

# **BOARD OF SUPERVISORS**

## **BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

June 22, 2010

**TO:** Budget and Finance Committee

**FROM:** Budget and Legislative Analyst

**SUBJECT:** Mayor's Office Mandates, Expenditures and Positions, FY 2004-2005 to FY 2009-2010

This memorandum is in response to your request for information on (a) City Charter and Code mandated programs and functions in the Mayor's Office, (b) an overall analysis of the Mayor's Office program expenditures over the past six years, and (c) an overall analysis of the Mayor's Office Full-Time Equivalent (FTE) positions over the past six years.

### **I. EXECUTIVE SUMMARY**

- Section 3.100 of the City's Charter and various sections of the City's Administrative Code, Health Code and Planning Code mandate numerous responsibilities and duties for the Mayor and designate responsibilities for two specific positions within the Mayor's Office (Director of Mayor's Office of Housing and the Mayor's Budget Director). The City's Charter and various Code provisions do not mandate how the Mayor's responsibilities and duties shall be performed. The Charter and Code provisions also do not specify staffing or funding levels.
- For the past six years, the Mayor's Office maintained five core programs: (1) Neighborhood Services, (2) City Administration, (3) Criminal Justice, (4) Public Policy and Finance, and (5) Community Development. During this time, the Mayor's Office General Fund budget for these five core programs decreased by \$114,222, or 1.4 percent, from \$8,004,378 in FY 2004-2005 to \$7,890,156 in FY 2009-2010.
- During the past six years, the most significant budgetary change was the \$2,409,884 reduction in the Criminal Justice Division, due to the transfer of this Division to the Department of Children, Youth and Their Families (DCYF) in FY 2009-2010. In the proposed FY 2010-2011 budget, the Criminal Justice Division will be eliminated with the transfer of the remaining positions to the Mayor's Office of Neighborhood Services and City Administration. Excluding the Criminal Justice Division, the remaining four core General Fund Divisions reflect a budgetary increase of \$2,295,662 or 43.46 percent between FY 2004-2005 and FY 2009-2010.
- Between FY 2004-2005 and FY 2009-2010, the largest increase is \$1,057,512 in the Mayor's City Administration Division, primarily due to the growth in the Workorder

**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

Program that is fully funded with General Fund and non-General Fund expenditure recoveries from other City departments. In the proposed FY 2010-2011 budget, the Workorder Program will contain nine positions, including the (a) Director of Government Affairs and two support staff, (b) Deputy Chief of Staff, (c) Education Policy Director, (d) Interagency Council Coordinator, (e) Board of Supervisors Liaison, (f) Greening Policy Director, and (g) Transportation Policy Director. In addition, in FY 2010-2011, the Mayor's Office will transfer \$190,620 of other expenditures to the Workorder Division.

- Between FY 2004-2005 and FY 2009-2010, the number of FTE General Fund positions in the Mayor's Office decreased by 5.17 FTEs or 10.1 percent, from 51.17 FTEs in FY 2004-2005 to 46.00 FTEs in FY 2009-2010. Although there have been numerous minor annual changes in positions each fiscal year, similar to the above-noted reductions in expenditures, most of the reduction in positions is due to the transferring of the Criminal Justice Division positions to DCYF in FY 2009-2010.
- In addition, there are two other positions that the Mayor designated, whose positions and funding are included in other City Departments: (1) 1.0 FTE 9180 Manager VI (Climate Protection Initiatives Director) position included in the Municipal Transportation Agency (MTA) budget; and (2) 1.0 FTE 0941 Manager VI (Homelessness Policy Director) position in the Human Services Agency budget.

