

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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April 25, 2025

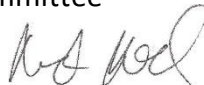
TO: Budget and Appropriations Committee
FROM: Budget and Legislative Analyst 
SUBJECT: April 30, 2025 Budget and Appropriations Committee Meeting

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Item 2 File 25-0185	Departments: Police Department (SFPD), Sheriff's Department (Sheriff)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed ordinance: (1) appropriates \$5,428,603 from the General Reserve, (2) de-appropriates \$86,621,397 from salaries, fringe benefits, and non-personnel spending and appropriates \$61,000,000 to overtime to the Police Department and \$30,000,000 to overtime in the Sheriff's Department, and (3) appropriates \$1,050,000 to building maintenance services and building and structure improvements projects in the Sheriff's Department in FY 2024-25. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The Police and Sheriff Departments report that vacancies combined with minimum staffing levels required to maintain services are contributing to the need for staff to work overtime. The Departments are proposing to use vacancy savings to increase their overtime budgets. The Police Department also utilizes overtime to staff special events and special policing initiatives. The Sheriff's Department has reopened the County Jail #3 Annex to accommodate a growing jail population and has needed to utilize overtime to staff the facility. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> Of the proposed \$92.05 million, \$86.6 million is transferring funding within the Police and Sheriff Departments' General Fund budgets. Most of the spending is for overtime that has already been worked. The proposed \$5.4 million draw from the General Reserve will require a deposit of the same amount in FY 2025-26. This will require further General Fund budget reductions beyond what departments have already proposed to Mayor's Office in order to balance the Citywide budget. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> The overtime budgets for the Police and Sheriff are not realistic. The budgets for each department in FY 2025-26 should be adjusted to properly account for vacancies to avoid mid-year changes to each department's overtime budget. The level of overtime in each department is partially driven by staffing, crime, and public safety policy choices, such as the scope of Police special initiatives, arrests, and prosecutions. Changes to existing staffing levels and/or public safety policies would reduce, but not eliminate, the need for Police and Sheriff overtime. Our December 2024 Performance Audit of Police Overtime found that the Department did not comply with regulations and best practices related to controlling overtime. The audit contained 29 recommendations to the Police Chief, who agreed or partially agreed with 26 of them. Implementing our recommendations will reduce Police overtime. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> Approve the proposed transfer of funds within the Police and Sheriff's Departments. Approval of the appropriation from the General Reserve is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance, after the Controller certifies the availability of funds.

Administrative Code Section 3.17 states that the Airport; Department of Emergency Management; Fire Department; Police Department; Department of Public Health; Public Utilities Commission; Department of Public Works; Recreation and Park Department; and Sheriff must obtain a supplemental appropriation to exceed the overtime budgets in their annual operating funds.

BACKGROUND

The Police Department and Sheriff's Department are requesting a supplemental appropriation to increase their overtime budgets in annual operating funds, as per Administrative Code Section 3.17. Both departments report that vacancies combined with minimum staffing levels required to maintain services are contributing to the need for staff to work overtime. The Police Department also utilizes overtime to staff special events and special policing initiatives. The Sheriff's Department has reopened the County Jail #3 Annex to accommodate a growing jail population and has needed to utilize overtime to staff the facility. Additionally, the Sheriff's Department is requesting \$1,050,000 for building maintenance services and structure improvement projects.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance (1) appropriates \$5,428,603 from the General Reserve, (2) de-appropriates \$86,621,397 from salaries, mandatory fringe benefits, equipment, and materials and supplies and appropriates \$61,000,000 to overtime in the Police Department and \$30,000,000 to overtime in the Sheriff's Department, and (3) appropriates \$1,050,000 to building maintenance services and building and structure improvement projects in the Sheriff's Department.

Exhibit 1 below summarizes the proposed appropriation of \$92,050,000 by department.

