

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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June 11, 2015

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst



SUBJECT: Recommendations of the Budget and Legislative Analyst for Amendment of the Mayor's Fiscal Year 2015-2016 to Fiscal Year 2016-2017 Budget.

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BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$25,003,879 budget for FY 2015-16 is \$1,146,711 or 4.8% more than the original FY 2014-15 budget of \$23,857,168.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 165.20 FTEs, which are 18.13 FTEs more than the 147.07 FTEs in the original FY 2014-15 budget. This represents a 12.3% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$6,105,104 in FY 2015-16 are \$137,697 or 2.3% more than FY 2014-15 revenues of \$5,967,407. General Fund support of \$18,898,775 in FY 2015-16 is \$1,009,014 or 5.6% more than FY 2014-15 General Fund support of \$17,889,761.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$25,106,763 budget for FY 2016-17 is \$102,884 or 0.4% more than the Mayor's proposed FY 2015-16 budget of \$25,003,879.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 165.91 FTEs, which is 0.71 FTEs more than the 165.20 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$6,108,232 in FY 2016-17, are \$3,128 or 0.05% more than FY 2015-16 estimated revenues of \$6,105,104. General Fund support of \$18,998,532 in FY 2016-17 is \$99,757 or 0.5% more than FY 2015-16 General Fund support of \$18,898,775.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ASR – ASSESSOR/RECORDER

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$483,514 in FY 2015-16. Of the \$483,514 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$663,197 or 2.8% in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$354,382 in FY 2016-17. Of the \$354,382 in recommended reductions, all are ongoing savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ASR – ASSESSOR/RECORDER

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|--------------------------|------------------------|--------------------------|--|--------------------------|--|
| ASSESSOR/RECORDER | | | | | |
| PERSONAL PROPERTY | 2,958,157 | 2,791,990 | (166,167) | 2,850,466 | 58,476 |
| REAL PROPERTY | 7,100,784 | 10,866,457 | 3,765,673 | 10,914,027 | 47,570 |
| RECORDER | 1,887,407 | 1,865,104 | (22,303) | 1,803,231 | (61,873) |
| TECHNICAL SERVICES | 10,477,703 | 8,290,451 | (2,187,252) | 8,277,826 | (12,625) |
| TRANSFER TAX | 1,433,117 | 1,189,877 | (243,240) | 1,261,213 | 71,336 |
| ASSESSOR/RECORDER | 23,857,168 | 25,003,879 | 1,146,711 | 25,106,763 | 102,884 |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$1,146,711 largely due to:

Movement of Project-Based Positions to Permanent Positions for New Property Tax Assessment System—In 2014-15 the Assessor-Recorder’s office received funding for the project development phase of replacing the City’s property tax assessment system, a COIT recommended capital project. The proposed budget includes the reassignment of 13.00 FTE limited-term project positions to permanent positions to address ongoing departmental needs.

Restructuring Department to Expand Assessment Enrollments—The City has experienced a four-fold increase in the number of assessment appeals compared to the prior ten-year average due to a high volume of new commercial and residential construction activity, as well as property sales, which is not expected to decline in the near term. The proposed budget includes increased funding for six new positions to evaluate new ways to assess values, test new strategies to gather assessment-related information, and increase the percentage of properties audited annually from five percent to 25-30 percent.

FY 2016-17

The Department’s proposed FY 2016-17 budget has increased by \$102,884 largely due to:

Continued Efforts Related to New Property Tax Assessment System—The Department will continue efforts related to the upgrading of the City’s property tax assessment system.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ASR – ASSESSOR/RECORDER

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 165.20 FTEs, which is 18.13 FTEs more than the 147.07 FTEs in the original FY 2014-15 budget. This represents a 12.3% increase in FTEs from the original FY 2014-15 budget.

The Department has increased its number of FTEs due to the rise in workload caused by the high number of assessment appeals compared to the prior ten-year average. This is primarily due to a spike in the volume of new commercial and residential construction activity, as well as property sales which is not expected to decline in the near term. The Department will reassign 13.00 limited term FTE positions to permanent positions in FY 15-16. The proposed budget additionally includes funding for 1.54 FTE Junior Administrative Analysts, 0.77 FTE ASR Senior Office Specialist, and 2.31 Real Property Appraiser Trainees to evaluate new ways to assess values and pilot new strategies to gather assessment-related information, as well as 1.00 FTE IS Engineer to support IT operations. New positions will also review the Department's current backlog, and provide capacity to audit 25 – 30 percent of properties annually, rather than the five percent currently audited on an annual basis.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 165.91 FTEs, which is 0.71 FTE more than the 165.20 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

The Department plans to hire an additional Principal Real Property Appraiser in FY 2016-17 to continue efforts related to assessment technology and backlog review.

INTERIM EXCEPTION

The Department has requested approval of a 1042 IS Engineer-Journey 1.00 FTE position as an interim exception. The Budget and Legislative Analyst recommends disapproval of this interim exception to be hired on July 1, 2015.

Based on the information provided by the Department, the Budget and Legislative Analyst believes that the position should be filled on September 1, 2015.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$6,105,104 in FY 2015-16, are \$137,697 or 2.3% more than FY 2014-15 revenues of \$5,967,407. General Fund support of \$18,998,775 in FY 2015-16 is \$1,009,014 or 5.6% more than FY 2014-15 General Fund support of \$17,889,761.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ASR – ASSESSOR/RECORDER

Specific changes in the Department's FY 2015-16 revenues include:

State Grant--The Department received a three-year \$1,285,000 grant in FY 2014-15 to fund five limited tenure positions working on new construction assessment cases. This grant funding for this pilot program will expire in FY 2017-18.

Property Tax System Replacement--The Department will receive \$360,000 in one-time funding to support four off-budget positions to complete the City's property tax system replacement in collaboration with the Office of the Treasurer-Tax Collector and the Office of the Controller.

FY 2016-17

The Department's revenues of \$6,108,232 in FY 2016-17, are \$3,128 or 0.05% more than FY 2015-16 estimated revenues of \$6,105,104. General Fund support of \$18,998,532 in FY 2016-17 is \$99,757 or 0.5% more than FY 2015-16 General Fund support of \$18,898,775.

Specific changes in the Department's FY 2016-17 revenues include:

State Grant-- Continued funding from the State for limited tenure positions to implement the pilot program to work on new construction assessment cases.

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$483,514 in FY 2015-16. Of the \$483,514 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$663,197 or 2.8% in the Department's FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$354,382 in FY 2016-17. Of the \$354,382 in recommended reductions, all are ongoing savings.

ASR - Assessor-Recorder

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|--|------------|--------|----------------------|-------------|-------------|----|----------------------|--------|--------|-------------|-------------|-------------|---|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT | |
| | From | To | From | To | | | From | To | From | To | | | |
| FDJ- Real Property | | | | | | | | | | | | | |
| Senior Real Property Appraiser | 2.00 | 0.00 | \$204,560 | \$0 | \$204,560 | X | | 2.00 | 0.00 | \$211,522 | \$0 | \$211,522 | X |
| Mandatory Fringe Benefits | | | \$81,390 | \$0 | \$81,390 | X | | | | \$82,008 | \$0 | \$82,008 | X |
| Attrition Savings | (3.60) | (2.35) | (\$346,445) | (\$226,445) | (\$120,000) | X | | (3.60) | (2.09) | (\$358,237) | (\$208,237) | (\$150,000) | X |
| Mandatory Fringe Benefits | | | (\$140,663) | (\$91,941) | (\$48,722) | X | | | | (\$141,645) | (\$82,336) | (\$59,309) | X |
| | | | <i>Total Savings</i> | \$117,228 | | | <i>Total Savings</i> | | | \$84,221 | | | |
| Delete vacant positions. One 4265 has been vacant since January 2013, the other has been vacant since October 2013. Adjust attrition savings to offset the position reductions. The Department reports that it will have \$900,000 in salary savings in Fiscal Year 2014-15. | | | | | | | | | | | | | |
| Temporary Salaries | 2.42 | 2.03 | \$218,568 | \$183,568 | \$35,000 | X | | 2.35 | 1.97 | \$218,568 | \$183,568 | \$35,000 | X |
| Mandatory Fringe Benefits | | | \$17,266 | \$14,501 | \$2,765 | X | | | | \$17,310 | \$14,538 | \$2,772 | X |
| | | | <i>Total Savings</i> | \$37,765 | | | <i>Total Savings</i> | | | \$37,772 | | | |
| Due to the addition of one new 1224 Personnel Analyst, the Department should reduce \$35,000 in its temporary salaries budget, as they will no longer need a temporary 1203 Personnel Technician to perform clerical HR duties. The 1224 Personnel Analyst is being hired to fill those duties on a full-time basis. | | | | | | | | | | | | | |
| FDL-Technical Services | | | | | | | | | | | | | |
| Assessor-Recorder Office Assistant | 2.00A | 2.00L | | | | X | | 2.00A | 2.00L | | | | X |
| Mandatory Fringe Benefits | 2.00A | 2.00L | | | | X | | 2.00A | 2.00L | | | | X |
| Real Property Appraiser | 3.00A | 3.00L | | | | X | | 3.00A | 3.00L | | | | X |
| Mandatory Fringe Benefits | 3.00A | 3.00L | | | | X | | 3.00A | 3.00L | | | | X |
| Senior Real Property Appraiser | 1.00A | 1.00L | | | | X | | 1.00A | 1.00L | | | | X |
| Mandatory Fringe Benefits | 1.00A | 1.00L | | | | X | | 1.00A | 1.00L | | | | X |
| Principal Real Property Appraiser | 1.00A | 1.00L | | | | X | | 1.00A | 1.00L | | | | X |
| Mandatory Fringe Benefits | 1.00A | 1.00L | | | | X | | 1.00A | 1.00L | | | | X |
| Deny the substitution of 7.00 limited tenure positions to permanent positions, and instead extend the limited tenure of the 7.00 positions by two additional years through FY 16-17. The Department has not provided sufficient workload information to support making these positions permanent. | | | | | | | | | | | | | |

ASR - Assessor-Recorder

| Object Title | FY 2015-16 | | | | | FY 2016-17 | | | | | | |
|--|--|--------|----------------------|-------------|-------------|------------|--------|--------|----------------------|-------------|-------------|---------|
| | FTE | | Amount | | GF IT | FTE | | Amount | | GF IT | | |
| | From | To | From | To | | Savings | From | To | From | | To | Savings |
| Management Assistant | 1.00 | 0.00 | \$81,952 | \$0 | \$81,952 | X | 1.00 | 0.00 | \$84,742 | \$0 | \$84,742 | X |
| Mandatory Fringe Benefits | | | \$34,997 | \$0 | \$34,997 | X | | | \$35,262 | \$0 | \$35,262 | X |
| Assessor-Recorder Senior Office Specialist | 2.00 | 0.00 | \$152,302 | \$0 | \$152,302 | X | 2.00 | 0.00 | \$157,486 | \$0 | \$157,486 | X |
| Mandatory Fringe Benefits | | | \$66,868 | \$0 | \$66,868 | X | | | \$67,444 | \$0 | \$67,444 | X |
| Attrition Savings | (4.99) | (3.44) | (\$385,993) | (\$265,993) | (\$120,000) | X | (4.99) | (2.86) | (\$399,123) | (\$229,123) | (\$170,000) | X |
| Mandatory Fringe Benefits | | | (\$218,049) | (\$150,261) | (\$67,788) | X | | | (\$170,982) | (\$98,155) | (\$72,827) | X |
| | | | <i>Total Savings</i> | \$148,331 | | | | | <i>Total Savings</i> | \$102,107 | | |
| | Delete three vacant positions. The 1842 has been vacant since November 2012 and both 4215 positions have been vacant since July 2012. The Department has also requested an Interim Exception to hire one new 1042 IS Engineer for which the Budget and Legislative Analyst is recommending disapproval. Adjust attrition to offset the position reductions, as well as the disapproval of the Interim Exception for the 1042 position to reflect a more realistic hiring date of September 1, 2015. The Department reports \$900,000 in salary savings in Fiscal Year 2014-15. | | | | | | | | | | | |
| | FDK-Personal Property | | | | | | | | | | | |
| Personal Property Auditor | 2.00 | 0.00 | \$176,676 | \$0 | \$176,676 | X | 2.00 | 0.00 | \$182,690 | \$0 | \$182,690 | X |
| Mandatory Fringe Benefits | | | \$73,892 | \$0 | \$73,892 | X | | | \$74,616 | \$0 | \$74,616 | X |
| Attrition Savings | (4.00) | (3.00) | (\$374,503) | (\$280,503) | (\$94,000) | X | (4.00) | (2.66) | (\$387,250) | (\$257,250) | (\$130,000) | X |
| Mandatory Fringe Benefits | | | (\$153,741) | (\$115,152) | (\$38,589) | X | | | (\$154,793) | (\$102,829) | (\$51,964) | X |
| | | | <i>Total Savings</i> | \$117,979 | | | | | <i>Total Savings</i> | \$75,342 | | |
| | Delete two vacant positions. Two 4220 Personal Property Auditor positions have been vacant since September 2012 and February 2013. Adjust attrition savings to offset the position reductions. The Department reports \$900,000 in salary savings for Fiscal Year 2014-15. | | | | | | | | | | | |
| | FEH- Transfer Tax | | | | | | | | | | | |
| 0931 Manager III | 0.77 | 0.00 | \$107,378 | \$0 | \$107,378 | X | 1.00 | 0.00 | \$144,198 | \$0 | \$144,198 | X |
| Mandatory Fringe Benefits | | | \$40,707 | \$0 | \$40,707 | X | | | \$52,662 | \$0 | \$52,662 | X |
| 0923 Manager II | 1.00 | 1.77 | \$129,287 | \$228,838 | (\$99,551) | X | 1.00 | 2.00 | \$133,688 | \$267,376 | (\$133,688) | X |
| Mandatory Fringe Benefits | | | \$50,849 | \$90,003 | (\$39,154) | X | | | \$50,707 | \$101,414 | (\$50,707) | X |
| | | | <i>Total Savings</i> | \$9,380 | | | | | <i>Total Savings</i> | \$12,465 | | |
| | Disapprove the requested new 0931 Manager III, and instead approve a new 0923 Manager II. The 0923 job classification is more consistent with the number of FTEs this position will manage as demonstrated by the Department's organizational chart. | | | | | | | | | | | |

ASR - Assessor-Recorder

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|--|------------|--------|----------------------|------------|----|----|------------|--------|----------------------|------------|----|----|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT |
| | From | To | From | To | | | From | To | From | To | | |
| Attrition Savings | (0.50) | (0.94) | (\$42,008) | (\$79,025) | X | | (0.50) | (0.85) | (\$43,438) | (\$73,438) | X | |
| Mandatory Fringe Benefits | | | (\$17,947) | (\$33,762) | X | | | | (\$18,064) | (\$30,540) | X | |
| | | | <i>Total Savings</i> | \$52,832 | | | | | <i>Total Savings</i> | \$42,476 | | |
| Increase attrition savings due to ongoing vacancies and expected hiring dates for current vacancies and new positions in this program. | | | | | | | | | | | | |

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------|------------------|------------------|
| General Fund | \$0 | \$483,514 | \$483,514 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$0 | \$483,514 | \$483,514 |

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------|------------------|------------------|
| General Fund | \$0 | \$354,382 | \$354,382 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$0 | \$354,382 | \$354,382 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$62,799,020 budget for FY 2015-16 is \$9,161,714 or 17.1% more than the original FY 2014-15 budget of \$53,637,306.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 254.64 FTEs, which are 36.13 FTEs more than the 218.51 FTEs in the original FY 2014-15 budget. This represents a 16.5% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$52,209,346 in FY 2015-16, are \$10,582,360 or 25.4% more than FY 2014-15 revenues of \$41,626,986. General Fund support of \$10,589,674 in FY 2015-16 is \$1,420,646 or 11.8% less than FY 2014-15 General Fund support of \$12,010,320

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$73,157,615 budget for FY 2016-17 is \$10,358,595 or 16.5% more than the Mayor's proposed FY 2015-16 budget of \$62,799,020.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 262.19 FTEs, which are 7.55 FTEs more than the 254.64 FTEs in the Mayor's proposed FY 2015-16 budget. This represents 3.0% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$62,011,896 in FY 2016-17, are \$9,802,550 or 18.8% more than FY 2015-16 revenues of \$52,209,346. General Fund support of \$11,145,719 in FY 2016-17 is \$556,045 or 5.3% more than FY 2015-16 General Fund support of \$10,589,674.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CON – CONTROLLER

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$960,677 in FY 2015-16. Of the \$960,677 in recommended reductions, \$629,075 are ongoing savings and \$331,602 are one-time savings. These reductions would still allow an increase of \$8,201,037 or 15.3% in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$634,138 in FY 2016-17, which are ongoing savings. These reductions would still allow an increase of \$9,724,457 or 15.5% in the Department’s FY 2016-17 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CON – CONTROLLER

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|-----------------------------------|------------------------|--------------------------|--|--------------------------|--|
| CONTROLLER | | | | | |
| ACCOUNTING OPERATIONS AND SYSTEMS | 8,670,738 | 10,321,424 | 1,650,686 | 10,715,120 | 393,696 |
| CITY SERVICES AUDITOR | 15,060,195 | 15,535,723 | 475,528 | 15,400,193 | (135,530) |
| ECONOMIC ANALYSIS | 473,151 | 475,661 | 2,510 | 483,714 | 8,053 |
| FINANCIAL SYSTEMS PROJECTS | 8,580,798 | 14,879,395 | 6,298,597 | 25,571,900 | 10,692,505 |
| MANAGEMENT, BUDGET AND ANALYSIS | 5,123,591 | 3,794,751 | (1,328,840) | 3,634,621 | (160,130) |
| PAYROLL AND PERSONNEL SERVICES | 14,953,805 | 17,012,433 | 2,058,628 | 16,556,664 | (455,769) |
| PUBLIC FINANCE | 775,028 | 779,633 | 4,605 | 795,403 | 15,770 |
| CONTROLLER | 53,637,306 | 62,799,020 | 9,161,714 | 73,157,615 | 10,358,595 |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$9,161,714 largely due to:

- Implementation of the Department’s Financial System Replacement Project. The project is scheduled to take approximately two years to complete and will cost an estimated \$58,578,196. The proposed spending in FY 2015-16 includes initial vendor payments, lease payments, new permanent staff in the Controller’s Office, and related costs.
- Additional expenditures in the Payroll and Personnel Services for an upgrade to the eMerge software implemented in fiscal year 2014-15.

FY 2016-17

The Department’s proposed FY 2016-17 budget has increased by \$10,358.595 largely due to:

- The second and final year implementation the Department’s Financial System Replacement Project. Spending is requested to increase \$10,692,505 to accommodate vendor payments, and the full salary and benefit costs of the project team of 31 permanent and 8 Limited Term positions.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 254.64 FTEs, which are 36.13 FTEs more than the 218.51 FTEs in the original FY 2014-15 budget. This represents a 16.5% increase in FTEs from the original FY 2014-15 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CON – CONTROLLER

The growth in the number of positions is largely due to the annualization of new positions in FY 2014-15 and previously approved new positions in FY 2015-16 for the Financial System Replacement Project.

In addition, the Department is requesting 5.85 new positions in FY 2015-16 for the Accounting Operations and Systems, the City Services Auditor, and Payroll divisions.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 262.19 FTEs, which are 7.55 FTEs more than the 254.64 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 3.0% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

The increases in positions is largely due to annualization of previously approved positions and new positions requested in FY 2015-16. In addition, the Department is requesting 9.77 new positions for the Accounting Operations and Systems, the City Services Auditor, and Payroll divisions in FY 2016-17.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$52,209,346 in FY 2015-16, are \$10,582,360 or 25.4% more than FY 2014-15 revenues of \$41,626,986.

Specific increases in the Department's FY 2015-16 revenues include:

- Increases to the Department's expenditure recoveries from work orders toward the Financial System Replacement Project.

FY 2016-17

The Department's revenues of \$62,011,896 in FY 2016-17, are \$9,802,550 or 18.8% more than FY 2015-16 revenues of \$52,209,346.

