

**BOARD OF ETHICS
REVISED FISCAL YEAR 2021 BUDGET TESTIMONY**

The revised FY21 Budget and FY21-25 Plan focuses on providing core services and targeting reductions to areas with the least impact on vulnerable populations and areas where others can fund or deliver services.

DEPARTMENT FUNDING LEVELS

General Fund Financial Summary by Class					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 100 - Employee Compensation	\$1,041,630	\$1,044,071	\$1,041,630	\$890,218	(\$151,412)
Class 200 - Purchase of Services	\$52,500	\$52,500	\$52,500	\$52,500	\$0
Class 300/400 - Materials, Supplies & Equipment	\$7,500	\$7,500	\$7,500	\$7,500	\$0
	\$1,101,630	\$1,104,071	\$1,101,630	\$950,218	(\$151,412)

GENERAL FUND FULL-TIME POSITIONS

General Fund Full-Time Positions					
	FY20 Adopted Budget	November 2019 Increment Run	FY21 Original Proposed Budget	FY21 Revised Proposed Budget	Difference Original to Revised Proposed
Full-Time Positions	12	10	12	10	(2)

**BOARD OF ETHICS
FISCAL YEAR 2021 BUDGET TESTIMONY**

This testimony was prepared by BOE prior to the onset of COVID-19 and its impact on City government operations. It reflects the revised proposed FY21 budget and the department's new operational plan. Additional post COVID-19 responses from the Commission are listed in the next section.

DEPARTMENT MISSION & PLANS

Introduction

Good morning, President Clarke and Members of City Council. I am Michael H. Reed, Chair of the Philadelphia Board of Ethics. I am pleased to provide testimony on the Board of Ethic's Fiscal Year 2021 Operating Budget.

Mission: The mission of the Board of Ethics is to promote public confidence in City government through its implementation, administration, and enforcement of the City's Campaign Finance, Ethics, Lobbying, and Financial Disclosure Laws and the restrictions on political activity by City employees. These Public Integrity Laws advance honesty, integrity, and transparency in City government. The Board also serves the public and promotes transparency in government by making detailed campaign finance and lobbying information easily accessible to the public on its website.

Plans for Fiscal Year 2021: Due to the COVID-19 virus, the Philadelphia Board of Ethics closed its physical office on March 16, 2020 and began providing its services remotely. In these challenging times, the Board will endeavor to fulfill its mandate to administer and enforce the City's Public Integrity Laws to the extent possible under existing and any future health and safety restrictions imposed by federal, state and local authorities. We continue to develop new strategies and methods for carrying out our mission during this pandemic. On April 15th, the Boards will hold a public meeting by video conference call for the first time in its history.

In FY20, we significantly expanded our ethics training program. We will continue this expansion in FY21 with the goal of directly training as many City officers and employees as possible. We also plan to increase the type of trainings we offer, with presentations tailored to the needs of particular departments. In the near term, we plan to offer all of our trainings remotely. After the pandemic has passed, we will continue to offer remote training for lobbying and for board and commission members.

We supplement training with educational resources such as manuals and FAQ guides. We intend to increase these offerings in order to ensure that City officers and employees understand the rules that apply to them. Similarly, we anticipate amending existing regulations and promulgating at least one new regulation in order to provide a robust and useful interpretation of the City's ethics laws.

Due to the COVID-19 virus, the launch of a completely new Financial Disclosure electronic filing system has been delayed. We developed the new electronic filing system with the Office of Innovation and Technology and the Department of Records. We are very pleased with the new system and believe it is a significant improvement over the system it is replacing.

Finally, the Board will continue to accept and review complaints alleging potential violations of the City's Public Integrity Laws and conduct investigations as necessary and to the extent possible under existing and any future health and safety restrictions imposed by federal, state and local authorities.