Exhibit 1: Appropriation of \$92,050,000 by Department

Sources	Police Department	Sheriff's Department	General City Responsibility	Total
<u>Appropriation</u>				
General Reserve	-		\$5,428,603	\$5,428,603
<u>De-Appropriation</u>				
Permanent Salaries	\$43,000,000	\$13,277,786	-	\$56,277,786
Premium Pay	6,100,000	-	-	6,100,000
Dependent Coverage	11,900,000	-	-	11,900,000
Retirement	-	8,472,214	-	8,472,214
Automotive & Other Vehicles	-	300,000	-	300,000
Programmatic Projects	-	3,571,397	-	3,571,397
Total Sources	\$61,000,000	\$25,621,397	\$5,428,603	\$92,050,000
<u>Uses</u>				
<u>Appropriation</u>				
Overtime	\$61,000,000	\$30,000,000	-	\$91,000,000
Building Maintenance	-	500,000	-	500,000
Building Improvements	-	550,000	-	550,000
Total Uses	\$61,000,000	\$31,050,000	-	\$92,050,000

Source: Proposed ordinance

Potential Amendments

The Police Department intends to request an amendment to the proposed ordinance that shifts the fundings sources for the proposed \$61 million in overtime. The new sources are: \$47.7 million in permanent salaries, \$5.5 million in premium pay, \$7.8 million in dependent coverage.

The Sheriff may request an amendment that also shifts funding sources for their overtime and capital projects but would not increase the draw from the General Reserve. The sources of funding would include \$150,566 in revenue from the US Marshall Service, \$12.98 million in permanent salaries, \$7.9 million in retirement savings, \$350,000 in vehicle savings, and \$4.9 million from programmatic projects. Together with the \$5.4 million General Reserve funding, this would provide the Sheriff with \$30.2 million in new overtime and \$1.6 million in capital project funding, for a total appropriation of \$31.8 million.

FISCAL IMPACT**Proposed Increases in Overtime**

The proposed ordinance increases budgeted overtime by 148 percent in the Police Department and 222 percent in the Sheriff's Department. Exhibit 2 below summarizes the FY 2024-25 approved overtime budget for each department, the resulting increase from the proposed ordinance, and the FY 2023-24 actual expenditures.

Exhibit 2: FY 2024-25 Overtime Budget and Proposed Increase, Annual Operating Funds

	Police	Sheriff	Total
FY 2024-25 Overtime Budget	\$41,018,278	\$13,523,677	\$54,541,955
Proposed Increase in Overtime	61,000,000	30,000,000	91,000,000
New Overtime Budget	\$102,018,278	\$43,523,677	\$145,541,955
Percent Increase	148%	222%	167%
FY 2023-24 Actual Overtime Expenditures	\$90,923,799	\$30,379,070	\$121,302,868
New Overtime Budget, Percent of FY 2023-24 Actual Expenditures	112%	143%	120%

Source: Proposed Ordinance, City Budget System

General Reserve

The proposed \$5.4 million draw from the General Reserve will require a deposit of the same amount in FY 2025-26. This will require further General Fund budget reductions beyond what departments have already proposed to Mayor's Office in order to balance the Citywide budget.

The current balance of the General Reserve is \$141.7 million. Under the General Reserve policy established in Administrative Code 10.60(b), the Controller's Office projects a \$20.2 million deposit into the General Reserve in FY 2025-26, increasing the balance to \$161.9 million. The proposed use of the General Reserve will increase the required deposit in FY 2025-26 to \$25.6 million.

The following sections provide additional detail on the proposed increases in overtime for each department:

Police Department: \$61,000,000

The proposed ordinance de-appropriates \$61,000,000 from permanent salaries, premium pay, and dependent coverage in the San Francisco Police Department's (SFPD) FY 2024-25 budget to pay for \$61,000,000 in overtime expenditures, as shown in Exhibit 1 above. SFPD exceeded its FY 2024-25 overtime budget in the pay period ending December 6, 2024.

According to Kimmie Wu, SFPD Chief Financial Officer, the permanent salary surplus is largely due to vacancies, with separations outpacing new hires in recent years. SFPD projects that FY 2024-25 General Fund permanent salaries will total approximately \$326.5 million, compared to a budgeted amount of \$375.3 million, for a projected surplus of \$48.8 million. However, SFPD projects FY 2024-25 General Fund overtime expenditures of approximately \$97.9 million, compared to a budgeted amount of \$41 million, for a projected deficit of \$56.9 million. SFPD is requesting a supplemental appropriation of \$61 million in case actual overtime costs continue to exceed projections in the final months of the fiscal year.

Uses of Overtime

As of February 28, 2025, SFPD has incurred approximately 528,321 hours of overtime in FY 2024-25. By comparison, SFPD incurred a total of approximately 820,167 hours of overtime in FY 2023-24. Of the 528,321 overtime hours to date, approximately 387,429 hours, or 73 percent, are

within the category “extended work week.” This includes the backfilling of vacant positions, special event staffing, and any other use of overtime that is not associated with an arrest, investigation, court, or academy training. An overview of FY 2024-25 overtime usage is shown in Exhibit 3 below.

