

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

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June 18, 2013

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 2013-2014 to Fiscal Year 2014-2015 Budget.

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BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The Department's proposed \$35,529,306 budget for FY 2013-14 is \$6,096,625 or 20.7% more than the original FY 2012-13 budget of \$29,432,681.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 212.81 FTEs, which are 11.07 FTEs more than the 201.74 FTEs in the original FY 2012-13 budget. This represents a 5.5% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$15,116,252 in FY 2013-14, are \$99,539 or 0.7% less than FY 2012-13 revenues of \$15,215,791. General Fund support of \$20,413,054 in FY 2013-14 is \$6,196,164 or 43.6% more than FY 2012-13 General Fund support of \$14,216,890.

YEAR TWO: FY 2014-15

Budget Changes

The Department's proposed \$39,564,812 budget for FY 2014-15 is \$4,035,506 or 11.4% more than the Mayor's proposed FY 2013-14 budget of \$35,529,306.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 218.92 FTEs, which are 6.11 FTEs more than the 212.81 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 2.9% increase in FTEs from the Mayor's proposed FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$15,198,408 in FY 2014-15 are \$82,156 or 0.5% more than FY 2013-14 estimated revenues of \$15,116,252. General Fund support of \$24,366,404 in FY 2014-15 is \$3,953,350 or 19.4% more than FY 2013-14 General Fund support of \$20,413,054.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

RECOMMENDATIONS

YEAR ONE: FY 2013-14

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$896,068 in FY 2013-14. Of the \$896,068 in recommended reductions, \$282,572 are ongoing savings and \$613,496 are one-time savings. These reductions would still allow an increase of \$5,200,557 or 17.7% in the Department's FY 2013-14 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$8,570 to the General Fund.

Together, these recommendations will result in \$904,638 savings to the City's General Fund in FY 2013-14.

YEAR TWO: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$326,757 in FY 2014-15. Of the \$326,757 in recommended reductions, \$313,141 are ongoing savings and \$13,616 are one-time savings. These reductions would still allow an increase of \$3,708,749 or 10.4% in the Department's FY 2014-15 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

Program	FY 2012- 2013 Budget	FY 2013- 2014 Proposed	Increase/ Decrease from FY 2012- 2013	FY 2014- 2015 Proposed	Increase/ Decrease from FY 2013- 2014
TREASURER/TAX COLLECTOR					
BUSINESS TAX	6,975,254	5,880,543	(1,094,711)	6,007,854	127,311
DELINQUENT REVENUE	7,691,639	8,790,901	1,099,262	9,012,419	221,518
GROSS RECEIPTS TAX	0	5,975,296	5,975,296	9,230,280	3,254,984
INVESTMENT	2,328,040	2,355,479	27,439	2,455,593	100,114
LEGAL SERVICE	441,801	519,184	77,383	535,949	16,765
MANAGEMENT	5,352,917	5,050,766	(302,151)	5,359,054	308,288
PROPERTY TAX/LICENSING	2,542,945	2,503,149	(39,796)	2,342,053	(161,096)
TAXPAYER ASSISTANCE	1,409,882	1,637,952	228,070	1,690,539	52,587
TRANSFER TAX	0	0	0	0	0
TREASURY	2,690,203	2,816,036	125,833	2,931,071	115,035
TREASURER/TAX COLLECTOR	29,432,681	35,529,306	6,096,625	39,564,812	4,035,506

SUMMARY OF PROGRAM EXPENDITURES:

FY 2013-14

The Department's proposed FY 2013-14 budget has increased by \$6,096,625 largely due to the (a) implementation of the new Gross Receipts Tax; (b) the delinquent revenue collections enhancement project; and (c) the transfer of functions for alarm licenses previously administered by the Department of Emergency Management.

The new Gross Receipts Tax, approved by the voters in November 2012, will be effective on January 1, 2014. The Department is responsible for implementing the new tax and has budgeted \$5.9 million in FY 2013-14 and \$9.2 million in FY 2014-15 for implementation.

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$4,035,506 largely due to continued efforts to implement the Gross Receipts Tax.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2013-14

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 212.81 FTEs, which are 11.07 FTEs more than the 201.74 FTEs in the original FY 2012-13 budget. This represents a 5.5% increase in FTEs from the original FY 2012-13 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

The increase is largely due to increased staffing needs for the Gross Receipts Tax system, the reinstatement of the Superior Court work order, and the increased frequency of the Public Utilities Commission billing cycle.

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 218.92 FTEs, which are 6.11 FTEs more than the 212.81 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 2.9% increase in FTEs from the Mayor's proposed FY 2013-14 budget.

This increase is largely due to increased staffing needs for the Gross Receipts Tax system.

INTERIM EXCEPTIONS

The Department has requested approval of 16.00 FTEs as interim exceptions. The Budget and Legislative Analyst recommends approval of these 16.00 FTEs as interim exceptions as follows:

Gross Receipts Tax Implementation (3.0 FTEs)

The Department is requesting approval to hire 3.0 FTEs on July 1, 2013, in order to ensure timely implementation of the Gross Receipts Tax, as follows:

- 1823 Senior Administrative Analyst (1.00 FTE)
- 1408 Principal Clerk (2.00 FTE)

Superior Court Work Order (11.5 FTEs)

The Department is requesting approval to continue 11.5 limited term FTEs that are due to terminate on June 30, 2013. These positions are paid by a work order between the Treasurer/Tax Collector's Office and the Superior Court, which was originally expected to terminate in FY 2012-13 but was renewed for FY 2013-14. These positions are as follows:

- 4310 Commercial Division Assistant Supervisor (1.00 FTE)
- 1630 Account clerk (2.00 FTE)
- 1623 Senior Account Clerk (1.00 FTE)
- 4308 Senior Collections Officer (5.00 FTE)
- 4321 Cashier II (0.50 FTE)
- 4321 Cashier II (2.00 FTE)

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

Other Requested Interim Exceptions (1.5 FTEs)

- 1630 Account clerk (0.50 FTE) – This position, which is funded by a work order between the Treasurer/Tax Collector’s Office and the Municipal Transportation Agency (MTA), was hired in FY 2012-13 and paid by temporary salaries. According to the Department, failure to provide an interim exception would result in layoff of existing staff.
- 8173 Legal Assistant (1.00 FTE) is a revenue generating position, responsible for collecting legal fines. The position is limited-term set to expire on June 30, 2013. The position is currently filled and not providing an interim exception would result in the lay-off of existing staff.

DEPARTMENT REVENUES:

FY 2013-14

The Department's revenues of \$15,116,252 in FY 2013-14, are \$99,539 or 0.7% less than FY 2012-13 revenues of \$15,215,791. General Fund support of \$20,413,054 in FY 2013-14 is \$6,196,164 or 43.6% more than FY 2012-13 General Fund support of \$14,216,890.

Specific changes in the Department’s FY 2013-14 revenues include decreases in hotel room tax, and passport fees; offset by increases in interest earned on pooled cash and delinquent business tax collection fees.

FY 2014-15

The Department's revenues of \$15,198,408 in FY 2014-15 are \$82,156 or 0.5% more than FY 2013-14 estimated revenues of \$15,116,252. General Fund support of \$24,366,404 in FY 2014-15 is \$3,953,350 or 19.4% more than FY 2013-14 General Fund support of \$20,413,054.

Specific changes in the Department’s FY 2014-15 revenues include increases in interest earned on pooled cash.

COMMENTS:

FY 2013-14

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$896,068 in FY 2013-14. Of the \$896,068 in recommended reductions, \$282,572 are ongoing savings and \$613,496 are one-time savings. These reductions would still allow an increase of \$5,200,557 or 17.7% in the Department’s FY 2013-14 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$8,570 to the General Fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

Together, these recommendations will result in \$904,638 savings to the City's General Fund in FY 2013-14.

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$326,757 in FY 2014-15. Of the \$326,757 in recommended reductions, \$313,141 are ongoing savings and \$13,616 are one-time savings. These reductions would still allow an increase of \$3,708,749 or 10.4% in the Department's FY 2014-15 budget.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

TTX - Treasurer/Tax Collector

Object Title	FY 2013-14						FY 2014-15					
	FTE		Amount		Savings		FTE		Amount		Savings	
	From	To	From	To	GF	IT	From	To	From	To	GF	IT
FCS - Delinquent Revenue												
Programmatic projects-budget			\$1,186,654	\$915,429		x						
Reduce by \$271,225 to reflect actual FY 2013-14 budget for the Department's continuing project to enhance delinquent revenue collection.												
Attrition Savings - Miscellaneous	(8.32)	(8.55)	(\$632,674)	(\$650,163.79)		x						
Mandatory Fringe Benefits			(\$297,738)	(\$305,968.74)		x						
			<i>Total Savings</i>	<i>\$25,721</i>								
Increase attrition savings to reflect the planned hire date for one vacant Account Clerk position.												
FEG - Management												
Attrition Savings - Miscellaneous	(2.26)	(2.95)	(\$249,841)	(\$326,119.89)		x						
Mandatory Fringe Benefits			(\$102,063)	(\$133,223.83)		x						
			<i>Total Savings</i>	<i>\$107,440</i>								
Increase attrition savings to reflect the planned hire dates for three vacant positions: IS Programmer Analyst-Principal, Deputy Director III, IS Programmer Analyst-Senior.												
FCN - Property Tax/Licensing												
Miscellaneous	(3.40)	(3.86)	(\$237,767)	(\$269,935.48)		x						
Mandatory Fringe Benefits			(\$114,309)	(\$129,774.34)		x						
			<i>Total Savings</i>	<i>\$47,634</i>								
Increase attrition savings to reflect the planned hire dates for two vacant positions: Senior Account Clerk and Principal Administrative Analyst.												
Department Overhead			\$35,039	\$0		x			\$13,616	\$0		x
Technical correction												
Ongoing Savings												

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

TTX - Treasurer/Tax Collector

Object Title	FY 2013-14						FY 2014-15										
	FTE		Amount		Savings		GF		IT		Savings		GF		IT		
	From	To	From	To	From	To	From	To	From	To	From	To	From	To	From	To	
FGR - Gross Receipts Tax																	
Attrition Savings - Miscellaneous	(1.01)	(1.24)	(\$85,000)	(\$104,356)			\$19,356	x	x								
Mandatory Fringe Benefits			(\$19,647)	(\$24,121)			\$4,474	x	x								
			<i>Total Savings</i>	\$23,831													
Increase attrition savings to reflect the planned hire date for one vacant Senior Personnel Analyst position.																	
Attorney (Civil/Criminal)	0.77	0.00	\$135,258	\$0			\$135,258	x		1.00	0.00	\$177,818	\$0			\$177,818	x
Mandatory Fringe Benefits			\$48,527	\$0			\$48,527	x				\$69,212	\$0			\$69,212	x
			<i>Total Savings</i>	\$183,785								<i>Total Savings</i>	\$247,030				
The Treasurer/Tax Collector has an existing \$500,000 work order with the City Attorney to provide legal support for implementation of the gross receipts tax. The Department is also requesting one new attorney position in the Department's FY 2013-14 budget to provide legal strategies for delinquent collections related to the gross receipts tax. The Department has not provided sufficient information on the need for this one new attorney.																	
FCL - Treasury																	
Cashier 2	2.31	1.81	\$132,137	\$103,536			\$28,601	x		3.00	2.50	\$174,532	\$145,443			\$29,089	x
Mandatory Fringe Benefits			\$68,475	\$53,654			\$14,821	x				\$95,698	\$79,748			\$15,950	x
			<i>Total Savings</i>	\$43,423								<i>Total Savings</i>	\$45,038				
Delete 0.5 FTE 4321 Cashier II, which has been vacant since 7/1/09.																	
Attrition Savings - Miscellaneous	0.04	0.00	\$2,499	\$0			\$2,499	x		0.04	0.00	\$2,535	\$0			\$2,535	x
Mandatory Fringe Benefits			\$1,199	\$0			\$1,199	x				\$1,282	\$0			\$1,281	x
			<i>Total Savings</i>	\$3,698								<i>Total Savings</i>	\$3,816			\$3,816	
Technical adjustment to delete positive attrition savings																	
FCQ - Taxpayer Assistance																	
Principal Clerk	11.66	11.50	\$820,521	\$809,261			\$11,260	x		11.66	11.50	\$834,507	\$823,056			\$11,451	x
Mandatory Fringe Benefits			\$391,093	\$385,726			\$5,367	x				\$423,078	\$417,272			\$5,806	x
			<i>Total Savings</i>	\$16,627								<i>Total Savings</i>	\$17,257				
Delete 0.16 FTE 1408 Principal Clerk which has been vacant since 7/1/10.																	

