

The BLA's Charter Reform Analysis: What Walton Asked, What the BLA Said, and What It Ducked

*High-level summary of the Budget and Legislative Analyst's DRAFT Policy Analysis Report to Supervisor Shamann Walton on Mayor Lurie's three November 2026 Charter amendments. **Summary Prepared:** October 1, 2026.*

Three Threshold Problems

- **Ballot letters are not in the report.** The BLA identifies the measures only by Roman numeral and addressed them in reverse order: (I: Executive Branch Management — Proposition F; II: City Administrator and Contracting — Proposition E; and III: Ballot Initiative Process — Proposition D), making it somewhat difficult to cross-reference.
- **The BLA's response to Supervisor Walton is still a DRAFT — and an unfinished one.** It appears the draft BLA response submitted to the Clerk of the Board of Supervisors somewhere between September 17 and September 24, and only publicly released when the Board of Supervisors September 29 meeting agenda became available on Friday September 25 is still unfinished, over two months after Supervisor Walton requested it on July 14. Walton set a September 8 deadline so voters could digest it before ballots went out. This copy of the BLA's draft response here is undated (“[Date of publication]”), the Summary of Requested Action still reads “[topic of report],” and the Executive Summary consists of the BLA's own template instructions about paragraph styles and “black squares” for bullets. There is no executive summary at all, meaning the busy voter or reporter gets no top-line findings.
- **Walton asked 14 questions, not 8 or 9.** An initial count of 8 boxed “Requested analysis” items in the BLA's report is correct. The Table of Contents shows 9 subsections because Section II.1 (Contracting Changes Updates) has no box; it answers part of Walton's question about verifying the measure's findings. **But Walton's July 14 letter actually posed 14 separate questions.** The BLA quietly merged some, narrowed others, and dropped two outright, without explaining why they were omitted from its response report. The table below reconciles them.

Question	Walton's question (July 14 letter)	BLA “Requested analysis” box	Status
1	Cost/savings of shifting department heads to mayoral hire/fire, incl. severance, recruitment, onboarding	Topic 1 (I.1)	Answered; onboarding never costed
2	Deputy mayor salary/benefits, private-sector benchmark, incl. prior pay of named individuals such as Alicia Jean Baptiste at SPUR	Topic 2 (I.2)	Named-individual piece silently dropped from the box
3	Cost of consolidations under expedited process: staff transfers, systems integration, severance	Topic 3 (I.3)	Answered with one case study and literature
4	Potrero Yard NOFA case study (465 affordable units vs. ~\$1 billion Muni yard)	None	Dropped entirely
5	Annual health insurance and stipend cost for mayoral-appointed commissioners	Topic 4 (I.4)	Answered for all commissions, not mayoral appointees
6	Additional staffing, overtime, administrative burden across affected departments	None	Dropped entirely
7	Verify measure's findings; estimate savings from centralized procurement/technology	Split: II.1 (no box) and Topic 7 (II.4)	Answered in two places
8	Cost/benefit of 10-year City Administrator term	Topic 5 (II.2)	Answered qualitatively; no costs
9	Contracts escaping review over last five years, and aggregate value	Topic 6 (II.3)	Narrowed to three years (2023–2025)
10	Oversight/audit mechanism replacing Board review, and its cost	Topic 7 (II.4)	Answer: none exists
11	CPI auto-adjustment effect over next 10 to 20 years	Topic 6 (II.3)	Projected 10 years only
12	Market cost of reduced institutional certainty, using inclusionary TAC and SFAC/GFTA/Film Office examples	Topic 7 (II.4)	In the box; never actually answered
13	Research on campaign spending, independent expenditures, voter turnout/disengagement	Topic 8 (III.1)	Turnout/IE research not addressed
14	Cost and organizing capacity for grassroots campaign at 8% vs. 2%	Topic 8 (III.1)	Answered; volunteer labor never quantified

Topic 1: Mayoral Hire/Fire Power Over Department Heads (Section I.1)

What Walton asked

Estimate the administrative cost or savings of moving many more department heads under direct mayoral hire/fire authority, including severance, recruitment, and onboarding.

What the BLA found

- **Appointment power roughly doubles; removal power more than quintuples.** Today the Mayor fully controls appointment of only 5 of 62 department heads (8%) and removal of only 5 (Exhibits 1 and 2). Under the measure, full appointment authority rises to 11 and full removal authority to 27 (Exhibit 3; full list in Appendix B). The at-will list includes the heads of Police, Fire, Public Health, MTA, PUC, Airport, and Rec and Park.
- **Commission shortlists shrink from three names to one.** Where the Mayor still selects from a commission shortlist, commissions need submit only “one or more” candidates instead of at least three.
- **Police Accountability goes the other way.** The Mayor loses appointment authority over the DPA director, which shifts to the Police Commission.
- **Turnover cost is called “modest.”** Over April 2022 to July 2026 there were 26 department head separations, which the BLA treats as 5.2 per year (Exhibit 4). Severance totaled \$247,225 across only three departures, averaged to \$9,509 per separation (Exhibit 5). Recruitment averages \$33,763 (search firm plus staff time), for a blended \$43,272 per separation (Exhibit 6), or about \$225,013 a year at baseline. Even doubled turnover adds only about \$225,013 annually (Exhibit 7).
- **Only one of 26 departures was officially involuntary.** DHR told the BLA the other 25 “voluntarily” resigned, retired, or changed roles.