Exhibit 3: Breakdown of SFPD Overtime Usage (General Fund)

Overtime	FY 2023-24 Overtime Hours	FY 2024-25 Overtime Hours, Through February 2025	FY 2024-25 Total Overtime Hours, Projected
Court	36,013	24,710	37,065
Investigation	55,435	42,518	63,777
Arrest	65,089	49,053	73,580
Miscellaneous	8,508	3,932	5,897
Academy Training	21,943	20,680	31,019
Extended Work Week			
APEC	89,744	-	-
DMACC & Street Conditions	36,077	26,484	39,726
Tourism Deployment Plan	17,588	7,340	11,009
Safe Shopper/Police Presence	94,578	61,716	92,574
Events	51,877	25,086	37,628
Dignitary Protection	24,332	11,816	17,723
Hospital Watch	9,697	3,762	5,643
Violence Reduction	33,291	17,653	26,479
NBA All-Star Weekend	-	24,526	24,526
OT Backfill/Staff Shortage	208,957	145,444	218,165
Extended Work Week- Other	62,992	63,604	95,406
<i>Extended Work Week Subtotal</i>	<i>629,133</i>	<i>387,429</i>	<i>568,880</i>
Total	820,167	528,321	780,118

Source: SFPD

Note: Total FY 2024-25 overtime is based on a straight-line projection of overtime hours incurred through February 2025.

Including updated data from March 2025, SFPD is projected to incur approximately 806,112 total overtime hours in FY 2024-25, which is a slight reduction from the 820,167 overtime hours in FY 2023-24. Overtime hours were elevated in FY 2023-24 partially due to the Asia Pacific Economic Cooperation (APEC) conference, which incurred 89,744 hours of overtime. Conversely, FY 2024-25 included 24,526 hours associated with hosting National Basketball Association (NBA) All-Star Weekend.

Calls for Service

Through March 25, 2025, SFPD has had 319,758 calls for service in FY 2024-25. Using a straight-line projection, SFPD would have approximately 437,122 calls for service in FY 2024-25, which would be a 2.4 percent decrease from the 447,999 total calls in FY 2023-24. Priority A calls, which include more serious violent or property crimes that pose an imminent danger to life or property, are projected to decrease by approximately five percent. Priority B and C calls, which are less imminent or severe, are projected to decrease by approximately two percent. However, as noted above, much of the overtime utilization has been for sector patrol backfill, special events, and special policing initiatives, which are not immediately correlated to calls for service. Although calls for service are projected to decrease compared to FY 2023-24, overtime hours associated with these calls, such as for arrests and investigations, are projected to increase. An overview of calls for service in FY 2023-24 and 2024-25 is shown in Exhibit 4 below.

Exhibit 4: SFPD Calls for Service

Call Priority	FY 2023-24, Total	FY 2024-25, Through 3/25/2025	FY 2024-25, Projected
A	77,798	54,248	74,159
B	131,456	94,472	129,147
C	238,745	171,038	233,816
Total	447,999	319,758	437,122

Source: SFPD

Police Staffing

SFPD has approximately 390 vacant sworn positions out of approximately 2,092 total sworn positions (excluding work-order funded positions), for a vacancy rate of approximately 19 percent.¹ This is a five percent decrease from the 410 sworn vacancies in the General Fund reported to us in March 2024, when the Police Department requested a similar transfer of funding between the salary and overtime accounts in FY 2023-24.

SFPD had an academy class (#283) that finished in January 2025, with nine graduates who have completed field officer training. Class #284 will conclude May 2025 and has 33 recruits who could enter field training, which the Police report is the largest class since February 2019. SFPD has scheduled the next academy class to begin in May 2025 and hopes to have approximately 55 recruits in the class. To date, 43 applicants have been accepted into the class.

Additionally, SFPD is using approximately 278 retirees to backfill vacant positions, as allowed under City Charter Section A8.511(c), which allows retirees to work for up to 960 hours per year while also receiving a pension. However, such workers are not considered sworn officers and are not able to carry out many of the Department's needs, such as sector patrols, but may assist with investigations or community ambassador functions.

¹ Of the 1,721 sworn officers in the City, 1,465 are full-duty officers, a figure which excludes officers on leave or modified duty and therefore are unavailable for field deployment.

