



City & County of San Francisco
Ethics Commission



FY25-26 and FY26-27 Budget Proposal
Commission Meeting Agenda Item 8 - Attachment I
Friday, February 7, 2025

Patrick Ford, Executive Director

FY26 & FY27 Strategic Priorities

- Conduct **thorough and timely audits** using updated procedures and protocols
- Continue to strengthen the Commission's **enforcement** functions through increased proactive investigations and more large, impactful cases
- Ensure robust **electronic disclosure systems** and processes to promote filer compliance and enhance public access to disclosure filings
- Provide effective **educational materials and compliance assistance** to better inform regulated communities about the law and engage members of the public
- **Strengthen and refine** the City's ethics, campaign finance, lobbying, and other **laws** under the Commission's jurisdiction
- Enhance **operational efficiency** across the department by implementing standardized procedures, more detailed performance indicators, automation, and data-driven approaches
- Maintain **adequate staffing levels** to support the Commission's essential functions



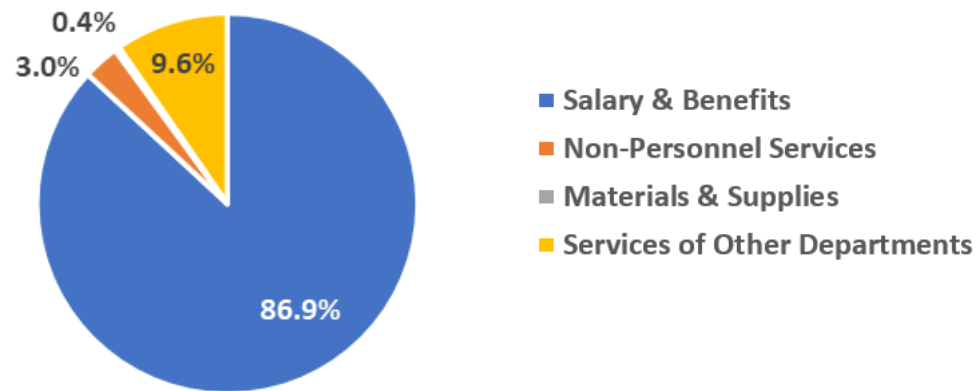
Commission's Funding Snapshot



	FY25 Approved (July 1, 2024-June 30, 2025)	FY26 Baseline (July 1, 2025-June 30, 2026)	FY27 Baseline (July 1, 2026-June 30, 2027)
Annual Operating Budget	\$6.75m	\$7.23m	\$7.55m
Funded Positions	27.61*	29.08	29.08

**The number of positions funded in FY25 is lower than 29 as it reflects planned hiring delays that were required by the Mayor's Budget Office for several positions. The Commission has completed those recruitments per required delays and currently has 28 positions filled.*

FY26 Distribution of Baseline Operating Budget

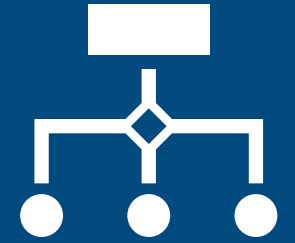


Election Campaign Fund

- 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.
- Fund has a balance of \$2.3 million and is capped at a maximum of \$7 million.
- City's baseline budget for FY26 and FY27 currently provides an additional allocation of \$446,860 each year.



Current Organization Chart (FY25)



