

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2016-17 AND FY 2017-18**

DEPARTMENT: HOM – HOMELESSNESS AND SUPPORTIVE HOUSING

YEAR ONE: FY 2016-17

Budget Changes

The Department's proposed \$220,455,256 budget for FY 2016-17 is the first year budget for the new Department.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2016-17 are 105.30 FTEs.

Revenue Changes

The Department's revenues are \$61,429,657 in FY 2016-17.

YEAR TWO: FY 2017-18

Budget Changes

The Department's proposed \$235,993,667 budget for FY 2017-18 is \$15,538,411 or 7.0% more than the Mayor's proposed FY 2016-17 budget of \$220,455,256.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2017-18 are 107.91 FTEs, which are 2.61 FTEs more than the 105.30 FTEs in the Mayor's proposed FY 2016-17 budget. This represents a 2.5% increase in FTEs from the Mayor's proposed FY 2016-17 budget.

Revenue Changes

The Department's revenues of \$61,325,346 in FY 2017-18, are \$104,311 or 0.2% less than FY 2016-17 estimated revenues of \$61,429,657.

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DEPARTMENT: HOM – HOMELESSNESS AND SUPPORTIVE HOUSING

RECOMMENDATIONS

YEAR ONE: FY 2016-17

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$485,978 in FY 2016-17. Of the \$485,978 in recommended reductions, \$389,800 are ongoing savings and \$96,178 are one-time savings.

The Budget and Legislative Analyst considers approval of \$9,000,000 for the purchase of 440 Turk Street to be a policy matter for the Board of Supervisors. If the Board of Supervisors approves \$9,000,000, the Budget and Legislative Analyst recommends placing \$4,000,000 for tenant improvements on Budget and Finance Committee Reserve pending submission of budget details.

In addition, the Budget and Legislative Analyst recommends placing \$11,530,933 on Budget and Finance Committee Reserve, pending approval by the voters of an increase to the Sales Tax of 0.75 cents and submission of expenditure details to the Budget and Finance Committee for the \$11,530,933.

The Mayor's Office has requested approval of six new positions in the FY 2016-17 budget as interim exceptions, including one Department Head III, one Deputy Director III, two Manager IIs, one Personnel Clerk, and one Management Assistant. The Budget and Legislative Analyst recommends approval of the six new positions as interim exceptions.

YEAR TWO: FY 2017-18

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$438,256 in FY 2017-18, which are ongoing savings.

In addition, the Budget and Legislative Analyst recommends placing \$31,656,000 on Budget and Finance Committee Reserve, pending approval by the voters of an increase to the Sales Tax of 0.75 cents and submission of expenditure details to the Budget and Finance Committee for the \$31,656,000.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2016-17 and FY 2017-18 Two-Year Budget**

Object Title		FY 2016-17				FY 2017-18							
		FTE From	FTE To	Amount From	Amount To	Savings	GF 1T	FTE From	FTE To	Amount From	Amount To	Savings	GF 1T
CMIN - Administration and Management													
Deputy Director III	1.00	0.00	\$180,533	\$0	\$180,533	x		1.00	0.00	\$180,533	\$0	\$180,533	x
Manager V	0.00	1.00	\$0	\$168,049	(\$168,049)	x		0.00	1.00	\$0	\$168,049	(\$168,049)	x
Mandatory Fringe Benefits			\$61,050	\$58,610	\$2,439	x				\$66,232	\$63,490	\$2,742	x
		<i>Total Savings</i>		<i>\$14,923</i>						<i>Total Savings</i>		<i>\$15,226</i>	
Downward substitute one Deputy Director III position with a salary of \$180,533 to a Manager V position with a salary of \$168,049. The Mayor's Office has requested three Deputy Director III positions in the new Department of Homelessness and Supportive Services, of which one is a new position and two are substitutions from existing positions. The proposed downward substitution is consistent with the function of the proposed position, which oversees the Communications and External Affairs unit and supervises 7 staff.													
Training								1.00	0.00	\$30,000	\$15,000	\$15,000	x
Reduce the training budget in Administration and Management. The Department requested \$30,000 in FY 2016-17 to allow for training of staff for new systems and procedures. The Department does not have an ongoing need for the \$30,000 in training expenditures; \$15,000 should be sufficient in FY 2017-18.													
Attrition Savings			\$0	(\$100,000)	\$100,000	x				\$0	(\$100,000)	\$100,000	x
Attrition Savings			\$0	(\$171,650)	\$171,650	x				\$0	(\$171,650)	\$171,650	x
Mandatory Fringe Benefits			\$0	(\$103,227)	\$103,227	x				\$0	(\$103,227)	\$103,227	x
		<i>Total Savings</i>		<i>\$374,877</i>						<i>Total Savings</i>		<i>\$374,877</i>	
Add attrition savings to account for delays in hiring for new positions, vacancies and staff turnover.													
Ongoing savings													

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2016-17 and FY 2017-18 Two-Year Budget
HOM - Department of Homelessness and Supportive Services**

Object Title	FY 2016-17						FY 2017-18					
	FTE		Amount		GF 1T	Savings	FTE		Amount		GF 1T	Savings
	From	To	From	To			From	To	From	To		
Professional and Specialized Services			\$500,000	\$403,822	x	\$96,178						
Temporary Salaries									\$592,831			\$33,153
	Reduce professional services contracts to account for (1) \$250,000 in contract costs for strategic planning and needs assessment; and (2) the downward substitution from one new limited term 0923 Manager II position to support the strategic planning/needs assessment process with salary and mandatory fringe benefits of \$186,674, which will be added by the Mayor's Office as a technical adjustment, to one new limited term 2917 Program Support Analyst position with salary and fringe benefits of \$153,822.						Reduce temporary salaries to reflect the difference in the salary and fringe benefit costs due to the downward substitution from one 0932 Manager II position, to be submitted by the Mayor's Office as a technical adjustment, to one 2917 Program Support Analyst position, as recommended by the Budget and Legislative Analyst.					

