



Item 9 - Executive Director Report

Ryan Mehl, Chair
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Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Nicolas Heidorn, Executive Director
DATE: March 25, 2024
RE: Executive Director's Report for the April 10, 2024, PEC Regular Meeting

This memorandum provides an overview of the Public Ethics Commission's (PEC or Commission) significant activities not included in other program reports since the last regular meeting. The attached overview of Commission Programs and Priorities includes the ongoing goals and key projects for 2023-24 for each program area.

Staffing

In March, the PEC hired a new permanent Administrative Assistant, Melanie Newcomb. Newcomb comes to the PEC with significant experience. She was previously an administrative assistant with Regional Asthma Management and Prevention (RAMP), and prior to that, an operations associate with Human Impact Partners (HIP). She has a BS in Physiological Sciences from UCLA. Welcome, Melanie!

Also in March, the PEC hired Alex Van Buskirk, presently a limited duration Investigator with the PEC, to backfill the Ethics Analyst III position which has been temporarily vacant with the promotion of Suzanne Doran to Acting Democracy Dollars Program Manager. The Ethics Analyst III role is responsible for overseeing much of the PEC's campaign finance and lobbying regulatory work and filing officer duties. Van Buskirk has done excellent work for the PEC as an investigator and has also provided assistance with filing officer duties during the most recent filing period, when staff transitions left the PEC significantly understaffed. Van Buskirk will start in this new role in April. We are excited to have Alex take on this new responsibility!

With these hires, for the first time in over a year, the PEC will have no vacancies in its budgeted staff positions. In this time, the PEC has onboarded four new staff and grown the organization to eight full-time budgeted positions, the largest the PEC has been in its history. In a few months, the PEC will also hire for a one-year grant-funded Democracy Dollars Community Engagement Specialist position, bringing total staffing to nine.

These hires will provide an excellent foundation for the PEC to build off of in the coming years. However, the vacancies up until this point, staff transitions, and onboarding process have required and will continue to require diverting significant staff resources, which may require pushing back to 2025 or re-assessing some 2024 Commission priorities. In addition, the PEC remains critically understaffed in its Enforcement Program and Democracy Dollars Program as discussed further below.

Budget

The City of Oakland is in the middle of its midcycle budget review process for Fiscal Year 2024-2025 (July 1, 2024, to June 30, 2025). A recent report from the Finance Director projects that the City is facing a \$175,000,000 deficit in its General Purpose Fund (GPF), which will need to be closed in the Midcycle

Budget. The Budget Office provided budget reduction targets to all departments, including the PEC, asking that departments propose cuts to their lowest priority services while mitigating the impacts of those cuts, especially for services impacting historically disenfranchised or vulnerable populations.

The PEC's budget has already been cut 58% with the adoption of the Fiscal Years 2023-25 Budget, compared with the baseline of staffing and funding mandated by Measure W, likely more than any other department in the City. The PEC cannot sustain any additional cuts to staffing without devastating impacts to its core program areas. Already at current levels, the PEC is facing critical understaffing in its Enforcement Program and will need additional staff to launch the administratively complex Democracy Dollars Program in 2026. The Commission has requested the addition of two investigators and the unfreezing of one Democracy Dollars analyst position in this Midcycle Budget to meet these urgent program needs.

