

Lifting the Fog

On Budgets, Innovation, Silos, and More



June 25, 2024



CITY AND COUNTY OF SAN FRANCISCO

2023–2024 CIVIL GRAND JURY

About the San Francisco Civil Grand Jury

The San Francisco Civil Grand Jury (“the Jury”) is a government oversight panel of volunteers who serve for one year. Each Jury determines which local government entities within San Francisco it will investigate. Private citizens may also submit written complaints to the Jury, for investigation at the Jury’s discretion. The Jury cannot investigate disputes between private parties, criminal activity, or activities outside its jurisdiction, which is the government of the City and County of San Francisco and any other local governments within city limits.

In reports made available to the public, the Jury documents findings and recommendations based on its investigations. Reports do not identify individuals by name, and disclosure of the specific identity of anyone interviewed by the Jury is prohibited.

The San Francisco Civil Grand Jury consists of 19 city residents impaneled by a Superior Court Judge. By state law, a person is eligible for Civil Grand Jury service if he or she is a U.S. citizen, 18 years of age or older, of ordinary intelligence and good character, and has a working knowledge of the English language.

2023–2024 Civil Grand Jurors

Michael Carboy Foreperson	Brian Flaherty	Will McCaa
Carol Anderson	Will Fox	John Monson
Peter Boyd	Marina Franco	Niall Murphy
Jonathan E. Cowperthwait	Carol Healey	Beverley Talbott
Phyllis Deets	Jim Ketcham	Fred Waldman
Paul Dravis	Roe Landesman	
Bart Fisher	Ralph Lane	

Cover photo: “Pink Over City Hall” by Sergio Ruiz; April 2011

Summary

The city's government is characterized as "unique" and complex. San Francisco has a city/county structure (the only one in California). The scope of the city's operations is extensive. Its city's workforce exceeds 34,000 employees that span over 60 departments. It has about 115 oversight commissions and boards, and contracting with over 600 nonprofits. Its Charter, which serves as its constitution, frequently undergoes changes. Also, after many years of strong revenue growth, the city must adapt to budget challenges.

Our focus: the processes, structures, and constraints of city government. Our investigation explored the highest levels of city governance, examining entities such as the Office of the Mayor, Board of Supervisors, Office of the Controller, City Administrator, and selected departments. We focused on analyzing the form and structure of San Francisco's government, including the processes and limitations outlined in the Charter and other laws that influence effective governance. Importantly, our inquiry did not reflect upon current city officials or staff. To gather insights, we conducted interviews with over 50 current and former city officials and employees, as well as nationally recognized government experts and legal scholars.

Charter reforms impact management oversight. In 1991 and 1995, revisions to the Charter enacted several significant adjustments including: the prohibition of "deputy mayors," the establishment of salary limits within the Office of the Mayor, and the curtailment of the City Administrator's responsibilities in areas such as budget oversight.

Siloed departments hinder the delivery of city services. City departments operate within vertically structured silos that obstruct the effective delivery of critical city services. Implementing governance approaches that encourage interdepartmental cooperation is needed.

San Francisco's legislative fetish. With an active legislative culture, San Francisco places more measures on the ballot than any California city. Between 2013 to 2022, it exceeded its closest peer city by over 100%. Also, a February 2024 city joint report by the Controller, the Treasurer,

and Office of Economic and Workforce Development cited concerns about the adverse effect of local legislation on the business environment.

The challenges of nonbinding policies. City departments are required to submit budgets. Departments are also required to document goals and program costs, but these objectives are nonbinding and lack enforcement. In addition, requirements for new spending mandates to identify funding sources and adhere to other restrictions are also nonbinding.

Engaging in civic innovation. Despite bureaucratic challenges, City Hall continues to pursue civic innovation through partnerships with organizations such as the California Policy Lab, Harvard Kennedy Government Performance Lab, and Bloomberg Philanthropies.

Our findings. The Jury found several areas for improvement: 1) A review of the city's budget oversight responsibilities is needed to enhance effectiveness, 2) The duties of the City Administrator are ambiguously defined and need more clarity, 3) Siloed departmental resources hinder the effective delivery of city services, and 4) The city's official organization charts are incomplete, making it difficult for stakeholders to understand the function and structure of government entities.

The Jury also identified that voter-mandated spending (set-asides) significantly affects the management of the city's budget. To effectively address voter-mandated spending, a dedicated investigation exclusively focusing on this complex topic is essential. We strongly encourage future jurors and citizens to prioritize this area of inquiry.

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Background

San Francisco is our home. The city attracts innovators, experimenters, explorers, and dreamers. It engages us with its parks and natural beauty, its culinary and cultural scenes, and its sports teams. It inspires diverse views, including those of the San Francisco Chronicle’s Herb Caen – “One day if I go to heaven ... I’ll look around and say “It ain’t bad, but it ain’t San Francisco” and Jefferson Airplane’s Paul Kantner – “San Francisco is 49 square miles surrounded by reality”.

The City Has a Complex Operating Environment

San Francisco is the only consolidated city-county in California. It is governed by a Charter, which is a voter-approved document that functions as its constitution.¹ It provides the city wide-ranging authority over local policy and law. However, the City Charter is easy to revise to reflect the changing objectives of San Francisco’s Mayor, Board of Supervisors, and citizens.

The city’s government has over 34,000 employees, over 60 departments,² and about 115 oversight commissions and boards. It also maintains service contracts with more than 600 nonprofits.³ Additionally, San Francisco’s unique city-county status means that programs and departments typically operated by a county in other California municipalities are part of the city’s budget.

Officials within and outside of City Hall noted the challenges faced by the Office of the Mayor and the executive branch in managing the complexities of the city.

¹ [“CHARTER - San Francisco,”](#) Amended November 23, 2022.

² [“2023 Workforce Report,”](#) City of San Francisco, August 21, 2023.

³ [“Citywide Nonprofit Monitoring and Capacity Building Program,”](#) December 19, 2023.

Repeated concerns we heard from knowledgeable City officials and employees included:

- Bureaucratic and burdensome processes
- Siloed, isolated departments
- A budget with inadequate flexibility and seemingly long-term structural shortfalls
- Complex rules and regulations from the city Charter and Administrative code

The City's Budget and Tepid Growth

The city's FY 2023-24 budget is \$14.6 billion, with projections of \$15.9 billion and \$15.5 billion for FY 2024–25 and FY 2025-26 respectively.⁴ The bulk of the city's budget supports Enterprise Fund departments and General Fund departments at \$6.4 billion and \$7.4 billion respectively for FY 2023-24.⁵

The self-funded enterprise departments include the Port of San Francisco, the San Francisco International Airport, the Public Utilities Commission (PUC), and SFMTA. Each department generates revenue and manages their own funding and mostly operates outside of the control of the Office of the Mayor.

The General Fund departments cover public health, affordable housing, public safety, fire, homelessness services, and parks management functions. These entities are supported by local tax revenues (property, transfer, sales, hotel, and business taxes), state and federal resources, and fees from services.

Ten Largest Departments Represent 78 Percent of 2023-2024 Budget

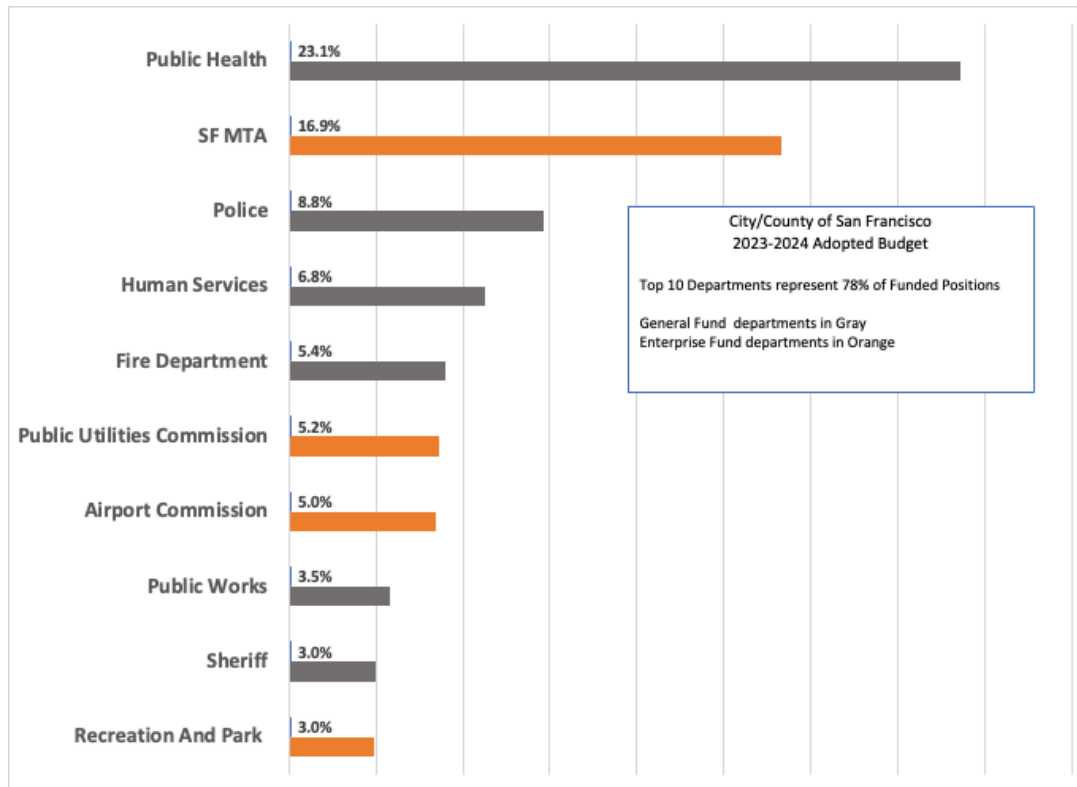
The city's 10 largest departments account for about 78 percent of the total city budget. *Figure 1* shows their size within the budget. Enterprise Fund departments are presented in orange, and General Fund departments are presented in gray.⁶

⁴ "[Proposed Budget FY 2024-2025 & 2025-2026](#)", Mayor's Office of Public Policy and Finance, May 2024.

⁵ "[SF Open Book](#)," Fiscal Year 2025-25, Budget report, Fund category selection.

⁶ "[City and County of San Francisco: Budget and Appropriation Ordinance FY2024-25](#)," Office of the Controller, 14 July 2023.