Specific increases in the Department's FY 2016-17 revenues include:

- Increases to the Department's expenditure recoveries from work orders toward the Financial System Replacement Project.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CON – CONTROLLER

File 15-0576 Access Line Tax

Projected revenues for FY 2015-16 are based on the proposed fee ordinance as follows:

| File No. | Fee Description | FY 2014-15 Original Revenue | Change in FY 2015-16 | Annualized Revenue Thereafter | % Cost Recovery |
|--------------|---|--------------------------------|-------------------------|-------------------------------------|--------------------|
| 150576 | Adjusting the Access Line Tax with the Consumer Price Index of 2015 | \$44,700,000 | \$45,600,000 | \$45,600,000 | n/a |
| Total | | \$44,700,000 | \$45,600,000 | \$45,600,000 | n/a |

The Access Line Tax is a locally imposed tax on telephone bills intended to provide revenue for such General Fund services as may be determined by the Board of Supervisors including, without limitation, police, fire, and emergency services (see Business and Tax Regulations Code 780). The proposed ordinance increases the tax rate for FY 2015-16 by the Consumer Price Index.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the FY 2015-16 budget includes the revenue as a source of funds to balance the City’s budget.

File 15-0574 Ordinance adopting the Neighborhood Beautification and Graffiti Clean-Up Fund Tax designation ceiling.

Article 12B-1 of the Business & Tax Regulations Code establishes the Neighborhood Beautification and Graffiti Clean-Up Fund Option (now known as the Community Challenge Grant Program), allows businesses subject to the gross receipts tax to elect to designate a portion of their tax liability to the Fund. Section 1032 requires the Controller to calculate the maximum percentage of their tax liability that taxpayers can elect to contribute to the Fund such that total contributions will be approximately \$1,000,000, adjusted for inflation.

The Controller’s Office calculated the inflation adjusted target contribution level for FY 2015-16 to be \$1,900,000. They project that a maximum taxpayer contribution rate of 2.6% would result in contributions equal to the inflation adjusted target amount. The contribution rate is based on previous years’ results, which have varied on occasion above and below the level.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the FY 2015-16 budget includes the revenue as a source of funds to balance the City’s budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: _____ **CON – CONTROLLER**

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$960,677 in FY 2015-16. Of the \$960,677 in recommended reductions, \$629,075 are ongoing savings and \$331,602 are one-time savings. These reductions would still allow an increase of \$8,201,037 or 15.3% in the Department’s FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$634,138 in FY 2016-17, which are ongoing savings. These reductions would still allow an increase of \$9,724,457 or 15.5% in the Department’s FY 2016-17 budget.

CON - Controller's Office

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|---|--|------|-------------|-------------|-----------|----|----------------------|------|-------------|-------------|-----------|----|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT |
| | From | To | From | To | | | From | To | From | To | | |
| FDC - Payroll and Personnel Services | | | | | | | | | | | | |
| Accountant III | 1.00 | 0.00 | \$99,832 | \$0 | \$99,832 | x | 1.00 | 0.00 | \$103,230 | \$0 | \$103,230 | x |
| Mandatory Fringe Benefits | | | \$40,038 | \$0 | \$40,038 | x | | | \$40,355 | \$0 | \$40,355 | x |
| | <i>Total Savings</i> | | \$139,870 | | | | <i>Total Savings</i> | | \$143,585 | | | |
| | Department is requesting to substitute a 1654 Accountant III from a vacant 1226 Chief Payroll & Personnel Clerk position that has been vacant since November 2009. The department has not provided sufficient justification for adding a new Accountant III position to this program. | | | | | | | | | | | |
| Attrition Savings | | | (\$133,533) | (\$233,533) | \$100,000 | x | | | (\$138,533) | (\$238,533) | \$100,000 | x |
| Mandatory Fringe Benefits | | | (\$56,340) | (\$98,532) | \$42,192 | x | | | (\$56,702) | (\$97,632) | \$40,930 | x |
| | <i>Total Savings</i> | | \$142,192 | | | | <i>Total Savings</i> | | \$140,930 | | | |
| | The Department's FY 2015-16 budget reduces General Fund attrition savings by \$274,414 to allow hire of new positions. The Department has increased salaries by \$4.4 million or 17.9 percent, from \$24.6 million in FY 2014-15 to \$29 million in FY 2015-16 to annualize new positions created in FY 2014-15 and add new positions in FY 2015-16. This recommendation leaves the Department sufficient funds to hire positions in FY 2015-16. | | | | | | | | | | | |
| | FEB - MANAGEMENT, BUDGET AND ANALYSIS | | | | | | | | | | | |
| Administrative Analyst | 1.00 | 0.00 | \$89,030 | \$0 | \$89,030 | x | 1.00 | 0.00 | \$92,060 | \$0 | \$92,060 | x |
| Mandatory Fringe Benefits | | | \$36,901 | \$0 | \$36,901 | x | | | \$37,142 | \$0 | \$37,142 | x |
| | <i>Total Savings</i> | | \$125,931 | | | | <i>Total Savings</i> | | \$129,202 | | | |
| | Department is requesting to substitute a 1822 Administrative Analyst I from a vacant 1654 Accountant III position that has been vacant since July 2011. The department has not provided sufficient justification for adding a new Accountant III position to this program. | | | | | | | | | | | |
| | FFM - Economic Analysis | | | | | | | | | | | |
| PROFESSIONAL & SPECIALIZED SVCS | | | \$35,000 | \$15,000 | \$20,000 | x | | | | \$0 | \$0 | |
| | Reduce by \$20,000 to account for surplus funds in FY 2014-15 that will be carried forward to FY 2015-16. | | | | | | | | | | | |
| | FFG - Public Finance | | | | | | | | | | | |
| PROFESSIONAL & SPECIALIZED SERVICES | | | \$22,710 | \$0 | \$22,710 | x | | | | | | |
| OTHER CURRENT EXPENSES | | | \$6,000 | \$0 | \$6,000 | x | | | | | | |
| MATERIALS & SUPPLIES BUDGET ONLY | | | \$10,000 | \$0 | \$10,000 | x | | | | | | |
| | <i>Total Savings</i> | | \$38,710 | | | | <i>Total Savings</i> | | | | | |
| | Reduce by \$38,710 to account for surplus funds in FY 2014-15 that will be carried forward to FY 2015-16. | | | | | | | | | | | |

CON - Controller's Office

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|---|---|----|----------------------|-----------------|-----------|----|------------|------|----------------------|-----------------|-----------|----|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT |
| | From | To | From | To | | | Savings | From | To | From | | |
| FDG - Accounting Operations and Systems | | | | | | | | | | | | |
| Attrition Savings | | | (\$404,939) | (\$464,939) | \$60,000 | x | | | (\$418,722) | (\$478,722) | \$60,000 | x |
| Mandatory Fringe Benefits | | | (\$157,778) | (\$181,156) | \$23,378 | x | | | (\$158,531) | (\$181,247) | \$22,716 | x |
| | | | <i>Total Savings</i> | <i>\$83,378</i> | | | | | <i>Total Savings</i> | <i>\$82,716</i> | | |
| | <p>The Department's FY 2015-16 budget reduces General Fund attrition savings by \$274,414 to allow hire of new positions. The Department as increased salaries by \$4.4 million or 17.9 percent, from \$24.6 million in FY 2014-15 to \$29 million in FY 2015-16 to annualize new positions created in FY 2014-15 and add new positions in FY 2015-16. This recommendation leaves the Department sufficient funds to hire positions in FY 2015-16.</p> | | | | | | | | | | | |
| Training | | | \$-19,000 | \$10,000 | \$9,000 | x | | | \$19,000 | \$10,000 | \$9,000 | x |
| | <p>The Department did not provide sufficient justification or specific purpose of spending increase. The requested increase would nearly double existing training funding for Governmental Accounting Standards Board (GASB) training. However, GASB rules frequently change and have done so traditionally annually for several years. The existing training funding was adopted to address the training needs associated with these annual rule changes and has been sufficient. Additionally, the requested increase is not consistent with staffing increases and not consistent with the nature of upcoming changes in GASB rules and resulting training needs. The reduction of this increase would still allow for \$10,000 in normal expenditures and meet the ongoing training need.</p> | | | | | | | | | | | |
| Auditing and Accounting | | | \$-328,340 | \$199,636 | \$128,704 | x | | | \$-328,340 | \$199,636 | \$128,704 | x |
| | <p>The Department did not provide sufficient justification for spending increase. The increase would fund additional auditing services. The Department states that changes to Governmental Accounting Standards Board (GASB) require additional spending. However, updates to GASB rules are publicized several years in advance, uniform nation-wide, are well understood by financial auditing services, and more often than not involve minor re-definitions of financial terms and reporting. Requested increase is not substantiated by any known cost increases in auditing services. The reduction of this increase would still allow for \$199,636 in normal expenditures.</p> | | | | | | | | | | | |
| Professional & Specialized Services | | | \$125,000 | \$85,000 | \$40,000 | x | | | | | \$0 | |
| | <p>The requested increase would fund consulting services to update and develop training materials for the FAMIS financial system. However, FAMIS is being updated by the Financial System Replacement Project, set to be completed in two years. The reduction of this would still allow for \$85,000 in normal expenditures.</p> | | | | | | | | | | | |

CON - Controller's Office

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | |
|---|--|----|-------------|-------------|-----------|----|------------|------|----|--------|----|---------|----|-----|
| | FTE | | Amount | | Savings | GF | IT | FTE | | Amount | | Savings | GF | IT |
| | From | To | From | To | | | | From | To | From | To | | | |
| FDX - Financial System Project (FSP) | | | \$8,473,405 | \$8,240,513 | \$232,892 | x | x | | | | | | | \$0 |
| | <p>The department budgeted \$536,961 for furniture, fixtures and equipment for 13,185 square feet of leased office space to be used during implementation of a two-year Financial System Replacement project. This equates to \$40.73 per square foot, well above industry estimates for high-end furnishing at \$30 to \$37, making the department's furniture request well above high-end estimates. The furniture purchase is notably distinct from the planned tenant improvements budgeted at an additional \$1,240,505 for the two-year project.</p> <p>The office will house 31 permanent PCS staff, 8 limited duration staff, and 42 contractor staff. Of these 81 staff members, only 31 will remain after the two year project is complete. This equates to spending \$6,629 per person on high-end furnishings for a two year project, if all of the short-term and contractor staff is considered.</p> <p>The reduction of \$232,892 would result in spending a lower \$304,068 total. This is a sufficient amount to purchase medium-quality furnishings, without overspending on top-of-the line designer furniture.</p> | | | | | | | | | | | | | |

| | | FY 2015-16 | | | FY 2016-17 | | |
|-------------------------|--|------------------------------|------------------|------------------|------------------------------|------------------|------------------|
| | | Total Recommended Reductions | | | Total Recommended Reductions | | |
| | | One-Time | Ongoing | Total | One-Time | Ongoing | Total |
| General Fund | | \$331,602 | \$629,075 | \$960,677 | \$0 | \$634,138 | \$634,138 |
| Non-General Fund | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | | \$331,602 | \$629,075 | \$960,677 | \$0 | \$634,138 | \$634,138 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$1,108,294,754 budget for FY 2015-16 is \$165,721,412 or 17.6% more than the original FY 2014-15 budget of \$942,573,342.

Personnel Changes

There are no full-time equivalent (FTE) positions budgeted for FY 2015-16.

Revenue Changes

The Department's revenues of \$242,915,076 in FY 2015-16, are \$31,047,843 or 11.3% less than FY 2014-15 revenues of \$273,962,919. General Fund support totaling \$865,379,678 in FY 2015-16 is \$196,769,255 or 29.4% more than FY 2014-15 General Fund support of \$668,610,423.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$1,112,867,931 budget for FY 2016-17 is \$4,573,177 or 0.4% more than the Mayor's proposed FY 2015-16 budget of \$ 1,108,294,754.

Personnel Changes

There are no full-time equivalent (FTE) positions budgeted for FY 2016-17.

Revenue Changes

The Department's revenues of \$249,414,163 in FY 2016-17, are \$6,499,087 or 2.7% more than FY 2015-16 estimated revenues of \$242,915,076. General Fund support of \$861,337,987 in FY 2016-17 is \$4,041,691 or 0.5% less than FY 2015-16 General Fund support of \$865,379,678.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: GEN – GENERAL CITY RESPONSIBILITY

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$275,000 in FY 2015-16. Of the \$275,000 in recommended reductions, \$25,000 are ongoing savings and \$250,000 are one-time savings. These reductions would still allow an increase of \$165,446,412 or 17.6% in the Department's FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$25,000 in FY 2016-17. Of the \$25,000 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$4,548,177 or 0.4% in the Department's FY 2016-17 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: GEN – GENERAL CITY RESPONSIBILITY

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from | |
|--------------------------------------|------------------------|--------------------------|----------------------------|------------------|
| | | | FY 2014-2015 | FY 2015-2016 |
| CHILDREN'S BASELINE | 0 | 1,933,260 | 1,933,260 | 1,494,696 |
| GENERAL CITY RESPONSIBILITIES | 919,818,599 | 1,074,326,555 | 154,507,956 | (15,211,575) |
| INDIGENT DEFENSE/GRAND JURY | 625,000 | 475,000 | (150,000) | 0 |
| RETIREE HEALTH CARE - PROP B | 22,129,743 | 31,559,939 | 9,430,196 | 18,290,056 |
| GENERAL CITY RESPONSIBILITIES | 942,573,342 | 1,108,294,754 | 165,721,412 | 4,573,177 |

FY 2015-16

The Department's proposed FY 2015-16 budget has increased by \$165,721,412 largely due to the November 2014 voter approved Proposition B requiring an additional General Fund transfer to SFMTA based on population growth; funding for increases in the minimum wage; increases in funding to service providing community based organizations; growth in the Children's baseline transfer from the General Fund; continued funding to the JUSTIS project; replacement of the FAMIS accounting system; and, an increase in the amount set aside for the budget stabilization reserve.

FY 2016-17

The Department's proposed FY 2016-17 budget has increased by \$4,573,177 largely due to the November 2014 voter approved Proposition B requiring an additional General Fund transfer to SFMTA based on population growth; funding for increases in the minimum wage; increases in funding to service providing community based organizations; and, growth in the Children's baseline transfer from the General Fund.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$242,915,076 in FY 2015-16, are \$31,047,843 or 11.3% less than FY 2014-15 revenues of \$273,962,919. General Fund support totaling \$865,379,678 in FY 2015-16 is \$196,769,255 or 29.4% more than FY 2014-15 General Fund support of \$668,610,423.

FY 2016-17

The Department's revenues of \$249,414,163 in FY 2016-17, are \$6,499,087 or 2.7% more than FY 2015-16 revenues of \$242,915,076. General Fund support totaling \$861,337,987 in FY 2016-17 is \$4,041,691 or 0.5% less than FY 2015-16 General Fund support of \$865,379,678.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: _____ **GEN – GENERAL CITY RESPONSIBILITY**

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$275,000 in FY 2015-16. Of the \$275,000 in recommended reductions, \$25,000 are ongoing savings and \$250,000 are one time savings. These reductions would still allow an increase of \$165,446,412 or 17.6% in the Department’s FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$25,000 in FY 2016-17. Of the \$25,000 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$4,548,177 or 0.4% in the Department’s FY 2016-17 budget.

| GEN - General City Responsibility | | | | | | | | | | | | | |
|-----------------------------------|--|--------------|--------------|----|-----------|---------|------------|----|-----------|--------------|--------------|----------|---|
| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | GF 1T | Savings | |
| | From | To | From | To | | | From | To | From | To | | | |
| Court Fees & Other Compensation | | \$475,000 | \$450,000 | x | \$25,000 | x | | | \$475,000 | \$450,000 | x | \$25,000 | x |
| | Reduce funds set aside for indigent defense special appeals based on projected actual need. | | | | | | | | | | | | |
| | FCZ- General City Responsibilities | | | | | | | | | | | | |
| Unappropriated Fund Balance | | \$0 | (\$150,000) | x | \$150,000 | x | x | | | \$0 | | \$0 | x |
| | Close out unappropriated fund balance for programmatic budgets previously appropriated for the Budget Improvement Project in FY 2014-15. | | | | | | | | | | | | |
| Reserve for Litigation | | \$16,000,000 | \$15,900,000 | x | \$100,000 | x | x | | | \$11,000,000 | \$11,000,000 | \$0 | x |
| | Reduce litigation reserve to reflect historical expenditures and actual needs. | | | | | | | | | | | | |

FY 2015-16

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------------|-----------------|------------------|
| General Fund | \$250,000 | \$25,000 | \$275,000 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$250,000 | \$25,000 | \$275,000 |

FY 2016-17

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------|-----------------|-----------------|
| General Fund | \$0 | \$25,000 | \$25,000 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$0 | \$25,000 | \$25,000 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$76,534,535 budget for FY 2015-16 is \$783,341 or 1.0% more than the original FY 2014-15 budget of \$75,751,194.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 307.83 FTEs, which are 0.36 FTEs less than the 308.19 FTEs in the original FY 2014-15 budget. This represents a 0.1% decrease in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$64,864,440 in FY 2015-16 are \$305,124 or 0.5% less than FY 2014-15 revenues of \$65,169,564. General Fund support of \$11,670,095 in FY 2015-16 is \$1,088,465 or 10.3% more than FY 2014-15 General Fund support of \$10,581,630.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$78,126,660 budget for FY 2016-17 is \$1,592,125 or 2.1% more than the Mayor's proposed FY 2015-16 budget of \$76,534,535.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 307.77 FTEs, which are 0.06 FTEs less than the 307.83 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.0% change in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$65,215,525 in FY 2016-17 are \$351,085 or 0.5% more than FY 2015-16 estimated revenues of \$64,864,440. General Fund support of \$12,911,135 in FY 2016-17 is \$1,241,040 or 10.6% more than FY 2014-15 General Fund support of \$11,670,095.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CAT – CITY ATTORNEY

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$625,371 in FY 2015-16. Of the \$625,371 in recommended reductions, \$231,887 are ongoing savings and \$393,484 are one-time savings. These reductions would result in an increase of \$157,970 or 0.2% increase in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$238,268 in FY 2016-17. Of the \$238,268 in recommended reductions, all are ongoing. These reductions would still allow an increase of \$1,353,857 or 1.8% increase in the Department’s FY 2016-17 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CAT – CITY ATTORNEY

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|----------------------------|------------------------|--------------------------|--|--------------------------|--|
| CITY ATTORNEY | | | | | |
| CLAIMS | 6,531,960 | 6,567,780 | 35,820 | 6,709,689 | 141,909 |
| LEGAL SERVICE | 66,484,234 | 67,231,755 | 747,521 | 68,681,971 | 1,450,216 |
| LEGAL SERVICE-PAYING DEPTS | 2,735,000 | 2,735,000 | 0 | 2,735,000 | 0 |
| CITY ATTORNEY | 75,751,194 | 76,534,535 | 783,341 | 78,126,660 | 1,592,125 |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$783,341 primarily due to cost of living increases in salaries and benefits.

FY 2016-17

The Department’s proposed FY 2016-17 budget has increased by \$1,592,125 primarily due to cost of living increases in salaries and benefits.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 307.83 FTEs, which are 0.36 FTEs less than the 308.19 FTEs in the original FY 2014-15 budget. This represents a 0.1% decrease in FTEs from the original FY 2014-15 budget. The department does not have any new position requests but is requesting a large number of upward substitutions.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 307.77 FTEs, which are 0.06 FTEs less than the 307.83 FTEs in the Mayor’s proposed FY 2015-16 budget. This represents a 0.0% change in FTEs from the Mayor’s proposed FY 2015-16 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CAT – CITY ATTORNEY

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$64,864,440 in FY 2015-16 are \$305,124 or 0.5% less than FY 2014-15 revenues of \$65,169,564. General Fund support of \$11,670,095 in FY 2015-16 is \$1,088,465 or 10.3% more than FY 2014-15 General Fund support of \$10,581,630.

Specific changes in the Department's FY 2015-16 revenues include a decrease in intergovernmental revenues and expenditure recoveries and an increase in General Fund support.

FY 2016-17

The Department's revenues of \$65,215,525 in FY 2016-17 are \$351,085 or 0.5% more than FY 2015-16 estimated revenues of \$64,864,440. General Fund support of \$12,911,135 in FY 2016-17 is \$1,241,040 or 10.6% more than FY 2014-15 General Fund support of \$11,670,095.

Specific changes in the Department's FY 2016-17 revenues include an increase in expenditure recoveries and General Fund support.

