



City & County of San Francisco Ethics Commission



**FY26-27 and FY27-28 Budget Proposal
Commission Meeting Agenda Item 12 - Attachment I
Friday, February 13, 2026**

Patrick Ford, Executive Director

FY27 & FY28 Budget Submission Process

Two public hearings concerning budget priorities and budget proposals to receive public input prior to submitting proposed budgets:

- This agenda item is the second hearing to receive public input on the Commission's budget priorities.

To facilitate budget submission, Commission staff submitted a Program Inventory, Performance Metrics, and Savings Pathway Worksheet on **January 20, 2026**.

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, 2026**.



FY27 & FY28 Strategic Priorities



- Provide effective **educational resources and compliance advice** to better inform regulated communities about the law and engage members of the public
- 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
- **Evaluate, strengthen, and refine** the City's ethics, campaign finance, lobbying, and other **laws** under the Commission's jurisdiction
- **Streamline and modernize operations** to best support all divisions by implementing standardized procedures, tracking performance indicators, and pursuing automation and data-driven approaches.
- Maintain **adequate staffing levels** to support the Commission's essential functions

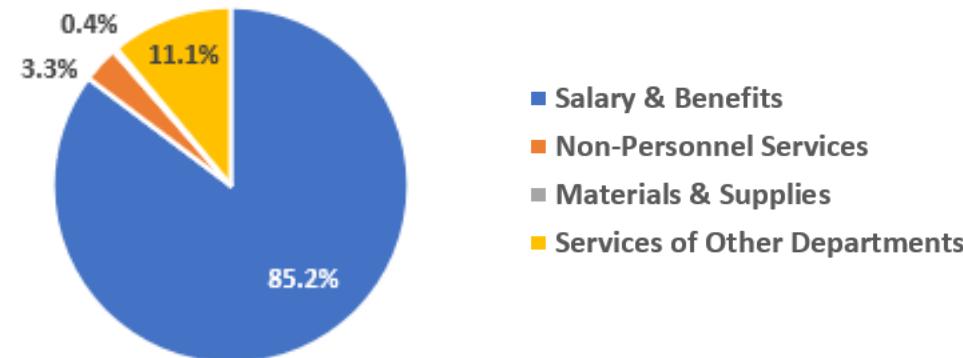
Commission's Funding Snapshot



| | FY26 Approved (July 1, 2025-June 30, 2026) | FY27 Baseline (July 1, 2026-June 30, 2027) | FY28 Baseline (July 1, 2027-June 30, 2028) |
|-------------------------|---|---|---|
| Annual Operating Budget | \$6.55m | \$7.04m | \$7.58m |
| Funded Positions | 26.77* | 26.71 | 26.69 |

**In effect, the number of positions funded in FY26 is even lower due to hiring restrictions established by the Mayor's Budget Office. Consequently, the Commission has not yet been able to initiate recruitment for the two current vacancies. All other funded positions have been successfully filled.*

