

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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June 17, 2014

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 2014-2015 to Fiscal Year 2015-2016 Budget.

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BUDGET REVIEW EXECUTIVE SUMMARY**YEAR ONE: FY 2014-15**Budget Changes

The Department's proposed \$13,865,924 budget for FY 2014-15 is \$284,473 or 2.0% less than the original FY 2013-14 budget of \$14,150,397.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 28.89 FTEs, which are 0.46 FTEs more than the 28.43 FTEs in the original FY 2013-14 budget. This represents a 1.6% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$6,209,371 in FY 2014-15 are \$100,321 or 1.6% more than FY 2013-14 revenues of \$6,109,050. General Fund support of \$7,656,553 in FY 2014-15 is \$384,794 or 4.8% less than FY 2013-14 General Fund support of \$8,041,347.

YEAR TWO: FY 2015-16Budget Changes

The Department's proposed \$12,705,803 budget for FY 2015-16 is \$1,160,121 or 8.4% less than the Mayor's proposed FY 2014-15 budget of \$13,865,924.

Personnel Changes

The number of full-time equivalent (FTE) positions budgeted for FY 2015-16 are 28.91 FTEs, which are 0.02 FTEs more than the 28.89 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.1% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$6,224,829 in FY 2015-16, are \$15,458 or 0.2% more than FY 2014-15 revenues of \$6,209,371. General Fund support of \$6,480,974 in FY 2015-16 is \$1,175,579 or 15.4% less than FY 2015-16 General Fund support of \$7,656,553.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: ART – ART COMMISSION

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$225,571 in FY 2014-15. Of the \$225,571 in recommended reductions, \$75,571 are ongoing savings and \$150,000 are one-time savings.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$75,980 in FY 2015-16. All of the recommended reductions are ongoing savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: ART – ART COMMISSION

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from FY 2013-2014	FY 2015-2016 Proposed	Increase/ Decrease from FY 2014-2015
ARTS COMMISSION					
ART COMMISSION-ADMINISTRATION	1,380,723	1,767,791	387,068	791,572	(976,219)
CIVIC COLLECTION	582,766	968,177	385,411	955,422	(12,755)
CIVIC DESIGN	186,410	194,595	8,185	198,918	4,323
COMMUNITY ARTS & EDUCATION	0	0	0	0	0
COMMUNITY ARTS & ED-GENERAL ADMIN	5,445,656	4,131,975	(1,313,681)	3,808,259	(323,716)
CULTURAL EQUITY	2,838,245	2,914,296	76,051	2,920,142	5,846
EDUCATIONAL PROGRAMS	595,317	602,041	6,724	604,257	2,216
GALLERY	482,284	504,462	22,178	515,727	11,265
GRANTS FOR THE ARTS	0	0	0	0	0
MUNICIPAL SYMPHONY CONCERTS	2,139,061	2,260,000	120,939	2,380,000	120,000
PUBLIC ART	129,586	129,586	0	129,586	0
STREET ARTISTS	370,349	393,001	22,652	401,920	8,919
ARTS COMMISSION	14,150,397	13,865,924	(284,473)	12,705,803	(1,160,121)

FY 2014-15

The Department's proposed FY 2014-15 budget has decreased by \$284,473 largely due to the expiration of one-time capital funding in FY 2013-14.

FY 2015-16

The Department's proposed FY 2015-16 budget has decreased by \$1,160,121 largely due to the expiration of one-time expenditures related to the Department's move to the War Memorial Veterans Building.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 28.89 FTEs, which are 0.45 FTEs more than the 28.43 FTEs in the original FY 2013-14 budget. This represents a 1.6% increase in FTEs from the original FY 2013-14 budget.

FY 2015-16

The number of full-time equivalent (FTE) positions budgeted for FY 2015-16 are 28.91 FTEs, which are 0.02 FTEs more than the 28.89 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.1% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: ART – ART COMMISSION

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$6,209,371 in FY 2014-15, are \$100,321 or 1.6% more than FY 2013-14 revenues of \$6,109,050. General Fund support of \$7,656,553 in FY 2014-15 is \$384,794 or 4.8% less than FY 2013-14 General Fund support of \$8,041,347.

The decline in General Fund support is primarily due to the expiration of one-time capital funding in FY 2013-14.

FY 2015-16

The Department's revenues of \$6,224,829 in FY 2015-16, are \$15,458 or 0.2% more than FY 2014-15 revenues of \$6,209,371. General Fund support of \$6,480,974 in FY 2015-16 is \$1,175,579 or 15.4% less than FY 2015-16 General Fund support of \$7,656,553.

The decline in General Fund support is primarily due to the expiration of one-time expenditures related to the Department's move to the War Memorial Veterans Building in 2014-15.

Item 3: File 14-0623: The proposed ordinance modifies current regulations regarding how the Arts Commission may use art enrichment funds on City property. The ordinance permits the Arts Commission to use art enrichment funds on any City property. Currently, the Arts Commission may only use art enrichment funds on the funding department's property.

Additionally, the ordinance increases the amount of art enrichment funds the Arts Commission may reserve for maintenance and conservation from 5% to 10% per project. Furthermore, the ordinance allows art enrichment funds to be used exclusively for maintenance and conservation under limited circumstances such as when a project has limited public access or generates funds insufficient to acquire new artwork.

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

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$225,571 in FY 2014-15. Of the \$225,571 in recommended reductions, \$75,571 are ongoing savings and \$150,000 are one-time savings.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$75,980 in FY 2015-16. All of the recommended reductions are ongoing savings.

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

ART - Arts Commission

Object Title	FY 2014-15							FY 2015-16						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	1T
	From	To	From	To				From	To	From	To			
	EEJ- Art Commission - Administration													
040 Materials and Supplies Budget			\$1,000,000	\$850,000	\$150,000	x	x							
	Total Savings \$150,000													
	Reduce 040 Materials and Supplies Budget. The Department has not adequately justified the amount for materials and supplies requested for its relocation to the War Memorial building.													
Step Adjustments			\$18,648	(\$18,648)	\$37,296	x				\$19,244	(\$19,244)	\$38,488	x	
Fringe Benefits			\$5,650	(\$5,650)	\$11,300	x				\$5,256	(\$5,256)	\$10,512	x	
	Total Savings \$48,596													
	Adjust step adjustments to reflect positions hired at less than top salary step.													
	Ongoing Savings													
	EEJ- Civic Collection													
Temporary Salaries			\$50,000	\$25,000	\$25,000	x				\$50,000	\$25,000	\$25,000	x	
Fringe Benefits			\$3,950	\$1,975	\$1,975	x				\$3,960	\$1,980	\$1,980	x	
	Total Savings \$26,975													
	Reduce to reflect actual expenditures.													
	Ongoing Savings													

FY 2014-15

Total Recommended Reductions			
One-Time	Ongoing	Total	
General Fund	\$150,000	\$75,571	\$225,571
Non-General Fund	\$0	\$0	\$0
Total	\$150,000	\$75,571	\$225,571

FY 2015-16

Total Recommended Reductions			
One-Time	Ongoing	Total	
General Fund	\$0	\$75,980	\$75,980
Non-General Fund	\$0	\$0	\$0
Total	\$0	\$75,980	\$75,980

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2014-15

Budget Changes

The Department's proposed \$93,545,635 budget for FY 2014-15 is \$14,711,909 or 18.7% more than the original FY 2013-14 budget of \$78,833,726.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 294.80 FTEs, which are 10.30 FTEs more than the 284.50 FTEs in the original FY 2013-14 budget. This represents a 3.6% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$93,545,635 in FY 2014-15, are \$14,711,909, or 18.7% more than FY 2013-14 revenues of \$78,833,726.

YEAR TWO: FY 2015-16

Budget Changes

The Department's proposed \$69,354,757 budget for FY 2015-16 is \$24,190,878 or 25.9% less than the Mayor's proposed FY 2014-15 budget of \$93,545,635.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 297.56 FTEs, which are 2.76 FTEs more than the 294.80 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.9% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$69,354,757 in FY 2015-16, are \$24,190,878 or 25.9% less than FY 2014-15 estimated revenues of \$93,545,635.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DBI-BUILDING INSPECTION**

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,330,202 in FY 2014-15. Of the \$1,330,202 in recommended reductions, \$1,126,500 are ongoing savings and \$203,702 are one-time savings. These reductions would still allow an increase of \$13,381,707 or 17.0% in the Department's FY 2014-15 budget.

The Budget and Legislative Analyst recommends that the Budget and Finance Committee of the Board of Supervisors place \$9,000,000 on Budget and Finance Committee Reserve. This \$9,000,000 is designated for new and ongoing projects whose final scope and spending plans have not been determined yet.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,363,418 in FY 2015-16. Of the \$1,363,418 in recommended reductions, \$1,178,418 are ongoing savings and \$185,000 are one-time savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: DBI-BUILDING INSPECTION

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from FY 2013-2014	FY 2015-2016 Proposed	Increase/ Decrease from FY 2014-2015
BUILDING INSPECTION					
ADMINISTRATION/SUPPORT SERVICES	34,668,476	44,857,678	10,189,202	20,163,112	(24,694,566)
HOUSING INSPECTION/CODE ENFORCE SVCS	10,864,268	11,123,100	258,832	11,299,095	175,995
INSPECTION SERVICES	19,635,220	21,933,078	2,297,858	22,045,658	112,580
PLAN REVIEW SERVICES	13,665,762	15,631,779	1,966,017	15,846,892	215,113
BUILDING INSPECTION	78,833,726	93,545,635	14,711,909	69,354,757	(24,190,878)

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$14,711,909 largely due to:

- An increase in revenues from fees for permits, inspections and plan checking requests due to an upsurge in new construction activities related to the economic recovery.
- Personnel cost increases associated with the addition of newly proposed FTEs in the FY 2014-15 budget as well as the annualization of prior year new positions. Some of the newly proposed FTEs are to staff new initiatives including the legalization of in-law units and the Mayor's initiative to add 30,000 new housing units.
- Increased spending on services for: (a) continuing projects including permit tracking system enhancements, the digitization of records, other technology modifications and improvements, and the soft story retrofit program; and (b) new initiatives including the legalization of in-law units.
- An additional \$2.4 million in departmental work orders compared to the previous fiscal year.
- Additional transaction costs associated with a request by the Controller's Office to show bank account charges as expenses instead of adjustments, and additional credit card fees associated with a new credit card platform implemented in November 2013.
- Increased spending on emergency supplies for new employees and the replacement of outdated supplies on an annual basis.

FY 2015-16

The Department's proposed FY 2015-16 budget has decreased by \$24,190,878 largely due to:

- A reduction in capital expenditures as projects including building and tenant improvements at 1660 Mission Street are completed.
- A reduction in one time funding for professional services for specialized projects that are scheduled to be completed including various technology and digitization projects, as well as expenditures in DBI's demolitions and repair fund.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DBI-BUILDING INSPECTION**

- Although there is an overall decrease in the Department's budget, there is an increase in salaries due the annualization of FY 2014-15 positions and new 2015-16 positions.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 294.80 FTEs, which are 10.30 FTEs more than the 284.50 FTEs in the original FY 2013-14 budget. This represents a 3.6% increase in FTEs from the original FY 2013-14 budget.

DBI is proposing 21 new positions in its FY 2014-15 budget to accommodate increased workload associated with new City initiatives as well as the ongoing recovery in the construction industry. Specific changes include:

- A new group in the Inspection Services division comprised of 14 off-budget positions to address the illegal in-law unit program and assist with the Mayor's initiative to add 30,000 new housing units
- Four new positions to assist with increased workloads and/or backlogs in permit processing
- Two new positions to serve as inspectors for the CAPSS / Soft Story Retrofit program
- One new position to assist the Director's Office with reports, research, analysis, and public relations.

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 297.56 FTEs, which are 2.76 FTEs more than the 294.80 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.9% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Specific changes include a new IT Operations Support Administrator to replace functions currently performed by HSA's helpdesk.

INTERIM EXCEPTIONS

The Department has requested approval of 1.00 FTE as an interim exception. The Budget and Legislative Analyst recommends approval of 1.00 FTE for a 0923 Manager II position. This off-budget position is requested to meet the increased workload associated with the legalization of in-law housing units pursuant to the Legalization of Dwelling Units Without a Permit ordinance (File No. 13-1148) passed by the Board of Supervisors in April 2014. This position will serve as manager of the new group in the Inspection Services division mentioned above.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DBI-BUILDING INSPECTION**

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$93,545,635 in FY 2014-15, are \$14,711,909 or 18.7% more than FY 2013-14 revenues of \$78,833,726.