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$625,371 in FY 2015-16. Of the \$625,371 in recommended reductions, \$231,887 are ongoing savings and \$393,484 are one-time savings. These reductions would result in an increase of \$157,970 or 0.2% increase in the Department's FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$238,268 in FY 2016-17. Of the \$238,268 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$1,353,857 or 1.8% increase in the Department's FY 2016-17 budget.

CAT - City Attorney

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|---------------------------|--|---------|---------------|---------------|-------------|-------|------------|---------|---------|---------------|---------------|-------------|---|
| | FTE | | Amount | | Savings | GF 1T | FTE | | Amount | | Savings | GF 1T | |
| | From | To | From | To | | | From | To | | | | | |
| Equipment- Vehicles | | | \$50,566 | \$0 | \$50,566 | x | x | | \$0 | \$0 | \$0 | x | |
| | Delete funding for two new vehicles that have not been sufficiently justified. Department has a total of 13 vehicles, 11 of which were purchased in 2013 to 2015. | | | | | | | | | | | | |
| Legal Secretary II | 12.00 | 11.00 | \$1,037,064 | \$950,642 | \$86,422 | x | x | 12.00 | 11.00 | \$1,072,364 | \$983,000 | \$89,364 | x |
| Mandatory Fringe Benefits | | | \$434,395 | \$398,195 | \$36,200 | x | x | 0.00 | 0.00 | \$437,378 | \$400,930 | \$36,448 | x |
| | | | Total Savings | \$122,622 | | | | | | Total Savings | \$125,812 | | |
| | Delete 1.00 FTE Legal Secretary II position as it has been vacant since August 2012. The Controller's Office projects a General Fund salary surplus in the City Attorney's FY 2014-15 budget of \$260,000. | | | | | | | | | | | | |
| Attrition Savings | (19.31) | (21.15) | (\$3,011,088) | (\$3,204,044) | \$192,956 | x | x | (19.31) | (19.31) | (\$3,113,137) | (\$3,113,137) | \$0 | x |
| Mandatory Fringe Benefits | | | (\$1,004,253) | (\$1,078,861) | \$74,608 | x | x | | | (\$1,002,211) | (\$1,002,211) | \$0 | x |
| | | | Total Savings | \$267,564 | | | | | | Total Savings | \$0 | | |
| | Increase attrition savings to reflect anticipated hiring dates for 1408 Principal Clerk (0.23 FTE increase), 1458 Legal Secretary I (0.23 FTE increase), 8113 Court Clerk (0.23 FTE increase), 1424 Clerk Typist (0.23 FTE increase), and 4 8177 Attorney (Civil/Criminal) (0.17 FTE increase for each). | | | | | | | | | | | | |
| | FA2- Claims | | | | | | | | | | | | |
| Attorney (Civil/Criminal) | 1.00 | 0.00 | \$187,425 | \$0 | \$187,425 | x | x | 1.00 | 0.00 | \$193,804 | \$0 | \$193,804 | x |
| Manager VI | 0.00 | 1.00 | \$0 | \$173,216 | (\$173,216) | x | x | 0.00 | 1.00 | \$0 | \$179,113 | (\$179,113) | x |
| Mandatory Fringe Benefits | | | \$59,225 | \$59,570 | (\$345) | x | x | 0.00 | 0.00 | \$58,977 | \$59,155 | (\$178) | x |
| | | | Total Savings | \$13,864 | | | | | | Total Savings | \$14,513 | | |
| | Deny upward substitution of 1.00 Manager VI to 1.00 Attorney (Civil Criminal). There are 5.00 FTE Attorney (Civil/Criminal) vacant positions, which can be utilized to meet anticipated needs. | | | | | | | | | | | | |
| Claims Process Clerk | 2.00 | 1.00 | \$129,952 | \$64,976 | \$64,976 | x | x | 2.00 | 1.00 | \$134,376 | \$67,188 | \$67,188 | x |
| Mandatory Fringe Benefits | | | \$60,850 | \$30,425 | \$30,425 | x | x | 0.00 | 0.00 | \$61,510 | \$30,755 | \$30,755 | x |
| | | | Total Savings | \$95,401 | | | | | | Total Savings | \$97,943 | | |
| | Delete 1.00 FTE as position has been vacant since 2012. The Controller's Office projects a General Fund salary surplus in the City Attorney's FY 2014-15 budget of \$260,000 | | | | | | | | | | | | |

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | |
|--|------------|--------|---------------|-------------|----------|----|------------|--------|--------|---------------|-------------|---------|----|----|
| | FTE | | Amount | | Savings | GF | 1T | FTE | | Amount | | Savings | GF | 1T |
| | From | To | From | To | | | | From | To | From | To | | | |
| Attrition Savings | (2.08) | (2.58) | (\$220,942) | (\$274,636) | \$53,694 | x | x | (2.08) | (2.08) | (\$228,324) | (\$228,324) | \$0 | x | x |
| Mandatory Fringe Benefits | | | (\$86,308) | (\$107,968) | \$21,660 | x | x | | | (\$86,463) | (\$86,463) | \$0 | x | x |
| | | | Total Savings | \$75,354 | | | | | | Total Savings | \$0 | | | |
| Increase attrition savings to reflect anticipated hiring date for 0.5 FTE Claims Investigator. | | | | | | | | | | | | | | |

FY 2015-16

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------------|------------------|------------------|
| General Fund | \$393,484 | \$231,887 | \$625,371 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$393,484 | \$231,887 | \$625,371 |

FY 2016-17

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------|------------------|------------------|
| General Fund | \$0 | \$238,268 | \$238,268 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$0 | \$238,268 | \$238,268 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$19,032,068 budget for FY 2015-16 is \$2,690,278 or 16.5 % more than the original FY 2014-15 budget of \$16,341,790.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 58.18 FTEs, which are 9.67 FTEs more than the 48.51 FTEs in the original FY 2014-15 budget. This represents a 19.9% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$416,117 in FY 2015-16 are \$451,560 or 52% less than FY 2014-15 revenues of \$867,677. General Fund support of \$18,615,951 in FY 2015-16 is \$3,141,838 or 20.3% more than the FY 2014-15 General Fund support of \$15,474,113.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$14,068,196 budget for FY 2016-17 is \$4,963,872 or 26.1% less than the Mayor's proposed FY 2015-16 budget of \$19,032,068.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 49.36 FTEs, which are 8.82 FTEs less than the 58.18 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 15.2% decrease in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$755,057 in FY 2016-17 are \$338,940 or 81.5% more than FY 2015-16 estimated revenues of \$416,117. General Fund support of \$13,313,139 in FY 2016-17 is \$5,302,812 or 28.5% less than FY 2015-16 General Fund support of \$18,615,951.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: REG – ELECTIONS

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$209,320 in FY 2015-16. Of the \$209,320 in recommended reductions, \$169,320 are ongoing savings and \$40,000 are one-time savings. These reductions would still allow an increase of \$2,480,958 or 15.2% in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$176,362 in FY 2016-17. Of the \$176,362 in recommended reductions, \$166,362 are ongoing savings and \$10,000 are one-time savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: REG – ELECTIONS

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|------------------|--------------------------------|----------------------------------|---|----------------------------------|---|
| ELECTIONS | | | | | |
| ELECTIONS | 16,341,790 | 19,032,068 | 2,690,278 | 14,068,196 | (4,963,872) |
| ELECTIONS | 16,341,790 | 19,032,068 | 2,690,278 | 14,068,196 | (4,963,872) |

FY 2015-16

The Department’s proposed FY 2015-16 budget will increase by \$2,690,278 largely due to:

- Two scheduled elections in FY 2015-16, a Municipal Election on November 3, 2015 and the Consolidated Presidential Primary Election on June 7, 2016, in contrast to only one election in FY 2014-15, the November 4, 2014 Consolidated General Election. Two elections result in increases in all election-related costs in FY 2015-16, including temporary staffing, payments to poll workers, printing, postage, professional services and Sheriff’s security costs.
- \$2,500,000 capital expenditures in FY 2014-15 was placed on Budget and Finance Committee Reserve to pay for the relocation of the Department’s warehouse from the Port’s property at Pier 48 and for related cost increases for additional warehouse rent, facilities and equipment, after the existing lease expires in December of 2015. The Port now indicates that Elections can likely remain at Pier 48 through the November 2016 elections, or an additional year. In addition, the Port may have available warehouse space for Elections at Pier 31 after that. The \$2,500,000 on Reserve will be carried forward as a continuing project fund for Elections.
- Additional costs to translate all materials into Tagalog, the third language, in addition to Spanish and Chinese, in accordance with the City’s Language Access Ordinance.
- Partially offset by consolidation of 576 polling locations to 420, a reduction of 156 locations for the November 3, 2015 Municipal Election. California Election Code Section 12241 allows the consolidation of polling locations only for municipal elections.

FY 2016-17

The Department’s proposed FY 2016-17 budget will decrease by \$4,963,872 largely due to:

- One scheduled election in FY 2016-17, a Presidential Election on November 8, 2016, in contrast to two elections in FY 2015-16, as noted above. This results in reductions in all election-related costs.
- The City’s existing Dominion Voting Systems, Inc. contract at a cost of \$12.6 million expires in December 2016, which was partially funded with federal and state grants. The

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: REG – ELECTIONS

Department does not anticipate available outside grants, such that City General Fund monies would be required to fund a new voting system. The Department anticipates issuing a Request for Information during the summer of 2015 and a Request for Proposals in early 2016 seeking formal bids for new voting equipment and services. As the Department has not yet determined the estimated costs, the proposed FY 2016-17 budget does not include any costs associated with leasing or purchasing new voting equipment or services.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 58.18 FTEs, which are 9.67 FTEs more than the 48.51 FTEs in the original FY 2014-15 budget. This represents a 19.9% increase in FTEs from the original FY 2014-15 budget.

The additional positions is due to an increase in temporary salaries resulting from two elections in FY 2015-16.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 49.36 FTEs, which are 8.82 FTEs less than the 58.18 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 15.2% decrease in FTEs from the Mayor's proposed FY 2015-16 budget.

The decrease in positions is due to a reduction of temporary salaries resulting from only one election in FY 2016-17.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues and recoveries of \$416,117 in FY 2015-16 are \$451,560 or 52% less than FY 2014-15 revenues and recoveries of \$867,677. General Fund support of \$18,615,951 in FY 2015-16 is \$3,141,838 or 20.3% more than the FY 2014-15 General Fund support of \$15,474,113.

Specific changes in the Department's FY 2015-16 revenues include:

- Increased revenues from candidate filing fees and paid ballot arguments from two elections in FY 2015-16 as compared to one election in FY 2014-15.
- These increases in revenues are more than offset by \$494,000 in reduced revenue recoveries from the Health Service System, San Francisco Unified School District and Bay Area Rapid Transit (BART) not having scheduled elections in FY 2015-16.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: _____ **REG – ELECTIONS**

FY 2016-17

The Department's revenues of \$755,057 in FY 2016-17 are \$338,940 or 81.5% more than FY 2015-16 estimated revenues of \$416,117. General Fund support of \$13,313,139 in FY 2016-17 is \$5,302,812 or 28.5% less than FY 2015-16 General Fund support of \$18,615,951.

Specific changes in the Department's FY 2016-17 revenues include:

- Reduced candidate filing fees and paid ballot arguments of \$70,000 due to one election scheduled in FY 2016-17 versus two elections in FY 2015-16.
- \$650,000 of revenue recoveries in FY 2016-17 from scheduled elections for the Community College District, BART, San Francisco Unified School District and the Retirement Board.

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$209,320 in FY 2015-16. Of the \$209,320 in recommended reductions, \$169,320 are ongoing savings and \$40,000 are one-time savings. These reductions would still allow an increase of \$2,480,958 or 15.2% in the Department's FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$176,362 in FY 2016-17. Of the \$176,362 in recommended reductions, \$166,362 are ongoing savings and \$10,000 are one-time savings.

REG - Department of Elections

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|---------------------------------|------------|--------|----------------------|-------------|------------------|----|------------|--------|----------------------|-------------|-----------------|----------|---------|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT | |
| | From | To | From | To | | | From | To | From | To | | | Savings |
| FCH - Elections | | | | | | | | | | | | | |
| Attrition Savings | (1.96) | (3.14) | (\$159,166) | (\$255,166) | \$96,000 | x | | (1.96) | (2.50) | (\$164,584) | (\$209,928) | \$45,344 | x |
| Mandatory Fringe Benefits | | | (\$68,508) | (\$109,828) | \$41,320 | x | | | | (\$69,028) | (\$88,046) | \$19,018 | x |
| | | | <i>Total Savings</i> | | <i>\$137,320</i> | | | | <i>Total Savings</i> | | <i>\$64,362</i> | | |
| Miscellaneous Facilities Rental | | | \$1,064,553 | \$1,024,553 | \$40,000 | x | x | | | | | | |
| Postage | | | \$907,847 | \$875,847 | \$32,000 | x | | | | \$579,930 | \$527,930 | \$52,000 | x |
| Advertising | | | | | | | | | | \$94,424 | \$84,424 | \$10,000 | x |
| GF-Sheriff | | | | | | | | | | \$270,000 | \$220,000 | \$50,000 | x |

FY 2015-16

| Total Recommended Reductions | | | |
|------------------------------|-----------------|------------------|------------------|
| One-Time | Ongoing | Total | |
| General Fund | \$40,000 | \$169,320 | \$209,320 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$40,000 | \$169,320 | \$209,320 |

FY 2016-17

| Total Recommended Reductions | | | |
|------------------------------|-----------------|------------------|------------------|
| One-Time | Ongoing | Total | |
| General Fund | \$10,000 | \$166,362 | \$176,362 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$10,000 | \$166,362 | \$176,362 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$10,849,111 budget for FY 2015-16 is \$874,380 or 8.8% more than the original FY 2014-15 budget of \$9,974,731.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 51.26 FTEs, which are 2.62 FTEs more than the 48.64 FTEs in the original FY 2014-15 budget. This represents a 5.4% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$10,849,111 in FY 2015-16, are \$874,380 or 8.8% more than FY 2014-15 revenues of \$9,974,731.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$10,865,513 budget for FY 2016-17 is \$16,402 or 0.2% more than the Mayor's proposed FY 2015-16 budget of \$10,849,111.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 51.49 FTEs, which are 0.23 FTEs more than the 51.26 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$10,865,513 in FY 2016-17, are \$16,402 or 0.2% more than FY 2015-16 estimated revenues of \$10,849,111.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HSS – HEALTH SERVICE SYSTEM

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$131,490 in FY 2015-16. Of the \$131,490 in recommended reductions, \$10,000 are ongoing savings and \$121,490 are one-time savings. These reductions would still allow an increase of \$742,890 or 7.4% in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$10,000 in FY 2016-17. Of the \$10,000 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$6,402 or 0.1% in the Department’s FY 2016-17 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HSS – HEALTH SERVICE SYSTEM

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|------------------------------|------------------------|--------------------------|--|--------------------------|--|
| HEALTH SERVICE SYSTEM | | | | | |
| HEALTH SERVICE SYSTEM | 9,974,731 | 10,849,111 | 874,380 | 10,865,513 | 16,402 |
| HEALTH SERVICE SYSTEM | 9,974,731 | 10,849,111 | 874,380 | 10,865,513 | 16,402 |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$874,380 largely due to:

- One-time funding to implement an Enterprise Content Management System that will allow digitization of member records and other documents.
- The expansion of the Well-Being Assessment to employees who have waived health coverage.
- A new workorder for Wellness classes with Recreation and Park and an increased workorder with the Department of Real Estate to reflect rent increases.
- The salary and fringe benefit costs associated with new positions proposed for FY 2015-16 and the annualization of new positions added in FY 2014-15.

FY 2016-17

The Department’s proposed FY 2016-17 budget has increased by \$16,402 largely due to:

- Annualization of the salary and fringe benefit costs for the new positions proposed in FY 2015-16 and cost of living increases.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HSS – HEALTH SERVICE SYSTEM

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 51.26 FTEs, which are 2.62 FTEs more than the 48.64 FTEs in the original FY 2014-15 budget. This represents a 5.4% increase in FTEs from the original FY 2014-15 budget.

The increase in FTEs is due to the annualization of new positions added during FY 2014-15 and new positions proposed for 2015-16.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 51.49 FTEs, which are 0.23 FTEs more than the 51.26 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.4% change in FTEs from the Mayor's proposed FY 2015-16 budget.

The increase of FTE positions is due to the annualization of positions proposed in FY 2015-16.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$10,849,111 in FY 2015-16 are \$874,380 or 8.8% more than FY 2014-15 revenues of \$9,974,731.

Specific changes in the Department's FY 2015-16 revenues include increases in expenditure recovery due to increases in services provided to other departments and an increase in Flexible Spending Account (FSA) forfeitures.

FY 2016-17

The Department's revenues of \$10,865,513 in FY 2016-17, are \$16,402 or 0.2% more than FY 2015-16 estimated revenues of \$10,849,111.

Specific changes in the Department's FY 2016-17 revenues include increases in expenditure recovery due to increases in services provided to other departments.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HSS – HEALTH SERVICE SYSTEM

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed FY 2015-16 budget total \$131,490. Of the \$131,490 in recommended reductions, \$10,000 are ongoing savings and \$121,490 are one-time savings. These reductions would still allow an increase of \$742,890 or 7.4% in the Department’s FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$10,000 in FY 2016-17. Of the \$10,000 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$6,402 or 0.1% in the Department’s FY 2016-17 budget.

HSS - Health Service System

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|--|------------|--------|-------------|-------------|----------|-------|------------|----|--------|----------|---------|-------|---|
| | FTE | | Amount | | Savings | GF 1T | FTE | | Amount | | Savings | GF 1T | |
| | From | To | From | To | | | From | To | From | To | | | |
| HSS - Electronic Content Management | | | | | | | | | | | | | |
| Equipment Purchase | | | \$85,000 | \$75,000 | \$10,000 | X | X | | | | | \$0 | |
| Reduce to reflect actual needs based on vendor quotes. | | | | | | | | | | | | | |
| Professional and Specialized Services | | | \$64,000 | \$60,000 | \$4,000 | X | X | | | | | \$0 | |
| Reduce to reflect actual needs based on vendor quotes. | | | | | | | | | | | | | |
| Other Current Expenses | | | \$146,000 | \$141,000 | \$5,000 | X | X | | | | | \$0 | |
| Reduce to reflect actual needs based on vendor quotes. | | | | | | | | | | | | | |
| HSS - HSS Administration | | | | | | | | | | | | | |
| Attrition Savings | (1.62) | (2.12) | (\$154,119) | (\$197,423) | \$43,304 | X | X | | | | | \$0 | |
| Mandatory Fringe Benefits | | | (\$62,755) | (\$80,941) | \$18,186 | X | X | | | | | \$0 | |
| <i>Total Savings \$61,490</i> | | | | | | | | | | | | | |
| Increase Attrition Savings to reflect expected hiring date of new 2594 Employee Assistance Counselor position and retirement date of a current 1.0 FTE 1210 Benefits Analyst position in FY 2015-16. | | | | | | | | | | | | | |
| Professional and Specialized Services | | | \$1,202,444 | \$1,197,444 | \$5,000 | X | X | | | | | \$0 | |
| Reduce to more accurately reflect expected costs of the proposed management training budget. | | | | | | | | | | | | | |
| HSS - Wellness Program | | | | | | | | | | | | | |
| Other Current Expenses | | | \$10,000 | \$0 | \$10,000 | X | | | | \$10,000 | | \$0 | X |
| Reduce to reflect lower printing costs resulting from increased online-only materials. This reduction still allows for an increase of \$5,000 in printing under the Employee Assistance Program. | | | | | | | | | | | | | |
| Professional and Specialized Services | | | \$426,040 | \$390,040 | \$36,000 | X | X | | | | | \$0 | |
| Reduce to reflect the actual cost of the Annual Wellness Challenge purchase as a group license for 35,000 participants. | | | | | | | | | | | | | |

FY 2015-16

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------------|-----------------|------------------|
| General Fund | \$61,960 | \$5,100 | \$67,060 |
| Non-General Fund | \$59,530 | \$4,900 | \$64,430 |
| Total | \$121,490 | \$10,000 | \$131,490 |

FY 2016-17

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|------------|-----------------|-----------------|
| General Fund | \$0 | \$5,100 | \$5,100 |
| Non-General Fund | \$0 | \$4,900 | \$4,900 |
| Total | \$0 | \$10,000 | \$10,000 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department’s proposed \$88,091,052 budget for FY 2015-16 is \$6,690,506 or 8.2% more than the original FY 2014-15 budget of \$81,400,546.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 151.12 FTEs, which are 7.84 FTEs more than the 143.28 FTEs in the original FY 2014-15 budget. This represents a 5.5% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department’s revenues of \$74,791,826 in FY 2015-16 are \$5,528,143 or 8.0% more than FY 2014-15 revenues of \$69,263,683. General Fund support of \$13,299,226 in FY 2015-16 is \$1,162,363 or 9.6% more than FY 2014-15 General Fund support of \$12,136,863.