Figure 1: Budget appropriations top 10 departments 2023/2024

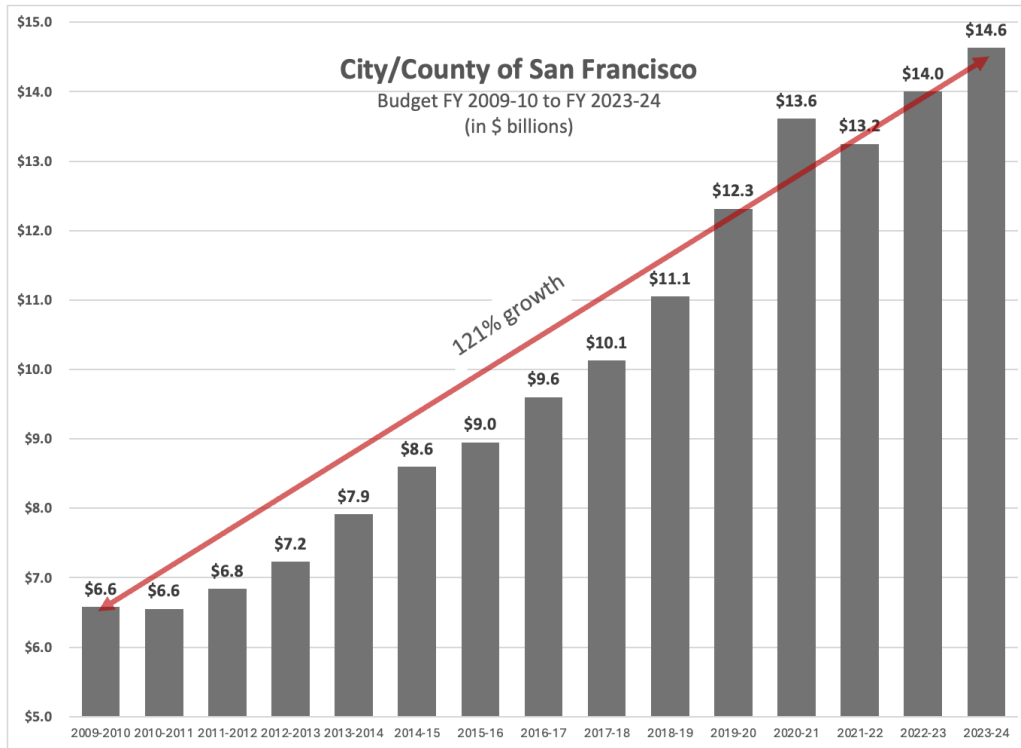


Tracing the Budget's Growth: 121 Percent in 14 Years

In recent years, San Francisco's strong economy supported an expanding city government budget. However, in the post-COVID era, this dynamic has changed as San Francisco confronts constrained economic growth. In this environment, the city must manage its labor, health, and pension costs while assessing service level reductions and searching for additional revenue sources. *Figure 2* shows the city's budget growing by 121% from FY 2009–10 to FY 2023–24.⁷

⁷ "[SF Open Book](#)," Budget selection, Fiscal Year 2009-24, Budget Report, Type category selection.

Figure 2: San Francisco budget FY 2009-10 to FY 2023-24 (in \$ billions)



Source: SF Open Book

The City's View of Its Budget Challenges

The Office of the Mayor, the Office of the Controller, and the Board of Supervisors' Budget Analyst released a five-year financial plan in December 2023⁸ with an update in March 2024.⁹

The following are highlights from these reports:

- "Long term structural shortfalls remain, growing to \$1,361.6 million by FY 2027-28, which is \$11.9 million more than the December 2023 projection."
- "Significant risks could affect this forecast in coming years, including economic uncertainty, employee costs, and state and federal funding levels."

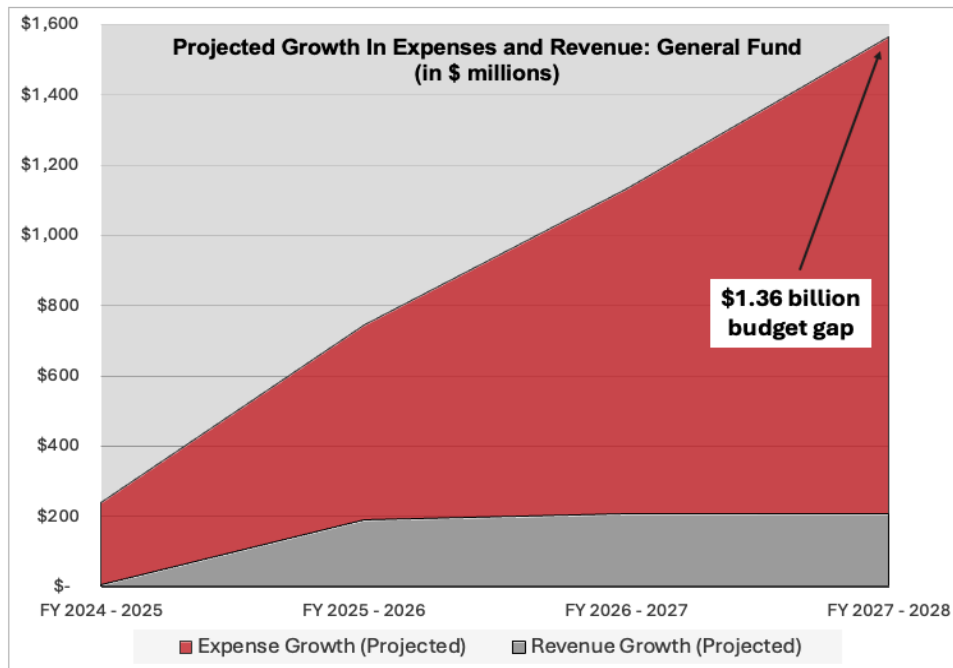
⁸ ["Five Year Financial Plan Update: FY 2024-25 through FY 2027-28,"](#) December 22, 2023.

⁹ ["Budget Outlook Update \(March Joint Report Update\) City and County of San Francisco,"](#) March 29, 2024.

- “Ongoing patterns of remote work, along with high interest rates, are expected to lead to declining commercial and residential real estate values, affecting property and transfer taxes.”
- “Additionally, high interest rates, along with the “stickiness” of hybrid work, suppress sales and values of both commercial and residential real estate.”
- “The City is in active labor negotiations with miscellaneous employees. The outcome of these negotiations will impact the projection.”
- “Legislative or voter-approved increases to existing baselines, set-asides, or other new spending increases without commensurate revenue increases from new funding sources will impact the projections included in this report.”
- “Across the board in affordable housing, and more acutely in permanent supportive housing, there are increases in operating costs due to inflation, staffing shortages, and sharply escalating insurance and utility expenses.”
- “Based upon updated data from Moody’s and Jones Lang LaSalle (JLL) for San Francisco, office vacancy rate assumptions increased while rent expectations decreased versus those used in our December 2023 forecast, further decreasing anticipated assessed valuations for office properties.”

Figure 3 shows that if current revenue forecasts are accurate and spending trends are not adjusted, the city confronts significant budget deficits.

Figure 3: Challenging budget outlook (SF General Fund FY 2024-28)



Source: Budget Outlook Update (March 2024 Joint Report Update), San Francisco Civil Grand Jury

By law, the city is required to have a balanced budget. During December 2023, the Office of the Mayor notified city departments to prepare for spending cuts of 10% or more for FY 2024–2025.¹⁰ If current forecasts from the Controller are accurate, the city will have to adjust its spending by \$1.36 billion through FY 2027–28 as presented in Figure 3.

A Potential Credit Downgrade by S&P Global

On April 22, 2024, recognizing a challenging operating environment, S&P Global Ratings reduced its outlook on San Francisco’s outstanding general obligation and appropriation debt to negative from stable. The firm said, “we believe management will be challenged to make the cuts needed to restore it to budgetary balance during the outlook horizon, which could lead to rating pressure if the city’s general fund reserves decline precipitously.” S&P did affirm the city’s AAA long-term rating.¹¹

¹⁰ [“SF Mayor London Breed asks for 10% cuts to city's 2024 budget,”](#) San Francisco Chronicle, December 13, 2023.

¹¹ [“San Francisco's Sluggish Recovery Puts S&P Credit Rating at Risk,”](#) Bloomberg, April 22, 2024.

Charter Reform of 1995 Changed the City Oversight Process

In 1995, with the passage of Proposition E, San Francisco voters approved a new City Charter that introduced many changes. Among them, the function of Chief Administrative Officer, an appointed position with a 10-year term, was replaced with a less powerful City Administrator. In addition, the new City Administrator would serve a shorter 5-year term and could be removed from office by the Mayor with approval by the Board of Supervisors.

1995's Ballot Summary that described Proposition E said, "the Mayor and the Board of Supervisors would have greater authority over how most city departments are run ... the Mayor would have more authority over the departments that are now under the Chief Administrative Officer." These actions also allowed more direct mayoral control over city operations and its budgets.¹² Proposition E Charter changes were implemented in 1996 (hence it is called the "1996 Charter").

On U.S. Cities and Deputy Mayors

Cities such as Los Angeles and New York have deputy mayors as part of their governance structure. The function and structure of deputy mayors can vary. Some cities have one or more deputy mayors, and they can be either elected or appointed officials. They can act as a mayor when the mayor is absent or can have full-time responsibility associated with chief operating officer functions or focus on areas of specific need. Some interviewees recommended that San Francisco incorporate deputy mayors within the city's governance structure.

San Francisco, Deputy Mayors, and Salary Limits

Prior to 1991, the city had deputy mayors within its governance structure. However, with the passage of Proposition H, the "Deputy Mayor Ban" in 1991, the City Charter was changed to prohibit deputy mayors within the Office of the Mayor. Notably, Proposition H also limited the salary of staff within the Office of the Mayor to no greater than 70% of the Mayor's salary.¹³

¹² "[San Francisco Voter Information Pamphlet](#)," November 7, 1995.

¹³ "[San Francisco Voter Information Pamphlet](#)," November 5, 1991.

Views on New York City and its Deputy Mayors

Some interviewees said that the City of New York had a more effective governance model than San Francisco.

New York City incorporates deputy mayors into its governance structure. Their approach includes a First Deputy Mayor that manages the day-to-day operation of city government. The First Deputy Mayor directly oversees the Office of Management and Budget, the Department of Finance, the Chief Technology Officer, the Department of Citywide Administrative Services, and the Office of Policy & Planning.

