



City & County of San Francisco Ethics Commission



FY24-25 and FY25-FY26 Budget Overview Commission Meeting Agenda Item 7 - Attachment 1 Wednesday, January 24, 2024

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FY25 & FY26 Budget Submission Process



Departments are required to hold **two public hearings** concerning budget priorities and budget proposals respectively to receive public input prior to submitting their proposed budgets:

- **January 24, 2024 (Regular Meeting):** This agenda item constitutes the Commission's first hearing to receive public input on its budget priorities.
- **February 9, 2024 (Regular Meeting):** A second hearing to receive public input on the Commission's proposed budget.

FY25 & FY26 Budget Submission Process



- **February 21, 2024:** Departmental budget submissions for the Fiscal Years that begin July 1, 2024 and end June 30, 2026 must be submitted to the Mayor's Office by February 21, 2024.
- **By June 1, 2024:** Following budget submission by departments, the Mayor's Budget Office will develop the Mayor's proposed balanced budget and submit to the Board of Supervisors.
- **By August 1, 2024:** The Board of Supervisors must send a balanced budget back to the Mayor for signature.

Commission's Funding Snapshot



	FY24 Approved (July 1, 2023-June 30, 2024)	FY25 Baseline (July 1, 2024-June 30, 2025)	FY26 Baseline (July 1, 2025-June 30, 2026)
Annual Operating Budget	\$7.09m	\$6.87m	\$7.06m
Total Positions	34	32*	32
Funded Positions**	30.55	29.18	29.18

* Staffing level in FY25 has decreased, as funding for two positions will expire in FY24 by June 30, 2024.

** Funded positions are lower than total positions as departments are required to meet specific attrition savings targets identified in their baseline budget.

There are 25 staff positions currently filled.