YEAR TWO: FY 2016-17

Budget Changes

The Department’s proposed \$91,586,230 budget for FY 2016-17 is \$3,495,178 or 4.0% more than the Mayor’s proposed FY 2015-16 budget of \$88,091,052.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 159.53 FTEs, which are 8.41 FTEs more than the 151.12 FTEs in the Mayor’s proposed FY 2015-16 budget. This represents a 5.6% increase in FTEs from the Mayor’s proposed FY 2015-16 budget.

Revenue Changes

The Department’s revenues of \$76,570,646 in FY 2016-17 are \$1,778,820 or 2.4% more than FY 2015-16 estimated revenues of \$74,791,826. General Fund support of \$15,015,584 in FY 2016-17 is \$1,716,358 or 12.9% more than FY 2015-16 General Fund support of \$13,299,226.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HRD – HUMAN RESOURCES

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$206,040 in FY 2015-16. Of the \$206,040 in recommended reductions, \$171,893 are ongoing savings and \$34,147 are one-time savings. These reductions would still allow an increase of \$6,484,466 or 8.0% in the Department’s FY 2015-16 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended general fund encumbrances, which would allow the return of \$51,038 to the General Fund.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$274,173 in FY 2016-17. Of the \$274,173 in recommended reductions, \$180,513 are ongoing savings and \$93,660 are one-time savings. These reductions would still allow an increase of \$3,221,005 or 3.7% in the Department’s FY 2016-17 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HRD – HUMAN RESOURCES

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|----------------------------------|------------------------|--------------------------|--|--------------------------|--|
| HUMAN RESOURCES | | | | | |
| ADMINISTRATION | 1,304,940 | 2,000,259 | 695,319 | 2,032,841 | 32,582 |
| CLASS AND COMPENSATION | 348,796 | 497,082 | 148,286 | 507,819 | 10,737 |
| EMPLOYEE RELATIONS | 4,218,615 | 4,447,883 | 229,268 | 5,987,971 | 1,540,088 |
| EQUAL EMPLOYMENT OPPORTUNITY | 2,506,173 | 2,802,230 | 296,057 | 2,892,307 | 90,077 |
| RECRUIT/ ASSESS/ CLIENT SERVICES | 9,391,391 | 9,148,416 | (242,975) | 9,282,068 | 133,652 |
| WORKERS COMPENSATION | 62,497,246 | 66,676,533 | 4,179,287 | 69,749,323 | 3,072,790 |
| WORKFORCE DEVELOPMENT | 1,133,385 | 2,518,649 | 1,385,264 | 1,133,901 | (1,384,748) |
| HUMAN RESOURCES | 81,400,546 | 88,091,052 | 6,690,506 | 91,586,230 | 3,495,178 |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$6,690,506 largely due to:

- The continuation and expansion of the Personnel Analyst Development Program, which allows City department staff in the personnel analyst classification series to train in a dedicated program offered by the Human Resources Department.
- A one-year pilot of an expanded Senior Fellows program, which allows mid-career professionals to complete limited-term projects with City departments. The expanded program is based on a partnership between the Human Resources Department, sponsoring City departments, and the Mayor’s Office.
- The development and implementation of a new training program for City employees to build implicit bias awareness, in collaboration with the Human Rights Commission.
- The increase in the cost of Worker’s Compensation insurance.

FY 2016-17

The Department’s proposed FY 2016-17 budget has increased by \$3,495,178 largely due to:

- The increase in labor negotiation needs during FY 2016-17, including the hiring of temporary employees, in order to meet the anticipated service level responsible for negotiating all non-MTA labor contracts for City employees.
- The increase in the cost of Worker’s Compensation insurance.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HRD – HUMAN RESOURCES

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 151.12 FTEs, which are 7.84 FTEs more than the 143.28 FTEs in the original FY 2014-15 budget. This represents a 5.5% increase in FTEs from the original FY 2014-15 budget.

The increase in FTEs is due to new positions approved through supplemental appropriations between January 1 and June 30, 2015, the annualization of positions added in FY 2014-15, and the addition of the City's new Paid Parental Leave Consultant.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 159.53 FTEs, which are 8.41 FTEs more than the 151.12 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 5.6% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

The increase in FTEs is due to the annualization of positions proposed in 2015-16 and an increase in temporary and limited tenure employees in order to meet the anticipated FY 2016-17 service level responsible for negotiating all non-MTA labor contracts for City employees.

INTERIM EXCEPTIONS

The Department has requested approval of 14.0 positions as an interim exception. The Budget and Legislative Analyst recommends disapproval of these 14.0 positions as an interim exception because they do not meet a critical need of the department and therefore do not need to be hired on July 1, 2015.

- Although the recruitment process begins immediately in FY 2015-16, the Department has stated that the 4.0 FTE proposed 0922 Manager I positions will not be hired until September of 2015.
- The Department has stated that the 10.0 FTE proposed 1249 Personnel Trainee positions will not be hired until late September or early October of 2015 after a recruitment process that begins in August.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HRD – HUMAN RESOURCES

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$74,791,826 in FY 2015-16 are \$5,528,143 or 8.0% more than FY 2014-15 revenues of \$69,263,683. General Fund support of \$13,299,226 in FY 2015-16 is \$1,162,363 or 9.6% more than FY 2014-15 General Fund support of \$12,136,863

Specific changes in the Department's FY 2015-16 revenues include increases in expenditure recovery due to increases in services provided to other departments.

General Fund support has increased to pay for new and ongoing initiatives for which the Department is not recovering costs through work orders with other City departments, including the implicit bias training and the City Hall Fellows program.

FY 2016-17

The Department's revenues of \$76,570,646 in FY 2016-17 are \$1,778,820 or 2.4% more than FY 2015-16 estimated revenues of \$74,791,826. General Fund support of \$15,015,584 in FY 2016-17 is \$1,716,358 or 12.9% more than FY 2015-16 General Fund support of \$13,299,226.

Specific changes in the Department's FY 2016-17 revenues include increases in expenditure recovery due to increases in services provided to other departments.

General Fund support has increased to pay for the increase in labor negotiation needs during FY 2016-17, including the hiring of temporary and limited duration employees, in order to meet the anticipated service level responsible for negotiating all non-MTA labor contracts for City employees. General Fund support has also increased to pay for the ongoing initiatives for which the Department is not recovering costs through work orders with other City departments.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: HRD – HUMAN RESOURCES

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$206,040 in FY 2015-16. Of the \$206,040 in recommended reductions, \$171,893 are ongoing savings and \$34,147 are one-time savings. These reductions would still allow an increase of \$6,484,466 or 8.0% in the Department’s FY 2015-16 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended general fund encumbrances, which would allow the return of \$51,038 to the General Fund.

FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$274,173 in FY 2016-17. Of the \$274,173 in recommended reductions, \$180,513 are ongoing savings and \$93,660 are one-time savings. These reductions would still allow an increase of \$3,221,005 or 3.7% in the Department’s FY 2016-17 budget.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2015-16 and FY 2016-17 Two-Year Budget**

HRD - Human Resources

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | | |
|---|------------|--------|---------------|---------------|-------------|----------|------------|--------|-----------|---------------|------------|----|-----------|---|---|
| | FTE | | Amount | | GF | 1T | FTE | | Amount | | GF | 1T | | | |
| | From | To | From | To | | | From | To | From | To | | | Savings | | |
| Temporary Salaries | | | | | | | | | \$900,000 | \$806,340 | | | \$93,660 | X | X |
| Reduce to reflect actual needs. The Department has increased Temporary Salaries by \$700,000 in FY 2016-17 to pay for staff to support labor contract negotiations. In addition, the Department is proposing new limited tenure 1281 Senior Employee Relations Representatives to support these labor contract negotiations. The recommended reduction of \$93,660 is consistent with the Department's staffing plan and will provide sufficient resources for labor contract negotiations in FY 2016-17. | | | | | | | | | | | | | | | |
| Attrition Savings | (0.20) | (0.43) | (\$26,019) | (\$55,941) | \$29,922 | X | | (0.20) | (0.43) | (\$26,905) | (\$57,846) | | \$30,941 | X | |
| Mandatory Fringe Benefits | | | (\$9,268) | (\$19,926) | \$10,658 | X | | | | (\$9,245) | (\$19,877) | | \$10,632 | X | |
| | | | Total Savings | | | \$40,580 | | | | Total Savings | | | \$41,573 | | |
| Increase Attrition Savings by 0.23 FTE to more accurately reflect expected turnover. | | | | | | | | | | | | | | | |
| FAR - Workforce Development | | | | | | | | | | | | | | | |
| Programmatic Projects | | | \$1,405,085 | \$1,303,356 | \$101,729 | X | X | | | | | | | | |
| Expenditure Recovery | | | (\$1,405,085) | (\$1,303,356) | (\$101,729) | X | X | | | | | | | | |
| | | | Total Savings | | | \$0 | | | | Total Savings | | | \$0 | | |
| Reduce Programmatic Project budget to reflect expected September hire dates of 4.0 new 0922 Manager I positions in the Senior Fellows Program. These positions are funded through citywide workorders. | | | | | | | | | | | | | | | |
| FC5 - Recruit/Assess/Client Services | | | | | | | | | | | | | | | |
| Professional & Specialized Services | | | \$550,340 | \$450,340 | \$100,000 | X | | | | \$550,340 | \$450,340 | | \$100,000 | X | |
| Reduce to reflect historical departmental expenditures on Professional and Specialized Services in this program and anticipated expenditure needs in FY 2015-16. | | | | | | | | | | | | | | | |
| Ongoing savings. | | | | | | | | | | | | | | | |

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2015-16 and FY 2016-17 Two-Year Budget**

HRD - Human Resources

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|---|------------|--------|----------------------|------------|------------|----|------------|------|----------------------|-----------|----------|------------|---------|
| | FTE | | Amount | | GF | 1T | FTE | | Amount | | GF | 1T | |
| | From | To | From | To | | | From | To | From | To | | | Savings |
| FC8 - Equal Employment Opportunity | | | | | | | | | | | | | |
| EEO Programs Senior Specialist | 0.77 | 0.00 | \$88,569 | \$0 | \$88,569 | X | | 1.00 | 0.00 | \$118,941 | | \$118,941 | X |
| Mandatory Fringe Benefits | | | \$32,793 | \$0 | \$32,793 | X | | | | \$42,721 | | \$42,721 | X |
| EEO Programs Specialist | 0.00 | 0.77 | \$0 | \$69,864 | (\$69,864) | X | | 0.00 | 1.00 | \$0 | \$93,820 | (\$93,820) | X |
| Mandatory Fringe Benefits | | | \$0 | \$28,185 | (\$28,185) | X | | | | \$0 | \$36,902 | (\$36,902) | X |
| | | | <i>Total Savings</i> | \$23,313 | | | | | <i>Total Savings</i> | \$30,940 | | | |
| A new 1233 EEO Programs Specialist is recommended in the place of a proposed 1231 EEO Programs Senior Specialist to serve as the City's Paid Parental Leave Coordinator. The responsibilities and functions of the new position can be carried out by the 1233 classification. | | | | | | | | | | | | | |
| Attrition Savings | (0.26) | (0.43) | (\$29,915) | (\$45,339) | \$15,424 | X | X | | | | | | |
| Mandatory Fringe Benefits | | | (\$11,137) | (\$17,360) | \$6,223 | X | X | | | | | | |
| | | | <i>Total Savings</i> | \$21,647 | | | | | <i>Total Savings</i> | \$0 | | | |
| Increase Attrition Savings by 0.17 due to expected delay in hiring of new 1233 EEO Programs Specialist position. Recommendation calculation is contingent on acceptance of our recommendation to downward substitute 0.77 FTE 1231 EEO Programs Senior Specialist to 0.77 FTE 1233 EEO Programs Specialist. | | | | | | | | | | | | | |
| Training | | | \$37,418 | \$29,418 | \$8,000 | X | | | | \$37,418 | \$29,418 | \$8,000 | X |
| Reduce to reflect historical departmental expenditures on Equal Employment Opportunity training and anticipated expenditure needs in FY 2015-16. | | | | | | | | | | | | | |
| Programmatic Projects | | | \$150,000 | \$137,500 | \$12,500 | X | X | | | | | | |
| Reduce the number of implicit bias training sessions to 55 rather than 60 during the first year of the program given the needs for development and testing of the training content during FY 2015-16. | | | | | | | | | | | | | |

FY 2015-16

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|-----------------|------------------|------------------|
| General Fund | \$34,147 | \$171,893 | \$206,040 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$34,147 | \$171,893 | \$206,040 |

FY 2016-17

Total Recommended Reductions

| | One-Time | Ongoing | Total |
|------------------|-----------------|------------------|------------------|
| General Fund | \$93,660 | \$180,513 | \$274,173 |
| Non-General Fund | \$0 | \$0 | \$0 |
| Total | \$93,660 | \$180,513 | \$274,173 |

| Year | Department Code | Subfund Code | Vendor No | Vendor Name | Remaining Balance |
|------|-----------------|--------------|-----------|--|-------------------|
| 12 | HRD | 1GAGFAAA | 83748 | GENBOOK INC | 915.65 |
| 13 | HRD | 1GAGFAAA | 14492 | PERSONNEL DCSNS INTL DBA PDI NINTH HOUSE | 7,810.74 |
| 14 | HRD | 1GAGFAAA | 48471 | SHRED WORKS | 454.00 |
| 14 | HRD | 1GAGFAAA | 18151 | RICOH USA INC | 10.54 |
| 14 | HRD | 1GAGFAAA | C05807 | EXTREME PIZZA | 1,285.90 |
| 14 | HRD | 1GAGFAAA | 14492 | PERSONNEL DCSNS INTL DBA PDI NINTH HOUSE | 11,750.00 |
| | | | | Subtotal | 22,226.83 |
| 09 | HRD | 1GAGFAAP | 05052 | CITY COLLEGE OF SAN FRANCISCO | 28,811.00 |
| | | | | Subtotal | 28,811.00 |
| | | | | Total | 51,037.83 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$17,284,617 budget for FY 2015-16 is \$1,304,981 or 8.2% more than the original FY 2014-15 budget of \$15,979,636.

Personnel Changes

The number of full-time equivalent positions (FTEs) budgeted for FY 2015-16 is 61.13 FTEs, which is 0.56 FTEs less than the 61.69 FTEs in the original FY 2014-15 budget. This represents a .9% decrease in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$17,284,617 in FY 2015-16 are \$1,304,981 or 8.2% more than FY 2014-15 revenues of \$15,979,636. The Department does not receive General Fund support.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$17,499,459 budget for FY 2016-17 is \$214,842 or 1.2% more than the Mayor's proposed FY 2015-16 budget of \$17,284,617.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 61.08 FTEs, which are .05 FTEs less than the 61.13 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a .08% decrease in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$17,499,459 in FY 2016-17 are \$214,842 or 1.2% more than FY 2015-16 estimated revenues of \$17,284,617. The Department does not receive General Fund support.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ENV – ENVIRONMENT

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$343,396 in FY 2015-16. Of the \$343,396 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$961,585 or 6.0% in the Department’s FY 2015-16 budget.

The Budget and Legislative Analyst also recommends placing \$2,155,874 on Budget and Finance Committee Reserve.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$538,163 in FY 2016-17. Of the \$538,163 in recommended reductions, \$334,163 are ongoing savings and \$204,000 are one-time savings.

The Budget and Legislative Analyst also recommends placing \$1,982,874 on Budget and Finance Committee Reserve.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ENV – ENVIRONMENT

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|--|------------------------|--------------------------|--|--------------------------|--|
| ENVIRONMENT | | | | | |
| BIO-DIVERSITY | 0 | 63,166 | 63,166 | 63,166 | 0 |
| CLEAN AIR | 769,219 | 1,500,128 | 730,909 | 1,510,461 | 10,333 |
| CLIMATE CHANGE/ENERGY | 512,268 | 950,322 | 438,054 | 711,547 | (238,775) |
| ENVIRONMENT | 7,021,416 | 6,734,246 | (287,170) | 6,884,351 | 150,105 |
| ENVIRONMENT-OUTREACH | 14,547 | 430,388 | 415,841 | 640,652 | 210,264 |
| ENVIRONMENTAL JUSTICE / YOUTH EMPLOYMENT | 226,203 | 235,374 | 9,171 | 240,306 | 4,932 |
| GREEN BUILDING | 389,847 | 424,253 | 34,406 | 433,092 | 8,839 |
| RECYCLING | 5,377,295 | 5,332,876 | (44,419) | 5,376,386 | 43,510 |
| TOXICS | 1,618,463 | 1,538,608 | (79,855) | 1,562,442 | 23,834 |
| URBAN FORESTRY | 50,378 | 75,256 | 24,878 | 77,056 | 1,800 |
| ENVIRONMENT | 15,979,636 | 17,284,617 | 1,304,981 | 17,499,459 | 214,842 |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$1,304,981 largely due to increases in services and overhead required by new grants.

Specific changes in the Department’s FY 2015-16 budget include:

- Increased funding for professional and specialized services related to the Clean Air program.
- Increased funding for materials and supplies through the Air Travel Carbon Fund in the Climate Change/Energy Program.
- Increased funding for salaries and overhead in the Environment-Outreach program.
- Decreases in funding for overhead and salaries for the Environment program and for legal services from the City Attorney’s office for the Recycling program.

FY 2016-17

The Department’s proposed FY 2016-17 budget has increased by \$214,842 largely due to:

- Additional funding for professional services for its Clean Air and Environment-Outreach programs.
- Decreased funding for materials and supplies for its Climate Change-energy program, which reflects reassigning anticipated future funding from the Air Travel Carbon Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ENV – ENVIRONMENT

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 61.13 FTEs, which is .56 FTEs less than the 61.69 FTEs in the original FY 2014-15 budget. This represents a .9% decrease in FTEs from the original FY 2014-15 budget.

The decrease in FTEs is due to deletion of an off-budget position, reduction in temporary salaries, and technical adjustment.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 61.08 FTEs, which are .05 FTEs less than the 61.13 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a .08% decrease in FTEs from the Mayor's proposed FY 2015-16 budget.

This change is due to a decrease in temporary staff and increase in attrition savings.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$17,284,617 in FY 2015-16, are \$1,304,981 or 8.2% more than FY 2014-15 revenues of \$15,979,636. There is no General Fund support for this Department.

The Department attained new regional and state grant funding, as well as anticipated commitments from private businesses, mainly for the Clean Air, Climate Change/Energy, and Outreach programs.

Specific changes in the Department's FY 2015-16 revenues include:

- A new grant for work related to electrical vehicle charging systems in multi-unit dwellings.
- Increased funding for the Department's Air Travel Carbon Fund via new carbon offset commitments from private companies.
- An increase in the State CalRecycle grant, funded by the fee imposed on purchases of certain beverage containers and used to promote recycling in the city.
- A decrease in support from the San Francisco Transportation Authority for the Clean Air program.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ENV – ENVIRONMENT

FY 2016-17

The Department's revenues of \$17,499,459 in FY 2016-17, are \$214,282 or 1.2% more than FY 2015-16 estimated revenues of \$17,284,617. There is no General Fund support for this Department.

Specific changes in the Department's FY 2016-17 revenues include:

- Increased funding from the Solid Waste Impound Account Fee.
- Additional funding from the State CalRecycle grant.

RECOMMENDATIONS:

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$343,396 in FY 2015-16. Of the \$343,396 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$961,585 or 6.0% in the Department's FY 2015-16 budget.

The Budget and Legislative Analyst also recommends placing \$2,155,874 on Budget and Finance Committee Reserve.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$538,163 in FY 2016-17. Of the \$538,163 in recommended reductions, \$334,163 are ongoing savings and \$204,000 are one-time savings.