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

TTX - Treasurer/Tax Collector

Object Title	FY 2013-14						FY 2014-15			
	FTE		Amount		Savings		GF		IT	
	From	To	From	To	From	To	From	To	From	To
FCO - Business Tax										
Attrition Savings	(4.32)	(5.70)	(\$265,430)	(\$350,220.14)			\$84,790	x	x	
Mandatory Fringe Benefits			(\$165,462)	(\$218,317.92)			\$52,856	x	x	
			<i>Total Savings</i>	<i>\$1,37,646</i>						
Increase attrition savings to reflect the planned hire date for six vacant positions: one IS Business Analyst Senior, three Personal Property Auditors, one Senior Personal Property Auditor, and on Principal Personal Property position.										

FY 2013-14

Total Recommended Reductions			
One-Time	Ongoing	Total	
General Fund	\$613,496	\$282,572	\$896,068
Non-General Fund	\$0	\$0	\$0
Total	\$613,496	\$282,572	\$896,068

FY 2014-15

Total Recommended Reductions			
One-Time	Ongoing	Total	
General Fund	\$13,616	\$313,141	\$326,757
Non-General Fund	\$0	\$0	\$0
Total	\$13,616	\$313,141	\$326,757

**Recommendations of the Budget and Legislative Analyst
For Reduction and Close-out of Past-year Encumbrances from City Budget**

TTX - Treasurer/Tax Collector

Vendor Name	Subobject Title	General Fund		Date of Last Recorded Transaction	Original Amount	Unexpended Balance	
		Savings	Appropriation				
NO VENDOR	NKEY NO PROJECT	X	07/19/2005		651	651	
NO VENDOR	NKEY NO PROJECT	X	07/19/2005		495	495	
ACE LEGAL ASSISTANCE	NKEY NO PROJECT	X	08/16/2011		500	143	
ACE LEGAL ASSISTANCE	NKEY NO PROJECT	X	08/16/2011		8,500	6,605	
GIVE SOMETHING BACK INC	NKEY NO PROJECT	X	08/02/2011		3,500	57	
VERIZON WIRELESS	NKEY NO PROJECT	X	01/12/2011		65	65	
VERIZON WIRELESS	NKEY NO PROJECT	X	01/21/2011		98	49	
VERIZON WIRELESS	NKEY NO PROJECT	X	01/21/2011		98	49	
VERIZON WIRELESS	NKEY NO PROJECT	X	01/11/2012		138	138	
GIVE SOMETHING BACK INC	NKEY NO PROJECT	X	08/02/2011		4,000	296	
XTECH	NKEY NO PROJECT	X	05/08/2012		45,000	10	
XTECH	NKEY NO PROJECT	X	05/08/2012		45,000	10	
					Total Amount Return to Fund Balance	8,569.65	
					General Fund	8,569.65	
					Non-General Fund	-	

Note: The above encumbrance balances are from budget years prior to FY 2013-14. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balances can be returned to the General Fund, if applicable.

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The Department's proposed \$17,146,710 budget for FY 2013-14 is \$897,240 or 5.5% more than the original FY 2012-13 budget of \$16,249,470.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 111.14 FTEs, which are 1.28 FTEs more than the 109.86 FTEs in the original FY 2012-13 budget. This represents a 1.2% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$3,324,650 in FY 2013-14, are \$5,680,117 or 63.1% less than FY 2012-13 revenues of \$9,004,767. General Fund support of \$13,822,060 in FY 2013-14 is \$6,577,357 or 90.8% more than FY 2012-13 General Fund support of \$7,244,703.

YEAR TWO: FY 2014-15

Budget Changes

The Department's proposed \$17,901,792 budget for FY 2014-15 is \$755,082 or 4.4% more than the Mayor's proposed FY 2013-14 budget of \$17,146,710.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 110.94 FTEs, which are 0.2 FTEs less than the 111.14 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 0.2% reduction in FTEs from the Mayor's proposed FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$3,356,574 in FY 2014-15 are \$31,924 or 1.0% more than FY 2013-14 estimated revenues of \$3,324,650. General Fund support of \$14,545,218 in FY 2014-15 is \$723,158 or 5.2% more than FY 2013-14 General Fund support of \$13,822,060.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: FAM – FINE ARTS MUSEUM

RECOMMENDATIONS

YEAR ONE: FY 2013-14

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$98,947 in FY 2013-14, which are ongoing savings. These reductions would still allow an increase of \$798,293 or 4.9% in the Department’s FY 2013-14 budget.

YEAR TWO: FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$98,947 in FY 2014-15, which are ongoing savings. These reductions would still allow an increase of \$656,135 or 3.8% in the Department’s FY 2014-15 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: FAM – FINE ARTS MUSEUM

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2012- 2013 Budget	FY 2013- 2014 Proposed	Increase/ Decrease from FY 2012- 2013	FY 2014- 2015 Proposed	Increase/ Decrease from FY 2013- 2014
FINE ARTS MUSEUMS					
ADMISSIONS	3,230,767	3,145,650	(85,117)	3,177,574	31,924
OPER & MAINT OF MUSEUMS	13,018,703	14,001,060	982,357	14,724,218	723,158
FINE ARTS MUSEUM	16,249,470	17,146,710	897,240	17,901,792	755,082

FY 2013-14

The Department’s proposed FY 2013-14 budget has increased by \$897,240 due mainly to increases in overtime pay, premium pay and holiday pay. According to Ms. Michele Gutierrez, Chief Financial Officer at the Fine Arts Museum, the department is increasing its holiday openings from one day in FY 2012-13 to ten holiday openings in FY 2013-14.

The increase in holiday openings requires increased overtime for permanent museum guards and security guards because the Memorandum of Understanding (MOU) between the City and SEIU Local 1021, which represents security guards and museum guards, requires that overtime assignments be made by seniority. Therefore, potentially less costly temporary guards cannot be used when a permanent guard volunteers for overtime.

FY 2014-15

The Department’s proposed FY 2014-15 budget has increased by \$755,082 largely due to increases in mandatory fringe benefits.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2013-14

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 111.14 FTEs, which are 1.28 FTEs more than the 109.86 FTEs in the original FY 2012-13 budget. This represents a 1.2% increase in FTEs from the original FY 2012-13 budget. The increase is due to a part time associate museum registrar becoming full time.

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 110.94 FTEs, which are .20 FTEs less than the 111.14 FTEs in the Mayor’s proposed FY 2013-14 budget. This represents a 0.2% decrease in FTEs from the Mayor’s proposed FY 2013-14 budget. The decrease is due to a decrease in temporary positions.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: FAM – FINE ARTS MUSEUM

DEPARTMENT REVENUES:

FY 2013-14

The Department's revenues of \$3,324,650 in FY 2013-14, are \$5,680,117 or 63.1% less than FY 2012-13 revenues of \$9,004,767. General Fund support of \$13,822,060 in FY 2013-14 is 6,577,357 or 90.8% more than FY 2012-13 General Fund support of \$7,244,703.

The change in Department revenues is due to replacement of Hotel Tax revenues with General Fund revenues. An ordinance is pending before the Board of Supervisors to amend the Business and Tax Regulation Code to remove certain allocations of the Hotel Tax, including the specified reduction to the Fine Arts Museums (File 13-0545).

FY 2014-15

The Department's revenues of \$3,356,574 in FY 2014-15 are \$31,924 or 1.0% more than FY 2013-14 estimated revenues of \$3,324,650. General Fund support of \$14,545,218 in FY 2014-15 is \$723,158 or 5.2% more than FY 2013-14 General Fund support of \$13,822,060.

COMMENTS:

FY 2013-14

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$98,947 in FY 2013-14, which are ongoing savings. These reductions would still allow an increase of \$798,293 or 4.9% in the Department's FY 2013-14 budget.

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$98,947 in FY 2014-15, which are ongoing savings. These reductions would still allow an increase of \$656,135 or 3.8% in the Department's FY 2014-15 budget.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

FAM Fine Arts Museum

Object Title	FY 2013-14						FY 2014-15					
	From		To		Amount		From		To		Amount	
	From	To	From	To	From	To	From	To	From	To	From	To
Holiday Pay	\$129,312	\$92,727	\$36,585				\$129,312.00	\$92,727	\$36,585.00			
Fringe Benefits	\$9,854	\$7,066	\$2,788				\$9,854	\$7,066	\$2,788			
	<i>Total Savings</i>		\$39,373				<i>Total Savings</i>		\$39,373			
Reduce Holiday Pay at the Legion of Honor to reflect estimated expenditures in FY 2013-14.												
Overtime		\$57,768	\$48,500	\$9,268			\$57,768	\$48,500	\$9,268			
Overtime		\$60,685	\$32,502	\$28,183			\$60,685	\$32,502	\$28,183			
Fringe Benefits		\$9,026	\$6,172	\$2,854			\$9,026	\$6,172	\$2,854			
	<i>Total Savings</i>		\$40,305				<i>Total Savings</i>		\$40,305			
Reduce Overtime Pay at both the Legion of Honor and DeYoung to reflect estimated expenditures in FY 2013-14.												
Premium Pay		\$331,209	\$313,304	\$17,905			\$331,209	\$313,304	\$17,905			
Fringe Benefits		\$25,238	\$23,874	\$1,364			\$25,238	\$23,874	\$1,364			
	<i>Total Savings</i>		\$19,269				<i>Total Savings</i>		\$19,269			
Reduce Premium Pay at the Legion of Honor to reflect estimated expenditures in FY 2013-14.												

FY 2013-14

Total Recommended Reductions		
One-Time	\$98,947	\$98,947
Ongoing	\$0	\$0
Total	\$98,947	\$98,947
General Fund	\$98,947	\$98,947
Non-General Fund	\$0	\$0
Total	\$98,947	\$98,947

FY 2014-15

Total Recommended Reductions		
One-Time	\$0	\$0
Ongoing	\$98,947	\$98,947
Total	\$98,947	\$98,947
General Fund	\$98,947	\$98,947
Non-General Fund	\$0	\$0
Total	\$98,947	\$98,947

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The Department's proposed \$160,318,332 budget for FY 2013-14 is \$21,813,580 or 15.7% more than the original FY 2012-13 budget of \$138,504,752.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 863.20 FTEs, which are 21.94 FTEs more than the 841.26 FTEs in the original FY 2012-13 budget. This represents a 2.6% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$112,249,276 in FY 2013-14, are \$18,377,813 or 19.6% more than FY 2012-13 revenues of \$93,871,463. General Fund support of \$48,069,056 in FY 2013-14 is \$3,435,767 or 7.7% more than FY 2012-13 General Fund support of \$44,633,289.

YEAR TWO: FY 2014-15

Budget Changes

The Department's proposed \$151,075,326 budget for FY 2014-15 is \$9,243,006 or 5.8% less than the Mayor's proposed FY 2013-14 budget of \$160,318,332.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 862.92 FTEs, which is 0.28 FTE less than FY 2013-14 FTEs of 863.20.

Revenue Changes

The Department's revenues of \$104,794,183 in FY 2014-15 are \$7,455,093 or 6.6% less than FY 2013-14 estimated revenues of \$112,249,276. General Fund support of \$46,281,143 in FY 2014-15 is \$1,787,913 or 3.7% less than FY 2013-14 General Fund support of \$48,069,056.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: REC – RECREATION AND PARK

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program</u>	<u>FY 2012- 2013 Budget</u>	<u>FY 2013- 2014 Proposed</u>	<u>Increase/ Decrease from FY 2012- 2013</u>	<u>FY 2014- 2015 Proposed</u>	<u>Increase/ Decrease from FY 2013- 2014</u>
RECREATION AND PARK COMMISSION					
CAPITAL PROJECTS	13,795,112	25,857,936	12,062,824	16,188,976	(9,668,960)
CHILDREN'S BASELINE	9,650,793	10,177,899	527,106	10,379,201	201,302
CHILDREN'S SVCS - NON - CHILDREN'S FUND	400,000	1,100,000	700,000	1,100,000	0
GOLDEN GATE PARK	10,630,582	11,228,981	598,399	11,545,234	316,253
MARINA HARBOR	3,013,871	4,590,583	1,576,712	3,989,288	(601,295)
NEIGHBORHOOD SERVICES	0	0	0	0	0
PARKS	72,315,697	76,076,576	3,760,879	75,681,642	(394,934)
REC & PARK ADMINISTRATION	76,158	76,350	192	76,350	0
RECREATION	14,762,173	16,339,219	1,577,046	16,869,038	529,819
STRUCTURAL MAINTENANCE	13,860,366	14,870,788	1,010,422	15,245,597	374,809
RECREATION AND PARK COMMISSION	138,504,752	160,318,332	21,813,580	151,075,326	(9,243,006)

FY 2013-14

The Department's proposed FY 2013-14 budget has increased by \$21,813,580 largely due to:

- Increases in salaries and fringe benefits;
- Increases in temporary salaries to fund recreation program staffing, including an expansion of the Workrecreation program, a City youth work program, to add school year employment slots for youths ages 14 to 17;
- Increases in equipment purchases, primarily the purchase of aging replacement vehicles in the Department's fleet;
- The funding of capital projects to improve parks and recreation facilities, including Glen Park, Joe DiMaggio Playground, Balboa Swimming Pool, and Mountain Lake Playground;
- The funding of Budgetary Reserves, based on SFMTA's compensation to the Department for the permanent loss of approximately 100 parking spaces in Union Square Garage.
- The funding of Budgetary Reserves for the purchase of a land parcel at 17th and Folsom from SFPUC for the development of a new park in the Mission.