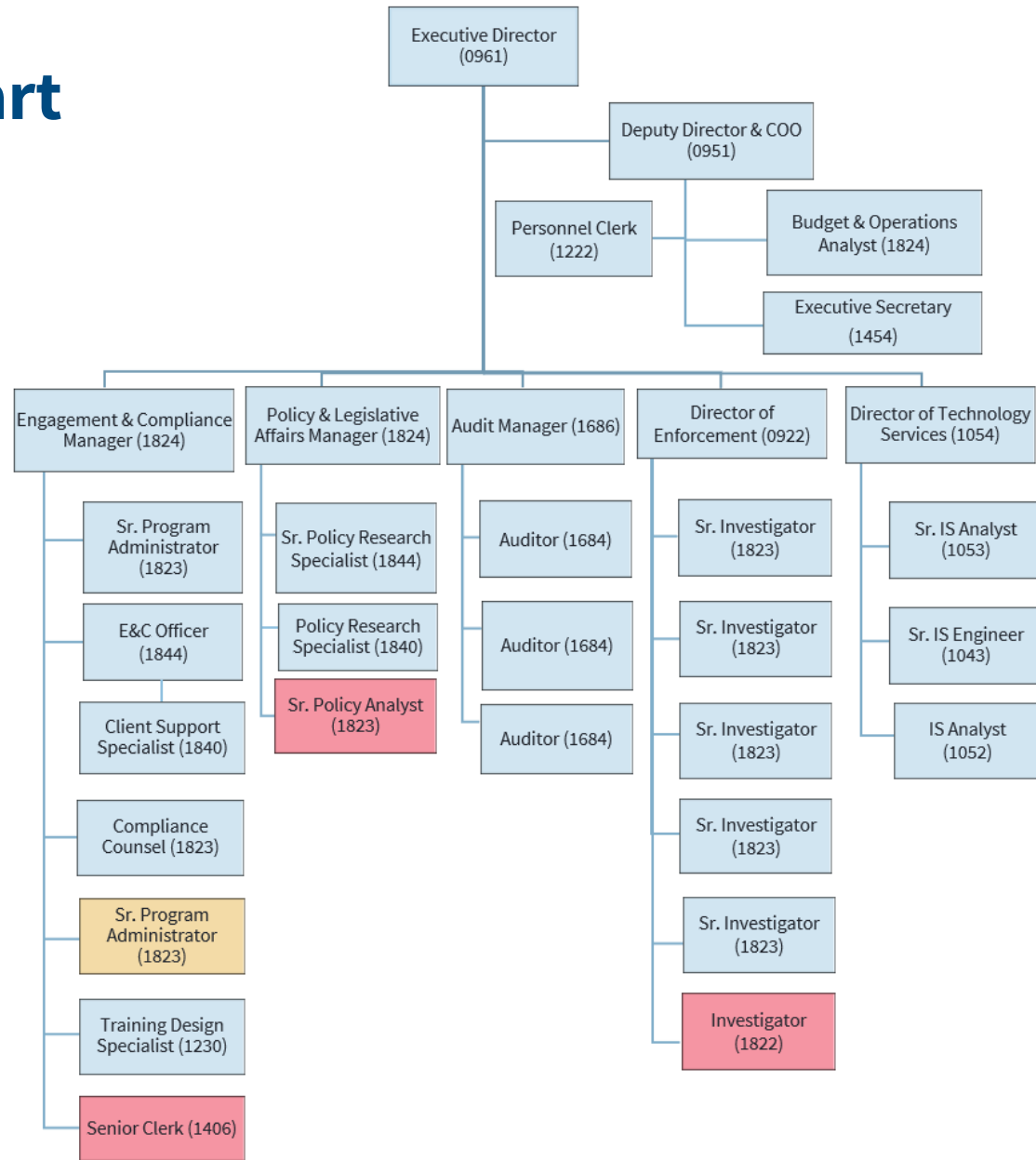
28 positions are filled

Vacant position – requires MYR approval to be filled

Positions held vacant for attrition savings*

Filled positions

*Departments are required to meet specific attrition savings targets identified in their operating budgets on a permanent basis to account for salary savings from normal staffing changes that can occur during a fiscal year.



Mayor's Priorities for the City

- 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.



Budget Instructions to City Departments

- Permanently reduce General Fund spending by 15 percent beginning FY26.
- 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.
 - City-wide hiring freeze is in effect as of January 9, 2025.





FY26 & FY27 Budget Target Cut

- The Mayor’s budget cut target for the Ethics Commission is an ongoing 15 percent cut of \$1.1 million in FY26 and FY27.
- As roughly 86 percent of the Commission’s budget is allocated to salaries and benefits, most cuts will need to come from staffing reductions, as outlined below, to meet the target.
 - Vacant 1823 Senior Program Administrator (Engagement & Compliance Division)
 - 1230 Training Design Specialist (Engagement & Compliance Division)
 - 1222 Personnel Clerk (Operations Division)
 - 1840 Policy Research Specialist (Policy Division)

This represents a 14 percent cut to the Commission’s current budgeted staffing levels (29).

