

**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102
(415) 552-9292 FAX (415) 252-0461

To: Supervisor Peskin

Date: June 19, 2017

Re: General Fund Salary and Fringe Benefit Surpluses in the FY 2016-17 Budget

SUMMARY OF REQUESTED ACTION

Pursuant to your request, we have evaluated projected General Fund salary and fringe benefit surpluses in the FY 2016-17 budget and the potential for further reductions in the FY 2017-18 General fund salary and fringe benefit budget.

For further information about this report, contact Severin Campbell at the Budget and Legislative Analyst's Office.

General Fund Salary and Fringe Benefit Surpluses FY 2014-15 to FY 2016-17

The City had actual year-end surpluses in General Fund salaries and fringe benefits of \$60,875,908 million in FY 2014-15 and \$55,199,806 in FY 2015-16. The projected surplus in General Fund salaries and fringe benefits in FY 2016-17 is \$47,843,289 million, as shown in Table 1 below.¹

¹ For this report, General Fund consists of the General Fund annual operating and annual program fund, San Francisco General and Laguna Honda Hospital operating and annual program funds, Recreation and Park Department overhead fund, and War Memorial special fund.

Table 1: General Fund Salary and Fringe Benefit Surpluses/ (Deficits)

	FY 2014-15	FY 2015-16	FY 2016-17²
Academy of Sciences	\$18,638	\$88,034	(\$131,952)
Adult Probation	1,088,829	1,571,704	1,059,626
Arts Commission	36,784	(24,583)	73,601
Asian Art	154,350	218,119	(35,662)
Assessor/Recorder	1,255,535	1,579,314	1,910,873
Board of Appeals	20,417	(1,065)	(14,283)
Board of Supervisors	95,451	642,195	729,225
Children, Youth and Their Families	23,838	(125)	(5,868)
City Administrator	469,448	3,891,938	4,191,689
City Attorney	672,065	922,689	1,501,111
City Planning	(1,016,575)	(1,004,111)	505,765
Civil Service Commission	52,766	47,664	49,897
Controller	415,446	1,511,348	2,209,956
District Attorney	2,275	8,538	460,784
Economic/ Workforce Development	701,925	1,436,208	522,038
Elections	1,117,780	852,968	(522,220)
Emergency Management	514,686	1,496,547	1,743,491
Ethics Commission	54,669	310,184	1,019,327
Fine Arts Museum	63,659	384,280	305,798
Fire	(1,227,593)	(61,744)	(5,878,030)
General City Responsibility	7,629,215	5,501,147	1,565,384
Health Service System	880,692	484,153	279,359
Homelessness/ Supportive Housing	n/a	n/a	1,766,130
Human Resources	127,677	(167,288)	(606,096)
Human Rights Commission	157,232	197,741	218,606
Human Services	8,229,288	9,497,067	9,669,854
Juvenile Probation	432,019	2,007,669	2,694,058
Law Library	169,826	169,445	195,840
Mayor	333,102	(217,651)	(935,721)
Police	8,446,065	(2,715,745)	5,526,342
Public Defender	488,967	485,198	434,697
Public Health	28,272,390	25,569,687	11,919,151
Public Works	(375,820)	169,878	1,775,273
Recreation and Park	(1,861,426)	(3,683,488)	(1,751,530)
Sheriff	962,486	1,273,709	1,607,178
Status of Women	33,798	101,092	55,231
Superior Court	141,900	171,633	206,062
Technology	302,788	208,141	130,057
Treasurer/ Tax Collector	1,577,034	2,063,936	2,939,075
War Memorial	414,282	213,380	459,173
Total	\$60,875,908	\$55,199,806	\$47,843,289

² FY 2016-17 General Fund salary and fringe benefit projections are based on the Controller's April 2017 High Level Monthly Financial Report.

The Mayor's proposed FY 2017-18 budget for General Fund salaries and fringe benefits is \$2,920,327,267, which is an increase of \$139,397,076 or 5.0 percent from the FY 2016-17 budget of \$2,780,930,191, as shown in Table 2 below.