The First Deputy Mayor also oversees several deputy mayors. Each deputy mayor oversees specific focus areas: 1) housing and economic development, 2) health and human services, 3) public safety, 4) communications, 5) strategic planning and 6) operations (for example, sanitation, transportation, parks, environmental protection).¹⁴ [Appendix C](#) presents the City of New York organization chart; the deputy mayor positions are outlined in red boxes.

Siloed Departments Inhibit Cooperation and Effectiveness

Like other U.S. cities, San Francisco city departments are organized to address defined needs. These vertical, hierarchical organizations are designed to provide visibility and accountability into how public funds are used for a crucial service.

Unfortunately, this orientation can lead to *silos*. Silos are; organizations that become rigidly defined by department-specific objectives, processes, regulations, and culture. This structure constrains operational flexibility, limits knowledge sharing among other city departments, and impedes interdepartmental coordination. As one member of the Board of Supervisors stated at a community meeting, “Siloing is a problem in any city, siloing is where we are wasting a lot of money and resources.”¹⁵

¹⁴ [“Green Book Online,”](#) NYC First Deputy Mayor, Accessed May 1, 2024.

¹⁵ Matt Dorsey, [“Where Does the Money Go?” Part Two,](#) February 27, 2023.

Departmental Silos: A View from 1994

For historical perspective on siloed city resources, consider the comments from a January 1994 memo by Rudy Nothenberg, then San Francisco's Chief Administrative Officer: "The Charter's rigidly prescribed roles of each of the departments along vertical lines combined with the absence of an operational Chief Executive with broad horizontal authority, creates problems for projects requiring the involvement of more than one agency."¹⁶

An Emergency Reduced Silos

Addressing the needs of San Franciscans requires city staff from different departments to work together, especially in areas such as public safety, health, and housing. During the COVID pandemic, the city demonstrated its ability to deploy interdepartmental resources in a coordinated and adaptive manner. However, the norm is to manage city resources within each department's objectives and budget constraints. Selected examples of silos are presented in our Analysis section.

Efforts in Civic Innovation

At times, the city has pursued civic innovation efforts to make the government operate more efficiently. Some efforts leveraged guidance and support from the Government Performance Lab (GPL) at Harvard's Kennedy School, California Policy Lab, and others. A GPL report for the Office of Economic and Workforce Development (OEWD) found that the city distributed funding for workforce development across 17 different departments, with most of it spent through contracts with community organizations. Not surprisingly, "an assessment revealed that some of the 17 departments funded similar services for overlapping populations."¹⁷

The GPL developed recommendations to conduct joint procurements and reduce service overlaps. It also helped OEWD implement two primary strategies: 1) align contractor hiring requirements, performative metrics, and other standards across the three largest departments

¹⁶ Nothenberg, Rudolf, "Discussion Paper, Charter Reform" San Francisco Office of Chief Administrative Officer, January 24, 1994.

¹⁷ ["Results-Driven Contracting Solutions Book: How cities are improving the outcomes of high-priority procurements,"](#) Harvard Kennedy School Government Performance Lab 2016.

that invest in workforce services, and 2) incorporate performance incentives into service provider contracts.

In a March 2021 proposal to Bloomberg Philanthropies, the Office of the Mayor said there was a need to “focus on delivery and outcomes over process” and “we do not, currently, have defined metrics for these goals, but are committed to the public process, public feedback, and iterating on our designs to reflect that feedback.”¹⁸

Inspiration for these efforts may have come from the Government Performance and Results Act of 1993, which requires U.S. government agencies to detail benchmarks, performance indicators, and strategic planning along with their budget.

Confronting Nonbinding Policies

Despite the efforts described above, operational silos and organizational inertia persist. One concern is the nature of “nonbinding” policy within Section 3.5 of the Administrative Code.

When city departments submit a budget, they must also document their policy goals, programs, and program costs. They also certify the extent to which they achieved or failed to meet goals, productivity, and service objectives during the prior fiscal year. Once the budget is enacted, they must develop a three-year strategic plan that summarizes the department’s goals, resources allocated to meet those goals, and changes expected in service levels.

However, Section 3.5 states that “these policies and documents shall not legally bind” the Mayor, the Board of Supervisors, or any city department “to any specific action or course of action beyond their complying with this Section’s requirements.” Because the terms of these reports are nonbinding, they can be seen as simply an effort to comply with the Administrative Code.

¹⁸ [“San Francisco Digital Innovation Team Proposal,”](#) March 2021.

Analysis

The Jury's investigation focused on the city's highest levels of governance: the Office of the Mayor, the Board of Supervisors, the Office of the Controller and selected departments - how they interact and some of the challenges they confront.

City officials and employees shared observations on a wide range of subjects:

- The complexity of the city's budgeting processes.
- Budgetary constraints created through voter initiatives.
- Unintended consequences of 1995 Charter reform.
- The need for more cost analyses of policies and program management.
- Siloing of city department initiatives, projects, and capital planning.
- The need for more performance-based evaluation of city contracts.
- Confusing city government organizational charts.

We focused on the form and structure of San Francisco's government, along with the processes and limitations outlined in the Charter and other laws that impact effective governance. Ours is an institutional analysis that transcends the performance of specific individuals, and it does not reflect upon current city officials or staff.

The Budget Process: Complex with “Diffuse” Oversight

During our investigation, we heard from knowledgeable persons inside and outside City Hall that the budget process is cumbersome and bureaucratic. They observed that the Office of the Mayor and the executive branch lack the needed resources to effectively manage the city's complex budget process. The legislative branch faces time constraints in the process as well.

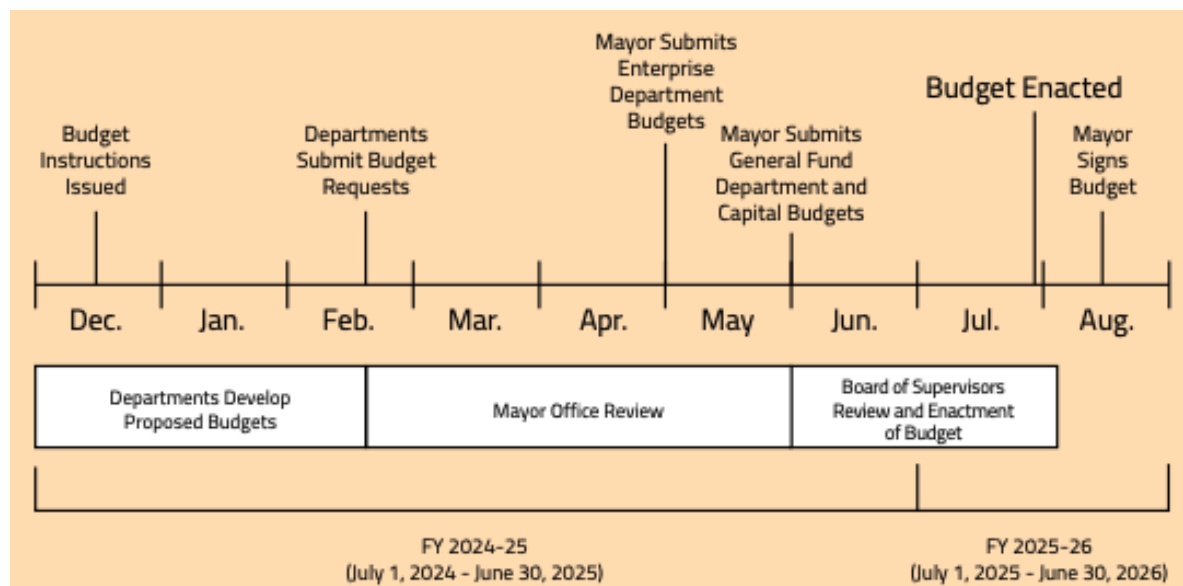
“It’s like watching 7-year-olds playing a soccer game,” former Controller Ed Harrington told *Mission Local*. “Everyone runs after the ball and if they keep running after the ball, nobody strategizes, nobody thinks of anything else.”¹⁹

An Overview of the Budget Cycle

The city’s budget process includes preliminary revenue projections (September); guidance to departments by the Mayor’s Office and the Controller’s Office (December); funding requests from departments (mid-February); analysis of department budget proposals (March-May); community outreach on budget priorities by the Mayor’s Office (February through May); proposed two-year budget (by first day of June); budget hearings by the Board of Supervisors’ Budget and Appropriations Committee (June); review, vote, and approval by the full Board of Supervisors (by August 1) before the budget is signed by the Mayor.²⁰

Figure 4 provides an overview of the budget review process.

Figure 4: Annual budget review and approval cycle



¹⁹ [“Like watching 7-year-olds playing soccer:’ SF budget remains big – and silly,”](#) June 28, 2022.

²⁰ [“Proposed Budget FY 2024-2025 & 2025-2026”](#), Mayor’s Office of Public Policy and Finance, May 2024.

Source: Mayor's Office of Public Policy and Finance

At a community meeting, a member of the Board of Supervisors commented on a lack of oversight and accountability. "In this environment where there is not clarity around responsibility, accountability, direction where power is as diffuse as it is, oversight is as diffuse as it is, there's tremendous opportunities for people to be spending money in all sorts of ways and often pursue policy goals that are at odds with each other that are not advancing the highest priorities of the Mayor or the Board of Supervisors."²¹

Examples of Budget Oversight Challenges

The budget process is more than approvals and allocations. It also involves how city funds are managed and spent, and the decisions that affect their use. Budget issues can manifest themselves in various ways. The following are a few examples identified during our investigation:

- **BOS legislative proposals do not require assessing their cost/benefit.** Legislation proposed by the Board of Supervisors is reviewed for its fiscal impact on the city's budget.²² This review process is done by the Budget and Legislative Analyst (BLA) unit. However, the Board of Supervisors has no formal process in place to assess the cost/benefit associated with proposed legislation. After the legislation has passed, cost assessment and management are left to the principal departments, which sometimes leads to unanticipated costs and impacts on the voters and taxpayers.
- **Addbacks are an arcane and confusing process.** Addbacks refer to providing funding for programs that the BOS budget committee decides to add or restore after the Board makes cuts to the Mayor's budget proposal. Often these funds go to community nonprofits that already contract with the city.²³ Issues related to the addback funding process were cited in a 2017 Controller's report.²⁴ Also, a 2021 letter from the City Attorney and the Controller

²¹ Rafael Mandelman, "[Where Does the Money Go? Part Two](#)," February 27, 2023.

²² [San Francisco Administrative Code, SEC. 2.6-3. LEGISLATION – FISCAL IMPACT](#), May 13, 2024.

