

**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

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June 17, 2011

**TO:** Budget and Finance Committee  
**FROM:** Budget and Legislative Analyst  
**SUBJECT:** Overview of File 11-0387 Mayor's Proposed Consolidated Budget and Annual Appropriation Ordinance, for Fiscal Year Ending June 30, 2012

The Budget and Legislative Analyst is conducting a detailed review of the Mayor's recommended FY 2011-12 budget and will prepare reports and recommendations for submission to the Budget and Finance Committee to reduce the Mayor's recommended budget as justified. Our reports (a) generally describe the changes in expenditures and revenues for each department resulting from the Mayor's recommended budget; (b) contain recommendations to achieve savings by reducing various budgeted items; (c) contain recommendations to reserve various budgeted items if insufficient data has been submitted to support the budget requests; and, (d) contain policy options for consideration of the Budget and Finance Committee to achieve potential additional savings in certain departmental budgets.

The Budget and Legislative Analyst's individual budget reports on the various Departmental budgets are scheduled to be considered by the Budget and Finance Committee at its hearings between June 20 through June 30, 2011.

**SUMMARY OF CHANGES IN EXPENDITURES AND POSITIONS**

The Mayor's recommended FY 2011-12 budget, as submitted to the Board of Supervisors on June 1, 2011, of \$6,828,705,831 is \$266,047,488 or approximately 4.1 percent more than the FY 2010-11 budget of \$6,562,658,343 as finally approved by the Board of Supervisors in the FY 2010-11 Annual Appropriation Ordinance.

The table below provides comparative expenditure data between the original FY 2010-11 budget and the Mayor's Recommended 2011-2012 budget, excluding future technical adjustments to be submitted by the Mayor.

**TOTAL CITY BUDGET COMPARISON**

	<b>FY 2010-11 Original Budget</b>	<b>FY 2011-12 Proposed Budget</b>	<b>Increase (Decrease) from FY 2010-11 Original Budget</b>	<b>Percent Increase (Decrease) from FY 2010-11 Original Budget</b>
<b>Sources of Funds</b>				
Prior Year Fund Balance	\$191,479,467	\$247,963,892	\$56,484,425	29.5%
Prior Year Reserves	19,693,338	12,752,069	(6,941,269)	(35.2%)
Regular Revenues	6,351,485,538	6,567,989,870	216,504,332	3.4%
Total Source of Funds	\$6,562,658,343	\$6,828,705,831	\$266,047,488	4.1%
<b>Uses of Funds</b>				
Operating Expenditures:				
Gross Expenditures	\$7,025,824,403	\$7,361,790,244	\$335,965,841	4.8%
Interdepartmental Recoveries	(885,125,776)	(911,957,594)	(26,831,818)	3.0%
Net Operating Expenditures	6,140,698,627	6,449,832,650	309,134,023	5.0%
Capital/Facilities Maintenance	352,322,143	302,836,061	(49,486,082)	(14.0%)
Reserves	69,637,573	76,037,120	6,399,547	9.2%
Total Uses of Funds	\$6,562,658,343	\$6,828,705,831	\$266,047,488	4.1%

The Mayor's recommended FY 2011-12 budget includes 26,277.15 funded full time equivalent positions or 169.18 more positions than the 26,107.97 funded positions approved in the original FY 2010-11 budget. Additional details on such positions by department will be covered in the Budget and Legislative Analyst's forthcoming departmental budget reports to the Budget and Finance Committee.

**GENERAL FUND EXPENDITURES AND RESERVES**

As shown in the table below, the Mayor's recommended FY 2011-12 total General Fund budget, including General Fund department expenditures and General Fund contributions to General Fund supported departments, of \$3,250,364,938 is \$282,990,110 or approximately 9.5 percent more than the FY 2010-11 General Fund budget of \$2,967,374,828 as finally approved by the Board of Supervisors in the FY 2010-11 Annual Appropriation Ordinance.