Specific changes in the Department's FY 2014-15 revenues include increased fee revenues for building permits, inspections and plan reviews associated with the continued economic recovery.

The Department's FY 2014-15 budget utilizes DBI's fund balance, which will rise to \$27,324,779 in FY 2014-15 from \$21,578,031 in FY 2013-14, to fund professional and contractual services for new and ongoing initiatives mentioned above.

FY 2015-16

The Department's revenues of \$69,354,757 in FY 2015-16, are \$24,190,878 or 25.9% less than FY 2014-15 estimated revenues of \$93,545,635.

Although fees for permits and other department services are expected to increase by an additional 3.7% from FY 2014-15 to FY 2015-16, overall revenues will decrease significantly due to a reduction in the Department's utilization of its fund balance.

Fee Legislation

DBI has two pieces of Fee Legislation before the Board of Supervisors:

Item 5 - File 14-0592 amends the building code to provide a temporary six month reduction of 7% in all fees for DBI staff services. DBI is collecting approximately 30% more revenue in charges for services than budgeted and is completing a study to determine what specific fee levels are appropriate in order to provide services. The study is scheduled to be completed in August 2014 and legislation to amend the fees permanently will follow later in the year.

Recommendation: Because the proposed ordinance reduces fees that would otherwise be charged for DBI services, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 6 - File 14-0627 amends the use of the Repair and Demolition Fund to allow DBI to finance the private portion of the stabilization project on Telegraph Hill, which is a mix of public and private property. An amendment to the code is required as the cost of the repair is greater than 50% of the assessed value of the property being repaired. DBI's work is estimated to cost \$1.8 million.

Recommendation: Because DBI revenues would be allocated to fund improvements on private property, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DBI-BUILDING INSPECTION**

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,330,202 in FY 2014-15. Of the \$1,330,202 in recommended reductions, \$1,126,500 are ongoing savings and \$203,702 are one-time savings. These reductions would still allow an increase of \$13,381,707 or 17.0% in the Department's FY 2014-15 budget.

The Budget and Legislative Analyst recommends that the Budget and Finance Committee of the Board of Supervisors place \$9,000,000 on Budget and Finance Committee Reserve. This \$9,000,000 is designated for new and ongoing projects whose final scope and spending plans have not been determined yet.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$1,363,418 in FY 2015-16. Of the \$1,363,418 in recommended reductions, \$1,178,418 are ongoing savings and \$185,000 are one-time savings.

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

DBI - Department of Building Inspection

Object Title	FY 2014-15						FY 2015-16						
	FTE		Amount		GF	1T	FTE		Amount		1T		
	From	To	From	To	Savings		From	To	From	To	Savings	GF	1T
BAN - Administration/Support Services													
027 Professional & Specialized Services			\$400,000	\$200,000	\$200,000				\$400,000	\$200,000	\$200,000		
	Reduce based upon historical expenditures and budget for the Information Management Professional & Specialized Services budget. This reduction still allows for a \$50,000 increase.												
027 Professional & Specialized Services			\$50,000	\$35,000	\$15,000				\$50,000	\$35,000	\$15,000		
	Reduce based upon historical expenditures for the Finance Professional & Specialized Services budget.												
022 Training			\$53,500	\$45,500	\$8,000				\$67,000	\$53,500	\$13,500		
	Reduce based upon historical expenditures and recent budget increases for the Information Management training budget. This reduction allows for an 18% increase in FY 2015-16.												
1822 Administrative Analyst	0.77	0.33	\$66,421	\$28,466	\$37,955		X				\$0		
Mandatory Fringe Benefits			\$30,160	\$12,413	\$17,747		x				\$0		
			Total Savings		\$55,702			Total Savings		\$0			
	Adjust hire date to March 1, 2015 for 1822 Administrative Analyst due to lack of space for new employees. Only 6 of 18 new positions funded in FY 2013-14 were filled due to these limitations; the Department is still in the process of determining a final plan.												
1840 Junior Management Assistant	1.00	0.00	\$69,901	\$0	\$69,901			1.00	0.00	\$72,133	\$0	\$72,133	
Mandatory Fringe Benefits			\$34,142	\$0	\$34,142					\$32,923	\$0	\$32,923	
			Total Savings		\$104,043			Total Savings		\$105,056			
	Delete 1.0 FTE 1840 Junior Management Assistant position, which has been vacant since July 2009. The Department has not provided sufficient justification to keep this position in the budget.												
	Ongoing Savings												
BHS - Housing Inspection & Code Enforcement													
060 Equipment Purchase	BI1503R		\$74,000	\$37,000	\$37,000		X	BI1604R		\$74,000	\$37,000	\$37,000	X
	Reduce vehicle allocation in this line item from two to one. Most of the existing vehicles for which the Department is requesting replacements have very low mileage, thus making replacement unnecessary.												
	Reduce vehicle allocation in this line item from two to one. Most of the existing vehicles for which the Department is requesting replacements have very low mileage, thus making replacement unnecessary.												

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

DBI - Department of Building Inspection

Object Title	FY 2014-15				FY 2015-16			
	FTE		Amount		FTE		Amount	
	From	To	From	To	From	To	From	To
6321 Permit Technician I	1.54	0.33	\$85,234	\$18,142	2.00	1.00	\$114,228	\$57,114
Mandatory Fringe Benefits			\$45,695	\$9,792			\$57,502	\$28,751
			Total Savings	\$102,995			Total Savings	\$85,865
Deny the addition of 1.00 FTE 6321 Permit Technician I and reduce a second new position to 0.33 FTE to reflect the anticipated actual hire date of March 1, 2015. Dept is requesting two new positions, but only needs one. Dept has several existing 6321 vacancies that have never been filled.								
6270 Housing Inspector	23.00	22.00	\$2,558,173	\$2,446,948	23.00	22.00	\$2,639,854	\$2,525,078
Mandatory Fringe Benefits			\$1,067,936	\$1,021,504			\$1,016,833	\$972,623
			Total Savings	\$157,657			Total Savings	\$158,986
Delete 1.0 FTE 6270 Housing Inspector position, which has been vacant since April 2013. The Department has not provided sufficient justification to keep this position in the budget.								
BPS - Plan Review Services								
5207 Associate Engineer	0.77	0.00	\$89,185	\$0	1.00	0.00	\$119,026	\$0
Mandatory Fringe Benefits			\$36,710	\$0			\$45,369	\$0
			Total Savings	\$125,895			Total Savings	\$164,395
Deny the addition of 0.77 FTE 5207 Associate Engineer that was approved in last year's budget to address increased workload. There are multiple vacancies in this classification as well new 5207 positions that were recently hired.								
5207 Associate Engineer	0.77	0.00	\$89,185	\$0	1.00	0.00	\$119,024	\$0
Mandatory Fringe Benefits			\$36,710	\$0			\$45,369	\$0
			Total Savings	\$125,895			Total Savings	\$164,393
Deny the addition of 0.77 FTE 5207 Associate Engineer that was approved in last year's budget to address increased workload. There are multiple vacancies in this classification as well new 5207 positions that were recently hired.								

Recommendations of the Budget and Legislative Analysts

DBI - Department of Building Inspection

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount		GF	IT	FTE		Amount		GF	IT
	From	To	From	To			From	To	From	To		
	BIS - Inspection Services											
060 Equipment Purchase	B11501R		\$74,000	\$37,000		X	B11601R		\$185,000	\$74,000		X
	Reduce vehicle allocation in this line item from two to one. Most of the existing vehicles for which the Department is requesting replacements have very low mileage, thus making replacement unnecessary.											
060 Equipment Purchase	B11502R		\$111,000	\$74,000		X	B11603R		\$74,000	\$37,000		X
	Reduce vehicle allocation in this line item from three to two. Most of the existing vehicles for which the Department is requesting replacements have very low mileage, thus making replacement unnecessary.											
060 Equipment Purchase	B11504R		\$111,000	\$74,000		X						
	Reduce vehicle allocation in this line item from three to two. Most of the existing vehicles for which the Department is requesting replacements have very low mileage, thus making replacement unnecessary.											
027 Professional & Specialized Services			\$20,000	\$10,000					\$20,000	\$10,000		
	Reduce based upon historical expenditures and actual needs of the Department.											
022 Training			\$51,630	\$47,830					\$51,630	\$47,830		
	Reduce based upon historical expenditures and this FY's allocation for Electrical Inspection training budget. Funding for this budget doubled between FY 2012-13 and FY 2014-15.											
022 Training			\$89,447	\$78,607					\$89,447	\$78,607		
	Reduce based upon historical expenditures and this FY's allocation for Building Inspection training budget. Funding increased by 47% between FY 2012-13 and 2013-14, but was not utilized by the Department.											
6321 Permit Technician I	1.54	0.33	\$85,234	\$18,142			2.00	1.00	\$114,228	\$57,114		
Mandatory Fringe Benefits			\$45,695	\$9,792					\$57,502	\$28,751		
			<i>Total Savings</i>						<i>Total Savings</i>			
	Deny the addition of 1.00 FTE 6321 Permit Technician I and reduce a second new position to 0.33 FTE to reflect the anticipated actual hire date of March 1, 2015. Dept is requesting two new positions, but only needs one. Dept has several existing 6321 vacancies that have never been filled.											
6331 Building Inspector	30.00	29.00	\$3,336,747	\$3,225,522			30.00	29.00	\$3,443,287	\$3,328,511		
Mandatory Fringe Benefits			\$1,444,632	\$1,396,478					\$1,378,257	\$1,332,315		
			<i>Total Savings</i>						<i>Total Savings</i>			
	Delete 1.0 FTE 6331 Building Inspector position, which has been vacant since March, 2013. The Department has not provided sufficient justification to keep this position in the budget.											

Recommendations of the Budget and Legislative Analyst

DBI - Department of Building Inspection

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount				FTE		Amount			
	From	To	From	To	Savings	1T	GF	1T	From	To	Savings	1T
FY 2014-15												
Total Recommended Reductions												
	One-Time		Ongoing		Total							
General Fund	\$0		\$0		\$0							
Non-General Fund	\$203,702		\$1,126,500		\$1,330,202							
Total	\$203,702		\$1,126,500		\$1,330,202							
FY 2015-16												
Total Recommended Reductions												
	One-Time		Ongoing		Total							
General Fund	\$0		\$0		\$0							
Non-General Fund	\$185,000		\$1,178,418		\$1,363,418							
Total	\$185,000		\$1,178,418		\$1,363,418							

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

DBI - Department of Building Inspection

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount		Savings		FTE		Amount		Savings	
	From	To	From	To	From	To	From	To	From	To	From	To
Reserve Recommendations												
BAN - Administration/Support Services												
027 Professional & Specialized Services			\$4,300,976	\$2,300,976		\$2,000,000						
	Place funds on Budget and Finance Committee Reserve because details on project scope, budget, and timeline have not been finalized yet for "Permit Tracking System Enhancement Phase II".											
027 Professional & Specialized Services			\$7,728,184	\$728,184		\$7,000,000						
	Place funds on Budget and Finance Committee Reserve because details on project scope, budget, and timeline have not been finalized yet for "Technology Modifications and Improvement".											

FY 2014-15

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

FY 2015-16

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

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2014-15

Budget Changes

The Department's proposed \$17,700,375 budget for FY 2014-15 is \$592,407 or 3.5% more than the original FY 2013-14 budget of \$17,107,968.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 112.53 FTEs, which are 1.39 FTEs more than the 111.14 FTEs in the original FY 2013-14 budget. This represents a 1.3% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$3,037,838 in FY 2014-15, are \$286,812 or 8.6% less than FY 2013-14 revenues of \$3,324,650. General Fund support of \$14,662,537 in FY 2014-15 is \$879,219 or 6.4% more than FY 2013-14 General Fund support of \$13,783,318.

