month salary cost for an entry-level staff member is \$22,821.

In addition to a programmatic staff position, we also ask you to ***include infrastructure resources for the new developer disclosure system.*** Software, hardware, and cloud storage are all essential to the programmer's work, and we estimate the first-year costs to be \$14,825.

We respectfully ask that you approve the Mayor's proposal for our budget and include an additional \$37,646 in direct costs for a Senior Management Analyst 1 position (three-month funding) and the developer program's infrastructure needs. Thank you for your consideration and for consistently investing in the important work of the Ethics Commission. As always, we want to do our part for a fair and sustainable budget, and we will be happy to answer questions that you or your staff may have at any time.

Sincerely,



Heather Holt
Executive Director

cc: Diana Mangioglu, Budget Director, Mayor's Office
Susan Rios Bellenot, Analyst, CAO's Office