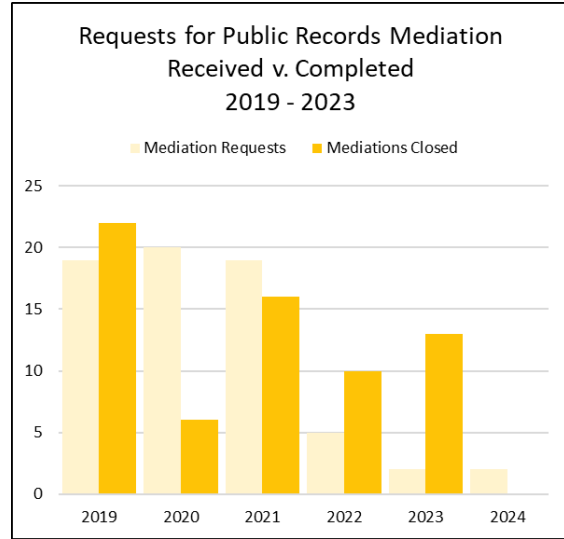
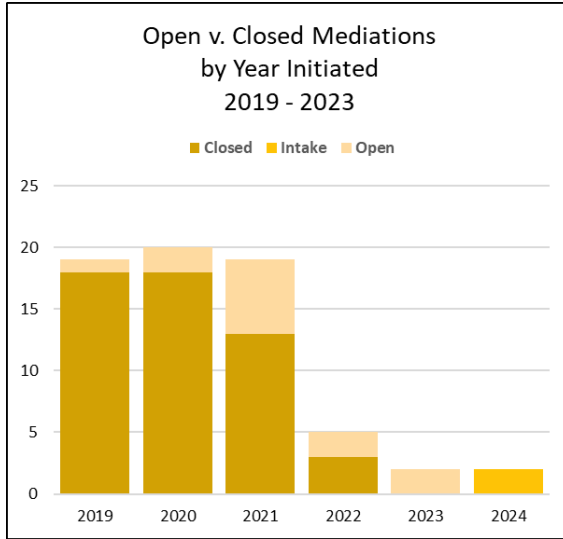
The Mayor is expected to propose her FY 2024-2025 Midcycle Budget in early May.

California Ethics Commission Executive Director Network

One of the priorities coming out of the PEC's August 2023 retreat was to establish a network of ethics commission executive directors to promote regular communication. In March, the Executive Directors of Oakland, San Francisco, San Diego, and Los Angeles's ethics commissions met to share significant developments in their respective programs and discuss policy issues of mutual interest. This was the second such meeting, which have been scheduled to occur on a quarterly basis. Relevant to our work, three of Commissions (Oakland, Los Angeles, and San Diego) are actively considering charter amendments for the November 2024 ballot to strengthen the staffing and independence of their commissions. Directors also discussed the idea of hosting an annual in-person meeting of California ethics commission staff to discuss program area best-practices.

Mediation Program

Pursuant to the Oakland Sunshine Ordinance, the Commission conducts mediation of public records requests made by members of the public to City departments for records within the department's control. The PEC currently has 16 open mediations.



Additional Attachment: Commission Programs and Priorities.

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PUBLIC ETHICS COMMISSION

Programs and Priorities 2023/24 (*new additions in bold*)

Program	Goal	Desired Outcome	Regular Program Activities	2023/24 Projects
Lead/ Collaborate (Policy, Systems, Culture)	PEC facilitates changes in City policies, laws, systems, and technology and leads by example to ensure fairness, openness, honesty, integrity, and innovation.	Effective campaign finance, ethics, and transparency policies, procedures, and systems are in place across City agencies	<ul style="list-style-type: none"> ○ Lead Measure W implementation ○ Engage in review of laws PEC enforces 	<ul style="list-style-type: none"> ✓ Lobby Registration Act amendment to incorporate new fees and waiver policy ✓ Ordinance for one-time LPF for 2024 elections ○ Voter Guide Pilot ✓ Mayor Salary Setting Guidance ✓ Charter Review Options ○ Policy Review: Lobbyist Registration Act ✓ Ethics Commission Network ✓ Invite Department Presentations on Records Request Responses
Educate/ Advise	Oakland public servants, candidates for office, lobbyists, and City contractors understand and comply with City campaign finance, ethics, and transparency laws.	The PEC is a trusted and frequent source for information and assistance on government ethics, campaign finance, and transparency issues; the PEC fosters and sustains ethical culture throughout City government.	<ul style="list-style-type: none"> • Regular ethics training • Information, advice, and technical assistance • Targeted communications to regulated communities • New trainings as needed for diversion 	<ul style="list-style-type: none"> ○ Collaboration with Clerk and HR on process improvements for ethics onboarding/exit and Form 700 compliance ✓ Public Records training
Outreach/ Engage	Citizens and regulated community know about the PEC and know that the PEC is responsive to their complaints/questions about government ethics, campaign finance, or transparency concerns.	The PEC actively engages with clients and citizens demonstrating a collaborative transparency approach that fosters two-way interaction between citizens and government to enhance mutual knowledge, understanding, and trust.	<ul style="list-style-type: none"> • Public Records mediations • Commissioner-led public outreach • Outreach to client groups – targeted training and compliance • PEC social media outreach 	<ul style="list-style-type: none"> ○ Update guides and trainings to reflect OCRA, LPF, and LRA changes ✓ Update public and stakeholders on Democracy Dollar postponement ✓ Update Lobbyist Registration Act educational materials and share with Council ✓ Recruit for PEC vacancy ○ Publicize Enforcement Needs ○ Publicize PEC campaign finance tools