²³ "[Add-Backs: How the Sausage Gets Made in SF's Budget](#)," July 5, 2022.

²⁴ "[Board of Supervisors Budget Process Review](#)," Controller's Office—Budg. Analysis, November 20, 2017.

provided guidance on addback funding to the Board of Supervisors, which included rules related to official misconduct.²⁵ Concerns persist about the addback process including the disproportionate amount of attention the process attracts relative to the size of the allocation. Total addback funding in FY 2023/2024 was \$40 million, out of a \$14.6 billion budget.²⁶

- **The need to better manage IT spending and resources.** Views presented by the then-president of Board of Supervisors (July 17, 2012) during a mayoral appearance still have merit: “IT across dozens of decentralized departments, best practices and numerous city reports have repeatedly confirmed the need to centralize and consolidate IT spending and management. Despite our proximity to Silicon Valley, our city's IT system is stuck in the 1990s. What can we do to bring our city's information technology into the 21st century?”²⁷ The city has made IT improvements since these comments were made, but IT decentralization remains a challenge. Contributing factors include IT staff turnover, rigid department structures, and regulatory constraints.
- **Misaligned priorities in managing overtime costs.** City staff cited an inconsistent focus on overtime cost management across city departments. In some cases, departments were unreceptive to improving their overtime cost management approach.

San Francisco’s Legislative Fetish ²⁸

Regarding legislation for voters to consider through ballot initiatives, San Francisco is very active. As presented in Figure 5, over a nine-year period San Francisco voters considered 115 ballot initiatives, more than twice as many as San Diego, the next closest peer city. During this period, the Board of Supervisors initiated approximately 70% of ballot measures, with the rest coming from San Francisco citizens, the Office of the Mayor, and other entities.²⁹

²⁵ [“Budget Addbacks,”](#) Deputy City Attorney and Controller of San Francisco, June 22, 2021

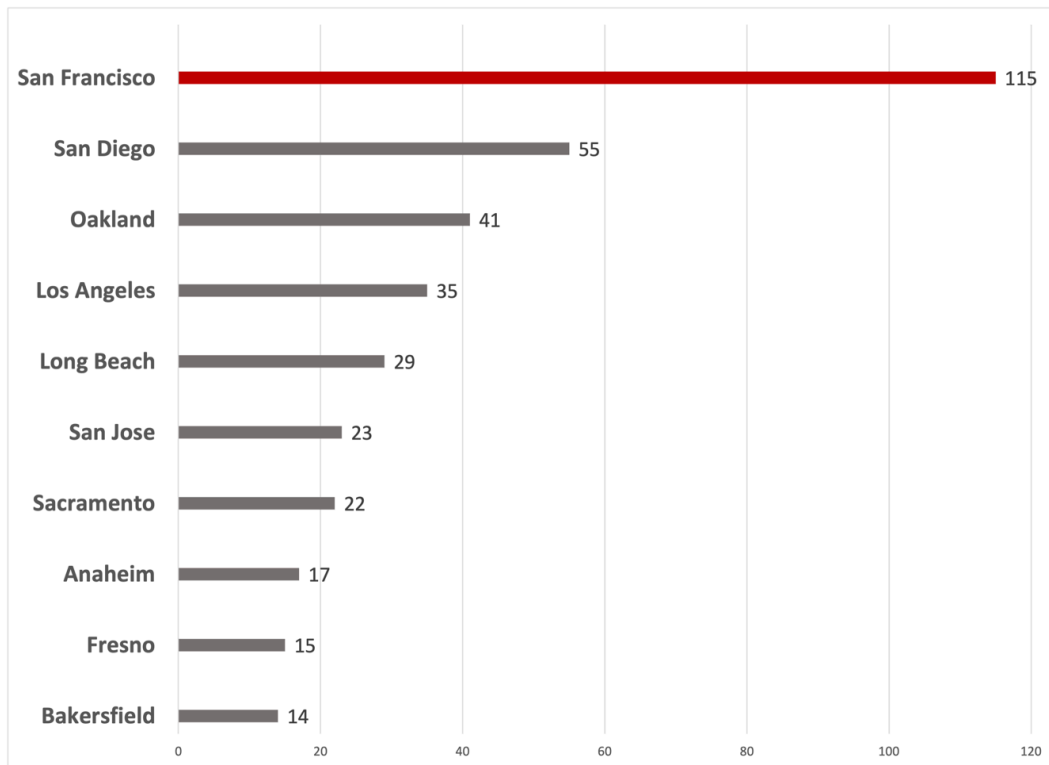
²⁶ [“How the sausage gets made in SF’s budget: Nonprofits jockey for ‘add-backs.’”](#) SF Standard, July 5, 2022

²⁷ “Question For Mayoral Appearance at the Board of Supervisors,” David Chiu, President BOS, July 17, 2012.

²⁸ [“The Procedure Fetish,”](#) Niskanen Center, 7 December 2021.

²⁹ [San Francisco Ballot Propositions Database,](#) San Francisco Public Library.

Figure 5: San Francisco ballot initiatives compared to other CA cities, 2013-2022



Source: [California Elections Data Archive](#), California State University, Sacramento, Institute for Social Research

Lax Requirements for Ballot Measures Create Business Uncertainty

A factor contributing to the placement of measures on the ballot is the low threshold required for their submission.

For example, a February 2024 report by the Controller and Treasurer said that “San Francisco is the only city in California with a substantial business tax policy that allows either a minority of the legislative body (in our case the Board of Supervisors), or a mayor acting alone, to place tax measures on the ballot. Compared with other cities with substantial business taxes, San Francisco also has a lower signature threshold for citizen-initiated tax measures to be placed on the ballot.”³⁰

³⁰ [Recommended Reforms to the Business Tax System](#), Office of the Controller, February 5, 2024.

Figure 6: Requirements to place initiatives on the ballot

Cities	Citizen-Initiated		Legislature-Initiated		Mayor-Initiated
	Required Signature Threshold for Taxes	% of What?	Threshold as % of Registered Voters	% of Legislature Required for Taxes	Are Mayor-Initiated Taxes Permitted?
San Francisco	2%	Registered Voters	2.0%	36%	Yes
Los Angeles	15%	Recent Voters	6.5%	53%	No
Oakland	10%	Registered Voters	10%	63%	No
Mountain View	10%	Registered Voters	10%	57%	No
Santa Monica	10%	Registered Voters	10%	57%	No
Berkeley	5%	Recent Voters	4.1%	63%	No
Richmond	10%	Registered Voters	10%	57%	No

The report also said that “complicated rate schedules and apportionment rules are not the only features of the city’s tax system that create uncertainty for taxpayers” and recommends that San Francisco align its ballot rules for tax with those of other California cities.

Voter-Mandated Spending Constrains General Fund

San Francisco’s ballot initiatives can support the creation of voter spending mandates. Also referred to as “set-asides,” these mandates define budget spending that currently represents more than 30 percent of the \$7.4 billion General Fund budget.³¹ San Francisco’s budget includes over 20 voter-mandated spending initiatives. The total count of set-asides for the rest of the state of California is about 10.³²

Viewed individually, set-asides are helpful and provide funding certainty in areas such as police staffing, the library, SFMTA, and children’s services. (See [Appendix A: Voter Mandated Funding](#)

³¹ “[SF Open Book](#),” *Budget selection, Fiscal Year 2023-2024, Spending Report, Funds category selection.*

³² “[Voter-Required Spending Baselines in San Francisco and California](#),” San Francisco Controller’s Office, April 2017.

for additional details.) However, these mandates require budget allocation from the General Fund regardless of the budget's actual revenue and the city's current needs. During periods of economic uncertainty, these mandates can collectively constrain budget management flexibility.

Policies to Curb New Set-Asides Are Nonbinding, Can Be Ignored

To address the set-aside issue, San Francisco voters passed Proposition S in 2008. The proposition created a city policy stating that “voters will not approve any new set-aside of city revenue unless the set-aside identifies a new funding source, including limits on annual increases and automatic expiration after 10 years.”³³

Unfortunately, Proposition S was nonbinding. It does not prevent the Board of Supervisors, the Mayor, or voters from putting an initiative on the ballot for a set-aside that does not conform to this policy.

Proposition G in 2022 illustrates the impact of nonbinding policies. The proposition supported the establishment of the Student Success Fund set-aside. In the election pamphlet, the Controller disclosed that the proposition did not conform with city policy and said, “it would have a significant impact on the cost of government in that it would reallocate funds that would otherwise be available to the General Fund.” Nevertheless, Proposition G passed with the support of 77% of San Francisco voters.³⁴

Managing Voter-Mandated Spending Requires More Attention

Interviewees shared their concern that voter-mandated spending (set-asides) impedes effective management of the city's budget, particularly during a period of revenue uncertainty. The Jury is concerned about this challenge as well.

Voter-mandated spending is a complex topic. To properly address voter-mandated spending requires a dedicated investigation with an exclusive focus on this budget management challenge. We encourage future juries to consider this area of inquiry.

³³ [Voter Information Pamphlet](#), September 5, 2008, San Francisco Administrative Code, “[SEC. 3.26. BUDGET SET-ASIDES AND MANDATORY EXPENDITURES](#).”

³⁴ [November 8, 2022 Final Election Results](#), SF.Gov Department of Elections.

Analyzing and Managing the Costs of Legislative Proposals

Proposed legislation must be considered for its “fiscal impact.”³⁵ In this context, proposals are reviewed by the Budget Legislative Analyst to determine whether they exceed defined funding thresholds and whether funding is available. However, there are no formalized provisions for cost/benefit analysis or ongoing cost management. Once funds are allocated, cost management can be an afterthought.

The Jury believes the city needs to increase its focus on cost management within its decision-making processes. This approach requires up-front analysis of costs and ongoing support costs for any proposed legislation by the Board of Supervisors. If applied well, it can result in the more effective use of city funds and more efficient operations of city government.

Re-examining the Role of City Administrator

Today’s Office of the City Administrator oversees over 25 departments and programs that provide a broad range of services to other city departments (asset management, contracts, technology) and the public (medical examiner, county clerk, 311 customer service, and others).³⁶

Generally considered as a nonpolitical role, the City Administrator is appointed by the mayor and is confirmed by the Board of Supervisors.

A Change in the 1996 Charter

A comparison of the City Administrator’s responsibilities today with those of the Chief Administrative Officer prior to 1996 Charter reform reveals changes. As of 1995, the Chief Administrative Officer had more direct oversight of city departments, operated with relative independence, and had budget oversight responsibilities.³⁷ In today’s charter, the City Administrator has no budget oversight responsibilities and operates with less independence.

