

File No. 100701

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date: June 28, 2010

Board of Supervisors Meeting

Date: _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input type="checkbox"/>	<input type="checkbox"/>	Resolution
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Budget Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form (for hearings)
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Proposed Consolidated Budget and AAO*</u>
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Completed by: Andrea S. Ausberry

Date Friday, June 25, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.



Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

**PROPOSED CONSOLIDATED BUDGET AND ANNUAL
APPROPRIATION**

ORDINANCE FOR

FISCAL YEAR ENDING JUNE 30, 2011

and

**FISCAL YEAR ENDING JUNE 30, 2012 FOR THE SAN FRANCISCO
INTERNATIONAL AIRPORT, MUNICIPAL TRANSPORTATION
AGENCY, PORT COMMISSION and PUBLIC UTILITIES COMMISSION**

The Interim Consolidated Budget and Annual Appropriation Ordinance and its accompanying schedules are produced by the Controller's Budget Office. Upon approval, this is the document that is the legal authority for the City to spend funds during the fiscal year.

This document contains information on the sources and uses of selected City funds detailed by department and by program. Additional schedules summarize selected City revenues and expenditures by service area, department and fund. Please see the table of contents for a complete list of the information contained in this document.

Copies of this document are distributed to all city libraries and on the City's Controller website (<http://www.sfgov.org/site/controller>). They may also be viewed at the following City Hall offices:

Mayor's Office of Public Policy and Finance
1 Dr. Carlton B. Goodlett Place, Room 288

Controller's Office
1 Dr. Carlton B. Goodlett Place, Room 316

Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244

If you would like additional copies or need further information, please call the Controller's Budget Office at (415) 554-7500.



CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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

June 24, 2010

TO: Budget and Finance Committee

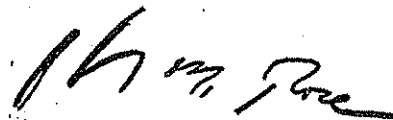
FROM: Budget and Legislative Analyst

SUBJECT: Recommendations of the Budget and Legislative Analyst for Amendment of the Mayor's Fiscal Year 2010-2011 Budget.

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Descriptions for Departmental Budget Hearing, June 28, 2010 Meeting, 10:00 a.m.

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Harvey M. Rose

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

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

FINANCIAL DATA:

The Department of Children, Youth and Their Families' proposed \$109,168,025 budget for FY 2010-11 is \$27,526,300 or 20.1 percent less than the original FY 2009-10 budget of \$136,694,325.

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2009-2010		FY 2010-2011		Proposed Increase (Decrease) vs.	%
	Original Budget		Proposed Budget		Budget	Inc./Dec.
CHILDREN'S BASELINE	\$ 49,874,908		\$ 29,546,608		\$ (20,328,300)	(40.8%)
CHILDREN'S FUND PROGRAMS	46,321,062		41,518,727		(4,802,335)	(10.4%)
CHILDREN'S SVCS - NON - CHILDREN'S FUND	9,052,323		7,499,328		(1,552,995)	(17.2%)
PUBLIC EDUCATION FUND (PROP H)	27,672,500		26,979,000		(693,500)	(2.5%)
VIOLENCE PREVENTION	3,773,532		3,624,362		(149,170)	(4.0%)
Total Expenditures	\$ 136,694,325		\$ 109,168,025		\$ (27,526,300)	(20.1%)
Less Interdepartmental Recoveries And Transfers	(7,662,523)		(6,654,443)		1,008,080	(13.2%)
Net Expenditures	\$ 129,031,802		\$ 102,513,582		\$ (26,518,220)	(20.6%)

The Department's proposed FY 2010-2011 budget includes a \$27,390 Controller's Reserve, including \$20,192 for unspecified salaries and \$7,198 for unspecified fringe benefits. These Controller Reserves are part of the total \$142,218,840 Controller Reserves included in the FY 2010-11 budget, which is intended to offset \$142,218,840 of Uncertain Revenues and Follow-Up Actions Required that are assumed as revenues in the FY 2010-2011 budget.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2010-11 is 30.88 FTEs, which is 2.99 FTEs less than the 33.87 FTEs in the original FY 2009-10 budget. The FTE allocations are as follows:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: CHF – CHILDREN, YOUTH & FAMILIES

AUTHORIZED POSITIONS	FY 2009-2010 Original Budget	FY 2010-2011 Proposed Budget	Proposed Increase (Decrease) vs. FY 2009-2010 Budget
Total Authorized	35.71	30.88	(4.83)
Non-Operating Positions (Capital / Other)	(1.84)	-	1.84
Net Operating Positions	33.87	30.88	(2.99)

Specific changes in the Department's FY 2010-11 FTE count include:

- Centralized administration of San Francisco's early childcare subsidy system, childcare provider supports, and childcare workforce investments within the Human Services Agency (HSA). Three positions including 0.77 FTE 9772 Community Development Specialist 0.77 FTE 2917 Program Support Analyst, and 0.77 FTE 1842 CPAC Coordinator will transfer from the Department of Children, Youth and Their Families to the HSA on October 1, 2010 to create the Office of Child Care and Early Learning (OCCEL).
- The downward substitution of 1.0 FTE grant-funded 0902 Mayoral Staff XIV to 1.0 FTE grant-funded 1824 Principal Administrative Analyst. The Principal Administrative Analyst will serve as the Department's Violence Prevention and Intervention Policy and Planning Manager.
- Four position deletions in the Children's Fund program due to reductions in the Children's Fund, resulting in the deletion of one vacant Senior Community Development Specialist position and three layoffs effective June 11, 2010, as detailed in the table below.

The following are the Department's proposed three layoffs in FY 2010-11:

Bureau/Division	Job Class	Title	FTE Count	Salary
Children, Youth and Their Families/ Children's Fund	9774	Senior Community Development Specialist	2.0	\$242,944
Children, Youth and Their Families/ Children's Fund	1842	Management Assistant	1.0	\$67,627
TOTAL LAYOFFS IN FY 2010-11			3.0	\$310,571

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

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

DEPARTMENT REVENUES:

Department revenues have decreased by \$27,526,300 or 20.1 percent, from the original FY 2009-10 budget of \$136,694,325 to the proposed FY 2010-11 budget of \$109,168,025. General Fund support has decreased by \$3,169,235 or 13.3 percent, from the original FY 2009-10 budget of \$23,784,542 to the proposed FY 2010-11 budget of \$20,615,307. Specific changes in the Department's FY 2010-11 revenues include:

- A decrease in Rainy Day Reserve support by \$18,432,000.
- A decrease in General Fund support by \$3,169,235.
- A decrease in Children's Fund support by \$4,800,000. The Children's Fund receives a share of City property tax revenues according to a formula in the City Charter approved by voters. The decrease in monies for FY 2010-11 is the result of declining property tax revenues.

DESCRIPTION:

The Department's proposed FY 2010-11 budget has decreased by \$27,526,300 largely due to:

- A reduction in Aid Assistance/ Grants in the amount of \$26,067,132, largely due to the reduction of Rainy Day support described above.
- A reduction in Services of Other Departments in the amount of \$1,979,033.
- A net reduction in salaries and wages that total \$373,939.
- Various offsetting increases in other costs.

INITIATIVES AND POLICY

Office of Early Child Care and Early Learning (OCCEL)

A newly formed Office of Child Care & Early Learning (OCCEL) is proposed for FY 2010-11, which will merge functions from different departments to oversee the City's child care subsidy system, child care provider supports, and child care workforce investments. According to the Department, the policy rationale for the proposed new office is to maximize resources through blended funding, to improve policy coordination, and to provide a single line of authority for the City's investments.

As part of the proposed new office and consolidation of efforts, the Department of Children, Youth and Their Families will transfer three positions to the Human Services Agency, as discussed above in the Department Personnel Summary. The transfer of functions will result in a decrease of \$167,114 in DCYF's budget and an increase of \$163,781 in HSA's budget, for a net savings of \$3,333.

RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11

DEPARTMENT: CHF – CHILDREN, YOUTH & FAMILIES

Violence Prevention and Intervention

In FY 2010-11, the Department of Children, Youth and Their Families will allocate \$9,573,885 to services in the Violence Prevention and Intervention service area used to fund case management, alternative education, diversion and young women services. Expenditures associated with the Violence Prevention and Intervention service area include funding to community based organizations and work orders to the Department of Public Health. These services are funded by General Fund, Children's Fund, and State grant funds. FY 2010-11 funding for Violence Prevention and Intervention reflects a decrease of \$2,373,114, or 19.9 percent, from \$11,947,000 in FY 2009-10.

Early Childhood Education Activities

In FY 2010-11, the Department of Children, Youth and Their Families will allocate \$14,359,153 to services in the Early Childcare and Education service area used to fund childcare subsidies, as well as capacity building, childcare workforce investment, homeless childcare, and early childhood mental health services. Expenditures associated with the Early Childcare and Education service area include funding to community based organizations and work orders to the Department of Public Health, the First 5 Commission¹ and the Human Services Agency. These services are funded by General Fund monies, Children's Fund monies and State grants, as well as recoveries from City departments. FY 2010-11 funding for Early Childcare and Education reflects a decrease of \$2,022,413, or 12.3 percent, from \$16,381,566 in FY 2009-10.

