

File No. 201319

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date December 9, 2020

Board of Supervisors Meeting

Date _____

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- Grant Budget
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OTHER (Use back side if additional space is needed)

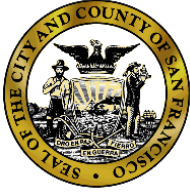
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Completed by: Linda Wong

Date December 4, 2020

Completed by: Linda Wong

Date _____



Department of Emergency Management

1011 Turk Street, San Francisco, CA 94102

Phone: (415) 558-3800 Fax: (415) 558-3843



London Breed
Mayor

Mary Ellen Carroll
Executive Director

November 20, 2020

Honorable Supervisor Sandra Lee Fewer
Budget and Finance Committee Chair
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Linda Wong, Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: Release of Budget and Finance Committee Reserve

In accordance with the provisions of the Adopted Annual Appropriation Ordinance number 165-20 for Fiscal Year ending June 30, 2021 and Fiscal Year ending June 30, 2022, I am hereby requesting release of the Budget and Finance Committee Reserve in the amount of \$7,762,051 appropriated for the City's COVID-19 response.

Since early 2020, the City has been actively working to protect the public and strengthening the health care network to respond to the coronavirus pandemic. On March 16, the City expanded the Emergency Operations Center (EOC) from DEM's Headquarters at 1011 Turk Street to the Moscone South Building at 747 Howard Street (COVID Command Center). This expansion was necessary to accommodate the sheer volume, approximately 500, of the City's essential workers assigned to roles within the command structure, but to also ensure social distancing between all City employees.

DEM is essential to the continued operation of the COVID Command Center. Priorities of the command center include reducing COVID transmission throughout San Francisco by ensuring the health and safety of vulnerable populations and essential workers, preparing for and responding to medical surge, incorporating community needs into response and planning, maintaining strategic public outreach campaigns, and coordinating with ongoing citywide needs. Given the City's response to the COVID-19 pandemic, DEM's FY 2020-21 & 2021-2022 budget included \$15.5M to address the expenses for temporary COVID Command staffing, Moscone South facility operations, and public messaging. The release of reserve will allow DEM to continue leading the citywide COVID-19 response.

Sincerely,

Will Lee for Mary Ellen Carroll

Mary Ellen Carroll
Executive Director

cc: Ashley Groffenberger, Acting Mayor's Budget Director
William Lee, DEM Deputy Director of Administration and Support

Item 8 File 20-1319	Department: Department of Emergency Management
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed hearing is a request for the release of \$7,762,051 on Budget and Finance Committee Reserve for COVID-19 response in FY 2020-21. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • In September 2020, the Board of Supervisors approved the Department of Emergency Management’s (“Emergency Management”) FY 2020-21 budget, which included \$15,453,724 to support COVID-19 response expenditures. Due to uncertainty regarding future needs for continued funding of the Emergency Operations Center and Joint Information Center to support the COVID-19 response, the Board of Supervisors placed approximately half of this total, or \$7,762,051, on Budget and Finance Committee Reserve. The funds <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The COVID-19 response budget of \$15,453,724 funds the costs of COVID Command Center staffing and operations, the Joint Information Center staffing and public messaging, Moscone Center operating costs, and Emergency Management overtime. Of the \$15,453,724 allocation, \$4,456,496 was transferred to the Sheriff’s Department to pay for security staffing and to the Department of Public Health to pay for temporary staff. • The Department of Emergency Management’s budget for COVID-19 response, net of transfers to the Department of Public Health and the Sheriff’s Department, is \$10,997,228. According to Department documents, actual expenditures and encumbrances from July 2020 through November 2020 are \$3,682,067, which is less than the Department’s spending plan for these months, and the Department’s planned spending for December 2020 through June 2021 is \$6,557,394, leaving a balance of \$1,204,657. • We recommend releasing \$6,557,394 of the requested release of \$7,762,051, consistent with the Department’s spending plan, and retaining \$1,204,657 on Budget and Finance Committee Reserve. While Department of Emergency Management staff have expressed concern about potential new costs due to the surge of COVID cases, and the need to plan for distribution of the vaccine, funds of \$1,204,657 will remain available for release if the need arises. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Release \$6,557,394 and retain \$1,204,657 on Budget and Finance Committee Reserve. 	

MANDATE STATEMENT

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City’s budget and may reserve proposed expenditures to be released at a later date subject to Board of Supervisors approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

BACKGROUND

Department of Emergency Management

In September 2020, the Board of Supervisors approved the Department of Emergency Management’s (“Emergency Management”) FY 2020-21 budget, which included \$15,453,724 to support COVID-19 response costs.¹ Due to uncertainty regarding future needs for continued funding of the Emergency Operations Center and Joint Information Center to support the COVID-19 response, the Board of Supervisors placed approximately half of this total, or \$7.76 million, on reserve, as shown in Table 1 below.² The purpose of the reserve was to allow the Budget & Finance Committee to review Emergency Management’s emergency spending and evaluate whether the annual budget was still reasonable.

Table 1. Budget and Finance Committee Reserve Funding for Emergency Management

Program	Reserve Funding
Command Center Operations	\$6,056,688
COVID-Related Overtime	307,495
Joint Information Center	1,397,868
Total	\$7,762,051

As shown in Table 1, the Board of Supervisors reserved approximately \$6.1 million for COVID Command Center Operations, approximately \$300,000 for Emergency Management’s COVID-related overtime, and \$1.4 million for the Joint Information Center budget, on reserve, totaling \$7.8 million.³

The Department’s FY 2020-21 COVID-19 response budget is funded by the General Fund; however the Department anticipates that approximately 50 percent of expenditures will be reimbursable through the FEMA Federal Share Recovery Program.⁴ The Department’s COVID-19 Response budget is summarized below.