YEAR TWO: FY 2015-16

Budget Changes

The Department's proposed \$18,293,662 budget for FY 2015-16 is \$593,287 or 3.4% more than the Mayor's proposed FY 2014-15 budget of \$17,700,375.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 113.12 FTEs, which are 0.59 FTEs more than the 112.53 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.5% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$3,039,306 in FY 2015-16 are \$1,468 or 0.05% more than FY 2014-15 estimated revenues of \$3,037,838. General Fund support of \$15,254,356 in FY 2015-16 is \$591,819 or 4.0% more than FY 2014-15 General Fund support of \$14,662,537.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **FAM – FINE ARTS MUSEUM**

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$97,498 in FY 2014-15, which are ongoing savings. These reductions would still allow an increase of \$494,909 or 2.9% in the Department's FY 2014-15 budget.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$96,575 in FY 2015-16, which are ongoing savings. These reductions would still allow an increase of \$496,712 or 2.8% in the Department's FY 2015-16 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **FAM – FINE ARTS MUSEUM**

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from	FY 2015-2016 Proposed	Increase/ Decrease from
			FY 2013-2014		FY 2014-2015
FINE ARTS MUSEUM					
ADMISSIONS	3,145,650	2,858,838	(286,812)	2,860,306	1,468
OPER & MAINT OF MUSEUMS	13,962,318	14,841,537	879,219	15,433,356	591,819
FINE ARTS MUSEUM	17,107,968	17,700,375	592,407	18,293,662	593,287

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$592,407 mainly due to increases in salary and mandatory fringe benefits cost as well as increased spending on maintenance projects at the Legion of Honor and De Young museums.

FY 2015-16

The Department's proposed FY 2015-16 budget has increased by \$593,287 largely due to increases in salary and mandatory fringe benefits as well as increases in utilities and risk management costs.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 112.53 FTEs, which are 1.39 FTEs more than the 111.14 FTEs in the original FY 2013-14 budget. This represents a 1.3% increase in FTEs from the original FY 2013-14 budget. This increase is due primarily to an increase in temporary staff to meet increasing security demands.

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 113.12 FTEs, which are 0.59 FTEs more than the 112.53 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.5% increase in FTEs from the Mayor's proposed FY 2014-15 budget. This increase is due primarily to an increase in temporary staff to meet increasing security demands.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **FAM – FINE ARTS MUSEUM**

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$3,037,838 in FY 2014-15, are \$286,812 or 8.6% less than FY 2013-14 revenues of \$3,324,650. General Fund support of \$14,662,537 in FY 2014-15 is \$879,219 or 6.4% more than FY 2013-14 General Fund support of \$13,783,318. The overall change in revenue is due to a decrease in museum admission revenues offset by an increase in General Fund support.

FY 2015-16

The Department's revenues of \$3,039,306 in FY 2015-16 are \$1,468 or 0.05% more than FY 2014-15 estimated revenues of \$3,037,838. General Fund support of \$15,254,356 in FY 2015-16 is \$591,819 or 4.0% more than FY 2014-15 General Fund support of \$14,662,537.

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$97,498 in FY 2014-15, which are ongoing savings. These reductions would still allow an increase of \$494,909 or 2.9% in the Department's FY 2014-15 budget.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$96,575 in FY 2015-16, which are ongoing savings. These reductions would still allow an increase of \$496,712 or 2.8% in the Department's FY 2015-16 budget.

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

FAM - Fine Arts Museums														
Object Title	FY 2014-15							FY 2015-16						
	FTE		Amount					FTE		Amount				
	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T
EEC- Operations and Maintenance of Museums														
045 Safety (Uniforms)			\$13,200	\$9,200	\$4,000	x				\$13,200	\$9,200	\$4,000	x	
	Total Savings				\$4,000			Total Savings				\$4,000		
	Reduce 045 Safety (Uniforms) to reflect historical expenditure levels at the Legion of Honor museum.													
045 Safety (Uniforms)			\$20,800	\$16,800	\$4,000	x				\$20,800	\$16,800	\$4,000	x	
	Total Savings				\$4,000			Total Savings				\$4,000		
	Reduce 045 Safety (Uniforms) to reflect historical expenditure levels at the De Young Museum.													
Step Adjustments			\$294	(\$35,000)	\$35,294	x				\$304	(\$35,000)	\$35,304	x	
Mandatory Fringe Benefits			\$92	(\$10,952)	\$11,044	x				\$87	(\$10,016)	\$10,103	x	
	Total Savings				\$46,338			Total Savings				\$45,407		
	Adjust step adjustments to account for employees hired at less than the top salary step.													
Premium Pay			\$301,436	\$281,436	\$20,000	x				\$325,436	\$305,436	\$20,000	x	
Mandatory Fringe Benefits			\$23,813	\$22,233	\$1,580	x				\$25,775	\$24,191	\$1,584	x	
	Total Savings				\$21,580			Total Savings				\$21,584		
	Reduce Premium Pay at the Legion of Honor to reflect estimated expenditures in FY 2014-15.													
Holiday Pay			\$123,520	\$103,520	\$20,000	x				\$123,520	\$103,520	\$20,000	x	
Mandatory Fringe Benefits			\$9,758	\$8,178	\$1,580	x				\$9,783	\$8,199	\$1,584	x	
	Total Savings				\$21,580			Total Savings				\$21,584		
	Reduce Holiday Pay at the De Young Museum to reflect estimated expenditures in FY 2014-15.													

FY 2014-15

Total Recommended Reductions			
One-Time	Ongoing	Total	
General Fund	\$0	\$97,498	\$97,498
Non-General Fund	\$0	\$0	\$0
Total	\$0	\$97,498	\$97,498

FY 2015-16

Total Recommended Reductions			
One-Time	Ongoing	Total	
General Fund	\$0	\$96,575	\$96,575
Non-General Fund	\$0	\$0	\$0
Total	\$0	\$96,575	\$96,575

BUDGET REVIEW EXECUTIVE SUMMARY**YEAR ONE: FY 2014-15**Budget Changes

The Department's proposed \$13,948,627 budget for FY 2014-15 is \$2,013,887 or 16.9% more than the original FY 2013-14 budget of \$11,934,740.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 57.91 FTEs, which are 1.36 FTEs more than the 56.55 FTEs in the original FY 2013-14 budget. This represents a 2.4% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$13,948,627 for FY 2014-15 are \$2,013,887 or 16.9% more than FY 2013-14 revenues of \$11,934,740.

YEAR TWO: FY 2015-16Budget Changes

The Department's proposed \$21,584,794 budget for FY 2015-16 is \$7,636,167 or 54.7% more than the Mayor's proposed FY 2014-15 budget of \$13,948,627.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 65.62 FTEs, which are 7.71 FTEs more than the 57.91 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 13.3% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$21,584,794 for FY 2015-16 are \$7,636,167 or 54.7% more than FY 2014-15 revenues of \$13,948,627.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **WAR – WAR MEMORIAL**

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$412,328 in FY 2014-15 in one time savings. These reductions would still allow an increase of \$1,601,559 or 13.4% in the Department's FY 2014-15 budget.

YEAR TWO: FY 2015-16

There are no recommended reductions to the proposed FY 2015-16 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: WAR – WAR MEMORIAL

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from	FY 2015-2016 Proposed	Increase/ Decrease from
			FY 2013-2014		FY 2014-2015
WAR MEMORIAL					
OPER & MAINT OF MUSEUMS	0	0	0	0	0
OPERATIONS & MAINTENANCE	11,934,740	13,948,627	2,013,887	21,584,794	7,636,167
WAR MEMORIAL	11,934,740	13,948,627	2,013,887	21,584,794	7,636,167

FY 2014-15

The Department's proposed \$13,948,627 budget has increased by \$2,013,887 largely due to:

- Addition of three new positions and the associated salary and fringe benefit costs; and
- Increased debt service for the War Memorial Veterans Building seismic renovation.

FY 2015-16

The Department's proposed \$21,584,794 budget has increased by \$7,636,167 largely due to:

- Addition of four new positions and the associated salary and fringe benefit costs; and
- Debt service for the War Memorial Veterans Building seismic renovation.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 57.91 FTEs, which are 1.36 FTEs more than the 56.55 FTEs in the original FY 2013-14 budget. This represents a 2.4% increase in FTEs from the original FY 2013-14 budget.

The increase in FTEs is due to new positions including: (a) one position to assist with booking event space at the Veterans War Memorial building; (b) one engineering position; and, (c) one security position.

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 65.62 FTEs, which are 7.71 FTEs more than the 57.91 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 13.3% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

The increase in FTEs is due to:

- The annualization of new positions added during FY 2014-15; and

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **WAR – WAR MEMORIAL**

- New positions including: (a) one position to assist with booking new rental facilities at the Veterans War Memorial building; (b) one engineering position; (c) one electrician position; and, (d) one security position.

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$13,948,627 for FY 2014-15 are \$2,013,887 or 16.9% more than FY 2013-14 revenues of \$11,934,740.

Increases in revenue are due to increases in concession and rental fees at the Opera House and Davies Symphony Hall.

FY 2015-16

The Department's revenues of \$21,584,794 for FY 2015-16 are \$7,636,167 or 54.7% more than FY 2014-15 revenues of \$13,948,627.

Increases in revenue are due to increases in occupancy fees, rental fees and concessions fees due to the reopening of the Veterans War Memorial building.

Items 23 and 24: FILES 14-0640 AND 14-0641

File 14-0640 is an ordinance, appropriating a \$14,496,012 to the Veteran's Building Seismic Upgrade Improvement Project.

File 14-0641 is a resolution, authorizing issuance of tax-exempt and/or taxable commercial paper notes in an amount not-to-exceed \$14,500,000.

The Veteran's Building Seismic Upgrade Improvement Project is a \$155 million capital project to renovate the Veterans Building historic landmark. The Board of Supervisors previously appropriated Certificates of Participation (COPs) to fund the Project (File 12-0487).

According to Ms. Elizabeth Murray, Managing Director, War Memorial and Performing Arts Center, the Department is requesting an additional \$14,496,012 in project funds because (1) the scope of the project increased due to additional vault requirements specified by PG&E, extensive hazardous materials abatement, and roof replacement in lieu of repair; and (2) certain trade bid packages came in higher than estimated. The requested increase is shown below

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **WAR – WAR MEMORIAL**

Construction Contracts (trade package bid overage)	\$6,479,027
Construction Contingency	7,956,614
Construction Management Contingency	<u>60,371</u>
	\$14,496,012

According to Ms. Murray, the Department is requesting an increased contingency amount of \$7,956,614 because the Project, which is 38 percent complete, has already drawn down on the existing contingency by \$6,376,134 primarily due to unforeseen conditions, increased hazardous materials abatement including soil remediation and complex design and construction costs of the new PG&E network vault. According to Ms. Murray, the requested \$7,956,614 will result in a total construction contingency of 17 percent, which is standard for seismic renovation of historic properties, which typically have construction contingencies of 18 to 20 percent.

The total additional request of \$14,496,012 will be funded by the sale of Transferable Development Rights (TDRs), previously authorized by the Board of Supervisors (File 13-1193). The Controller's Office of Public Finance will sell commercial paper of up to \$14,500,000, which will be reimbursed by the sale of the TDRs.

Recommendation: Approve the proposed ordinances.

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$412,328 in FY 2014-15 in one time savings. These reductions would still allow an increase of \$1,601,559 or 13.4% in the Department's FY 2014-15 budget.

FY 2015-16

There are no recommended reductions to the proposed FY 2015-16 budget.

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

WAR - War Memorial												
Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount				FTE		Amount			
	From	To	From	To	Savings	GF 1T	From	To	From	To	Savings	GF 1T
Operations and Maintenance												
GF - GSA - Facilities Management Services			\$1,778,652	\$1,366,414	\$412,238	x						
	Reduce funding for GF - GSA - Facilities Management Services to reflect historical expenditures.											

FY 2014-15

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$0	\$0	\$0
Non-General Fund	\$412,238	\$0	\$412,238
Total	\$412,238	\$0	\$412,238

FY 2015-16

Total Recommended Reductions

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

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2014-15

Budget Changes

The Department's proposed \$159,330,311 budget for FY 2014-15 is \$1,607,967 or 1.0% less than the original FY 2013-14 budget of \$160,938,278.

Personnel Increases

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 886.46 FTEs, which are 16.19 FTEs more than the 870.27 FTEs in the original FY 2013-14 budget. This represents a 1.9% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$112,100,073 in FY 2014-15, are \$128,959 or .1% less than FY 2013-14 revenues of \$112,229,073. General Fund support of \$47,230,238 in FY 2014-15 is \$1,479,008 or 3.04% less than FY 2013-14 General Fund support of \$48,709,246.

