



# City & County of San Francisco Ethics Commission



## FY24-25 and FY25-FY26 Budget Proposal Commission Meeting Agenda Item 8 - Attachment I Friday, February 9, 2024

Patrick Ford, Executive Director  
Gayathri Thaikkendiyil, Deputy Director & Chief Operating Officer

# FY25-FY26 Strategic Budget Priorities

- Strengthen organizational capacity and effectiveness across program areas.
- Build an effective and sustainable Audit program.
- Deepen engagement with City agencies and other regulated communities.
- Continue improvement of Enforcement program.
- Given cuts, preserve services to the public.



# Commission's Funding Snapshot

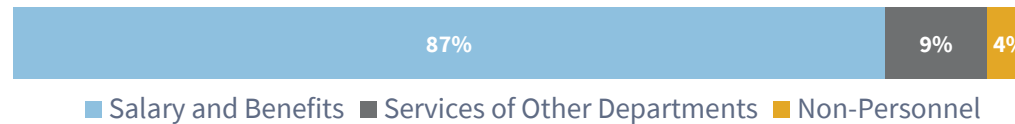


	<b>FY24 Approved</b> (July 1, 2023-June 30, 2024)	<b>FY25 Baseline</b> (July 1, 2024-June 30, 2025)	<b>FY26 Baseline</b> (July 1, 2025-June 30, 2026)
Annual Operating Budget	\$7.09m	\$6.87m	\$7.06m
Total Positions	34	32*	32
Funded Positions**	30.55	29.18	29.18

\* 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 attrition savings targets identified in their baseline budget.

FY25 Distribution of Operating Budget

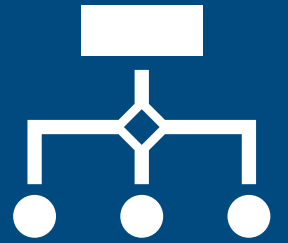
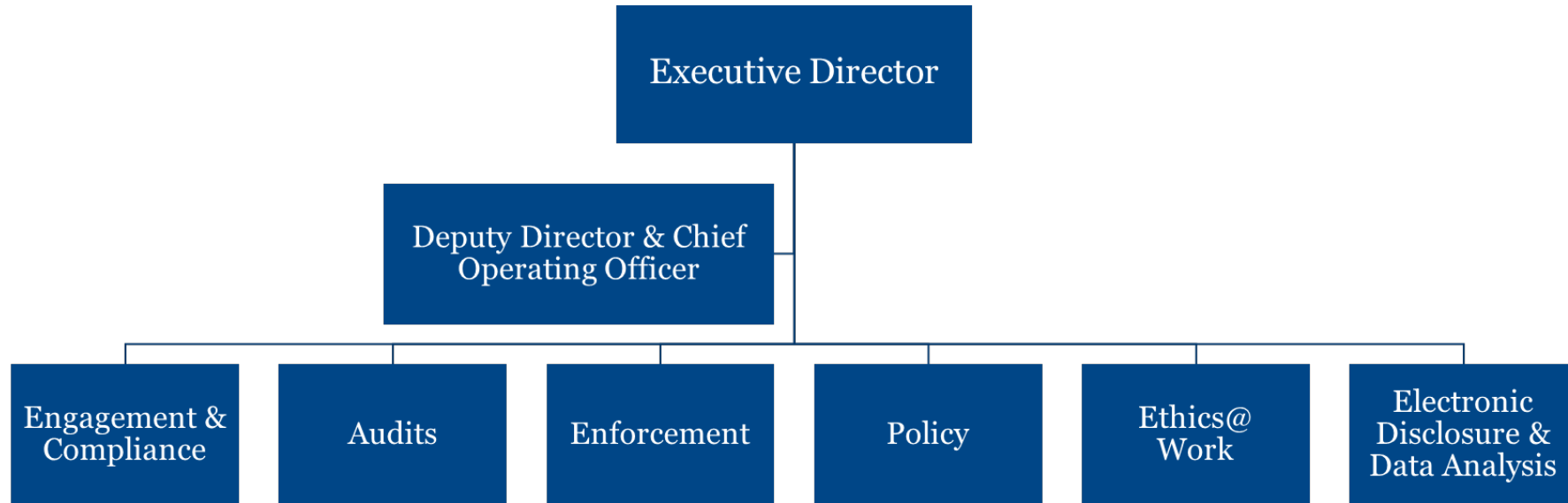


# Election Campaign Fund

- 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.
- Separate fund which is not a part of the Commission's operating budget.
- Fund is capped at a maximum of \$7 million and has a current balance of \$4 million.
- City's baseline budget for FY25 and FY26 currently provides an additional allocation of \$446,860 each year.



