



San Francisco Ethics Commission

25 Van Ness Avenue, STE 220
San Francisco, CA 94102-6053
ethics.commission@sfgov.org
415-252-3100 | sfethics.org

January 13, 2025

To: Members of the Ethics Commission

From: Patrick Ford, Executive Director

Subject: Agenda Item 9 - Presentation, public hearing, and possible action on Ethics Commission budget priorities for the Fiscal Year 2025-26 and Fiscal Year 2026-27

Summary and Action Requested

The attached overview is presented for informational purposes only as background on the Ethics Commission's departmental budget. No action is required at this public hearing. The agenda item has been noticed for both discussion and possible action should the Commission wish to take action at this meeting after receiving public comment on departmental budget priorities for FY26-FY27.

Budget Submission Deadline

Departmental budget submissions for the two-year period that begins July 1, 2025 and ends June 30, 2027 must be submitted to the Mayor's Office by February 21 of this year. As part of the annual budget process, departments are subject to requirements that took effect in 2020 under Ordinance No. 294-19. That ordinance was adopted by the Board of Supervisors in December 2019 and modified the process for adopting the City's annual budget with the goal of expanding public input in the development of the City's annual budget.

Public Hearing on Departmental Budget Priorities

Under the Ordinance, following the issuance of annual budget instructions from the Mayor, departments are required to hold a public meeting concerning departmental budget priorities at which members of the public may provide input. The purpose of the meeting is to allow for public input on departmental budget priorities for the upcoming Fiscal Years prior to the department finalizing its budget proposal for submission to the Mayor's office. For departments subject to the oversight of a commission, this requirement may be satisfied by holding a public hearing regarding budget priorities at a regular or special meeting subject to both the Brown Act and the Sunshine Ordinance. The meeting must be held at least 15 days prior to the commission's final approval of the agency's proposed budget.

Subsequent Public Hearing on Department's Proposed Budget

The Ordinance also requires that by no later than February 14 each year, agencies must hold a public meeting concerning the department's proposed budget to allow for public input prior to the agency's submission of their proposed budget. At that meeting, information provided must include information about the agency's divisions; budget totals and major changes including new or reduced initiatives and staffing changes; changes in service levels; projected salary savings; and how the agency is meeting

budget instruction targets. The Ordinance requires this public meeting to occur no less than 15 days after the public meeting to obtain input on budget priorities. For Commissions, this requirement can be satisfied at a regular or special meeting at which it considers final approval of the agency's proposed budget.

Mayor's Budget Instructions for Fiscal Years 2025-26 (FY26) and 2026-27 (FY27)

Mayor Breed issued annual budget instructions to City departments for FY26 and FY27 on December 3, 2024. The City is projecting a budget shortfall of approximately \$876 million with a \$253 million deficit in the first year and \$623 million in the second year. Therefore, City departments are required to propose ongoing cuts of 15% in FY26 and FY27 from their General Fund budgets. The budget instructions to departments are outlined below.

- Permanently reduce General Fund spending by 15% beginning FY 25-26.
- Assess community-based organizations (CBO) grant allocations for efficiency.
- Re-examine all contractual services and non-personnel expenditures.
- Eliminate vacancies and do not add new FTEs. Hire only for core department functions.
- Consider hiring freezes.

The Mayor's budget instructions also mentioned the following priorities.

- Maintaining core city services, including public safety and clean streets.
- Continue significant progress decreasing unsheltered homelessness; ensuring effective mental health treatment.
- Propose opportunities to improve operational efficiency in service delivery and reporting across all areas of City services.

On Thursday January 9, Mayor Daniel Lurie announced a hiring freeze on most City positions. Although full details have not yet been provided by the Mayor's office, it is likely that this hiring freeze will affect the Commission's ability to fill any vacancies should any arise. As discussed in the Executive Director's Report (Item 4), there are currently no vacancies at the Commission.

Following submission of the budget proposals, the Mayor's Budget Office will evaluate the requests and develop the Mayor's proposed balanced budget to submit to the Board by June 1, 2025. The Board of Supervisors then considers the budget and must send a balanced budget back to the Mayor for signature by August 1, 2025.

Public Input on Ethics Commission Budget

In preparation for submitting its FY26-FY27 budget to the Mayor's Office by February 21, as required, the Ethics Commission has planned the following opportunities to receive public input on its budget:

- In accordance Ordinance 294-19, the Ethics Commission has scheduled a public hearing on departmental budget priorities for the current Commission meeting on January 17, 2025. This meeting will be held in person and remotely via Webex and livestreamed via [SFGovTV website](#). For the January 17 public hearing, Commission Staff will present an overview of budget priorities, which appears in **Attachment 1**.

- Also in accordance with Ordinance 294-19, the Commission will hold a public hearing related to the department's proposed budget at its following meeting on Friday, February 7, 2025. At this meeting Staff will provide a detailed presentation on a proposed FY26-FY27 budget. This meeting will be held in person and remotely via Webex and cablecast live on SFGovTV. Details and materials for this meeting will be posted in advance of the meeting as required by the Brown Act and Sunshine Ordinance.
- Written comment on the Commission's budget priorities and proposals may also be submitted to ethics.commission@sfgov.org.