BOARD OF ETHICS

The tables in pages (3 through 9) below were prepared by BOE prior to the onset of COVID-19 and its impact on City government operations. They are based on the original FY21 budget proposal.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2019)				
	Total	Minority	White	Female
Number of Full-Time Staff	8	2	6	4
Number of -Exempt Staff	7	1	6	3
Number of Executive Staff (deputy level and above)	2	0	2	1
Average Salary, Full-Time Staff	\$78,575	\$61,372	\$97,728	\$80,895
Average Salary, Exempt Staff	\$104,297	\$70,000	\$110,013	\$99,646
Average Salary, Executive Staff	\$137,984	\$0	\$137,984	\$128,938
Median Salary, Full-Time Staff	\$72,588	\$61,372	\$90,535	\$70,000
Median Salary, Exempt Staff	\$100,000	\$70,000	\$113,633	\$100,000
Median Salary, Executive Staff	\$137,984	\$0	\$137,984	\$128,938

Employment Levels (as of December 2019)		
	Budgeted	Filled
Number of Full-Time Positions	12	10
Number of Part-Time Positions	0	0
Number of Exempt Positions	9	7
Number of Executive Positions (deputy level and above)	2	2
Average Salary of All Full-Time Positions	\$78,575	\$78,575
Median Salary of All Full-Time Positions	\$72,588	\$72,588

General Fund Financial Summary by Class						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$988,971	\$875,033	\$1,041,630	\$1,041,630	\$1,041,630	\$0
Class 200 - Purchase of Services	\$96,000	\$43,538	\$52,500	\$52,500	\$52,500	\$0
Class 300/400 - Materials, Supplies & Equipment	\$7,000	\$7,067	\$7,500	\$7,500	\$7,500	\$0
	\$1,091,971	\$925,638	\$1,101,630	\$1,101,630	\$1,101,630	\$0

Contracts Summary (Professional Services only)						
	FY17	FY18	FY19	FY20	FY21	FY20 YTD (Q1 & Q2)
Total amount of contracts	\$0	\$0	\$0	\$16,000	\$0	\$0
Total amount to M/W/DSBE	N/A	N/A	N/A	\$100	N/A	N/A
Participation Rate	N/A	N/A	N/A	1%	N/A	N/A

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY19	FY20	FY21
M/W/DSBE Contract Participation Goal	0%	0%	0%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2021 General Fund budget totals \$1,101,630, which is the same as the Board's Fiscal Year 2020 estimated obligation levels. The Board requested an additional \$50,000 be added to its FY21 Class 200 budget after it was compelled to transfer that amount from its Class 200 to Class 100 in FY20 to fund the conversion of a vacant entry staff position to a Staff Attorney position, but that requested funding increase was not included in the Administration's proposed FY21 budget for the Board. The Board took the initiative to transfer \$50,000 from its Class 200 to Class 100 after it requested, but did not receive, additional funding in that amount to its Class 100 budget in Fiscal Years 2017, 2018 and 2019 to hire a Staff Attorney.

The proposed budget includes:

- \$1,041,630 in Class 100, which is unchanged from FY20. This funding will allow the Board to maintain the current level of budgeted staff positions.
- \$52,500 in Class 200, which is unchanged from FY20, when the Board transferred \$50,000 from Class 200 to Class 100 to hire a new staff attorney, as explained above.
- \$7,500 in Class 300/400, which is unchanged from FY20.

BOARD OF ETHICS

STAFFING LEVELS

The department is requesting 12 budgeted positions for FY21, which is unchanged from FY20.

NEW HIRES

New Hires (from 7/1/2019 to December 2019)	
	Total Number of New Hires
Asian	1
Total	1

Detail for new hires since December 2019, if applicable:

New Hires (since December 2019)	
	Total Number of New Hires
Black or African American	1
Total	1

BOARD OF ETHICS

PERFORMANCE, CHALLENGES, AND INITIATIVES

BOARD OF ETHICS

FY21 Strategic Goals				
<ul style="list-style-type: none"> Expand options for training to include online ethics, campaign finance, and lobbying classes. Maintain and increase rates of timely compliance with campaign finance and lobbying reporting deadlines. Increase public awareness of online campaign finance, financial disclosure, and lobbying data. 				
FY21 Performance Measures				
Measure	CY18 Actual	CY19 Actual	CY19 Target	CY20 Target
Percentage of Primary Election candidates who file timely reports:				
Cycle 1: Sixth Tuesday pre-primary report, due in April ¹			N/A	
Cycle 2: second Friday pre-primary report, due in May ¹			N/A	
Cycle 3: thirty day post-primary report, due in June ¹			N/A	
Percentage of General Election candidates who file timely reports:				
Cycle 4: Pre-election report, due in September ²	N/A	90.0%		N/A
Cycle 5: Pre-election report, due in October ³	N/A	100.0%		N/A
Cycle 6: Post-election report, due in December ⁴	N/A	90.0%		N/A
Cycle 7: Annual report, due in January ⁵			N/A	95.0%