YEAR TWO: FY 2015-16

Budget Changes

The Department's proposed \$154,639,155 budget for FY 2015-16 is \$4,691,156 or 2.9% less than the Mayor's proposed FY 2014-15 budget of \$159,330,311.

Personnel Increases

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 893.66 FTEs, which are 7.20 FTEs more than the 886.46 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.8% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$100,546,411 in FY 2015-16, are \$11,553,662 or 10.3% less than FY 2014-15 estimated revenues of \$112,100,073. General Fund support of \$54,092,744 in FY 2015-16 is \$6,862,506 or 14.5% more than FY 2014-15 General Fund support of \$47,230,238.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **REC – RECREATION AND PARKS DEPARTMENT**

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$788,900 in FY 2014-15. Of the \$788,900 in recommended reductions, \$788,900 are one-time savings.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst’s recommended reductions to the proposed budget total \$107,968 in FY 2015-16. Of the \$107,968 in recommended reductions, \$107,968 are one-time savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: REC – RECREATION AND PARKS DEPARTMENT

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from FY 2013-2014	FY 2015-2016 Proposed	Increase/ Decrease from FY 2014-2015
RECREATION AND PARK COMMISSION					
CAPITAL PROJECTS	26,239,356	19,738,427	(6,500,929)	14,346,011	(5,392,416)
CHILDREN'S BASELINE	10,625,343	11,129,598	504,255	11,204,633	75,035
CHILDREN'S SVCS - NON - CHILDREN'S FUND	1,100,000	1,100,000	0	1,100,000	0
GOLDEN GATE PARK	11,228,981	10,885,319	(343,662)	11,315,984	430,665
MARINA HARBOR	4,590,583	3,907,336	(683,247)	3,927,250	19,914
NEIGHBORHOOD SERVICES	0	0	0	0	0
PARKS	75,927,437	78,750,682	2,823,245	77,149,123	(1,601,559)
REC & PARK ADMINISTRATION	90,930	76,350	(14,580)	76,350	0
RECREATION	16,517,393	18,316,988	1,799,595	18,676,188	359,200
STRUCTURAL MAINTENANCE	14,618,255	15,425,611	807,356	16,843,616	1,418,005
RECREATION AND PARK COMMISSION	160,938,278	159,330,311	(1,607,967)	154,639,155	(4,691,156)

FY 2014-15

The Department's proposed FY 2014-15 budget has decreased by \$1,607,967 largely due to:

- A reduction in the fund balance designated for reserves, which is offset by increases to urban forestry, recreation and aquatics program staffing and one-time expenditures for forestry, technology and maintenance.

FY 2015-16

The Department's proposed FY 2015-16 budget has decreased by \$4,691,156 largely due to:

- A reduction in one-time expenditures.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 886.46 FTEs, which are 16.19 FTEs more than the 870.27 FTEs in the original FY 2013-14 budget. This represents a 1.9% increase in FTEs from the original FY 2013-14 budget.

The growth in FTE count is the result of:

- The annualization of new positions from the prior year budget;
- The filling of positions for the Urban Forestry program;
- The filling of positions for Park Patrol;
- The filling of positions for the Recreation delivery program; and
- The hiring of a Natural Areas gardener position in the work order fund (1 FTE).

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **REC – RECREATION AND PARKS DEPARTMENT**

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 893.66 FTEs, which are 7.20 FTEs more than the 886.46 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.8% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

- The increase is primarily due to the movement of off-budget positions into the regular operating budget.

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$112,100,073 in FY 2014-15, are \$128,959 or .1% less than FY 2013-14 revenues of \$112,229,073. General Fund support of \$47,230,238 in FY 2014-15 is \$1,479,008 or 3.04% less than FY 2013-14 General Fund support of \$48,709,246.

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

- The decline in revenues in this year is primarily due to the closing of Candlestick Park.
- There is a reduction in General Fund support because the Department received a one-time payment from the Metropolitan Transportation Authority (MTA) in FY 2013-14.

FY 2015-16

The Department's revenues of \$100,546,411 in FY 2015-16, are \$11,553,662 or 10.3% less than FY 2014-15 estimated revenues of \$112,100,073. General Fund support of \$54,092,744 in FY 2015-16 is \$6,862,506 or 14.5% more than FY 2014-15 General Fund support of \$47,230,238.

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

- Due to the closure of Candlestick Park, the revenue generated from stadium rentals and from the City's lease with the San Francisco 49ers is no longer in the FY 2015-16 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: REC – RECREATION AND PARKS DEPARTMENT

Fee Legislation:

Item 14 – File 14-0642

File 14-0642 is an ordinance amending the Park Code to require the Controller to increase the berthing license fees for the West Harbor of the Marina Yacht Harbor each year by 3 percent or the annual increase in the Consumer Price Index, whichever is higher, until September 1, 2043.

The table below shows the proposed fee revenues.

File No.	Fee Description	FY 2013-14	FY 2014-15	Increase
		Original Budget	Estimated Revenues	
140642	Marina Yacht Harbor Berthing Fees	\$2,607,000	\$2,690,000	\$83,000

Recommendation: Approve the proposed ordinance.

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$788,900 in FY 2014-15. Of the \$788,900 in recommended reductions, \$788,900 are one-time savings.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$107,968 in FY 2015-16. Of the \$107,968 in recommended reductions, \$107,968 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 and Parks Department

Object Title	FY 2014-15						FY 2015-16							
	FTE		Amount		Savings	GF	FTE		Amount		Savings	GF		
	From	To	From	To			From	To	From	To				
	EAP -- PARKS													
Equipment Purchase										\$71,775	\$47,150	\$24,625	X	X
	This line item includes funds for the purchase of three Chevy Colorado trucks to replace existing trucks. The budgeted amount for the three trucks was higher than the quote provided by the Department, which accounted for \$1,050 in savings. The Budget and Legislative Analyst is also recommending deletion of one of the three trucks, namely the one that would replace vehicle #651652, which was purchased in 2001. The Department met its requirement under the Healthy Air and Clean Transportation Ordinance (HACTO) to reduce vehicles by 15% in part by turning in 8 vehicles to the Department of Administrative Services Central Shops. The vehicles returned to Central Shops do not represent a permanent reduction in the City's vehicle fleet because these vehicles may be re-allocated to other City departments, or may be used as credit for future replacement vehicles by the Department. With this recommended reduction the Department will continue to have 170 vehicles.													
Equipment Purchase										\$25,013	\$20,155	\$4,858	X	X
	Reduction based on quote for equipment provided by the Department.													
Equipment Purchase			\$28,710	\$22,525	\$6,185	X	X							
	Reduction based on quote for equipment provided by the Department.													
Equipment Purchase			\$33,169	\$27,666	\$5,503	X	X							
	Reduction based on quote for equipment provided by the Department.													
Equipment Purchase			\$32,625	\$18,639	\$13,986	X	X							
	Reduction based on quote for equipment provided by the Department.													
Equipment Purchase										\$54,375	\$50,229	\$4,146	X	X
	Reduction based on quote for equipment provided by the Department.													

GF = General Fund

1T = One Time

Recommendations of the Budget and Legislative Analyst

REC-Recreation and Parks Department

Department																	
Object Title	FY 2014-15										FY 2015-16						
	FTE		Amount		GF	Savings	To	From	FTE	Amount		GF	IT	Savings	GF	IT	
	From	To	From	To						From	To						
Equipment Purchase																	
	Reduction based on quote for equipment provided by the Department.																
Equipment Purchase				\$57,858		\$25,451		\$32,407		X	X						
	Reduction based on quote for equipment provided by the Department.																
Equipment Purchase				\$62,921		\$0		\$62,921		X	X						
	Disapprove one requested replacement truck for vehicle #651685 . The Department met its requirement under HACTO to reduce vehicles by 15% in part by turning in 8 vehicles to the Department of Administrative Services Central Shops. The vehicles returned to Central Shops do not represent a permanent reduction in the City's vehicle fleet because these vehicles may be re-allocated to other City departments, or may be used as credit for future replacement vehicles by the Department. With this recommended reduction the Department will continue to have 170 vehicles. The Department has also requested and will receive 5 other similar Ford trucks between FYs 14-15 and 15-16.																
Equipment Purchase														\$95,700	\$77,817	\$17,883	X X
	Reduction based on quote for equipment provided by the Department.																
Equipment Purchase				\$	304,121	288,187.50		\$15,934	X	X							
	Reduction based on quote for equipment provided by the Department.																
Attrition Savings				\$	(3,110,246)	(\$3,156,763)		\$46,517	X	X							
Mandatory Fringe				\$	(1,578,660)	(\$1,600,507)		\$21,847	X	X							
	Total Savings \$68,364																
	Increase attrition savings based on the Department's anticipated hiring date for 7328 Operating Engineer of January 1, 2015 instead of July 1, 2014.																

**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 and Parks Department

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount				FTE		Amount			
	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings
Attrition Savings			\$ (3,110,246)	(\$3,150,719)	\$40,473	X	X					
Mandatory Fringe			\$ (1,578,660)	(\$1,599,455)	\$20,795	X	X					
	<i>Total Savings</i>				\$61,267							
	Increase attrition savings based on the Department's anticipated hiring date for 2716 Custodial Assistant Supervisor.											
Attrition Savings			\$ (3,110,246)	(\$3,149,176)	\$38,930	X	X					
Mandatory Fringe			\$ (1,578,660)	(\$1,598,981)	\$20,321	X	X					
	<i>Total Savings</i>				\$59,252							
	Increase attrition savings based on the Department's anticipated hiring date for 1704 Communications Dispatcher.											
	ECD -- STRUCTURAL MAINTENANCE											
Equipment Purchase			\$41,325	\$28,037	\$13,288	X	X					
	Reduction based on quote for equipment provided by the Department.											
Equipment Purchase			\$39,476	\$25,451	\$14,025	X	X					
	<i>Total Savings</i>				\$14,025							
	Reduction based on quote for equipment provided by the Department.											
Equipment Purchase			\$27,188	\$23,045	\$4,143	X	X					
	<i>Total Savings</i>				\$4,143							
	Reduction based on quote for equipment provided by the Department.											

**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 and Parks Department

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount				FTE		Amount			
	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings
Attrition Savings			\$ (1,230,665)	(\$1,287,163)	\$56,498	X	X					
Mandatory Fringe			\$ (582,829)	\$ (607,497)	\$24,668	X	X					
			<i>Total Savings</i>	<i>\$81,166</i>								
Increase attrition savings based on the Department's anticipated hiring date for 0922 Manager 1.												
Attrition Savings			\$ (1,230,665)	(\$1,349,738)	\$119,073	X	X					
Mandatory Fringe			\$ (582,829)	\$ (634,353)	\$51,524	X	X					
			<i>Total Savings</i>	<i>\$170,597</i>								
Increase attrition savings based on the Department's anticipated hiring date for 7247 Sheet Metal Worker Supervisor II.												
Attrition Savings			\$ (1,230,665)	(\$1,269,100)	\$38,435	X	X					
Mandatory Fringe			\$ (582,829)	\$ (600,626)	\$17,797	X	X					
			<i>Total Savings</i>	<i>\$56,232</i>								
Increase attrition savings based on the Department's anticipated hiring date for 7345 Electrician.												
EAA -- GOLDEN GATE PARK												
Equipment Purchase			\$27,188	\$23,045	\$4,143	X	X					
			<i>Total Savings</i>	<i>\$4,143</i>								
Reduction based on quote for equipment provided by the Department.												

Recommendations of the Budget and Legislative Analyst

REC-Recreation and Parks Department

FY 2014-15														FY 2015-16					
Object Title	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	1T					
	From	To	From	To				From	To	From	To								
Equipment Purchase											\$73,950	\$25,451	\$48,499	X	X				
	Total Savings \$48,499																		
	Reduce funds for one of two trucks based on quote provided by the Department. Also, eliminate funding to replace vehicle # 6516069. The Department met its requirement under HACTO to reduce vehicles by 15% in part by turning in 8 vehicles to the Department of Administrative Services Central Shops. The vehicles returned to Central Shops do not represent a permanent reduction in the City's vehicle fleet because these vehicles may be re-allocated to other City departments, or may be used as credit for future replacement vehicles by the Department. With this recommended reduction the Department will continue to have 170 vehicles. The Department has also requested and will receive 5 other similar Ford trucks between FYs 14-15 and 15-16.																		
	EIA -- REC AND PARK ADMINISTRATION																		
Attrition Savings		\$	(110,941)	(\$174,946)	\$	38,403	X	X											
Mandatory Fringe		\$	(47,585)	(\$72,979)	\$	15,236	X	X											
	Total Savings \$ 53,639																		
	Increase attrition savings based on the Department's anticipated hire date for 1054 IS Business Analyst.																		
Attrition Savings		\$	(110,941)	(\$145,445)	\$	20,702	X	X											
Mandatory Fringe		\$	(47,585)	(\$63,253)	\$	9,401	X	X											
	Total Savings \$ 30,103																		
	Increase attrition savings based on the Department's anticipated hire date for 1822 Administrative Analyst.																		
Attrition Savings		\$	(110,941)	(\$152,343)	\$	24,841	X	X											
Mandatory Fringe		\$	(47,585)	(\$65,757)	\$	10,903	X	X											
	Total Savings \$ 35,744																		
	Increase attrition savings based on the Department's anticipated hire date for 2 1241 Personnel Analysts.																		