FY27 Distribution of Baseline Operating Budget

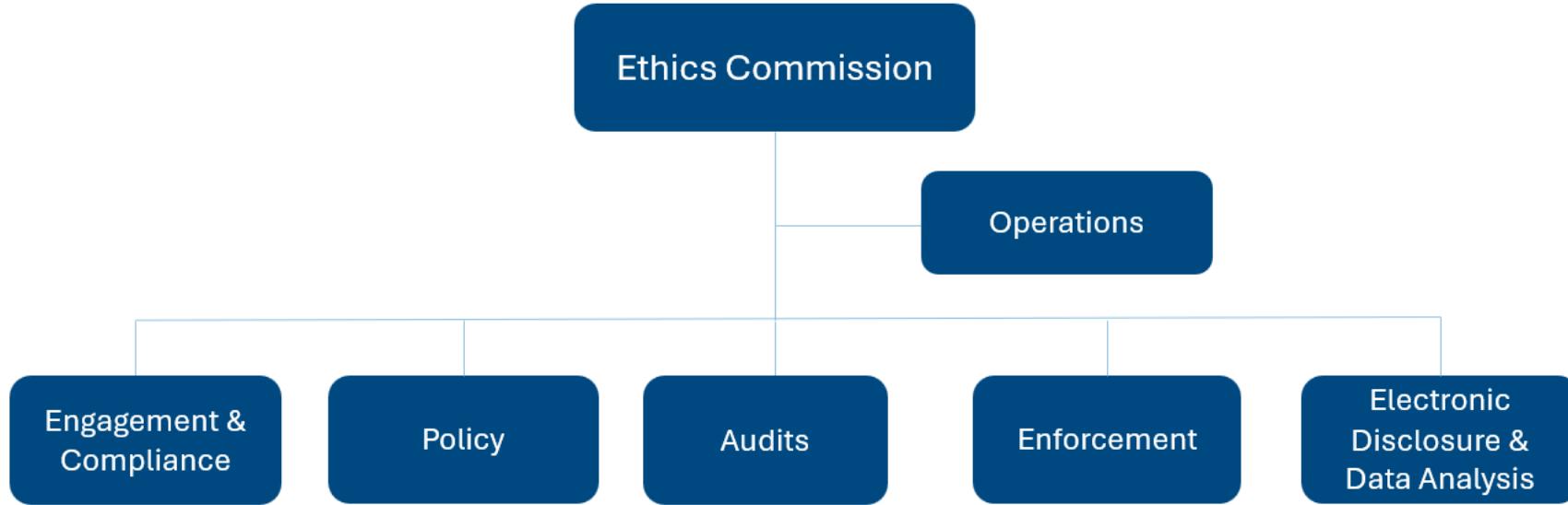
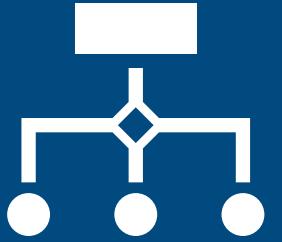


Election Campaign Fund



- 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 million and is capped at a maximum of \$7 million.
- The appropriation for FY26 was \$0.
- City's baseline budget for FY27 and FY28 currently provides an additional allocation of \$743,737 for FY27 and \$498,840 for FY28.

Ethics Commission Divisions (FY26)