Family Resource Centers

In FY 2009-10, the Human Services Agency, the Department of Children, Youth, and Their Families, and the First 5 Commission jointly funded neighborhood-and-population-based Family Resource Centers through a joint contract procurement process for which the First 5 Commission served as the lead agency. As summarized in the table below, (a) funding Citywide for family resource centers has decreased by \$691,509, or 7.0 percent from FY 2009-2010 funding and, (b) funding from the Department of Children Youth and Their Families for family resource centers has decreased by \$850,000 or 22.3 percent from FY 2009-2010 funding, as shown in the table below.

¹The California Children and Families Act of 1998 (Proposition 10) created the California Children and Families Commission. The Commission is responsible for the implementation of comprehensive and integrated solutions to provide information and services promoting, supporting and improving the early childhood development of children prenatal to the age of five. The Act draws annual funds of nearly \$650 million from a tax on tobacco products. Twenty percent of this revenue supports statewide education and outreach programs through First 5 California. The remaining 80% goes to county Commissions across the state, including First 5 San Francisco, for local programs. These Commissions are funded in proportion to their regional birth rate. San Francisco receives approximately \$6.5 million annually in Proposition 10 funds.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: CHF – CHILDREN, YOUTH & FAMILIES

	Funding in FY 2009-2010	Proposed Funding in FY 2010-2011	Change	Percent Change
Citywide	\$9,879,196	\$9,187,687	(\$691,509)	(7.0%)
DCYF	\$3,804,500	\$2,954,500	(\$850,00)	(22.3%)
DCYF Percent of Total Funding	38.5%	32.2%	N/A	6.3%

Public Education Special Fund

Administrative Code Section 10.100-367 establishes the Public Education Special Fund. Through the Public Education Special Education Fund, the San Francisco Unified School District (SFUSD) receives Children's Fund revenues to fund arts and music, health & wellness, athletics and other public school programs. In FY 2009-10 DCYF transferred \$2,851,859 to the SFUSD from the Children's Fund. In the proposed FY 2010-11 budget, DCYF will transfer \$2,717,000 to the SFUSD from the Children's Fund. These monies are direct funds to SFUSD that are used to pay for activities such as wellness programs, athletics, and music and arts in schools. This funding is not related to the Office of Child Care & Early Learning described above.

Kids 2 College Program

The proposed FY 2010-11 budget includes funds for the Kids 2 College Program, which would provide savings accounts to San Francisco Public School kindergarten students in academic year 2010-11 by providing \$50 for 1,400 students and an additional \$50 for approximately 980 students that receive Free and Reduced Lunch. Staffing would consist of a 1.0 FTE 1844 Senior Management Assistant and 0.15 FTE 0931 Manager III. Both positions are in the Office of the Treasurer/Tax Collector.

This proposed program would be paid for through a DCYF work order to the Treasurer/Tax Collector. The Mayor's proposed FY 2010-11 budget for the Treasurer/Tax Collector includes expenditure recoveries totaling \$257,440 for the Kids 2 College Program. On June 16, 2010, the Mayor's Office submitted a technical adjustment that included a work order in the amount of \$257,440 for this program.

**RECOMMENDATIONS OF THE BUDGET LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DEPT - Children, Youth and Their Families

Page			Position/ Equipment	Number		Amount		
No.	Object	Object Title	Number	From	To	From	To	Savings
<u>CBI - Children's Fund Programs (2S-CHF-NPR)</u>								
38	001	Attrition Savings - Misc. Increase attrition savings to reflect three vacant positions in the Children's Baseline Program including 1.0 FTE 1823 Senior Administrative Analyst, 1.0 FTE 1840 Junior Management position, and 1.0 FTE 9772 Senior Community Development Specialist.	9993M			(154,972)	(221,137)	66,165
28	013	Mandatory Fringe Benefits Reduction corresponds to increase in Attrition Savings						27,035
28	035	Other Current Expenses Reduction in Other Current Expenses based on projected spending in this program in 2010-11.				58,812	28,812	30,000
Total Recommended Reductions								\$123,200
General Fund Impact						\$123,200		
(General Fund Savings realized in DCYF Budget)								
Non-General Fund Impact						\$0		

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: DPH – PUBLIC HEALTH

FINANCIAL DATA:

The Department of Public Health's proposed \$1,442,415,778 budget for FY 2010-11 is \$30,968,295 or 2.1 percent less than the original FY 2009-10 budget of \$1,473,384,073.

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2009-2010 Original Budget	FY 2010-2011 Proposed Budget	Proposed Increase (Decrease) vs. FY 2009-2010 Budget	% Inc./Dec.
CENTRAL ADMINISTRATION	\$ 69,686,527	\$ 96,914,839	\$ 27,228,312	39.1%
CHILDREN'S BASELINE	47,015,209	46,886,262	(128,947)	(0.3%)
COMM HLTH - COMM SUPPORT - HOUSING	24,086,088	20,865,711	(3,220,377)	(13.4%)
COMM HLTH - PREV - MATERNAL & CHILD HLTH	24,896,424	25,121,614	225,190	0.9%
COMM HLTH - PREVENTION - AIDS	59,258,857	58,689,989	(568,868)	(1.0%)
COMM HLTH - PREVENTION - DISEASE CONTROL	20,800,776	21,409,432	608,656	2.9%
COMM HLTH - PREVENTION - HLTH EDUCATION	5,515,064	5,157,123	(357,941)	(6.5%)
EMERGENCY SERVICES AGENCY	1,301,497	1,285,827	(15,670)	(1.2%)
ENVIRONMENTAL HEALTH SERVICES	17,140,982	17,287,751	146,769	0.9%
FORENSICS - AMBULATORY CARE	28,368,792	15,914,124	(12,454,668)	(43.9%)
HEALTH AT HOME	6,840,219	5,653,005	(1,187,214)	(17.4%)
LAGUNA HONDA - LONG TERM CARE	209,207,188	176,313,275	(32,893,913)	(15.7%)
LAGUNA HONDA HOSP - ACUTE CARE	2,404,368	3,384,149	979,781	40.8%
LAGUNA HONDA HOSP - COMM SUPPORT CARE	263	300	37	14.1%
MENTAL HEALTH - ACUTE CARE	4,394,297	3,462,797	(931,500)	(21.2%)
MENTAL HEALTH - CHILDREN'S PROGRAM	35,668,979	38,635,490	2,966,511	8.3%
MENTAL HEALTH - COMMUNITY CARE	157,526,479	152,164,351	(5,362,128)	(3.4%)
MENTAL HEALTH - LONG TERM CARE	23,111,912	26,970,946	3,859,034	16.7%
OCCUPATIONAL SAFETY & HEALTH	1,716,695	1,727,467	10,772	0.6%
PRIMARY CARE - AMBU CARE - HEALTH CNTRS	54,497,269	57,664,298	3,167,029	5.8%
SFGH - ACUTE CARE - FORENSICS	4,878,081	3,315,511	(1,562,570)	(32.0%)
SFGH - ACUTE CARE - HOSPITAL	510,492,381	501,804,057	(8,688,324)	(1.7%)
SFGH - ACUTE CARE - PSYCHIATRY	25,733,666	24,905,775	(827,891)	(3.2%)
SFGH - AMBU CARE - ADULT MED HLTH CNTR	23,843,375	23,444,940	(398,435)	(1.7%)
SFGH - AMBU CARE - METHADONE CLINIC	1,557,871	1,654,102	96,231	6.2%
SFGH - AMBU CARE - OCCUPATIONAL HEALTH	2,860,024	2,467,789	(392,235)	(13.7%)
SFGH - EMERGENCY - EMERGENCY	21,168,015	22,457,559	1,289,544	6.1%
SFGH - EMERGENCY - PSYCHIATRIC SERVICES	8,751,960	8,666,428	(85,532)	(1.0%)
SFGH - LONG TERM CARE - RF PSYCHIATRY	16,182,910	16,308,875	125,965	0.8%
SUBSTANCE ABUSE - COMMUNITY CARE	64,477,905	61,881,992	(2,595,913)	(4.0%)
Total Expenditures	\$ 1,473,384,073	\$ 1,442,415,778	\$ (30,968,295)	(2.1%)
Less Interdepartmental Recoveries And Transfers	(31,645,615)	(34,997,898)	(3,352,283)	10.6%
Net Expenditures	\$1,441,738,458	\$ 1,407,417,880	\$ (34,320,578)	(2.4%)

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: DPH - PUBLIC HEALTH

The Department's proposed FY 2010-2011 budget includes a \$49,589,012 Controller's Reserve, including \$34,776,945 for unspecified salaries and \$14,812,067 for unspecified fringe benefits. These Controller Reserves are part of the total \$142,218,840 Controller Reserves included in the FY 2010-2011 budget, which is intended to offset \$142,218,840 of Uncertain Revenues and Follow-Up Actions Required that are assumed as revenues in the FY 2010-2011 budget.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2010-11 is 5,581.10 FTEs, which is 256.86 FTEs less than the 5,837.96 FTEs in the original FY 2009-10 budget. The FTE allocations are as follows:

AUTHORIZED POSITIONS	FY 2009-2010 Original Budget	FY 2010-2011 Proposed Budget	Proposed Increase (Decrease) vs. FY 2009-2010 Budget
Total Authorized	5,898.01	5,646.21	(251.80)
Non-Operating Positions (Capital / Other)	(60.05)	(65.11)	(5.06)
Net Operating Positions	5,837.96	5,581.10	(256.86)

Specific changes in the Department's FY 2010-11 FTE count include:

- A reduction of 216.00 FTEs due to labor negotiations with the Coalition of Intern and Residents (CIR-SEIU), in which all University of California, San Francisco (UCSF) interns and residents working at San Francisco General Hospital would be consolidated under the UCSF's payroll system instead of through both the City's and UCSF's payroll system beginning on July 1, 2010. The Department would pay UCSF through a contract.
- A reduction of 70.13 FTEs due to the proposed new Proposition J from the Sheriff's Department that would eliminate the existing work order between the Department and the Sheriff's Department by contracting health services at San Francisco jails to an outside vendor beginning on January 1, 2011.
- A reduction of 10.77 FTEs due to the integration of Community Behavioral Health Services and Primary Care Services.
- A reduction of 6.47 FTEs due to a reduction of ongoing mental health services to indigent clients. Only indigent clients with a serious mental illness would continue to receive ongoing mental health services, pending legislation approval by the Board of Supervisors (see Fee Legislation section below).
- An increase of 10.09 FTEs due to the expansion of the San Francisco General Hospital Family Health Center clinic hours.
- An increase of 9.78 FTEs due to implementation of additional Mental Health Services Act program components (Innovation, Information Technology, Community Services and Support

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: DPH – PUBLIC HEALTH

and Prevention and Early Intervention), which will allow the Department to expand mental health services for children, youth, adults and families.

- An increase of 7.00 FTE for the Acute Medical Unit at Laguna Honda Hospital.
- An increase of 6.80 FTEs due to the proposed opening of the new Laguna Honda Hospital in September of 2010.
- An increase of 6.04 FTEs due to the expansion of the Nurse Advice Line to provide nurse triage/screening services by telephone for primary care medical homes and specialty services at San Francisco General Hospital.
- An increase of 5.47 FTEs due to the expansion of the Healthy San Francisco program.
- An increase of 3.85 FTEs due to State and Federal regulatory requirements for the staffing levels of the SFGH Pharmacy Department.
- An increase of 2.00 FTEs due the expansion of services at the Laguna Honda Hospital Primary Care Clinic.

DEPARTMENT REVENUES:

Department revenues have increased by \$79,271,461 or 6.6 percent, from the original FY 2009-10 budget of \$1,129,642,440 to the proposed FY 2010-11 budget of \$1,208,913,901. However, General Fund support has decreased by \$110,239,756 or 32.1 percent, from the original FY 2009-10 budget of \$343,741,633 to the proposed FY 2010-11 budget of \$233,501,877. Overall, the Department revenues have decreased by \$30,968,295, or 2.1 percent, from the original FY 2009-10 budget of \$1,473,384,073 to the proposed FY 2010-11 budget of \$1,442,415,778. Specific changes in the Department's FY 2010-11 revenues include:

- **A decrease of \$49,322,880 in Licenses and Fines**, which is due to a reduction of \$49,136,686 in one-time Tobacco Settlement Revenue for the Laguna Honda Hospital Replacement Project in FY 2009-10.
- **A decrease of \$11,153,070 in Other Revenues**, which is due to a decrease of \$22,666,667 in San Francisco General Hospital generator lease funds and a \$10,204,581 Certificate of Participation reimbursement for the Laguna Honda Hospital Replacement Project.
- **A decrease of \$3,754,481 in Intergovernmental Revenue – State**, which is due to a decrease in Community Mental Health Service funds, State Alcohol funds, Tobacco Tax funds, Health/Welfare Sales Tax funds, Motor Vehicle License Fee realignment funds, and other State grants.
- **A decrease of \$25,000 in Use of Money and Property**, which is due to a decrease of interest earned on pooled cash.
- **An increase of \$136,746,233 in Charges for Services**, which is due to an increase of \$51,282,422 in San Francisco General Hospital and Laguna Honda Hospital revenues, \$182,238 in Environment Health Services revenues, and \$88,000,000 in anticipated SB1383/AB188 Hospital Fee revenues, which is still pending Federal approval. The increases are partially offset by a decrease of \$2,718,427 in other service revenues. The \$88,000,000 are part of the \$142,218,840 in Controller Reserves included in the FY 2010-11 budget and noted above.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: DPH – PUBLIC HEALTH

- An increase of \$3,438,376 in Intergovernmental Revenue – Federal, which is due to an increase in federal grants.
- An increase of \$3,352,283 in Expenditure Recovery, which is due to an increase of \$3.8 million for the Condo Conversion Fee revenues, which was tabled in the June 21, 2010 Budget and Finance Committee meeting, and decreases to the work orders with the Sheriff's Department, Human Services Agency and the Police Department. The \$3.8 million are part of the \$142,218,840 in Controller Reserves included in the FY 2010-11 budget and noted above.

Fee Legislation

The table below details the proposed fee ordinance that accompanies the Department's proposed FY 2010-11 budget. Projected revenues for FY 2010-11 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2009-10	FY 2010-11		Annualized Revenue Thereafter	% Cost Recovery
		Projected Revenue	Projected Revenue	Change from PY		
10-0707	Refuse Collection Services Liens and Fees	\$2,520,063	\$2,520,063 ¹	\$0	\$2,520,063	100%
	<i>Non-General Fund Revenues Subtotal</i>	\$2,520,063	\$2,520,063	\$0	\$2,520,063	
	Inspection and Testing Commercial Weighing and Measuring Devices					
10-0717	Registration Fees	\$650,494	\$650,494	\$0	\$650,494	78%
	Structural Pest Control Registration and					
10-0718	Fees	85,717	85,717 ²	0	85,717	78%
10-0719	Patient Rates	274,968,200	278,668,200	3,700,000	3,700,000	N/A
	Food Permit Requirements and Fees for					
10-0720	Caterers	0	65,826 ³	65,826	65,826	100%
10-0721	Aboveground Storage Tank Fees	0	69,740	69,740	69,740	97%
	Automated Point-of Sale Systems					
	("Scanner") Registration, Inspection and					
10-0725	Reinspection Requirement and Fees	1,046,056	1,483,833	437,777	1,483,833	100%
	<i>General Fund Revenues Subtotal</i>	\$276,750,467	\$281,023,810	\$4,273,343	\$6,055,610	
	Totals	\$281,790,593	\$286,063,936	\$4,273,343	\$11,095,736	

¹ The proposed ordinance would revise the existing Refuse Collection Services Liens and Fees to allow the City to recover costs from both residential and commercial properties. According to the Department, given that commercial properties are a new component of this ordinance, it is not expected that there will a significant impact in the number of delinquent accounts in the first year. Therefore, the department is not projecting increases in their baseline collections.

² Of the total revenue of \$85,717, only \$5,231 represents Pesticide Registration Fee portion of the Agriculture fees. The proposed ordinance would add tiers to the existing fees by adding Branch 1, 2 & 3 fumigation and registration amendment fees. According to the Department, the proposed amendment to the fees would not significantly increase revenues and therefore, the Department did not increase projected revenues for FY 2010-2011.

³ This revenue represents the revenue for all weights and measure devices. The proposed registration fees only covers a small subset of the commercial devices and only accounts for marinas, mobile home parks, recreational vehicle parks, and apartment complexes utility meters. According to the Department, the proposed amendment to the fees would not significantly increase revenues and therefore, the Department did not increase projected revenues for FY 2010-2011.

The specific fees are included in the proposed ordinances.

Recommendation: Approval of the proposed fee ordinances are policy matters for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the proposed DPH budget is balanced based on the assumption that such fee legislation shown above will be approved.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: **DPH – PUBLIC HEALTH**

Additional Legislation

File 10-0716 – The California Business and Professions Code requires the Board of Supervisors to adopt a resolution confirming that the County will charge the fees required by the California Business and Professions Code. The proposed resolution authorizes the County Agriculture Commissioner to charge fees for the (a) testing of weighing and measuring devices initiated by written request, and (b) reinspecting, retesting and recertifying weighing and measuring devices, in accordance with the California Business and Professions Code. The proposed resolution does not approve the actual fee schedule. The fee schedule for the County Agriculture Commissioner's Inspection and Testing Commercial Weighing and Measuring Devices Registration fees is in File 10-0717 and shown in the table above.