BUDGET REVIEW EXECUTIVE SUMMARY

YEAR ONE: FY 2014-15

Budget Changes

The Department's proposed \$160,790,341 budget for FY 2014-15 is \$15,131,698 or 10.4% more than the original FY 2013-14 budget of \$145,658,643.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 38.90 FTEs, which are 1.48 FTEs more than the 37.42 FTEs in the original FY 2013-14 budget. This represents a 4.0% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$132,100,343 in FY 2014-15, are \$15,408,362 or 13.2% more than FY 2013-14 revenues of \$116,691,981. General Fund support of \$28,689,998 in FY 2014-15 is \$276,664 or 1.0% less than FY 2013-14 General Fund support of \$28,966,662.

YEAR TWO: FY 2015-16

Budget Changes

The Department's proposed \$162,163,895 budget for FY 2015-16 is \$1,373,554 or 0.9% more than the Mayor's proposed FY 2014-15 budget of \$160,790,341.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 39.16 FTEs, which are 0.26 FTEs more than the 38.90 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.7% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$133,569,597 in FY 2015-16, are \$1,469,254 or 1.1% more than FY 2014-15 estimated revenues of \$132,100,343. General Fund support of \$28,594,298 in FY 2015-16 is \$95,700 or 0.3% less than FY 2014-15 General Fund support of \$28,689,998.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$442,007 in FY 2014-15. Of the \$442,007 in recommended reductions, all are ongoing. A total of \$345,060 are General Fund savings. These reductions would still allow an increase of \$14,689,691 or 10.1% in the Department's FY 2014-15 budget.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$342,837 in FY 2015-16, all of which are ongoing. A total of \$245,060 are General Fund savings. These reductions would still allow an increase of \$1,030,717 or 0.6% in the Department's FY 2015-16 budget.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014		Increase/ Decrease from		Increase/ Decrease from	
	Budget	Proposed	FY 2013-2014	Proposed	FY 2014-2015	
CHILDREN, YOUTH & THEIR FAMILIES						
CHILDREN'S BASELINE	32,697,291	41,293,324	8,596,033	35,757,739	(5,535,585)	
CHILDREN'S FUND PROGRAMS	53,224,953	56,866,725	3,641,772	57,780,825	914,100	
CHILDREN'S SVCS - NON - CHILDREN'S FUND	6,623,904	6,068,493	(555,411)	6,068,493	0	
PUBLIC EDUCATION FUND (PROP H)	47,450,000	50,690,000	3,240,000	56,790,000	6,100,000	
VIOLENCE PREVENTION	5,662,495	5,871,799	209,304	5,766,838	(104,961)	
CHILDREN, YOUTH & THEIR FAMILIES	145,658,643	160,790,341	15,131,698	162,163,895	1,373,554	

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$15,131,698 largely due to:

- The increase in grants and aid assistance offered by the Department, notably associated with the Department's Summer Jobs+ program; and
- The increase in the pass-through of Proposition H funds from the Department's budget to the San Francisco Unified School District.

FY 2015-16

The Department's proposed FY 2015-16 budget has increased by \$1,373,554 largely due to:

- The increase in grants and aid assistance offered by the Department, also associated with the Department's Summer Jobs+ program.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 38.90 FTEs, which are 1.48 FTEs more than the 37.42 FTEs in the original FY 2013-14 budget. This represents a 4.0% increase in FTEs from the original FY 2013-14 budget.

The FTE increase is due to:

- The transfer of a grant-funded position from the San Francisco Police Department, responsible for coordinating the local Violence Prevention & Intervention Plan, preparing grant program applications and reports, and convening partner departments; and
- A new position to aid the Department with contract development, fiscal monitoring, and contract compliance.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **CHF – CHILDREN, YOUTH & THEIR FAMILIES**

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 39.16 FTEs, which are 0.26 FTEs more than the 38.90 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.7% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

The positions increased in FY 2015-16 largely because of the annualization of the new positions in the FY 2014-15 budget.

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$132,100,343 in FY 2014-15, are \$15,408,362 or 13.2% more than FY 2013-14 revenues of \$116,691,981. General Fund support of \$28,689,998 in FY 2014-15 is \$276,664 or 1.0% less than FY 2013-14 General Fund support of \$28,966,662. Specific changes in the Department's FY 2014-15 revenues include:

- An increase in the San Francisco Unified School District allocation of Proposition H dollars that pass through the Department's budget.

FY 2015-16

The Department's revenues of \$133,569,597 in FY 2015-16, are \$1,469,254 or 1.1% more than FY 2014-15 estimated revenues of \$132,100,343. General Fund support of \$28,594,298 in FY 2015-16 is \$95,700 or 0.3% less than FY 2014-15 General Fund support of \$28,689,998. Specific changes in the Department's FY 2015-16 revenues include:

- An increase in projected Children's Fund revenue.

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$442,007 in FY 2014-15. Of the \$442,007 in recommended reductions, all are ongoing. A total of \$345,060 are General Fund savings. These reductions would still allow an increase of \$14,689,691 or 10.1% in the Department's FY 2014-15 budget.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$342,837 in FY 2015-16, all of which are ongoing. A total of \$245,060 are General Fund savings. These reductions would still allow an increase of \$1,030,717 or 0.6% in the Department's FY 2015-16 budget.

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

CHF - Children, Youth & Their Families

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount		GF	IT	FTE		Amount		GF	IT
	From	To	From	To			From	To	From	To		
FAL - Children's Baseline												
City Grant Programs			\$3,031,000	\$2,831,000	\$200,000	x			\$3,031,000	\$2,831,000	\$200,000	x
	The reduction reflects historical underspending for the line item.											
City Grant Programs			\$105,060	\$70,000	\$35,060	x			\$105,060	\$70,000	\$35,060	x
	The reduction reflects historical underspending for the line item.											
CBI - Children's Fund Programs												
Attrition Savings	(2.84)	(3.54)	(\$272,993)	(\$340,280)	\$67,287		(2.84)	(0.50)	(\$281,710)	(\$351,146)	\$69,436	
Mandatory Fringe Benefits			(\$120,335)	(\$149,995)	\$29,660				(\$114,982)	(\$143,323)	\$28,341	
	Total Savings				\$96,947		Total Savings \$97,777					
	Increase attrition savings based on current staffing levels within the program.											
CVP - Violence Prevention												
City Grant Programs			\$2,272,027	\$2,162,027	\$110,000	x			\$2,172,027	\$2,162,027	\$10,000	x
	The reduction reflects historical underspending for the line item.											

FY 2014-15

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$0	\$345,060	\$345,060
Non-General Fund	\$0	\$96,947	\$96,947
Total	\$0	\$442,007	\$442,007

FY 2015-16

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$0	\$245,060	\$245,060
Non-General Fund	\$0	\$97,777	\$97,777
Total	\$0	\$342,837	\$342,837

BUDGET REVIEW EXECUTIVE SUMMARY**YEAR ONE: FY 2014-15**Budget Changes

The Department's proposed \$1,981,992,009 budget for FY 2014-15 is \$73,380,182 or 3.8% more than the original FY 2013-14 budget of \$1,908,611,827.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 is 6,276.10 FTEs, which is 150.19 FTEs more than the 6,125.91 FTEs in the original FY 2013-14 budget. This represents a 2.5% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$1,368,564,811 in FY 2014-15, are \$13,691,890 or 1.0% more than FY 2013-14 revenues of \$1,354,872,921. General Fund support of \$613,427,198 in FY 2014-15 is \$59,688,292 or 10.8% more than FY 2013-14 General Fund support of \$553,738,906.

YEAR TWO: FY 2015-16Budget Changes

The Department's proposed \$1,972,808,738 budget for FY 2015-16 is \$9,183,271 or 0.5% less than the Mayor's proposed FY 2014-15 budget of \$1,981,992,009.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 is 6,427.34 FTEs, which is 151.24 FTEs more than the 6,276.10 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 2.4% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$1,339,202,120 in FY 2015-16, are \$29,362,691 or 2.1% less than FY 2014-15 estimated revenues of \$1,368,564,811. General Fund support of \$633,606,618 in FY 2015-16 is \$20,179,420 or 3.3% more than FY 2014-15 General Fund support of \$613,427,198.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DPH – DEPARTMENT OF PUBLIC HEALTH**

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$3,862,049 in FY 2014-15. Of the \$3,862,049 in recommended reductions, \$1,896,122 are ongoing savings and \$1,965,927 are one-time savings. These reductions would still allow an increase of \$69,518,133 or 3.6% in the Department's FY 2014-15 budget.

In addition, the Budget and Legislative Analyst recommends placing \$8,477,119 in salary and mandatory fringe expenditures on Budget and Finance Committee Reserve until such time as the Department can provide more detail about increased enrollment in the San Francisco Health Network and the costs of expanded services and increased capacity in FY 2014-15.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$2,491,011 in FY 2015-16. Of the \$2,491,011 in recommended reductions, \$1,991,011 are ongoing savings and \$ 500,000 are one-time savings.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from FY 2013-2014	FY 2015-2016 Proposed	Increase/ Decrease from FY 2014-2015
PUBLIC HEALTH					
CENTRAL ADMINISTRATION	206,719,612	50,424,109	(156,295,503)	47,912,189	(2,511,920)
CHILDREN'S BASELINE	50,302,199	53,475,710	3,173,511	53,632,287	156,577
COMM HLTH - COMM SUPPORT - HOUSING	30,017,815	35,179,352	5,161,537	35,565,120	385,768
COMM HLTH - PREV - MATERNAL & CHILD HLTH	28,168,874	30,544,920	2,376,046	30,863,776	318,856
COMM HLTH - PREVENTION - AIDS	60,731,984	59,363,328	(1,368,656)	59,400,404	37,076
COMM HLTH - PREVENTION - DISEASE CONTROL	20,339,825	21,703,107	1,363,282	21,935,603	232,496
COMM HLTH - PREVENTION - HLTH EDUCATION	7,764,655	6,999,168	(765,487)	7,023,691	24,523
EMERGENCY SERVICES AGENCY	1,228,050	1,250,119	22,069	1,250,108	(11)
ENVIRONMENTAL HEALTH SERVICES	19,883,505	21,142,558	1,259,053	21,192,228	49,670
FORENSICS - AMBULATORY CARE	29,511,187	30,912,074	1,400,887	31,212,537	300,463
HEALTH AT HOME	6,603,240	7,196,276	593,036	7,297,274	100,998
LAGUNA HONDA - LONG TERM CARE	220,154,364	239,238,036	19,083,672	244,823,863	5,585,827
LAGUNA HONDA - NON LHH PROG EXPENSES	0	1,491,130	1,491,130	1,231,062	(260,068)
LAGUNA HONDA HOSP - ACUTE CARE	3,755,942	3,884,030	128,088	3,926,631	42,601
LAGUNA HONDA HOSP-COMM SUPPORT CARE	0	2	2	1	(1)
MENTAL HEALTH - ACUTE CARE	3,462,797	3,462,797	0	3,462,797	0
MENTAL HEALTH - CHILDREN'S PROGRAM	38,747,491	44,706,856	5,959,365	45,058,475	351,619
MENTAL HEALTH - COMMUNITY CARE	171,394,868	175,715,173	4,320,305	167,162,966	(8,552,207)
MENTAL HEALTH - LONG TERM CARE	28,901,228	31,436,610	2,535,382	31,469,361	32,751
PRIMARY CARE - AMBU CARE - HEALTH CNTRS	73,410,026	77,976,669	4,566,643	81,136,248	3,159,579
SFGH - ACUTE CARE - FORENSICS	3,056,502	3,189,923	133,421	3,232,258	42,335
SFGH - ACUTE CARE - HOSPITAL	701,267,249	714,061,042	12,793,793	697,326,047	(16,734,995)
SFGH - ACUTE CARE - PSYCHIATRY	25,794,682	25,908,346	113,664	26,077,786	169,440
SFGH - AMBU CARE - ADULT MED HLTH CNTR	38,097,241	40,398,462	2,301,221	40,835,624	437,162
SFGH - AMBU CARE - METHADONE CLINIC	2,809,528	2,708,507	(101,021)	2,742,681	34,174
SFGH - AMBU CARE - OCCUPATIONAL HEALTH	3,555,890	4,274,350	718,460	4,317,291	42,941
SFGH - EMERGENCY - EMERGENCY	33,457,049	36,768,457	3,311,408	41,640,904	4,872,447
SFGH - EMERGENCY - PSYCHIATRIC SERVICES	7,736,875	7,978,799	241,924	8,045,947	67,148
SFGH - LONG TERM CARE - RF PSYCHIATRY	13,388,697	11,901,526	(1,487,171)	12,034,571	133,045
SFHN-MANAGED CARE	5,358,623	167,549,779	162,191,156	168,311,355	761,576
SUBSTANCE ABUSE - COMMUNITY CARE	69,806,554	68,759,923	(1,046,631)	70,276,858	1,516,935
TRANSITIONS	3,185,275	2,390,871	(794,404)	2,410,795	19,924
PUBLIC HEALTH	1,908,611,827	1,981,992,009	73,380,182	1,972,808,738	(9,183,271)

