



# Public Budget Hearing

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BUDGET YEARS 2024-25 AND 2025-26

# Agenda

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- Who We Are and What We Do
- City Attorney's Priorities
- Budget Instructions and Approach
- Fund Sources/Fund Uses
- Budget Layout
- Public Comment

# Who We Are and What We Do

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- 300+ lawyers, paralegals, investigators, and other legal professionals.
- We work on civil matters, not criminal matters.
- Our mission is to provide the highest-quality legal services to the City & County of San Francisco (not individual members of the public).
  - 100+ City departments, boards, and commissions.
  - Elected officials, including the Mayor and the Board of Supervisors.
- As an elected official, the City Attorney is independent and accountable to the public.

# Who We Are and What We Do

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- Advice and Transactional Work
- Defensive Litigation
- Affirmative Litigation
- Code Enforcement
- Public Integrity and Other Investigations

# Increased Demand for Legal Services by City Clients

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- Substantial increases in homeless encampment lost property and flood-related claims.
- Defensive litigation volume remains high and potential liability has increased, particularly for tax, employment, civil rights, and personal injury cases.
- The proliferation of electronic communications and recordings such as police body worn cameras renders document collection/review more voluminous and intensive.
- Assessment Appeals Board applications increased three-fold to 7,500 – we advise both the Assessor and AAB (with due process screens established).
- Advice and litigation demands related to the City’s homelessness and mental health policies and operations are complex and substantial.
- Need to research and integrate multiple new state land use, housing, zoning and permitting laws.

# Budget Forecast and Instructions

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- Significant projected budget deficit over upcoming two budget years.
- Departments to propose 10% reduction in General Fund expenditures.
- Departments to propose 5% contingency reduction in General Fund expenditures.
- Direction to:
  - Prioritize staffing in key areas related to public safety and essential operations. Eliminate remaining vacancies for savings. Do not add new FTEs.
  - Focus on core department operations and services. Eliminate costs supporting non-essential, discretionary or redundant service areas.

# City Attorney Approach to Budget

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- Cut General Fund reliance by increasing non-General Fund work orders to align with legal services provided to clients.
- Maintain current staffing and budget for fixed operations expense, critical to meeting the City's need for legal services.
- Propose two attorney positions fully funded by the restricted Consumer Protection Fund (non-General Fund), to expand revenue-generating affirmative work.
- Propose additional attorney and professional staff positions to manage significant increase in volume and potential liability for tax assessments, claims, and litigation.

# Fund Sources

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# Sources of Funds

|  | Actual          | Proposed        |                 |
|--|-----------------|-----------------|-----------------|
|  | BY 23-24        | BY 24-25        | BY 25-26        |
| <b>Expenditure Recoveries-<br/>City Depts.</b>     | \$71.2m         | \$72.6m         | \$72.7m         |
| <b>Misc. Recoveries</b>                            | \$400,000       | \$400,000       | \$400,000       |
| <b>General Fund Support</b>                        | \$32.2m         | \$36.9m         | \$40.7m         |
| <b>Fines Forfeitures &amp;<br/>Penalties - CPU</b> | \$4.7m          | \$5.4m          | \$5.7m          |
| <b>Total</b>                                       | <i>\$108.7m</i> | <i>\$115.3m</i> | <i>\$119.6m</i> |

# Fund Uses

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# Operating Expenditures

|                                  | Actual           | Proposed         |                  |
|----------------------------------|------------------|------------------|------------------|
|                                  | BY 23-24 Budget  | BY 24-25 Budget  | BY 25-26 Budget  |
| <b>Salaries</b>                  | \$64.6m          | \$68.6m          | \$72m            |
| <b>Mandatory Fringe Benefits</b> | \$22.6m          | \$23.7m          | \$24.6m          |
| <b>Non Personnel Services</b>    | \$17.4m          | \$18.9m          | \$18.9m          |
| <b>Materials and Supplies</b>    | \$155,000        | \$139,500        | \$139,500        |
| <b>Services of other Depts.</b>  | \$3.8m           | \$3.9m           | \$3.9m           |
| <b>Total</b>                     | <i>\$108.7 m</i> | <i>\$115.3 m</i> | <i>\$119.6 m</i> |