FY 2014-15

The Department's proposed FY 2014-15 budget has decreased by \$9,243,006 largely due to:

- Reductions in expenditures on capital projects to improve parks and recreation facilities.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: REC – RECREATION AND PARK

Fee Legislation

Projected revenues for FY 2013-14 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2012-13 Original Revenue	Increased Revenues in FY 2013-14	Annualized Revenue Thereafter	% Cost Recovery
	Amends Section 12.11 of the Park Code to update the berthing fees for the East and West Harbor in the San Francisco Marina Small Craft Harbor.	\$668,000	\$0	\$668,000	73%
13-0548	Amends Section 12.21 of the Park Code to establish a new facility rental fee for the Lake Merced Boathouse	\$0	\$37,500	\$50,000	73%
	Amends Section 12.46 of the Park Code to reauthorize the non-resident entrance fee to the Botanical Garden.	\$542,055	\$48,945	\$600,000	24%
	Repeals obsolete provisions for Golden Gate Park Concourse Parking (Section 12.26) and Field Trip Reimbursement from the Park Code (12.31)	\$0	\$0	\$0	n/a
Total		\$1,210,055	\$86,445	\$1,318,000	

Recommendation: Approve the proposed fee legislation. The Budget and Legislative Analyst notes that the proposed Department budget is balanced based on the assumption that the fee legislation shown above will be approved.

13-0537: San Francisco Botanical Garden Lease and Management Agreement

Currently, under an existing agreement between the Department and the nonprofit organization, San Francisco Botanical Garden Society, San Francisco Botanical Garden Society conducts education and community outreach and is responsible for operation and maintenance of the Botanical Garden’s non-resident entrance fee collection program, which the Department funds through the agreement. The existing agreement expires on June 30, 2013.

On April 10, 2012, the Board of Supervisors accepted a gift of a nursery center for sustainable gardening within the Botanical Garden from San Francisco Botanical Garden Society, valued at approximately \$14 million (Resolution No. 125-12). Construction of the nursery center has yet to commence.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: REC – RECREATION AND PARK

The proposed ordinance approves and authorizes a new lease and management agreement between the Department, as landlord, and the nonprofit organization, San Francisco Botanical Society, as tenant, for the San Francisco Botanical Garden at Strybing Arboretum in Golden Gate Park, with an initial 10-year term with two options to extend by an additional ten years each. As shown in the table below, the initial leased premises include 5,119 square feet of space.

Initial Leased Premises

Office space	1,207
Bookstore	84
Visitor Orientation Center	800
Library Space	1,378
Horticultural Space	1,600
Storage Space	50
Total	5,119

Under the proposed lease, San Francisco Botanical Society would:

- Pay the Department \$100 a year in base rent, based on the the rationale that the proposed lease and management agreement will have numerous public benefits, lessen the burden on the Department in operating and maintaining the Botanical Garden and in providing public programming and education; and
- Be responsible for collecting all non-resident entrance fees, with those non-resident entrance fees first used to reimburse San Francisco Botanical Society for authorized collection expenses;

Once the Department has received \$250,000 in entrance fee revenues each fiscal year, which are restricted by Park Code Section 12.46 and must be used to support the Botanical Garden, the remaining non-resident entrance fees would be used to, first, reimburse San Francisco Botanical Garden Society for any remaining direct out-of-pocket expenses incurred and, second, pay San Francisco Botanical Garden Society up to \$250,000 per fiscal year which must be expended for direct costs to maintain the Botanical Garden and expenses for education, community outreach, public programs and other initiatives. The balance of any remaining non-resident entrance fee revenues would be deposited into the Botanical Garden Improvement Fund, which will be maintained by the Department and used only for the payment of costs and expenses for maintenance, renovation, and improvement of the Botanical Garden.

Once construction of the nursery center is completed, the 1,600 square feet of horticultural space would be replaced with the nursery center under the proposed lease and management agreement.

The proposed ordinance waives the requirement under Chapter 23.33 of the Administrative Code that the lease and management agreement be competitively bid, given the San Francisco Botanical Garden’s specialized knowledge and experience pertaining to the Botanical Garden.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: REC – RECREATION AND PARK

Recommendation: Approve the proposed resolution.

COMMENTS:

FY 2013-14

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$580,596 in FY 2013-14. Of the \$580,596 in recommended reductions, \$75,849 are ongoing savings and \$504,748 are one-time savings. These reductions would still allow an increase of \$21,232,984 or 15.3% in the Department’s FY 2013-14 budget.

FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$212,823 in FY 2014-15. Of the \$212,823 in recommended reductions, \$96,792 are ongoing savings and \$116,031 are one-time savings.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

REC - Recreation & Park

Object Title	FY 2013-14						FY 2014-15							
	FTE		Amount		GF	IT	FTE		Amount		GF	IT		
	From	To	From	To			From	To	From	To			Savings	
EAP - Parks														
Equipment Purchase			\$56,550	\$55,045	\$1,505	x	x							
Reduction based on quote provided by Department.														
Equipment Purchase									\$61,988	\$57,858	\$4,130	x	x	
Reduction based on quote provided by Department.														
Equipment Purchase									\$61,988	\$57,858	\$4,130	x	x	
Reduction based on quote provided by Department.														
Equipment Purchase			\$100,000	\$94,887	\$5,113	x	x							
Reduction based on quote provided by Department.														
Equipment Purchase			\$44,300	\$0	\$44,300	x	x							
Replacement of 2010 Ford Ranger truck with new Ford F-250 truck is not justified. Maintenance in FY 2012-13 was only \$588 and the vehicle is only three years old.														
Equipment Purchase			\$44,296	\$0	\$44,296	x	x							
Replacement of 2001 Ford F-150 truck with new Ford F-250 truck is not justified. Maintenance in FY 2012-13 was only \$1,068 and no maintenance/repairs have been needed since September, 2012.														
Equipment Purchase			\$38,396	\$0	\$38,396	x	x							
Purchase of Toro Groundsmaster ride-on mower is not justified. \$0 in maintenance has been spent on currently owned ride-on mower in FY 2012-13.														
Equipment Purchase									\$54,375	\$50,492	\$3,883	x	x	
Reduction based on quote provided by Department.														
Attrition Savings	(1.71)	(3.33)	(\$111,172)	(\$216,542)	\$105,370	x	x							
Mandatory Fringe Benefits			(\$55,375)	(\$107,860.01)	\$52,485	x	x							
<i>Total Savings \$157,855</i>														
Increase Attrition Savings to reflect upward substitution resulting in new positions in FY 2013-14 of 2 - 7501 Environmental Service Worker positions and 6 vacant 3410 Apprentice Gardener positions with September 1, 2013 hiring dates.														

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

REC - Recreation & Park

Object Title	FY 2013-14				FY 2014-15							
	FTE		Amount		FTE		Amount					
	From	To	From	To	From	To	From	To				
Attrition Savings	(2.47)	(2.67)	(\$169,827)	(\$183,402)	(2.46)	(2.66)	(\$171,914)	(\$185,657)				
Mandatory Fringe Benefits			(\$82,870)	(\$89,494)			(\$89,801)	(\$96,980)				
			<i>Total Savings</i>				<i>Total Savings</i>					
			\$20,199				\$20,922					
	Increase Attrition Savings based on hiring plans.											
	ECD - Structural Maintenance											
Equipment Purchase							\$58,725	\$57,858			\$867	
	Reduction based on quote provided by Department.											
Equipment Purchase							\$44,296	\$0			\$44,296	
	Replacement of currently owned vehicle with new Ford F-250 is not justified. Currently owned vehicle is only 9 years old, which is three years under the City's vehicle replacement policy of 12 years under HACTO. Department cites wear and tear and body damage as justification for replacement, which is not a sufficient rationale for vehicle replacement.											
Equipment Purchase			\$250,125	\$175,947							\$74,178	
	Reduction based on quote provided by Department.											
Equipment Purchase							\$58,725	\$0			\$58,725	
	Replacement of currently owned truck with new Ford F-250 truck is not justified. Maintenance was only \$79 in FY 2012-13 and has not needed repairs since November 30, 2012.											
Attrition Savings	0.00	0.35	(\$4)	(\$22,400)								
Mandatory Fringe Benefits			(\$1)	(\$5,600)								
			<i>Total Savings</i>				\$27,995					
	Increase Attrition Savings to reflect upward substitution resulting in a new position in FY 2013-14 of 1 - 1823 Senior Administrative Analyst with October 1, 2013 hiring date.											

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

REC - Recreation & Park

Object Title	FY 2013-14						FY 2014-15						
	FTE		Amount		GF	IT	FTE		Amount		GF	IT	
	From	To	From	To			From	To	From	To			Savings
ECS - Capital Projects													
Attrition Savings	0.00	(0.15)	(\$169)	(\$10,462)	\$10,293	x		0.00	(0.15)	(\$171)	(\$10,592)	\$10,421	x
Mandatory Fringe Benefits			(\$47)	(\$2,909.55)	\$2,863	x				(\$53)	(\$3,282.90)	\$3,230	x
			<i>Total Savings</i>		<i>\$13,156</i>					<i>Total Savings</i>		<i>\$13,651</i>	
Increase Attrition Savings based on hiring plans.													
EIA - Administration													
Materials & Supplies			\$341,339	\$321,339	\$20,000	x				\$341,339	\$321,339	\$20,000	x
Reduction based on historical expenditures from FY 2010-11 through FY 2012-13.													
Equipment Purchase			\$55,826	\$51,334	\$4,492	x	x						
Reduction based on quote provided by Department.													
Attrition Savings	0.03	(0.59)	\$2,993	(\$58,791)	\$61,784	x	x						
Mandatory Fringe Benefits			\$1,269	(\$24,926.76)	\$26,196	x	x						
			<i>Total Savings</i>		<i>\$87,980</i>								
Increase Attrition Savings to reflect upward substitution resulting in new positions in FY 2013-14 of 2 - 1823 Senior Administrative Analyst position and 1 - 1820 Junior Administrative Analyst position with October 1, 2013 hiring dates.													
Park Section Supervisor	0.00	0.00	\$0	\$0	\$0	x		0.00	0.00	\$0	\$0	\$0	x
Mandatory Fringe Benefits			\$0	\$0	\$0	x				\$0	\$0	\$0	x
Senior Administrative Analyst	1.00	0.00	\$97,356	\$0	\$97,356	x		1.00	1.00	\$98,552	\$0	\$98,552	x
Mandatory Fringe Benefits			\$41,681	\$0	\$41,681	x				\$45,353	\$0	\$45,353	x
Administrative Analyst	0.00	1.00	\$0	\$83,091	(\$83,091)	x		0.00	1.00	\$0	\$84,507	(\$84,507)	x
Mandatory Fringe Benefits			\$0	\$37,308	(\$37,308)	x				\$0	\$40,522	(\$40,522)	x
			<i>Total Savings</i>		<i>\$18,638</i>					<i>Total Savings</i>		<i>\$18,876</i>	
Reverse upward substitution from a 3422 Park Section Supervisor to a 1823 Senior Administrative Analyst to an upward substitution from a 3422 Park Section Supervisor to a 1822 Administrative Analyst, who can perform the work described by the Department.													
Ongoing savings.													

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

REC - Recreation & Park

Object Title	FY 2013-14						FY 2014-15					
	FTE		Amount		GF	IT	FTE		Amount		GF	IT
	From	To	From	To			From	To	From	To		
Attrition Savings	0.23	0.00	\$15,101	\$0			0.23	0.00	\$15,358	\$0		
Mandatory Fringe Benefits			\$7,393	\$0.00	x	x			\$7,985	\$0		
			<i>Total Savings</i>						<i>Total Savings</i>			
			\$22,494						\$23,343			
Attrition savings incorrectly adds funding to the Department's salary budget, rather than reducing it. Removing funding in Attrition Savings funding entirely will correct the funding amount for Attrition Savings in FY 2013-14.												
Removing funding in Attrition Savings funding entirely will correct the funding amount for Attrition Savings in FY 2014-15.												

