

FISCAL IMPACT STATEMENTS FOR CITY MEASURES ON THE NOVEMBER 5, 2024 BALLOT

MEASURE D. ADDING CHARTER SECTION 41.3 AND AMENDING SECTION 41 TO STRENGTHEN THE INDEPENDENCE OF THE ETHICS COMMISSION

This measure would remove nearly all existing references to the Ethics Commission (Commission) in the San Diego Charter (Charter) and recast those provisions in a new Charter section that solely governs the Commission. The Commission is charged with: administering and enforcing the City of San Diego's (City) governmental ethics laws and proposing reforms, conducting investigations, imposing fines, referring certain complaints to appropriate enforcement agencies, auditing campaign committees, and advising and educating elected officials, City employees, candidates, campaign committees, and lobbyists about governmental ethics laws.

The Ethics Commission is funded by the City's General Fund currently totaling \$1.8 million, and any unused budgeted funds in a given year are returned to the General Fund. The Commission also imposes fines on violators, which are deposited into the City's General Fund but do not factor into the Commission's budget. All funds for legal counsel and enforcement hearings come out of the Commission's allotted contracts budget.

While this measure would make several changes, this analysis focuses on two amendments that would have fiscal implications.

The measure requires the City Council to allocate sufficient funds for the Commission to carry out its responsibilities. **Based on actual expenditures for each of the last ten years, an additional approximately \$65,000 would bring the Commission's contract budget to a level equal to its highest annual expenditure during that period.** This budget increase would decrease the possibility of the Commission needing to request additional funding from the Mayor and City Council during any given fiscal year. As stated above, any funds budgeted each year for the Ethics Commission that are not spent would be returned to the City's General Fund.

The measure also provides the Commission authority to retain *additional* legal counsel, if needed. Voters have previously authorized the Commission to retain its own legal counsel, independent of the San Diego City Attorney, for legal support in carrying out its responsibilities. It is anticipated that additional legal counsel beyond the Commission's usual outside counsel would be needed only in rare circumstances, due to conflicts, a need for specific expertise, or when certain cases advance to a hearing.

To the extent the Commission's responsibilities are expanded in the future, additional funding would be needed.