

DEPARTMENT:

CON- CONTROLLER

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

The Department's proposed \$51,960,612 budget for FY 2014-15 is \$7,979,715 or 18.1% more than the original FY 2013-14 budget of \$43,980,897.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 220.2 FTEs, which are 16.1 FTEs more than the 204.1 FTEs in the original FY 2013-14 budget. This represents a 7.9% increase in FTEs from the original FY 2013-14 budget.

Revenue Changes

The Department's revenues of \$39,542,655 in FY 2014-15, are \$8,746,504 or 28.4% more than FY 2013-14 revenues of \$30,796,151. General Fund support of \$12,417,957 in FY 2014-15 is \$766,789 or 5.8% less than FY 2013-14 General Fund support of \$13,184,746.

YEAR TWO: FY 2015-16Budget Changes

The department's proposed \$55,781,082 budget for FY 2015-16 is \$3,820,470 or 7.4% more than the Mayor's proposed FY 2014-15 budget of \$ 51,960,612.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 245.1 FTEs, which are 24.9 FTEs more than the 220.2 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 11.3% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

Revenue Changes

The Department's revenues of \$43,254,792 in FY 2015-16, are \$3,712,137 or 9.4% more than FY 2014-15 estimated revenues of \$39,542,655. General Fund support of \$12,526,290 in FY 2015-16 is \$108,333 or 0.9% more than FY 2014-15 General Fund support of \$12,417,957.

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

DEPARTMENT: CON – CONTROLLER

RECOMMENDATIONS

YEAR ONE: FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$250,227 in FY 2014-15. Of the \$250,227 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$7,729,438 or 17.6% 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 \$239,984 in FY 2015-16. Of the \$239,984 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$3,580,486 or 6.9% 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: CON – CONTROLLER

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
CONTROLLER					
ACCOUNTING	8,093,614	8,670,738	577,124	8,824,164	153,426
CITY SERVICES AUDITOR	13,671,802	13,133,275	(538,527)	13,399,139	265,864
ECONOMIC ANALYSIS	404,727	493,151	88,424	497,328	4,177
FINANCIAL SYSTEMS	2,300,000	8,580,798	6,280,798	11,515,627	2,934,829
MANAGEMENT, BUDGET	4,943,746	5,237,043	293,297	5,341,074	104,031
PAYROLL AND	13,874,980	15,070,579	1,195,599	15,417,969	347,390
PUBLIC FINANCE	692,028	775,028	83,000	785,781	10,753
CONTROLLER	43,980,897	51,960,612	7,979,715	55,781,082	3,820,470

FY 2014-15

The Department's proposed FY 2014-15 budget has increased by \$7,979,715 largely due to:

- Beginning the implementation of a new city-wide financial information system. Work in FY 2014-2015 will include contracting with a software vendor, developing system specifications, and a phased hiring plan.
- Upgrade of the PeopleSoft human resources and payroll system (eMerge) to increase online accessibility for City Employees.
- Increased local government reporting including SFOpenBook and the Government Barometer.

FY 2015-16

The Department's proposed FY 2015-16 budget has increased by \$3,820,470 largely due to:

- Continued investments in the new city-wide financial information system. Work in FY 2015-2016 will include software licensing and consulting support, leasing and operating expenses, and continued hiring to fully staff the project.

Financial System Replacement Project

The City's five-year Information and Communication Technology (ICT) Plan, adopted by the Board of Supervisors in April 2013, includes \$72.2 million for replacement of the City's financial system over the five-year period from FY 2013-14 through FY 2017-18. The Mayor's proposed budget includes \$8,225,798 in FY 2014-15 and \$11,515,627 in FY 2015-16, totaling \$19,741,425, to partially fund replacement of the financial system.

The FY 2014-15 budget includes 21 new positions and the FY 2015-16 budget includes 12 new positions, totaling 33 new positions allocated to the financial system replacement projects.

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

DEPARTMENT: CON – CONTROLLER

Additionally, the proposed budget includes substitution or reassignment of 6.47 existing positions, for 39.47 total positions allocated to the financial system replacement project. The Budget and Legislative Analyst recommends reducing 5 of the requested 33 new positions, and designating 23 as limited-tenure positions, which will terminate at the conclusion of the project in FY 2017-18.