FY 2013-14

Total Recommended Reductions		
One-Time	Ongoing	Total
General Fund	\$465,859	\$68,849
Non-General Fund	\$38,888	\$7,000
Total	\$504,748	\$75,849

FY 2014-15

Total Recommended Reductions		
One-Time	Ongoing	Total
General Fund	\$116,031	\$83,185
Non-General Fund	\$0	\$13,607
Total	\$116,031	\$96,792

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The Department's proposed \$144,071,065 budget for FY 2013-14 is \$20,658,107 or 16.7% more than the original FY 2012-13 budget of \$123,412,958.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 37.42 FTEs, which are 4.04 FTEs more than the 33.38 FTEs in the original FY 2012-13 budget. This represents a 12.1% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$116,553,754 in FY 2013-14, are \$20,900,921 or 21.9% more than FY 2012-13 revenues of \$95,652,833. General Fund support of \$27,517,311 in FY 2013-14 is \$242,814 or 0.9% less than FY 2012-13 General Fund support of \$27,760,125.

YEAR TWO: FY 2014-15

Budget Changes

The Department's proposed \$131,712,371 budget for FY 2014-15 is \$12,358,694 or 8.6% less than the Mayor's proposed FY 2013-14 budget of \$144,071,065.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 37.11 FTEs, which are 0.31 FTEs less than the 37.42 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 0.8% decrease in FTEs from the Mayor's proposed FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$104,655,061 in FY 2014-15, are \$11,898,693 or 10.2% less than FY 2013-14 estimated revenues of \$116,553,754. General Fund support of \$27,057,310 in FY 2014-15 is \$460,001 or 1.7% less than FY 2013-14 General Fund support of \$27,517,311.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

RECOMMENDATIONS

YEAR ONE: FY 2013-14

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$580,015 in FY 2013-14, all of which are ongoing savings and \$350,000 of which are savings to the City's General Fund in FY 2013-14. These reductions would still allow an increase of \$20,078,092 or 16.3% in the Department's FY 2013-14 budget.

YEAR TWO: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$822,495 in FY 2014-15, all of which are ongoing savings. These recommendations will result in \$350,000 savings to the City's General Fund in FY 2014-15.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2012- 2013 Budget	FY 2013- 2014 Proposed	Increase/ Decrease from FY 2012- 2013	FY 2014- 2015 Proposed	Increase/ Decrease from FY 2013- 2014
CHILDREN, YOUTH & THEIR FAMILIES					
CHILDREN'S BASELINE	31,363,590	31,803,066	439,476	30,516,223	(1,286,843)
CHILDREN'S FUND PROGRAMS	45,758,046	53,216,726	7,458,680	53,002,825	(213,901)
CHILDREN'S SVCS – NON – CHILDREN'S FUND	6,396,880	6,018,778	(348,102)	5,429,620	(589,158)
PUBLIC EDUCATION FUND (PROP H)	33,362,000	47,450,000	14,088,000	37,180,000	(10,270,000)
VIOLENCE PREVENTION	6,532,442	5,582,495	(949,947)	5,583,703	1,208
CHILDREN, YOUTH & THEIR FAMILIES	123,412,958	144,071,065	20,658,107	131,712,371	(12,358,694)

FY 2013-14

The Department's proposed FY 2013-14 budget has increased by \$20,658,107 largely due to:

A \$14.1 million increase in transfer funds to SFUSD as stipulated by Proposition H, and an increase in funding for grants to community-based organizations as provided by the Department's new three-year Children's Services Allocation Plan.

FY 2014-15

The Department's proposed FY 2014-15 budget has decreased by \$12,358,694 largely due to:

A \$10.3 million decrease in Proposition H transfer funds to SFUSD in FY2014-15 and a \$1.5 million reduction in funding to community-based organizations through the Children's Baseline.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2013-14

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 37.42 FTEs, which are 4.04 FTEs more than the 33.38 FTEs in the original FY 2012-13 budget. This represents a 12.1% increase in FTEs from the original FY 2012-13 budget.

The Department requested four new positions to provide clerical and analytical support to the Department, chiefly in the Planning and Policy Division and in the Grants and Programs Division.

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 37.11 FTEs, which are 0.31 FTEs less than the 37.42 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 0.8% reduction in FTEs from the Mayor's proposed FY 2013-14 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

INTERIM EXCEPTIONS

The Department has requested approval of one position, a 1444 Secretary I, as an interim exception. The Budget and Legislative Analyst recommends disapproval of this position. According to the Department, for the past fiscal year a temporary position has provided staff support to committee meetings staffed by the Department. While the Department requests to transition this temporary position to a permanent position, the Department has not shown that the Department's workload justifies the new position.

DEPARTMENT REVENUES:

FY 2013-14

The Department's revenues of \$116,553,754 in FY 2013-14, are \$20,900,921 or 21.9% more than FY 2012-13 revenues of \$95,652,833. General Fund support of \$27,517,311 in FY 2013-14 is \$242,814 or 0.9% less than FY 2012-13 General Fund support of \$27,760,125.

Specific changes in the Department's FY 2013-14 revenues include:

A \$14.1 million increase in transfer funds to SFUSD as stipulated by Proposition H, and a \$3.2 million increase in the Department's Children's Fund revenues.

FY 2014-15

The Department's revenues of \$104,655,061 in FY 2014-15, are \$11,898,693 or 10.2% less than FY 2013-14 estimated revenues of \$116,553,754. General Fund support of \$27,057,310 in FY 2014-15 is \$460,001 or 1.7% less than FY 2013-14 General Fund support of \$27,517,311.

Specific changes in the Department's FY 2014-15 revenues include:

A \$10.3 million decrease in Proposition H transfer funds to SFUSD in FY 2014-15 in addition to a \$1.5 million reduction in the Department's Children's Baseline in FY 2014-15.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

COMMENTS:

FY 2013-14

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$580,015 in FY 2013-14, all of which are ongoing savings and \$350,000 of which are savings to the City's General Fund in FY 2013-14. These reductions would still allow an increase of \$20,078,092 or 16.3% in the Department's FY 2013-14 budget.

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$822,495 in FY 2014-15, all of which are ongoing savings. These recommendations will result in \$350,000 savings to the City's General Fund in FY 2014-15.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

CHF - Children, Youth & Their Families

Object Title	FY 2013-14						FY 2014-15					
	FTE		Amount		Savings	GF 1T	FTE		Amount		Savings	GF 1T
	From	To	From	To			From	To	From	To		
CBI - Children's Fund Programs												
Junior Management Analyst	0.00	1.00	\$0	\$67,342	(\$67,342)		1.00	0.00	\$0	\$68,490	(\$68,490)	
Mandatory Fringe Benefits			\$0	\$32,644	(\$32,644)				\$0	\$35,277	(\$35,277)	
Administrative Analyst	1.00	0.00	\$83,091	\$0	\$83,091		0.00	1.00	\$84,507	\$0	\$84,507	
Mandatory Fringe Benefits			\$37,308	\$0	\$37,308				\$40,522	\$0	\$40,522	
			<i>Total Savings</i>		\$20,413				<i>Total Savings</i>		\$21,262	
	The Department did not demonstrate any change in workflow such that an upward substitution of the Junior Management Analyst position is not justified.											
Secretary I	1.00	0.00	\$55,833	\$0	\$55,833		1.00	0.00	\$56,785	\$0	\$56,785	
Mandatory Fringe Benefits			\$29,236	\$0	\$29,236				\$31,444	\$0	\$31,444	
			<i>Total Savings</i>		\$85,069				<i>Total Savings</i>		\$88,229	
	This new position is requested to provide staff support to the committees which the Department staffs, but the Department has not shown a need for this position. The Department requested that this position be approved through an interim exception.											
Community Development Specialist	0.00	1.00	\$0	\$78,719	(\$78,719)		0.00	1.00	\$0	\$80,061	(\$80,061)	
Mandatory Fringe Benefits			\$0	\$36,015	(\$36,015)				\$0	\$39,065	(\$39,065)	
Senior Community Development Specialist I	1.00	0.00	\$91,124	\$0	\$91,124		1.00	0.00	\$92,677	\$0	\$92,677	
Mandatory Fringe Benefits			\$39,688	\$0	\$39,688				\$43,197	\$0	\$43,197	
			<i>Total Savings</i>		\$16,078				<i>Total Savings</i>		\$16,748	
	Starting in February 2013, the Department was granted an Acting Assignment Pay Request by Human Resources to allow a Community Development Specialist (9772) to temporarily fill the roles and responsibilities of a Senior Community Development Specialist I (9774) in the Grants Unit because, per the request, the Department was experiencing a temporary staffing shortage with a vacant 9775 in the Unit and a temporary increase in work in the Unit. As the 9775 position is scheduled to be hired on July 1, 2013, the Department has not provided a reason that the Community Development Specialist should not resume the original roles and responsibilities, in keeping with the Acting Assignment Pay Request.											
	Ongoing savings.											

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

CHF - Children, Youth & Their Families

Object Title	FY 2013-14						FY 2014-15							
	FTE		Amount		GF	IT	FTE		Amount		GF	IT		
	From	To	From	To			From	To	From	To			Savings	
Professional & Specialized Services			\$1,708,500	\$1,600,045					\$1,708,500	\$1,362,244			\$346,256	
	Reduce to reflect planned FY 2013-14 expenditures.													
	CAQ -													
City Grant Programs			\$1,723,771	\$1,573,771		x			\$1,623,051	\$1,473,051			\$150,000	x
	Reduce to reflect historical underexpenditure of this line item.													
City Grant Programs			\$1,956,308	\$1,756,308		x			\$1,577,870	\$1,377,870			\$200,000	x
	Reduce to reflect historical underexpenditure of this line item.													

FY 2013-14

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$0	\$350,000	\$350,000
Non-General Fund	\$0	\$230,015	\$230,015
Total	\$0	\$580,015	\$580,015

FY 2014-15

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$0	\$350,000	\$350,000
Non-General Fund	\$0	\$472,495	\$472,495
Total	\$0	\$822,495	\$822,495

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The Department's proposed \$36,986,627 budget for FY 2013-14 is \$1,298,790 or 3.6% more than the original FY 2012-13 budget of \$35,687,837.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 239.43 FTEs, which are 3.41 FTEs more than the 236.02 FTEs in the original FY 2012-13 budget. This represents a 1.4% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$7,291,562 in FY 2013-14, are \$1,051,086 or 16.8% more than FY 2012-13 revenues of \$6,240,476. General Fund support of \$29,695,065 in FY 2013-14 is \$247,704 or 0.8% more than FY 2012-13 General Fund support of \$29,447,361.

YEAR TWO: FY 2014-15

Budget Changes

The Department's proposed \$38,225,158 budget for FY 2014-15 is \$1,238,531 or 3.3% more than the Mayor's proposed FY 2013-14 budget of \$36,986,627.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 239.17 FTEs, which are 0.26 FTEs less than the 239.43 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 0.1% decrease in FTEs from the Mayor's proposed FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$7,374,518 in FY 2014-15 are \$82,956 or 1.1% more than FY 2013-14 estimated revenues of \$7,291,562. General Fund support of \$30,850,640 in FY 2014-15 is \$1,155,757 or 3.9% more than FY 2013-14 General Fund support of \$29,695,065.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: JUV – JUVENILE PROBATION

RECOMMENDATIONS

YEAR ONE: FY 2013-14

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$233,927 in FY 2013-14. Of the \$233,927 in recommended reductions, \$105,901 are ongoing savings and \$128,026 are one-time savings. These reductions would still allow an increase of \$1,064,863 or 3.2% in the Department's FY 2013-14 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$12,190 to the General Fund.

Together, these recommendations will result in \$246,117 savings to the City's General Fund in FY 2013-14.

YEAR TWO: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$135,566 in FY 2014-15. Of the \$135,566 in recommended reductions, \$107,260 are ongoing savings and \$28,306 are one-time savings. These reductions would still allow an increase of \$1,102,965 or 3.0% in the Department's FY 2014-15 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: JUV – JUVENILE PROBATION

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2012- 2013 Budget	FY 2013- 2014 Proposed	Increase/ Decrease from FY 2012- 2013	FY 2014- 2015 Proposed	Increase/ Decrease from FY 2013- 2014
JUVENILE PROBATION					
ADMINISTRATION	7,112,485	7,168,723	56,238	7,288,308	119,585
CHILDREN'S BASELINE	1,001,571	1,010,999	9,428	1,012,158	1,159
JUVENILE HALL	11,472,100	11,649,687	177,587	12,286,201	636,514
JUVENILE HALL REPLACEMENT DEBT PAYMENT	2,660,351	2,667,374	7,023	2,665,174	(2,200)
LOG CABIN RANCH	3,001,666	3,290,352	288,686	3,331,528	41,176
PROBATION SERVICES	10,439,664	11,199,492	759,828	11,641,789	442,297
JUVENILE PROBATION	35,687,837	36,986,627	1,298,790	38,225,158	1,238,531

FY 2013-14

The Department's proposed FY 2013-14 budget has increased by \$1,298,790 largely due to increases in salary expenditures, professional/contract services, vehicle replacements, and capital improvement projects. The department is in the process of filling 10 counselor vacancies in Juvenile Hall and Log Cabin Ranch. Associated training and overtime costs have been included the FY 2013-14 budget.