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$73,380,182 largely due to:

- Increased costs at the San Francisco General Hospital (SFGH) associated with the anticipated opening of the new building at SFGH in approximately December 2015. The proposed FY 2014-15 budget increases expenditures for furniture, fixtures and equipment by \$7,000,000 from \$49,000,000 in FY 2013-14 to \$56,000,000 for a two-year total of \$105,000,000. This request is consistent with previous fiscal year budget requests that were approved by the Board of Supervisors.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DPH – DEPARTMENT OF PUBLIC HEALTH**

- Increased costs to plan, prepare, and implement the transition into the new SFGH hospital building in approximately December 2015. The proposed budget includes funding in FY 2014-15 and FY 2015-16 pay for moving into the new building at SFGH. This funding will provide for determining workflow operations in the new building, preparing the facility and all systems, and the costs of training the staff to work in the new building.
- Increased expenditure for new information technology (IT) systems. The proposed budget includes updates to the Department's IT systems and infrastructure, including enhancements to IT security and service-related programs to improve access to specialty or language services. The proposed budget also includes funding for a new team of IT professionals that will support frontline staff in adapting to new technology and to improve efficiency. Additionally, there are continued and increased costs for investment for electronic health records improvements required under the Affordable Care Act
- Increased costs to fund a new, centralized call center to schedule appointments, respond to general inquiries, and determine healthcare eligibility and which the DPH proposes will decrease delays and reduce costs. According to DPH staff, the call center will improve patient access to care, patient satisfaction and use of primary care services.
- Increased costs to increase hours for primary care, dental and mental health and specialty services, which will be offset with additional state and federal revenues. In addition to expanding hours and services, the proposed budget includes funding to open a new primary care clinic.

FY 2015-16

The Department's proposed FY 2015-16 budget decreases by \$9,183,271 largely due to:

- A \$37,000,000 reduction in transition costs for furniture, fixtures and equipment at the new SFGH building.
- A \$26,853,346 increase in costs for operating the new SFGH building.
- Continued and increased costs for investment in technology infrastructure including security and electronic health records improvements required under the Affordable Care Act.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 is 6,267.10 FTEs, which is 150.19 FTEs more than the 6,125.91 FTEs in the original FY 2013-14 budget. This represents a 2.5% increase in FTEs from the original FY 2013-14 budget. Position increases include:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

- Increased positions for expanded outpatient services for an increased number of members in the San Francisco Health Network (SFHN). The DPH anticipates an increased number of clients that will become eligible for services under the Affordable Care Act and that will receive primary care at the local primary care clinics throughout the City.
- Increased positions for information technology investments throughout the DPH including security enhancements and other improvements required under the Affordable Care Act.
- Increased positions to staff the centralized call center that will provide scheduling, customer service, and eligibility determinations.
- Increased positions for planning and implementing the transition into the new building at SFGH that will be operational in approximately December 2015.

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 is 6,427.34 FTEs, which is 151.24 FTEs more than the 6,276.10 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 2.4% increase in FTEs from the Mayor's proposed FY 2014-15 budget. Position increases include:

- Annualized increases resulting from new positions created in FY 2014-15.
- Increased positions for staffing the new building at SFGH that will be operational in approximately December 2015.

INTERIM EXCEPTIONS

The Department has requested approval of 6.02 FTE positions as an interim exception. The Budget and Legislative Analyst recommends approval of 6.02 positions as interim exceptions.

- Approve one interim exception for a 0933 Manager V that will serve as the new Chief of Security at the SFGH and will implement recommendations from a recent study conducted by the University of California at San Francisco staff.
- Approve one interim exception for a 2593 Health Program Coordinator III that will serve as the lead for the Homeless Outreach Team.
- Approve 4.02 FTE positions as a Mayor's technical correction.

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$1,368,564,811 in FY 2014-15, are \$13,691,890 or 1.0% more than FY 2013-14 revenues of \$1,354,872,921. General Fund support of \$613,427,198 in FY 2014-15 is \$59,688,292 or 10.8% more than FY 2013-14 General Fund support of \$553,738,906.

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

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DPH – DEPARTMENT OF PUBLIC HEALTH**

- Increases in federal funding for health care under the Affordable Care Act; under the Affordable Care Act DPH will be reimbursed on a capitated rate rather than fee-for-service rates as was the case in previous years.
- An estimated increase of 15,000 patients who are newly eligible for coverage beginning in January 2014, and are assumed as part of the two year revenue forecast.
- Increased revenues at Laguna Honda Hospital as a result of changes in California State laws that would have otherwise resulted in reduction in services and related State reimbursements for services.
- Loss of federal funding for tuberculosis treatment, which the proposed budget backfills with General Fund monies.

FY 2015-16

The Department's revenues of \$1,339,202,120 in FY 2015-16, are \$29,362,691 or 2.1% less than FY 2014-15 estimated revenues of \$1,368,564,811. General Fund support of \$633,606,618 in FY 2015-16 is \$20,179,420 or 3.3% more than FY 2014-15 General Fund support of \$613,427,198.

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

- Continued increases in state and federal reimbursements as described above.

Item 4 - File 14-0628

The proposed ordinance sets patient rates and fees for services provided by DPH, effective July 1, 2014. According to information provided by DPH, projected revenues in FY 2014-15 are \$89,598,985 as shown below.

Projected revenues for FY 2014-15 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2013-14 Original Revenue	Change in FY 2014-15	Estimated FY 2014-15 Total
14-0628	Annually adjusted patient rates and charges for self-pay and third-party clients.	\$82,962,023	\$6,636,962	\$89,598,985
Total				

Recommendation: Approve the proposed ordinance.

Item 8 - File 14-0630

The proposed resolution authorizes the issuance of tax-exempt and/or taxable commercial paper notes in an aggregate principal amount not-to-exceed \$41,000,000 to finance the costs of the acquisition of furniture, fixtures and equipment for SFGH. The Board of Supervisors previously authorized the City's commercial paper program of up to \$250,000,000 (Resolution 247-13).

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **DPH – DEPARTMENT OF PUBLIC HEALTH**

As noted above, the proposed FY 2014-15 budget includes \$56,000,000 to pay for SFGH furniture, fixtures, and equipment, of which \$36,000,000 are commercial paper proceeds.¹

Ms. Nadia Sesay, Office of Public Finance Director, estimates that the \$41,000,000 principal amount will require total debt service in the amount of \$3,492,027 over the full term of the notes. The first payment, including interest, fees, and principal, on the commercial paper of \$3,281,581 is included in the proposed FY 2015-16 budget.

Recommendation: Approve the proposed resolution.

COMMENTS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$3,862,049 in FY 2014-15. Of the \$3,862,049 in recommended reductions, \$1,896,122 are ongoing savings and \$1,965,927 are one-time savings. These reductions would still allow an increase of \$69,518,133 or 3.6% in the Department's FY 2014-15 budget.

In addition, the Budget and Legislative Analyst recommends placing \$8,477,119 in salary and mandatory fringe expenditures on Budget and Finance Committee Reserve until such time as the Department can provide more detail about increased enrollment in the San Francisco Health Network and the costs of expanded services and increased capacity in FY 2014-15.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$2,491,011 in FY 2015-16. Of the \$2,491,011 in recommended reductions, \$1,991,011 are ongoing savings and \$ 500,000 are one-time savings.

¹ The FY 2013-14 DPH budget included \$5,000,000 in commercial paper proceeds, which are on Controller's Reserve pending issuance of the commercial paper.

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

DPH - Department of Public Health

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount		Savings	GF	FTE		Amount		Savings	GF
	From	To	From	To			From	To	From	To		
	D1H - San Francisco General Acute Care - Hospital											
Programmatic Projects			\$7,500,000	\$7,500,000	\$0	x			\$19,000,000	\$18,500,000	\$500,000	x
	Reduces \$500,000 in contingency funding for unspecified moving costs but leaves \$750,000 in contingency funding at the discretion of the DPH.											
Facilities Maintenance			\$1,213,000	\$1,000,000	\$213,000	x			\$1,273,650	\$1,000,000	\$273,650	x
	Reduces the proposed budget for miscellaneous facilities maintenance projects at San Francisco General Hospital. However, actual Departmental expenditures in the current fiscal year are well below budget. This reduction aligns the budget more closely with actual anticipated expenditures.											
Manager I	4.00	3.00	\$467,102	\$350,327	\$116,775	x	4.00	3.00	\$482,017	\$361,513	\$120,504	x
Manager I	3.00	2.00	\$350,327	\$233,551	\$116,776	x	3.00	2.00	\$361,513	\$241,009	\$120,504	x
Manager III	11.00	10.00	\$1,486,982	\$1,351,802	\$135,180	x	11.00	10.00	\$1,534,461	\$1,394,965	\$139,496	x
Assistant Storekeeper	15.20	15.00	\$808,978	\$798,334	\$10,644	x	18.20	18.00	\$999,571	\$988,587	\$10,984	x
Locksmith	1.00	0.00	\$85,437	\$0	\$85,437	x	1.00	0.00	\$88,165	\$0	\$88,165	x
Mandatory Fringe Benefits					\$211,859	x					\$188,323	x
			Total Savings		\$676,671		Total Savings		\$667,976			
	Delete 4.2 FTE positions that have been vacant since prior to 2012.											
Attrition Savings - Nurses			(\$5,289,303)	(\$5,889,303)	\$600,000	x	x					x
Attrition Savings - Miscellaneous			(\$10,034,199)	(\$10,634,199)	\$600,000	x	x					x
Mandatory Fringe Benefits					\$546,953	x	x					x
			Total Savings		\$1,746,953							
	Increase Attrition Savings to account for FY 2013-14 salary surplus and the high number of vacant positions.											
	The FY 2013-14 SFGH budget included \$38.8 million in new funds to account for a long standing DPH structural deficit, largely in salaries. However, due to delays in hiring, SFGH's projected FY 2013-14 salary surplus is \$13.9 million. Although the Department anticipates increased hiring prior to the opening of the new SFGH hospital building in December 2015, the Department will likely continue to experience high salary surpluses in FY 2014-15.											