# Ethics Commission Divisions FY24



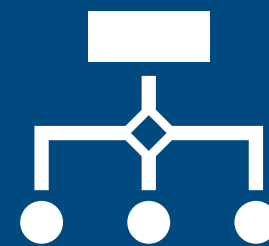






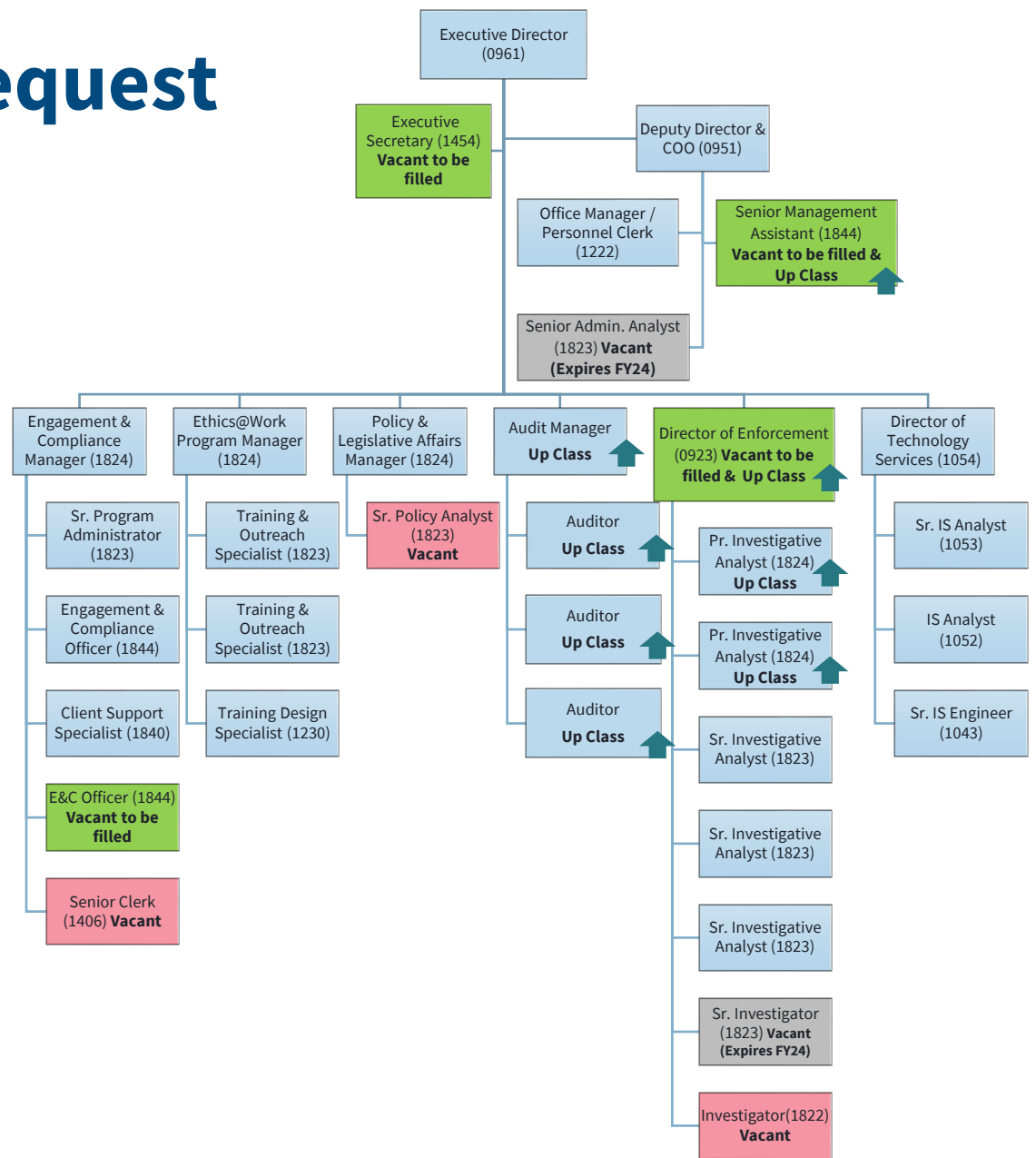
# FY25-FY26 Budget Request

- Reclassify positions in the Audit Division to higher classifications to support timely completion of audits, audits of greater complexity and volume, and more rigorous standards for auditing campaign committees and lobbyists.
- Reclassify positions in the Enforcement Division to implement the Commission's new investigative functions and business processes. Enforcement will also play a larger role in advising other staff, including audits and policy, on legal and internal advice matters.
- Improve the agency's overall effectiveness by increasing capacity and at the executive level, providing for greater support and oversight of programs. Also consolidate administrative functions that are currently distributed across staff positions department-wide.
- Fill operation-critical vacancies to support Form 700 & Ethics compliance, Enforcement, and administrative functions.
- No target cuts to departmental budget.



# FY25-FY26 Budget Request Organization Chart

- Vacant positions to be filled.
- ↑ Position reclassifications.
- Positions held vacant for attrition savings.
- Positions expiring on June 30, 2024.



## Reclassifications

- 1840 Junior Management Assistant to 1844 Senior Management Assistant
- 1824 Auditor Manager to classification TBD
- 1822 Auditor to classification TBD (Three positions)
- Director of Enforcement from 0922 (Manager I) to 0923 (Manager II)
- 1823 Senior Investigative Analyst to 1824 Principal Investigative Analyst (Two positions)



# Budget Request Totals



	<b>FY25</b> (July 1, 2024-June 30, 2025)	<b>FY26</b> (July 1, 2025-June 30, 2026)