Where the BLA fell short

- **Wrong denominator.** April 2022 to July 2026 is about 4.25 years, not five. Dividing 26 separations by 4.25 yields roughly 6.1 per year, not 5.2, which pushes the baseline from \$225,013 to about \$265,000 before any reform.
- **Wrong cost per added firing.** At-will power, if used, produces involuntary separations, which are the ones that trigger severance. The three severance cases averaged about \$82,400 each, not \$9,509. Pairing that with \$33,763 in recruitment puts each additional firing near \$116,000. Under the BLA’s own “doubling” scenario, the added cost would be roughly \$604,000 a year, not \$225,013.
- **Internal inconsistencies.** The text says removal authority shifts for “20 departments,” but Exhibit 3 and Appendix B show a net gain of 22. And DHR says one departure was involuntary while three drew severance, which is paid for involuntary separations. The BLA never reconciles that, nor questions whether “voluntary” resignations were in fact pushed.
- **Onboarding, interim acting-director pay, vacancy duration, and lost institutional knowledge were never costed,** despite Walton naming onboarding explicitly. Staff-time recruitment costs rest on a two-department sample (Port and Animal Care and Control), which the BLA concedes in a footnote carries a “large” margin of error.
- **The real cost isn’t severance.** The BLA counts checks, not consequences: department heads who can be fired at will have every incentive to tell the Mayor what he wants to hear, and commissions lose their main lever over the departments they nominally oversee.

Topic 2: Reinstating Deputy Mayors (Section I.2)

What Walton asked

Project salary and benefits for the proposed deputy mayor positions, benchmarked against private-sector roles, including the prior compensation of individuals named in connection with the posts, such as Alicia Jean Baptiste’s pay at SPUR.

What the BLA found

- **The salary ceiling is \$284,977.** The Charter caps mayoral staff pay at 70% of the Mayor’s official \$407,110 salary, even though Mayor Lurie takes \$1.
- **Converting the four existing “Chiefs” costs \$197,668 more in salary.** Four Mayoral Staff XVII positions at \$235,560 total \$942,240; at the cap they would total \$1,139,908.

- **Each additional deputy mayor costs \$370,470** in salary and benefits. Before voters banned deputy mayors in 1991, there were seven.
- **Peer cities pay a median of \$240,426**, with counts ranging from one deputy in Seattle to 14 in Boston (Exhibit 8). The \$284,977 ceiling beats the medians for SF and Bay Area government executives but trails SF nonprofit CEOs at \$503,279 (Exhibit 9).

Where the BLA fell short

- **The named-individual question vanished.** The BLA's box omits Walton's request about Alicia Jean Baptiste's prior SPUR compensation, with no explanation. This is conspicuous because the BLA pulled Form 990s from 15 SF nonprofits for Exhibit 9 — the same public source that would have answered the question.
- **The worst case is never modeled.** The measure sets no cap on the number of deputy mayors. At Boston's 14, the cost would be about \$5.2 million a year. The BLA mentions Boston but models only four or seven.
- **Benefits are left out of the headline.** The \$197,668 conversion figure is salary only; benefits are relegated to a footnote, which also uses 30–35% while a later section uses 35%.
- **Governance gets no analysis.** As the BLA describes it, deputy mayors could supervise departments the Charter assigns to commissions, the City Administrator, or even elected officials. That is the actual story, and the BLA treats it as a payroll question.

Topic 3: Expedited Department Reorganizations (Section I.3)

What Walton asked

Estimate the cost of implementing consolidations under the new expedited process, including staff transfers, systems integration, and severance for displaced department heads.

What the BLA found

- **The Mayor gains power to move Charter-assigned functions and abolish departments**, including folding entire departments into the City Administrator's office, and eliminating department head positions.
- **Implementing ordinances become “deemed approved”** unless the Board disapproves within 60 days. Today such ordinances must pass through the normal legislative process.
- **Case study: DBI and Planning (Exhibits 10 and 11).** The Mayor's Office claims no direct budget cost, no layoffs, and an eventual \$3 million in admin and IT savings through attrition. The measure would allow eliminating the Charter-protected DBI director, saving up to \$393,000.
- **Generic estimates:** eliminating a department head costs \$30,000 to \$134,000 in severance and saves \$221,000 to \$416,000 a year in salary.
- **Bottom line:** the BLA concludes net fiscal effect “cannot be determined in advance,” and cites research that public-sector mergers often fail to cut costs.