FY 2016-17

Total Recommended Reductions		
One-Time	Ongoing	Total
General Fund	\$96,178	\$389,800
Non-General Fund	\$0	\$0
Total	\$96,178	\$389,800

FY 2017-18

Total Recommended Reductions		
One-Time	Ongoing	Total
General Fund	\$0	\$438,256
Non-General Fund	\$0	\$0
Total	\$0	\$438,256

Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2016-17 and FY 2017-18 Two-Year Budget
HOM - Department of Homelessness and Supportive Services

Object Title	FY 2016-17				FY 2017-18					
	FTE From	To	Amount	Savings	GF 1T	FTE From	To	Amount	Savings	GF 1T
Policy/Reserve Recommendations										
CMN - Administration and Management										
Programmatic Budget			\$9,000,000	\$0	x					
	<p>The Mayor's Office is proposing to purchase an office building owned by the San Francisco Housing Authority at 440 Turk Street as administrative offices for the new Department with an estimated purchase price is \$5,000,000 and estimated cost for tenant improvements is \$4,000,000, for a total cost of \$9,000,000. The Budget and Legislative Analyst considers the purchase of the building at 440 Turk Street to be a policy consideration for the Board of Supervisors because, as noted in the Budget and Legislative Analyst's report to the June 17 Budget and Finance Committee (File 16-0652), 98 of the 109 positions in the new Department of Homelessness and Supportive Housing are existing City positions. The proposed increase in positions in FY 2016-17 is 11, not all of which may be approved by the Board of Supervisors. As an alternative to incurring \$9,000,000 in new costs that could otherwise be allocated to direct homeless services, the 98 existing City positions could remain in their current HSA and DPH locations; and the up to 11 new Department positions could locate to other City or new leased space. If the Board of Supervisors approves the purchase of 440 Turk Street, the Budget and Legislative Analyst recommends reserving \$4,000,000 for tenant improvements pending submission of budget details to the Budget and Finance Committee.</p>									

FY 2016-17

Total Policy Recommendations		
One-Time	Ongoing	Total
General Fund	\$0	\$9,000,000
Non-General Fund	\$0	\$0
Total	\$0	\$9,000,000

Total Reserve Recommendations		
One-Time	Ongoing	Total
General Fund	\$0	\$4,000,000
Non-General Fund	\$0	\$0
Total	\$0	\$4,000,000

FY 2017-18

Total Policy/Reserve Recommendations		
One-Time	Ongoing	Total
General Fund	\$0	\$0
Non-General Fund	\$0	\$0
Total	\$0	\$0

Total Reserve Recommendations		
One-Time	Ongoing	Total
General Fund	\$0	\$0
Non-General Fund	\$0	\$0
Total	\$0	\$0

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2016-17 and FY 2017-18 Two-Year Budget
HOM - Department of Homelessness and Supportive Services**

Object Title	FY 2016-17						FY 2017-18					
	FTE		Amount		Savings		FTE		Amount		Savings	
	From	To	From	To	From	To	From	To	From	To	From	To
Reserve Recommendations												
CMN - Administration and Management												
Other Professional Services			\$0	\$0	\$0	\$0			\$121,554	\$121,554		\$0
Permanent Salaries			\$193,474	\$193,474	\$0	\$0			\$250,302	\$250,302		
Mandatory Fringe Benefits			\$70,870	\$70,870	\$0	\$0			\$99,310	\$99,310		\$0
COT - Outreach and Prevention												
Professional & Specialized Services			\$0	\$0	\$0	\$0			\$2,200,000	\$2,200,000		\$0
CSH - Shelter and Housing												
Temporary Salaries			\$359,848	\$359,848	\$0	\$0			\$592,831	\$592,831		\$0
Permanent Salaries			\$0	\$0	\$0	\$0			\$333,173	\$333,173		\$0
Mandatory Fringe Benefits			\$28,499	\$28,499	\$0	\$0			\$186,933	\$186,933		\$0
Community Based Organizations			\$10,878,242	\$10,878,242	\$0	\$0			\$35,918,897	\$35,918,897		\$0
Services of Other Departments			\$0	\$0	\$0	\$0			\$8,047,000	(\$8,047,000)		\$0
			<i>Total Reserve</i>		<i>\$11,530,933</i>				<i>Total Reserve</i>		<i>\$31,656,000</i>	
Reserve \$11,530,933 in FY 2016-17 pending submission of expenditure details to the Budget and Finance Committee. These programs and services are funded based on the approval by the San Francisco voters in November 2016 of an increase in the sales and use tax by 0.75%.												
Reserve \$31,656,000 in FY 2017-18 pending submission of expenditure details to the Budget and Finance Committee. These programs and services are funded based on the approval by the San Francisco voters in November 2016 of an increase in the sales and use tax by 0.75%.												

FY 2016-17

Total Reserve Recommendations		
One-Time	Ongoing	Total
General Fund	\$0	\$11,530,933
Non-General Fund	\$0	\$0
Total	\$0	\$11,530,933

FY 2017-18

Total Reserve Recommendations		
One-Time	Ongoing	Total
General Fund	\$0	\$31,656,000
Non-General Fund	\$0	\$0
Total	\$0	\$31,656,000