³⁵ San Francisco Administrative Code, “[SEC. 2.6-3. LEGISLATION – FISCAL IMPACT.](#)”

³⁶ “[About the City Administrator | San Francisco.](#)” Accessed May 5, 2024

³⁷ “[City and County of San Francisco Charter](#)”, November 7, 1995

Some City Administrator Duties Are Ambiguously Defined

Per the Charter, the City Administrator’s duties are assigned by the mayor or by ordinance. The City Administrator’s Office oversees an extensive set of services and functions. However, a report from the San Francisco Budget and Legislative Analyst (BLA) said, “the extent to which the City Administrator functions independently or takes direction from the Mayor and Board of Supervisors is not spelled out in the Charter.”³⁸

Compared to other California cities, San Francisco’s charter does not provide an overarching set of responsibilities for the City Administrator. The BLA report also said the Charter did not clarify the extent to which the Office functions independently as opposed to taking direction from the Mayor or Board of Supervisors. “Ambiguous language around the City Administrator’s role can lead to questions about who is responsible for enforcing city policies and regulations.”

San Francisco's City Administrator vs. other California Cities

Figure 7 compares the responsibilities of San Francisco’s City Administrator to similar roles in Fresno, Long Beach, Los Angeles, Oakland, Sacramento, San Diego, and San Jose. There are several differences; the most notable is that San Francisco’s City Administrator does not have budget related responsibilities. To improve the City Administrator’s ability to aid the mayor and the executive branch, the duties and the accountability structure of the City Administrator must be more clearly defined.

³⁸ [“Analysis of the City Administrator’s Office,”](#) San Francisco Budget and Legislative Analyst, 22 October, 2021.

Figure 7: City Administrator/Manager roles in select California cities including San Francisco

City	Appoint Dept. Heads*	Prepare Budget and/or Advise on City Finances	Responsible: Purchasing & Contracts	Attends Council Meetings	Enforce Relevant Laws, Ordinances & Policies	Report to Legislative Body as Requested	Relationship with Commissions & Boards
Fresno	✓	✓	✓	✓			✓
Long Beach	✓	✓		✓	✓	✓	
Los Angeles		✓				✓	
Oakland	✓	✓	✓	✓	✓	✓	✓
Sacramento	✓	✓	✓	✓	✓		
San Diego	✓	✓	✓	✓	✓	✓	✓
San Jose	✓	✓		✓	✓	✓	
San Francisco	✓	No	✓	Not mandatory	No (Division heads responsible for enforcement)	No (though CAO is subject to Board's general powers of inquiry)	Not addressed

Source: Analysis of the City Administrator's Office (Budget and Legislative Analyst)

Guidance from Experienced City Leaders

Among those knowledgeable in the city's budget process, we found substantial support for a broader role for the City Administrator in the management of the city's budget. One option cited by interviewees is a return to the pre-1995 Proposition E approach where the Charter provided the Chief Administrative Officer with budget and planning oversight responsibilities.

A City Administrator role with defined budget and planning responsibilities can help a mayor focus more on higher-level city-wide priorities, concerns and strategies.

Another option cited by interviewees to improve the city's operations and management is to introduce a deputy mayor structure. If the City of New York model is considered, the City Administrator would evolve to the role of New York City's First Deputy Mayor.

Either approach could require changes to the City Charter, but these restructuring approaches can increase clarity to the city's budget process. Also, both approaches can help 1) afford the mayor more time to focus on the city's top priorities, and 2) retain a mayor's role of managing and promoting the city's image locally and globally.

Departmental Silos Challenge the Effective Delivery of City Services

Effective delivery of city services requires the coordination of capabilities, processes, and sharing of information. Clear communication among discrete departments is also needed. Within City Hall, the need to provide a coordinated response is clearly understood by its leaders. However, effective coordinated responses can be impeded when resources are needed from departments with differing operational objectives and/or funding requirements. Our investigation indicates that it can be challenging to expand programs and coordinate siloed resources because some funding sources (for example, federal and state) have specific restrictions on how funds could be used.

A 2023 report by Deloitte Consulting provided the following perspective on silos in government:

Government leaders increasingly recognize that solving boundary-spanning issues, such as climate change and homelessness, require shared funding approaches – indeed, isolated funding silos can stymie innovation. Historically, dismantling those silos has been a frustratingly slow process ... more and more governments are moving toward shared funding to incentivize collaboration between agencies.³⁹

Three Examples of Silos: Permit Center, Street Teams, JUSTIS

The following sections highlight three examples of city services that are struggling with siloed processes, with varying degrees of success.

Permit Center: Physically Integrated, Operationally Siloed

The San Francisco Permit Center opened in 2020 as a centralized location to support and streamline construction, special events, and business permitting. Its 564,000-square foot location at 49 South Van Ness consolidates about 1,800 city staff from the departments of planning, public works, and building inspections and supports the operations of 18 city departments.⁴⁰

³⁹ [“The Nine Trends Reshaping Government in 2023,”](#) Deloitte, March 23, 2023.

⁴⁰ Supported areas include Office of Small Business, Department of Building Permits, Public Works, Recreations and Parks, Entertainment Commission, Department of Public Health.

Figure 8: Permit Center at 49 South Van Ness



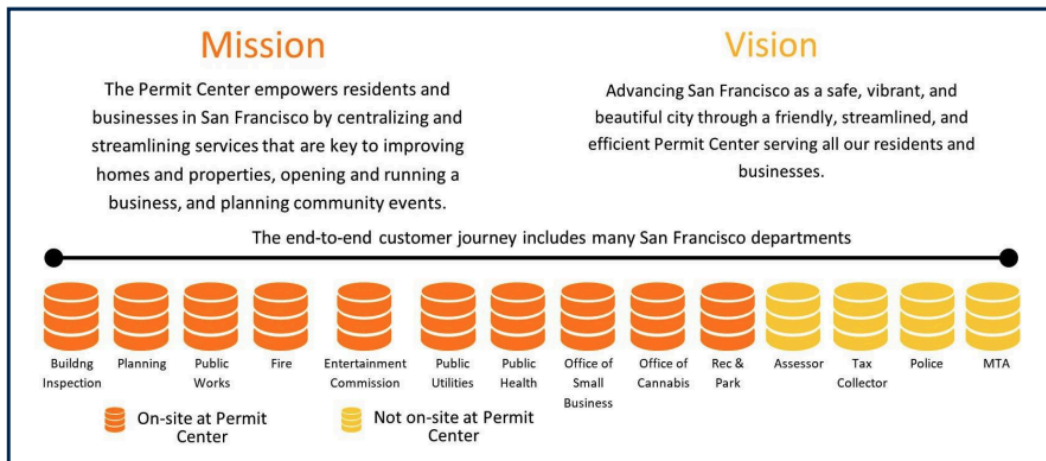
Source: Skidmore, Owings & Merrill

During January of this year, the Permit Center began tracking permitting performance through a third-party software solution. This is a step toward improving operational flows for various departments and bridging silos. At the same time, the Permit Center is dependent on the Department of Building Inspections (DBI) for over 70% of its funding. Questions confronting the Permit Center team include 1) how to consolidate processes into a centralized service, 2) should resources such as administrative staff be centralized to drive efficiency, and 3) should funding be centralized to increase economies of scale.⁴¹ The dependence on DBI funding may limit the Permit Center's efforts for better service integration.

To assure its objectives for greater service integration, the Permit Center needs formalized budgetary support within the city's appropriations process that reduces its reliance on siloed funding from DBI. A strong commitment to its mission and vision can help the Permit Center streamline processes, increase information sharing among city departments, and deliver a better end-user experience.

⁴¹ "Permit Center Strategic Counsel Meeting #1," City of San Francisco, September 6, 2023.

Figure 9: Permit Center presents its mission and vision



Source: CCSF Permit Center Strategic Plan (July 2022) ⁴²

Street Crisis Teams: Bridging Silos to Address Significant City Needs

The city created Street Teams as a response to people on the street who experience mental health crises, drug overdoses, and other problems that do not necessarily require a law enforcement response. An intended outcome of this effort is to allow police resources to focus on crime related issues rather than medical or quality-of-life needs.

Street team responses can include paramedics, clinicians, emergency shelter programs, and substance-abuse treatment. These responses can require resources from the Fire, Public Health, Homelessness and Supportive Housing and Emergency Management departments, along with contracted service providers. In addition, more than eight different information systems are used to manage and track street team encounters and client care.

According to city documents, initial efforts lacked coordinated oversight and planning. Also, information sharing between departments and across teams was difficult.⁴³ Notably, department-specific data collection systems were not created to support cross department integration and data sharing. Also, local, state, and federal legislation can limit data sharing.

⁴² "Permitting Modernization Strategy Project: Executive Summary & Full Report," for City/County of San Francisco, Gartner, Inc. January 12, 2023.

⁴³ "[Performance Audit of San Francisco Street Teams](#)," San Francisco Budget and Legislative Analyst, November 7, 2023.

Figure 10: Street Crisis Response Team



Source: SF Mayor's Office

Efforts to provide a single client-information view require better linkages among department datasets and across all street teams. The city has initiated the All-Street Teams Integrated Dataset (ASTRID) project to address this need.

In addition, the Mayor's Office of Innovation and the Department of Emergency Management established San Francisco's new Homelessness Multi-Disciplinary Team to share policies, protocols, and training among operating units involved in street team response delivery. These efforts should lead to better information access, which can improve case planning and service delivery.⁴⁴ Interviewees noted that assuring the sustainability of these integrated and multidisciplinary approaches will require formalizing management structure and funding sources that incentivize cooperative interdepartmental service delivery.

⁴⁴ "[Performance Audit of San Francisco Street Teams](#)," San Francisco Budget and Legislative Analyst, November 7, 2023.

JUSTIS and the Challenges of Information Silos

During 1997, the city initiated the development of the Justice Information Tracking System (JUSTIS) to replace an outdated tracking system. As time progressed, the scope of JUSTIS expanded to support the development of a centralized hub connecting case management systems. System development focused on the sharing of criminal justice information among the following city departments: Sheriff, Police, District Attorney, Public Defender, Adult Probation, and Juvenile Probation.⁴⁵

Figure 11: JUSTIS system overview⁴⁶



Source: CCSF Department of Technology

Our review of city documents provided insights into the history of JUSTIS. Its intent was and is to increase the sharing of information among the city's criminal justice departments.