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

File 10-0739 – The proposed ordinance would amend the San Francisco Administrative Code Section 15.23, to maintain a single standard of care for the indigent and uninsured population who suffer from serious mental illness. According to the Department, this legislation would exclude uninsured patients not considered to suffer from serious mental illnesses. The Department would continue to serve individuals covered by Medi-Cal according to Medi-Cal policies, and would work to divert uninsured individuals into Healthy San Francisco. This policy would not affect individuals under the age of 22 or over the age of 64. If approved, this policy would take effect September 1, 2010. The Department anticipates this change, once annualized, would impact approximately 1,582 clients between the ages of 22 and 64 who are uninsured and not considered seriously mentally ill. The Department anticipates a General Fund savings of \$0.7 million in FY 2010-11, and \$0.8 million annually thereafter. These savings would be the result of the reduction of 6.47 FTEs in FY 2010-11 and 7.56 FTEs thereafter.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the proposed DPH budget is balanced based on the assumption that the proposed ordinance will be approved.

File 10-0752 – The proposed resolution would authorize the Department to enter into a contract with Siemens Medical Solution USA, Inc. (Siemens) for the continued licensing and maintenance of proprietary Siemens software applications for a seven-year initial term, from July 1, 2010 through June 30, 2017, with one two-year option to extend, from July 1, 2017 through June 30, 2019. The Department has two existing contracts with Siemens, which are scheduled to end on June 30, 2012. The Department renegotiated the terms of the existing Siemens contracts to consolidate the operations of continued licensing and maintenance of proprietary Siemens software applications. As a result, the proposed new contract would include the remaining two years of the existing contract, from July 1, 2010 through June 30, 2012, at a reduced annual cost. The cost of the contract's initial term is \$33,820,487. The Department estimates that the proposed new contract would achieve an annual General Fund savings of approximately \$1.1 million. According to the Department, the proposed contract is sole source because it provides for licensing and maintenance of proprietary software.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
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FY 2010-11**

DEPARTMENT: DPH – PUBLIC HEALTH

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors. However, the Budget and Legislative Analyst notes that the proposed DPH budget is balanced based on the assumption that the proposed ordinance will be approved.

DESCRIPTION:

The Department's proposed FY 2010-11 budget has decreased by \$30,968,295, or 2.1 percent. Major changes to the budget include the following:

- Support for the Laguna Honda Hospital programs has decreased by \$31.9 million due to a decrease in Tobacco Settlement Revenues for the Laguna Honda Hospital Replacement Project, which is partially offset by an increase in debt service and professional service contracts related to the opening of the new Laguna Honda Hospital.
- Support for the Forensics - Ambulatory Care program (Jail Health Services) has decreased by \$12.4 million due to the proposed Proposition J contract by the Sheriff's Department to contract Jail Health Services to an outside vendor, which is discussed in the Sheriff's Department budget report.
- Support for the Substance Abuse - Community Care program has decreased by \$2.6 million due to a decrease in State funding and a reduction in contracts for substance abuse services to achieve budget savings.
- Support for the Health at Home program has decreased by \$1.2 million, which is due to a decrease in work orders and transfer of funds to the Primary Care – Ambulatory Care program for the Patient Navigator program.
- Support for the Primary Care – Ambulatory Care program has increased by \$3.2 million which is due to the addition of the Nurse Advise Line, the transfer of funds for the Patient Navigator program and an expansion of the Healthy San Francisco program.
- Support for the Mental Health programs has increased by \$0.5 million due to an increase in State funding for mental health services. However, the increase is partially offset with contract reductions for General Fund savings.
- Support for the Community Health programs has decreased by \$3.4 million due to the expiration of a Department of Justice grant and a decrease of other State and Federal funding.
- Support for the San Francisco General Hospital programs has decreased by \$10.4 million due to the proposed Proposition J to contract out security services discussed below, and an increased transfer of funds to the Central Administration program to draw down revenues from the State of California. However, the decrease is partially offset with an increase to professional services contracts for the Healthy San Francisco program, UCSF retirement, and food management consulting.
- Support for the Central Administration program has increased by \$27.2 million due to the transfer of funds from San Francisco General Hospital.

PROPOSITION J CONTRACT

Charter Section 10.104 provides that the City may contract with private firms for services, if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by

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The Sheriff's Department also proposes a new Proposition J contract for jail health services that would eliminate the existing work order between the Department and the Sheriff's Department by contracting health services at San Francisco jails to an outside vendor beginning on January 1, 2011 (File 10-0738). Shown below are the Department's position deletions from the Sheriff's Department proposed new Proposition J, which will result in layoffs in FY 2010-11. The Department anticipates that at least half of the employees, or approximately 35 FTEs, affected by the proposed position deletions would be reassigned to vacant positions within the Department. The remaining position deletions would result in layoffs. This item is covered in the Sheriff's Department budget report.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: DPH – PUBLIC HEALTH

Bureau/Division	Job Class	Title	FTE Count	\$ Value	Comments
DPHJH	922	Manager I	(0.45)	(47,192)	Proposed Proposition J to
DPHJH	923	Manager II	(0.50)	(56,241)	contract out health
DPHJH	931	Manager III	(0.50)	(60,698)	services at San Francisco
DPHJH	933	Manager V	(0.50)	(70,264)	jails.
DPHJH	943	Manager VIII	(0.50)	(91,436)	
DPHJH	1042	IS Engineer-Journey	(0.50)	(53,637)	
DPHJH	1054	IS Business Analyst-Principal	(0.50)	(57,995)	
DPHJH	1404	Clerk	(0.50)	(22,820)	
DPHJH	1408	Principal Clerk	(1.00)	(62,531)	
DPHJH	1428	Unit Clerk	(1.00)	(55,313)	
DPHJH	1934	Storekeeper	(1.00)	(49,955)	
DPHJH	2110	Medical Records Clerk	(1.50)	(80,811)	
DPHJH	2202	Dental Aide	(1.00)	(59,827)	
DPHJH	2210	Dentist	(0.70)	(105,623)	
DPHJH	2230	Physician Specialist	(0.13)	(21,626)	
DPHJH	2232	Senior Physician Specialist	(1.35)	(241,736)	
DPHJH	2233	Supervising Physician Specialist	(0.50)	(96,296)	
DPHJH	2312	Licensed Vocational Nurse	(12.27)	(782,471)	
DPHJH	2320	Registered Nurse	(29.68)	(3,768,885)	
DPHJH	2322	Nurse Manager	(1.50)	(256,854)	
DPHJH	2328	Nurse Practitioner	(3.78)	(639,938)	
DPHJH	2409	Pharmacy Technician	(2.65)	(184,900)	
DPHJH	2450	Pharmacist	(1.12)	(142,402)	
DPHJH	2454	Clinical Pharmacist	(0.50)	(70,096)	
DPHJH	2585	Health Worker I	(0.50)	(23,155)	
DPHJH	2587	Health Worker III	(1.00)	(56,727)	
DPHJH	2588	Health Worker IV	(0.50)	(33,138)	
DPHJH	2736	Porter	(4.00)	(190,792)	
DPHJH	2738	Porter Assistant Supervisor	(0.50)	(26,230)	
TOTAL			(70.13)	(7,409,589)	

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DPH - Department of Public Health

Page			Position/ Equipment	Number		Amount		
No.	Object	Object Title	Number	From	To	From	To	Savings
<u>D1F - SFGH - Acute Care - Forensic (5H-AAA-AAA)</u>								
47	012	Holiday Pay				\$37,488	\$25,537	\$11,951
		Reduce 012 Holiday Pay to correspond with a comparable reduction in FY 2010-2011 Permanent Salaries.						
47	013	Mandatory Fringe Benefits						\$739
		Corresponds to recommended reductions in Holiday Pay						

D1H - SFGH - Acute Care - Hospital (5H-AAA-AAA)

4	001	Senior Clerk	1406	1.60	1.54	\$75,579	\$72,745	\$2,834
		Reduce the FTE allocation from 1.60 FTE to 1.54 FTE for the two new Senior Clerk positions to reflect actual hiring date in FY 2010-2011.						
		Health Care						
5	001	Billing Clerk II	1636	30.0	29.0	\$1,803,747	\$1,743,622	\$60,125
		Delete 1.0 FTE 1636 Health Care Billing Clerk II position, which has been vacant since July 1, 2006. This program would continue to have 29.0 FTE Health Care Billing Clerk II positions.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DPH - Department of Public Health

<u>Page No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Position/ Equipment Number</u>	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
6	001	Assistant Storekeeper	1932	14.5	13.7	\$659,972	\$623,560	\$36,412
		Delete 0.80 FTE 1932 Assistant Storekeeper position, which has been vacant since August 30, 2007. This program would continue to have 13.7 FTE Assistant Storekeeper positions.						
10	001	Health Worker II	2586	0.92	0.77	\$47,830	\$40,032	\$7,798
		Reduce the FTE allocation from 0.92 FTE to 0.77 FTE for the new Health Worker II position to reflect actual hiring date in FY 2010-2011.						
13	001	Attrition Savings	9993M			(\$11,958,821)	(\$11,918,837)	(\$39,985)
		Reduce Attrition Savings to offset deletion of vacant positions.						
48	013	Mandatory Fringe Benefits						\$27,452
		Corresponds to recommended reductions in positions.						
		Professional and Specialized Services						\$304,589
		Request the Controller to make a one-time expenditure savings to the General Fund in Professional and Specialized Service. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DPH - Department of Public Health

<u>Page</u> <u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Position/ Equipment Number</u>	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
49	060	Equipment Purchase				\$1,123,701	\$1,112,393	\$11,308
		Reduce 060 Equipment Purchase to reflect the actual prices listed in the quotes.						