Baseline Operating Budget*	\$6,872,970	\$7,061,175
Requested Budget**	\$6,872,970	\$7,138,434
<b>Additional Funding</b>	-	<b>\$77,259</b>

\* *Accounts for meeting the required attrition savings targets.*

\*\**Includes funding for staffing related changes and additional technology needs such as devices, software licenses, and services from the Department of Technology.*

Proposed operational changes in the budget request can be performed within the baseline budget in the first year.

# Mayor's 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.

# Funding Gap with Target Cuts



	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)
<b>Funding Gap for 10% Cut</b>	<b>\$(1,324,659)</b>	<b>\$(1,325,076)</b>
Additional 5% Contingency	\$(340,000)	\$(340,000)
<b>Funding Gap for 15% Cut</b>	<b>\$(1,664,659)</b>	<b>\$(1,666,076)</b>

# Achieving Target Cuts



- Majority of the cuts will need to be accounted for using salary savings from vacancies.
- In addition, the following non-salary savings identified will be used.

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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

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# Operational Changes - 10% Cut Scenario

- Reclassify positions in the Audit and Enforcement Divisions to strengthen those program areas. Audit Division capacity will be reduced by one Auditor position.
- Fill the Engagement & Compliance Officer position (1844) to support Form 700 and Ethics program administration.
- Administrative positions (1454 and 1840) will not be filled, resulting in continued impact department-wide due to insufficient staffing for basic support, departmental, and commission responsibilities.