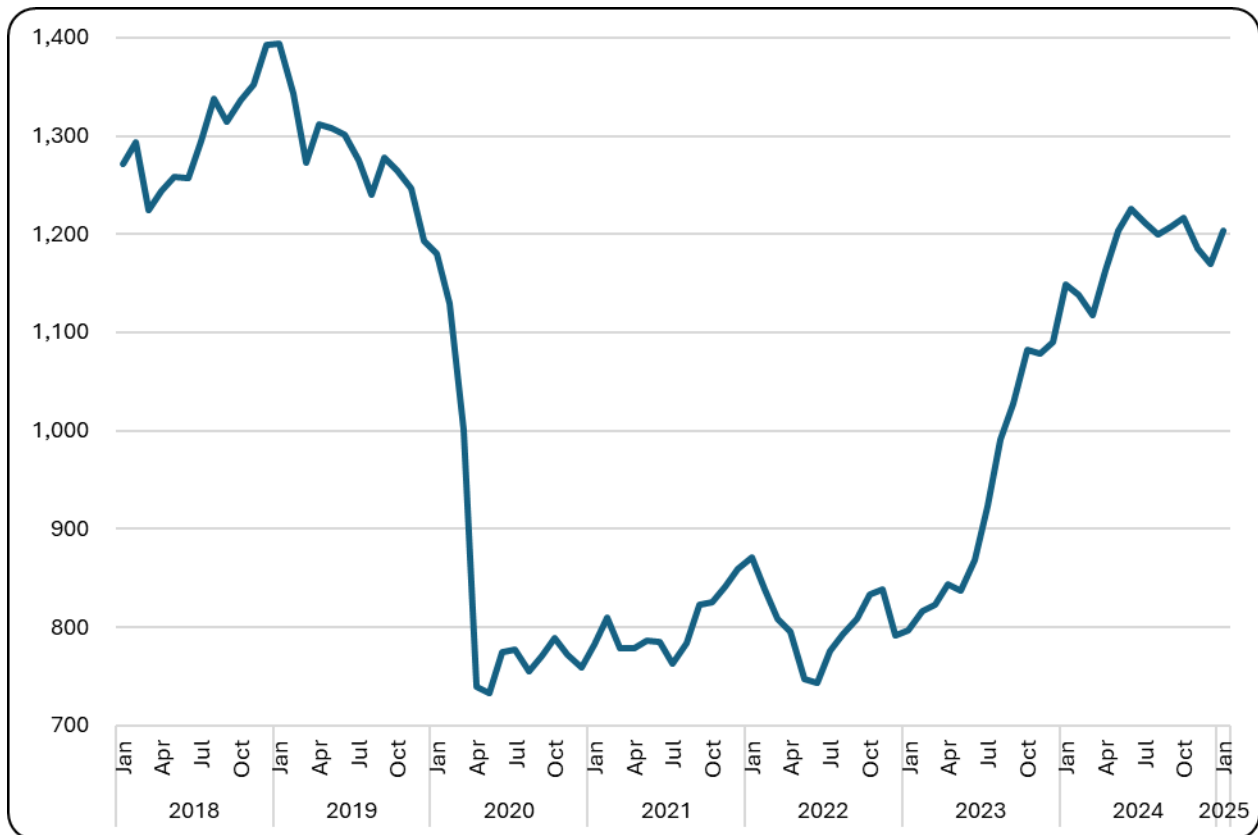
Sheriff's Department: \$31,050,000

The proposed appropriation appropriates \$5,428,603 from the General Reserve and de-appropriates \$13,277,786 from permanent salaries, \$8,472,214 from retirement, \$300,000 from automotive and other vehicles, and \$3,571,397 in programmatic projects in the Sheriff's Department's FY 2024-25 budget to pay for \$30,000,000 in overtime, \$500,000 in building maintenance, and \$550,000 in building improvements expenditures, as shown in Exhibit 1 above. The Sheriff's Department exceeded its FY 2024-25 overtime budget in the pay period ending November 8, 2024.

According to Patrick Leung, Sheriff's Department Chief Financial Officer, the permanent salaries surplus and overtime needs are largely due to vacancies, mostly in the 8504 Deputy Sheriff classification, coupled with an increasing jail population. The Sheriff's Department projects that FY 2024-25 General Fund permanent salaries will total approximately \$75.4 million, compared to a budgeted amount of \$122.4 million, for a projected surplus of \$47 million, which is partially offset by expenditures in sick pay, vacation, other time off, holiday pay, temporary salaries, premium pay, and retiree payouts. However, the Sheriff's Department projects total overtime expenditures of \$42.2 million, compared to a budgeted amount of \$13.5 million, for a projected deficit of \$28.7 million. Overall, the department is projecting a deficit of approximately \$9.8 million in total salaries and benefits. The Sheriff's Department is requesting a \$30 million appropriation to provide a buffer in case overtime expenditures exceed the initial projections for the final months of the fiscal year.