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$1,238,531 largely due to capital projects and building improvements totaling \$692,000 and mandated salary and fringe benefit increases.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2013-14

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 239.43 FTEs, which are 3.41 FTEs more than the 236.02 FTEs in the original FY 2012-13 budget. This represents a 1.4% increase in FTEs from the original FY 2012-13 budget.

In addition to decreases in attrition savings, Juvenile Probation is requesting to shift one 2910 Social Worker position from grant funds to the General Fund. Only a portion of the position will be funded through the General Fund, of which up to 50% will be reimbursable through Federal Title IV-E monies.

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 239.17 FTEs, which are 0.26 FTEs less than the 239.43 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 0.1% decrease in FTEs from the Mayor's proposed FY 2013-14 budget.

**Recommendations of the Budget and Finance Committee
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Two-Year Budget**

JUV - Juvenile Probation	FY 2013-14						FY 2014-15					
	FTE		Amount		GF 1T		FTE		Amount		GF 1T	
	From	To	From	To	Savings	GF 1T	From	To	From	To	Savings	GF 1T
	AKE - Juvenile Hall											
Attrition Savings - Miscellaneous	(17.42)	(18.15)	(\$1,187,910)	(\$1,237,910)	\$50,000	x	(17.85)	(18.29)	(\$1,217,192)	(\$1,267,192)	\$50,000	x
Mandatory Fringe Benefits			(\$472,813)	(\$492,714)	\$19,901	x			(\$517,542)	(\$538,802)	\$21,260	x
			<i>Total Savings</i>		\$69,901				<i>Total Savings</i>		\$71,260	
	<p>The Department has reduced attrition savings by \$106,000 in FY 2013-14 compared to FY 2012-13 in order to fill vacant Juvenile Hall Counselor positions, which includes 5 weeks of training. The Department has also increased overtime by \$138,000 to cover scheduled Juvenile Hall shifts while the new Juvenile Hall Counselors are undergoing training. Because the Department has a projected salary surplus in FY 2012-13 of \$110,000, the recommended increase in attrition savings of \$50,000 will still give the Department sufficient funds to fill the vacant positions.</p>											
Equipment Purchase-Budget			\$30,450	\$0	\$30,450	x						
Equipment Purchase-Budget			\$45,935	\$0	\$45,935	x						
Equipment Purchase-Budget			\$30,641	\$0	\$30,641	x						
Equipment Purchase-Budget									\$28,306	\$0	\$28,306	x
			<i>Total Savings</i>		\$107,026				<i>Total Savings</i>		\$28,306	
	<p>The Department requests to replace five of its 28 vehicles in FY 2013-14, citing the Healthy Air and Clean Transportation Ordinance. However, this ordinance emphasizes the need for Departments to reduce fleet size wherever possible. Furthermore, vehicle utilization information provided by the Department shows some vehicles with low average annual mileage, including as low as 8,576 miles or an average of 780 miles per year. The Budget and Legislative Analyst recommends approval of the requested one replacement van and one replacement automobile and disapproval of 3 replacement automobiles.</p>											
Travel-Budget			\$56,000	\$35,000	\$21,000	x						
			<i>Total Savings</i>		\$21,000							
	<p>The Department plans to backfill ten counselor vacancies this year and estimates associated travel costs to amount to \$56,000. The Budget and Legislative Analyst recommends that this amount be reduced to \$35,000 - allowing for \$3,500 per counselor for travel.</p>											

**Recommendations of the Budget and Finance Committee
For Amendment of Budget Items in the FY 2012-13 and FY 2013-14 Two-Year Budget**

Object Title	FY 2013-14						FY 2014-15							
	FTE		Amount		Savings		GF 1T		FTE		Amount		Savings	
	From	To	From	To	From	To	From	To	From	To	From	To	From	To
AKC - Probation Services			\$223,000.00	\$187,000.00	\$36,000	x					\$252,000	\$216,000	\$36,000	x
Professional & Specialized Svcs-Budget														
	The Mayor's proposed budget includes \$156,000 to pay the State's fees for youth incarcerated in the California Youth Authority (CYA). Based on the Department's average annual admissions to CYA of 4 to 5 youth, the Budget and Legislative Analyst recommends \$120,000 (\$2,000 per month for youth or \$10,000 per month for 5 youth) instead of \$156,000.													
	Ongoing savings.													

FY 2013-14

Total Recommended Reductions		
One-Time	Ongoing	Total
General Fund	\$128,026	\$105,901
Non-General Fund	\$0	\$0
Total	\$128,026	\$233,927

FY 2014-15

Total Recommended Reductions		
One-Time	Ongoing	Total
General Fund	\$28,306	\$107,260
Non-General Fund	\$0	\$0
Total	\$28,306	\$107,260

**Recommendations of the Budget and Legislative Analyst
For Reduction and Close-out of Past-year Encumbrances from City Budget**

JUV - Juvenile Probation

Vendor Name	Subject Title	General Fund Savings	Year of Appropriation	Date of Last Recorded Transaction	Original Amount	Unexpended Balance
THOMSON REUTERS/BARCLAYS	BOOKS - NON LIBRARY ONLY	Yes	2011	9/27/2012	2,061.50	933.10
KONICA MINOLTA BUSINESS SOL	COPY MACHINE	Yes	2011	9/27/2012	15,000.00	54.59
KONICA MINOLTA BUSINESS SOL	COPY MACHINE	Yes	2012	9/27/2012	3,500.00	568.06
EXPRESS OVERNITE	FREIGHT/DELIVERY	Yes	2011	9/27/2012	5,000.00	159.90
EXPRESS OVERNITE	FREIGHT/DELIVERY	Yes	2012	9/27/2012	5,000.00	558.87
LIEB & ASSOCIATES LLC	OTHER EQUIP MAINT	Yes	2012	9/27/2012	3,891.47	3,891.47
COMCAST CABLE COMMUNICATI	OTHER EQUIPMENT RENTALS	Yes	2010	9/27/2012	1,800.00	1,662.81
AMERICAN ALARM CO INC	OTHER EQUIP MAINT	Yes	2012	9/27/2012	537.08	42.08
FERRELLGAS LP	FUELS & LUBRICANTS	Yes	2010	9/27/2012	16,425.00	3,887.16
FERRELLGAS LP	FUELS & LUBRICANTS	Yes	2011	9/27/2012	40,000.00	1,395.15
CENTER HARDWARE CO INC	OTHER BLDG MAINT SUPPLIES	Yes	2012	9/27/2012	750.00	395.12
GRAINGER	OTHER OFFICE SUPPLIES	Yes	2011	9/27/2012	9,000.00	2,449.29
GRAINGER	OTHER BLDG MAINT SUPPLIES	Yes	2012	9/27/2012	275.32	5,000.00
FLUID GAUGE COMPANY	OTHER BLDG MAINT SVCS	Yes	2011	9/27/2012	342.85	342.85
LINCOLN EQUIPMENT INC	OTHER BLDG MAINT SUPPLIES	Yes	2011	9/27/2012	10,000.00	1,233.20
THE URBAN FARMER STORE INC	OTHER CONSTRUCTION MATE	Yes	2012	9/27/2012	203.76	17.06
VALLEY POWER SYSTEMS NORTH	OTHER BLDG MAINT SVCS	Yes	2012	9/27/2012	3,000.00	1,908.00
WAXIE SANITARY SUPPLY	CLEANING SUPPLIES	Yes	2011	9/27/2012	423.15	423.15
WAXIE SANITARY SUPPLY	OTHER EQUIPMENT MAINT SU	Yes	2012	9/27/2012	487.21	25.00
AMERICAN ALARM CO INC	OTHER BLDG MAINT SUPPLIES	Yes	2012	9/27/2012	5,599.00	1,090.10
VERIZON WIRELESS	MINOR DATA PROCESSING EQU	No	2012	9/27/2012	381.35	75.98
ANDRE BOUDIN BAKERIES INC	FOOD	No	2012	9/27/2012	1,500.00	500.00
A D I	OTHER BLDG MAINT SVCS	Yes	2012	1/16/2013	1,953.00	585.90
OMEGA PACIFIC ELECTRICAL SUP	OTHER BLDG MAINT SUPPLIES	Yes	2012	2/5/2013	9,000.00	1,559.40
KLW CONSTRUCTION INC	GROUND MAINTENANCE	Yes	2012	3/6/2013	8,913.00	5,348.00

Total Amount Return to Fund Balance 12,765.79
General Fund 12,189.81
Non-General Fund 575.98

Note: The above encumbrance balances are from budget years prior to FY 2013-14. The Department has indicated that the balances of these encumbrances are no longer needed, therefore the balances can be returned to the General Fund, if applicable.

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The Department's proposed \$1,906,789,437 budget for FY 2013-14 is \$231,453,424 or 13.8% more than the original FY 2012-13 budget of \$1,675,336,013.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 6,138.87 FTEs, which are 338.65 FTEs more than the 5,800.22 FTEs in the original FY 2012-13 budget. This represents a 5.8% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$1,355,717,895 in FY 2013-14, are \$126,946,062 or 10.3% more than FY 2012-13 revenues of \$1,228,771,833. General Fund support of \$551,071,542 in FY 2013-14 is \$104,507,362 or 23.4% more than FY 2012-13 General Fund support of \$446,564,180.

YEAR TWO: FY 2014-15

Budget Changes

The Department's proposed \$1,951,536,130 budget for FY 2014-15 is \$44,746,693 or 2.3% more than the Mayor's proposed FY 2013-14 budget of \$ 1,906,789,437.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 6,199.76 FTEs, which are 60.89 FTEs more than the 6,138.87 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 1.0% increase in FTEs from the Mayor's proposed FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$1,354,750,855 in FY 2014-15 are \$967,040 or 0.1% less than FY 2013-14 estimated revenues of \$1,355,717,855. General Fund support of \$596,785,275 in FY 2014-15 is \$45,713,733 or 8.3% more than FY 2013-14 General Fund support of \$551,071,542.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

RECOMMENDATIONS

YEAR ONE: FY 2013-14

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$2,454,724 in FY 2013-14. Of the \$2,454,724 in recommended reductions, \$2,040,647 are ongoing savings and \$414,077 are one-time savings. These reductions would still allow an increase of \$228,998,700 or 13.7% in the Department’s FY 2013-14 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$109,591 to the General Fund.

Together, these recommendations will result in \$2,564,315 savings to the City’s General Fund in FY 2013-14.

YEAR TWO: FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$2,207,412 in FY 2014-15. Of the \$2,207,412 in recommended reductions, \$2,090,356 are ongoing savings and \$117,056 are one-time savings. These reductions would still allow an increase of \$42,539,281 or 2.2% in the Department’s FY 2014-15 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2012-2013	FY 2013-2014	Increase/ Decrease from	FY 2014-2015	Increase/ Decrease from
	Budget	Proposed	FY 2012-2013	Proposed	FY 2013-2014
PUBLIC HEALTH					
CENTRAL ADMINISTRATION	152,192,421	214,369,599	62,177,178	215,820,010	1,450,411
CHILDREN'S BASELINE	47,823,044	53,229,227	5,406,183	54,631,694	1,402,467
COMM HLTH - COMM SUPPORT - HOUSING	24,852,099	30,017,815	5,165,716	30,752,635	734,820
COMM HLTH - PREV - MATERNAL & CHILD HLTH	27,057,827	28,168,874	1,111,047	28,767,341	598,467
COMM HLTH - PREVENTION - AIDS	58,469,635	58,319,655	(149,980)	57,300,381	(1,019,274)
COMM HLTH - PREVENTION - DISEASE CONTROL	19,731,308	19,610,043	(121,265)	20,037,454	427,411
COMM HLTH - PREVENTION - HLTH EDUCATION	5,955,393	7,594,655	1,639,262	7,618,765	24,110
EMERGENCY SERVICES AGENCY	1,400,000	1,228,050	(171,950)	1,200,000	(28,050)
ENVIRONMENTAL HEALTH SERVICES	19,097,927	19,955,613	857,686	20,377,283	421,670
FORENSICS - AMBULATORY CARE	28,831,213	29,515,090	683,877	30,433,326	918,236
HEALTH AT HOME	6,496,357	6,603,240	106,883	6,839,039	235,799
LAGUNA HONDA - LONG TERM CARE	203,354,724	220,560,383	17,205,659	233,623,367	13,062,984
LAGUNA HONDA HOSP - ACUTE CARE	3,874,554	3,755,942	(118,612)	3,898,828	142,886
LAGUNA HONDA HOSP - COMM SUPPORT CARE	(21,496)	0	21,496	(1)	(1)
MENTAL HEALTH - ACUTE CARE	3,462,797	3,462,797	0	3,462,797	0
MENTAL HEALTH - CHILDREN'S PROGRAM	38,425,920	38,672,491	246,571	38,293,955	(378,536)
MENTAL HEALTH - COMMUNITY CARE	152,343,350	171,340,803	18,997,453	159,244,263	(12,096,540)
MENTAL HEALTH - LONG TERM CARE	28,086,587	28,901,228	814,641	26,475,751	(2,425,477)
NON PROGRAM	0	0	0	2,250,393	2,250,393
OCCUPATIONAL SAFETY & HEALTH	1,846,839	1,930,468	83,629	1,972,270	41,802
PRIMARY CARE - AMBU CARE - HEALTH CNTRS	71,328,487	73,296,993	1,968,506	76,586,627	3,289,634
SFGH - ACUTE CARE - FORENSICS	3,437,973	3,056,502	(381,471)	3,174,469	117,967
SFGH - ACUTE CARE - HOSPITAL	603,946,169	698,553,453	94,607,284	731,086,498	32,533,045
SFGH - ACUTE CARE - PSYCHIATRY	26,127,815	25,794,682	(333,133)	26,386,738	592,056
SFGH - AMBU CARE - ADULT MED HLTH CNTR	27,739,879	38,097,241	10,357,362	39,313,859	1,216,618
SFGH - AMBU CARE - METHADONE CLINIC	1,638,208	2,809,528	1,171,320	2,917,562	108,034
SFGH - AMBU CARE - OCCUPATIONAL HEALTH	2,327,135	3,555,890	1,228,755	3,680,266	124,376
SFGH - EMERGENCY - EMERGENCY	24,472,046	33,457,049	8,985,003	35,218,882	1,761,833
SFGH - EMERGENCY - PSYCHIA TRIC SERVICES	9,133,300	7,736,875	(1,396,425)	7,921,064	184,189
SFGH - LONG TERM CARE - RF PSYCHIATRY	16,871,492	13,388,697	(3,482,795)	12,114,414	(1,274,283)
SUBSTANCE ABUSE - COMMUNITY CARE	65,033,010	69,806,554	4,773,544	70,136,200	329,646
PUBLIC HEALTH	1,675,336,013	1,906,789,437	231,453,424	1,951,536,130	44,746,693

