

File No. 141301

Committee Item No. 6

Board Item No. 6

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date February 25, 2015

Board of Supervisors Meeting

Date March 3, 2015

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

(Use back side if additional space is needed)

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Completed by: Linda Wong Date February 20, 2015

Completed by: L.W. Date February 24, 2015

[Appropriation - Cost of Doing Business for Non-Profit Agencies - General City Responsibility - \$3,400,000 - FY2014-2015]

Ordinance appropriating \$3,400,000 from the General Fund Reserve to General City Responsibility to fund a cost of business allocation for non-profit agencies that contract with the City and County of San Francisco.

Note: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. The sources of funding outlined below are herein appropriated to reflect the funding available in FY2014-2015.

SOURCES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
1G AGF ACP	GENRESERVE	098GR	GENERAL FUND	\$3,400,000
GF-CONTINUING			RESERVE	
PROJECTS				
Total SOURCES Appropriation				\$3,400,000


1 Section 2. The uses of funding outlined below are herein appropriated in FY2014-2015
2 to fund a cost of business allocation for non-profit agencies that contract with the City and
3 County of San Francisco.

4
5 **Uses Appropriation**


Fund	Index/Project Code	Subobject	Description	Amount
1G AGF AAA	975007	03801	NON-PROFIT COST OF DOING BUSINESS	\$3,400,000
GF-NON-PROJECT- CONTROLLED				
Total USES Appropriation				<u>\$3,400,000</u>

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13 Section 3. The Controller is authorized to record transfers between funds and adjust
14 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to
15 conform with Generally Accepted Accounting Principles.

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21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By: 
24 THOMAS OWEN
25 Deputy City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: 
BEN ROSENFELD
Controller

<p>Item 6 File 14-1301</p>	<p>Department: Controller's Office Mayor's Office</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objective</p>	
<ul style="list-style-type: none"> • Ordinance appropriating \$3,400,000 from the General Fund Reserve to General City Responsibility to fund nonprofit organizations that contract with the City and County of San Francisco. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The FY 2014-15 City and County of San Francisco budget included \$6.75 million of General Fund revenues under General City Responsibility to provide an approximate 1.5% increase for nonprofit organizations. • The FY 2014-15 budget also included a 3.0% wage increase for all City and County employees to take effect on October 1, 2014, reflecting an actual 2.25% increase for FY 2014-15. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • Total General Fund payments to nonprofit organizations by the City and County of San Francisco were budgeted at approximately \$461 million in FY 2014-15, based on ten General Fund supported departments. • Based on the budgeted \$461 million in FY 2014-15, the proposed \$3,400,000 would provide an approximate 0.75% increase for nonprofit organizations that contract with the City and County of San Francisco. • The 1.5% increase (\$6,750,000) already approved in the FY 2014-15 budget and the proposed 0.75% increase (\$3,400,000) would together provide a total increase of approximately 2.25% (\$10,150,000) for nonprofit organizations that contract with the City and County of San Francisco for FY 2014-15. • The FY 2014-15 budget appropriated a General Fund Reserve of \$58,020,643. The current balance in the General Fund Reserve is \$55,591,443. If the proposed \$3,400,000 supplemental appropriation is approved, the General Fund Reserve will be reduced to \$52,191,443. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approval of the proposed ordinance is a policy decision for the Board of Supervisors. 	

MANDATE STATEMENT & BACKGROUND**Mandate Statement**

According to Charter Section 9.105, amendments to the annual appropriations ordinance, as finally adopted, may be initiated by a member of the Board of Supervisors and adopted in the same manner as other ordinances.

Background

As of July 2013, there were 6,005 nonprofits in San Francisco. A total of 1,425 nonprofits, or 23.7 percent of all nonprofit organizations in San Francisco, were reported as having contracts with the City and County of San Francisco in FY 2013-14 and/or one or more of the prior two fiscal years. The Controller's Office reports that total General Fund supported payments by the City and County of San Francisco to nonprofit organizations having contracts with the City were budgeted at approximately \$461 million in FY 2014-15.

The FY 2014-15 City and County of San Francisco budget included an additional \$6.75 million of General Fund revenues under General City Responsibility to provide an approximate 1.5% increase to nonprofit organizations.

The FY 2014-15 budget also included a 3.0% wage increase for all City and County employees, to take effect on October 1, 2014, reflecting an actual 2.25% increase for FY 2014-15. This employee wage increase for FY 2014-15 was funded with both General Fund and non-General Fund sources.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$3,400,000 from the General Fund Reserve to General City Responsibility to be allocated to nonprofit organizations that contract with the City and County of San Francisco.

According to the office of the sponsor of the proposed ordinance, the initial \$6.75 million previously appropriated during the FY 2014-15 budget for nonprofit organizations was intended to provide wage increases for nonprofit employees. The office of the sponsor of the proposed ordinance advises that the proposed additional \$3,400,000 appropriation is intended to provide increases for nonprofit organizations overall operations and support in FY 2014-15.

FISCAL IMPACT

According to Ms. Michelle Allersma, Budget and Analysis Division Director in the Controller's Office, the approximately \$461 million total General Fund budget allocated to nonprofit organizations having contracts with the City is based on the total cost of the nonprofit contracts included in the following ten General Fund supported departments in FY 2014-15.

1. **General Services Agency- City Administration**
2. **Arts Commission**
3. **Children Youth & their Families**
4. **District Attorney**
5. **Public Health**
6. **Human Services**
7. **Economic and Workforce Development**
8. **Mayor’s Office of Housing**
9. **Sheriff**
10. **Department of Status of Women**

Based on the budgeted \$461 million in General Fund supported payments to nonprofit organizations in FY 2014-15, the proposed \$3,400,000 General Fund supplemental appropriation would provide an approximate 0.75% increase for overall operations and support for nonprofit organizations that contract with the City and County of San Francisco.

The 1.5% increase (\$6,750,000) already approved in the FY 2014-15 budget and the proposed 0.75% increase (\$3,400,000) would together provide an approximate total increase of 2.25% (\$10,150,000) for nonprofit organizations that contract with the City and County of San Francisco for FY 2014-15, as summarized in the Table below.

	Amount	Percent of \$461 Million Total
FY 2014-15 Budget	\$6,750,000	1.50%
Proposed Supplemental	3,400,000	0.75%
Total	\$10,150,000	2.25%

The City’s FY 2014-15 budget included an initial General Fund Reserve of \$58,020,643. The current balance in the General Fund Reserve is \$55,591,443. If the proposed \$3,400,000 supplemental appropriation is approved, the General Fund Reserve will be reduced to a balance of \$52,191,443.

RECOMMENDATION

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):


Mar, Campos

Subject:

Appropriation – Cost of Doing Business for Non-Profit Agencies – General City Responsibility - \$3,400,000 - FYs 2014-2015

The text is listed below or attached:

Please see attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

191301