D1P - SFGH - Acute Care - Psychiatry (5H-AAA-AAA)

52	009	Premium Pay				\$503,398	\$475,727	\$27,671
		Reduce 009 Premium Pay to correspond with a comparable reduction in FY 2010-2011 Permanent Salaries.						
52	012	Holiday Pay				\$98,748	\$93,320	\$5,428
		Reduce 012 Holiday Pay to correspond with a comparable reduction in FY 2010-2011 Permanent Salaries.						
52	013	Mandatory Fringe Benefits						\$1,727
		Corresponds to recommended reductions in Premium Pay and Holiday Pay						

D5E - SFGH - Emergency - Emergency (5H-AAA-AAA)

56	009	Premium Pay				\$132,268	\$128,987	\$3,281
		Reduce 009 Premium Pay to correspond with a comparable reduction in FY 2010-2011 Permanent Salaries.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
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Department: DPH - Department of Public Health

Page			Position/ Equipment	Number		Amount		
No.	Object	Object Title	Number	From	To	From	To	Savings
56	012	Holiday Pay				\$98,748	\$95,139	\$3,609
		Reduce 012 Holiday Pay to correspond with a comparable reduction in FY 2010-2011 Permanent Salaries.						
56	013	Mandatory Fringe Benefits						\$388
		Corresponds to recommended reductions in positions, Premium Pay and Holiday Pay						
<u>DA5 - LHH - Long Term Care (5L-AAA-AAA)</u>								
32	001	Unit Clerk	1428	12.0	11.0	\$663,755	\$608,442	\$55,313
		Delete 1.0 FTE 1428 Unit Clerk position, which has been vacant since July 1, 2007. This program would continue to have 11.0 FTE Unit Clerk positions.						
38	001	Attrition Savings	9993M			(\$9,207,454)	(\$9,168,735)	(\$38,719)
		Reduce Attrition Savings to offset deletion of vacant positions.						
59	013	Mandatory Fringe Benefits						\$6,780
		Corresponds to recommended reductions in positions						
60	060	Equipment Purchase				\$57,055	\$55,138	\$1,917
		Reduce 060 Equipment Purchase to reflect the actual prices listed in the quotes.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
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Department: DPH - Department of Public Health

<u>Page</u>		<u>Position/ Equipment</u>	<u>Number</u>		<u>Amount</u>			
<u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>

DHA - Central Administration (1G-AGF-AAA)

Professional and Specialized Services \$12,107

Request the Controller to close out Purchase Orders from past fiscal years (DPHC0900010501, DPHC0900004901, DPHC0900006301, DPHC0900005501, DPHC0900028601, DPHC0900006201, DPHC0900022201, and DPHC0900016901) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.

65	040	Materials and Supplies Budget Only		\$396,563	\$356,563	\$40,000
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Reduce 040 Materials and Supplies Budget Only to reflect historical spending pattern and projected FY 2010-2011 expenditures.

DHA - Central Administration (1G-AGF-AAP)

66	005	Overtime		\$20,600	\$15,600	\$5,000
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Reduce 005 Overtime to reflect historical spending pattern and projected FY 2010-2011 expenditures.

66	013	Mandatory Fringe Benefits				\$168
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Corresponds to recommended reductions in overtime.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DPH - Department of Public Health

<u>Page</u> <u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Position/</u> <u>Equipment</u>	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
66	040	Materials and Supplies Budget Only				\$122,885	\$115,885	\$7,000
		Reduce 040 Materials and Supplies Budget Only to reflect historical spending pattern and projected FY 2010-2011 expenditures.						
		Professional and Specialized Services						\$17,649
		Request the Controller to close out Purchase Orders from past fiscal years (POHC0900000101, DPHC0900031201, DPHC0900013301, DPHC0900072201, DPHC0900028101, DPHC0900015801, and DPHC0900017101) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.						

DHP - Primary Care - Ambulatory Care - Health Clinics (1G-AGF-AAA)

Professional and Specialized Services	\$1,285
Request the Controller to close out Purchase Orders from past fiscal years (DPHG0800166001) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.	

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
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Department: DPH - Department of Public Health

Page			Position/ Equipment	Number		Amount		
<u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>
<u>DMF - Forensics - Ambulatory Care (1G-AGF-AAA)</u>								
		Professional and Specialized Services						\$47,264
		Request the Controller to close out Purchase Order from past fiscal years (DPHG0900056001) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.						

DMM - Mental Health - Community Care (1G-AGF-AAA)

84	027	Professional and Specialized Services				\$59,379,600	\$59,369,422	\$10,178
		Reduce 027 Professional and Specialized Services to reduce the proposed amounts of new FY 2010-2011 contracts. The Department has existing contracts that will have a projected balance at the end of FY 2009-2010 and therefore, the new FY 2010-2011 contracts will not require the full requested amount.						
		Professional and Specialized Services						\$211,926
		Request the Controller to close out Purchase Orders from past fiscal years (DPHC0900013002, DPHM0800017703, DPHM0900020806, DPHM0800019002 and DPHM0800015301) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.						

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
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Department: DPH - Department of Public Health

<u>Page</u> <u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Position/ Equipment Number</u>	<u>Number</u> <u>From</u> <u>To</u>	<u>Amount</u> <u>From</u> <u>To</u>	<u>Savings</u>
84	040	Materials and Supplies Budget Only			\$5,099,582 \$5,049,582	\$50,000
		Reduce 040 Materials and Supplies Budget Only to reflect historical spending pattern and projected FY 2010-2011 expenditures.				

DMS - Substance Abuse - Community Care (1G-AGF-AAA)

Professional and Specialized Services \$186,621

Request the Controller to close out Purchase Orders from past fiscal years (DPHM0900024101, DPHM0900037901, DPHM0800014001, DPHM0800017701, DPHM0800019001, DPHM0800051003, and DPHM0800046701) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.

92	040	Materials and Supplies Budget Only			\$114,537 \$104,537	\$10,000
		Reduce 040 Materials and Supplies Budget Only to reflect historical spending pattern and projected FY 2010-2011 expenditures.				

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
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FY 2010-11**

Department: DPH - Department of Public Health

Page No.	Object	Object Title	Position/ Equipment	Number		Amount		Savings
			Number	From	To	From	To	
<u>DMS - Substance Abuse - Community Care (1G-AGF-WOF)</u>								
94	027	Professional and Specialized Services				\$1,485,336	\$1,457,824	\$27,512
94	086	Expend Recovery for Services to AAO Funds				(\$162,000)	(\$134,488)	(\$27,512)

Reduction of funding for three workorders with the Sheriff's Department due to a reduced need of DPH services, which include (a) conducting medical testing of new recruits who will not be hired in FY 2010-2011, (b) providing interpretation services, which are now budgeted in Object 027: Professional Services of the Sheriff's Department's FY 2010-2011 budget, and (c) providing hazardous materials handling services to match historical spending patterns.

DPB - Environmental Health Services (1G-AGF-AAA)

Professional and Specialized Services

\$162,033

Request the Controller to close out Purchase Orders from past fiscal years (DPHC0900067601, DPHC0900001201, DPHC0900032601, DPHC0900000401, DPHC0900042901, DPHC0900006601, DPHC0900022401, and DPHC0900006402) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
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Department: DPH - Department of Public Health

Page No.	Object	Object Title	Position/ Equipment	Number		Amount		Savings	
			Number	From	To	From	To		
99	060	Equipment Purchase	HC1101N				\$6,510	\$5,972	\$538

Reduce 060 Equipment Purchase to reflect the actual prices listed in the quotes.

DPD - Community Health - Prevention - Disease Control (1G-AGF-AAA)

Professional and Specialized Services									\$5,186
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Request the Controller to close out Purchase Orders from past fiscal years (POHC0900000201, DPHC0900002601, DPHC0900002501, DPHC0900000301, DPHC0900023801, and DPHC0900061502) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.

DPH - Community Health - Prevention - Health Education (1G-AGF-AAA)

143	040	Materials and Supplies Budget Only					\$28,216	\$23,216	\$5,000
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Reduce 040 Materials and Supplies Budget Only to reflect historical spending pattern and projected FY 2010-2011 expenditures.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
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Department: DPH - Department of Public Health

<u>Page</u>	<u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Position/ Equipment Number</u>	<u>Number</u>	<u>From</u>	<u>To</u>	<u>Amount</u>	<u>From</u>	<u>To</u>	<u>Savings</u>
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DPM - Community Health - Prevention - Maternal and Child Health (1G-AGF-AAA)

Professional and Specialized Services \$748

Request the Controller to close out Purchase Orders from past fiscal years (DPHC0900002901 and DPHC0900065801) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.