Table 2: Mayor's Proposed General Fund Salary and Fringe Benefit Budget in FY 2017-18

	FY 2016-17 Adopted	FY 2017-18 Proposed	Increase/ (Decrease)	Percent
Academy of Sciences	1,785,821	1,843,401	57,580	3.2%
Adult Probation	20,158,533	21,546,872	1,388,339	6.9%
Arts Commission	2,556,375	2,939,829	383,454	15.0%
Asian Art	6,235,726	6,430,621	194,895	3.1%
Assessor/Recorder	18,378,503	20,098,204	1,719,701	9.4%
Board of Appeals	652,243	716,298	64,055	9.8%
Board of Supervisors	11,193,067	11,707,298	514,231	4.6%
Children, Youth and Their Families	381,356	270,582	(110,774)	-29.0%
City Administrator	53,624,878	56,332,081	2,707,203	5.0%
City Attorney	60,746,840	63,475,441	2,728,601	4.5%
City Planning	30,409,097	32,064,330	1,655,233	5.4%
Civil Service Commission	928,444	963,256	34,812	3.7%
Controller	17,117,990	17,483,825	365,835	2.1%
District Attorney	40,206,567	42,534,787	2,328,220	5.8%
Economic/Workforce Development	13,595,304	13,965,001	369,697	2.7%
Elections	6,126,690	6,297,586	170,896	2.8%
Emergency Management	38,617,292	39,642,912	1,025,620	2.7%
Ethics Commission	2,938,001	3,285,036	347,035	11.8%
Fine Arts Museum	10,721,183	11,127,658	406,475	3.8%
Fire	300,048,540	308,601,909	8,553,369	2.9%
General City Responsibility	60,991,221	65,395,712	4,404,491	7.2%
Health Service System	7,463,113	7,755,646	292,533	3.9%
Homelessness/ Supportive Housing	12,364,556	13,954,349	1,589,793	12.9%
Human Resources	14,972,543	14,744,057	(228,486)	-1.5%
Human Rights Commission	1,801,877	2,046,900	245,023	13.6%
Human Services	266,686,881	281,401,479	14,714,598	5.5%
Juvenile Probation	29,530,623	30,251,866	721,243	2.4%
Law Library	636,341	628,105	(8,236)	-1.3%
Mayor	5,520,823	6,025,342	504,519	9.1%
Police	435,898,578	442,534,989	6,636,411	1.5%
Police Accountability	n/a	6,475,857	6,475,857	n/a
Public Defender	30,796,056	33,249,406	2,453,350	8.0%
Public Health	992,963,122	1,053,701,296	60,738,174	6.1%
Public Works	30,609,739	33,968,659	3,358,920	11.0%
Recreation and Park	63,574,942	69,201,242	5,626,300	8.8%
Sheriff	157,119,508	163,296,839	6,177,331	3.9%
Status of Women	897,468	929,716	32,248	3.6%
Superior Court	665,000	665,000	0	0.0%
Technology	1,860,443	1,923,293	62,850	3.4%
Treasurer/ Tax Collector	21,208,453	21,293,056	84,603	0.4%
War Memorial	8,946,454	9,557,531	611,077	6.8%
Total	\$2,780,930,191	\$2,920,327,267	\$139,397,076	5.0%

The Budget and Legislative Analyst's recommendations, previously submitted to the Budget and Finance Committee, reduce the FY 2017-18 General Fund salary and fringe benefit budget by \$13,292,630, resulting in a net increase of \$126,104,446.

Table 3: Mayor's Proposed Increase and Budget and Legislative Analyst's Recommended Reductions to FY 2017-18 General Fund Salary and Fringe Benefit Budget

	Mayor's Proposed Increase	Budget and Legislative Analyst's Recommended Reductions	Net Increase
Academy of Sciences	57,580	0	57,580
Adult Probation	1,388,339	(192,902)	1,195,437
Arts Commission	383,454	(49,378)	334,076
Asian Art	194,895	(30,758)	164,137
Assessor/Recorder	1,719,701	(719,161)	1,000,540
Board of Appeals	64,055	0	64,055
Board of Supervisors	514,231	(41,141)	473,090
Children, Youth and Their Families	(110,774)	(97,211)	(207,985)
City Administrator	2,707,203	(277,000)	2,430,203
City Attorney	2,728,601	(301,300)	2,427,301
City Planning	1,655,233	(359,194)	1,296,039
Civil Service Commission	34,812	0	34,812
Controller	365,835	0	365,835
District Attorney	2,328,220	(116,152)	2,212,068
Economic/ Workforce Development	369,697	0	369,697
Elections	170,896	0	170,896
Emergency Management	1,025,620	(43,268)	982,352
Ethics Commission	347,035	0	347,035
Fine Arts Museum	406,475	(78,579)	327,896
Fire	8,553,369	(605,232)	7,948,137
General City Responsibility	4,404,491	0	4,404,491
Health Service System	292,533	(56,840)	235,693
Homelessness/ Supportive Housing	1,589,793	(567,248)	1,022,545
Human Resources	(228,486)	(200,000)	(428,486)
Human Rights Commission	245,023	0	245,023
Human Services	14,714,598	(2,270,423)	12,444,175
Juvenile Probation	721,243	(143,077)	578,166
Law Library	(8,236)	0	(8,236)
Mayor	504,519	0	504,519
Police	6,636,411	(2,735,441)	3,900,970
Police Accountability	6,475,857	(125,000)	6,350,857
Public Defender	2,453,350	(135,324)	2,318,026
Public Health	60,738,174	(1,739,212)	58,998,962
Public Works	3,358,920	(642,318)	2,716,602
Recreation and Park	5,626,300	(1,180,117)	4,446,183
Sheriff	6,177,331	(354,255)	5,823,076
Status of Women	32,248	0	32,248
Superior Court	0	0	0
Technology	62,850	0	62,850
Treasurer/ Tax Collector	84,603	(108,011)	(23,408)
War Memorial	611,077	(124,088)	486,989
Total	\$139,397,076	(\$13,292,630)	\$126,104,446