Recommendations of the Budget and Legislative Analyst

DPH - Department of Public Health														
Object Title	FY 2014-15							FY 2015-16						
	FTE		Amount			GF	1T	FTE		Amount		Savings	GF	1T
	From	To	From	To				From	To					
D1P - San Francisco General Hospital - Acute Care Psychiatry														
Attrition Savings - Nurses				(\$1,054,203)		x	x							
Attrition Savings - Miscellaneous				(\$506,483)		x	x							
Mandatory Fringe Benefits						x	x							
				Total Savings	\$181,974									
				Increase Attrition Savings to account for FY 2013-14 salary surplus and the high number of vacant positions.										
				The FY 2013-14 SFGH budget included \$38.8 million in new funds to account for a long standing DPH structural deficit; largely in salaries. However, due to delays in hiring, SFGH's projected FY 2013-14 salary surplus is \$13.9 million. Although the Department anticipates increased hiring prior to the opening of the new SFGH hospital building in December 2015, the Department will likely continue to experience high salary surpluses in FY 2014-15.										
				DA5 - Laguna Honda Long-Term Care										
IS Engineer-Senior	2.00	1.00	262,340	131,170	\$131,170	X		2.00	1.00	270,716	135,358	\$135,358	X	
Mandatory Fringe Benefits			103,094	51,547	\$51,547	X				97,256	48,628	\$48,628	X	
			Total Savings	182,717						Total Savings	183,986			
			Deletes 1.0 FTE that has been vacant since before 2012.					On-going reduction						
IS Engineer - Principal	0.77	-	108,699	-	\$108,699	X		1.00	-	145,635	-	\$145,635	X	
Attrition Savings			(137,349)	(162,349)	\$25,000	x	x							
Mandatory Fringe Benefits			41,533	-	\$41,533	X				50,793	-	\$50,793	X	
			Total Savings	175,232						Total Savings	196,428			
			Delete one .77 FTE new 1044 IS Engineer Principal position. The Department has a long term vacancy in this classification that can perform the required duties.					On-going reduction						
Senior Clerk	1.54	0.77	85,234	42,617	\$42,617	X		2.50	1.50	142,785	85,671	\$57,114	X	
Attrition Savings			(320,482)	(332,482)	\$12,000	x	x							
Mandatory Fringe Benefits			45,695	22,848	\$22,848	X				71,878	43,127	\$28,751	X	
			Total Savings	77,465						Total Savings	85,865			
			Delete one .77 FTE new 1406 Senior Clerk position. The Department has a long term vacancy in this classification that can perform the required duties.					On-going reduction						

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

DPH - Department of Public Health

Object Title	FY 2014-15							FY 2015-16						
	FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	1T
	From	To	From	To				From	To	From	To			
DMF - Forensics Ambulatory Care														
Attrition Savings			210,246	(210,246)	\$420,492	x				206,602	(206,602)	\$413,204	x	
Mandatory Fringe Benefits			93,773	(93,773)	\$187,546	x				84,951	(84,951)	\$169,902	x	
	Total Savings				608,038			Total Savings				583,106		
	Technical adjustment							On-going reduction						

FY 2014-15

Total Recommended Reductions

One-Time		Ongoing	Total
General Fund		\$1,965,927	\$1,896,122
Non-General Fund		\$0	\$0
Total		\$1,965,927	\$1,896,122

FY 2015-16

Total Recommended Reductions

One-Time		Ongoing	Total
General Fund		\$500,000	\$1,991,011
Non-General Fund		\$0	\$0
Total		\$500,000	\$1,991,011

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

DPH - Department of Public Health

Object Title	FY 2014-15						FY 2015-16					
	FTE		Amount		Savings	GF 1T	FTE		Amount		Savings	GF 1T
	From	To	From	To			From	To	From	To		
Reserve Recommendations												
1G AGF AAA - San Francisco Health Network												
Salaries			\$177,275,428	\$171,275,428	\$6,000,000						\$0	
Mandatory Fringe Benefits			\$73,188,716	\$70,711,597	\$2,477,119						\$0	
	Total Savings				\$8,477,119		Total Savings \$0					
	Place \$8,477,119 in salaries and fringe benefits on Budget and Finance Committee Reserve. The Department has a projected salary and fringe benefit surplus in the San Francisco Health Network (1G AGF AAA) in FY 2013-14 of \$8.7 million. In FY 2014-15, the Department increased salaries and fringe benefit expenditures in the Network by \$27,940,645, from \$222,523,499 in FY 2013-14 to \$250,464,144 in FY 2014-15 in order to increase capacity and expand services for an estimated 15,000 new enrollees in the Network as part of the Affordable Care Act. The Department is also implementing new or enhanced initiatives, such as electronic medical records, in FY 2014-15. Because the actual number of new enrollees and need for increased capacity is not yet known, the Budget and Legislative Analyst recommends reserving these funds at this time.											

FY 2014-15

Total Recommended Reserves

	One-Time		Ongoing		Total
	General Fund	Non-General Fund	General Fund	Non-General Fund	Total
	\$8,477,119	\$0	\$0	\$0	\$8,477,119
	\$0	\$0	\$0	\$0	\$0
Total	\$8,477,119	\$0	\$0	\$0	\$8,477,119

FY 2015-16

Total Policy Recommendations

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

BUDGET REVIEW EXECUTIVE SUMMARY**YEAR ONE: FY 2014-15**Budget Changes

The Department's proposed \$825,233,368 budget for FY 2014-15 is \$87,399,927 or 11.8 % more than the original FY 2013-14 budget of \$737,923,441.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 1,970.96 FTEs, which are 115.56 FTEs more than the 1,855.40 FTEs in the original FY 2013-14 budget. This represents a 6.2% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$595,411,467 in FY 2014-15, are \$81,860,719 or 15.9% more than FY 2013-14 revenues of \$513,550,748. General Fund support of \$229,911,901 in FY 2014-15 is \$5,539,208 or 2.5% more than FY 2013-14 General Fund support of \$224,372,693.

YEAR TWO: FY 2015-16Budget Changes

The Department's proposed \$836,511,549 budget for FY 2015-16 is \$11,188,181 or 1.4% more than the Mayor's proposed FY 2014-15 budget of \$825,323,368.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 1,979.63 FTEs, which are 8.67 FTEs more than the 1,970.96 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$603,445,536 in FY 2015-16, are \$8,034,069 or 1.3% more than FY 2014-15 estimated revenues of \$595,411,467. General Fund support of \$233,066,013 in FY 2015-16 is \$3,154,112 or 1.4% more than FY 2014-15 General Fund support of \$229,911,901.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **HSA – HUMAN SERVICES**

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$2,204,370 in FY 2014-15. Of the \$2,204,370 in recommended reductions, \$1,870,074 are ongoing savings and \$334,296 are one-time savings. These reductions would still allow an increase of \$85,195,557 or 11.5% in the Department's FY 2014-15 budget.

These recommendations will result in \$734,490 savings to the City's General Fund in FY 2014-15.

YEAR TWO: FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$2,286,679 in FY 2015-16. Of the \$2,286,679 in recommended reductions, \$2,106,625 are ongoing savings and \$180,054 are one-time savings. These reductions would still allow an increase of \$8,901,502 or 1.1% in the Department's FY 2015-16 budget. These recommendations will result in \$762,226 savings to the City's General Fund in FY 2015-16.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: HSA – HUMAN SERVICES

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2013-2014 Budget	FY 2014-2015 Proposed	Increase/ Decrease from	FY 2015-2016 Proposed	Increase/ Decrease from
			FY 2013-2014		FY 2014-2015
HUMAN SERVICES					
ADMINISTRATIVE SUPPORT	90,921,644	102,547,202	11,625,558	105,125,480	2,578,278
ADULT PROTECTIVE SERVICES	6,001,882	6,560,319	558,437	6,695,752	135,433
CALWORKS	46,231,358	50,942,858	4,711,500	51,275,979	333,121
CHILDREN'S BASELINE	28,171,584	29,002,875	831,291	28,170,156	(832,719)
COUNTY ADULT ASSISTANCE PROGRAM	50,193,241	49,066,834	(1,126,407)	49,333,764	266,930
COUNTY VETERANS SERVICES	436,282	452,571	16,289	457,941	5,370
DIVERSION & COMM INTEGRATION PROG	3,832,139	3,832,139	0	3,832,139	0
DSS CHILDCARE	28,621,266	37,141,152	8,519,886	35,952,166	(1,188,986)
FAMILY AND CHILDREN'S SERVICE	118,577,620	129,348,325	10,770,705	130,706,131	1,357,806
FOOD STAMPS	24,619,146	26,732,768	2,113,622	27,256,981	524,213
HOMELESS SERVICES	106,062,623	109,767,196	3,704,573	114,123,910	4,356,714
IN HOME SUPPORTIVE SERVICES	132,166,181	170,562,189	38,396,008	176,615,799	6,053,610
INTEGRATED INTAKE	1,797,703	2,047,859	250,156	2,074,396	26,537
MEDI-CAL	30,687,541	32,103,817	1,416,276	32,720,466	616,649
OFFICE ON AGING	31,276,623	30,606,571	(670,052)	30,130,528	(476,043)
PUBLIC ADMINISTRATOR	1,478,206	1,531,942	53,736	1,550,007	18,065
PUBLIC CONSERVATOR	1,435,898	1,535,802	99,904	1,559,016	23,214
PUBLIC GUARDIAN	2,790,457	2,890,729	100,272	2,925,097	34,368
REPRESENTATIVE PAYEE	580,591	601,085	20,494	607,524	6,439
WELFARE TO WORK	32,041,456	38,049,135	6,007,679	35,398,317	(2,650,818)
WORKFORCE DEVELOPMENT	0	0	0	0	0
HUMAN SERVICES	737,923,441	825,323,368	87,399,927	836,511,549	11,188,181

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$87,399,927 largely due to:

- Increased federal and state revenues for CalFresh, CalWorks, housing and homeless programs, and the administration of in-home supportive services; and,
- Increased efforts to support vulnerable children and young adults with the establishment of a continuous quality improvement unit and increased investments in training and staff support for social workers.

FY 2015-16

The Department's proposed FY 2015-16 budget has increased by \$11,188,181 largely due to:

- Increased federal and state revenues for the administration of family and children's services and in-home supportive services; and,
- Increased salary costs.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: HSA – HUMAN SERVICES

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 1,970.96 FTEs, which are 115.56 FTEs more than the 1,855.40 FTEs in the original FY 2013-14 budget. This represents a 6.2% increase in FTEs from the original FY 2013-14 budget.

- Supplemental Appropriation: The FY 2014-15 includes the annualization of 53 positions that were approved in a FY 2013-14 supplemental appropriation. These positions expanded services and programs in CalFresh, CalWorks, family and children's services, in-home supportive services, and service integration.
- New Positions: An additional 39 positions are included in the FY 2014-15 budget for expanded services and programs in CalFresh, CalWorks, family and children's services, in-home supportive services, and various other programs.
- Annualization: New positions in FY 2013-14 to support the expansion of Medi-Cal under the Affordable Care Act, intensive outreach for CalWorks, increased services in CalFresh, and the expansion of Jobs Now, a subsidized employment program, are annualized in FY 2014-15.

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 1,979.63 FTEs, which are 8.67 FTEs more than the 1,970.96 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 0.4% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

The department's increase in positions in FY 2015-16 is due in large part to the annualization in FY 2015-16 of new positions added in FY 2014-15.

INTERIM EXCEPTIONS

The Department has requested approval of 3 positions as interim exceptions. The Budget and Legislative Analyst recommends approval of all 3 positions as interim exceptions.

- These positions are critical for programs in housing and homeless services and are funded by the federal Shelter Plus Care grant.

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$595,411,467 in FY 2014-15, are \$81,860,719 or 15.9% more than FY 2013-14 revenues of \$513,550,748. General Fund support of \$229,911,901 in FY 2014-15 is \$5,539,208 or 2.5% more than FY 2013-14 General Fund support of \$224,372,693.

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

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: **HSA – HUMAN SERVICES**

- Increased federal and state revenues totaling \$78,957,304 to support the expansion of Family and Children’s Services, Housing and Homeless Services, CalFresh and CalWorks, as discussed above.
- Increased revenue from expenditure recoveries totaling \$3,477,082 from the Department of Public Health, Department of Children, Youth and Their Families and other departments.

FY 2015-16

The Department's revenues of \$603,445,536 in FY 2015-16, are \$8,034,069 or 1.3% more than FY 2014-15 estimated revenues of \$595,411,467. General Fund support of \$233,066,013 in FY 2015-16 is \$3,154,112 or 1.4% more than FY 2014-15 General Fund support of \$229,911,901.

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

- Increased federal, state and other revenue totaling \$10,184,520, part of which is offset by a decrease in revenue from expenditure recoveries totaling \$2,095,338.