The project's track record has been mixed. Since inception, it has encountered poor oversight, inconsistent executive sponsorship, and project delays. As recently as October 2023, minutes for JUSTIS oversight meetings noted that "gaining and maintaining quorum continues to be a

⁴⁵ [Management Audit of San Francisco's Information Technology Practices](#), October 3, 2007.

⁴⁶ DEM = Department of Emergency Management; other acronyms reference department applications.

challenge - actions to change bylaws may be necessary.”⁴⁷ As of this writing, JUSTIS project oversight continues to evolve. Adjustments to its meeting requirements are being made. Project oversight responsibilities include the City Administrator and the Interim city Chief Information Officer. However, similar to other city initiatives that seek to cross departmental silos, project management structures and funding strategies that incentivize interdepartmental cooperation can improve JUSTIS services.

Additional Examples of Silos

Several interviewees cited that the siloing of city resources within discrete department structures has challenged city operation for decades and continues to do so.

The challenges of department silos are highlighted in other San Francisco Civil Grand Jury reports including the following:

- “Uncontrolled Burn: Dimming the Spark of Illegal Fireworks in San Francisco” found that the city fails to coordinate actions among departments to stop the usage of illegal fireworks and lacks a comprehensive and aggressive strategy for combating them. Departments addressed in the report include the SF Fire Department (SFFD), the SF Police Department (SFPD), the Department of Emergency Management (DEM), the Performance Program Team in the Controller’s Office, and the 311 Customer Service Center (311).⁴⁸
- “Come Hell or High Water: Flood Management in a Changing Climate” found that ClimateSF, a collection of city principals, planning efforts, and capital funding designed to enhance climate resilience, provides neither the necessary governance nor interdepartmental coordination of projects to address climate change.⁴⁹
- “Shovel Ready: Best Practices and Collaboration to Improve San Francisco’s Capital Construction Program” reports that for projects to be completed on time, within budget,

⁴⁷ JUSTIS Executive Council Meeting (October 3, 2023).

⁴⁸ [San Francisco Civil Grand Jury 2023–2024 \(May, 2024\).](#)

⁴⁹ [San Francisco Civil Grand Jury 2023–2024 \(June, 2024\).](#)

and be of high quality, the city must adopt more construction best practices that include addressing communication silos and minimal collaboration among “Chapter 6 departments” such as Public Works, Municipal Transportation Agency, the Airport, Port, Public Utilities, and Recreation and Park Commissions.⁵⁰

A more extensive examination on siloed city resources would likely uncover other examples of how silos constrain the performance of the city’s services delivery. The many examples found by the Jury suggest that the problem is not confined to isolated corners of city government.

As discussed earlier in this report, an expanded City Administrator role or the introduction of Deputy Mayors are options that may help increase interdepartmental coordination and improve delivery of services. Some method of central, authoritative supervening force within city government would likely help to break down the silos that separate different parts of city government.

Organization Charts from Mayor and Controller Are Confusing, Incomplete

Understanding the structure of city government can be challenging without up-to-date and complete organization charts. At a community meeting, a supervisor said, “We don’t have a unified city government or even a very clear organization chart of who’s in charge and who’s running the city.”⁵¹ The Jury concurs.

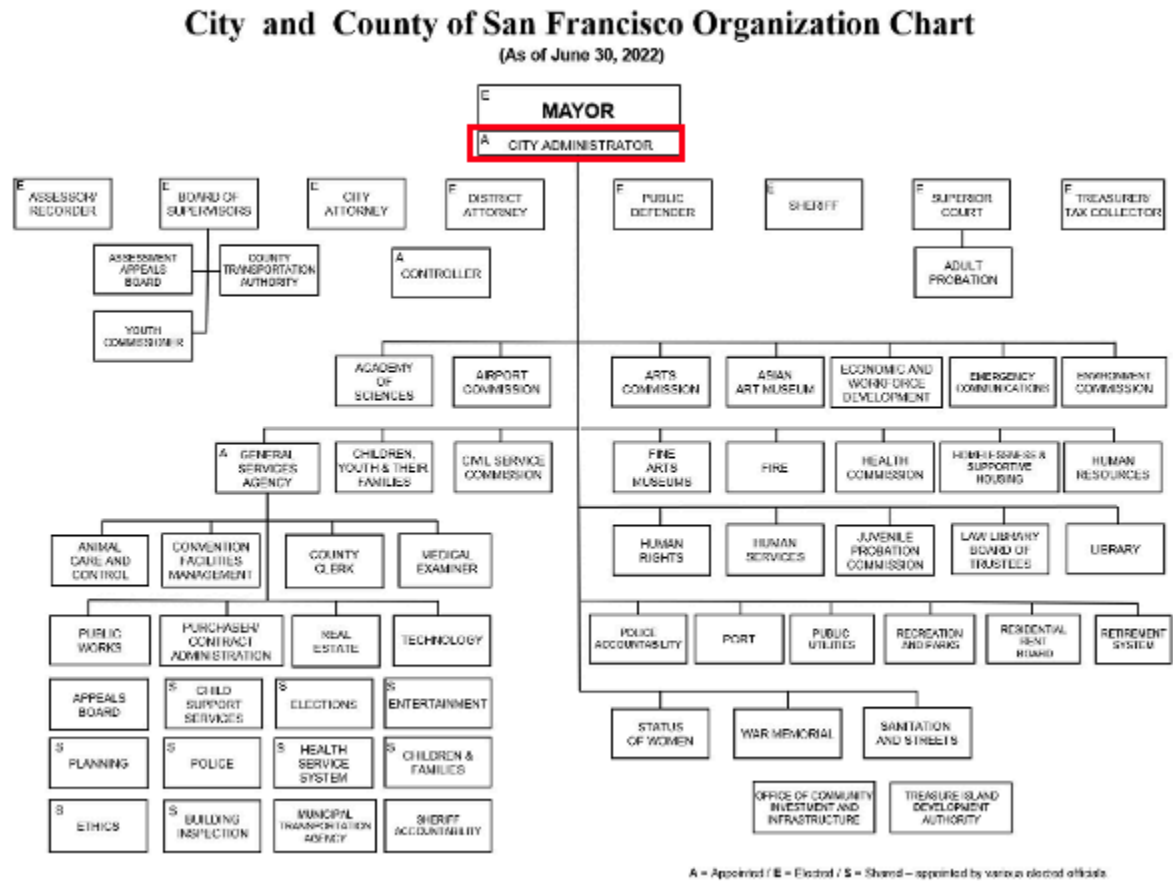
Figure 12 and *Figure 13* present two organization charts, one prepared by the Controller’s Office and one from the Mayor’s Office.⁵²

⁵⁰ [San Francisco Civil Grand Jury 2021-2022](#), April 2022.

⁵¹ Rafael Mandelman, “[Where Does the Money Go? Part Two](#),” 27 February 2023.

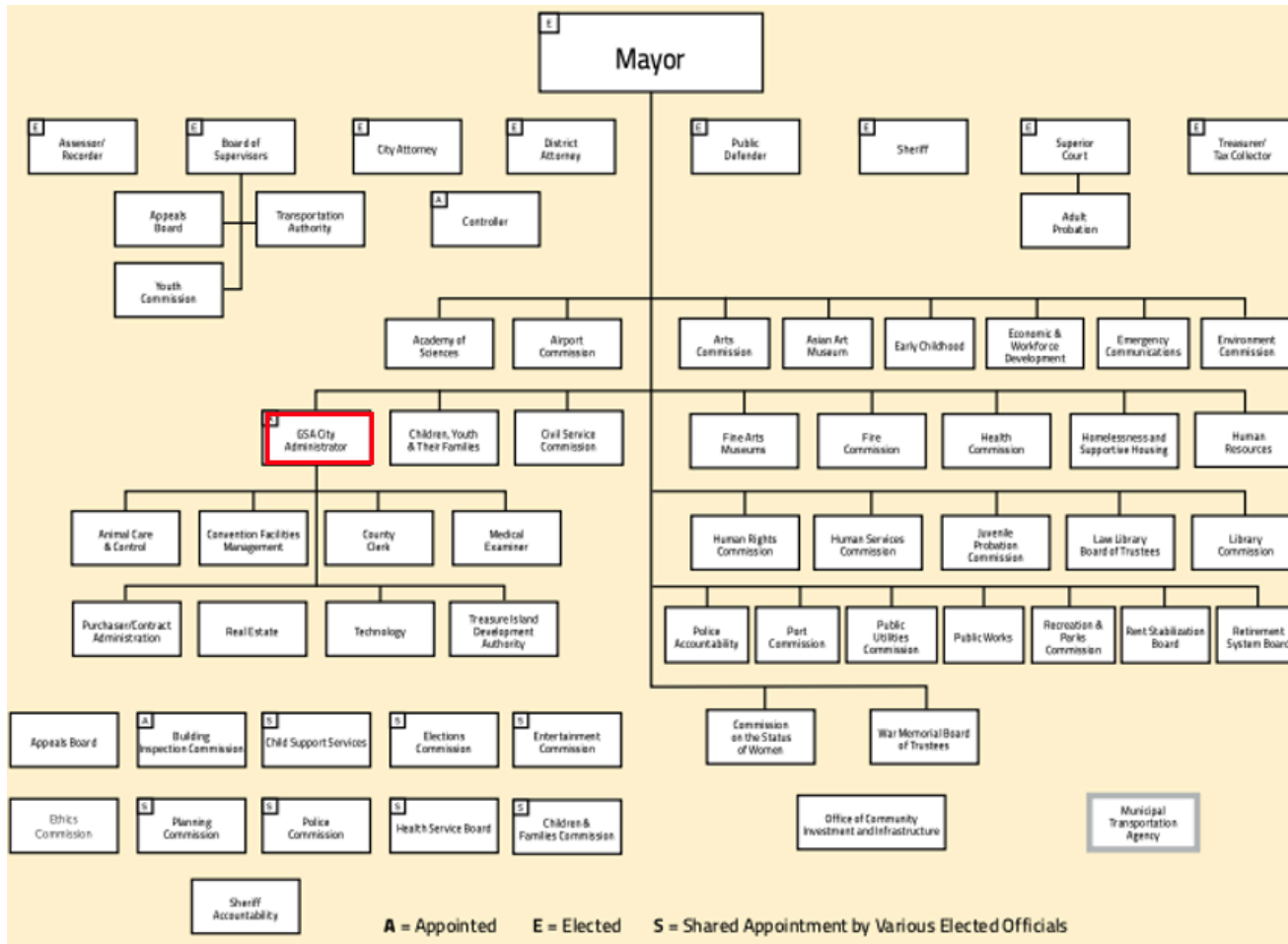
⁵² City and County of San Francisco, [Annual Comprehensive Financial Report \(2023\)](#). City and County of San Francisco, [Proposed Budget: Fiscal Years 2023-2024 & 2024-2025, \(June 2023\)](#).