FY 2013-14

The Department's proposed FY 2013-14 budget has increased by \$231,453,424 largely due to:

- An \$88,705,169 increase in expenditures in the public health programs. The growth in expenditures in this program is primarily due to an increase in General Funds to match federal funds that reimburse hospitals that provide care to a disproportionate number of indigent clients who cannot pay. The General Fund match increases in FY 2013-2014 but should begin to decline as the State and City implement additional provisions of the federal Affordable Care Act of 2010.
- An \$11,189,804 increase at Laguna Honda Hospital and a \$38,815,160 increase at San Francisco General Hospital to correct a structural budgetary shortfall. According to the Department of Public Health, the structural shortfall is the net effect of decreased patient

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

reimbursement revenues and inadequate funding for mental health services coupled with increased salary and fringe benefit costs to the Department.

- A \$49,000,000 budget for new fixtures, furniture and equipment for the new San Francisco General Hospital scheduled to open in winter 2015. The total budget is \$170,000,000, which includes \$49,000,000 in the FY 2013-14 budget and \$56,000,000 in the FY 2014-15 budget. The remaining \$65,000,000 will be provided by the San Francisco General Hospital Foundation.
- A \$6,862,681 investment in additional information management systems and staff to implement improvements for Phase II requirements for the Electronic Health Records system and related information technology efforts to meet various federal regulatory requirements and incentive program standards including achieving meaningful use by 2015 and avoiding federal penalties.
- A new initiative to create a Clinical Decision Unit at San Francisco General Hospital, which will create a 24-7 short-stay evaluative unit for patients who are not well enough to be safely discharged but also not so critical that they need to be admitted to the Emergency Department. Successfully implementing the Clinical Decision Unit should allow San Francisco General Hospital to better manage bed use and comply with State and Federal regulations.

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$44,746,693 largely due to:

- Mandatory increases in salaries and fringe benefits.
- \$56 million for fixtures, furniture and equipment at the new San Francisco General Hospital scheduled to open in winter 2015. This is the second year funding for fixtures, furniture and equipment as noted above.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2013-14

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 6,138.87 FTEs, which are 338.65 FTEs more than the 5,800.22 FTEs in the original FY 2012-13 budget. This represents a 5.8% increase in FTEs from the original FY 2012-13 budget.

The Department’s proposed FY 2013-14 budgeted positions increased by 338.65 FTEs largely due to

- An increase in budgeted in FTEs to reflect the Department’s solution to its ongoing structural shortfall. This increase includes: (1) reductions in the budgeted attrition rate to allow hiring of vacant positions at San Francisco General Hospital and Laguna Honda Hospital; (2) new porters, patient care assistants, and registered nurse positions; and (3) an increase in temporary staff and per diem nurses. The Department estimates that the increased position count and reduced attrition savings should eliminate the need for a supplemental appropriation in FY 2013-14.
- New positions to staff the Clinical Decision Unit 24 hours a day, seven days a week.
- New positions to meet Phase II requirements for the electronic health records management system required to comply with the federal Affordable Care Act.
- New positions to staff the Office of Managed Care to implement the federal Affordable Care Act.
- New positions to provide health service and case management to children in foster care.

FY 2012-13 FTE Enacted Budget	5,800.22
Structural Adjustment to Attrition	136.75
New, Reassigned, Converted	179.54
Deleted	(50.08)
Special Nurses and Temporary Staff	20.96
Annualized Positions and Natural Growth	51.48
<hr/> FY 2013-14 FTE Proposed Budget	<hr/> 6,138.87

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 6,199.76 FTEs, which are 60.89 FTEs more than the 6,138.87 FTEs in the Mayor’s proposed FY 2013-14 budget. This represents a 1.0% increase in FTEs from the Mayor’s proposed FY 2013-14 budget, due largely to annualization of new positions.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

DEPARTMENT REVENUES:

FY 2013-14

The Department's revenues of \$1,355,717,895 in FY 2013-14, are \$126,946,062 or 10.3% more than FY 2012-13 revenues of \$1,228,771,833. General Fund support of \$551,071,542 in FY 2013-14 is \$104,507,362 or 23.4% more than FY 2012-13 General Fund support of \$446,564,180.

Specific changes in the Department's FY 2013-14 revenues include:

- Increased General Fund support in FY 2013-14 due to expenditures exceeding federal reimbursements for health care services, and increased responsibilities under the federal Affordable Care Act. While the Department will receive additional Medi-Cal revenues from the State, a significant portion of this revenue is tied to meeting specific milestones, which require additional investments to be made into DPH's delivery system.
- Declining federal support from Ryan White AIDS funding for HIV programs as well as reduced federal funding for tuberculosis screenings from the Centers for Disease Control. The Department is proposing to offset a portion of these reductions with General Funds.
- Significantly increased State funding for programs that are eligible for Proposition 63 funding, for mental health programs receiving funding from the state health and welfare sales tax, and for Medi-Cal funding for seniors and persons with disabilities.
- Increased workorder recoveries for services provided to other City departments through San Francisco General Hospital's Occupational Health Program. The Department is proposing to increase the rates to better reflect the actual costs of providing these services.

FY 2014-15

The Department's revenues of \$1,354,750,855 in FY 2014-15, are \$967,040 or 0.1% less than FY 2013-14 revenues of \$1,354,750,855. General Fund support of \$596,785,275 in FY 2014-15 is \$45,713,733 or 8.3% more than FY 2013-14 General Fund support of \$551,071,542.

Specific changes in the Department's FY 2014-15 revenues include:

- The Department anticipates changes in revenue and General Fund support in FY 2014-15 that are consistent with the revenue issues discussed above for FY 2013-14. Additional General Fund support will provide continued support of initiatives related to implementation of the federal Affordable Care Act, equipping the new San Francisco General Hospital that will open in July 2015; and increases in salaries and fringe benefits.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

Fee Legislation

The proposed ordinance (File 13-0547) would amend the Health Code to increase the fees charged for certain patient services to patients who are self-pay or privately insured. The Department advises that these fees mostly impact a small number of self-pay or privately insured patients who receive emergency care at San Francisco General Hospital.

Projected revenues for FY 2013-14 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2012-13 Original Revenue	Increased Revenues in FY 2013-14	Annualized Revenue Thereafter	% Cost Recovery
13-0547	Various patient rates and charges.	\$6,363,000	\$636,300	10 percent annual increase	70 %

Total

Recommendation: Approve the proposed ordinance. The Budget and Legislative Analyst notes that the proposed DPH budget is balanced based on the assumption that the patient rates shown above would be approved.

COMMENTS:

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$2,454,724 in FY 2013-14. Of the \$2,454,724 in recommended reductions, \$2,040,647 are ongoing savings and \$414,077 are one-time savings. These reductions would still allow an increase of \$228,998,700 or 13.7% in the Department’s FY 2013-14 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$109,591 to the General Fund.

Together, these recommendations will result in \$2,564,315 savings to the City’s General Fund in FY 2013-14.

FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$2,207,412 in FY 2014-15. Of the \$2,207,412 in recommended reductions, \$2,090,356 are ongoing savings and \$117,056 are one-time savings. These reductions would still allow an increase of \$42,539,281 or 2.2% in the Department’s FY 2014-15 budget.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

DPH - Department of Public Health

Object Title	FY 2013-14						FY 2014-15					
	FTE		Amount		GF	IT	FTE		Amount		GF	IT
	From	To	From	To			From	To	From	To		
DHA - Central Administration												
Financial Systems Supervisor	1.00	-	\$126,121	\$0	\$126,121	x	-	1.00	\$127,671	\$0	\$127,671	x
Senior Personnel Analyst	1.00	-	\$101,723	\$0	\$101,723	x	-	1.00	\$102,973	\$0	\$102,973	x
Psychiatric Social Worker	1.00	-	\$88,464	\$0	\$88,464	x	-	1.00	\$89,971	\$0	\$89,971	x
Health Worker II	1.00	-	\$58,335	\$0	\$58,335	x	-	1.00	\$59,329	\$0	\$59,329	x
Attrition Savings	-	-	(\$2,282,836)	(\$2,159,204)	(\$123,632)	x	-	-	(\$2,313,989)	(\$2,188,607)	(\$125,382)	x
Fringe Benefits	-	-			\$96,865	x	-	-			\$98,236	x
			<i>Total Savings</i>	\$347,876					<i>Total Savings</i>	\$352,798		
	Eliminates long-term vacancies in the DPH budget.											
Manager VIII	0.77	-	\$151,701	\$0	\$151,701	x	-	1.00	\$199,435	\$0	\$199,435	x
Manager V	-	0.77	\$0	\$116,613	(\$116,613)	x	1.00	-	\$0	\$151,446	(\$151,446)	x
Fringe Benefits	-	-	\$58,541	\$45,001	\$13,540	x	-	-	\$76,962	\$58,443	\$18,519	x
			<i>Total Savings</i>	\$48,628					<i>Total Savings</i>	\$66,508		
	Reduces Manager VIII to a Manager V position to more appropriately reflect the roles and responsibilities of the position. The Mayor's proposed FY 2013-14 budget included a new Manager VIII position to oversee the new Office of Managed Care to implement the Affordable Care Act. Based on the level of responsibility and position in the organization, the Manager V position is adequate to meet this role.											
Equipment Purchase Budget	-	-	\$30,641	\$0	\$30,641	x	-	-	\$0	\$0	\$0	x
	Eliminates one Civic GX automobile, which is not adequately justified. The Healthy Air Clean Transportation Ordinance requires the Department to strategically eliminate portions of its fleet and improve age and efficiency. The Department should re-evaluate this request taking into account its current fleet, future mandatory fleet reductions, and any alternatives to traditional car-based transportation.											