OTHER ISSUES:

Expenditure Plan for the Human Services Care Fund

Item 9 - File 14-0631. This resolution includes an expenditure plan for the Human Services Agency’s proposed FY 2014-15 budget and for the proposed FY 2015-16 budget totaling \$15,177,746 in each year, supported by (a) the Human Services Care Fund of \$14,418,247 in FY 2014-15 and \$14,420,265 in FY 2015-16, and (b) General Fund monies of \$759,499 in FY 2014-15 and \$757,481 in FY 2014-15.¹ The Department submitted information to the Board of Supervisors with the proposed resolution which includes a budget detailing the proposed expenditure plan for the Human Services Care Fund and General Fund revenues in FY 2014-15 and FY 2015-16. According to the Department, \$14,728,051, or approximately 97.0% of the total budgeted expenditures of \$15,177,746, is proposed to be expended for housing in each year, while the remaining \$449,695, or approximately 3.0%, is proposed to be expended for services.

Recommendation: Approve the proposed resolution.

¹ 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 & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: HSA – HUMAN SERVICES

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$2,204,370 in FY 2014-15. Of the \$2,204,370 in recommended reductions, \$1,870,073 are ongoing savings and \$334,297 are one-time savings. These reductions would still allow an increase of \$85,195,557 or 11.5% in the Department's FY 2014-15 budget.

These recommendations will result in \$734,490 savings to the City's General Fund in FY 2014-15.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$2,286,679 in FY 2015-16. Of the \$2,286,679 in recommended reductions, \$2,106,625 are ongoing savings and \$180,054 are one-time savings. These reductions would still allow an increase of \$8,901,502 or 1.1% in the Department's FY 2015-16 budget. These recommendations will result in \$762,226 savings to the City's General Fund in FY 2015-16.

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

HSA - Human Services Agency

Object Title		FY 2014-15						FY 2015-16											
		FTE		Amount				FTE		Amount									
		From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF	1T				
		CAO - Administrative Support																	
Equipment Purchase				\$298,830		\$159,770		\$139,060		x			\$607,512		\$427,458		\$180,054		x
		Reduce requested replacement vehicles by 5. The Department met its requirement under the Healthy Air and Clean Transportation Ordinance (HACTO) to reduce vehicles by 15% in part by turning in 25 vehicles to the Department of Administrative Services Central Shops. The vehicles returned to Central Shops do not represent a permanent reduction in the City's vehicle fleet because these vehicles may be re-allocated to other City departments, or may be used as credit for future replacement vehicles by the Department. With this recommended reduction the Department will continue to have 84 vehicles.																	
Attrition Savings					(\$510,744)		(\$539,557)		\$28,813		x								
Mandatory Fringe Benefits					(\$235,589)		(\$248,879)		\$13,290		x								
		Total Savings \$42,103																	
		Increase attrition savings to reflect anticipated October 1 hire date of one vacant IT Operations Support Administrator V position.																	
Attrition Savings					(\$610,986)		(\$710,986)		\$100,000					(\$630,573)		(\$700,000)		\$69,427	
Mandatory Fringe Benefits					(\$281,861)		(\$327,993)		\$46,132					(\$270,258)		(\$300,014)		\$29,756	
Attrition Savings					(\$497,032)		(\$597,032)		\$100,000					(\$512,966)		(\$600,000)		\$87,034	
Mandatory Fringe Benefits					(\$229,311)		(\$275,447)		\$46,136					(\$219,872)		(\$257,177)		\$37,305	
		Total Savings \$292,268																	
		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**

HSA - Human Services Agency

Object Title		FY 2014-15						FY 2015-16						
		FTE		Amount		Savings	GF	FTE		Amount		Savings	GF	1T
		From	To	From	To			From	To	From	To			
CAG - CalWorks														
Eligibility Worker	0.77	0.00	\$51,042	\$0	\$51,042			1.00	0.00	\$68,405	\$0	\$68,405		
Mandatory Fringe Benefits			\$25,746	\$0.00	\$25,746					\$32,319	\$0.00	\$32,319		
			Total Savings		\$76,788		Total Savings \$100,724							
			Disapprove one new Eligibility Worker position. The new position will provide increased support and capacity in the intake process for CalWorks participants. The Department already received one new Eligibility Worker position in a supplemental appropriation in FY 2013-14. In addition, there are 9 vacant Eligibility Worker positions department wide.											
Senior Administrative Analyst	0.77	0.00	\$77,464	\$0	\$77,464			1.00	0.00	\$103,814	\$0	\$103,814		
Mandatory Fringe Benefits			\$33,661	\$0.00	\$33,661					\$41,720	\$0.00	\$41,720		
			Total Savings		\$111,125		Total Savings \$145,534							
			Disapprove one new Senior Administrative Analyst position. The Department received approval of 53 new positions in a FY 2013-14 supplemental appropriation, and is now requesting an additional 38 new positions. This position was denied in the FY 2013-14 supplemental due to existing vacancies within this position classification; the Department received approval of one CAG 1823 position at the time of the supplemental.											
			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**

HSA - Human Services Agency

FY 2014-15													FY 2015-16					
Object Title	FTE		Amount		GF	1T	FTE		Amount		GF	1T						
	From	To	From	To			From	To	From	To								
Employment and Training Specialist I	0.77	0.00	\$53,087	\$0			1.00	0.00	\$71,146	\$0								
Mandatory Fringe Benefits			\$26,373	\$0.00					\$33,079	\$0.00								
	Total Savings						Total Savings											
					Disapprove one new Employment and Training Specialist I position. The Department received approval of 53 new positions in a FY 2013-14 supplemental appropriation, and is now requesting an additional 38 new positions. This position was denied in the FY 2013-14 supplemental due to existing vacancies within this position classification; the Department received approval of one CAG 9702 position at the time of the supplemental.													
Social Work Specialist	1.54	1.17	\$129,610	\$98,469.94														
Mandatory Fringe Benefits			\$59,946	\$45,543														
	Total Savings						Total Savings											
					Adjust FTE to reflect anticipated December 1 hire date of two new Social Work Specialist positions.													
Attrition Savings			(\$1,702,923)	(\$1,802,923)					(\$1,820,029)	(\$1,900,000)								
Mandatory Fringe			(\$821,643)	(\$869,892)					(\$820,301)	(\$856,345)								
	Total Savings						Total Savings											
					Increase attrition savings to account for a large number of vacancies in this program. The Department's FY 2013-14 projected salary surplus is \$6.8 million.													
	CAL - Family and Children's Services																	
Social Work Specialist	2.31	1.75	\$194,415	\$147,284.09														
Mandatory Fringe			\$89,917	\$68,119														
	Total Savings						Total Savings											
					Adjust FTE to reflect anticipated December 1 hire date of 3 new Social Work Specialist positions.													

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

HSA - Human Services Agency

FY 2014-15													FY 2015-16												
Object Title	FTE		Amount							FTE		Amount													
	From	To	From	To	Savings	GF	1T	From	To	From	To	From	To	Savings	GF	1T									
Clerk	1.54	0.00	\$82,166	\$0.00	\$82,166			2.00	0.00	\$110,117	\$0	\$110,117	\$0	\$110,117											
Mandatory Fringe			\$47,521	\$0	\$47,521					\$60,077	\$0	\$60,077	\$0	\$60,077											
			Total Savings				\$129,687	Total Savings										\$170,194							
	Disapprove two new Clerk positions. The Department received approval of 53 new positions in a FY 2013-14 supplemental appropriation, and is now requesting an additional 38 new positions. These positions were denied in the FY 2013-14 supplemental due to insufficient operational need for the positions; the Department received approval of four CAL 1404 positions at the time of the supplemental.																								
Administrative Analyst	0.77	0.00	\$66,421	\$0.00	\$66,421			1.00	0.00	\$89,014	\$0	\$89,014	\$0	\$89,014											
Mandatory Fringe			\$30,160	\$0	\$30,160					\$37,614	\$0	\$37,614	\$0	\$37,614											
			Total Savings				\$96,581	Total Savings										\$126,628							
	Disapprove one new Administrative Analyst position. The Department received approval of 53 new positions in a FY 2013-14 supplemental appropriation, and is now requesting an additional 38 new positions. This position was denied in the FY 2013-14 supplemental due to existing vacancies within this position classification.																								
	CAH - CalFresh																								
Eligibility Worker	6.15	1.54	\$407,676	\$102,085	\$305,591			8.00	2.00	\$547,243	\$136,811	\$547,243	\$136,811	\$410,432											
Mandatory Fringe			\$205,621	\$51,488.84	\$154,132					\$258,539	\$64,634.75	\$258,539	\$64,634.75	\$193,904											
			Total Savings				\$459,723	Total Savings										\$604,337							
	Disapprove 6 new Eligibility Worker positions. These new positions will serve an anticipated increased caseload as a result of outreach efforts. The Department already received 8 new Eligibility Worker positions for CalFresh in a supplemental appropriation in FY 2013-14. In addition, there are 9 vacant Eligibility Worker positions department wide.																								
	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**

HSA - Human Services Agency

		FY 2014-15						FY 2015-16							
Object Title		FTE		Amount		Savings	GF	1T	FTE		Amount		Savings	GF	1T
		From	To	From	To				From	To	From	To			
Eligibility Worker Supervisor		0.77	0.00	\$64,805	\$0.00	\$64,805			1.00	0.00	\$86,850	\$0.00	\$86,850		
Mandatory Fringe Benefits				\$29,972	\$0	\$29,972					\$37,441	\$0	\$37,441		
		Total Savings				\$94,777			Total Savings				\$124,291		
		Disapprove one new Eligibility Worker Supervisor position.This new position will serve an anticipated increased caseload as a result of outreach efforts. The Department already received one new Eligibility Worker Supervisor position for CalFresh in a supplemental appropriation in FY 2013-14. In addition, there are 29 vacant Eligibility Worker Supervisor positions department wide.													
		CGO - Adult Protective Services													
Attrition Savings				(\$377,952)	(\$404,737)	\$26,785		x							
Mandatory Fringe Benefits				(\$167,586)	(\$179,463)	\$11,877		x							
		Total Savings				\$38,662									
		Increase attrition savings to reflect anticipated October 1 hire date of one vacant Principal Administrative Analyst position.													
		CAH - Family and Children's Services													
Attrition Savings				(\$848,819)	(\$948,819)	\$100,000					(\$940,906)	(\$1,000,000)	\$59,094		
Mandatory Fringe Benefits				(\$414,280)	(\$463,087)	\$48,807					(\$429,156)	(\$456,109)	\$26,953		
		Total Savings				\$148,807			Total Savings				\$86,047		
		Increase attrition savings to account for a large number of vacancies in this program. The Department's FY 2013- 14 projected salary surplus is \$6.8 million.													
		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**

HSA - Human Services Agency

		FY 2014-15						FY 2015-16					
Object Title	FTE		Amount					FTE		Amount			
	From	To	From	To	Savings	GF	1T	From	To	From	To	Savings	GF
	CIM - In Home Supportive Services												
Human Services Technician	0.77	0.00	\$49,693	\$0	\$49,693			1.00	0.00	\$66,596	\$0	\$66,596	
Mandatory Fringe Benefits			\$25,331	\$0.00	\$25,331					\$31,815	\$0.00	\$31,815	
	Total Savings					\$75,024			Total Savings \$98,411				
	Disapprove one new Human Services Technician position. The Department received approval of 53 new positions in a FY 2013-14 supplemental appropriation, and is now requesting an additional 38 new positions. This position was denied in the FY 2013-14 supplemental due to existing vacancies within this position classification; the Department received approval of one CIM 2904 position at the time of the supplemental.												
Social Worker	1.54	0.00	\$105,152	\$0	\$105,152			2.00	0.00	\$140,922	\$0	\$140,922	
Mandatory Fringe Benefits			\$52,432	\$0.00	\$52,432					\$65,776	\$0.00	\$65,776	
	Total Savings					\$157,584			Total Savings \$206,698				
	Disapprove two new Social Worker positions. The Department received approval of 53 new position in a FY 2013-14 supplemental appropriation, and is now requesting an additional 38 new positions. These positions were denied in the FY 2013-14 supplemental due to existing vacancies within this position classification; the Department received approval of five CIM 2910 positions at the time of the supplemental.												
	Ongoing savings.												

FY 2014-15

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$111,432	\$623,358	\$734,790
Non-General Fund	\$222,864	\$1,246,716	\$1,469,580
Total	\$334,297	\$1,870,073	\$2,204,370

FY 2015-16

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	\$60,018	\$702,208	\$762,226
Non-General Fund	\$120,036	\$1,404,417	\$1,524,453
Total	\$180,054	\$2,106,625	\$2,286,679