

# Briefing to Budget & Appropriations Committee

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Mayor's Proposed 3-Month Interim Budget

June 10, 2020

Budget & Legislative Analyst's Office



# FY 2020-21 Interim Budget

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- Expanded from one month (July) to three months (July, August, and September).
- The delay will allow more time to assess the revenue impacts of the COVID-19 pandemic and make the difficult policy choices to balance the FY 2020-22 two-year budget.



# Continuity Budget

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- The three-month interim budget serves as a “continuity” budget with 3 major exceptions:
  1. 6 month delay in wage increases for City workers
  2. No appropriation for the gross hourly increase for IHSS Minimum Compensation Ordinance on July 1, 2020
  3. No July 1<sup>st</sup> implementation of the 2.5 percent cost-of-doing business increase for non-profit providers



# Other Major Non-Personnel Changes

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- Our review of the non-personnel General Fund budget found that relative to the FY 2020-21 budget adopted on August 1, 2019:
  - Aid payments for the IHSS program (HSA) are declining by \$4.7 million (3%) due to a decrease in services.
  - General Fund support is declining for the following selected baselines and reserves:
    - General Reserve (\$12.4 million decrease)
    - Recreation and Parks Baseline (\$3 million decrease)
    - Mission Bay Transportation Improvement Fund (\$1.8 million decrease)



# Other Major Personnel Changes

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- General Fund spending on salaries is declining by \$35.3 million (1.4%)
- General Fund spending on fringe benefits is increasing by \$12.3 million (1.1%)
- No net increases in FTEs from FY 2020-21 base budget adopted August 1, 2019
- New\* 0941 Manager VI being reassigned to ADM from GEN to serve as City's Chief Privacy Officer
  - \$280,214 total annualized General Fund cost
  - Prior BLA analysis found existing robust infrastructure for data privacy (Cybersecurity Office, DataSF, COIT)



# Recommendation

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- We recommend that the Board of Supervisors either:
  - Delete 1.00 FTE 0941 Manager VI position reassigned to ADM from General City Responsibility (GEN) for total ongoing General Fund savings of \$280,214; or
  - Place the appropriation for salary and benefit costs on reserve so that it can be reviewed as part of the FY 2020-22 two-year budget proposal to better determine if this position is needed and/or whether a Manager VI classification is appropriate to carry out the responsibilities of this position.

# Questions?

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