¹ New measure for FY20 and no municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

² Late reports were resolved in a prompt manner and can be attributed to technical or medical issues. No municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

³ No municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

⁴ Late reports were resolved in a prompt manner and can be attributed to technical or medical issues. No municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

⁵ Will be known and reported in CY 20 Q1 when 2019 Cycle 7 CF reports are due to BOE.

BOARD OF ETHICS

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

BOARD OF ETHICS

CONTRACTING EXPERIENCE

N/A

Non-Profit Vendor Demographics: N/A

BOARD OF ETHICS

EMPLOYEE DATA

Staff Demographics (as of December 2019)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	White	White		White	White
<i>Total</i>	4	2	<i>Total</i>	1	1
<i>% of Total</i>	50%	25%	<i>% of Total</i>	50%	50%
<i>Average Salary</i>	\$88,267	\$74,264	<i>Average Salary</i>	\$147,020	\$128,938
<i>Median Salary</i>	\$78,423	\$70,000	<i>Median Salary</i>	\$147,020	\$128,938
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	13%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$52,744	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$52,744	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	13%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$70,000	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$70,000	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	13%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$52,744	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$52,744	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	4	4	<i>Total</i>	1	1
<i>% of Total</i>	50%	50%	<i>% of Total</i>	50%	50%
<i>Average Salary</i>	\$88,267	\$68,888	<i>Average Salary</i>	\$147,020	\$128,938
<i>Median Salary</i>	\$78,423	\$61,396	<i>Median Salary</i>	\$147,020	\$128,938

BOARD OF ETHICS

LANGUAGE ACCESS

1. Has your leadership received language access training?

The Board's leadership team has had numerous conversations with the Office of Immigrant Affairs in the course of developing our language access plan, but no formal training.

2. Do you currently have a language access coordinator?

Yes.

3. Has your department written a language access plan and is it posted online?

Yes, the Board has an approved language access plan. We have a card about language access posted in our office (from the Office of Immigrant Affairs), but we do not have the plan posted on our website.

4. Explain what your department has done to improve language access services over the past year.

The Board's language access plan was submitted to the Office of Immigrant Affairs on September 23, 2019 and was subsequently approved.

BOARD OF ETHICS

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

The Board's activities are not affected by climate change.

2. How might worsening climate change increase costs and demands for your department?

We do not anticipate that worsening climate change will increase costs or demands for the Board.

3. How does your department intend to mitigate and adapt to climate change?

Because our activities are unaffected by climate change, we do not have a plan to mitigate or adapt to climate change.

BOARD OF ETHICS

REVISED PERFORMANCE MEASURES

The Department did not update their performance measures as part of the revised budget process. Original performance measures are listed below.

BOARD OF ETHICS

FY21 Performance Measures				
Measure	CY18 Actual	CY19 Actual	CY19 Target	CY20 Target
Percentage of Primary Election candidates who file timely reports:				
Cycle 1: Sixth Tuesday pre-primary report, due in April ¹			N/A	
Cycle 2: second Friday pre-primary report, due in May ¹			N/A	
Cycle 3: thirty day post-primary report, due in June ¹			N/A	
Percentage of General Election candidates who file timely reports:				
Cycle 4: Pre-election report, due in September ²	N/A	90.0%		N/A
Cycle 5: Pre-election report, due in October ³	N/A	100.0%		N/A
Cycle 6: Post-election report, due in December ⁴	N/A	90.0%		N/A
Cycle 7: Annual report, due in January ⁵			N/A	95.0%

¹ New measure for FY20 and no municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

² Late reports were resolved in a prompt manner and can be attributed to technical or medical issues. No municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

³ No municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

⁴ Late reports were resolved in a prompt manner and can be attributed to technical or medical issues. No municipal election in CY 20, so no requirement to timely file CF reports w/ BOE.

⁵ Will be known and reported in CY 20 Q1 when 2019 Cycle 7 CF reports are due to BOE.