

1 [Budget Savings Incentive Fund.]

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3 **Ordinance amending the San Francisco Administrative Code by amending Section**
4 **10.20 to permit the suspension of appropriations from the Budget Savings Incentive**
5 **Fund for any single fiscal year and to deposit the amounts in the Fund as of June 30,**
6 **2009, into the General Fund to assist in balancing the fiscal year 2009-2010 budget.**

7 NOTE: Additions are *single-underline italics Times New Roman*;
8 deletions are ~~*strike-through italics Times New Roman*~~.
9 Board amendment additions are double-underlined;
Board amendment deletions are ~~strike-through normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. The San Francisco Administrative Code is hereby amended by amending
12 Section 10.20, to read as follows:

13 SEC. 10.20. BUDGET SAVINGS INCENTIVE FUND

14 (a) Establishment and Purpose of Budget Savings Incentive Fund. The Budget
15 Savings Incentive Fund ("the Fund") is hereby established as a category eight fund for the
16 purpose of encouraging City departments to implement cost-saving strategies and to allow for
17 the reinvestment of those savings in one-time expenditures. Disbursements from the Fund
18 shall be made only to those departments that generated net year end expenditure savings at
19 the close of the most recent prior fiscal year, as certified by the Controller, and only for the
20 purpose of supporting one-time costs, including but not limited to expenditures that improve
21 the efficiency of departmental operations, reduce the cost of service delivery, generate
22 additional revenue or meet deferred maintenance needs.

23 (b) Funding of Budget Savings Incentive Fund. It shall be the policy of the City and
24 County of San Francisco that a Budget Savings Incentive Fund be annually funded and
25 available by November 1st of each year. At the end of each fiscal year, up to 25 percent of the

1 total appropriation closed to General Fund balance by General Fund departments and the
2 Department of Public Health's hospital funds shall be appropriated into the Fund (the "carry
3 forward amount") and placed on Controller's reserve. The Controller may suspend the carry
4 forward amount in years when the Controller determines that the City's financial condition
5 cannot support deposits into the Fund.

6 (c) Request and Approval of Appropriation. Any department funded in whole or in part
7 from the General Fund may submit a request in writing to the Controller's Office for a
8 disbursement from the Fund. Requests shall be reviewed and recommended for funding by a
9 working group comprised of the Mayor's Budget Director, the City Controller and the President
10 of the Board of Supervisors, or their designees. Recommendations of the working group shall
11 be submitted to the Board of Supervisor's Finance Committee for review, and subsequently
12 submitted in the form of a resolution to the Board of Supervisors for approval, until which time
13 the Controller shall not release the reserve on monies deposited to the Fund. This subsection
14 shall go into effect in fiscal year 2006-2007, provided that year end General Fund savings
15 from the preceding year are of an amount sufficient to meet the savings incentive reserve
16 assumptions of the 2006-2007 budget pursuant to the pre-existing Section 3.17 of the
17 Administrative Code.

18 (d) Upon approval of funding requests, the Controller shall have the authority to
19 administratively transfer appropriations from the Fund to the department(s) for which requests
20 were approved.

21 (e) This ordinance may be amended to suspend the process for making appropriations from the
22 Fund, as described in Section 10.20(c), for any single fiscal year to provide for an alternative use of
23 amounts in the Fund.

24 (f) For fiscal year 2009-2010, the process for making appropriations from the Fund, described
25 in Section 10.20(c), is suspended, and all amounts in the Fund on June 30, 2009, shall be deposited into

1 the General Fund to be used to assist in balancing the fiscal year 2009-2010 budget.

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3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA, City Attorney

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5 By: _____
6 LINDA M. ROSS
6 Deputy City Attorney

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