The Budget and Legislative Analyst also recommends placing \$1,982,874 on Budget and Finance Committee Reserve.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2014-15 and FY 2015-16 Two-Year Budget**

ENV - Department of the Environment

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|----------------------------------|---|------|----------------------|------------------|----------|---------|------------|------|----------------------|------------------|----------|-------|
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | Savings | GF 1T |
| | From | To | From | To | | | From | To | From | To | | |
| CIG - Environment | | | | | | | | | | | | |
| 1023 IS Administrator III | 0.60 | 0.00 | \$65,056 | \$0 | \$65,056 | | 0.60 | 0.00 | \$67,270 | \$0 | \$67,270 | |
| | 0.40 | 0.00 | \$43,371 | \$0 | \$43,371 | | 0.40 | 0.00 | \$44,487 | \$0 | \$44,487 | |
| Mandatory Fringe Benefits | 0.60 | 0.00 | \$25,096 | \$0 | \$25,096 | | 0.60 | 0.00 | \$25,254 | \$0 | \$25,254 | |
| | 0.40 | 0.00 | \$16,730 | \$0 | \$16,730 | | 0.40 | 0.00 | \$16,838 | \$0 | \$16,838 | |
| | | | <i>Total Savings</i> | <i>\$150,253</i> | | | | | <i>Total Savings</i> | <i>\$153,849</i> | | |
| | Delete long term vacant position. The Department projects a FY 2014-15 salary surplus of approximately \$400,000. | | | | | | | | | | | |
| 1840 Junior Management Assistant | 0.60 | 0.00 | \$43,281 | \$0 | \$43,281 | | 0.60 | 0.00 | \$44,753 | \$0 | \$44,753 | |
| | 0.40 | 0.00 | \$28,853 | \$0 | \$28,853 | | 0.40 | 0.00 | \$29,836 | \$0 | \$29,836 | |
| Mandatory Fringe Benefits | 0.60 | 0.00 | \$19,411 | \$0 | \$19,411 | | 0.60 | 0.00 | \$19,592 | \$0 | \$19,592 | |
| | 0.40 | 0.00 | \$12,942 | \$0 | \$12,942 | | 0.40 | 0.00 | \$13,063 | \$0 | \$13,063 | |
| | | | <i>Total Savings</i> | <i>\$104,487</i> | | | | | <i>Total Savings</i> | <i>\$107,244</i> | | |
| | Delete long term vacant position. The Department projects a FY 2014-15 salary surplus of approximately \$400,000. | | | | | | | | | | | |
| Other Materials and Supplies | | | \$75,000 | \$35,000 | \$40,000 | | | | \$45,000 | \$20,000 | \$25,000 | |
| | Reduce budget for data processing supplies based on historical expenditures. Department is underspending on materials and supplies in FY 2014-15 and has increased their materials and supplies budget in FY 2015-16. | | | | | | | | | | | |
| Other Materials and Supplies | | | \$6,000 | \$1,000 | \$5,000 | | | | \$3,265 | \$0 | \$3,265 | |
| | Reduce budget for minor furnishings based on historical expenditures. Department is underspending on materials and supplies in FY 2014-15 and has increased their materials and supplies budget in FY 2015-16. | | | | | | | | | | | |
| CIO - Clean Air | | | | | | | | | | | | |
| Other Materials and Supplies | | | \$17,318 | \$2,000 | \$15,318 | | | | \$17,318 | \$2,000 | \$15,318 | |
| | Reduce budget for materials and supplies based on historical expenditures. Department is underspending on materials and supplies in FY 2014-15 and has increased their materials and supplies budget in FY 2015-16. | | | | | | | | | | | |
| CIR - Green Building | | | | | | | | | | | | |
| Training | | | \$9,000 | \$2,000 | \$7,000 | | | | \$9,000 | \$2,000 | \$7,000 | |
| | Deny new funding and further reduce funding for training in this program. Department has a departmentwide surplus in training funds in FY 2014-15, including a surplus in this program. | | | | | | | | | | | |

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2014-15 and FY 2015-16 Two-Year Budget**

ENV - Department of the Environment

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|--|-------------------------------------|----------------------|------------------|------------|---|------------------|-------------------------------------|----------------------|------------------|------------------|-------------------|--|--|--|--|--|-------------------|--|--|--|--|--|--|--|-------------------------------------|--|--------------|--|--|--|-------------------------------------|--|--------------|--|-----------------|-----|----------------|-----|--------------|-----|-----------------|-----|----------------|-----|--------------|-----|---------------------|-----|--|-----------|------------------|-----|---------------------|-----------|--|-----------|------------------|-----|-------------------------|-----|--|-----------|------------------|-----|-------------------------|-----------|--|-----------|------------------|-----|--------------|------------|--|------------------|------------------|------------|--------------|------------------|--|------------------|------------------|------------------|
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | GF 1T | Savings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | From | To | From | To | | | From | To | From | To | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIU - Environment - Outreach | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5642 Senior Environmental Specialist | 0.20 | 0.00 | \$20,866 | \$0 | | \$20,866 | 0.20 | 0.00 | \$21,576 | \$0 | | \$21,576 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mandatory Fringe Benefits | 0.20 | 0.00 | \$8,250 | \$0 | | \$8,250 | 0.20 | 0.00 | \$8,310 | \$0 | | \$8,310 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5640 Environmental Specialist | 0.00 | 0.20 | \$0 | \$17,388 | | (\$17,388) | 0.00 | 0.20 | \$0 | \$17,928 | | (\$17,928) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mandatory Fringe Benefits | 0.00 | 0.20 | \$0 | \$7,459 | | (\$7,459) | 0.00 | 0.20 | \$0 | \$7,459 | | (\$7,459) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <i>Total Savings</i> | <i>\$4,268</i> | | | | | <i>Total Savings</i> | <i>\$4,498</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Deny proposed upward substitution for manager of Environment Now program to Senior Environmental Specialist. Position's current management and outreach responsibilities do not meet Department of Human Resources job specifications. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional & Specialized Services | | | | | | | | | \$204,000 | \$0 | | \$204,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Mistakenly included in Mayor's budget proposal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIU - Recycling | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5642 Senior Environmental Specialist | 0.80 | 0.00 | \$83,463 | \$0 | | \$83,463 | 0.80 | 0.00 | \$86,304 | \$0 | | \$86,304 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mandatory Fringe Benefits | 0.80 | 0.00 | \$32,998 | \$0 | | \$32,998 | 0.80 | 0.00 | \$33,236 | \$0 | | \$33,236 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5640 Environmental Specialist | 0.00 | 0.80 | \$0 | \$69,554 | | (\$69,554) | 0.00 | 0.80 | \$0 | \$71,714 | | (\$71,714) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mandatory Fringe Benefits | 0.00 | 0.80 | \$0 | \$29,838 | | (\$29,838) | 0.00 | 0.80 | \$0 | \$29,838 | | (\$29,838) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <i>Total Savings</i> | <i>\$17,070</i> | | | | | <i>Total Savings</i> | <i>\$17,989</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Deny proposed upward substitution for manager of Environment Now program to Senior Environmental Specialist. Position's current management and outreach responsibilities do not meet Department of Human Resources job specifications. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | <table border="1"> <tr> <td colspan="6">FY 2015-16</td> <td colspan="6">FY 2016-17</td> </tr> <tr> <td colspan="2"></td> <td colspan="2">Total Recommended Reductions</td> <td colspan="2">Total</td> <td colspan="2"></td> <td colspan="2">Total Recommended Reductions</td> <td colspan="2">Total</td> </tr> <tr> <td>One-Time</td> <td>\$0</td> <td>Ongoing</td> <td>\$0</td> <td>Total</td> <td>\$0</td> <td>One-Time</td> <td>\$0</td> <td>Ongoing</td> <td>\$0</td> <td>Total</td> <td>\$0</td> </tr> <tr> <td>General Fund</td> <td>\$0</td> <td></td> <td>\$343,396</td> <td>\$343,396</td> <td>\$0</td> <td>General Fund</td> <td>\$334,163</td> <td></td> <td>\$334,163</td> <td>\$538,163</td> <td>\$0</td> </tr> <tr> <td>Non-General Fund</td> <td>\$0</td> <td></td> <td>\$343,396</td> <td>\$343,396</td> <td>\$0</td> <td>Non-General Fund</td> <td>\$334,163</td> <td></td> <td>\$334,163</td> <td>\$538,163</td> <td>\$0</td> </tr> <tr> <td>Total</td> <td>\$0</td> <td></td> <td>\$343,396</td> <td>\$343,396</td> <td>\$0</td> <td>Total</td> <td>\$334,163</td> <td></td> <td>\$334,163</td> <td>\$538,163</td> <td>\$538,163</td> </tr> </table> | | | | | | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | | Total Recommended Reductions | | Total | | | | Total Recommended Reductions | | Total | | One-Time | \$0 | Ongoing | \$0 | Total | \$0 | One-Time | \$0 | Ongoing | \$0 | Total | \$0 | General Fund | \$0 | | \$343,396 | \$343,396 | \$0 | General Fund | \$334,163 | | \$334,163 | \$538,163 | \$0 | Non-General Fund | \$0 | | \$343,396 | \$343,396 | \$0 | Non-General Fund | \$334,163 | | \$334,163 | \$538,163 | \$0 | Total | \$0 | | \$343,396 | \$343,396 | \$0 | Total | \$334,163 | | \$334,163 | \$538,163 | \$538,163 |
| FY 2015-16 | | | | | | FY 2016-17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Total Recommended Reductions | | Total | | | | Total Recommended Reductions | | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| One-Time | \$0 | Ongoing | \$0 | Total | \$0 | One-Time | \$0 | Ongoing | \$0 | Total | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Fund | \$0 | | \$343,396 | \$343,396 | \$0 | General Fund | \$334,163 | | \$334,163 | \$538,163 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-General Fund | \$0 | | \$343,396 | \$343,396 | \$0 | Non-General Fund | \$334,163 | | \$334,163 | \$538,163 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$0 | | \$343,396 | \$343,396 | \$0 | Total | \$334,163 | | \$334,163 | \$538,163 | \$538,163 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2014-15 and FY 2015-16 Two-Year Budget**

ENV - Department of the Environment

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------|------------|--------------------|------------------------------|--------------------|---|--------------------|----|--------|-------------|-------|------------|---|--|--|------------|--|--|--|----------------------------|--|--|--|------------------------------|--|--|--|----------|---------|-------|--|----------|---------|-------|--|--------------|-----|-----|-----|--------------|-----|-----|-----|------------------|-------------|-----|-----|------------------|-------------|-----|-------------|--------------|--------------------|------------|--------------------|--------------|--------------------|------------|--------------------|
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | GF 1T | Savings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | From | To | From | To | | | From | To | From | To | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recommended Reserves | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIO - Clean Air | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional & Specialized Services | | | \$376,873 | | | | | | | \$376,873 | | | X | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recommend placing on Budget and Finance Committee reserve a portion of the proposed increase in funding for Professional & Specialized Services for the Clean Air program, pending additional explanation by the Department for uses of these new resources and how grant requires these dollars be expended. Expenditures for professional services is far less than other proposed additional funding. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIP - Climate Change/Energy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Materials and Supplies | | | \$324,721 | | | | | | | \$151,721 | | | X | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recommend placing the anticipated increase in funding for the Air Travel Carbon Fund from city and/or private businesses in reserve, pending additional explanation by the Department for uses of these resources and clarification on how much revenue is to be expected. Expenditures for materials and supplies related to Air Travel Carbon Fund in current fiscal year do not exceed \$6,000. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIS - Recycling | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Programmatic Projects-Budget | | | \$1,454,280 | | | | | | | \$1,454,280 | | | X | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recommend placing the full budget for Programmatic Projects on reserve, pending actual need and additional explanation. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | <table border="1"> <thead> <tr> <th colspan="4">FY 2015-16</th> <th colspan="4">FY 2016-17</th> </tr> <tr> <th colspan="4">Total Recommended Reserves</th> <th colspan="4">Total Policy Recommendations</th> </tr> <tr> <th>One-Time</th> <th>Ongoing</th> <th>Total</th> <th></th> <th>One-Time</th> <th>Ongoing</th> <th>Total</th> <th></th> </tr> </thead> <tbody> <tr> <td>General Fund</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>General Fund</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Non-General Fund</td> <td>\$2,155,874</td> <td>\$0</td> <td>\$0</td> <td>Non-General Fund</td> <td>\$1,982,874</td> <td>\$0</td> <td>\$1,982,874</td> </tr> <tr> <td>Total</td> <td>\$2,155,874</td> <td>\$0</td> <td>\$2,155,874</td> <td>Total</td> <td>\$1,982,874</td> <td>\$0</td> <td>\$1,982,874</td> </tr> </tbody> </table> | | | | | | FY 2015-16 | | | | FY 2016-17 | | | | Total Recommended Reserves | | | | Total Policy Recommendations | | | | One-Time | Ongoing | Total | | One-Time | Ongoing | Total | | General Fund | \$0 | \$0 | \$0 | General Fund | \$0 | \$0 | \$0 | Non-General Fund | \$2,155,874 | \$0 | \$0 | Non-General Fund | \$1,982,874 | \$0 | \$1,982,874 | Total | \$2,155,874 | \$0 | \$2,155,874 | Total | \$1,982,874 | \$0 | \$1,982,874 |
| FY 2015-16 | | | | FY 2016-17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Recommended Reserves | | | | Total Policy Recommendations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| One-Time | Ongoing | Total | | One-Time | Ongoing | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Fund | \$0 | \$0 | \$0 | General Fund | \$0 | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-General Fund | \$2,155,874 | \$0 | \$0 | Non-General Fund | \$1,982,874 | \$0 | \$1,982,874 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$2,155,874 | \$0 | \$2,155,874 | Total | \$1,982,874 | \$0 | \$1,982,874 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$40,583,251 budget for FY 2015-16 is \$3,761,838 or 10.2% more than the original FY 2014-15 budget of \$36,821,413.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 99.08 FTEs, which are 7.22 FTEs more than the 91.86 FTEs in the original FY 2014-15 budget. This represents a 7.9% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$13,834,380 in FY 2015-16, are \$2,926,254 or 17.5% less than FY 2014-15 revenues of \$16,760,634. General Fund support of \$26,748,871 in FY 2015-16 is \$6,688,092 or 33.3% more than FY 2014-15 General Fund support of \$20,060,779.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$38,968,399 budget for FY 2016-17 is \$1,614,852 or 4.0% less than the Mayor's proposed FY 2015-16 budget of \$40,583,251.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 100.19 FTEs, which are 1.11 FTE more than the 99.08 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 1.1% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$13,555,826 in FY 2016-17, are \$273,554 or 2.0% less than FY 2015-16 revenues of \$13,834,380. General Fund support of \$25,412,573 in FY 2016-17 is \$1,336,298 or 5.0% less than FY 2015-17 General Fund support of \$26,748,871.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,840,806 in FY 2015-16. Of the \$1,840,806 in recommended reductions, \$1,040,806 are ongoing savings and \$800,000 are one-time savings. These reductions would still allow an increase of \$1,921,032 or 5.2% in the Department's FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,269,169 in FY 2016-17. Of the \$1,269,169 in recommended reductions, \$1,122,682 are ongoing savings and \$146,487 are one-time savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 | FY 2015-2016 | Increase/ Decrease from | FY 2016-2017 | Increase/ Decrease from |
|---|-------------------|-------------------|----------------------------|-------------------|----------------------------|
| | Budget | Proposed | FY 2014-2015 | Proposed | FY 2015-2016 |
| ECONOMIC & WORKFORCE DEVELOPMENT | | | | | |
| CHILDREN'S BASELINE | 314,065 | 314,065 | 0 | 314,065 | 0 |
| ECONOMIC DEVELOPMENT | 15,385,760 | 13,126,610 | (2,259,150) | 11,645,347 | (1,481,263) |
| FILM SERVICES | 1,125,000 | 1,450,000 | 325,000 | 1,450,000 | 0 |
| FINANCE AND ADMINISTRATION | 0 | 1,174,875 | 1,174,875 | 1,263,982 | 89,107 |
| JOINT DEVELOPMENT | 0 | 2,252,009 | 2,252,009 | 2,273,691 | 21,682 |
| OFFICE OF SMALL BUSINESS | 891,470 | 896,707 | 5,237 | 912,896 | 16,189 |
| WORKFORCE TRAINING | 19,105,118 | 21,368,985 | 2,263,867 | 21,108,418 | (260,567) |
| ECONOMIC & WORKFORCE DEVELOPMENT | 36,821,413 | 40,583,251 | 3,761,838 | 38,968,399 | (1,614,852) |

FY 2015-16

The Department's proposed FY 2015-16 budget has increased by \$3,761,838 largely due to:

- Increased funding for OEWD's grants to community-based organizations. In addition to expanding existing programs, the new grants will launch two new Economic Development Initiatives: (1) The Neighborhood Asset Relief Buildings program and (2) the Small Business Disaster Recovery Fund.
- Eight new positions in the following programs: Economic Development, Film Services, Joint Development, and Finance & Administration.

FY 2016-17

The Department's proposed FY 2016-17 budget has decreased by \$1,614,852 largely due to:

- A decrease in OEWD's grants to community-based organizations, in particular in the Invest in Neighborhoods and Workforce Development sector programs.
- An expected decrease in charges for services from the Department of Technology.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 99.08 FTEs, which are 7.22 FTEs more than the 91.86 FTEs in the original FY 2014-15 budget. This represents a 7.9% increase in FTEs from the original FY 2014-15 budget.

- A new Junior Administrative Assistant to assist in processing film permit applications.
- A new Community Development Specialist to stimulate spending on local businesses.
- A new Community Development Specialist dedicated to helping small businesses through the City permitting process.
- Positions to provide employment and contract compliance services related to the Mayor's office of Housing and Community Development's Rental Assistance Demonstration (RAD) Program.
- A new Project Manager for the Invest in Neighborhoods team to manage projects in the Fillmore and Japantown.
- A new human resources manager for the Department, which has historically shared this function with the Mayor's Office.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 100.19 FTEs, which are 1.11 FTE more than the 99.08 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 1.1% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

- This is due to an additional Employment and Training Specialist to provide employment services for Phase 2 of the RAD project.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$13,834,380 in FY 2015-16, are \$2,926,254 or 17.5% less than FY 2014-15 revenues of \$16,760,634. General Fund support of \$26,748,871 in FY 2015-16 is \$6,688,092 or 33.3% more than FY 2014-15 General Fund support of \$20,060,779.

Specific changes in the Department's FY 2015-16 revenues include:

- A decrease in developer fees and federal grants

FY 2016-17

The Department's revenues of \$13,555,826 in FY 2016-17, are \$273,554 or 2.0% less than FY 2015-16 estimated revenues of \$13,834,380. General Fund support of \$25,412,573 in FY 2016-17 is \$1,336,298 or 5.0% less than FY 2015-17 General Fund support of \$26,748,871.

Specific changes in the Department's FY 2016-17 revenues include:

- A decrease in federal grants.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: ECN – ECONOMIC AND WORKFORCE DEVELOPMENT

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$1,840,806 in FY 2015-16. Of the \$1,840,806 in recommended reductions, \$1,040,806 are ongoing savings and \$800,000 are one-time savings. These reductions would still allow an increase of \$1,921,032 or 5.2% in the Department’s FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$1,269,169 in FY 2016-17. Of the \$1,269,169 in recommended reductions, \$1,122,682 are ongoing savings and \$146,487 are one-time savings.