Election Campaign Fund

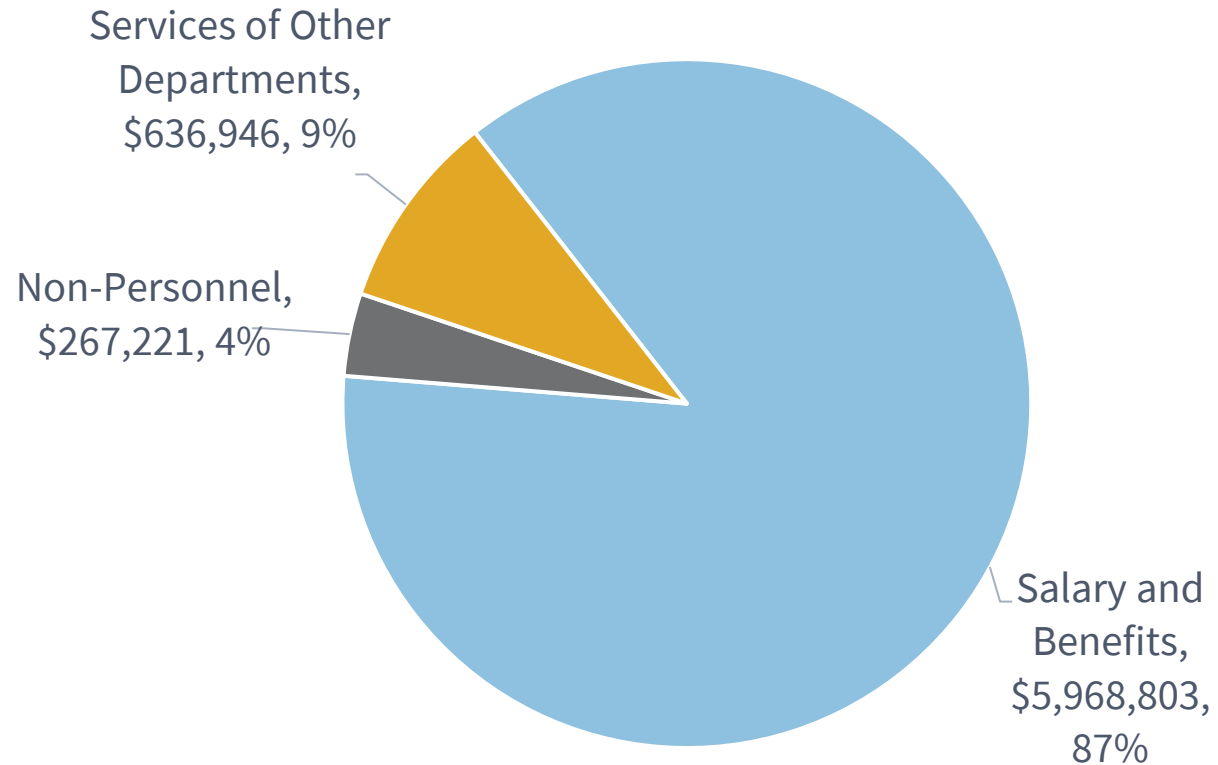


- Established in the City's Campaign Finance Reform Ordinance to provide partial public financing for candidates for Mayor and the Board of Supervisors who meet the required eligibility criteria.
- Fund has a balance of \$4 million and is capped at a maximum of \$7 million.
- City's baseline budget for FY25 and FY26 currently provides an additional allocation of \$446,860 each year.

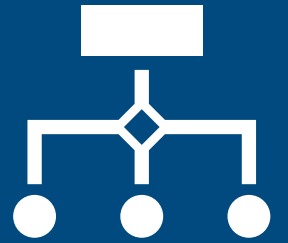
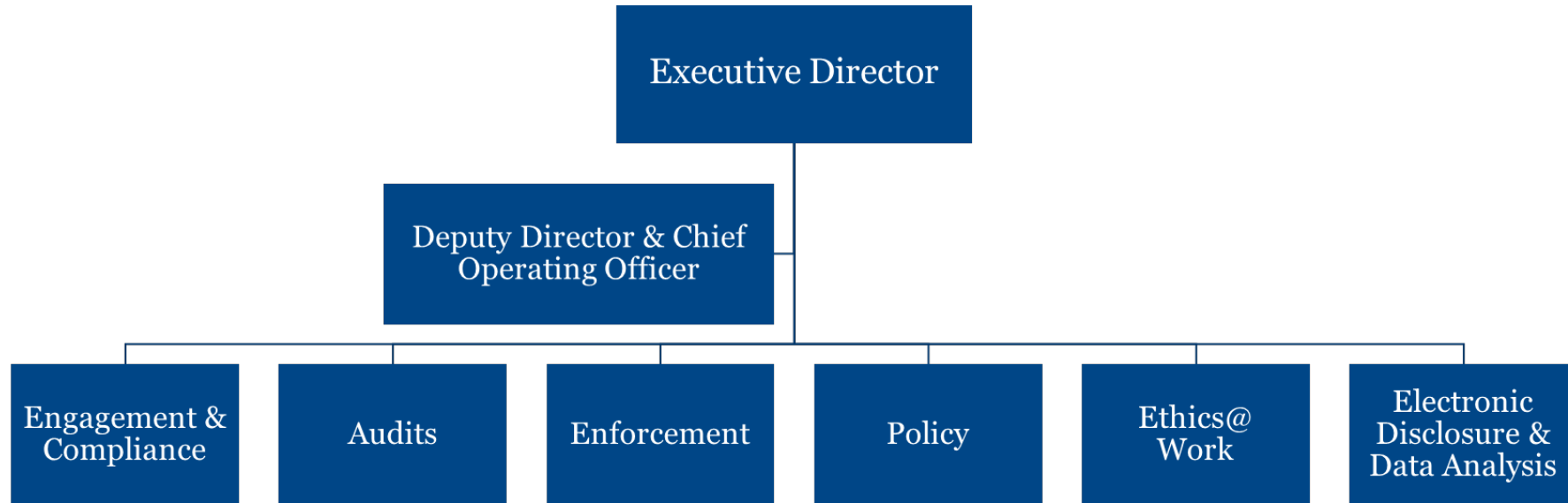
Budget Distribution