## **II. CHARTER AND ADMINISTRATIVE CODE REQUIREMENTS FOR THE MAYOR**

In accordance with City Charter Section 3.100, the Mayor is designated as the chief executive officer and official representative of the City and County of San Francisco and in that capacity shall serve full-time and devote his entire time and attention to the duties of the office. Under Charter Section 3.100, the Mayor is responsible for:

- (a) general administration and oversight of all departments and governmental units in the executive branch<sup>1</sup>;
- (b) coordination of all intergovernmental activities of the City;
- (c) receipt and examination of complaints relating to the administration of the City and timely delivery of notice to the complainant of findings and actions taken;
- (d) assurance that appointees to various governmental positions with the City are qualified and are representative of the communities of interest and diverse population of the City and are representative of both sexes;
- (e) submission of ordinances and resolutions for consideration by the Board of Supervisors;
- (f) presentation before the Board of Supervisors of a policies and priorities statement setting forth the Mayor's policies and budget priorities for the City for the ensuing fiscal year;
- (g) introduction before the Board of Supervisors of the proposed annual or multi-year budget as initiated and prepared by the Mayor, which the Mayor should also gather

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<sup>1</sup> Sections 4.100 and 5.100 of the City Charter, state that the executive branch of the City and County are composed of departments, appointive boards, commissions and other units of government.

comments and recommendations on the proposed budget from the various commissions, officers and departments<sup>2</sup>;

(h) preparation of and introduction to the Board of Supervisors of supplemental appropriations;

(i) in case of an emergency, directing personnel and resources of any department, and whatever else the Mayor may deem necessary to meet the emergency;

(j) appointments to fill vacancies in elective offices, boards, commissions and department heads, as provided by specific sections in the Charter and Code; and

(k) preparation and submittal of schedule of rates, fees and other charges to the Board of Supervisors.

Section 3.100 of the Charter further states that the Mayor has the power to appoint staff, as needed, to perform the duties and fulfill the responsibilities of the Mayor's Office, provided that (a) no member of the staff receives a salary in excess of 70 percent of that paid to the Mayor<sup>3</sup>, (b) the Mayor's Office budget is in compliance with the fiscal provisions of the City's Charter, and (c) the Mayor's Office budget is subject to approval by the Board of Supervisors. In accordance with the Charter, the Mayor's appointed staff does not include the City Administrator, department heads or employees of departments placed under the City Administrator's direction.

Section 11.100 of the Charter also places responsibility for the Mayor through the Human Resources Director, in consultation with the Board of Supervisors, to meet and confer with employee organizations regarding salaries, working conditions, benefits and other terms and conditions of employment as provided in employee memoranda of understanding, and upon approval, to forward proposed memoranda of understanding to the Board of Supervisors.

There are also numerous sections of the City's Administrative Code, Health Code and Planning Code that provide specific responsibilities for the Mayor's Office, such as:

- In accordance with Section 10E.5 of the City's Administrative Code, the Mayor's Office, in collaboration with other City departments and agencies, is responsible for ensuring that the Eastern Neighborhoods Area Plans Monitoring Program plan's policies and measures<sup>4</sup> are implemented and that revenue is budgeted towards the implementation.
- In accordance with Chapter 24A of the City's Administrative Code, the Mayor is authorized to use a portion of Hotel Tax revenues for the local rent supplement program, which would allow the Mayor's Office to (a) contract with eligible housing owners to make local rent

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<sup>2</sup> The specific requirements for the Mayor, Board of Supervisors, Controller and City departments regarding the City's budget and financial processes are contained in Article 9 of the City's Charter.

<sup>3</sup> In FY 2010-2011, the Mayor's salary is budgeted at \$246,689, such that 70 percent of the Mayor's salary is \$172,682.

<sup>4</sup> The Eastern Neighborhoods Area Plans Monitoring Program plan outlines specific general public improvements and amenities goals that cumulatively frame the community's vision for the management of growth and development in the Eastern Neighborhoods (East South Market, Mission, Showplace Square/Potrero Hill, and Central Waterfront).

supplement payments<sup>5</sup>, (b) lease and sublet properties, and (c) enter into leases with the San Francisco Redevelopment Agency or City sponsored nonprofit corporations.