ECN - Economic and Workforce Development

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|--|---|------|---------------|-------------|-------|-----------|------------|---------------|-------------|-------------|-----------|-----------|---|
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | GF 1T | Savings | |
| | From | To | From | To | | | From | To | From | To | | | |
| PROFESSIONAL & SPECIALIZED SERVICES | | | \$200,000 | \$180,000 | X | \$20,000 | | | \$200,000 | \$180,000 | | \$20,000 | X |
| | Reduce this item to reflect historical underspending on one of the contracts in this line. | | | | | | | | | | | | |
| COMMUNITY BASED ORGANIZATION SVCS-BUDGET | | | \$5,545,000 | \$5,045,000 | X | \$500,000 | X | | \$4,691,487 | \$4,545,000 | | \$146,487 | X |
| | Reduce to reflect historical spending. The Department budgeted \$12.9 million for grants to community based organizations in FY 2013-14 and FY 2014-15, but only spent \$8.4 million in FY 2013-14 and is projected to spend approximately \$8.6 million in FY 2014-15. The Mayor's budget increased grants to community based organizations by \$4.6 million, from \$12.9 million in FY 2014-15 to \$17.5 million in FY 2015-16. | | | | | | | | | | | | |
| Attrition Savings | | | (\$117,965) | (\$187,965) | X | \$70,000 | X | | (\$121,981) | (\$191,981) | | \$70,000 | X |
| Mandatory Fringe Benefits | | | (\$45,981) | (\$73,266) | X | \$27,285 | X | | (\$46,061) | (\$72,494) | | \$26,433 | X |
| | | | Total Savings | | | \$97,285 | | Total Savings | | | \$96,433 | | |
| | Increase attrition savings to account for currently vacant positions. The Department has a projected salary surplus in FY 2014-15 of \$211,338, but has reduced attrition savings by \$70,190 in FY 2015-16 to allow for increased hiring. The Department has also requested six new positions in this fund for which the Budget and Legislative Analyst is recommending approval of four new positions and disapproval of two new positions. | | | | | | | | | | | | |
| Senior Community Dev Specialist I | 0.77 | 0.00 | \$75,150 | \$0 | X | \$75,150 | X | 1.00 | 0.00 | \$100,919 | \$0 | \$100,919 | X |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$30,190 | \$0 | X | \$30,190 | X | 0.00 | 0.00 | \$39,415 | \$0 | \$39,415 | X |
| | | | Total Savings | | | \$105,340 | | Total Savings | | | \$140,334 | | |
| | Delete one new position. The Department requested this position to facilitate the City's permitting process for new restaurant owners. The Department of Public Health (DPH) is responsible for restaurant permitting. While the number of restaurant permits in the City increased over six years from 214 in 2007 to 536 in 2013, MOEWD has not shown that delays or other problems have occurred in the DPH permitting process that require MOEWD to add a new position to facilitate the process. | | | | | | | | | | | | |

ECN - Economic and Workforce Development

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|--|---|------|---------------|-------------|-------|-----------|------------|------|---------------|-------------|-------|-----------|
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | GF 1T | Savings |
| | From | To | From | To | | | From | To | From | To | | |
| Community Development Specialist | 0.77 | 0.00 | \$64,926 | \$0 | X | \$64,926 | 1.00 | 0.00 | \$87,190 | \$0 | X | \$87,190 |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$27,441 | \$0 | X | \$27,441 | 0.00 | 0.00 | \$35,890 | \$0 | X | \$35,890 |
| | | | Total Savings | | | \$92,367 | | | Total Savings | | | \$123,080 |
| | Delete one new position. This position would conduct a marketing campaign to stimulate spending on local businesses. However, the Department has not shown that such stimulus is necessary. Local business spending, as captured by the City's sales tax revenue, has increased by \$55 million between FY 2010-11 to FY 2014-15 (projected). | | | | | | | | | | | |
| | PGM - WORKFORCE TRAINING | | | | | | | | | | | |
| COMMUNITY BASED ORGANIZATION SVCS-BUDGET | | | \$3,390,049 | \$2,890,049 | X | \$500,000 | | | \$3,290,049 | \$2,790,049 | | \$500,000 |
| | Reduce to reflect historical spending. The Department budgeted \$12.9 million for grants to community based organizations in FY 2013-14 and FY 2014-15, but only spent \$8.4 million in FY 2013-14 and is projected to spend approximately \$8.6 million in FY 2014-15. The Mayor's budget increased grants to community based organizations by \$4.6 million, from \$12.9 million in FY 2014-15 to \$17.5 million in FY 2015-16. | | | | | | | | | | | |
| | PGM - CHILDREN'S BASELINE | | | | | | | | | | | |
| WORKFORCE DEVELOPMENT-CHILDRENS BASELINE | | | \$314,065 | \$180,000 | X | \$134,065 | | | \$314,065 | \$180,000 | | \$134,065 |
| | Reduce this item to reflect historical underspending. The budget for this item in FY 2013-14 was \$314,065 and actual spending was \$0.00 or 0%. In FY 2014-15 the budget was \$314,065 and spending was \$179,845 or 57.3%. Reducing the FY 2015-16 budget to \$180,000 is consistent with FY 2014-15 projected expenditures. | | | | | | | | | | | |
| | PGM - FILM SERVICES | | | | | | | | | | | |
| Junior Administrative Analyst | 0.77 | 0.00 | \$52,142 | \$0 | X | \$52,142 | 1.00 | 0.00 | \$70,022 | \$0 | X | \$70,022 |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$23,996 | \$0 | X | \$23,996 | 0.00 | 0.00 | \$31,482 | \$0.00 | X | \$31,482 |
| | | | Total Savings | | | \$76,138 | | | Total Savings | | | \$101,504 |
| | Delete one new position. Based on the number of film production entities and film permit revenue, the workload for the Film Commission is not increasing. The Commission already has two 1822s to process film permit applications. | | | | | | | | | | | |

ECN - Economic and Workforce Development

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|---|------------|------|-----------|-----------|-------|----------------------|------------|------|--------|-----------|-----------|-------------|
| | FTE | | Amount | | GF 1T | Savings | FTE | | Amount | | GF 1T | Savings |
| | From | To | From | To | | | From | To | From | To | | |
| INVESTMENT EXP.(AGAINST INVESTMENT INC.) | | | \$800,000 | \$500,000 | X | \$300,000 | X | | | | | \$0 |
| The Film Rebate program currently has a fund balance of \$373,658. The proposed reduction would give the Film Rebate program funds of \$873,658 (\$500,000 in new appropriation plus \$373,658 carry forward) which is consistent with expenditures of \$831,000 in FY 2014-15. | | | | | | | | | | | | |
| PGM - FINANCE AND ADMINISTRATION | | | | | | Total Savings | | | | | | \$0 |
| Manager 1 | 0.77 | 0.00 | \$92,749 | \$0 | X | \$92,749 | X | 1.00 | 0.00 | \$124,553 | \$0 | \$124,553 |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$37,802 | \$0 | X | \$37,802 | X | 0.00 | 0.00 | \$35,890 | \$0.00 | \$35,890 |
| Senior Personnel Analyst | 0.00 | 0.77 | \$0 | \$83,489 | X | (\$83,489) | X | 0.00 | 1.00 | \$0 | \$112,118 | (\$112,118) |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$0 | \$31,451 | X | (\$31,451) | X | 0.00 | 0.00 | \$0 | \$41,059 | (\$41,059) |
| Total Savings | | | | | | Total Savings | | | | | | \$7,266 |
| Substitute one new Senior Personnel Analyst for one new requested Manager I to oversee the Department's human resources functions. The Department has shared this function with the Mayor's Office but has requested additional help to support increased staffing. This recommendation would give the Department one new human resources position while continuing to share management of human resources functions with Mayor's Office. | | | | | | | | | | | | |

FY 2015-16

| Total Recommended Reductions | | |
|------------------------------|--------------------|--------------------|
| One-Time | Ongoing | Total |
| \$800,000 | \$1,040,806 | \$1,840,806 |
| General Fund | \$0 | \$0 |
| Non-General Fund | \$0 | \$0 |
| Total | \$1,040,806 | \$1,840,806 |

FY 2016-17

| Total Recommended Reductions | | |
|------------------------------|--------------------|--------------------|
| One-Time | Ongoing | Total |
| \$146,487 | \$1,122,682 | \$1,269,169 |
| General Fund | \$0 | \$0 |
| Non-General Fund | \$0 | \$0 |
| Total | \$1,122,682 | \$1,269,169 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department’s proposed \$40,888,727 budget for FY 2015-16 is \$2,537,115 or 6.6% more than the original FY 2014-15 budget of \$38,351,612.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 183.51 FTEs, which are 13.25 FTEs more than the 170.26 FTEs in the original FY 2014-15 budget. This represents a 7.8% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$38,783,637 in FY 2015-16, are \$2,804,650 or 7.8% more than FY 2014-15 revenues of \$35,978,987. General Fund support of \$2,105,090 in FY 2015-16 is \$267,535 or 11.3% less than FY 2014-15 General Fund support of \$2,372,625.

YEAR TWO: FY 2016-17

Budget Changes

The Department’s proposed \$40,603,089 budget for FY 2016-17 is \$285,638 or 0.7% less than the Mayor’s proposed FY 2015-16 budget of \$40,888,727.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 194.69 FTEs, which are 11.18 FTEs more than the 183.51 FTEs in the Mayor’s proposed FY 2015-16 budget. This represents a 6.1% increase in FTEs from the Mayor’s proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$38,217,677 in FY 2016-17, are \$565,960 or 1.5% less than FY 2015-16 estimated revenues of \$38,783,637. General Fund support of \$2,385,412 in FY 2016-17 is \$280,322 or 13.3% more than FY 2015-16 General Fund support of \$2,105,090.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CPC– CITY PLANNING

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$563,918 in FY 2015-16. Of the \$563,918 in recommended reductions, \$252,480 are ongoing savings and \$311,438 are one-time savings. These reductions would still allow an increase of \$1,973,197 or 5.1% in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$332,565 in FY 2016-17. Of the \$332,565 in recommended reductions, all are ongoing savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CPC– CITY PLANNING

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|--------------------------------------|------------------------|--------------------------|--|--------------------------|--|
| CITY PLANNING | | | | | |
| ADMINISTRATION/PLANNING | 10,627,576 | 13,303,866 | 2,676,290 | 12,273,593 | (1,030,273) |
| CITYWIDE PLANNING | 8,550,369 | 10,308,118 | 1,757,749 | 9,309,500 | (998,618) |
| CURRENT PLANNING | 10,982,280 | 8,476,874 | (2,505,406) | 9,933,776 | 1,456,902 |
| ENVIRONMENTAL PLANNING | 6,114,136 | 6,330,307 | 216,171 | 6,463,168 | 132,861 |
| ZONING ADMINISTRATION AND COMPLIANCE | 2,077,251 | 2,469,562 | 392,311 | 2,623,052 | 153,490 |
| CITY PLANNING | 38,351,612 | 40,888,727 | 2,537,115 | 40,603,089 | (285,638) |

FY 2015-16

The Department’s proposed FY 2015-16 budget has increased by \$2,537,115 largely due to the addition of new staff and one-time projects.

Due to the population growth in recent years, the Planning Department’s caseload has increased significantly and the projects the Department processes have increased in complexity. The Department has experienced a 38 percent growth in planning applications and building permits over the past five years, and the Department expects the same level of planning cases and building permit application volumes in FY 2015-16 as FY 2014-15. The Department seeks to increase efficiencies and reduce processing time delays.

In coordination with the Department of Building Inspection, the Planning Department is currently implementing the new Permit and Project Tracking System, which will consolidate multiple existing systems into one citywide permitting system, allowing City departments to share data. The system is scheduled to go live to the public at the end of FY 2014-15 with continued enhancements anticipated throughout FY 2015-16. Also, the Citywide Planning Division is implementing a five-year work program to improve services.

FY 2016-17

The Department’s proposed FY 2016-17 budget will decrease by \$285,638 from the proposed FY 2015-16 budget largely due to the expiration of one-time project funding. However, salaries are still increasing by \$1,908,379 from the previous year, primarily due to the annualization of new positions proposed for FY 2015-16.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CPC– CITY PLANNING

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 183.51 FTEs, which are 13.25 FTEs more than the 170.26 FTEs in the original FY 2014-15 budget. This represents a 7.8% increase in FTEs from the original FY 2014-15 budget.

The Department is requesting 6.54 new FTEs in the Citywide Planning Division and 3.85 new FTEs in the Environmental Planning Division. The Department is also requesting 2.31 FTEs in the Zoning and Compliance Division due to the creation of the Office of Short-Term Rentals.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 194.69 FTEs, which are 11.18 FTEs more than the 183.51 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 6.1% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

The increase is primarily due to the annualization of new positions proposed in FY 2015-16.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$38,783,637 in FY 2015-16, are \$2,804,650 or 7.8% more than FY 2014-15 revenues of \$35,978,987. General Fund support of \$2,105,090 in FY 2015-16 is \$267,535 or 11.3% less than FY 2014-15 General Fund support of \$2,372,625.

Specific changes in the Department's FY 2015-16 revenues include increases in charges for services due to the increases in permit applications and business license issuance, decreases in Federal and State funding, and decreases in other revenue and General Fund support.

FY 2016-17

The Department's revenues of \$38,217,677 in FY 2016-17, are \$565,960 or 1.5% less than FY 2015-16 estimated revenues of \$38,783,637. General Fund support of \$2,385,412 in FY 2016-17 is \$280,322 or 13.3% more than FY 2015-16 General Fund support of \$2,105,090.

Specific changes in the Department's FY 2016-17 revenues include increases in Federal funding, decreases in State and other revenues, and increases in charges for services and General Fund support.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: CPC– CITY PLANNING

File 15-0566 and File 15-0571

File No. 15-0566 is an ordinance amending the Administrative Code to eliminate the \$53 Installation Agreement Processing Fee and the \$436 Refund Processing Fee from the California Environmental Quality Act procedures and fees.

File No. 15-0571 is an ordinance amending the Planning and Building Codes to waive fees related to granting legal status to dwelling units constructed without required permits. Currently the Department charges administrative fees for review of building permit applications. The proposed ordinance would waive permit application fees for review of permit applications that seek to legalize secondary dwelling units until January 1, 2020.

Projected revenue decreases for FY 2015-16 are based on the proposed fee ordinance as follows:

| File No. | Fee Description | FY 2014-15 Projected Revenue | Change in FY 2015-16 |
|-----------------|---|---|---------------------------------|
| 15-0566 | Admin Code- CEQA Procedures and Fees (Installment Agreements) | \$62 | (\$62) |
| 15-0566 | Admin Code- CEQA Procedures and Fees (Refunds) | \$2,285 | (\$2,285) |
| 15-0571 | Planning, Building Codes- Fee Waiver for Legalization of Secondary Dwelling Units | \$52,000 | (\$52,000) |
| Total | | \$54,347 | (\$54,347) |

Recommendation: Approval of the proposed fee elimination resolution is a policy matter for the Board of Supervisors.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: _____ **CPC– CITY PLANNING**

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$563,918 in FY 2015-16. Of the \$563,918 in recommended reductions, \$252,480 are ongoing savings and \$311,438 are one-time savings. These reductions would still allow an increase of \$1,973,197 or 5.1% in the Department’s FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$332,565 in FY 2016-17. Of the \$332,565 in recommended reductions, all are ongoing savings.

CPC - City Planning

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|-------------------------------------|---|--------|----------------------|------------|-----------|----|------------|------|-----------|----------------------|----------|-----------|---------|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT | |
| | From | To | From | To | | | From | To | From | To | | | Savings |
| FEF- Administration | | | | | | | | | | | | | |
| Materials and Supplies- Budget Only | | | \$115,000 | \$100,000 | \$15,000 | x | | | \$135,000 | \$120,000 | \$15,000 | x | |
| | Reduce budgeted expenditures to reflect historical expenditures. | | | | | | | | | | | | |
| Other Current Expenses | | | \$8,000 | \$7,000 | \$1,000 | x | | | \$8,248 | \$7,000 | \$1,248 | x | |
| | Reduce budgeted expenditures for Credit Card Processing Fees to reflect current year's budget. Department has not provided sufficient justification for the increase. | | | | | | | | | | | | |
| Other Current Expenses | | | \$102,908 | \$97,000 | \$5,908 | x | | | \$106,098 | \$97,000 | \$9,098 | x | |
| | Reduce budgeted expenditures for Advertising that have not been sufficiently justified and to reflect historical spending. Department's actuals are projected to be \$97,000 in FY 2014-15. | | | | | | | | | | | | |
| Equipment Purchase Budget | | | \$47,850 | \$35,234 | \$12,616 | x | x | | | | | | |
| | Reduce budgeted expenditures that have not been sufficiently justified. The Department has only provided justification for the purchase of three of four requested new projectors and accessories. | | | | | | | | | | | | |
| Attrition Savings | (0.62) | (0.85) | (\$63,986) | (\$87,723) | \$23,737 | x | x | | | | | | |
| Mandatory Fringe Benefits | 0.00 | 0.00 | (\$25,257) | (\$34,627) | \$9,370 | x | x | | | | | | |
| | | | <i>Total Savings</i> | | \$33,106 | | | | | | | | |
| | Increase attrition savings by 0.23 FTEs to reflect anticipated hiring date for 1.00 FTE 5277 Planner I. | | | | | | | | | | | | |
| FAH - Citywide planning | | | | | | | | | | | | | |
| Planner III | 0.77 | 0.00 | \$83,099 | \$0 | \$83,099 | x | | 1.00 | 0.00 | \$111,595 | \$0 | \$111,595 | x |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$32,101 | 0.00 | \$32,101 | x | | 0.00 | 0.00 | \$41,964 | \$0 | \$41,964 | x |
| One-day adjustment - Misc | 0.00 | 0.00 | \$171 | 0.00 | \$171 | x | | 0.00 | 0.00 | \$107 | \$0 | \$107 | x |
| | | | <i>Total Savings</i> | | \$115,371 | | | | | <i>Total Savings</i> | | \$153,666 | |
| | Deny the creation of a new 0.77 5291 Planner III position due to insufficient justification. There are currently 4.64 FTE 5291 Planner III vacant positions, which can be utilized to meet anticipated needs. | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

CPC - City Planning

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|--|------------|--------|-------------|---------------|----------------------|-------|------------|------|-----------|-----|-----------|-------|-----------|
| | FTE | | Amount | | Savings | GF 1T | FTE | | Amount | | Savings | GF 1T | |
| | From | To | From | To | | | From | To | From | To | | | |
| FDP - Current Planning | | | | | | | | | | | | | |
| Planner III | 0.77 | 0.00 | \$83,099 | \$0 | \$83,099 | x | 1.00 | 0.00 | \$111,594 | \$0 | \$111,594 | x | |
| Mandatory Fringe Benefits | 0.00 | 0.00 | \$32,102 | \$0 | \$32,102 | x | 0.00 | 0.00 | \$41,959 | \$0 | \$41,959 | x | |
| <i>Total Savings</i> | | | | \$115,201 | <i>Total Savings</i> | | | | | | | | \$153,553 |
| Deny creation of new position due to insufficient justification. There are currently 2.00 FTE vacant Planner III positions in Current Planning, which can be utilized to meet anticipated needs. | | | | | | | | | | | | | |
| Attrition Savings | (9.12) | (9.75) | (\$930,124) | (\$1,003,991) | \$73,867 | x | | | | | | | |
| Mandatory Fringe Benefits | | | (\$367,288) | (\$394,263) | \$26,975 | x | | | | | | | |
| <i>Total Savings</i> | | | | \$100,842 | | | | | | | | | |
| Increase attrition savings to reflect anticipated hiring dates for 1406 Senior Clerk (increase of 0.23 FTE) and 5283 Planner V (increase of 0.4 FTE). | | | | | | | | | | | | | |
| FFP - Environmental | | | | | | | | | | | | | |
| Attrition Savings | (0.95) | (1.95) | (\$102,656) | (\$221,260) | \$118,604 | x | | | | | | | |
| Mandatory Fringe Benefits | | | (\$39,772) | (\$86,042) | \$46,270 | x | | | | | | | |
| <i>Total Savings</i> | | | | \$164,874 | | | | | | | | | |
| Increase attrition savings to reflect anticipated hiring dates of Manager II (increase by 0.50 FTE) and Planner III Environmental Review (increase by 0.50 FTE). | | | | | | | | | | | | | |

FY 2015-16

| Total Recommended Reductions | | |
|------------------------------|------------------|------------------|
| One-Time | Ongoing | Total |
| General Fund | \$311,438 | \$252,480 |
| Non-General Fund | \$0 | \$0 |
| Total | \$311,438 | \$252,480 |