FAL - Children's Baseline (1G-AGF-AAA)

163	040	Materials and Supplies Budget Only	\$85,382	\$75,382	\$10,000
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Reduce 040 Materials and Supplies Budget Only to reflect historical spending pattern and projected FY 2010-2011 expenditures.

Professional and Specialized Services \$2,981

Request the Controller to close out Purchase Orders from past fiscal years (DPHM0900038501 and DPHM0900000501) and return unexpended funds to the General Fund. This recommendation will increase the General Fund - Fund Balance Available for the Board of Supervisors to appropriate.

Total Recommended Reductions	<u>\$1,276,302</u>
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General Fund Impact	\$1,276,302
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Non-General Fund Impact	\$0
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**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DPH - Department of Public Health

Page			Position/ Equipment	<u>Number</u>		<u>Amount</u>		
<u>No.</u>	<u>Object</u>	<u>Object Title</u>	<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>

POLICY RECOMMENDATIONS

DMS - Substance Abuse - Community Care (1G-AGF-AAA)

92	027	Professional and Specialized Services		\$51,242,183	\$50,982,183	\$260,000
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The DPH is requesting \$260,000 to establish a new permanent site for Project Homeless Connect, which is a project that will provide ongoing services to the homeless. DPH has not secured a location for the site. Since the proposed project would incur new General Fund costs and the operational details have not been determined, the proposed reduction is a policy matter for the Board of Supervisors.

DMS - Substance Abuse - Community Care (1G-AGF-WOF)

94	027	Professional and Specialized Services		\$1,485,336	\$1,472,336	\$13,000
94	086	Expend Recovery for Services to AAO Funds		(\$162,000)	(\$149,000)	(\$13,000)

Reduction of the work order with the Sheriff's Department due to a reduced need of DPH services to provide meals to Sheriff staff providing security at SFGH because such security services are proposed to be contracted out to a private firm.

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: DPH - Department of Public Health

Page	Object	Object Title	Position/ Equipment	Number		Amount		Savings
			Number	From	To	From	To	
<u>DMS - Substance Abuse - Community Care (1G-AGF-ACP)</u>								
93	027	Professional and Specialized Services				\$220,323	\$0	\$220,323
93	028	Maintenance Services - Buildings and Structures				\$21,600	\$0	\$21,600
93	030	Rents & Leases - Buildings and Structures				\$220,800	\$0	\$220,800
93	040	Materials and Supplies Budget Only				\$3,600	\$0	\$3,600
93	081	Services of Other Depts				\$14,811	\$0	\$14,811
21	450	Short-Doyle Medi-Cal Funds				(\$4,136,292)	(\$3,936,292)	(\$200,000)

The DPH's FY 2008-2009 budget included \$983,783 in Department of Justice grant-supported expenditures for the Community Justice Center. In FY 2009-2010, the Department carried forward \$553,446 of \$983,783 to pay for the non-personnel costs, and also reassigned four positions for the Community Justice Center from grant-funded positions to positions funded by the General Fund. In the proposed FY 2010-2011 budget, the non-personnel costs totaling \$481,134 are being shifted from grant funds to the General Fund. Approximately \$200,000 of the costs would be eligible to generate MediCal revenue.

The Budget and Legislative Analyst considers the shift of \$481,134 from grant funds to the General Fund to pay Community Justice Center non-personnel expenditures in FY 2010-11 to be a policy matter for the Board of Supervisors.

Total Policy Recommendations	\$541,134
General Fund Impact	\$541,134
Non-General Fund Impact	\$0
Total Recommended Reductions and Policy Recommendations	\$1,817,436
General Fund Impact	\$1,817,436
Non-General Fund Impact	\$0

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: RED – REDEVELOPMENT AGENCY

FINANCIAL DATA:

The Redevelopment Agency's proposed \$225,908,000 budget for FY 2010-11 is \$12,280,000 or 5.2 percent, less than the approved FY 2009-10 budget of \$238,188,000.

		(Dollars in Thousands)		
		Approved Budget FY 09/10	Proposed Budget FY 10/11	Proposed Increase (Decrease)
Amount:	Expenditure Budget	\$238,188	\$225,908	(\$12,280)
Revenues:	Property Sales	\$1,074	\$1,155	\$81
	Rentals/Leases	17,984	14,878	(\$3,106)
	Prior Year Earn./Savings	11,217	7,554	(\$3,663)
	Developer Contribution	18,354	12,550	(\$5,804)
	Grants	13,964	25,857	\$11,893
	Other	3,570	4,164	\$594
	Tax Increment (for O/S Obligations)	89,275	99,574	\$10,299
	Total Sources:	\$155,438	\$165,731	\$10,293
Expenditures:	Project Areas/Programs			
	Legal	\$23	\$43	\$20
	Studies & Misc. Items (1)	125	410	285
	Planning	4,051	1,042	(3,009)
	Public Improvements (2)	19,170	24,201	5,031
	Arch./Eng. Design & Review	575	290	(285)
	Property Maintenance	10,871	13,277	2,406
	Housing Production & Assist.	79,312	46,621	(32,691)
	Job Training/Assist.	1,450	1,360	(90)
	Business Development	3,979	4,375	396
	Other	15,784	12,297	(3,487)
	Pass-Through Obligations	19,878	13,001	(6,877)
	Debt Service	62,361	87,696	25,335
	Subtotal: Programs	\$217,579	\$204,613	(\$12,966)
	Personnel/Administration			
	Personnel Costs	\$16,944.60	\$17,107	\$162
	Administrative Costs	3,665	4,188	\$523
	Subtotal- Personnel/Admin.	\$20,609	\$21,295	\$686
	Total Uses	\$238,188	\$225,908	(\$12,280)
	Total Revenues	\$155,438	\$165,731	\$10,293
	SERAF (3)	28,733	6,000	(22,733)
	Surplus(Deficit)	(\$111,483)	(\$66,177)	\$45,306
Other Funding Sources:	Funds Reprogrammed from Housing and Economic Development	\$4,233	\$0	(\$4,233)
	Tax Increment(pay-as-you-go)	6,326	10,105	\$3,779
	Tax Inc. Bond Proceeds	100,925	56,073	(\$44,852)
	Total Sources Less Uses	\$0	\$0	\$0
Tax Increment:	Request	\$87,751	\$99,012	\$11,261
	Total General Fund Impact	\$54,196	\$62,177	\$7,981
FTEs:	Permanent Staff	110.0	111.5	1.5

(1) Includes econ./marketing/planning/toxic studies/inspection services, etc.

(2) Mission Bay number may increase with additional bond issuance request.

(3) In May 2010, the Sacramento Superior Court upheld the FY 2009-10 state budget bill which redirected \$2 billion in local redevelopment funds to help fill the state's budget deficit, the Supplemental Educational Revenue Augmentation Fund (SERAF) in each county.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: RED – REDEVELOPMENT AGENCY

The Redevelopment Agency's FY 2010-11 proposed budget includes expenditures for Project Areas, the Citywide Housing Program, and Administration and Personnel as described below.

REDEVELOPMENT PROJECT AREAS:

A Project Area is a designated redevelopment area, which has been approved by the Board of Supervisors. As shown in the table below, there are 10 existing Project Areas,¹ for which the Redevelopment Agency's proposed budget for FY 2010-2011 provides \$169,198,000 in project areas funding which is \$29,713,000 or 14.9 percent, less than the approved budget of \$198,911,000 for FY 2009-10. Changes to individual projects programs are as follows:

Project Area Budgets, Current and Proposed				
	Project Area*	Approved Budget FY 2009-10	Proposed Budget FY 2010-11	Proposed Increase (Decrease)
1	Bayview Hunters Point Area B	\$12,101,000	\$6,815,000	(\$5,286,000)
	<i>Golden Gateway</i>	14,907,000	15,612,000	705,000
	<i>Hunters Point (Area "A")</i>	591,000	571,000	(20,000)
2	Hunters Point Shipyard (Phase I)	4,777,000	7,374,000	2,597,000
	Hunters Point Shipyard (Phase II)	9,832,000	5,505,000	(4,327,000)
	<i>India Basin</i>	561,000	561,000	0
3	Mid Market	0	954,000	954,000
4	Mission Bay North	14,933,000	9,416,000	(5,517,000)
5	Mission Bay South	12,288,000	18,106,000	5,818,000
6	South Beach Harbor	2,235,000	2,235,000	0
	<i>Rincon Point- South Beach</i>	15,746,000	17,461,000	1,715,000
7	South of Market	4,660,000	7,578,000	2,918,000
8	Transbay Terminal	4,122,000	21,308,000	17,186,000
	<i>Western Addition</i>	38,741,000	12,511,000	(26,230,000)
9	Visitation Valley	717,000	442,000	(275,000)
10	Yerba Buena Center	50,638,000	33,771,000	(16,867,000)
	Yerba Buena Gardens & Center for the Arts	12,062,000	8,978,000	(3,084,000)
	Total	\$198,911,000	\$169,198,000	(\$29,713,000)

*Numbered Areas are Active Project Areas. *Italicized Project Areas are expired project areas that have been extended under SB 2113, as discussed below.*

¹ South Beach Harbor is a part of Rincon Point-South Beach project and Yerba Buena Gardens & Center for the Arts is a part of the Yerba Buena Center project. Additionally, the following five Project Areas are expired, non-current project areas but have been extended under SB 2113: (a) Golden Gateway, (b) Hunters Point (Area "A"), (c) India Basin, (d) Rincon Point-South Beach, and (e) Western Addition A2.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: RED – REDEVELOPMENT AGENCY

As shown in the table above, the following Project Areas' budgets are increasing:

Golden Gateway

The \$705,000 increase is primarily related to housing related activities pursuant to SB 2113 Amendment and debt service.²

Hunters Point Shipyard Phase I

The \$2,597,000 increase is primarily related to property management costs and economic revitalization efforts.