Figure12: Organization chart from Controller's Office



Source: [Annual Comprehensive Financial Report: Year ended June 20, 2023, Office of the Controller](#) (page vi)

Figure13: Organization chart from the Mayor's Office



Source: "[Proposed Budget FY 2024–25 & FY 2025–26](#)", Mayor's Office of Public Policy and Finance (page 30)

The charts raise several concerns. The following list is not exhaustive.

- Large departments such as the Human Services Agency are not included in the Mayor's chart, and the Department of Public Health is missing from both the Mayor's and the Controller's.
- The role and position of the City Administrator as shown in the Controller's chart is unclear. The City Administrator's Office is grouped with and directly below the Mayor, with no clear indication of its purview. The Mayor's chart has a different positioning for the City Administrator. To highlight the differences, the City Administrator in *Figure 12* and *Figure 13* are marked with a red box.
- Charter commissions such as Disability and Aging Services are missing from both the Mayor's and the Controller's charts.
- Several departments are presented as free-standing operating entities with no indication of where they belong in the city government hierarchy.
- The Controller's chart shows "Public Works" (Department of Public Works, or DPW) under the City Administrator. The Mayor's chart shows DPW reporting directly to the Mayor, and the City Administrator's chart (see Appendix B) does not show DPW.
- The chart from the Office of the Controller has not been updated for at least five years.

An additional concern is that, at the release of this report, the website link to the official organization chart at <https://sfgov.org/org-chart> was broken.

Findings and Recommendations

The jury made the following findings and recommendations regarding its investigation.

Finding 1: As the city’s budget has grown and become more complex, the Office of the Mayor encounters oversight constraints.

Recommendations

Recommendation 1.1 The Office of the Mayor shall establish a task force to examine how to improve budget oversight and manage the executive branch more effectively by December 31, 2024.

Recommendation 1.2 The task force referenced in R 1.1 shall consist of individuals well qualified in budget processes and shall include present and/or former controllers, budget directors, BOS presidents and a BOS budget committee chairperson.

Recommendation 1.3 The findings of the task force shall result in the publication of a public report for the Mayor and the Board of Supervisors, to be completed by December 31, 2025

Recommendation 1.4 By March 31, 2026, the Board of Supervisors shall review the findings presented in the report cited in R:1.3 and, if needed, propose amendments to the City Charter that support the findings of the report.

Finding 2: The role and responsibilities of the City Administrator need to be more clearly defined.

The Charter and the Municipal Code do not meaningfully describe the City Administrator’s specific role in relation to its many functions.

Recommendations

Recommendation 2.1 By June 30, 2025, the Board of Supervisors shall introduce an ordinance that clarifies the description of the City Administrator’s role, along with reporting relationships between the Mayor, the Board of Supervisors, and other city entities with consideration for budget oversight responsibilities.

Finding 3: City legislation is not formally assessed for its costs and benefits, which can result in inefficient or unwarranted spending of city funds.

Recommendations

Recommendation 3.1 By December 17, 2024, the Mayor, in consultation with the Controller and the City Administrator, shall introduce an ordinance requiring a disclosure of expected costs and benefits associated with all legislative proposals that exceeds a minimum cost threshold. This disclosure shall take place prior to seeking first passage by the Board of Supervisors.

Recommendation 3.2 The ordinance specified in R:3.1 shall delegate to the Controller responsibility for overseeing and managing the cost/benefit analysis process.

Finding 4: Departmental objectives and funding incentivize siloing, which impedes the effective delivery of city services.

Recommendations

Recommendation 4.1 By December 31, 2024, the Controller, in their role as City Services Auditor, shall request information from the top ten funded city departments (as presented in Figure 1) to determine 1) how their operating structures and funding requirements constrain the city in its delivery of programs, activities, and services and 2) approaches for better coordination among other components of city government. The assessment shall address with specificity opportunities for 1) organizational reform, 2) cooperative funding models and 3) information

sharing approaches that will incentivize these departments to work more collaboratively and effectively with each other and with other parts of city government. This process shall result in the publication of a public report for the Mayor and the Board of Supervisors, to be completed by June 30, 2025.

Recommendation 4.2 Based on the findings presented in the assessment report cited in R:4.1, by December 31, 2025, the Mayor and the Board of Supervisors shall introduce legislation to optimize the city’s governance structure that increases interdepartmental coordination and improves the delivery of city services.

Finding 5: Incomplete and inconsistent organization charts do not adequately portray the structure of San Francisco city government.

Incomplete and inconsistent organization charts from the Mayor’s Office and the Office of the Controller make it difficult for stakeholders, including city residents, to fully and accurately understand the function and structure of San Francisco city government.

Recommendations

Recommendation 5.1 By December 31, 2024, the Controller, in consultation with the Mayor and the City Administrator, shall provide a comprehensive and up-to-date city organization chart for inclusion in the Annual Comprehensive Financial Report that presents and shows the relationship between Charter commissions, key governing boards, city departments, and operating entities.

Recommendation 5.2 The Controller shall assure that the up-to-date version of the organization chart is included in the Annual Comprehensive Financial Report (beginning 2025).

Recommendation 5.3 The Controller shall assure that city publications periodically update the organization chart to reflect the city’s operations (ongoing).

Recommendation 5.4 The Jury recommends that the Department of Technology fix the website link to the official organization chart at <https://sfgov.org/org-chart> within 90 days of the release of this report.

Required and Requested Responses

Pursuant to California Penal Code §933, the Jury requires responses to the findings and recommendations shown in *Table 1*.

- Mayor within 60 calendar days.
- Board of Supervisors within 90 calendar days

Table 1: Required responses

Respondent	Findings	Recommendations
Mayor	1, 3, 4	1.1, 1.2, 1.3, 3.1, 4.2
Board of Supervisors	1, 2, 4	1.4, 2.1, 4.2

The Jury invites responses to the findings and recommendations from the city institutions shown in *Table 2*.

- City Administrator, Controller, and Department of Technology within 60 calendar days.

Table 2: Requested responses

Respondent	Findings	Recommendations
Office of the City Administrator	3	3.1
Office of the Controller	3, 4, 5	3.1, 4.1, 5.1, 5.2, 5.3
Department of Technology	5	5.4

Methodology

Content for this report is based on information obtained from:

- News media reports;
- Reports from city departments ;
- Board of Supervisors' Legislative Research Center;
- Interviews with over 50 city officials in the executive branch, legislative branch, and operating entities. All interviews were administered with an admonition of confidentiality.

Appendix A: Voter-Mandated Funding ⁵³

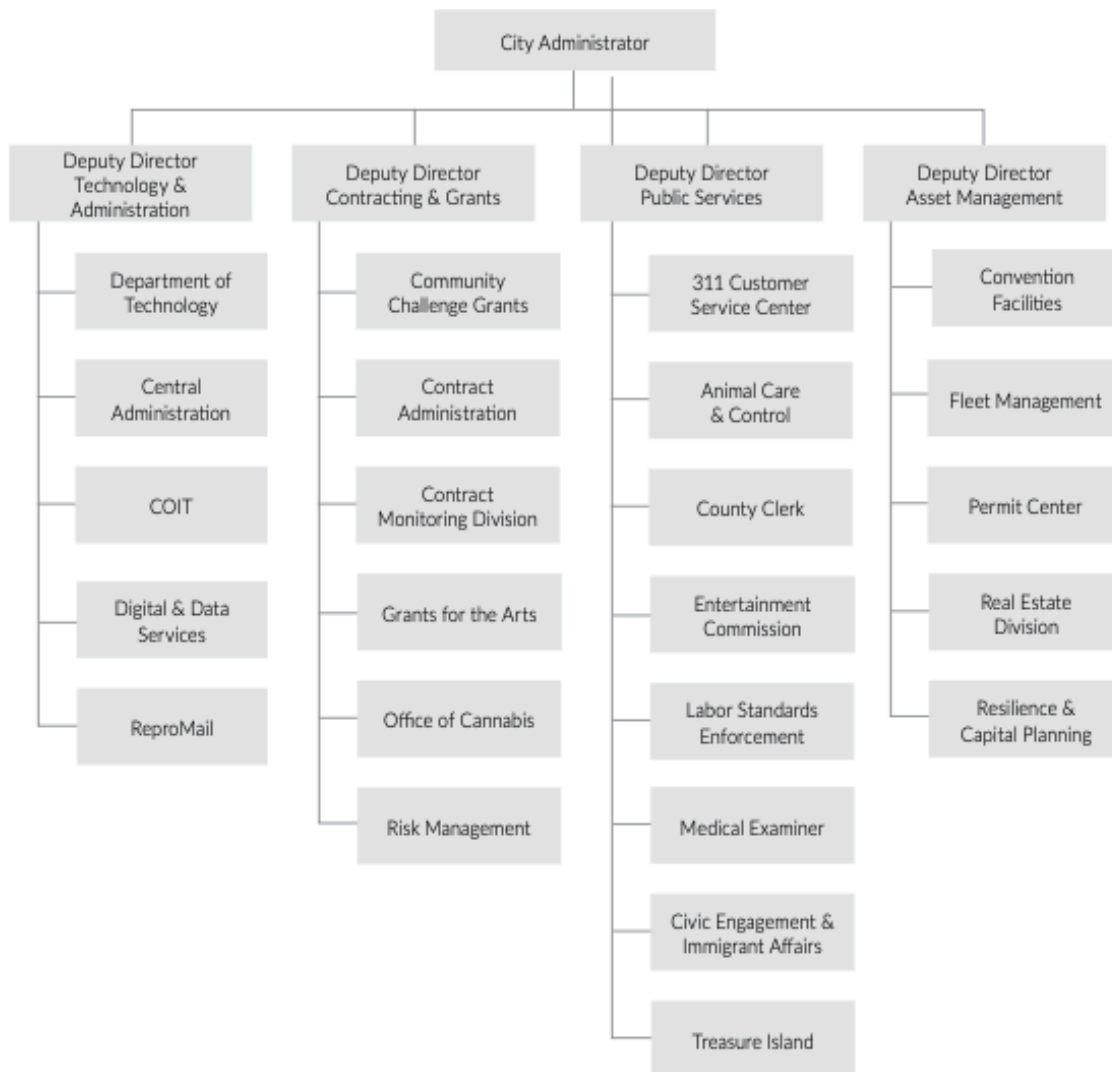
Voter-approved levels of funding are summarized below in Exhibit 4-1.

