

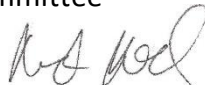
**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

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

June 10, 2024

**TO:** Budget and Appropriations Committee  
**FROM:** Budget and Legislative Analyst   
**SUBJECT:** June 14, 2024 Special Budget and Appropriations Committee Meeting

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| <p><b>Item 5</b><br/><b>File 24-0609</b></p>   | <p><b>Department:</b><br/>Police (POL), Sheriff (SHF)</p> |
| <p><b>EXECUTIVE SUMMARY</b></p>  |   |
| <p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance would de-appropriate \$2,770,003 from the Police Department General Fund salary accounts and transfer the funding into the Police Department’s General Fund overtime budget. The proposed ordinance would also de-appropriate \$4,092,568 from the Sheriff’s Office’s non-personnel General Fund accounts and transfer the funding to the department’s overtime account.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Police Department projects that it will exceed its General Fund overtime budget by approximately \$2.6 million, which it will pay for using salary savings from vacant civilian and sworn positions. The proposed ordinance de-appropriates \$2.77 million to provide a contingency should actual overtime spending be higher than projected.</li> <li>• The Sheriff’s Office projects that it will overspend its entire General Fund salary budget by at least \$4.1 million. The overspending is driven by additional staffing requirements from an increased jail population and workers out on leave. In November 2023, the Sheriff opened an annex to County Jail 3 in San Bruno to accommodate additional inmates. To supplement staffing and reduce the amount of overtime used, the Sheriff’s Office has also hired temporary Proposition F retirees to alleviate some of the sworn administrative functions.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• This appropriation is shifting funding previously approved for both departments into their General Fund overtime accounts.</li> </ul> <p style="text-align: center;"><b>Policy Consideration</b></p> <ul style="list-style-type: none"> <li>• The FY 2023-24 General Fund budgets for the Police Department and Sheriff’s Office did not reflect the actual staffing counts and deployment decisions made by each department over the fiscal year. Even with the supplemental appropriations approved in April 2024, the Sheriff’s Office exceeded its revised overtime budget in May 2024 and the Police Department is projected to exceed its overtime budget in June 2024.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed ordinance is a policy matter for the Board of Supervisors.</li> </ul> |   |

**MANDATE STATEMENT**

Charter Section 9.105 provides that amendments to the Annual Appropriation Ordinance be 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.

Charter Section 9.113(c) states that if the Mayor or a member of the Board of Supervisors recommends a supplemental appropriation ordinance after the adoption of the budget and prior to the end of the budget year that contains any item rejected by the Mayor or the Board of Supervisors in the original budget appropriation, the supplemental appropriation can only be approved by a two-thirds vote of the Board of Supervisors.

**BACKGROUND**

In July 2023, the Board of Supervisors approved the FY 2023-24 – FY 2024-25 Budget and Appropriation Ordinance (File 23-0664) for all City Departments. The budget assumed a certain level of staffing and overtime for the Police and Sheriff Departments. Due to a high number of sworn vacancies and changes in law enforcement operations, both departments (as well as others) requested a supplemental appropriation to transfer projected vacancy savings from their salary and benefits accounts into overtime accounts, which was approved by the Board of Supervisors in April 2024 (File 24-0125).

More recent projections from the Police Department and Sheriff Departments indicate an additional need for changes to the budget.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance would de-appropriate \$2,770,003 from the Police Department General Fund salary appropriation and transfer the funding into the Police Department's General Fund overtime budget. The proposed ordinance would also de-appropriate \$4,092,568 from the Sheriff's Office's non-personnel General Fund accounts and transfer the funding to the department's overtime account.

The Police Department projects that it will exceed its General Fund overtime budget by approximately \$2.6 million, which it will pay for using salary savings from vacant civilian and sworn positions. The proposed ordinance de-appropriates \$2.77 million to provide a contingency should actual overtime spending be higher than projected.

