



ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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JOHN ST. CROIX
EXECUTIVE DIRECTOR

Date: December 9, 2009
To: Members, Ethics Commission
From: John St. Croix, Executive Director
Re: Budget Proposal for Fiscal Year 2010/2011

As stated in earlier ED Reports, the Ethics Commission initial budget for Fiscal Year 2009/2010 was just over \$4 million. In addition, the Board of Supervisors restored \$1,283,858 in funds that the Mayor had “de-appropriated” from the Election Campaign Fund. Thus, on paper, our total budget for the current fiscal year is \$5,453,874.

It breaks down like this:

Operating budget	\$2,241,818
New ECF deposit	\$1,928,198
<u>Restoration funds</u>	<u>\$1,283,858</u>
Total	\$5,453,874
Mid-year cut	85,205
New total FY09/10	\$5,368,669

As reported in this month’s ED Report, Budget instructions for the upcoming fiscal year direct each department to first identify 20% in cuts plus an additional 10% in contingency cuts. For the Commission, this translates to a \$431,322 cut, and an additional \$215,661 contingency cut, for a possible total of \$646,983 in cuts for Fiscal Year 2010-2011.

My recommendation for our budget proposal is the same principle as last year, when I offered the following language:

“Because of its unique position as an independent agency and while respectful of the budget process, the Commission usually does not follow budget instructions. As I see it, the Commission has three realistic choices before it regarding the budget request that it makes. In the first alternative, it can make a request for an increase based on the most recent incarnation of the five-year plan. The second option would be to submit a budget request at this year’s figures. The third option would be to accept the requested cuts from the Mayor’s office. The first option represents an option wherein the Commission asserts its independence from City government. The second option also recognizes the

Commission's inherent independence, but makes a gesture of conciliation towards the current significant budget shortfall. The third is simply following instructions."

Given the competing needs where the City faces a budget shortfall in excess of \$500 million and the Ethics Commission does not have all of the resources that it needs, it makes sense to follow the same path this year. Therefore, my recommendation is that we courteously submit a budget request of \$4,170,016, broken down as follows:

Operating budget	\$2,241,818 (this year's initial funding level)
<u>New ECF deposit</u>	<u>\$1,928,198 (required annually by statute)</u>
Total budget request	\$4,170,016

For the record, there remains a total of \$6,043,160 in funds that were "de-appropriated" by the Mayor's office from the Election Campaign Fund. The Mayor has committed to return some or all of these monies to the fund in Fiscal Year 2011/2012 as they are needed for public financing of that year's Mayoral election.

The current balance in the Election Campaign fund is \$3,969,280. I expect this to be more than sufficient to pay for the Supervisorial races in 2010. (\$1,323,345 was expended in the 2008 Supervisorial cycle.)

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)***

*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

Department: ETH : ETHICS COMMISSION

Fund Description	Total Funding
1G AGF General	

Sources of Funds

Sources Subjects:

20710	LOBBYIST REGISTRATION FEE	8,000	8,000
20711	CAMPAIGN CONSULTANT REGISTRATION FEE	15,000	15,000
25510	CAMPAIGN DISCLOSURE FINES	22,000	22,000
25520	LOBBY FINES	1,000	1,000
25521	CAMPAIGN CONSULTANT FINES	1,000	1,000
25530	ECONOMIC INTEREST FINES	1,000	1,000
25590	OTHER ETHICS FINES	1,000	1,000
60199	OTHER GENERAL GOVERNMENT CHARGES	1,000	1,000
GFS (1)	GENERAL FUND SUPPORT	5,403,874	5,403,874
Total Sources of Funds		5,453,874	5,453,874

(1) This figure represents the nondepartmental (citywide) general fund revenues required to support the department's operations.

Uses of Funds

Operating: AAA

001	SALARIES	1,461,588	1,461,588
013	MANDATORY FRINGE BENEFITS	471,697	471,697
021	NON PERSONNEL SERVICES	138,194	138,194
040	MATERIALS & SUPPLIES	15,000	15,000
081	SERVICES OF OTHER DEPTS	155,339	155,339

Continuing Projects: ACP

PEC003	PUBLIC FINANCING OF ELECTION- MAYOR	3,212,056	3,212,056
Total Uses of Funds		5,453,874	5,453,874

Uses by Program Recap

Programs:

FFF	ELECTION CAMPAIGN FUND	3,212,056	3,212,056
FET	ETHICS COMMISSION	2,241,818	2,241,818
Total Uses by Program Recap		5,453,874	5,453,874

LINK TO:

ORGANIZATION SUMMARY INQUIRY

1:07 PM

BALANCE (Y,M,Q,A) : Y CURR/PRIOR PRD : CURRENCY CODE :
 FISCAL MO/YEAR : 06 2010 DEC 2009 FUNDING PERIOD:
 INDEX CODE :
 ORGANIZATION : ETH ETHICS COMMISSION
 CHAR / OBJECT : X
 FDTP FUND SFND :
 PROJECT PROJ DTL :
 GRANT GRANT DTL :
 USER CD :

S CHAR	DESCRIPTION	BUDGET	ACTUAL	PREENC/ENC	BALANCE
038	CITY GRANT PROGRAM	3,212,056	-4,371		3,216,427
040	MATERIALS & SUPPLI	15,999	3,307	3,358	9,334
069	PROJECT CARRYFORWA	757,224			757,224
081	SERVICES OF OTHER	157,721	16,996	140,725	
	EXPENDITURE TOTAL	6,215,275	784,881	202,277	5,228,116
	REVENUE LESS EXPE	-6,165,275	-763,079	-202,277	5,199,918

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 G012 - NEXT PAGE DISPLAYED