¹ Costs include the continued use of Moscone South as the City’s temporary Emergency Operations Center, temporary salary expenses, public outreach and messaging.

² At the time of budget deliberations, many of these costs were unknown and there was the possibility that EOC and/or JIC operations would phase out at some point during FY 2020-21, as the City shifts from an acute crisis emergency response to a less intense, more prolonged response.

³ The Administration Division’s total budget is \$38,811,524 for FY 2020-21.

⁴ The Department is working with the Controller’s office to submit requests to FEMA for reimbursement on a quarterly basis.

Table 2. Emergency Management's COVID-19 Response Budget Summary⁵

Program Name	Anticipated Reimbursable Funding via FEMA	Non-Reimbursable Funding (General Fund)	Total
COVID Command Center (CCC) Staffing	\$693,111	\$693,111	\$1,386,222
Moscone Center Operations	3,682,284	3,682,284	7,364,568
Sheriff's Department Security	1,646,105	1,646,105	3,292,209
Emergency Management Staff Overtime	307,495	307,495	614,989
JIC Staffing	447,868	447,868	895,736
JIC Public Messaging	950,000	950,000	1,900,000
Total	\$7,726,862	\$7,726,862	\$15,453,724

Source: Emergency Management

Note: JIC refers to the Joint Information Center

As noted in the table above, the \$15.5 million budget for COVID response includes approximately;

- \$1.4 million for hiring additional temporary staff to provide operations and logistics support at the COVID Command Center (CCC);⁶
- \$7.4 million for Moscone Center operating expenses including custodial, engineering, facility management, and IT personnel, among others;
- \$3.3 million in Sheriff Department security costs to monitor the entrance of Moscone South and patrol the basement level, which is currently being used to house all Personal Protective Equipment (PPE);
- \$614,989 for Emergency Management personnel overtime to support COVID-related activities; and
- \$2.8 million towards Joint Information Center staffing and public messaging funds, which includes hiring additional temporary full-time positions to support Joint Information Center communications, as well as the development of strategies and communications to inform sustained public information efforts.⁷

Transfer to Other Departments

Of the total \$15,453,724 FY 2020-21 COVID response budget (which includes the reserve funding), \$4,456,496 has since been transferred to other departments. According to Mr. William Lee, Emergency Management's Deputy Director of Administration and Support, after departmental COVID response budgets were approved, the Controller's Office instructed departments with budgets for COVID to administer interdepartmental services as direct charges, as opposed to the usual practice of establishing workorder encumbrances and then workorder

⁵ This budget includes the \$7,762,051 that was placed on reserve.

⁶ According to DEM, the Department has a number of grant funded positions which have been assigned to work as DSWs. Because the work they are currently performing does not tie to the grant eligibility of their funded positions, their salaries costs are being offset with this COVID budget.

⁷ Expenses associated with JIC communication efforts also include graphic design services, language translation services, public service announcements, among other expenses.⁷

billings.⁸ Therefore, the Department of Emergency Management transferred \$4.5 million to other departments to account for their COVID-related expenses related to Sheriff Security Staffing and DPH temporary staffing to support the Joint Information Center, as shown in the Table below.

Table 3. Emergency Management Interdepartmental Transfers

Department Receiving Funds	Amount
Sheriff's Department	\$3,503,486
Department of Public Health	953,010
Total Funds Transferred	4,456,496
Revised Total Budget	\$10,997,228

Source: Emergency Management

DETAILS OF PROPOSED LEGISLATION

The proposed hearing is a request for the release of \$7,762,051 on Budget and Finance Committee Reserve for COVID-19 response in FY 2020-21.

FISCAL IMPACT

Projected Need

The Department of Emergency Management's budget for COVID-19 response, net of transfers to the Department of Public Health and the Sheriff's Department, is \$10,997,228. According to Department documents, actual expenditures and encumbrances from July 2020 through November 2020 are \$3,682,067, which is less than the Department's spending plan for these months⁹, and the Department's planned spending for December 2020 through June 2021 is \$6,557,394, leaving a balance of \$1,204,657, as shown in Table 4 below.

Table 4: Projected Emergency Management Spending and Reserve Request

Total Appropriation	15,453,724
Transfers	<u>(4,456,496)</u>
Available Funds	10,997,228
Actual Expenditures through November 30 2020	<u>(3,682,067)</u>
Projected Spending through June 30 2020	<u>(6,557,394)</u>
Surplus	1,204,657

Source: BLA Analysis of Emergency Management Spending

⁸ These departments include the Department of Public Health (DPH), the Human Services Agency (HSA), the Department of Homelessness and Supportive Housing (HSH), the Department of Public Works (DPW) and the Department of Emergency Management (DEM)

⁹ The spending plan includes the COVID Command Center, Joint Information Center Information Center, Moscone Center, 911 Call Center, and public messaging.

We recommend releasing \$6,557,394, consistent with the Department's spending plan, and retaining \$1,204,657 on Budget and Finance Committee Reserve. While Department of Emergency Management staff have expressed concern about potential costs due to the surge of COVID cases, and the need to plan for distribution of the vaccine, these funds of \$1,204,657 will remain available for release if the need arises.

RECOMMENDATION

Release \$6,557,394 and retain \$1,204,657 on Budget and Finance Committee Reserve.