Sheriff Uses of Overtime

Overtime has been used to backfill vacancies to meet minimum staffing requirements in the jails, transport inmates between the jails and courts, and guard hospitalized inmates at San Francisco General Hospital and Psychiatric Ward. The average daily jail population has increased from approximately 800 inmates from 2020 through 2022 to approximately 1,200 inmates in late 2024, which is a return to the average population in 2018 and 2019. The increase in the jail population is due to an increase in arrests and prosecutions. The jail population over time is shown in Exhibit 5 below.

Exhibit 5: San Francisco Jail Population, 2018-2025

Source: Sheriff's Department

To address the increasing jail population, the Sheriff's Department reopened the County Jail #3 Annex in San Bruno in Fall 2023, which contains six dorm rooms with 62 beds each, for a total maximum capacity of 372 inmates. According to Chief Financial Officer Leung, the Sheriff's Department had anticipated that the annex would be opened temporarily and therefore did not budget for full staffing of the annex for FY 2024-25. However, jail populations have remained high, so the Sheriff's Office is now treating the annex as a semi-permanent expansion of its jail capacity, and more overtime shifts are needed to fully staff the annex. Therefore, the salary surplus from vacant positions is insufficient to cover the overtime deficit and a supplemental appropriation from the General Reserve is needed to maintain staffing levels. The jail population may further increase due to a court order that has suspended the use of a pre-trial electronic monitoring diversion program, as well as the passage of Proposition 36, which allows for felony charges for certain misdemeanor offenses by repeat offenders.

In addition to Custody Operations, the Sheriff's Field Operations Division is comprised of numerous units that respond to calls for service and provide security at government buildings, including City Hall and courthouses. The Sheriff's Department provides other services, such as the Civil Unit, which enforces residential and business evictions, serves restraining orders, and serves civil process paperwork for small claims court. Overtime hours by division are shown in Exhibit 6 below. The primary driver of the Sheriff's increase in overtime in FY 2024-25 is due to Custody operations.

Exhibit 6: Sheriff Department Overtime Hours by Division

Division	FY 2023-24 Overtime Hours	FY 2024-25 Overtime Hours, through 2/28/2025	FY 2024-25 Overtime Hours, Projected
Administration	40,798	31,550	47,324
Custody	219,157	158,353	237,530
Field	86,099	57,488	86,231
Planning	10,345	8,043	12,065
Total	356,399	255,434	383,151

Source: Sheriff's Department

Sheriff Staffing

According to Chief Financial Officer Leung, the Sheriff's Department has approximately 199 sworn vacancies out of 759 positions, for a vacancy rate of approximately 26 percent. This is similar to the 201 vacancies reported in March 2024, when the Sheriff requested a similar transfer of funding between the salary and overtime accounts for FY 2023-24.

The Sheriff's Department has been able to reduce overtime by utilizing the help of approximately 51 retirees to help backfill sworn functions, who, as noted above, may work for up to 960 hours per year while receiving a pension but cannot carry out all sworn job functions.

The Sheriff's Department has hired 68 deputy sheriffs in FY 2024-25 through March 15, 2025. The Department currently has 33 recruits in various stages of academy training, and an additional 12 recruits will start academy classes in April 2025. In planning to fully staff the County Jail #3 Annex going forward, the Sheriff's Office is requesting 93.8 new full-time equivalent (FTE) positions in the FY 2025-26 budget and 116 new FTE positions in the FY 2026-27 budget. While it is unlikely that all these positions would be filled, the staffing budget increase, if approved by the Mayor's Budget Office and Board of Supervisors, would likely prevent the need for another appropriation from the General Reserve (assuming the jail population remains constant).

Sheriff Capital and Maintenance Needs

The Sheriff's Department reports that County Jail #3 and the annex are outdated facilities with numerous structural and mechanical issues. A 2017 technical assessment estimated that the cost to fully renovate the annex was approximately \$164.9 million, or \$243.8 million in 2024 dollars.