**GENERAL FUND BUDGET COMPARISON**

	<b>FY 2010-11 Original Budget</b>	<b>FY 2011-12 Proposed Budget</b>	<b>Increase (Decrease) from FY 2010-11 Original Budget</b>	<b>Percent Increase (Decrease) from FY 2010-11 Original Budget</b>
<b>Sources of Funds</b>				
Prior Year Fund Balance	\$79,918,951	\$153,351,440	\$73,432,489	91.9%
Prior Year Reserves	19,633,338	12,752,069	(6,881,269)	(35.0%)
Regular Revenues	2,753,665,350	2,927,115,535	173,450,185	6.3%
Transfers	114,157,189	157,145,894	42,988,705	37.7%
Total Source of Funds	2,967,374,828	3,250,364,938	282,990,110	9.5%
<b>Uses of Funds</b>				
Operating Expenditures:				
Gross Expenditures	2,626,938,336	2,973,765,394	346,827,058	13.2%
Interdepartmental Recoveries	(157,487,949)	(339,013,467)	(181,525,518)	115.3%
Net Operating Expenditures	2,469,450,387	2,634,751,927	165,301,540	6.7%
General Fund Contribution Transfer	423,549,904	525,633,917	102,084,013	24.1%
Capital/Facilities Maintenance	26,670,925	40,479,094	13,808,169	51.8%
Reserves	47,703,612	49,500,000	1,796,388	3.8%
Total Uses of Funds	\$2,967,374,828	\$3,250,364,938	\$282,990,110	9.5%

**CONTROLLER'S RESERVES IN THE PROPOSED FY 2011-12 BUDGET**

The Controller has reserved General Fund revenues totaling \$11,400,000 in the Mayor's recommended FY 2011-12 budget due to the uncertainty of the following various revenues:

- \$10,600,000 in the Municipal Transportation Agency's materials and supplies budget, pending (a) revenue from the issuance of taxi medallions (\$10,000,000), and (b) Parking Tax revenue from colleges and universities (\$600,000).
- \$800,000 in the Sheriff's Department for Electronic Monitoring Programs, pending the transfer of responsibility for State prisoners to the counties under the proposed State realignment.

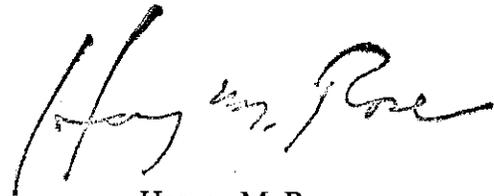
**BUDGET AND LEGISLATIVE ANALYST RECOMMENDATIONS**

At the direction of the Budget and Finance Committee and the full Board of Supervisors, the Budget and Legislative Analyst is analyzing the Mayor's recommended FY 2011-12 budget in

Memo to Budget and Finance Committee  
June 17, 2011

detail and is making various recommendations to the Committee. Our recommendations for the Committee's first week of hearings are preliminary in nature and may significantly change for the Committee's second week of hearings.

Budget reductions, recommended by the Budget and Legislative Analyst and approved by the Board of Supervisors, have, in the past, been used by the Board of Supervisors as a source of funds to: (a) restore items deleted in the Mayor's recommended FY 2011-12 budget; (b) include new items in the budget based on the priorities of the Board of Supervisors; and/or (c) increase the General Fund Reserve. In accordance with the Charter, reallocation of any savings realized from budget reductions can be made by the Board of Supervisors, without first receiving appropriation approval by the Mayor, in accordance with the priorities of the Board of Supervisors. However, such reallocations would be subject to Mayoral veto.



Harvey M. Rose

cc: Supervisor Chu  
Supervisor Mirkarimi  
Supervisor Kim  
Supervisor Wiener  
President Chiu  
Supervisor Avalos  
Supervisor Campos  
Supervisor Cohen  
Supervisor Elsbernd  
Supervisor Farrell  
Supervisor Mar  
Clerk of the Board  
Cheryl Adams  
Controller  
Greg Wagner