FY25 Baseline

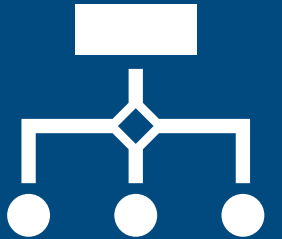
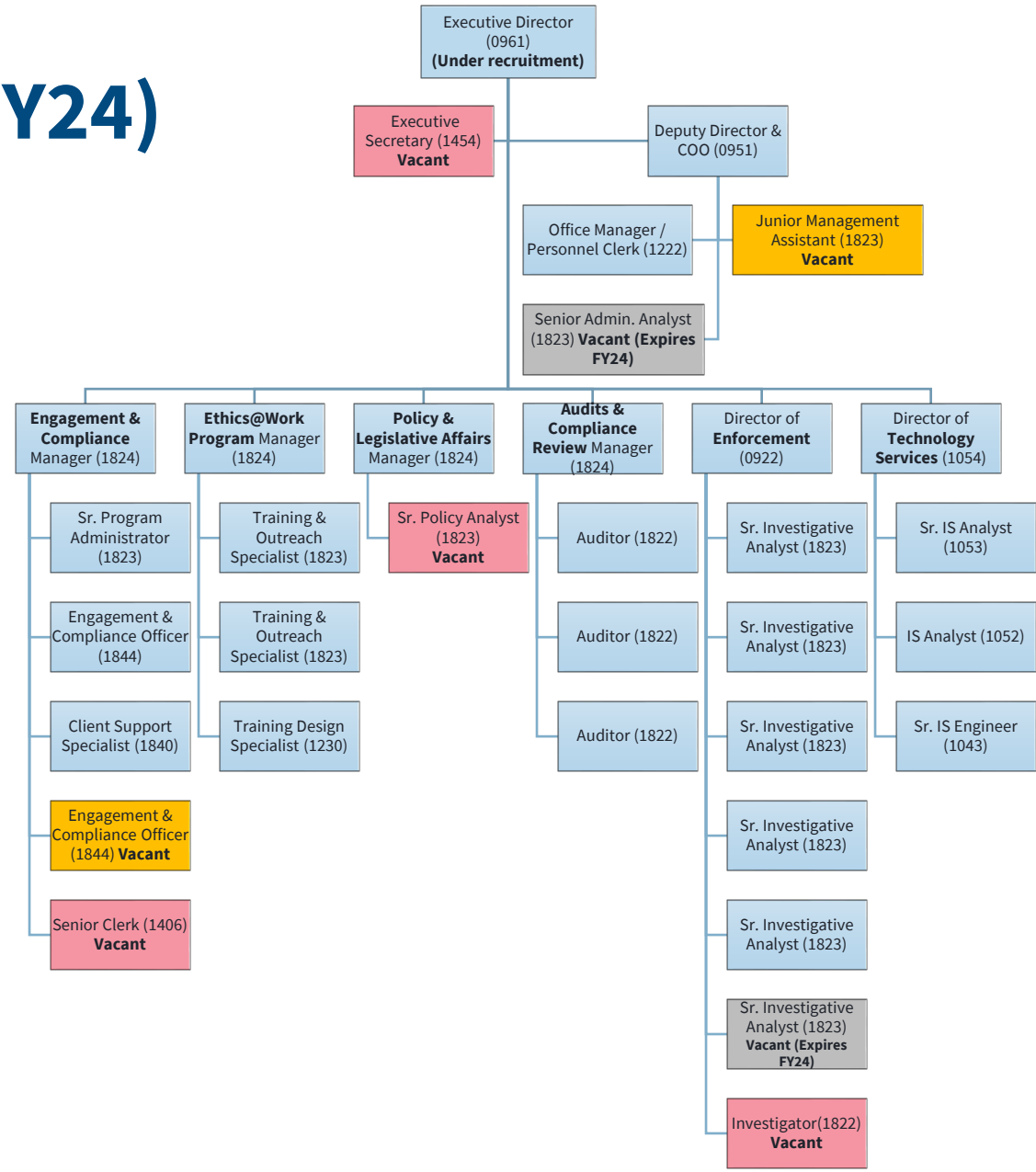