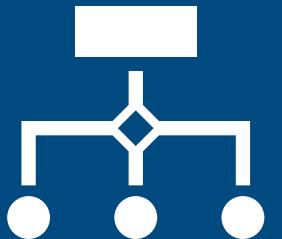
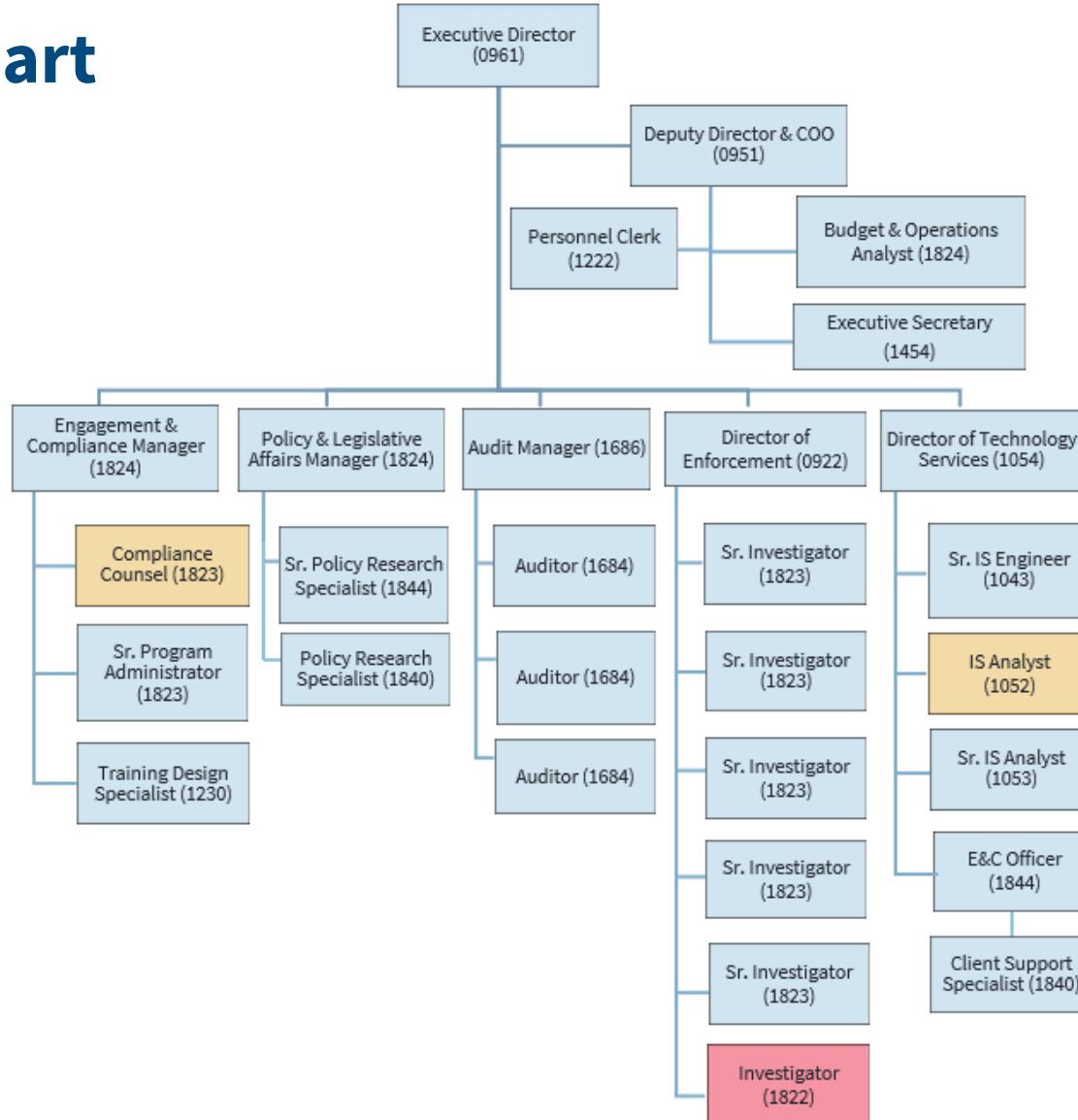


Current Organization Chart (FY26)

26 positions are currently filled

- Yellow box: Vacant position – requires MYR approval to be filled
- Red box: Positions held vacant for attrition savings*
- Blue box: 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



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

Budget Instructions to City Departments



- 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 by 10%.
- Identify redundancy and shared administrative needs.
- Identify investment opportunities to reduce long-term costs.

FY27 & FY28 Budget Target Cut



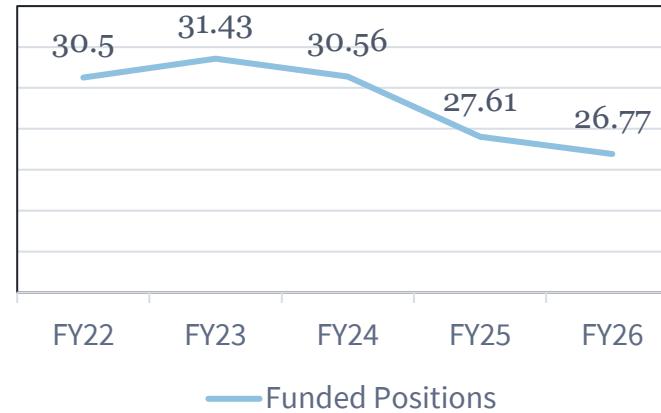
- The Mayor's citywide budget cut target is \$400 million in ongoing cuts beginning in FY27. This translates to the following Citywide percentage cuts:
 - 2.5% cut to the full \$16 billion Citywide budget
 - 4.7% cut to the City's general fund budget (excluding enterprise funds)
 - 10% cut to the portion of the City's general fund budget not backed by revenue
- The Mayor's budget follow-up cut target for the Ethics Commission is an ongoing 10 percent cut of ~\$730,000 in FY27 and FY28.