FY26 & FY27 Budget Target Cut

- In addition, the following savings will also be used to meet the target cut:
 - **Reduce operational expenses** related to materials & supplies, professional services, the workorder with the Controller's Office for accounting services, and Netfile maintenance costs for the Campaign Consultant disclosure system, which was replaced by a new system in December 2024 and will be discontinued by the end of FY25.
 - Reallocate a portion of salary costs and Netfile system maintenance expenses for administering the Public Financing Program from the Commission's operating budget to the **Election Campaign Fund** as permitted under SF Campaign and Governmental Conduct Code Section 1.138. The Commission may use up to 15 percent of the total Election Campaign Fund allocated for an election to support program administration.

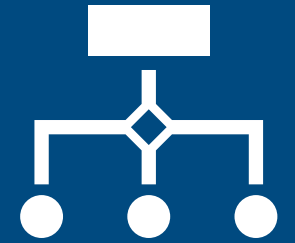
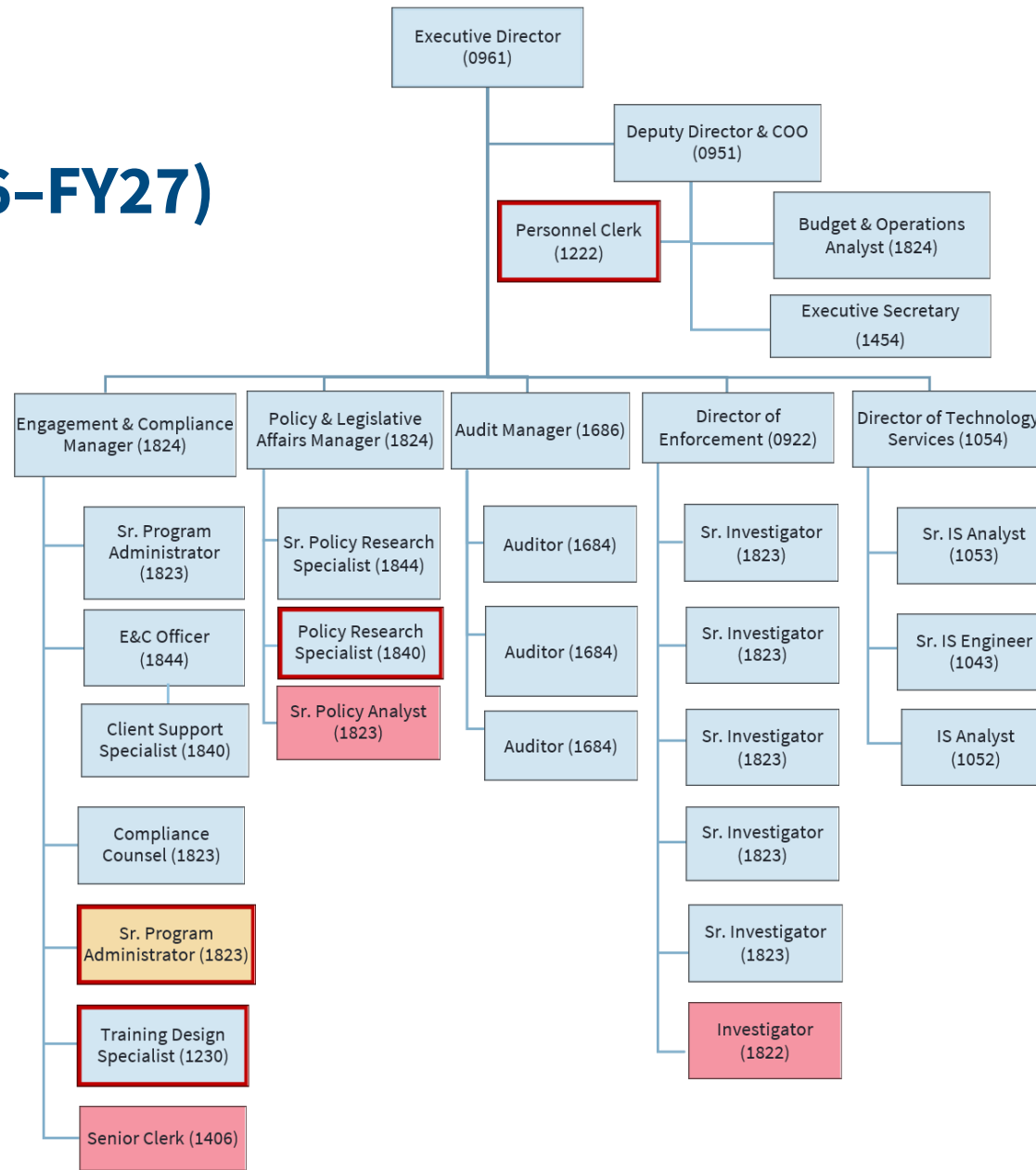