Ethics Commission Divisions (FY24)



Organization Chart (FY24)

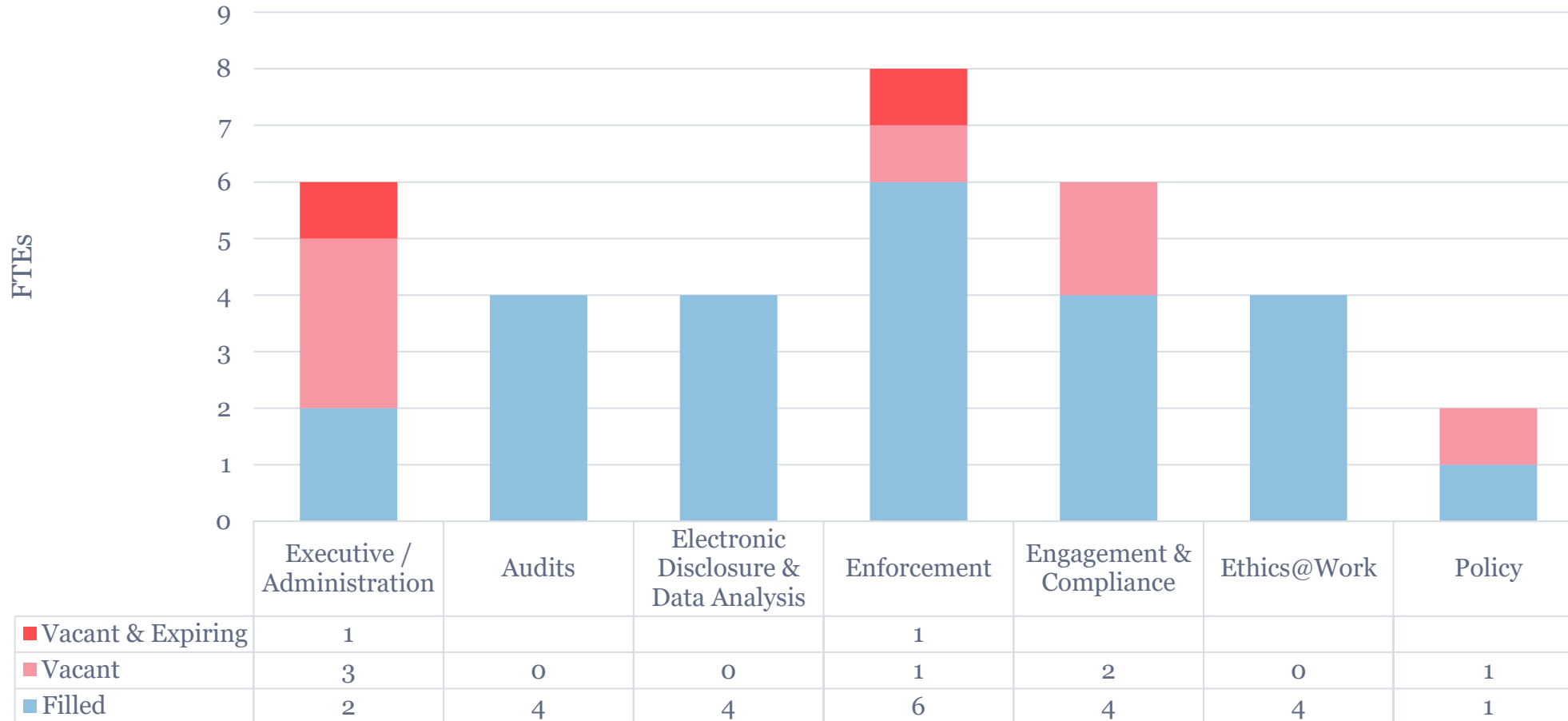
- **34** positions total
 - **25** positions filled
 - **9** vacancies (26%)
 - Executive Director under recruitment
 - **6** vacancies currently held for attrition and budget cuts
 - **2** positions expire June 30, 2024
- Positions held vacant for attrition savings.
- Positions originally planned to be filled in FY24 but are left vacant due to FY25-FY26 target cuts.
- Positions expiring on June 30, 2024.