- In accordance with various sections of the City's Administrative Code, including Sections 41.13 and 43.3.5-7, the Mayor's Office of Housing is responsible for preparing regulations for applicable programs, subject to approval by the Board of Supervisors, and then for administration of such programs, as detailed in these applicable sections. Section 43.9.4 specifies other responsibilities for the Mayor's Office of Housing, including procedures for issuing bonds by an authority to finance residential projects and other authority bonds. Section 23A addresses homelessness programs and identifies the Director of the Mayor's Office of Housing for numerous specific responsibilities, including jurisdiction over the transfer of surplus City properties to the Mayor's Office of Housing for use for affordable housing purposes.
- In accordance with Section 66A of the City's Administrative Code, the Director of the Mayor's Office of Housing, or its successor, is responsible for managing the seismic safety loan program, which lends taxable general obligation bond proceeds to building owners to finance the seismic retrofit of unreinforced masonry buildings.
- Under Section 23 of the Administrative Code, the Mayor's Budget Director is appointed to the Surplus Property Citizens' Advisory Committee. Under Section 66 of the Administrative Code, a finance expert with experience in affordable housing development from the Mayor's Office of Housing is appointed to the Unreinforced Masonry Building Loan Committee.
- In addition, the City's Health Code provides that the Mayor's Office will develop programs for grants, loan guarantees and no or low-interest loans for owners of properties contaminated with lead. The Planning Code also contains numerous provisions, specifically relating to the Mayor's Office of Housing.

The City's Charter, Administrative Code, Health Code and Planning Code state specific responsibilities and duties for the Mayor and individual responsibilities for two staff in the Mayor's Office (Director of Mayor's Office of Housing and the Mayor's Budget Director). However, the City's Charter and Codes do not mandate how such Mayoral responsibilities and duties shall be performed. The Charter and Codes also do not specify staffing or funding levels.

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<sup>5</sup> Rent supplement payments may be available for (a) studio apartments and one-bedroom units renting for moderate amounts within multifamily projects for the purpose of conducting new construction; rehabilitating existing structures; assisting with relocation of eligible tenants; and creating standard units in structures previously containing substandard units; (b) projects in which dwelling units do not contain kitchen facilities; (c) projects containing furnished dwelling units; and (d) dwelling units concurrently receiving federal rent supplements under the U.S. Housing Act of 1937.

### **III. MAYOR'S OFFICE GENERAL FUND EXPENDITURES FROM FY 2004-2005 THROUGH FY 2009-2010**

FY 2004-2005 was the first budget created by the current administration<sup>6</sup>. For the six years between FY 2004-2005 and FY 2009-2010, the Mayor's Office maintained the following five core programs that have been fully or partially funded with General Fund revenues:

- Neighborhood Services;
- City Administration;
- Criminal Justice;
- Public Policy and Finance; and
- Community Development.

In addition, the Mayor's Office funds Community Development, Community Investment and Housing Programs with off-budget Community Development Block Grants, Affordable Housing funds and other non-General Fund revenue sources, which are not reflected in this report.

As shown in Table 1 below, from FY 2004-2005 through FY 2009-2010, the Mayor's Office General Fund budget decreased by \$114,222, or 1.4 percent, from \$8,004,378 to \$7,890,156.

**Table 1: General Fund Budget Changes in Five Core Programs Since FY 2004-05**

	FY 2004-05	FY 2009-10	Amount of Increase/ (Decrease)	Percent Change
<b><u>Core Programs</u></b>				
Neighborhood Services	\$791,252	\$760,812	(\$30,440)	(3.8%)
City Administration	3,263,131	4,320,643	1,057,512	32.4%
Criminal Justice	2,722,167	312,283	(2,409,884)	(88.5%)
Public Policy & Finance	848,828	1,291,863	443,035	52.2%
Community Development	379,000	1,204,555	825,555	217.8%
<b>Core Programs Total</b>	<b>\$8,004,378</b>	<b>\$7,890,156</b>	<b>(\$114,222)</b>	<b>(1.4%)</b>

Source: Annual Appropriation Ordinance

Table 1 above indicates that the most significant overall change has been the \$2,409,884 reduction in the Criminal Justice Division. This is primarily because in FY 2009-2010, almost all of the Criminal Justice Division was transferred to the Department of Children, Youth and Their Families (DCYF), including positions, expenditures and grants. As part of the Mayor's proposed FY 2010-2011 budget, the Criminal Justice Division will be completely eliminated and the