FY 2016-17

| Total Recommended Reductions | | |
|------------------------------|------------|------------------|
| One-Time | Ongoing | Total |
| General Fund | \$0 | \$332,565 |
| Non-General Fund | \$0 | \$0 |
| Total | \$0 | \$332,565 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$39,398,581 budget for FY 2015-16 is \$795,123 or 2.0% less than the original FY 2014-15 budget of \$40,193,704.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 220.88 FTEs, which are 4.88 FTEs less than the 225.76 FTEs in the original FY 2014-15 budget. This represents a 2.2% decrease in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$14,500,269 in FY 2015-16, are \$140,535 or 1.0% less than FY 2014-15 revenues of \$14,640,804. General Fund support of \$24,898,312 in FY 2015-16 is \$654,588 or 2.6% less than FY 2014-15 General Fund support of \$25,552,900.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$38,657,684 budget for FY 2016-17 is \$740,897 or 1.9% less than the Mayor's proposed FY 2015-16 budget of \$39,398,581.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 221.71 FTEs, which are 0.83 FTEs more than the 220.88 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$14,172,668 in FY 2016-17 are \$327,601 or 2.3% less than FY 2015-16 estimated revenues of \$14,500,269. General Fund support of \$24,485,016 in FY 2016-17 is \$413,296 or 1.7% less than FY 2015-16 General Fund support of \$24,898,312.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: TTX – TREASURER/TAX COLLECTOR

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$686,013 in FY 2015-16. Of the \$686,013 in recommended reductions, \$246,650 are one-time and \$439,363 are ongoing savings.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$564,621 in FY 2016-17. Of the \$564,621 in recommended reductions, all are ongoing savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: TTX – TREASURER/TAX COLLECTOR

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 Budget | FY 2015-2016 Proposed | Increase/ Decrease from FY 2014-2015 | FY 2016-2017 Proposed | Increase/ Decrease from FY 2015-2016 |
|--------------------------------|------------------------|--------------------------|--|--------------------------|--|
| TREASURER/TAX COLLECTOR | | | | | |
| BUSINESS TAX | 5,887,464 | 5,953,521 | 66,057 | 5,949,022 | (4,499) |
| CHILDREN'S BASELINE | 0 | 645,313 | 645,313 | 651,467 | 6,154 |
| DELINQUENT REVENUE | 8,138,502 | 8,648,691 | 510,189 | 8,189,207 | (459,484) |
| GROSS RECEIPTS TAX | 9,953,115 | 7,257,439 | (2,695,676) | 7,128,440 | (128,999) |
| INVESTMENT | 2,599,358 | 2,625,804 | 26,446 | 2,679,672 | 53,868 |
| LEGAL SERVICE | 534,974 | 660,169 | 125,195 | 673,801 | 13,632 |
| MANAGEMENT | 5,932,170 | 5,857,437 | (74,733) | 5,774,311 | (83,126) |
| PROPERTY TAX/LICENSING | 2,094,808 | 2,255,822 | 161,014 | 2,317,444 | 61,622 |
| TAXPAYER ASSISTANCE | 1,747,123 | 1,743,828 | (3,295) | 1,776,292 | 32,464 |
| TREASURY | 3,306,190 | 3,750,557 | 444,367 | 3,518,028 | (232,529) |
| TREASURER/TAX COLLECTOR | 40,193,704 | 39,398,581 | (795,123) | 38,657,684 | (740,897) |

FY 2015-16

The Department's proposed FY 2015-16 budget has decreased by \$795,123 largely due to:

Closeout of New Gross Receipts Tax System –The new Gross Receipts Tax and Business Registration fees system was approved in November 2012, and launched in January 2015. The expiration of limited duration positions related to implementation of the Gross Receipts tax are largely responsible for this decrease in the FY 2015-16 budget.

FY 2016-17

The Department's proposed FY 2016-17 budget has decreased by \$740,897 largely due to:

Expiration of One-time IT Expenditures—A significant portion of the major technological expenditures related to implementation the gross receipts tax system will no longer be needed by FY 2016-17, and account for the decrease in overall budget.

Continued Closeout of New Gross Receipts Tax System-- The new Gross Receipts Tax and Business Registration fees system was approved in November 2012, and launched in January 2015. Some project costs associated with this development project will no longer be needed in FY 20W16-17.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: TTX – TREASURER/TAX COLLECTOR

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 220.88 FTEs, which are 4.88 FTEs less than the 225.76 FTEs in the original FY 2014-15 budget. This represents a -2.2% decrease in FTEs from the original FY 2014-15 budget.

The Department's FY 2015-16 budget adds new positions, offset by an increase in attrition savings. The attrition adjustment results in an overall reduction in FTEs, to allow for hiring timelines, turnover, and ongoing vacancies. In FY 2015-16, the Department plans to add 3.85 FTE new Sr. Personal Property Auditors to work on the expected increase in filers of gross receipts. The grant-funded Office of Financial Empowerment will add a 1.0 FTE Junior Management Analyst and a 1.0 FTE Senior Management Analyst. The Department will add a new 1.0 FTE Sr. Administrative Analyst to manage these grant funded positions. A new 1.0 FTE new Senior Management Assistant will be added under a work order with the Mayor's Office of Housing.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 221.71 FTEs, which are 0.83 FTEs more than the 220.88 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2015-16 budget.

In FY 2016-17, the Department plans to annualize several limited term positions related to Gross Receipts Tax including a 1.0 FTE Manager III, a 1.0 FTE Manager V and a 1.0 FTE Senior Personnel Analyst. This increase is offset by an increase in attrition savings, reflected in the overall FTE increase of 0.83 FTE.

INTERIM EXCEPTIONS

The Department has requested approval of a new 1.0 FTE 1823 Senior Administrative Analyst position as an interim exception. The Budget and Legislative Analyst recommends approval of this position as the Department has indicated that disapproval of this interim exception will result in a layoff.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$14,500,269 in FY 2015-16, are \$140,535 or 1.0% less than FY 2014-15 revenues of \$14,640,804. General Fund support of \$24,898,312 in FY 2015-16 is \$654,588 or 2.6% less than FY 2014-15 General Fund support of \$25,552,900.

Specific changes in the Department's FY 2015-16 revenues include:

While revenue earned from local taxes and the use of money or property increased, there was a decrease in revenue earned from charges for services. In addition, the Department will receive \$654,888 less in General Fund support this year, largely due to closeout and expiration of one-time expenditures related to the new gross receipts tax system.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: TTX – TREASURER/TAX COLLECTOR

FY 2016-17

The Department's revenues of \$14,172,668 in FY 2016-17 are \$327,601 or 2.3% less than FY 2015-16 estimated revenues of \$14,500,269. General Fund support of \$24,485,016 in FY 2016-17 is \$413,296 or 1.7% less than FY 2015-16 General Fund support of \$24,898,312.

Specific changes in the Department's FY 2016-17 revenues include:

In 2016-17, the Department expects to earn additional funding from Other Revenues; however they anticipate a decrease in revenue earned from the use of money or property and expenditure recovery. The Department anticipates receiving \$413,296 less in General Fund support that in FY 2015-16.

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$686,013 in FY 2015-16. Of the \$686,013 in recommended reductions, \$246,650 are one-time and \$439,363 are ongoing savings.

FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$564,621 in FY 2016-17. Of the \$564,621 in recommended reductions, all are ongoing savings.

TTX- Treasurer-Tax Collector

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|---|------------|--------|----------------------|-------------|-------------|----|------------|--------|----------------------|-------------|-------------|----|
| | FTE | | Amount | | GF | 1T | FTE | | Amount | | GF | 1T |
| | From | To | From | To | | | From | To | From | To | | |
| FCL-Treasury | | | | | | | | | | | | |
| IS Administrator I | 0.50 | 0.00 | \$35,574 | \$0 | \$35,574 | X | 0.50 | 0.00 | \$36,711 | \$0 | \$36,711 | X |
| Mandatory Fringe Benefits | | | \$17,342 | \$0 | \$17,342 | X | | | \$16,644 | \$0 | \$16,644 | X |
| | | | <i>Total Savings</i> | | \$52,916 | | | | <i>Total Savings</i> | | \$53,355 | |
| Delete vacant position that has been held vacant since July 2010. The Department reports \$1.1 million in salary savings for fiscal year 2014-15. | | | | | | | | | | | | |
| Materials & Supplies | | | \$21,300 | \$11,300 | \$10,000 | x | | | \$21,300 | \$11,300 | \$10,000 | x |
| Reduce 040 Materials & Supplies budget to reflect historical expenditures. This program has consistently had a surplus over \$20,000 since FY 12-13. A budget of \$11,300 should be sufficient for new expenditures. | | | | | | | | | | | | |
| FCN- Property Tax/Licensing | | | | | | | | | | | | |
| Clerk | 1.00 | 0.00 | \$55,051 | \$0 | \$55,051 | X | 1.00 | 0.00 | \$56,925 | \$0 | \$56,925 | X |
| Mandatory Fringe Benefits | | | \$29,612 | \$0 | \$29,612 | X | | | \$29,493 | \$0 | \$29,493 | X |
| Attrition Savings | (3.40) | (3.01) | (\$254,537) | (\$225,537) | (\$29,000) | X | (3.40) | (3.01) | (\$263,201) | (\$233,201) | (\$30,000) | X |
| Mandatory Fringe Benefits | | | (\$113,434) | (\$100,510) | (\$12,924) | X | | | (\$114,282) | (\$101,256) | (\$13,026) | X |
| | | | <i>Total Savings</i> | | \$42,739 | | | | <i>Total Savings</i> | | \$43,392 | |
| Delete vacant position that has been held vacant since March 2012. Adjust attrition to offset the position reduction. The Department reports \$1.1 million in salary savings for fiscal year 2014-15. | | | | | | | | | | | | |
| FCO-Business Tax | | | | | | | | | | | | |
| Personal Property Auditor | 12.00 | 7.00 | \$1,060,053 | \$618,364 | \$441,689 | X | 12.00 | 7.00 | \$1,096,136 | \$639,413 | \$456,723 | X |
| Mandatory Fringe Benefits | | | \$443,352 | \$258,622 | \$184,730 | X | | | \$447,698 | \$261,157 | \$186,541 | X |
| Attrition Savings | (4.51) | (2.50) | (\$403,377) | (\$223,377) | (\$180,000) | X | (4.51) | (2.35) | (\$417,108) | (\$217,108) | (\$200,000) | X |
| Mandatory Fringe Benefits | | | (\$167,765) | (\$92,903) | (\$74,862) | X | | | (\$168,989) | (\$87,960) | (\$81,029) | X |
| | | | <i>Total Savings</i> | | \$371,557 | | | | <i>Total Savings</i> | | \$362,235 | |
| Delete 5 vacant positions that have been held vacant since June 2011 (1), May 2013 (3) and October 2013 (1). Adjust attrition to offset the position reduction. The Department reports \$1.1 million in salary savings for fiscal year 2014-15. | | | | | | | | | | | | |
| FCS-Delinquent Revenue | | | | | | | | | | | | |
| Materials & Supplies | | | \$20,000 | \$10,000 | \$10,000 | X | | | \$20,000 | \$10,000 | \$10,000 | X |
| Reduce 040 Materials & Supplies budget to reflect historical expenditures. This program has consistently had a surplus over \$20,000 since FY 12-13. A budget of \$10,000 should be sufficient for new expenditures. | | | | | | | | | | | | |

TTX- Treasurer-Tax Collector

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|--|------------|--------|-------------|-------------|-------------|----|------------|--------|-------------|-------------|-----------|-------------|
| | FTE | | Amount | | GF | 1T | FTE | | Amount | | GF | 1T |
| | From | To | From | To | | | From | To | From | To | | |
| Materials & Supplies | | | \$24,958 | \$14,958 | \$10,000 | X | | | \$24,958 | \$14,958 | X | |
| Reduce 040 Materials & Supplies budget to reflect historical expenditures. This program has consistently had a surplus over \$25,000 since FY 12-13. A budget of \$14,958 should be sufficient for new expenditures. | | | | | | | | | | | | |
| FEG-Management | | | | | | | | | | | | |
| Materials & Supplies | | | \$17,550 | \$7,550 | \$10,000 | X | | | \$17,550 | \$7,550 | X | |
| Reduce 040 Materials & Supplies budget to reflect historical expenditures. This program has consistently had a surplus over \$17,000 since FY 12-13. A budget of \$7,550 should be sufficient for new expenditures. | | | | | | | | | | | | |
| IS Administrator I | 0.50 | 0.00 | \$35,574 | \$0 | \$35,574 | X | 0.50 | 0.00 | \$36,711 | \$0 | X | \$36,711 |
| Mandatory Fringe Benefits | | | \$17,342 | \$0 | \$17,342 | X | | | \$16,644 | \$0 | X | \$16,644 |
| Attrition Savings | (2.48) | (2.39) | (\$290,934) | (\$280,934) | (\$10,000) | X | (2.23) | (2.15) | (\$269,918) | (\$259,918) | X | (\$10,000) |
| Mandatory Fringe Benefits | | | (\$109,435) | (\$105,673) | (\$3,762) | X | | | (\$98,458) | (\$94,810) | X | (\$3,648) |
| <i>Total Savings</i> | | | | | | | | | | | \$39,154 | \$39,707 |
| Delete vacant position that has been held vacant since July 2010. Adjust attrition to offset the position reduction. The Department reports \$1.1 million in salary savings for fiscal year 2014-15. | | | | | | | | | | | | |
| FGR--Gross Receipts Tax | | | | | | | | | | | | |
| Principal Personal Property Auditor | 1.00 | 0.00 | \$118,378 | \$0 | \$118,378 | X | 1.00 | 0.00 | \$122,407 | \$0 | X | \$122,407 |
| Mandatory Fringe Benefits | | | \$44,403 | \$0 | \$44,403 | X | | | \$44,411 | \$0 | X | \$44,411 |
| Attorney, Civil/Criminal | 1.00 | 0.00 | \$187,425 | \$0 | \$187,425 | X | | | | | | |
| Mandatory Fringe Benefits | | | \$59,225 | \$0 | \$59,225 | X | | | | | | |
| Attrition Savings | (8.74) | (6.55) | (\$759,909) | (\$569,909) | (\$190,000) | X | (3.11) | (2.00) | (\$279,473) | (\$179,473) | X | (\$100,000) |
| Mandatory Fringe Benefits | | | (\$319,099) | (\$239,315) | (\$79,784) | X | | | (\$114,268) | (\$73,381) | X | (\$40,887) |
| <i>Total Savings</i> | | | | | | | | | | | \$139,647 | \$25,931 |
| Delete 2 vacant positions that have been held vacant since July 2010 and July 2013. The Department deleted the 8177 Attorney position from the FY 2016-17 budget. Adjust attrition to offset the position reduction. The Department reports \$1.1 million in salary savings for fiscal year 2014-15. | | | | | | | | | | | | |

FY 2015-16

| Total Recommended Reductions | | |
|------------------------------|------------------|------------------|
| One-Time | Ongoing | Total |
| General Fund | \$246,650 | \$686,013 |
| Non-General Fund | \$0 | \$0 |
| Total | \$246,650 | \$686,013 |

FY 2016-17

| Total Recommended Reductions | | |
|------------------------------|------------|------------------|
| One-Time | Ongoing | Total |
| General Fund | \$0 | \$564,621 |
| Non-General Fund | \$0 | \$0 |
| Total | \$0 | \$564,621 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$106,377,829 budget for FY 2015-16 is \$16,209,477 or 18% more than the original FY 2014-15 budget of \$90,168,352.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 54.68 FTEs, which are 4.47 FTEs more than the 50.21 FTEs in the original FY 2014-15 budget. This represents a 8.9% change in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$87,442,044 in FY 2015-16, are \$10,499,802 or 13.6% more than FY 2014-15 revenues of \$76,942,242. General Fund support of \$18,935,785 in FY 2015-16 is \$5,709,675 or 43.2% more than the FY 2014-15 General Fund support of \$13,226,110.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$73,520,371 budget for FY 2016-17 is \$32,857,458 or 30.9% less than the Mayor's proposed FY 2015-16 budget of \$106,377,829.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 54.89 FTEs, which are .21 FTEs more than the 54.68 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a .4% change in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$55,384,757 in FY 2016-17, are \$32,057,287 or 36.7% less than FY 2015-16 estimated revenues of \$87,442,044. General Fund support of \$18,135,614 in FY 2016-17 is \$800,171 or 4.2% less than FY 2015-16 General Fund support of \$18,935,785.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: MYR – MAYOR

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$100,000 in FY 2015-16, all of which would be one-time savings. These reductions would still allow an increase of \$16,109,477 or 17.9% in the Department’s FY 2015-16 budget.

In addition, the Budget and Legislative Analyst includes \$2,829,110 of Policy Recommendations, all of which would be ongoing savings.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst includes \$2,882,341 of Policy Recommendations, all of which would be ongoing savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: MYR – MAYOR

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 | | FY 2015-2016 | | Increase/ Decrease from | Increase/ Decrease from |
|----------------------------------|-------------------|--------------------|-------------------|-------------------|----------------------------|----------------------------|
| | Budget | Proposed | FY 2014-2015 | Proposed | FY 2014-2015 | FY 2015-2016 |
| MAYOR | | | | | | |
| AFFORDABLE HOUSING | 62,292,138 | 73,342,373 | 11,050,235 | 40,332,770 | (33,009,603) | |
| CITY ADMINISTRATION | 4,862,277 | 5,302,765 | 440,488 | 5,420,510 | 117,745 | |
| COMMUNITY INVESTMENT | 8,252,156 | 11,563,728 | 3,311,572 | 11,349,477 | (214,251) | |
| CRIMINAL JUSTICE | 8,095 | 8,099 | 4 | 8,099 | 0 | |
| HOMELESS SERVICES | 12,232,146 | 13,504,571 | 1,272,425 | 13,731,165 | 226,594 | |
| NEIGHBORHOOD SERVICES | 402,994 | 406,650 | 3,656 | 414,992 | 8,342 | |
| OFFICE OF STRATEGIC PARTNERSHIPS | 581,115 | 364,656 | (216,459) | 300,000 | (64,656) | |
| PUBLIC POLICY & FINANCE | 1,537,431 | 1,704,232 | 166,801 | 1,782,603 | 78,371 | |
| TRANSITIONAL-AGED YOUTH BASELINE | 0 | 180,755 | 180,755 | 180,755 | 0 | |
| MAYOR | 90,168,352 | 106,377,829 | 16,209,477 | 73,520,371 | (32,857,458) | |

FY 2015-16

The Department’s proposed FY 2015-16 budget will increase by \$16,209,477 largely due to:

- With the approval of Proposition C in November 2012, the City established a Housing Trust Fund, with an initial \$20 million appropriation in FY 2013-14, which increases by \$2.8 million annually, such that in FY 2015-16 the appropriation will be \$25.6 million. In both FY 2014-15 and FY 2015-16, an additional \$25 million is being appropriated to the Housing Trust Fund with the planned issuance of a \$50 million General Fund Certificates of Participation (COPs) in the Fall of 2015. The Housing Trust Fund is used to provide local financing for the construction, preservation and rehabilitation of affordable housing, including down payment loan assistance, housing stabilization programs, and development of new affordable housing.
- Affordable Housing Program increase of \$2.5 million for a new Housing Accelerator Program to leverage additional private development funds to expedite the construction of new housing, and a \$8.3 million increase for one-time allocation of tax-exempt bond revenues from the OCII.
- Community Investment increase of \$3.3 million primarily due to \$2.3 million of CDBG and HOPWA Federal grant reductions which would be offset with General Fund monies and \$1.3 million increase in grants to other community based organizations to expand nonprofit capacity building and immigrant services.
- Homeless Services increase of \$1.3 million to provide additional operating subsidies for supportive housing for previously homeless tenants.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: MYR – MAYOR

- Creation of a new Transitional-Aged Youth Baseline Program in the Mayor’s Office at an annual cost of \$180,775 to reflect existing community-based organization grants in the Mayor’s Office.
- Increases in City Administration and Public Policy & Finance primarily from two new positions to implement the City’s new Open Data ordinance, increases in workers compensation costs and costs to complete the annual Mayor’s Budget Book and transition of a position from the Office of Strategic Partnerships that was previously grant-funded.
- A new Mayor’s Office of Strategic Partnerships Program was created with three positions in FY 2014-15 funded with both grants and General Fund monies to explore private and philanthropic strategies to address City coordinated initiatives. In FY 2015-16, the Director position will continue to be funded 50/50 with General Fund and grant funds and the two other positions will be transitioned to the City’s General Fund.