The Budget and Legislative Analyst recommended \$13,292,630 in reductions in the FY 2017-18 General Fund salary and fringe benefit budgets of specific City departments. We made conservative recommendations based on (a) the number and duration of position vacancies, (b) actual filling of vacancies in May and June, (c) hiring plan for vacant positions in FY 2017-18, (d) proposed new positions or position substitutions in FY 2017-18, and (e) whether the department's General Fund salary and fringe benefit budget was increasing by an amount greater than or less than the cost of living of 3 percent. We also considered whether the department had minimum staffing requirements, service mandates, or policy directives, such as providing immigrant defense or police reform services.

The Budget and Finance Committee could recommend additional reductions totaling \$10,442,018 in the FY 2017-18 General Fund salary and fringe benefit budgets of City departments that have had significant General Fund salary and fringe benefit surpluses in each of the last three fiscal years. These potential additional recommended General Fund reductions are summarized by department in Table 4 below. As noted above, such reductions, if implemented, would not result in actual service reductions because positions have been vacant, and therefore, not providing services.

Table 4: Potential Additional Recommended Reductions in General Fund Salary and Fringe Benefits in FY 2017-18 by Department

	Budget and Legislative Analyst's Recommended Reductions Submitted to Budget & Finance Commit	Potential Additional Recommended Reductions	Total
Academy of Sciences	0	0	0
Adult Probation	(192,902)	(554,818)	(747,720)
Arts Commission	(49,378)	0	(49,378)
Asian Art	(30,758)	0	(30,758)
Assessor/Recorder	(719,161)	(419,169)	(1,138,330)
Board of Appeals	0	0	0
Board of Supervisors	(41,141)	(123,105)	(164,246)
Children, Youth and Their Families	(97,211)	0	(97,211)
City Administrator	(277,000)	(748,551)	(1,025,551)
City Attorney	(301,300)	(86,729)	(388,029)
City Planning	(359,194)	0	(359,194)
Civil Service Commission	0	(5,914)	(5,914)
Controller	0	0	0
District Attorney	(116,152)	(460,784)	(576,936)
Economic and Workforce Development	0	0	0
Elections	0	0	0
Emergency Management	(43,268)	0	(43,268)
Ethics Commission	0	(248,484)	(248,484)
Fine Arts Museum	(78,579)	0	(78,579)
Fire	(605,232)	0	(605,232)
General City Responsibility	0	0	0
Health Service System	(56,840)	(4,729)	(61,569)
Homelessness and Supportive Housing	(567,248)	0	(567,248)
Human Resources	(200,000)	0	(200,000)
Human Rights Commission	0	(183,616)	(183,616)
Human Services ^a	(2,270,423)	(1,221,073)	(3,491,496)
Juvenile Probation	(143,077)	0	(143,077)
Law Library	0	0	0
Mayor	0	0	0
Police	(2,735,441)	0	(2,735,441)
Police Accountability	(125,000)	0	(125,000)
Public Defender	(135,324)	(434,697)	(570,021)
Public Health ^b	(1,739,212)	(5,006,043)	(6,745,255)
Public Works	(642,318)	0	(642,318)
Recreation and Park	(1,180,117)	0	(1,180,117)
Sheriff	(354,255)	(934,798)	(1,289,053)
Status of Women	0	(4,357)	(4,357)
Superior Court	0	0	0
Technology	0	(5,151)	(5,151)
Treasurer/ Tax Collector	(108,011)	0	(108,011)
War Memorial	(124,088)	0	(124,088)
	(\$13,292,630)	(\$10,442,018)	(\$23,734,648)

Memo to Supervisor Peskin
General Fund Salary and Fringe Benefit Surpluses FY 2014-15 to FY 2016-17
June 19, 2017

Cc: Supervisor Cohen
Supervisor Tang
Supervisor Kim
Supervisor Sheehy
Supervisor Yee
President Breed
Supervisor Farrell
Supervisor Fewer
Supervisor Ronen
Supervisor Safai
Ben Rosenfield, Controller
Melissa Whitehouse, Mayor's Budget Director