Mid Market

The \$954,000 increase from \$0 is the result of the Agency's proposal for the reconsideration of the Mid-Market Redevelopment Plan and accompanying Special Use District (SUD). The Plan and SUD were approved by the Redevelopment and Planning Commissions in fall 2005 and subsequently introduced at the Board of Supervisors, but were not assigned to Committee. The increase in the proposed budget will primarily fund a Historic building and District survey, preparation of a revised California Environmental Quality Act (CEQA) review, land use and economic development planning, and community outreach and notices.

Mission Bay South

The \$5,818,000 increase is primarily related to public improvements.

Rincon Point – South Beach

The \$1,715,000 increase is primarily related to port leases, property maintenance, and debt service.

South of Market

The \$2,918,000 increase is primarily related to public improvements, Sixth Street economic revitalization efforts, pass-through obligations, and debt service.

Transbay Terminal

The \$17,186,000 increase is primarily expenses related to public improvements, housing production and assistance, pass-through obligations, and debt service.

Additionally as shown in the table above, the following Project Areas' budgets are decreasing:

Bayview Hunters Point Area B

The \$5,286,000 decrease is primarily related to decreases in housing production and assistance, economic and retail development, and economic revitalization.

Hunters Point Area A

The \$20,000 decrease is due to a decrease in debt service.

² SB 2113 authorizes the Redevelopment Agency of the City and County of San Francisco to continue to borrow funds exclusively for Low and Moderate Income Housing Fund activities until January 1, 2014 or until the agency replaces all of the housing units demolished prior to the requirement for replacement housing obligations.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: **RED – REDEVELOPMENT AGENCY**

Hunters Point Shipyard Phase II

The \$4,327,000 decrease is primarily related to decreases in planning and developer costs.

Mission Bay North

The \$5,517,000 decrease is primarily related to decreases in housing production and assistance as well as developer reimbursements. Although housing goals have not been met, housing funding has been reduced due to a lack of projects that are ready for construction.

Western Addition

The \$26,230,000 decrease is primarily related to the elimination of housing production and assistance services in the project area. Although housing goals have not been met, housing funding has been reduced due to a lack of projects that are ready for construction.

Visitacion Valley

The \$275,000 decrease is primarily related to decreases in planning and design, job training and placement services, and community outreach.

Yerba Buena Center

The \$16,867,000 decrease is primarily related to decreases in public improvements, housing production and assistance services, and job training and placement services.

Yerba Buena Gardens & Center for the Arts

The \$3,084,000 decrease is primarily related to decreases in public improvements and property management costs.

As shown in the table above the budgets for the India Basin (\$561,000) and South Beach Harbor (\$2,235,000) project areas are unchanged from FY 2009-10.

REDEVELOPMENT AGENCY ADMINISTRATIVE AND PERSONNEL COSTS:

The number of full-time equivalent positions budgeted for FY 2010-11 is 111.5 FTEs, which is 1.5 FTEs more than the 110.0 FTEs in the original FY 2009-10 budget. The increase in FTEs is the result of:

- An October 2009 amendment to the Agency's FY 2009-10 budget to cover the costs of 1.0 FTE Senior Development Specialist position, and
- A 0.5 FTE increase for a part-time Contract Compliance Specialist I position

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: **RED – REDEVELOPMENT AGENCY**

The proposed Administrative Budget for FY 2010-11, which does not include salaries and mandatory fringe benefits for permanent staff, is \$4,188,820. This represents an increase of \$524,065 from the FY 2009-10 Administrative Budget of \$3,664,755. This increase is primarily due to:

- A \$242,502 increase in consultant services for (a) human resource services, and (b) labor compliance software;
- An \$89,600 increase in miscellaneous expenses chiefly due to the provision of required services by the Department of the Environment for certain project areas;
- An \$82,776 increase in general insurance costs primarily due to the increased cost of insuring project functions such as at the Hunters Point shipyard as well as property maintenance at the South Beach Harbor; and
- A \$79,700 increase in monies for purchasing machines, equipment, and furniture.

RECOMMENDATIONS:

1. Amend the Redevelopment Agency's proposed FY 2010-11 budget (File No. 10-0727) in accordance with the Budget Analyst's recommended reductions totaling \$679,435 as shown on the following pages.
2. Approve the Redevelopment Agency budget, as amended, and approve the proposed issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$64,000,000 (File No. 10-0727).

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: RED - Redevelopment Agency

	<u>Number</u>		<u>Amount</u>		
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>
<u>Personnel Positions and Salaries for FY 2010-11</u>					
Salary Savings			(\$222,986)	(\$342,986)	\$120,000
Increase the salary savings requirement to account for the anticipated level of vacant positions.					
Mandatory Fringe Benefits					\$49,032
Corresponds to increase in salary savings requirement.					
Senior Civil Engineer	2.0	1.0	\$276,172	\$138,086	\$138,086
Delete 1.0 filled FTE Senior Civil Engineer position, which the Department is laying off due to expiration in active projects. Department has reduced need for engineering staff.					
Mandatory Fringe Benefits					\$56,422
Corresponds to reduction in permanent salaries.					

Administrative Budget for FY 2010-11

Building Repair and Maintenance			\$12,900	\$7,500	\$5,400
Reduce based on historical expenditures and actual need.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: RED - Redevelopment Agency

	<u>Number</u>		<u>Amount</u>		
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>
Staff Training			\$61,100	\$35,000	\$26,100
Reduce based on historical expenditures and actual need.					
Temp. Empl. & Placement Costs			\$130,705	\$128,000	\$2,705
Reduce based on historical expenditures and actual need.					
Postage and Express Mail			\$80,450	\$55,000	\$25,450
Reduce based on historical expenditures and actual need.					
Purchase- Machines/Equip/Furniture			\$148,300	\$75,000	\$73,300
Reduce based on historical expenditures and actual need.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: RED - Redevelopment Agency

	<u>Number</u>		<u>Amount</u>		
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>
Maintenance- Machines/Equip/Furniture			\$323,510	\$300,000	\$23,510
Reduce based on historical expenditures and actual need.					
Maintain Agency Vehicles			\$7,470	\$4,500	\$2,970
Reduce based on historical expenditures and actual need.					
Consultant Services			\$978,282	\$928,282	\$50,000
Reduce based on historical expenditures and actual need.					
Misc. Admin Expenses (Petty Cash)			\$325,960	\$240,000	\$85,960
Reduce based on historical expenditures and actual need.					

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

Department: RED - Redevelopment Agency

	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
Office Supplies			\$125,700	\$110,000	\$15,700
Reduce based on historical expenditures and actual need.					
Supplies- Mimeo, Printing, Photo			\$42,800	\$38,000	\$4,800
Reduce based on historical expenditures and actual need.					
Total Recommended Reductions					<u>\$679,435</u>
General Fund Impact			\$319,334		
Non-General Fund Impact			\$360,101		

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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

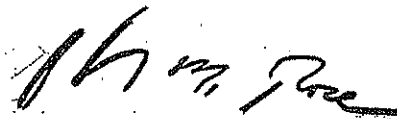
June 25, 2010

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 2010-2011 Budget.

Page

Descriptions for Departmental Budget Hearing, June 28, 2010 Meeting, 10:00 a.m.

FIR Fire1



Harvey M. Rose

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

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: FIR – FIRE DEPARTMENT

FINANCIAL DATA:

The Fire Department's proposed \$290,919,514 budget for FY 2010-11 is \$8,425,098 or 3.0 percent more than the original FY 2009-10 budget of \$282,494,416.