Where the BLA fell short

- **It took the Mayor's word for it.** The “no direct cost” and “\$3 million savings” claims come from the Mayor's Office, with no timeline, no verification, and no staff-time estimate.
- **Wrong case study.** The DBI-Planning merger is proceeding under existing authority, so it illustrates nothing about the new expedited process Walton asked about.
- **The cart before the horse.** Exhibit 11 shows Planning's org chart already scheduling a “Fully Integrated Permitting Department” for FY 2028, flagged “Charter Reform November 2026.” The administration is restructuring around a vote that hasn't happened yet; the BLA doesn't remark on it.
- **Staff transfers and systems integration, the core of the question, get literature, not numbers.**

Topic 4: Commissioner Health Insurance and Stipends (Section I.4)

What Walton asked

Estimate total annual health insurance and stipend costs for mayoral-appointed commissioners, given the shift to at-will removal.

What the BLA found

- **Nearly all commissioners become removable without cause** by their appointing authority, usually the Mayor. Today removal often requires official misconduct.
- **Health coverage cost \$702,723 in FY 2024-25** for 348 eligible commissioners on 42 commissions; 69% waived coverage, and enrollees averaged \$8,385.
- **Stipends totaled \$442,601** across 29 commissions, averaging \$15,262 per paying commission.
- **Scenarios:** a 25% rise in participation adds about \$175,000; 50% brings the total to \$1,054,085 (Exhibit 12). Lower participation could cut costs to \$351,362 (Exhibit 13).

Where the BLA fell short

- **Misleading phrasing.** The BLA says costs could “rise by more than \$1 million” under the 50% scenario. The total reaches \$1 million; the increase is about \$351,000.
- **Didn’t answer the question as asked.** Walton asked about mayoral appointees; the BLA reported all commissions combined, and never added health and stipends together (about \$1.15 million).
- **Counting discrepancy:** the report says Administrative Code 16.700 covers 44 bodies, then analyzes 42.
- **Missed the leverage point.** The BLA notes coverage ends upon removal but misses the implication: a commissioner who depends on City health insurance and can be fired without cause is a commissioner with a strong reason not to cross the Mayor.

Topic 5: Ten-Year City Administrator Term (Section II.2)

What Walton asked

Assess the cost/benefit tradeoff of extending the City Administrator’s term from five to ten years, which Walton described as reducing accountability.

What the BLA found

- **Walton’s premise was partly wrong.** The removal language changes from Board “approval” to Board “concurrence,” which the BLA calls non-substantive; the Board still has a say. The real change is term length.
- **Benefits:** a 10-year term aligns with capital-planning and bond cycles (Exhibit 14).
- **Costs:** fewer formal performance checkpoints. A Charter Reform Working Group member warned a fixed term could let an Administrator escape consequences of corruption or scandal.
- **SF is an outlier:** among the peer cities reviewed, only San Francisco has a fixed term (Exhibit 15).

Where the BLA fell short

- **No costs, no benefits quantified.** Walton asked for a cost/benefit tradeoff and got a qualitative essay.
- **Misapplied research.** The corruption literature cited concerns merit-system tenure protections for career civil servants, not politically appointed executives.
- **Analyzed in a vacuum.** The longer term is paired, in the same measure, with sweeping new procurement powers (Topic 7). A 10-year appointee could outlast the appointing Mayor by years while writing procurement law; the BLA never connects the two.
- **Ignores local history.** The BLA discusses corruption in the abstract, never mentioning San Francisco’s own recent contracting scandals. Verify tenure figures too: the BLA cites 17, 11, and 5 years for Administrators “since 2000,” but the 17 appears to count pre-2000 CAO service.

Topic 6: Raising Board Contract-Approval Thresholds (Section II.3)

What Walton asked

Using five years of data, estimate how many contracts would have escaped Board review and their value, and project the effect of CPI auto-adjustments over 10 to 20 years.

What the BLA found

- **Expenditure contracts reviewed would fall 62%,** from 304 to 115 over 2023–2025 (Exhibit 16).
- **Revenue contracts reviewed would fall 70%,** from 23 to 7 (Exhibit 17).
- **About \$2.5 billion, or \$830 million a year, would have escaped review** (Exhibit 19). Escaping amendments had a median of \$3.6 million, up to \$15.6 million.
- **CPI indexing cuts review further:** by 2037, 12 fewer contracts (31%) than without indexing (Exhibit 18).
- **Board review caught real problems that would have gone unseen** (Exhibit 20): a Mid-Market Foundation amendment cut from \$7.7 million to \$3.8 million after \$850,000 a year in unnecessary subcontractor overhead surfaced; a Pretrial Diversion Project with no CFO and insolvency risk; and a Japanese Community Youth Council grant where a 2026 audit found \$5.6 million paid without verifying eligibility.
- **SF’s \$10 million threshold already dwarfs peers** like Oakland (\$50,000) and LA (\$193,000) (Exhibit 21).

