



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 2014/2015 Budget Request

Date: January 22, 2014

The Mayor's office has provided the customary budget target to all City departments, which have been asked to submit a savings equal to 1.4 percent of the department's base General Fund support for the upcoming fiscal year and another 1.85 percent for the following year. This would mean a cut of \$36,752 for FY 14-15 and \$49,002 for FY 15-16.

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

Operating budget	\$2,628,391
<u>Election Campaign Fund</u>	<u>1,903,559</u>
	\$4,531,950

In the current fiscal year, we have been able to fill the vacant Education and Outreach Coordinator Position and also to replace an Auditor position that was vacated due to a retirement. We plan to fill the vacant Investigator Position; however, the requested cuts from the Mayor's Budget Office would deplete the funds required to maintain this position. Further, those requested cuts would cut our customary annual budget for temporary staff of \$100,000 by two-thirds.

As is the usual case, should the Commission decide to accept the cuts, or should the City require the Ethics Commission to accept the cuts, 100 percent of the funds will have to come from salaries and benefits. There are insufficient funds remaining in other accounts to meet the requested targets. The amount of the intended cut is not sizeable, but it will create a small deficit that will have to be overcome.

My recommendation at this time is to a budget increase of \$22,500. This figure is based on a request for an operating budget at 100% of the current fiscal year funding of \$2,628,391 plus the annual deposit into the Election Campaign Fund of \$1,906,395 (this amount is mandated by ordinance), and an additional \$22,500, which is the

contractually required increase in our payment to Netfile for electronic filing services. This would allow us to hire and keep a third Investigator and allow for the full \$100,000 allotted for temporary staff services during the upcoming fiscal year.

For your information, the balance in the Election Campaign Fund as of today is \$4,358,530. Projected disbursement in the upcoming Fiscal Year for the Board of Supervisors Races in 2014 are \$507,611.

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)

*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..