The Sheriff’s Office estimates that it will overspend its entire General Fund salary budget by \$4.1 million to \$5.5 million. The overtime budget, which is a component of the larger salary budget, will be overspent by \$1.8 million. According to Patrick Leung, Chief Financial Officer for the Sheriff’s Office, the overspending is driven by additional staffing requirements from an increased jail population and workers out on leave. In November 2023, the Sheriff opened the County Jail #3 Annex in San Bruno to accommodate additional inmates. To supplement staffing and reduce the amount of overtime used, the Sheriff’s Office has also hired temporary Proposition F retirees to alleviate some of the sworn administrative functions. The proposed ordinance includes a \$4.1 million transfer from non-personnel accounts to overtime in case overtime costs exceed projections and also to cover other salary account overages (once the Board approves a change to an overtime account subject to Administrative Code Section 3.17, the funding can be moved to other salary accounts in the same fund).

**FISCAL IMPACT**

Exhibits 1 and 2 below show the changes to the Police and Sheriff Departments’ General Fund budgets. The proposed amounts refer to the ordinance in File 24-0609.

**Exhibit 1: Change to FY 2023-24 Police Department General Fund Budget**

| <b>FY 2023-24 Operating Budget</b> | <b>Original<br/>(July 2023)</b> | <b>Revised<br/>(April 2024)</b> | <b>Proposed<br/>(June 2024)</b> | <b>Change<br/>(Proposed - Revised)</b> |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| Permanent Salaries                 | 357,265,374                     | 316,717,561                     | 314,742,446                     | (1,975,115)                            |
| Overtime                           | 41,376,918                      | 85,004,972                      | 87,774,975                      | 2,770,003                              |
| Premium Pay                        | 37,194,508                      | 36,398,267                      | 35,603,379                      | (794,888)                              |
| <b>Total</b>                       | <b>435,836,800</b>              | <b>438,120,800</b>              | <b>438,120,800</b>              | <b>0</b>                               |

Source: Proposed Ordinance, Financial System

**Exhibit 2: Change to FY 2023-24 Sheriff Office General Fund Budget**

| <b>FY 2023-24 Operating Budget</b> | <b>Original<br/>(July 2023)</b> | <b>Revised (April<br/>2024)</b> | <b>Proposed (June<br/>2024)</b> | <b>Change<br/>(Proposed - Revised)</b> |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| Overtime                           | 7,143,359                       | 29,640,217                      | 33,732,785                      | 4,092,568                              |
| Fleet Management                   | 0                               | 238,796                         | (238,796)                       | (238,796)                              |
| Technical Support                  | 0                               | 103,456                         | (101,807)                       | (101,807)                              |
| Subtotal, Operating Budget         | 7,143,359                       | 29,982,469                      | 33,392,182                      | 3,751,965                              |
| <b>Continuing Projects</b>         |                                 |                                 |                                 |  |
| CJ2 Laundry Improvement            | 0                               | 367,622                         | (367,622)                       | (367,622)                              |
| CJ3 Annex - Shower Door            | 0                               | 223,120                         | (23,120)                        | (23,120)                               |
| SH Jail Monitoring System JMS      | 0                               | 6,564,340                       | (3,361,223)                     | (3,361,223)                            |
| <b>Totals</b>                      | <b>0</b>                        | <b>7,155,082</b>                | <b>(3,751,965)</b>              | <b>(3,751,965)</b>                     |

Source: Proposed Ordinance, Financial System

Note: The Revised Budget figures include supplemental appropriation for overtime (File 24-0125) and previously appropriated unspent non-personnel funds carried forward into FY 2023-24.

**POLICY CONSIDERATION**

The FY 2023-24 General Fund budgets for the Police Department and Sheriff’s Office did not reflect the actual staffing counts and deployment decisions made by each department over the fiscal year. Even with the supplemental appropriations approved in April 2024, the Sheriff’s Office exceeded its revised overtime budget in May 2024 and the Police Department is projected to exceed their overtime budget in June 2024.

**RECOMMENDATION**

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