Where the BLA fell short

- **Three years, not five; ten years, not twenty.** Both requested horizons were cut, without explanation.
- **Contracts over 10 years were excluded** from the count, as the BLA admits.
- **Mislabeling:** the report calls the revenue threshold change an “Administrative Code” change; it is a Charter amendment.
- **Unexamined loophole:** the BLA doesn’t clarify whether a contract approved below \$25 million could grow past \$25 million through sub-50% amendments with no review at all.
- **Weak “upside.”** The BLA suggests fewer items could free the Board for deeper review. Its own Exhibit 20 shows the problems were found in precisely the mid-sized contracts that would disappear.

Topic 7: City Administrator Procurement Powers and Oversight (Sections II.1 and II.4)

What Walton asked

Three things: what oversight would replace Board review and its cost; the market cost of reduced institutional certainty; and actual savings from centralized procurement. He also asked the BLA to verify the measure’s own findings.

What the BLA found

- **Exclusive power to introduce procurement ordinances.** Only the City Administrator could introduce them (excluding labor-standard and local-business/PLA laws). They become law after 60 days unless the Board disapproves by motion or the Mayor objects, and the Board cannot amend them.
- **City Administrator rules would supersede department rules.**
- **Nothing replaces Board oversight.** The measure creates no substitute review, and the City Administrator’s office has no plans to create one.
- **Savings are hypothetical:** 3,065 procurements a year at about \$25,000 each is \$76.6 million; 5%, 15%, or 30% efficiency yields \$3.8 million, \$11.5 million, or \$23 million (Exhibit 22).
- **The measure’s own findings are shaky (Section II.1).** Annual contract spend is actually \$6.2 billion, not “over \$5 billion”; the \$25,000 figure rests on a SPUR sample of three departments; the BLA couldn’t find any contract touched by 14 departments; and DHR knows of five training systems, not 20.

Where the BLA fell short

- **Institutional uncertainty was never answered.** The question appears in the box, but the response is one paragraph saying effects could go either way. Walton’s suggested evidence, developer commentary from the inclusionary TAC process and the SFAC/GFTA/Film Office consolidation, isn’t mentioned.
- **Built on sand it already condemned.** The \$76.6 million baseline uses the same \$25,000 SPUR figure the BLA called non-authoritative two sections earlier, and the savings percentages are arbitrary. Exhibit 22 also cites the wrong SPUR report.

- **Lopsided veto.** The Mayor can kill a procurement ordinance alone by notice; the Board needs a majority motion. The BLA describes this without noting that the Mayor and his appointee would effectively control procurement law.

Topic 8: Quadrupling the Initiative Signature Threshold (Section III.1)

What Walton asked

Summarize research linking campaign spending, independent expenditures, and voter turnout or disengagement to the 2%-to-8% change, and estimate the cost and organizing capacity a grassroots campaign would need.

What the BLA found

- **Required signatures jump from 10,615 to 42,460** (Exhibit 25). Special-election petitions would need 10% of registered voters, not 10% of votes cast for Mayor.
- **Petition drives since 2021 cost \$2,439 to \$398,954**, averaging \$186,653 and \$19.12 per required signature (Exhibit 24).
- **Initiatives matter now:** 7 of 10 measures on the November 2026 ballot qualified by petition.
- **Grassroots cost rises from about \$320,000 to \$1.5 million**, with over \$1 million going to paid circulators (Exhibit 25). Organizers said volunteer-driven qualification would become “impractical.”
- **Research supports organizers:** higher thresholds reduce ballot access and favor big-donor campaigns.

Where the BLA fell short

- **Turnout and independent-expenditure research was never summarized.** The BLA addressed ballot access only, citing essentially one source.
- **Organizing capacity unquantified.** No volunteer hours or headcount, despite Walton asking.
- **Unexplained baseline.** The \$320,000 “administrative” cost under current rules exceeds the \$186,653 average actual total cost in Exhibit 24. The text also misstates Prop C’s cost (\$398,594 vs. \$398,954).
- **Misleading metric.** Cost per signature rises only from \$30.15 to \$35.30, which understates the barrier; the real story is a nearly fivefold jump in total cost.
- **Missed irony:** the Mayor’s own three Charter amendments reached the ballot by petition, proof that well-funded campaigns clear even the 10% Charter threshold with ease. Higher thresholds don’t stop money; they stop everyone else.