



ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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JOHN ST. CROIX
EXECUTIVE DIRECTOR

Memorandum

To: Members, Ethics Commission
From: John St. Croix, Executive Director
Re: Fiscal Year 2015/2016 Budget Request
Date: January 21, 2015

The Mayor's office has provided the customary budget instructions to all City departments. The Mayor's Budget Office has projected a \$100 million General Fund shortfall for FY 2015-16 of \$8.6 billion, and a \$17 million shortfall for FY 2016/17, also projected to be \$8.6 billion, based on current operations and staffing levels and estimated revenues. The budget submission target requested for all departments has no reduction from the current year's budget for FY 2015/16 and a contingency one percent reduction for FY 2016/17.

Our budget in the current fiscal year breaks down as follows:

Operating budget	\$2,635,384
Election Campaign Fund	1,948,970
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	\$4,584,354

A one percent reduction would amount to \$25,401 in FY 2016/17. While the Mayor's budget instructions for the upcoming fiscal period would leave us with the same staff makeup as the current year, I am recommending that we request funding for the vacant Investigator position, funding for two additional Auditors and slight increases for three existing positions (based on enhanced responsibilities). Additionally, for the second year of the cycle, we need to request an additional \$40,000 to cover the costs with our vendor for migrating over 3,000 Form 700 financial disclosure filers from paper filing with their individual departments to electronic filing with the Ethics Commission.

This translates into an increase of \$334,486 for a total budget request of \$2,960,140 for FY 15/16 and \$3,000,014 for FY 16/17 for a final increase of 12% of the current fiscal year operating budget.

For your information, the balance in the Election Campaign Fund as of today is \$6,321,009. Projected disbursement in the upcoming Fiscal Year for the 2015 Board of

Supervisors Race in District 3 is \$106,564 and the 2015 Mayoral race is \$485,294 for a total of \$591,858. A deposit is made into the fund at the beginning of each fiscal year of about \$2 million. The fund is capped at \$7.5 million.

The historical funding of the Ethics Commission is as follows:

FY 94 – 95	157,000
FY 95 - 96	261,000
FY 96 - 97	313,274
FY 97 - 98	394,184
FY 98 - 99	475,646
FY 99 - 00	610,931
FY 00 - 01	727,787
FY 01 - 02	877,740
FY 02 – 03	1,156,295
FY 03 - 04	909,518
FY 04 - 05	1,052,389
FY 05 – 06	1,382,441
FY 06 – 07	8,416,109 (1,711,835 non-grant funding)*
FY 07 – 08	3,592,078 (2,261,877 non-grant funding)**
FY 08 - 09	5,453,874 (2,241,818 non-grant funding)
FY 09 - 10	6,011,566 (2,283,368 non-grant funding)***
FY 10 – 11	4,188,720 (2,212,226 non-grant funding)****
FY 11 – 12	4,269,979 (2,259,979 non-grant funding)*****
FY 12 – 13	4,155,547 (55,547 non-grant funding)*****
FY 13 – 14	4,531,950 (2,431,950 non-grant funding)
FY 14 – 15	4,584,354 (2,625,384 non-grant funding)

*Includes \$6,704,274 front-loaded funding for Mayoral Election Campaign Fund

**Includes \$1,358,747 annual set-aside for the Election Campaign Fund

***Does not include \$85,205 mid-year budget reduction; includes \$1,783,858 restoration of funds previously taken from Election Campaign Fund

****Does not include \$53,256 mid-year reduction

*****Does not include \$4,079,107 in repayments to Election Campaign Fund from prior-year loans to the General Fund

*****Figures are from the Annual Appropriation Ordinance – the remainder of the Commission’s operating budget came from the Election Campaign Fund (ECF). As of June 30, 2012, the ECF had \$7,713,722; the City took back \$4 million and gave back to the ECF \$1,899,308. Thus, at the beginning of FY 12-13, the ECF had \$5,613,030. Another \$2 million was taken back in FY 13-14, but the actual transaction was posted back to June 2012 for the FY 2012-13 Fiscal Year