



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 2, 2025

To: Members of the Ethics Commission

From: Patrick Ford, Executive Director

Subject: Agenda Item 8 - Presentation, public hearing, and possible action on Ethics Commission budget priorities for the Fiscal Year 2026-27 and Fiscal Year 2027-28

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 FY27-FY28.

Budget Submission Deadline

Departmental budget submissions for the two-year period that begins July 1, 2026 and ends June 30, 2028 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.

The public meeting held on January 9, 2026, will fulfill this requirement.

Programming Worksheet

Mayor Lurie and the Mayor's Budget Office have created a new step for programmatic review in the budget submission process. As part of this, each department must submit a "Program Inventory, Performance Metrics, and Savings Pathway Worksheet" by January 20, 2026.

This worksheet asks each department to break down its core operations as follows:

- A list of department programs, including, for each one:
 - Function and purpose
 - Tie-in to Mayor Lurie's priorities
 - Estimated budget
 - Performance metrics
- Future savings pathways, including automation, modernization, redundancies, and short-term investments
- Proposals for future outcomes-based budgeting

Staff plan to use the feedback received at the January 9, 2026 Commission meeting to prepare and submit this worksheet.

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.

Staff plan to include a budget presentation at the Commission's regularly scheduled meeting on February 13, 2026, to fulfill this requirement.

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

Mayor Lurie issued annual budget instructions to City departments for FY27 and FY28 on December 12, 2025. The City is projecting a General Fund deficit of \$936 million, growing to \$1.2 billion by FY 2029-30. Therefore, City departments as a whole are required to make a total of \$400 million in permanent spending reductions starting in FY2026-27. Unlike in prior years, Mayor Lurie's office has not issued blanket instructions for a fixed percentage cut that applies across all departments. Instead, the Mayor's Office has expressed a desire to work with each department to find savings while protecting their core programs.

To achieve these savings, the Mayor's Office has issued a set of instructions identifying areas that Departments should look to for savings:

- Eliminate discretionary programs.
- Restructure departments around current staffing levels and eliminate vacancies.
- Review all contracted services and non-personnel expenditures.
- Reduce all citywide work-orders (for services provided between City departments) by 10%.
- Identify redundancy and shared administrative needs.
- Identify investment opportunities to reduce long-term costs.

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

- Effective, common-sense government.
- Making the city more affordable and livable for families, strengthening our social safety net.
- Ensuring safe and clean streets.
- Stabilizing reliable public transit.
- Transforming our health and homelessness systems.
- Delivering excellent core city services with modern systems and structures.
- Strengthening the city's economy, art, and culture.

Mayor Lurie's Office has maintained its hiring freeze since January 9, 2025, and is expected to continue that policy during the current budget deficit. The Mayor's Office has proven willing to work with Commission staff to grant case-by-case approval for filling vacancies based on departmental needs. The commission currently has two vacancies:

- Senior Program Administrator (Engagement & Compliance)
- Information Systems Analyst (EDDA)

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, 2026. The Board of Supervisors then considers the budget and must send a balanced budget back to the Mayor for signature by August 1, 2026.

Public Input on Ethics Commission Budget

In preparation for submitting its FY27-FY28 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 9, 2026. This meeting will be held in person and remotely via Webex and livestreamed via [SFGovTV website](#). For the January 9 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 13, 2026. At this meeting Staff will provide a detailed presentation on a proposed FY27-FY28 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.