



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 2011/2012 Budget Request
Date: February 9, 2011

As I previously stated in the January ED Report, the Mayor's office has provided a budget target to all City departments, which have been asked to submit a savings equal to 10 percent of the department's base General Fund support (or \$213,023 for the Commission) and a 10 percent contingency cut. Of the 10 percent target, we have absorbed a 2.5 percent reduction in the current year's budget (\$53,256) as a "down payment" on the initial 10% cut proposed for next year; the remaining \$159,767 cut is expected to be included in our budget submission. With the 10 percent contingency, the amount of cuts requested from the Commission is \$426,045.

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

Operating budget	\$2,212,226
Election Campaign Fund	1,976,494
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	\$4,188,720
2.5% cut (from operating funds)	53,256
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	\$4,135,464

In the two fiscal years prior to this one, I recommended a budget submission that respects both the reality of the City's fiscal difficulties and the independence of the Ethics Commission. I suggest the Commission follow the identical pattern this year; we should submit a budget request that does not include the requested cuts but also does not request any increase in funding.

Please note that should the Commission decide to accept the cuts, or should the City require the Ethics Commission to accept the cuts, 100% of the funds will have to come from salaries and benefits. There are insufficient funds remaining in other accounts to meet the requested targets. A loss of \$426,045 would mean the termination of at least four, and possibly five, staff positions.

As stated, the initial operating budget for the Commission this year was \$2,212,226. I suggest the Commission use this as a base for our FY 2011/12 request, but factor in expected cost-of-living increases in fringe benefits. The contribution to the Election Campaign Fund is required by local law and is based on the population formula of \$2.75 per year for each resident. This proposal breaks down as follows:

Operating budget	\$2,250,000
<u>Election Campaign Fund</u>	<u>2,000,000</u>
	\$4,250,000

As a point of information, the current balance in the Election Campaign Fund is \$5,001,903. The FY 11/12 deposit will bring that figure to just over \$7 million. Staff has estimated that the disbursements for this year's Mayoral race will run between \$5 million and \$8 million. There is a balance of \$5,509,095 in funds previously de-appropriated from the Fund by the Mayor's office that remain payable back to fund as needed.

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)****

*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