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Program	Goal	Desired Outcome	Regular Program Activities	2023/24 Projects
				<ul style="list-style-type: none"> ○ Publicize how to file complaints
Disclose/ Illuminate	<p>PEC website and disclosure tools are user-friendly, accurate, up-to-date, and commonly used to view government integrity data.</p> <p>Filing tools collect and transmit data in an effective and user-friendly manner.</p>	<p>Citizens can easily access accurate, complete campaign finance and ethics-related data in a user-friendly, understandable format.</p> <p>Filers can easily submit campaign finance, lobbyist, and ethics-related disclosure information.</p>	<ul style="list-style-type: none"> ● Monitor compliance (campaign finance/lobbyist/ticket use) ● Proactive engagement with filers ● Technical assistance ● Assess late fees/refer non-filers for enforcement ● Maintain data assets 	<ul style="list-style-type: none"> ○ Democracy Dollars admin system development/issue RFP ○ Updates to Ticket Distribution (Form 802) database ✓ Lobbyist App Updates ○ Public Records Performance Dashboard ○ Update Open Disclosure 2024 ✓ Update Show Me The Money ○ Digitize Schedule O Form
Detect/ Deter	<p>PEC staff proactively detects potential violations and efficiently investigates complaints of non-compliance with laws within the PEC's jurisdiction.</p>	<p>Public servants, candidates, lobbyists, and City contractors are motivated to comply with the laws within the PEC's jurisdiction.</p>	<ul style="list-style-type: none"> ● Process and investigate complaints ● Initiate proactive cases ● Collaborate/coordinate with other government law enforcement agencies 	<ul style="list-style-type: none"> ○ Digital complaint form/ mediation request ✓ Improve Enforcement database
Prosecute	<p>Enforcement is swift, fair, consistent, and effective.</p>	<p>Obtain compliance with campaign finance, ethics, and transparency laws, and provide timely, fair, and consistent enforcement that is proportional to the seriousness of the violation.</p>	<ul style="list-style-type: none"> ● Prioritize cases ● Conduct legal analyses, assess penalty options ● Negotiate settlements ● Make recommendations to PEC 	<ul style="list-style-type: none"> ○ Resolve 2016 and 2017 case backlog ○ Review/revise policies for release of public information and election-related complaints ○ Develop internal Enforcement staff manual ✓ Expand streamline and diversion program
Administration/ Management	<p>PEC staff collects and uses performance data to guide improvements to program activities, motivate staff, and share progress toward PEC goals.</p>	<p>PEC staff model a culture of accountability, transparency, innovation, and performance management.</p>	<ul style="list-style-type: none"> ● Annual Report ● Budget proposal ● Ongoing professional development and staff reviews ● Fill staff vacancies ● Commissioner onboarding 	<ul style="list-style-type: none"> ✓ 2023 – 2025 strategic plan preparation/retreat ✓ Develop process for City Attorney and City Auditor Salary Adjustment and adopt resolution for Council ○ Increase enforcement capacity