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

DPH - Department of Public Health

Object Title	FY 2013-14						FY 2014-15					
	FTE		Amount		GF	IT	FTE		Amount		GF	IT
	From	To	From	To			From	To	From	To		
DHP - Primary Care - Health Centers												
Medical Social Worker	1.10	0.10	\$95,540	\$7,077	x		1.08	0.08	\$97,170	\$7,198	x	
Health Worker III	1.00	-	\$63,839	\$0	x		1.00	-	\$64,927	\$0	x	
Health Worker I	8.00	7.00	\$417,167	\$365,021	x		8.00	7.00	\$424,278	\$371,243	x	
Senior Clerk	2.00	1.00	\$106,557	\$53,278	x		2.00	1.00	\$108,373	\$54,187	x	
Attrition Savings			(\$3,678,921)	(\$3,593,871)	x				(\$3,835,898)	(\$3,749,398)	x	
Fringe Benefits					x						x	
			<i>Total Savings</i>	\$239,313					<i>Total Savings</i>	\$243,392		
	Eliminates long-term vacancies in the DPH budget.											
	Ongoing savings											
DMF - Forensics - Ambulatory Care												
Medical Records Clerk	3.00	2.00	\$181,957	\$121,305	x		3.00	2.00	\$185,059	\$123,373	x	
Attrition Savings			(\$291,894)	(\$352,546)	x				(\$298,239)	(\$359,925)	x	
			<i>Total Savings</i>	\$0					<i>Total Savings</i>	\$0		
	Eliminates long-term vacancies in the DPH budget.											
	Ongoing savings											
DMM - Mental Health - Community Care												
Health Worker III	11.25	10.25	\$718,190	\$654,351	x		11.25	10.25	\$730,432	\$665,505	x	
Attrition Savings	-	-	(\$6,464,639)	(\$6,528,478)	x		-	-	(\$6,641,955)	(\$6,706,882)	x	
			<i>Total Savings</i>	\$0					<i>Total Savings</i>	\$0		
	Eliminates long-term vacancies in the DPH budget.											
	Ongoing savings											
Equipment Purchase Budget	-	-	\$55,624	\$0	x		-	-	\$0	\$0	x	
	Eliminates two Prius automobiles, which are not adequately justified. The Healthy Air Clean Transportation Ordinance requires the Department to strategically eliminate portions of its fleet and improve age and efficiency. The Department should re-evaluate this request taking into account its current fleet, future mandatory fleet reductions, and any alternatives to traditional car-based transportation.											
DPB - Environmental Health Services												
Equipment Purchase Budget	-	-	\$27,812	\$0	x		-	-	\$0	\$0	x	
	Eliminates one Prius automobile, which is not adequately justified. The Healthy Air Clean Transportation Ordinance requires the Department to strategically eliminate portions of its fleet and improve age and efficiency. The Department should re-evaluate this request taking into account its current fleet, future mandatory fleet reductions, and any alternatives to traditional car-based transportation.											

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

DPH - Department of Public Health

Object Title	FY 2013-14						FY 2014-15					
	FTE		Amount		GF	IT	FTE		Amount		GF	IT
	From	To	From	To			From	To	From	To		
DPM - Community Health - Maternal and Child Health	1.00	-	\$92,519	\$0	x		1.00	-	\$94,096	\$0	x	
Senior Medical Social Worker												
Fringe Benefits	-	-	\$35,703	\$0	x		-	-	\$36,312	\$0	x	
			<i>Total Savings</i>	<i>\$128,222</i>					<i>Total Savings</i>	<i>\$130,408</i>		
Eliminates long-term vacancies in the DPH budget.												
FAL - Children's Baseline - Public Health Department	0.35	-	\$59,996	\$0	x		0.04	-	\$60,630	\$0	x	
Attrition Savings												
Fringe Benefits	-	-	\$22,279	\$0	x		-	-	\$24,396	\$0	x	
			<i>Total Savings</i>	<i>\$82,275</i>					<i>Total Savings</i>	<i>\$85,026</i>		
This reduction reflects a technical correction to the Mayor's proposed budget.												
DIH - San Francisco General Hospital - Acute Care	2.00	1.00	\$167,350	\$83,675	x		2.00	1.00	\$169,406	\$84,703	x	
IS Administrator II												
Manager I	5.50	4.50	\$621,476	\$508,480	x		6.00	5.00	\$686,304	\$571,920	x	
IS Business Analyst	5.00	4.00	\$461,906	\$369,525	x		6.00	5.00	\$561,098	\$467,582	x	
Senior Clerk	35.55	34.55	\$1,894,044	\$1,840,766	x		35.55	34.55	\$1,926,329	\$1,872,143	x	
Surgical Procedures Technician	17.60	16.60	\$1,281,166	\$1,208,372	x		17.60	16.60	\$1,303,004	\$1,228,970	x	
CPD Technician	23.80	22.80	\$1,659,151	\$1,589,439	x		23.80	22.80	\$1,687,431	\$1,616,531	x	
Diagnostic Imaging Tech III	6.60	5.60	\$773,323	\$656,153	x		6.60	5.60	\$786,505	\$667,338	x	
Health Worker II	37.25	35.65	\$2,172,974	\$2,079,418	x		37.25	35.65	\$2,210,014	\$2,115,087	x	
Hospital Eligibility Worker	50.99	50.49	\$3,731,886	\$3,658,697	x		50.99	50.49	\$3,795,495	\$3,721,059	x	
Attrition Savings												
Fringe Benefits	-	-	(\$8,782,755)	(\$8,605,942)	x		-	-	(\$9,006,986)	(\$8,827,271)	x	
			<i>Total Savings</i>	<i>\$820,366</i>					<i>Total Savings</i>	<i>\$832,286</i>		
Eliminates long-term vacancies in the DPH budget.												
Systems Consulting Services	-	-	\$4,630,598	\$4,330,598	x		-	-	\$0	\$0	x	
Reduces the Mayor's proposal to reflect the Department's initial request plus 5.5 percent.												
DA5 - Laguna Honda Hospital - Long-Term Care	1.00	-	\$83,091	\$0	x		1.00	-	\$84,507	\$0	x	
Administrative Analyst												
Diagnostic Imaging Tech II	1.50	1.00	\$167,419	\$111,613	x		1.50	1.00	\$170,273	\$113,515	x	
Health Care Billing Clerk 2	8.50	8.00	\$575,540	\$541,685	x		8.50	8.00	\$585,350	\$550,918	x	
Hospital Eligibility Worker	4.50	4.00	\$329,349	\$292,755	x		4.50	4.00	\$334,962	\$297,744	x	
Chief Payroll & Personnel Clerk	1.00	-	\$83,934	\$0	x		1.00	-	\$85,364	\$0	x	
Senior Personnel Analyst	2.00	1.00	\$203,445	\$101,722	x		2.00	1.00	\$205,945	\$102,972	x	
Attrition Savings												
Fringe Benefits	-	-	(\$10,274,254)	(\$10,146,201)	x		-	-	(\$10,535,309)	(\$10,405,316)	x	
			<i>Total Savings</i>	<i>\$369,966</i>					<i>Total Savings</i>	<i>\$375,937</i>		
Eliminates long-term vacancies in the DPH budget.												

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

DPH - Department of Public Health

Object Title	FY 2013-14				FY 2014-15				GF	IT	
	FTE		Amount		FTE		Amount				
	From	To	From	To	From	To	From	To	Savings	GF	IT
Air Travel - Non Employees	0.00	0.00	\$4,000	\$0	0.00	0.00	\$4,000	\$0	\$4,000	x	x
Eliminates \$4,000 budgeted for air-travel costs associated with persons not employed by the Department.											
Equipment Purchase Budget	0.00	0.00	\$0	\$0	0.00	0.00	\$304,500	\$187,444	\$117,056	x	x
Reduces the Department's budget for two passenger vans to match the vendor quote provided by the Department.											

FY 2013-14

Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund	\$414,077	\$2,040,647	\$2,454,724
Non-General Fund	\$0	\$0	\$0
Total	\$414,077	\$2,040,647	\$2,454,724

FY 2014-15

Total Recommended Reductions			
	One-Time	Ongoing	Total
General Fund	\$117,056	\$2,090,356	\$2,207,412
Non-General Fund	\$0	\$0	\$0
Total	\$117,056	\$2,090,356	\$2,207,412

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2013-14

Budget Changes

The department's proposed \$735,528,686 budget for FY 2013-14 is \$31,861,575 or 4.5% more than the original FY 2012-13 budget of \$703,528,686.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 1,870.98 FTEs, which are 120.91 FTEs more than the 1,750.07 FTEs in the original FY 2012-13 budget. This represents a 6.9% increase in FTEs from the original FY 2012-13 budget.

Revenue Changes

The Department's revenues of \$513,295,224 in FY 2013-14, are \$40,766,918 or 8.6% more than FY 2012-13 revenues of \$472,528,306. General Fund support of \$222,095,037 in FY 2013-14 is \$8,905,343 or 3.9% less than FY 2012-13 General Fund support of \$231,000,380.

YEAR TWO: FY 2014-15

Budget Changes

The department's proposed \$749,104,932 budget for FY 2014-15 is \$13,714,671 or 1.9% more than the Mayor's proposed FY 2013-14 budget of \$735,390,261.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 1,893.95 FTEs, which are 22.97 FTEs more than the 1,870.98 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 1.2% increase in FTEs from the Mayor's proposed FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$515,882,289 in FY 2014-15, are \$2,586,065 or 0.5% more than FY 2013-14 estimated revenues of \$513,295,224. General Fund support of \$233,223,643 in FY 2014-15 is \$11,128,606 or 5.0% more than FY 2013-14 General Fund support of \$222,095,037.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: HSA – HUMAN SERVICES AGENCY

RECOMMENDATIONS

YEAR ONE: FY 2013-14

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,724,531 in FY 2013-14. Of the \$1,724,531 in recommended reductions, \$378,038 are ongoing savings and \$1,346,493 are one-time savings. These reductions would still allow an increase of \$30,137,044 or 4.3% in the Department's FY 2013-14 budget.

Together, these recommendations will result in \$1,220,845 savings to the City's General Fund in FY 2013-14.

YEAR TWO: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$391,026 in FY 2014-15. Of the \$391,026 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$13,323,645 or 1.8% in the Department's FY 2014-15 budget. Together, these recommendations will result in \$131,538 savings to the City's General Fund in FY 2014-15.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: HSA – HUMAN SERVICES AGENCY

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2012- 2013 Budget	FY 2013- 2014 Proposed	Increase/ Decrease from FY 2012- 2013	FY 2014- 2015 Proposed	Increase/ Decrease from FY 2013- 2014
HUMAN SERVICES					
ADMINISTRATIVE SUPPORT	89,019,945	91,571,997	2,552,052	93,809,008	2,237,011
ADULT PROTECTIVE SERVICES	5,504,522	6,001,882	497,360	6,225,519	223,637
CALWORKS	46,935,371	45,865,071	(1,070,300)	47,028,660	1,163,589
CHILDREN'S BASELINE	28,051,313	28,007,598	(43,715)	28,814,357	806,759
COUNTY ADULT ASSISTANCE PROGRAM	52,028,814	50,220,515	(1,808,299)	50,713,875	493,360
COUNTY VETERANS SERVICES	419,939	436,282	16,343	451,402	15,120
DIVERSION AND COMMUNITY INTEGRATION PROG	3,656,139	3,832,139	176,000	3,832,139	0
DSS CHILDCARE	30,648,321	28,621,266	(2,027,055)	28,577,534	(43,732)
FAMILY AND CHILDREN'S SERVICE	119,100,732	119,065,248	(35,484)	121,812,001	2,746,753
FOOD STAMPS	21,147,407	24,619,146	3,471,739	25,942,971	1,323,825
HOMELESS SERVICES	88,884,866	103,157,394	14,272,528	101,649,214	(1,508,180)
IN HOME SUPPORTIVE SERVICES	127,436,807	131,806,971	4,370,164	135,391,753	3,584,782
INTEGRATED INTAKE	1,212,564	1,797,703	585,139	2,041,581	243,878
MEDI-CAL	24,703,735	30,687,541	5,983,806	32,721,372	2,033,831
NO COMMUNITY	0	0	0	0	0
OFFICE ON AGING	29,155,582	30,493,623	1,338,041	30,108,514	(385,109)
PUBLIC ADMINISTRATOR	1,518,043	1,478,206	(39,837)	1,531,698	53,492
PUBLIC CONSERVATOR	1,407,365	1,465,174	57,809	1,520,220	55,046
PUBLIC ED FUND - PROP H (MARCH 2004)	0	0	0	0	0
PUBLIC GUARDIAN	2,684,063	2,790,457	106,394	2,888,255	97,798
REPRESENTATIVE PAYEE	558,936	580,591	21,655	599,603	19,012
WELFARE TO WORK	29,454,222	32,891,457	3,437,235	33,445,256	553,799
HUMAN SERVICES	703,528,686	735,390,261	31,861,575	749,104,932	13,714,671

FY 2013-14

The Department's proposed FY 2013-14 budget has increased by \$31,861,575 largely due to:

- Increased federal revenue to support the expansion of Medi-Cal as part of the implementation of the Affordable Care Act; and
- Increased federal and state revenues for CalFresh, CalWorks, housing and homeless programs, social service realignment and the administration of in-home supportive services.¹

¹ Medi-Cal is California's Medicaid program. CalFresh is California's Supplemental Nutrition Assistance Program (SNAP). CalWorks is California's Temporary Assistance for Needy Families Program (TANF).

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: HSA – HUMAN SERVICES AGENCY

FY 2014-15

The Department’s proposed FY 2014-15 budget has increased by \$13,714,671 largely due to:

- Increased salary and fringe benefits costs.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2013-14

The number of full-time equivalent positions (FTE) budgeted for FY 2013-14 are 1,870.98 FTEs, which are 120.91 FTEs more than the 1,750.07 FTEs in the original FY 2012-13 budget. This represents a 6.9% increase in FTEs from the original FY 2012-13 budget.