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<sup>6</sup> FY 2004-2005 was also selected as the initial year due to numerous significant changes that occurred in the Mayor's Office prior to this time. For example, in FY 2003-2004 the Mayor's Office transferred the Mayor's Office of Emergency Services to the Department of Emergency Management, the Mayor's Office of Grants for the Arts was transferred to the Department of Administrative Services, the Mayor's Neighborhood Beautification Program was transferred to the Department of Administrative Services and part of the Mayor's Affordable Housing Program was transferred to the Redevelopment Agency. In addition, in FY 2004-2005, the Mayor's Office transferred the Mayor's Film Office and the City Administrator position to the Department of Administrative Services.

remaining positions and expenditures will be transferred to the Mayor's Office of Neighborhood Services and City Administration.

Excluding the Criminal Justice Division because it was primarily transferred to DCYF, the remaining four core General Fund Divisions reflect a budgetary increase in the Mayor's Office of \$2,295,662 or 43.46 percent from \$5,282,211 in FY 2004-2005 to \$7,577,873 in FY 2009-2010.

The largest increase in the Mayor's Office budget is \$1,057,512 in the City Administration Division. This has primarily occurred under the City Administration Workorder Program. The Mayor's Office City Administration Division includes both (a) a Program that is directly funded with General Fund revenues and (b) a Workorder Program that is fully funded with expenditure recoveries approximately 50 percent from General Fund departments and approximately 50 percent from Enterprise departments. According to the Mayor's Office, the City Administration Program provides policy, administrative, press and support staff directly for the Mayor's Office. In contrast, the Mayor's Office reports that the City Administration Workorder Program either supports the legislative agendas of the entire City and/or specific departments or City initiatives that require the Mayor's Office leadership.

As shown in Table 1 above, the \$825,555 increase in the Community Development Division primarily reflects \$1,137,300 in General Fund grants for community development services, primarily for immigrant services, outreach services and legal services to nonprofit community organizations.

The \$443,035 increase in the Public Policy and Finance Division primarily results from the addition of one position, coupled with the existing staff's annual increases in salaries, fringe benefits and services of other departments over the past six years.

The \$30,440 decrease in the Neighborhood Services Division reflects a reduction in the number of positions fully funded in this Division over the past six years.

#### **IV. GENERAL FUND CITY ADMINISTRATION WORKORDER PROGRAM POSITIONS AND EXPENSES IN THE MAYOR'S OFFICE FOR FY 2010-2011**

Overall, the FY 2010-2011 proposed budget for the City Administration Division under the Mayor's Office totals \$4,236,862, including \$1,929,260 for the City Administration Workorder Program and \$2,307,602 for the City Administration Program. This represents a reduction of \$83,781 or 1.9 percent from \$4,320,643 in FY 2009-2010 budget. As noted above, most of the growth in the City Administration Division over the past six years has been in the Workorder Program.

Table 2 below identifies each of the nine FTE Workorder positions in the proposed FY 2010-2011 budget, including the position classification, working title for each position, annual salary and benefit costs and the offsetting City funding sources.

**Table 2: Positions in the Mayor's Office, City Administration Workorder Program in the FY 2010-2011 Budget**

	<b>FY 2010-11 Salary and Benefit Costs</b>	<b>Funding Sources</b>
0905 Mayoral Staff XVII (Director of Government Affairs)	\$190,417	Department of Public Health (DPH), Human Services Agency (HSA), Economic and Workforce Development (ECN); Municipal Transportation Agency (MTA), Port and Public Utilities Commission (PUC)
0904 Mayoral Staff XVI (Deputy Chief of Staff)	176,476	DPH, HSA, ECN, MTA, Department of Building Inspection (DBI), Port, PUC and Department of Children, Youth and Their Families (DCYF)
0903 Mayoral Staff XV (Education Policy Director)	164,492	DCYF
0903 Mayoral Staff XV (Interagency Council Coordinator)	164,492	DPH, HSA and DCYF
0902 Mayoral Staff XIV (Board of Supervisors Liaison)	152,403	DPH, HSA, ECN, MTA, DBI, Police, Port, PUC, and DCYF
0901 Mayoral Staff XIII (Greening Policy Director)	142,097	Planning Department, PUC, Recreation and Parks Department, Department of Public Works and MTA
0901 Mayoral Staff XIII (Transportation Policy Director)	142,097	Grant
0889 Mayoral Staff IX (Government Affairs Research)	100,205	DPH, HSA, ECN, MTA, DBI, Port, PUC and DCYF
0884 Mayoral Staff IV (Government Affairs Support)	69,843	DPH, HSA, ECN, MTA, DBI, Port, PUC and DCYF
<b>Total</b>	<b>\$1,302,523</b>	