FY27 & FY28 Budget Proposal



- The Commission has faced difficult cuts in several prior budget years. In the last three years, the Commission has lost 15% of its staff, including the following positions:

- 1823 – Engagement & Compliance
- 1406 – Engagement & Compliance
- 1823 – Policy
- 1823 – Enforcement
- 1823 – Operations



- The Commission is already operating with the minimal staffing necessary to accomplish its essential functions and Charter mandates.
- In response to the Mayor's Budget Instructions, Commission staff have identified a set of cuts that would allow the Commission to save money while maintaining its core services. These cuts would avoid elimination of further staff positions and would exceed the proposed Citywide cut of 2.5%.

FY27 & FY28 Budget Proposal



- Staff's budget proposal contains the following cuts:
 - **Reduce Operational Expenses:** Cut workorder-related costs with the Department of Human Resources (DHR) by 50%.
 - **Reallocate Salary Costs:** Shift 0.5 FTE (Auditor II) from the Commission's operating budget to the Election Campaign Fund (ECF), in compliance with SF Campaign and Governmental Conduct Code section 1.138, which permits up to 15% of ECF allocations per election to support program administration.
 - **Optional:** *Restore the third 1823 Senior Program Administrator position, which was eliminated from the Engagement & Compliance Division during last year's budget. Because the legislation that would wind down programs administered by this staff member has stalled at the Board, and because of other ongoing compliance work, this position is essential for the Commission to continue to provide strong compliance support to City officials and other regulated persons.*
- Staff's budget proposal contains the following small proposed increases:
 - **Software Cost Increases:** Staff must account for regular increases in software services on an annual basis.

FY27 & FY28 Budget Proposal



| Non-Personnel Budget Proposal | FY27 | FY28 |
|---|--------------------|--------------------|
| City Administrator's Workorder (Payroll) Projection | - | \$51,723 |
| DHR Work Order Reduction | (\$140,000) | (\$140,000) |
| GF Software Cost Increase Projection | \$3,500 | \$4,000 |
| 1684 Auditor (1 position at 0.5 FTE) | (\$108,782) | (\$117,409) |
| Reallocate to Election Campaign Fund | | |
| Decrease % relative to baseline budget | (3.5%) | (2.7%) |
| <i>Total Requests:</i> | (\$245,282) | (\$201,686) |
| <i>Total Requests (with add-back of 1823):</i> | (\$30,742) | \$29,870 |
| | (.4%) | .4% |

Additional Considerations

- The budget proposed by staff includes a 3.5% cut for FY27 and a 2.7% cut for FY28. These cuts exceed the overall target cut for the city budget of 2.5%, but they are lower than the 10% cut requested by the Mayor's Budget Office.
- Staff have determined that a 10% cut would lead to significant reductions in core services and operations. It would require the following:
 - 2-3 filled positions eliminated from the Commission
 - Significant reduction in compliance assistance
 - Decrease in enforcement work
 - Risks to the Commission's disclosure systems used by regulated persons and the public

FY27 & FY28 Budget Process: Key Dates



- **February 21, 2026:** Departments must submit their budget proposals to the Mayor's Office.
- **By June 1, 2026:** The Mayor's proposed budget must be submitted to the Board of Supervisors (BOS).
- **June 2026:** Departmental budget presentations to the BOS Budget & Appropriations Committee.
- **By August 1, 2026:** The Board of Supervisors must send a balanced budget back to the Mayor for signature.