SUMMARY OF DEPARTMENT POSITION CHANGES:

FY 2014-15

The number of full-time equivalent positions (FTE) budgeted for FY 2014-15 are 220.2 FTEs, which are 16.1 FTEs more than the 204.1 FTEs in the original FY 2013-14 budget. This represents a 7.9% increase in FTEs from the original FY 2013-14 budget.

A majority of the department's new positions are for the implementation and support of the new city-wide financial system. In addition, the department is adding limited-term staff for support of the Peoplesoft system upgrade.

FY 2015-16

The number of full-time equivalent positions (FTE) budgeted for FY 2015-16 are 245.1 FTEs, which are 24.9 FTEs more than the 220.2 FTEs in the Mayor's proposed FY 2014-15 budget. This represents a 11.3% increase in FTEs from the Mayor's proposed FY 2014-15 budget.

The increase in FTE in 2015-16 is due to a number of new positions to fully staff the financial system replacement project, as well as a number of staff hired in FY 2014-2015 becoming full time.

INTERIM EXCEPTIONS

The Department has requested no interim exceptions. However, due to a clerical error the Department was included on the Mayor's list of interim exceptions. This error has been corrected.

DEPARTMENT REVENUES:

FY 2014-15

The Department's revenues of \$39,542,655 in FY 2014-15, are \$8,746,504 or 28.4% more than FY 2013-14 revenues of \$30,796,151. General Fund support of \$12,417,957 in FY 2014-15 is \$766,789 or 5.8% less than FY 2013-14 General Fund support of \$13,184,746.

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

- Reduced General Fund support due to greater expenditure recovery from City departments.

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

DEPARTMENT: CON – CONTROLLER

FY 2015-16

The Department's revenues of \$43,254,792 in FY 2015-16, are \$3,712,137 or 9.4% more than FY 2014-15 estimated revenues of \$39,542,655. General Fund support of \$12,526,290 in FY 2015-16 is \$108,333 or 0.9% more than FY 2014-15 General Fund support of \$12,417,957.

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

- The Department does not expect major changes to FY 2015-2016 revenue other than moderate increases in expenditure recovery from City departments

RECOMMENDATIONS:

FY 2014-15

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$250,227 in FY 2014-15. Of the \$250,227 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$7,729,438 or 17.6% in the Department's FY 2014-15 budget.

FY 2015-16

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$239,984 in FY 2015-16. Of the \$239,984 in recommended reductions, all are ongoing savings. These reductions would still allow an increase of \$3,580,486 or 6.9% 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**

CON - Controller

Object Title	FY 2014-15						FY 2015-16						
	FTE		Amount		GF	IT	FTE		Amount		GF	IT	
	From	To	From	To			From	To	From	To			
IFFM - Economic Analysis													
Software Licensing		50,000	45,000	5,000	x				50,000	45,000		5,000	x
Reduce to reflect projected expenditures.													
Professional & Specialized Services		\$50,000	\$35,000	15,000	x				\$50,000	\$35,000		\$10,000	x
Reduce to reflect projected expenditures.													
Management													
Attrition Savings		(251,445)	(331,445)	80,000	x				(259,474)	(339,474)		80,000	x
Mandatory Fringe Benefits		(105,143)	(138,595)	33,452	x				(99,883)	(130,679)		30,796	x
<i>Total Savings 113,452</i>													
Increase attrition savings to account for FY 2013-14 salary surplus and long term vacancies.													
Payroll/Personnel													
Attrition Savings		(223,586)	(303,586)	80,000	x				(230,725)	(310,725)		80,000	x
Mandatory Fringe Benefits		(102,779)	(139,554)	36,775	x				(98,601)	(132,789)		34,188	x
<i>Total Savings 116,775</i>													
Increase attrition savings to account for FY 2013-14 salary surplus and long term vacancies.													
Financial Systems Replacement Project													
IS Engineer - Journey								1.00 A	1.00 L				
IS Engineer - Principal								1.00 A	1.00 L				
IS Programmer Analyst - Principal								6.00 A	6.00 L				
Designate 8 positions for the Financial Systems Replacement Project as Limited Tenure, with a termination date as of June 30, 2018.													

FY 2014-15

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	0	250,227	250,227
Non-General Fund	0	0	0
Total	0	250,227	250,227

FY 2015-16

Total Recommended Reductions

	One-Time	Ongoing	Total
General Fund	0	239,984	239,984
Non-General Fund	0	0	0
Total	0	239,984	239,984