In addition to the above-noted positions, in FY 2010-2011, the Mayor's Office will transfer \$190,620 in expenditures from the City Administration Program to the Workorder Program, including \$100,476 of membership fees, an additional \$55,000 of lobbyist fees and an additional \$35,144 of increased fringe benefits.

**V. GENERAL FUND FTE POSITIONS IN THE MAYOR'S OFFICE FROM FY 2004-2005 THROUGH FY 2009-2010**

Overall, from FY 2004-2005 through FY 2009-2010, the number of FTE positions in the Mayor's Office that were funded with General Fund revenues declined by 5.17 FTEs, or 10.1 percent, from 51.17 FTEs in FY 2004-2005 to 46.00 FTEs in FY 2009-2010, as shown in Table 3 below.

**Table 3: Mayor's Office FTE Count  
(General Fund Positions Only)**

	<b>Total</b>	<b>Increase/ (Decrease) from Prior Fiscal Year</b>	<b>Annual Percent</b>
FY 2004-05	51.17		
FY 2005-06	50.70	(0.47)	(.92%)
FY 2006-07	52.34	1.64	3.2%
FY 2007-08	53.23	0.89	1.7%
FY 2008-09	51.62	(1.61)	(3.0%)
FY 2009-10	46.00	(5.62)	(10.9%)
<b>Five Year Total</b>		<b>(5.17)</b>	<b>(10.1%)</b>

Source: Annual Salary Ordinance

Most of the reduction in positions is due to the elimination of the Criminal Justice Division, which was moved to DCYF in FY 2009-2010, although there have been numerous minor annual adjustments between budgeted and off-budgeted positions. In FY 2010-2011 the Mayor's Office is again requesting 46.0 FTE General Fund positions, however, funding for these positions is decreasing by approximately 2.5 FTE positions through increased Attrition Savings.


**VI. ADDITIONAL MAYOR'S OFFICE POSITIONS IN CITY DEPARTMENTS**

In addition to the position descriptions above, there is (a) a Director of Climate Control position 9180, Manager VI who is a liaison to the Mayor, included in the MTA budget, and funded with a combination of MTA, PUC and Department of Environment funding, and (b) a Policy Director for Homelessness position 0941, Manager VI, who is a liaison to the Mayor included in the HSA budget and funded with HSA funding, as shown in Table 4 below:



**Table 4: Additional City Department Positions and Funding for the Mayor's Office**

	<b>FY 2010-11 Salary and Benefit Costs</b>	<b>Funding Source</b>
<b>Municipal Transportation Agency (MTA)</b>		
9180 Manager VI (Climate Protection Initiatives Director)	\$196,036	Municipal Transportation Agency (40 percent), Public Utilities Commission (40 percent), and Department of Environment (20 percent)
<b>Human Services Agency (HSA)</b>		
0941 Manager VI (Homelessness Policy Director)	212,303	HSA (100%)
<b>Total</b>	<b>\$408,339</b>	

  
 Harvey M. Rose

cc: Supervisor Avalos  
 Supervisor Mirkarimi  
 Supervisor Elsbernd  
 Supervisor Maxwell  
 Supervisor Campos  
 President Chiu  
 Supervisor Alioto-Pier  
 Supervisor Chu  
 Supervisor Daly  
 Supervisor Dufty  
 Supervisor Mar  
 Clerk of the Board  
 Cheryl Adams  
 Controller  
 Greg Wagner