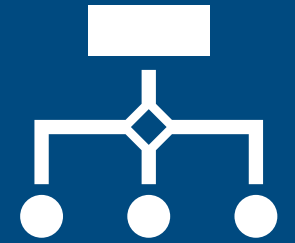
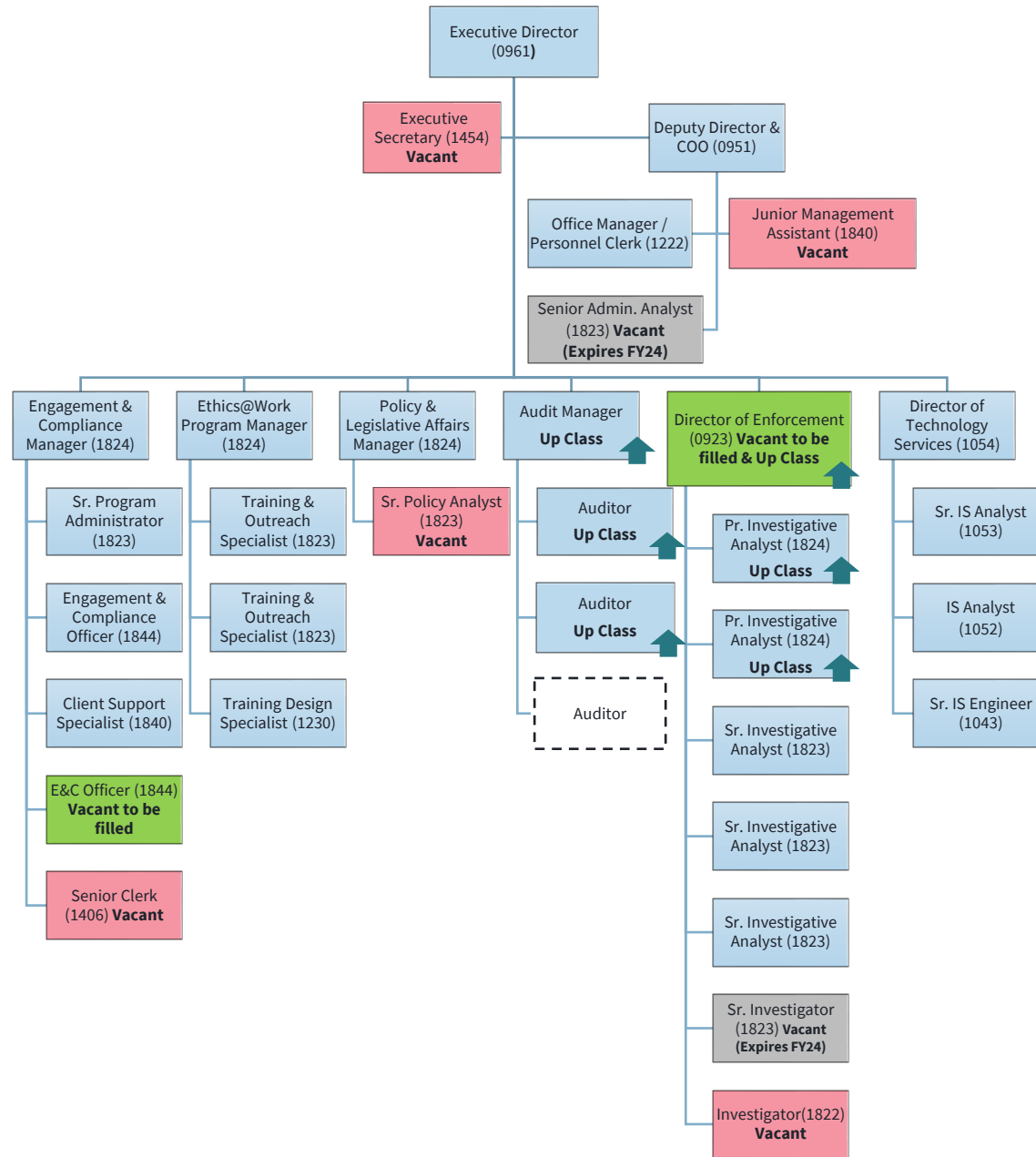


# 10% Budget Cut Scenario

- Vacant positions to be filled.
- Position reclassifications.
- Positions held vacant for attrition savings and budget cuts.
- Position to be vacated.
- Positions expiring on June 30, 2024.

## Reclassifications

- 1824 Auditor Manager to classification TBD
- 1822 Auditor to classification TBD (Two positions)
- Director of Enforcement from 0922 (Manager I) to 0923 (Manager II)
- 1823 Senior Investigative Analyst to 1824 Principal Investigative Analyst (Two positions)





# Operational Changes - 15% Cut Scenario

- Audit Division's capacity will be reduced by two Auditor positions. The Audit Manager and remaining one Auditor position will be reclassified to higher classifications. Audit program will be moved under the Enforcement Division.
- Engagement & Compliance Officer position (1844) supporting Form 700 and Ethics program administration will not be filled until FY26.
- Administrative positions (1454 and 1840) will not be filled, resulting in continued impact department-wide due to insufficient staffing for basic departmental and commission responsibilities.