15% Target Cut Scenario Organization Chart (FY26–FY27)

- 28 positions are currently filled
- 25 positions will be funded under this scenario

- Vacant position – requires MYR approval to be filled
- Positions held vacant for attrition savings*
- Filled positions
- Positions impacted by the target cuts

*Departments are required to meet specific attrition savings targets identified in their operating budgets on a permanent basis to account for salary savings from normal staffing changes that can occur during a fiscal year.



Operational Impact of the 15% Target Cut

- The reduction of two staff positions in the **Engagement & Compliance Division** will affect the Commission's compliance guidance, training, and online materials.
- Additionally, the division will no longer have the capacity to administer the Major Developers and Campaign Consultants disclosure programs. Staff will assess these programs' effectiveness to determine whether legislative steps should be taken to discontinue them. Staff will also explore combining the permit consultant and lobbyist disclosure programs to find further efficiency savings.
- Due to limited capacity in the Engagement & Compliance Division, the Commission will also need to discontinue the custom filing process for Form 126f4 (Notification of Contract Approval), which was created to support compliance by the Mayor's Office and the Board of Supervisors. Those offices will have the option to either adopt the standard filing process used by other elected officials or assume ownership and maintenance of the custom process.



Operational Impact of the 15% Target Cut

- The reduction of a position in the **Policy Division** will impact the Commission's ability to conduct research, data analysis, and evaluation of current City laws to advance the agency's policy priorities.
- **Payroll** functions will need to be supported through a workorder with the City Administrator's Office, while additional administrative tasks will be absorbed by other Commission staff and the Department of Human Resources (DHR) under an existing workorder.



FY26-FY27 Budget Request

- Fill the vacant **1823 Senior Program Administrator** and reclassify the existing 1230 Training Design Specialist position to an **1823 Senior Program Administrator**, both in the Engagement & Compliance Division to strengthen the Commission's compliance advice program and online materials for filers and the public.
- Retain the **1840 Policy Research Specialist** position to support the Commission's policy priorities through legislative and regulatory research, data analysis, and evaluation of current City laws. This position also supports the Commission's advice program.
- Reclassify three positions in the **Enforcement Division** as outlined below 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 Engagement and Compliance, on legal and internal advice matters.
 - Reclassify the Director of Enforcement position from 0922 Manager I to 0923 Manager II
 - Reclassify two 1823 Senior Investigator positions to 1824 Principal Investigative Analysts



FY26-FY27 Budget Request

- Reclassify the 1052 IS Analyst to a **1042 IS Engineer** in the Electronic Disclosure and Data Analysis Division to develop technology solutions that enhance the Commission's enforcement and audit functions through automation.
- Remove the 1222 Personnel Clerk position and support payroll functions through a work order with the City Administrator's Office and an existing workorder with DHR.
- Cover Netfile licensing costs for city-wide Form 700 filers, which include approximately 6000 city officials and employees. Previously funded through the COIT E-Filing Conversion Project, this funding source will be depleted by early 2026.
- Support cost increases for Netfile system maintenance and software services.



Budget Request Totals



	FY26 (July 1, 2025-June 30, 2026)	FY27 (July 1, 2026-June 30, 2027)
Baseline Operating Budget*	\$7,232,788	\$7,550,740
Additional Budget Requested**	-	\$45,915
Revised Total	\$7,232,788	\$7,596,655
Percent Increase	-	0.6

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

** *Includes funding for staffing changes and cost increases related to system maintenance, software licenses, and services from other departments.*

FY26 & FY27 Budget Process: Key Dates

- **February 21, 2025:** Departments must submit their budget proposals to the Mayor's Office.
- **By June 1, 2025:** The Mayor's proposed budget must be submitted to the Board of Supervisors (BOS).
- **June 2025:** Departmental budget presentations to the BOS Budget & Appropriations Committee.
- **By August 1, 2025:** The Board of Supervisors must send a balanced budget back to the Mayor for signature.