Exhibit 4-1. Baselines & Mandated Funding Requirements (\$ millions)

	FY 2022-23 Original Budget	FY2023-24 Proposed Budget	FY2024-25 Proposed Budget
<i>General Fund Aggregate Discretionary Revenue (ADR)</i>	\$ 4,329.1	\$ 4,492.4	\$ 4,633.2
Financial Baselines			
Municipal Transportation Agency (MTA)			
MTA - Municipal Railway Baseline: 6.686% ADR	306.0	317.9	328.1
MTA - Parking & Traffic Baseline: 2.507% ADR	108.5	112.6	116.2
MTA - Population Adjustment	58.0	82.8	91.7
MTA - 80% Parking Tax in Lieu	64.1	67.3	70.3
Subtotal Municipal Transportation Agency	\$ 536.7	\$ 580.6	\$ 606.2
Library Preservation Fund			
Library - Baseline: 2.286% ADR	99.0	102.7	105.9
Library - Property Tax: \$0.025 per \$100 Net Assessed Valuation (NAV)	75.6	79.5	79.4
Subtotal Library	\$ 174.6	\$ 182.2	\$ 185.3
Children's Services			
<i>Children's Services Baseline - Requirement: 4.830% ADR</i>	209.1	217.0	223.8
Children's Services Baseline - Eligible Items Budgeted	242.0	221.0	244.6
<i>Transitional Aged Youth Baseline - Requirement: 0.580% ADR</i>	25.1	26.1	26.9
Transitional Aged Youth Baseline - Eligible Items Budgeted	37.1	36.9	39.2
<i>Early Care and Education Baseline Requirement (June 2018 Prop C)</i>	91.1	93.2	97.1
Early Care and Education - Eligible Items Budgeted	95.2	73.8	83.7
Public Education Services Baseline: 0.290% ADR	12.6	13.0	13.4
Children and Youth Fund Property Tax Set-Aside: \$0.0375-0.4 per \$100 NAV	121.2	127.2	127.1
<i>Public Education Enrichment Fund: 3.057% ADR</i>	132.3	137.3	141.6
1/3 Annual Contribution to Preschool for All	44.1	45.8	47.2
2/3 Annual Contribution to SF Unified School District	88.2	91.6	94.4
Student Success Fund (SFUSD)	-	11.0	35.0
Subtotal Childrens Services	640.4	620.4	684.6
Recreation and Parks			
Open Space Property Tax Set-Aside: \$0.025 per \$100 NAV	75.6	79.5	79.4
<i>Recreation & Parks Baseline - Requirement</i>	82.2	82.2	85.2
Recreation & Parks Baseline - Budgeted	87.5	88.5	91.8
Subtotal Recreation and Parks	163.1	168.1	171.3
Other Financial Baselines			
<i>Housing Trust Fund Requirement</i>	45.2	44.5	47.3
Housing Trust Fund - Budgeted	45.2	44.5	47.3
Dignity Fund	56.1	56.1	59.1
Street Tree Maintenance Fund: 0.5154% of ADR	22.3	22.8	23.8
Municipal Symphony Baseline: \$0.00125 per \$100 NAV	4.0	4.3	4.4
City Services Auditor: 0.2% of Citywide Budget	26.1	26.0	25.8
Mission Bay Transportation Improvement Fund	8.8	9.1	6.2
<i>Our City, Our Home Baseline Requirement (Nov 2018 Prop C)</i>	215.0	215.0	215.0
Our City, Our Home Budget	367.3	393.7	388.5
Subtotal Other Financial Baselines	529.9	555.8	555.0
Total Financial Baselines	\$ 2,044.7	\$ 2,107.1	\$ 2,202.4

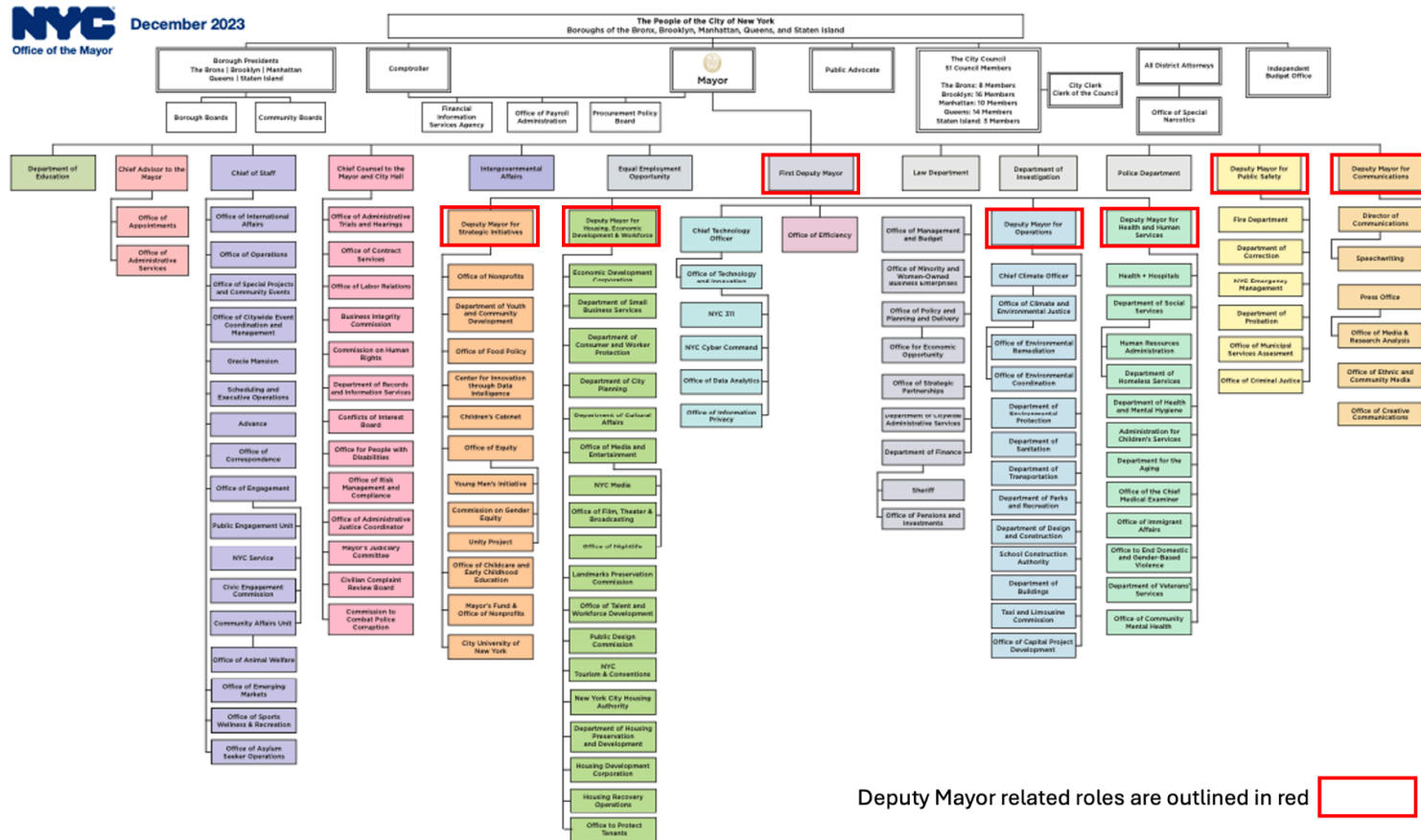
⁵³ ["FY 2023-24 and FY 2024-25 Revenue Letter: Controller's Discussion of the Mayor's Proposed Budget,"](#) June 12, 2023.

Appendix B: City Administrator Chart⁵⁴



⁵⁴ ["Proposed Budget FY 2024-25 & FY 2025-26"](#) Mayor's Office of Public Policy and Finance, May 2024.

Appendix C: New York City Organization Chart⁵⁵



⁵⁵ City of New York, [New York City Organizational Chart](#), December 2023.

Appendix D: Views from Prior Civil Grand Juries

- **“San Franciscans are frustrated.** According to credible polls, in recent years a near majority of residents believe the **City is headed in the wrong direction.** While many areas in the United States (US) feature a large proportion of dissatisfied voters, that San Francisco suffers from such widespread public dismay is remarkable considering that it lies at the heart of the most dynamic regional economy in the nation.” Accelerating SF Government Performance: SFCGJ 2016-2017
- “Prior Civil Grand Juries, various City agencies, and consulting firms paid by the City have issued multiple reports identifying issues with the functioning of technology in the City. These reports repeat remarkably similar recommendations. **Time after time after time, the recommendations are ignored.** The earliest of these reports is eerily relevant to current issues. Why conduct these assessments if we never learn from them?” Déjà Vu All Over Again: San Francisco’s City Technology Needs a Culture Shock: SFCGJ 2011-2012
- “Many commissions and departments within the City and County of San Francisco claim to identify and follow “best practices,” a term commonly heard in the business world; it is a phrase oft touted by the Office of the Mayor. **The Jury found neither “best practices,” nor prudent management in several of the areas investigated. The Office of the Mayor (the “Mayor) and the Board of Supervisors (the “Board”) do not exercise operational oversight of the performance of commissions and departments in a systematic or effective way ... There doesn’t seem really to have been anyone in charge of the store”** Accountability in San Francisco Government: SFCGJ 2007-2008
- “The **City’s hiring system is needlessly complex, wasting both time and energy.** The extended process required to fill positions impedes the work of City departments in providing necessary services to the general public and frustrates many qualified job candidates, who then decide to look elsewhere for employment ... **Nearly twenty years ago,** a former Director of City Planning **described the City’s hiring system as: ... incredibly cumbersome** and did nothing to attract top people.” The Hiring Process in the City and County of San Francisco: SFCGJ 1996-1997
- “The City and County of San Francisco is well positioned to take full advantage of the information age. However, the City and County, in pursuit of conducting the business of government, has been unable to achieve many of its objectives in the area of information technology. These **deficiencies are due to the following factors: lack of political leadership; ineffective planning; poor interdepartmental communication; short-term budgeting; inadequate personnel management; and interdepartmental competition** for precious technology resources.” Information Technology: SFCGJ 1995-1996