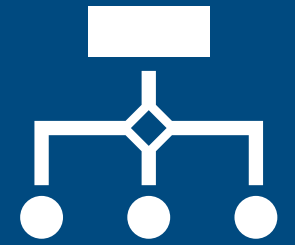
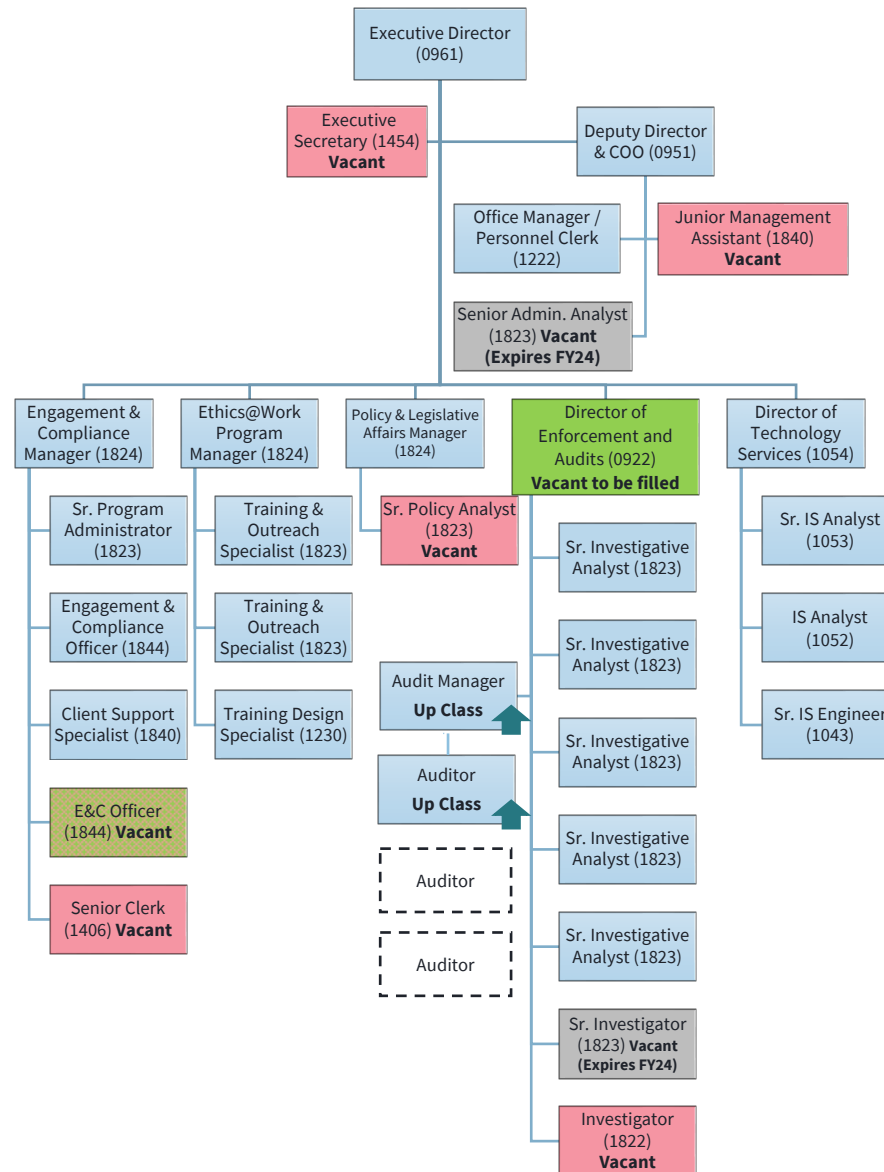
# 15% Budget Cut Scenario

- Vacant position to be filled.
- Vacant position to be filled in year-2.
- Position reclassifications.
- Positions held vacant for attrition savings and cuts.
- Position to be vacated.
- Positions expiring on June 30, 2024.

## Reclassifications

- 1824 Auditor Manager to classification TBD
- 1822 Auditor to classification TBD (One position)

Audit program will be moved under the Enforcement Division.



# Budget Submission – Key Dates

- **By February 21, 2024:** Departments must submit their budget proposals to the Mayor's Office.
- **By June 1, 2024:** The Mayor's proposed budget must be submitted to the Board of Supervisors.
- **By August 1, 2024:** The Board of Supervisors must send a balanced budget back to the Mayor for signature.