Staffing Distribution (FY24)



FTEs by Division



Mayor's Priorities for the City

- Improving public safety and street conditions.
- Citywide economic vitality.
- Reducing homelessness and transforming mental health service delivery.
- Accountability & equity in services and spending.



Budget Instructions to City Departments



- 1. Reduce general fund support:** 10% in FY24-25 and 10% in FY25-26.
 - *For the Ethics Commission 10% translates to **\$680k in each year.***
- 2. Submit contingency proposals:** Ongoing additional 5% in each year.
 - *For the Ethics Commission 5% translates to **\$340k in each year.***
- 3. No new FTE positions.**
- 4. Focus on core department operations & services:** Eliminate costs supporting non-essential, discretionary or redundant service areas.

Budget Needed To Fund All Positions



	FY25 (July 1, 2024-June 30, 2025)	FY26 (July 1, 2025-June 30, 2026)
Baseline Budget	\$6,872,970	\$7,061,175
Adding Attrition Savings	\$644,659	\$646,076
Funding for two positions expiring in FY24	\$391,186	\$405,458
Total Budget (for 34 FTEs)	\$7,908,815	\$8,112,709

Funding Gap with 10% Budget Cut



	FY25 (July 1, 2024-June 30, 2025)	FY26 (July 1, 2025-June 30, 2026)
Attrition Savings	\$(644,659)	\$(646,076)
10% Budget Cut	\$(680,000)	\$(680,000)
Total Funding Gap	\$(1,324,659)	\$(1,325,076)

Funding Gap with Additional 5% Budget Cut



	FY25 (July 1, 2024-June 30, 2025)	FY26 (July 1, 2025-June 30, 2026)
Attrition Savings	\$(644,659)	\$(646,076)
10% Budget Cut	\$(680,000)	\$(680,000)
5% Budget Cut	\$(340,000)	\$(340,000)
Total Funding Gap	\$(1,664,659)	\$(1,666,076)