# Budget Layout

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# Sources of Funding

|  | BY 23-24<br>Original<br>Budget | BY 24-25 Base<br>Budget | BY 24-25<br>Dept.<br>Changes | BY 24-25<br>Dept.<br>Proposed<br>Budget | BY 25-26 Base<br>Budget | BY 25-26<br>Dept.<br>Changes | BY 25-26<br>Dept.<br>Proposed<br>Budget |
|--|--------------------------------|-------------------------|------------------------------|---|-------------------------|------------------------------|---|
| <b>Expenditure Recoveries-City Depts.</b>      | \$71,253,153                   | \$69,203,153            | \$3,409,127                  | \$72,612,280                            | \$69,203,153            | \$3,566,212                  | \$72,769,365                            |
| <b>Misc. Recoveries</b>                        | \$400,000                      | \$400,000               | -                            | \$400,000                               | \$400,000               | -                            | \$400,000                               |
| <b>General Fund Support</b>                    | \$32,287,377                   | \$38,399,345            | (\$1,451,361)                | \$36,947,984                            | \$42,281,212            | (\$1,531,495)                | \$40,749,717                            |
| <b>Fines Forfeitures &amp; Penalties - CPU</b> | \$4,799,038                    | \$4,907,072             | 529,073                      | \$5,436,145                             | \$4,634,217             | \$1,111,101                  | \$5,745,318                             |
| <b>Total</b>                                   | \$108,739,568                  | \$112,909,570           | \$2,486,839                  | \$115,396,409                           | \$116,518,582           | \$3,145,818                  | \$119,664,400                           |

# Operating Expenditures

|  | BY 23-24<br>Original<br>Budget | BY 24-25<br>Base Budget | BY 24-25<br>Dept.<br>Changes | BY 24-25<br>Dept.<br>Proposed<br>Budget | BY 25-26<br>Base Budget | BY 25-26<br>Dept.<br>Changes | BY 25-26<br>Dept.<br>Proposed<br>Budget |
|--|--------------------------------|-------------------------|------------------------------|---|-------------------------|------------------------------|---|
| <b>Salaries</b>                          | \$64,627,798                   | \$66,737,696            | <b>\$1,899,114</b>           | \$68,636,810                            | \$69,582,261            | <b>\$2,422,262</b>           | \$72,004,523                            |
| <b>Mandatory<br/>Fringe<br/>Benefits</b> | \$22,617,235                   | \$23,159,236            | <b>\$587,725</b>             | \$23,746,961                            | \$23,923,683            | <b>\$723,556</b>             | \$24,647,239                            |
| <b>Non<br/>Personnel<br/>Services</b>    | \$17,478,423                   | \$18,940,963            | -                            | \$18,940,963                            | \$18,940,963            | -                            | \$18,940,963                            |
| <b>Materials<br/>and Supplies</b>        | \$155,000                      | \$139,500               | -                            | \$139,500                               | \$139,500               | -                            | \$139,500                               |
| <b>Services of<br/>other Depts.</b>      | \$3,861,112                    | \$3,932,175             | -                            | \$3,932,175                             | \$3,932,175             | -                            | \$3,932,175                             |
| <b>Total</b>                             | \$108,739,568                  | \$112,909,570           | <b>\$2,486,839</b>           | \$115,396,409                           | \$116,518,582           | <b>\$3,145,818</b>           | \$119,664,400                           |

# Public Comment

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Members of the public are invited to make comments on the proposed budget in the chat section at the hearing. The City Attorney's Office also welcomes written comment before, during and after the hearing by email at: [budget@sfcityatty.org](mailto:budget@sfcityatty.org).