FY 2016-17

The Department’s proposed FY 2016-17 budget will decrease by \$32,857,458 largely due to:

- Decrease of \$33 million for Affordable Housing Program from the reduction of \$25 million of Housing Trust Fund COPs in both FY 2014-15 and FY 2015-16 and \$8.3 million of one-time tax-exempt bond proceeds from OCII.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 54.68 FTEs, which are 4.47 FTEs more than the 50.21 FTEs in the original FY 2014-15 budget. This represents an 8.6% change in FTEs from the original FY 2014-15 budget.

- The increase in budgeted positions is due to (a) two new positions to implement the Open Data Policy ordinance approved in April of 2013, (b) transitioning of previously grant funded positions to the City’s General Fund, and (c) a slight reduction in Attrition Savings. In addition, there are three FTE additional off-budget positions under the Mayor’s Office of Housing and community Development (MOHCD).

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 54.89 FTEs, which are .21 FTEs more than the 54.68 FTEs in the Mayor’s proposed FY 2015-16 budget. This represents a .4% change in FTEs from the Mayor’s proposed FY 2015-16 budget.

INTERIM EXCEPTIONS

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: MYR – MAYOR

The Department is requesting approval of 2.0 FTE positions as interim exceptions, one 0889 Mayor’s Staff IX and one 0902 Mayor’s Staff XIV to implement and manage the City’s Open Data Program as established under Administrative Code Chapter 22D and approved by the Board of Supervisors in April of 2013. As discussed in the Policy Recommendation Section, these positions were hired in FY 2014-15 and are now being requested to be added to the ongoing budget at an annual General Fund salary and benefit cost of \$306,274. However, the Mayor’s Office created and filled these two new positions, without requesting prior approval of a supplemental appropriation ordinance and annual salary ordinance in FY 2014-15 from the Board of Supervisors. Furthermore, the Open Data Program ordinance only specified that the Mayor appoint one position, a Chief Data Officer. Therefore, the requested interim exception to approve two new General Fund positions at an annual salary and benefit General Fund cost of \$306,274 as interim exceptions is a policy decision for the Board of Supervisors.

Approval of these two positions as interim exceptions are policy decisions for the Board of Supervisors.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$87,442,044 in FY 2015-16, are \$10,499,802 or 13.6% more than FY 2014-15 revenues of \$76,942,242. General Fund support of \$18,935,785 in FY 2015-16 is \$5,709,675 or 43.2% more than the FY 2014-15 General Fund support of \$13,226,110.

Specific changes in the Department’s FY 2015-16 revenues include:

- Additional \$2.8 million for the Housing Trust Fund and \$8.3 million for one-time allocation of tax-exempt bond revenues from the OCII.

FY 2016-17

The Department's revenues of \$55,384,757 in FY 2016-17, are \$32,057,287 or 36.7% less than FY 2015-16 estimated revenues of \$87,442,044. General Fund support of \$18,135,614 in FY 2016-17 is \$800,171 or 4.2% less than FY 2015-16 General Fund support of \$18,935,785

Primary changes in the Department’s FY 2016-17 revenues include:

- Reduction of \$25 million of Housing Trust Fund COPs and \$8.3 million of one-time tax-exempt bond proceeds from OCII.

PROPOSED LEGISLATION

Item 11 - File 15-0579: Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future bonded indebtedness.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: _____ **MYR – MAYOR**

- The proposed resolution would officially declare the City’s intent, in accordance with U.S. Treasury Regulations Section 1.150-2, to reimburse capital costs that are incurred up to a maximum principal amount of \$50 million, from the proceeds of the Housing Trust Fund Certificates of Participation (COPs). As discussed above, both the FY 2014-15 and FY 2015-16 budgets include \$25 million each year from the proceeds of Housing Trust Fund COPs that are anticipated to be issued in the fall of 2015. However, some costs for projects that would be funded with these COP proceeds will be incurred prior to the receipt of the proceeds. For example, the affordable housing project at 55 Laguna Street, for LGBT seniors is currently under construction, incurring building and infrastructure costs that could be eligible for reimbursement from the Housing Trust Fund COPs.
- **Recommendation: Approved the proposed resolution.**

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$100,000 in FY 2015-16, all of which would be one-time savings. These reductions would still allow an increase of \$16,109,477 or 17.9% in the Department’s FY 2015-16 budget.

In addition, the Budget and Legislative Analyst includes \$2,829,110 of Policy Recommendations, all of which would be ongoing savings.

FY 2016-17

The Budget and Legislative Analyst includes \$2,882,341 of Policy Recommendations, all of which would be ongoing savings.

MYR - MAYOR

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | |
|---|------------|----|-----------|-----------|-----------|----|------------|------|----|--------|----|---------|----|-----|
| | FTE | | Amount | | Savings | GF | IT | FTE | | Amount | | Savings | GF | IT |
| | From | To | From | To | | | | From | To | From | To | | | |
| Community Based Organ | | | \$743,734 | \$643,734 | \$100,000 | x | x | | | | | | | |
| FAB - Community Investment Reduce the proposed funding for nonprofit capacity building based on the timing required to complete the Request for Proposal process and award the anticipated new grants. | | | | | | | | | | | | | | |
| | | | | | \$0 | | | | | | | | | \$0 |

FY 2015-16

| Total Recommended Reductions | | |
|------------------------------|------------|------------------|
| One-Time | Ongoing | Total |
| General Fund | \$0 | \$100,000 |
| Non-General Fund | \$0 | \$0 |
| Total | \$0 | \$100,000 |

FY 2016-17

| Total Recommended Reductions | | |
|------------------------------|------------|------------|
| One-Time | Ongoing | Total |
| General Fund | \$0 | \$0 |
| Non-General Fund | \$0 | \$0 |
| Total | \$0 | \$0 |

Policy Recommendations

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | | | | | | |
|---|------------|------|-------------|-----|-------------|----|------------|------|------|-----------|-----|-----------|----|-------------|---|-------------|---|---|
| | FTE | | Amount | | Savings | GF | IT | FTE | | Amount | | Savings | GF | IT | | | | |
| | From | To | From | To | | | | From | To | From | To | | | | | | | |
| Community Based Organ | | | \$2,383,713 | 0 | \$2,383,713 | x | x | | | | | | | \$2,383,713 | 0 | \$2,383,713 | x | x |
| FAB - Community Investment Ongoing savings | | | | | | | | | | | | | | | | | | |
| FEA- City Administration | | | | | | | | | | | | | | | | | | |
| Mayoral Staff IX | 1.00 | 0.00 | \$85,597 | \$0 | \$85,597 | | | 1.00 | 0.00 | \$88,510 | \$0 | \$88,510 | | | | | | |
| Mandatory Fringe Benefits | | | \$39,999 | \$0 | \$39,999 | | | | | \$40,260 | \$0 | \$40,260 | | | | | | |
| Total Savings \$125,596 | | | | | | | | | | | | | | | | | | |
| Mayoral Staff XIV | 1.00 | 0.00 | \$130,245 | \$0 | \$130,245 | | | 1.00 | 0.00 | \$134,678 | \$0 | \$134,678 | | | | | | |
| Mandatory Fringe Benefits | | | \$50,433 | \$0 | \$50,433 | | | | | \$50,251 | \$0 | \$50,251 | | | | | | |
| Total Savings \$180,678 | | | | | | | | | | | | | | | | | | |
| Total Savings \$184,929 | | | | | | | | | | | | | | | | | | |

MYR - MAYOR

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | |
|---------------------------|--|------|----------------------|-----|------------------|----|------------|------|----------------------|-----|------------------|----|
| | FTE | | Amount | | Savings | IT | FTE | | Amount | | Savings | IT |
| | From | To | From | To | | | From | To | From | To | | |
| | <p>These two new positions, which are being requested as interim exceptions, were hired by the Mayor's Office in FY 2014-15, in response to the Board of Supervisors approval of an ordinance establishing the City's open data policies and procedures on April 16, 2013 (File 12-1017; Ordinance 69-13). However, the Mayor's Office did not request Board of Supervisors approval of a supplemental appropriation ordinance and annual salary ordinance prior to filling the two positions and is now requesting authorization to add these two new existing positions into their budget, at an annual additional total General Fund cost of \$306,274. Furthermore, the Open Data Policy ordinance called for the Mayor to appoint a Chief Data Officer, which is the proposed new Mayoral Staff XIV position. However, the ordinance did not specify adding two new General Fund positions.</p> | | | | | | | | | | | |
| | <p>FY- Public Policy & Finance</p> | | | | | | | | | | | |
| Mayoral Staff XIV | 0.77 | 0.00 | \$100,289 | \$0 | \$100,289 | | 1.00 | 0.00 | \$134,678 | \$0 | \$134,678 | |
| Mandatory Fringe Benefits | | | \$38,834 | \$0 | \$38,834 | | | | \$50,251 | \$0 | \$50,251 | |
| | | | <i>Total Savings</i> | | <i>\$139,123</i> | | | | <i>Total Savings</i> | | <i>\$184,929</i> | |
| | <p>The Mayor's Office initiated a new Office of Strategic Partnerships in FY 2014-15 with a Director position funded 50% by the City's General Fund and 50% with foundation grants, which is proposed to continue in FY 2015-16. In addition, two new positions were funded with a Pay for Success Grant in FY 2014-15. However, the grant funding for the two new positions will expire after the first quarter of FY 2015-16 and the proposed new position would be reassigned to the Mayor's Office of Public Policy and Finance at a new General Fund annualized expense of approximately \$185,000.</p> | | | | | | | | | | | |

FY 2015-16

Total Policy Recommendations

| | One-Time | Ongoing | Total |
|------------------|------------|--------------------|--------------------|
| General Fund | \$0 | \$2,383,713 | \$2,383,713 |
| Non-General Fund | \$0 | \$445,397 | \$445,397 |
| Total | \$0 | \$2,829,110 | \$2,829,110 |

FY 2016-17

Total Policy Recommendations

| | One-Time | Ongoing | Total |
|------------------|------------|--------------------|--------------------|
| General Fund | \$0 | \$2,383,713 | \$2,383,713 |
| Non-General Fund | \$0 | \$498,628 | \$498,628 |
| Total | \$0 | \$2,882,341 | \$2,882,341 |

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2015-16

Budget Changes

The Department's proposed \$14,547,336 budget for FY 2015-16 is \$1,062,139 or 7.9% more than the original FY 2014-15 budget of \$13,485,197.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 75.92 FTEs, which are 1.76 FTEs more than the 74.16 FTEs in the original FY 2014-15 budget. This represents a 2.4% increase in FTEs from the original FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$694,789 in FY 2015-16 are \$203,713 or 41.5% more than FY 2014-15 revenues of \$491,076. General Fund support of \$13,852,547 in FY 2015-16 is \$858,426 or 6.6% more than the FY 2014-15 General Fund support of \$12,994,121.

YEAR TWO: FY 2016-17

Budget Changes

The Department's proposed \$14,277,713 budget for FY 2016-17 is \$269,623 or 1.9% less than the Mayor's proposed FY 2015-16 budget of \$14,547,336.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 75.34 FTEs, which are 0.58 FTEs less than the 75.92 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.8% decrease in FTEs from the Mayor's proposed FY 2015-16 budget.

Revenue Changes

The Department's revenues of \$698,589 in FY 2016-17 are \$3,800 or 0.5% more than FY 2015-16 estimated revenues of \$694,789. General Fund support of \$13,579,124 in FY 2016-17 is \$273,423 or 2.0% less than FY 2015-16 General Fund support of \$13,852,547.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

RECOMMENDATIONS

YEAR ONE: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$22,171 in FY 2015-16. Of the \$22,171 in recommended reductions, \$7,461 are ongoing savings and \$14,710 are one-time savings. These reductions would still allow an increase of \$1,039,968 or 7.7% in the Department’s FY 2015-16 budget.

YEAR TWO: FY 2016-17

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$7,638 in FY 2016-17, all of which are ongoing savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

SUMMARY OF PROGRAM EXPENDITURES:

| Program | FY 2014-2015 | FY 2015-2016 | Increase/ Decrease from | FY 2016-2017 | Increase/ Decrease from |
|------------------------------|-------------------|--|----------------------------|-------------------|----------------------------|
| | Budget | Proposed | FY 2014-2015 | Proposed | FY 2015-2016 |
| BOARD OF SUPERVISORS | | | | | |
| BOARD - LEGISLATIVE ANALYSIS | 2,045,000 | 2,110,213 ▲ | 65,213 | 2,126,950 | 16,737 |
| BOARD OF SUPERVISOR | 7,014,046 | 7,384,150 ▲ | 370,104 | 7,581,238 | 197,088 |
| CHILDREN'S BASELINE | 275,558 | 277,802 ▲ | 2,244 | 284,345 | 6,543 |
| CLERK OF THE BOARD | 4,150,593 | 4,626,408 ▲ | 475,815 | 4,285,180 | (341,228) |
| LOCAL AGENCY FORMATION | 0 | 148,763 ▲ | 148,763 | 0 | (148,763) |
| BOARD OF SUPERVISORS | 13,485,197 | 14,547,336 | 1,062,139 | 14,277,713 | (269,623) |

FY 2015-16

The Department's proposed FY 2015-16 budget will increase by \$1,062,139 largely due to:

- \$175,000 one-time expenditure for the Assessment Appeals Board's COIT-approved back office application re-engineering project to upgrade and streamline technology, workflow, and align tracking of cases with the Assessor, Tax Collector and Controller's systems. This is partially off-set by \$110,000 reduction of one-time funding in FY 2014-15 to address the backlog of cases at the Assessment Appeals Board.
- \$250,000 one-time expenditure for the COIT-approved Records Digitization/Repository Project, including \$125,000 for software licensing fees and \$125,000 for document preparation, scanning/digitizing, indexing and storage/repository of San Francisco's historical legislative records.
- Higher salary and fringe benefit costs due to annual adjustments, reductions in attrition savings, and increased step adjustments and premium pay.
- \$65,213 increase for Budget and Legislative Analyst services, reflecting (a) annualization of a cost of living adjustment (COLA) approved by the Board of Supervisors in FY 2014-15 (Motion M14-154) and (b) a proposed 3.25% COLA for FY 2015-16 (see Item 17, File 15-0545 on the June 15, 2015 Budget and Finance Committee calendar).
- \$75,000 for a new professional services contract to provide weekly radio broadcast of the Board of Supervisors meetings (see Item 18, File 15-0546 on the June 15, 2015 Budget and Finance Committee calendar for hearing on this matter).
- Local Agency Formation Commission (LAFCo) request for \$148,763 General Fund appropriation in FY 2015-16 due to insufficient remaining fund balance available to support their estimated FY 2015-16 expenses.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

FY 2016-17

The Department's proposed FY 2016-17 budget will decrease by \$269,623 largely due to:

- Reduction of \$425,000 from two (\$175,000 plus \$ 250,000) one-time expenditures in FY 2015-16, as described above.
- Reduction of \$148,763 for LAFCo from one year appropriation in FY 2015-16.
- Partially offset by higher salary and fringe benefit costs due to annual adjustments.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 is 75.92 FTEs, which is 1.76 FTEs more than the 74.16 FTEs in the original FY 2014-15 budget. This represents a 2.4% increase in FTEs from the original FY 2014-15 budget, which results from:

- Reduction in Attrition Savings based on plans to fill vacant positions, partially offset by a reduction in Temporary Salaries.

FY 2016-17

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 is 75.34 FTEs, which is 0.58 FTEs less than the 75.92 FTEs in the Mayor's proposed FY 2015-16 budget. This represents a 0.8% decrease in FTEs from the Mayor's proposed FY 2015-16 budget.

DEPARTMENT REVENUES:

FY 2015-16

The Department's revenues of \$694,789 in FY 2015-16 are \$203,713 or 41.5% more than FY 2014-15 revenues of \$491,076. General Fund support of \$13,852,547 in FY 2015-16 is \$858,426 or 6.6% more than the FY 2014-15 General Fund support of \$12,994,121.

Specific changes in the Department's FY 2015-16 revenues include:

- Projected increase of \$178,000 of hearing fee revenue for the Assessment Appeals Board as more commercial property appeal hearings can be scheduled, with less time required for reviewing and processing new applications, given the improvement in the real estate market.
- Increase in recoveries from the Port, SFMTA and PUC to offset Citywide cost of membership in municipal organizations included in the Board of Supervisors budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2015-16 AND FY 2016-17**

DEPARTMENT: BOS – BOARD OF SUPERVISORS

FY 2016-17

The Department's revenues of \$698,589 in FY 2016-17 are \$3,800 or 0.5% more than FY 2015-16 estimated revenues of \$694,789. General Fund support of \$13,579,124 in FY 2016-17 is \$273,423 or 2.0% less than FY 2015-16 General Fund support of \$13,852,547.

RECOMMENDATIONS:

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$22,171 in FY 2015-16. Of the \$22,171 in recommended reductions, \$7,461 are ongoing savings and \$14,710 are one-time savings. These reductions would still allow an increase of \$1,039,968 or 7.7% in the Department's FY 2015-16 budget.

FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$7,638 in FY 2016-17, all of which are ongoing savings.

BOS - Board of Supervisors

| Object Title | FY 2015-16 | | | | | | FY 2016-17 | | | | | | |
|--|------------|------|----------------------|-----------|---------|----|------------|------|-----------|----------------------|----|---------|---------|
| | FTE | | Amount | | GF | IT | FTE | | Amount | | GF | IT | |
| | From | To | From | To | | | From | To | From | To | | | Savings |
| FAE-Clerk of the Board | | | | | | | | | | | | | |
| Senior Clerk Typist | 3.00 | 2.00 | \$188,383 | \$125,589 | x | | 3.00 | 2.00 | \$194,796 | \$129,864 | x | | |
| Mandatory Fringe Benefits | | | \$89,513 | \$59,675 | x | | | | \$90,529 | \$60,353 | x | | |
| Senior Clerk | 0.00 | 1.00 | \$0 | \$57,074 | x | | 0.00 | 1.00 | \$0 | \$59,017 | x | | |
| Mandatory Fringe Benefits | | | \$0 | \$28,298 | x | | | | \$0 | \$28,658 | x | | |
| | | | <i>Total Savings</i> | | \$7,260 | | | | | <i>Total Savings</i> | | \$7,433 | |
| Current vacant Senior Clerk Typist position will be filled with a lower classification Senior Clerk position. This recommendation corrects the position classification and achieves salary and fringe benefit savings. | | | | | | | | | | | | | |
| FAE - Assessment Appeals Board | | | | | | | | | | | | | |
| Clerk Typist | 1.00 | 0.00 | \$57,233 | \$0 | x | | 1.00 | 0.00 | \$59,182 | \$0 | x | | |
| Mandatory Fringe Benefits | | | \$28,340 | \$0 | x | | | | \$28,698 | \$0.00 | x | | |
| Senior Clerk | 0.00 | 1.00 | \$0 | \$57,074 | x | | 0.00 | 1.00 | \$0 | \$59,017 | x | | |
| Mandatory Fringe Benefits | | | \$0 | \$28,298 | x | | | | \$0 | \$28,658 | x | | |
| | | | <i>Total Savings</i> | | \$201 | | | | | <i>Total Savings</i> | | \$205 | |
| Current vacant Clerk Typist position is planned to be filled with a slightly lower Senior Clerk classification. This recommendation corrects the position classification and achieves minor salary and fringe benefit savings. | | | | | | | | | | | | | |
| FAT-Local Agency Formation | | | | | | | | | | | | | |
| Professional & Spec Services | | | \$55,000 | \$40,290 | x | x | | | | | | | |
| This reduction is based on updated information from the Local Agency Formation Committee (LAFCo) for a revised total requested \$134,053 from the City's General Fund, instead of the proposed budget request of \$148,763 in FY 2015-16, resulting in a General Fund savings of \$14,710. | | | | | | | | | | | | | |
| Rationale | | | | | | | | | | | | | |

FY 2015-16

| Total Recommended Reductions | | |
|------------------------------|----------------|-----------------|
| One-Time | Ongoing | Total |
| \$14,710 | \$7,461 | \$22,171 |
| \$0 | \$0 | \$0 |
| \$14,710 | \$7,461 | \$22,171 |

FY 2016-17

| Total Recommended Reductions | | |
|------------------------------|----------------|----------------|
| One-Time | Ongoing | Total |
| \$0 | \$7,638 | \$7,638 |
| \$0 | \$0 | \$0 |
| \$0 | \$7,638 | \$7,638 |