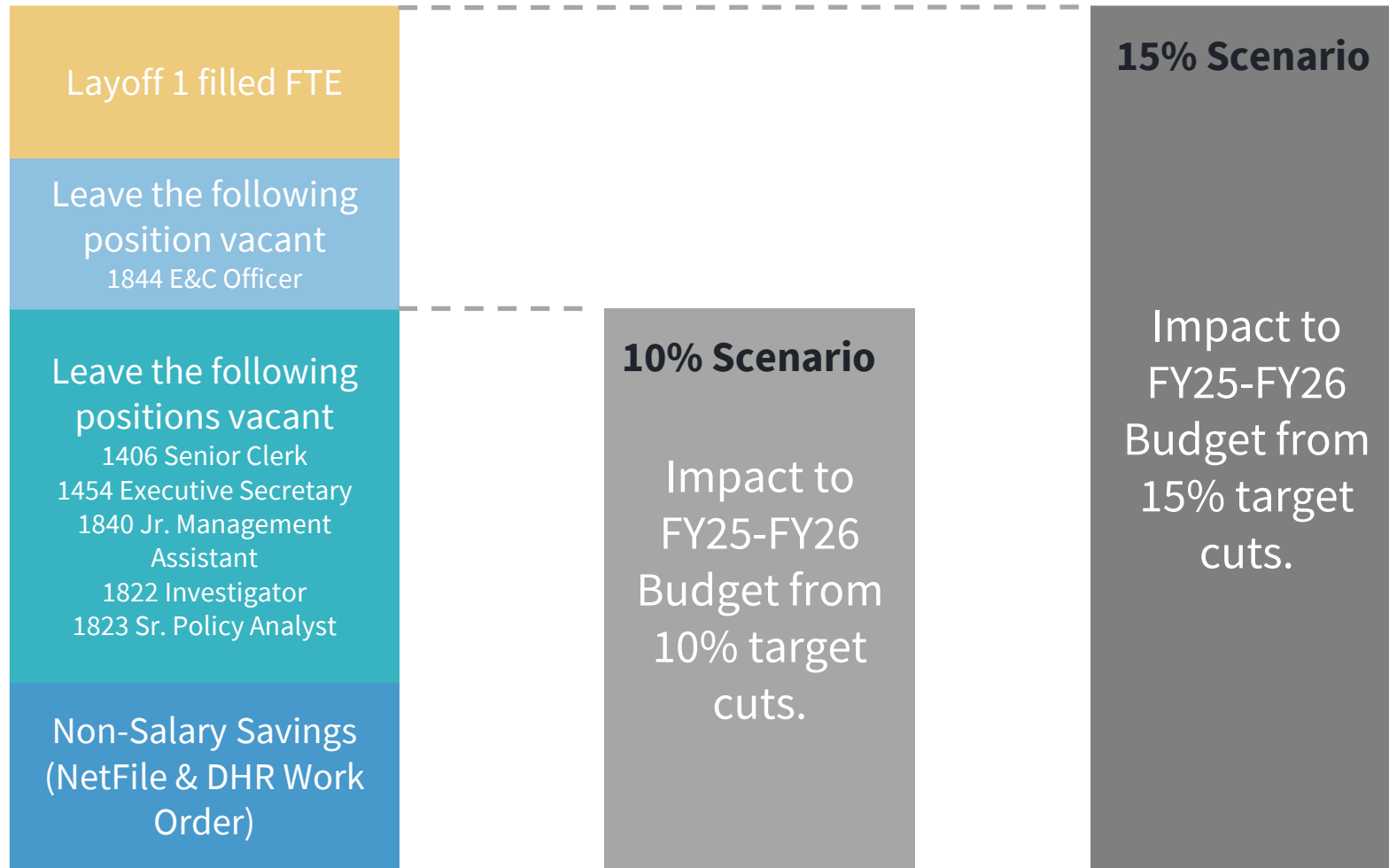
Achieving Target Cuts



- Commission’s budget accounts and current allocations were analyzed to identify potential areas of savings.
- Majority of the cuts will need to be accounted for using salary savings from existing vacancies.
- In addition, the following non-salary savings identified will be used.

Direct Netfile Lobbyist System Maintenance Fees to the Expenditure	59k
Lobbyist Project Funding (instead of charging it to operating budget)	
Reduce the workorder for the Department of Human Resources by 50%	140k
Total	199K

Snapshot of FY25-FY26 Budget Cut Impact



FY25 – FY26 Vacancies Impacted



Position	Division
1406 Senior Clerk	Engagement & Compliance Division
1454 Executive Secretary	Administrative
1840 Junior Management Assistant*	Administrative
1822 Investigator	Enforcement Division
1823 Senior Policy Analyst	Policy Division
1844 Engagement & Compliance Officer*	Engagement & Compliance Division

*Originally was planned to be filled in FY24 but had to be paused due to potential budget cuts.

Impact of 10% Cut to Services

- Continued reduction in capacity to conduct policy analysis, provide advice and guidance, and compliance assistance.
- Continued reduction in enforcement capacity.
- Continued impact due to insufficient administrative staffing for basic departmental and commission responsibilities, including office front-counter service, commission meeting preparation and clerking, human resources, contracting, procurement, accounting and finance, and other general operations.



Impact of 15% Cut to Services

In addition to the impact identified for the 10% cut, the following areas will be impacted.

- Without the 1844 Engagement & Compliance Officer position, the Commission will not have a dedicated program administrator for the Form 700 program and other conflict of interest requirements.
- An existing FTE will need to be laid off from one of our functional areas which will severely impact our ability to deliver essential services and affect staff morale and retention.



FY25 Key Priorities

- Retain existing staff to support the Commission’s programmatic operations, including the capacity to successfully implement Proposition D, should it pass in the March 5, 2024 primary.
- Fill additional positions to address gaps in the Commission’s staffing to meet critical business needs, including compliance functions and other critical operations.
- Maintain existing information technology services and e-filing systems to enable filer compliance and public’s access to disclosure filings.