Notably, County Jail #3 has four waters. Three water heaters are currently inoperable, leaving just one water heater for the entire facility (including the annex). The proposed appropriation would provide \$50,000 to help fund the replacement of one inoperable water heater, of which the total cost is approximately \$650,000 (the remaining fund can be sourced by the Sheriff's existing resources). Another \$500,000 would be used for exterior painting to help keep the building waterproof.

The Sheriff's Department FY 2025-26 budget included \$794,280 for facilities maintenance, which was fully expended by December 2024. Through February 2025, the Sheriff's Department has incurred approximately \$494,742 in unpaid work orders with the Department of Public Works (DPW). Using a straight-line projection, DPW estimates that the total amount owed through the

end of FY 2024-25 is approximately \$1.03 million. The proposed appropriation would provide \$500,000 to address this shortfall, so an additional supplemental appropriation may be needed. The proposed ordinance also de-appropriates \$3,571,397 from programmatic projects for the jail management system due to delays associated with procuring a vendor. The project is still needed for the department and will have to be funded again in a future budget.

POLICY CONSIDERATION

Established Overtime Budgets Are Not Realistic

Every year, the Sheriff and Police Departments exceed their overtime budgets. In the General Fund in FY 2023-24, the Police spent more than double their overtime budget (\$88 million in actual spending versus a budget of \$41.4 million) and the Sheriff spent nearly four times their overtime budget (\$30.4 million in actual spending versus a budget of \$7.1 million). Most years, the excess overtime spending is covered by transferring funding from vacant positions, resulting in no overall increase in the department's budget. However, in FY 2022-23, the Police Department required a \$25.3 million supplemental appropriation from the General Reserve to support its overtime spending and now the Sheriff requires a \$5.4 million appropriation from the General Reserve to sustain its level of overtime spending this year.

The Police Chief, Sheriff, Mayor, and Board of Supervisors should work together to establish realistic overtime budgets for FY 2025-26 that properly account for vacancies to avoid mid-year changes to each department's overtime budget.

Level of Overtime Is Driven by Policy Choices

Maintaining existing levels of Police and Sheriff overtime in next year's budget will be necessary to maintain existing public safety policies, including 911 responses time, special initiatives to respond to crime and disorder downtown, and adequately staffing the jail system in light of a return to pre-COVID jail populations. Changes to existing public safety and criminal justice policies would reduce the need for Police and Sheriff overtime.

Because of the projected deficit in the General Fund in FY 2025-26 and beyond, maintaining the Police and Sheriff overtime budgets will require further reductions to non-public safety department budgets beyond what has already proposed to the Mayor's Budget Office.

Police Overtime Audit

Our December 2024 Performance Audit of Police Overtime found that the Department did not comply with regulations and best practices related to controlling overtime and that the Department did not adequately manage use of sick time, which in turn contributed to high overtime use. The audit contained 29 recommendations to the Police Chief, who agreed or partially agreed with 26 of them. SFPD reports that since the initial fieldwork concluded in the beginning of 2024, most of the recommendations have been implemented. However, the three disagreements with the recommendations are: (1) taking the "fitness award" time off from an employee who has used more than 40 hours of sick leave; (2) implementing a flexible watch assignment when that is not possible with the need for backfill and minimum staffing demands;

and (3) incorporating the review of special initiatives on overtime into the biannual staffing analysis.

Implementing our recommendations will reduce Police overtime.

High Levels of Overtime for Individuals

Administrative Code Section 18.13-1 generally prohibits City employees from working more than 520 overtime hours in a fiscal year, unless a waiver is obtained from the Department of Human Resources. As of October 4, 2024, approximately 48 percent of the Sheriff's Department's sworn deputies had already exceeded 520 overtime hours. The Department of Human Resources (DHR) approved the Sheriff's Department's request for an exemption from the Overtime Ordinance and increased the employee limit to 1,750 hours of overtime. As of April 1, 2025, 12 employees have exceeded 1,750 overtime hours in the fiscal year. The Sheriff's Department has requested DHR to increase this cap.

Similarly, as of the pay period ending March 14, 2025, 410 SFPD sworn officers have exceeded 520 hours of overtime. In August 2024, DHR approved SFPD's exemption request from the Overtime Ordinance and increased the employee limit to 1,900 hours of overtime per year.

RECOMMENDATIONS

1. Approve the proposed transfer of funds within the Police and Sheriff's Departments.
2. Approval of the appropriation from the General Reserve is a policy matter for the Board of Supervisors.