Table 1 below presents the number of new FTE positions and budgeted FTEs related to major program expansions.

Table 1: FY 2013-14 New Positions by Program Expansion

Program	Positions	FY 2013-14 FTEs	Funding Source
Medi-Cal	39	30.03	100% Federal
	<u>4ⁱ</u>	<u>3.08</u>	40% Federal/State, 60% General Fund
Subtotal	43	33.11	
CalFresh	19	14.63	85% Federal, 15% General Fund
CalWorks ⁱⁱ	21	16.7	100% Federal/State
Jobs Now ⁱⁱⁱ	6	4.62	40% Federal/State, 60% General Fund
Total	89	69.06	62.25 FTEs Federal/State 6.81 FTEs General Fund-supported

- i. These 4 new positions would be in Administrative Services.
- ii. 18 new positions would be in the CalWorks division; 3 new positions would be in the Welfare-to-Work Division.
- iii. These 6 new positions would be in Administrative Services.

As shown in Table 1 above, the department’s increase in positions in FY 2013-14 is due in large part to the creation of 43 new positions to support the expansion of Medi-Cal under the Affordable Care Act. In addition, the department is creating 19 new positions funded by an increased allocation for CalFresh based on an anticipated 12% increase in caseload, and 21 new positions funded by an increased allocation for CalWorks to support more intensive outreach and case management to CalWorks clients not participating in required work activities. The department is also requesting 6 new positions to support the administration of Jobs Now, a subsidized employment program, originally funded by federal American Recovery and Reinvestment Act funds, which is now primarily locally funded.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: HSA – HUMAN SERVICES AGENCY

Other changes to the department's positions include a decrease in attrition savings to hire 37 vacant positions for the programs discussed above.

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 1,893.95 FTEs, which are 22.97 FTEs more than the 1,870.98 FTEs in the Mayor's proposed FY 2013-14 budget. This represents a 1.2% increase in FTEs from the Mayor's proposed FY 2013-14 budget.

The department's increase in positions in FY 2014-15 is due in large part to the annualization in FY 2014-15 of new positions added in FY 2013-14.

DEPARTMENT REVENUES:

FY 2013-14

The Department's revenues of \$513,295,224 in FY 2013-14, are \$40,766,918 or 8.6% more than FY 2012-13 revenues of \$472,528,306. General Fund support of \$222,095,037 in FY 2013-14 is \$8,905,343 or 3.9% less than FY 2012-13 General Fund support of \$231,000,380.

Specific changes in the Department's FY 2013-14 revenues include:

- Increased federal and state revenues totaling \$36,101,195 to support the expansion of Medi-Cal, CalFresh and CalWorks, as discussed above.

FY 2014-15

The Department's revenues of \$515,882,289 in FY 2014-15, are \$2,586,065 or 0.5% more than FY 2013-14 estimated revenues of \$513,295,224. General Fund support of \$233,223,643 in FY 2014-15 is \$11,128,606 or 5.0% more than FY 2013-14 General Fund support of \$222,095,037.

Specific changes in the Department's FY 2014-15 revenues include:

- Increased state revenue totaling \$3,930,654, part of which is offset by a decrease in federal revenue totaling \$1,191,028.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: HSA – HUMAN SERVICES AGENCY

Fee Legislation

File 13-0542. The Department’s proposed FY 2013-14 budget includes estimated revenues of \$210,739 associated with increasing from \$37 to \$39 the monthly fee charged to clients for services provided through the Public Guardian’s Representative Payee Program.² The Public Guardian’s Representative Payee Program manages the personal funds of elderly individuals and adults age 18 or older with physical and/or mental impairments who cannot effectively manage such funds themselves. Upon agreement with the client, the Public Guardian’s Representative Payee Program may provide the following services:

- Collect and deposit entitlement checks and other income into accounts managed by the Public Administrator-Public Guardian;
- Redirect the client’s bills including, but not limited to, rent and utility bills to the Representative Payee Program and pay such bills with the client’s funds; and,
- Make disbursements from the client’s share of funds for the client’s personal needs.

Clients demonstrating an inability to pay may qualify for a discretionary waiver of the \$37.00 monthly fee. The table below details the proposed fee ordinance for the Public Guardian’s Representative Payee Program that accompanies the Human Services Agency’s proposed FY 2013-14 budget.

Projected revenues for FY 2013-14 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2012-13 Original Revenue	Increased Revenues in FY 2013-14	Annualized Revenue Thereafter	% Cost Recovery
13-0542	Allows for the \$37 monthly Representative Payee fee to be increased to \$39 per month, and to keep current with SSI approved increases.	\$194,484	\$16,255	\$210,739	29%
Total		\$194,484	\$16,255	\$210,739	29%

Recommendation: Approve the proposed fee. The proposed HSA budget is balanced based on the assumption that the proposed fee will be approved.

² California Government Code Section 27436 authorizes the Board of Supervisors to designate the Public Guardian to collect any fees authorized by the Board of Supervisors for public representative payee services.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2013-14 AND FY 2014-15**

DEPARTMENT: HSA – HUMAN SERVICES AGENCY

OTHER ISSUES:

Expenditure Plan for the Human Services Care Fund

File 13-0553. This resolution includes an expenditure plan for the Human Services Agency’s proposed FY 2013-14 budget and for the proposed FY 2014-15 budget totaling \$14,947,496 in budgeted annual expenditures, supported each year by (a) the Human Services Care Fund of \$13,738,681, and (b) \$1,208,815 in General Fund monies.³ The Department submitted information to the Board of Supervisors with the proposed resolution which includes a budget detailing the proposed expenditure plan of such Human Services Care Fund and General Fund revenues in FY 2013-14 and FY 2014-15. According to the Department, \$14,501,554, or approximately 97.0% of the total budgeted expenditures of \$14,947,496, is proposed to be expended for housing, while the remaining \$445,942, or approximately 3.0%, is proposed to be expended for services.

Recommendation: Approve the proposed resolution.

COMMENTS:

FY 2013-14

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$1,724,531 in FY 2013-14. Of the \$1,724,531 in recommended reductions, \$378,038 are ongoing savings and \$1,346,493 are one-time savings. These reductions would still allow an increase of \$30,137,044 or 4.3% in the Department’s FY 2013-14 budget.

Together, these recommendations will result in \$1,220,845 savings to the City’s General Fund in FY 2013-14.

FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$391,026 in FY 2014-15. Of the \$391,026 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$13,323,645 or 1.8% in the Department’s FY 2014-15 budget. Together, these recommendations will result in \$131,538 savings to the City’s General Fund in FY 2014-15.

³ Pursuant to Administrative Code Section 10.100-77(f), if planned annual expenditures from the Human Services Care Fund exceed \$11.9 million, the Human Services Agency is required to submit a plan to the Board of Supervisors detailing how such funds will be expended. The Administrative Code requires the Board of Supervisors to approve the expenditure plan, by resolution, before adopting the ordinance appropriating funds for these expenditures.

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

DSS - Human Services Agency

Object Title	FY 2013-14						FY 2014-15						
	FTE		Amount		Savings	GF IT	FTE		Amount		Savings	GF IT	
	From	To	From	To			From	To	From	To			
CAO - Administrative Support													
Attrition Savings			(\$589,390)	(\$611,234)	\$21,844	X	X						
Mandatory Fringe Benefits			(\$268,775)	(\$278,010)	\$9,235	X	X						
			<i>Total Savings</i>	<i>\$31,079</i>									
Increase attrition savings to reflect anticipated October 1 hire date of a vacant 2906 Welfare Fraud Investigator position.													
Attrition Savings			(\$492,692)	(\$678,905)	\$186,213	X	X						
Mandatory Fringe Benefits			(\$224,694)	(\$302,804)	\$78,110	X	X						
			<i>Total Savings</i>	<i>\$264,323</i>									
Increase attrition savings to reflect anticipated November 1 hire date of 8 vacant IT positions.													
CAL - Family and Children's Services													
Attrition Savings			(\$2,954,465)	(\$2,968,760)	\$14,295	X	X						
Mandatory Fringe Benefits			(\$1,328,943)	(\$1,336,183)	\$7,240	X	X						
			<i>Total Savings</i>	<i>\$21,535</i>									
Increase attrition savings to reflect anticipated October 1 hire date of a vacant 2904 Human Service Technician position, which would be substituted from a vacant 2912 Senior Social Worker position.													
Human Services Technician	28.00	26.00	\$1,740,303	\$1,615,995	\$124,308	X	X	28.00	26.00	\$1,769,966	\$1,643,540	\$126,426	X
Mandatory Fringe Benefits			\$881,421	\$818,463	\$62,958	X	X			\$951,623	\$883,651	\$67,972	X
			<i>Total Savings</i>	<i>\$187,266</i>						<i>Total Savings</i>	<i>\$194,398</i>		
Delete 2 vacant positions, which have been vacant since 2/2011 and 12/2011. The Department will still have 2 vacant positions for 2904 Human Services Technicians in Family and Children's Services, and 2 vacant positions for Human Services Technicians in In-Home Supportive Services.													
Protective Services Worker	159.00	155.00	\$14,769,213	\$14,397,661	\$371,552	X	X	159.00	155.00	\$15,020,953	\$14,643,069	\$377,884	X
Mandatory Fringe Benefits			\$6,452,238	\$6,289,918	\$162,320	X	X			\$7,031,120	\$6,854,236	\$176,884	X
Social Worker	6.00	10.00	\$394,412	\$657,352	(\$262,940)	X	X	6.00	10.00	\$401,135	\$668,558	(\$267,423)	X
Mandatory Fringe Benefits			\$195,239	\$325,399	(\$130,160)	X	X			\$211,076	\$351,793	(\$140,717)	X
Attrition Savings			(\$2,954,465)	(\$3,014,941)	\$60,476	X	X						
Mandatory Fringe Benefits			(\$1,328,943)	(\$1,358,880)	\$29,937	X	X						
			<i>Total Savings</i>	<i>\$231,185</i>						<i>Total Savings</i>	<i>\$146,628</i>		
Substitute 4 vacant 2940 Protective Services Worker positions, which have been vacant since 7/2011 and 9/2011, with 4 2910 Social Worker positions. The Department will still have 9 vacant positions for 2940 Protective Services Workers. Increase attrition savings to reflect anticipated October 1 hire date of new 2910 Social Worker positions.													
Aid Assistance			\$367,528	\$317,528	\$50,000	X	X			\$367,528	\$317,528	\$50,000	X
Reduce 036 Aid Assistance to reflect actual and projected expenditures.													

**Recommendations of the Budget and Legislative Analyst
For Amendment of Budget Items in the FY 2013-14 and FY 2014-15 Two-Year Budget**

DSS - Human Services Agency

Object Title	FY 2013-14				FY 2014-15									
	FTE From	FTE To	Amount From	Amount To	Savings	GF	IT	FTE From	FTE To	Amount From	Amount To	Savings	GF	IT
CAI - County Adult Assistance Program														
Attrition Savings			(\$1,667,824)	(\$1,686,481)	\$18,657	X	X							
Mandatory Fringe Benefits			(\$770,733)	(\$779,265)	\$8,532	X	X							
			<i>Total Savings</i> \$27,189											
Increase attrition savings to reflect anticipated October 1 hire date of a vacant 2916 Social Work Specialist position.														
CGR - Public Conservator														
Attrition Savings			(\$181,932)	(\$202,279)	\$20,347	X	X							
Mandatory Fringe Benefits			(\$80,269)	(\$89,216)	\$8,947	X	X							
			<i>Total Savings</i> \$29,294											
Increase attrition savings to reflect anticipated September 1 hire date of a vacant 2930 Psychiatric Social Worker position.														
CAG - CalWorks														
Attrition Savings			(\$1,326,449)	(\$1,349,328)	\$22,879	X	X							
Mandatory Fringe Benefits			(\$632,388)	(\$642,169)	\$9,781	X	X							
			<i>Total Savings</i> \$32,660											
Increase attrition savings to reflect anticipated October 1 hire date of a vacant 2917 Program Support Analyst position.														
CGV - Welfare to Work														
Temporary Salaries - Miscellaneous			\$3,823,392	\$2,973,392	\$850,000	X	X							
Reduce 005 Temporary Salaries - Miscellaneous to offset an automatic carry forward of approximately \$850,000 resulting from unexpended temporary salaries for Public Service Trainees. This is a one-time reduction.														

FY 2013-14

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$1,093,592	\$127,253	\$1,220,845
Non-General Fund	\$252,901	\$250,785	\$503,686
Total	\$1,346,493	\$378,038	\$1,724,531

FY 2014-15

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$0	\$131,538	\$131,538
Non-General Fund	\$0	\$259,488	\$259,488
Total	\$0	\$391,026	\$391,026