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2009-2010 Original Budget	FY 2010-2011 Proposed Budget	Proposed Increase (Decrease) vs. FY 2009-2010 Budget	% Inc./Dec.
ADMINISTRATION & SUPPORT SERVICES	\$ 31,815,127	\$ 32,522,532	\$ 707,405	2.2%
CUSTODY	1,000,000	615,735	(384,265)	(38.4%)
FIRE GENERAL	-	225,000	225,000	N/A
FIRE SUPPRESSION	233,483,000	242,628,044	9,145,044	3.9%
GRANT SERVICES	-	1,132,084	1,132,084	N/A
PREVENTION & INVESTIGATION	11,238,307	9,799,233	(1,439,074)	(12.8%)
TRAINING	4,957,982	3,996,886	(961,096)	(19.4%)
Total Expenditures	\$ 282,494,416	\$ 290,919,514	\$ 8,425,098	3.0%
Less Interdepartmental Recoveries And Transfers	(9,721,162)	(8,338,765)	1,382,397	(14.2%)
Net Expenditures	\$ 272,773,254	\$ 282,580,749	\$ 9,807,495	3.6%

The Department's proposed FY 2010-2011 budget includes a \$17,948,691 Controller's Reserve, including \$14,681,424 for unspecified salaries and \$3,267,267 for unspecified fringe benefits. These Controller Reserves are part of the total \$142,218,840 Controller Reserves included in the FY 2010-2011 budget, which is intended to offset \$142,218,840 of Uncertain Revenues and Follow-Up Actions Required that are assumed as revenues in the FY 2010-2011 budget. In the event that the uncertain revenues that would be allocated to this department in FY 2010-2011 don't materialize, the department will have to reduce its expenditures by \$17,948,691 in FY 2010-11.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: **FIR – FIRE DEPARTMENT**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2010-11 is 1,513.43 FTEs, which is 18.82 FTEs less than the 1,532.25 FTEs in the original FY 2009-10 budget. The FTE allocations are as follows:

AUTHORIZED POSITIONS	FY 2009-2010 Original Budget	FY 2010-2011 Proposed Budget	Proposed Increase (Decrease) vs. FY 2009-2010 Budget
Total Authorized	1,535.80	1,515.43	(20.37)
Non-Operating Positions (Capital / Other)	(3.55)	(2.00)	1.55
Net Operating Positions	1,532.25	1,513.43	(18.82)

Specific changes in the Department's FY 2010-11 FTE count include:

- Increased attrition savings, totaling 14.47 FTE and \$2,945,263. The following is the breakdown of the savings between Civilian and Uniform positions:
 - For Miscellaneous (Civilian), increased Attrition Savings of 2.62 FTE and \$286,174.
 - For Uniform increased Attrition Savings of 11.85 FTE and \$2,659,089.
- Decreased step adjustments yielding a savings of \$1,733,098.
- An unspecified reduction of 1.68 FTE and savings of \$223,665 in response to the Mayor's Office's request for a 10 percent reduction in management and supervisory staff. The reduction is a lump sum reduction that does not result in the elimination or savings from a specific position.
- In response to the Mayor's Office's request for a 10 percent reduction in management and supervisory staff, the Department also included layoffs to 1.0 FTE 0923 Manager II, 1.0 FTE 1842 Management Assistant, and 1.0 FTE 1426 Senior Clerk Typist, noted in the 5.35 FTE layoffs shown on the following table:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: FIR – FIRE DEPARTMENT

The following are the Department's proposed layoffs in FY 2010-11:

Bureau/Division	Job Class	Title	FTE Count	FY 2010-11 Budgeted Salary Amount	Comments
Administration and Support Services	0923	Manager II	1.00	112,482	Part of the Department's response to the Mayor's request for Departmental Management reductions.
Administration and Support Services	1842	Management Assistant	1.00	67,889	Part of the Department's response to the Mayor's request for Departmental Management reductions.
Grant Services	H 20	Lieutenant, (Fire Department)	1.50	0	Grant-funded position.
Grant Services	H 51	Assistant Deputy Chief II	0.50	0	Grant-funded position.
Work Order Services	H 51	Assistant Deputy Chief II	0.35	0	Unfilled, off-budget position reduced due to workorder reduction.
Training	1426	Senior Clerk Typist	1.00	52,064	Part of the Department's response to the Mayor's request for Departmental Management reductions.
TOTAL LAYOFFS IN FY 2010-11			5.35	\$232,435	

DEPARTMENT REVENUES:

Department revenues have increased by \$556,815 or 0.9 percent, from the original FY 2009-10 budget of \$64,834,859 to the proposed FY 2010-11 budget of \$65,391,674. General Fund support has increased by \$7,190,869, or 3.8 percent, from the original FY 2009-10 budget of \$188,455,742 to the proposed FY 2010-11 budget of \$195,646,611. Specific changes in the Department's FY 2010-11 revenues include:

- Increases in fees for Fire Department Services, described in the Fee Legislation table below, totaling \$0.8 million.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: FIR – FIRE DEPARTMENT

- An increase in insurance net revenue estimated to total \$0.6 million. The Department is proposing to implement a program to bill insurance companies to recover the costs for motor vehicle-related auto accidents. This new revenue source is subject to future Board of Supervisors approval (see table below).
- A net increase of one-time sources totaling \$0.1 million, which includes one-time revenue of \$0.7 million from the sale of the Department's property at 909 Tennessee Street offset by the reduction of FY 2009-2010 one-time sources totaling \$0.6 million.
- An anticipated reduction of the Department's Public Safety Sales Tax allocation of \$0.6 million.
- Reduced recoveries, driven primarily by a reduction in the Department's expense recovery from the Treasure Island Development Authority, totaling \$1.4 million.
- An estimated reduction of fee revenue totaling \$0.9 million, driven primarily by a \$0.5 million anticipated reduction in revenue from fees charged for permits, and a \$0.4 million reduction in Fire Inspection Fees, both due to an anticipated decrease in activity.

Fee Legislation

The table below details the proposed fee ordinance that accompanies the Fire Department's proposed FY 2010-11 budget. Projected revenues for FY 2010-11 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2009-10	FY 2010-11		Annualized Revenue Thereafter	% Cost Recovery
		Projected Revenue	Projected Revenue	Change from PY		
10-0713	Fees for Fire Department Services. Increases the High-Rise Inspection Fee from \$11 to \$12 per 1,000 square feet of gross floor area; increases the overtime fee from \$117 per hour to \$128 per hour; and an approximately 8 percent increase to Plan Review Fees.	\$1,320,000 (High-Rise)	\$1,536,000 (High-Rise)	\$216,000 (High-Rise)	\$1,536,000 (High-Rise)	98.0% (High-Rise)
		\$645,970 (Overtime)	\$1,000,000 (Overtime)	\$354,030 (Overtime)	\$1,000,000 (Overtime)	100% (Overtime)
		\$2,332,700 (Review)	\$2,560,470 (Review)	\$227,770 (Review)	\$2,560,470 (Review)	99.0% (Review)
10-0714	Fees for Fire Department Emergency Medical Services. Would increase fee for treatment without transportation from \$350 to \$365, Basic Life Service, with transportation, from \$1,458 to \$1,642, and Advanced Life Service, including transportation, from \$1,458 to \$1,642.	\$71,438,000 (billed)	\$79,323,501 (billed)	\$7,885,501 (billed)	\$7,885,501 (billed)	100% (billed)
		\$21,025,100 (net revenue)	\$21,093,841 (net revenue)	\$68,741 (net revenue)	\$21,093,841 (net revenue)	26.6% (net revenue)
10-0715	Fire Department cost recovery for vehicle accidents.	\$0	\$626,000	\$626,000	\$834,000	100%
TOTALS		\$25,323,770 (net)	\$26,816,311 (net)	\$1,492,541 (net)	\$27,092,781 (net)	43.0% (net)

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2010-11**

DEPARTMENT: FIR – FIRE DEPARTMENT

DESCRIPTION:

The Department's proposed FY 2010-11 budget has increased by \$9,807,495 largely due to:

- A \$7.5 million increase in Mandatory Fringe Benefits, driven primarily by a \$6.6 million increase in Uniform Retirement contributions.
- A \$1.6 million increase in salaries, which reflects the following changes:
 - A \$1.8 million increase in Uniform Premium Pay, due in part to an increase in the Uniform Holiday Premium from 5 percent to 6 percent on July 1, 2010 and an additional increase to 6.5 percent on December 25, 2010.
 - A \$0.5 million increase in sick pay and vacation retirement payouts.
 - A \$0.5 million increase in Uniform Overtime.
 - Offsetting decreases in Civilian Salaries (\$0.8 million reduction) and Uniform Salaries (\$0.5 million)
- Reduced recoveries, driven primarily by a reduction in the Department's expense recovery from the Treasure Island Development Authority, totaling \$1.4 million.

COMMENTS:

Memorandum of Understanding

The City and County of San Francisco's Memorandum of Understanding (MOU) with the San Francisco Fire Fighters Union Local 798, IAFF, AFL-CIO expires on June 30, 2011. Significant overtime savings could be achieved if the City were to renegotiate firefighter work hours. In its April 2004 report, "A Review of the San Francisco Fire-EMS System," the Controller's Office found:

San Francisco's compensation per hour is nearly 15% higher than the average of the other jurisdictions surveyed. An increase in the firefighter workweek length would bring San Francisco nearer the California norm, generate significant budget savings, and decrease the need to staff fixed positions with overtime. ... Because it would make more hours available with the existing workforce, a workweek change would otherwise be among the most administratively efficient ways for the Fire Department to reduce costs. Options ranging from 48.7 hours to 56 hours are being discussed as part of ongoing negotiations with the Firefighter's union over the current contract. If the City moved to a 48.7-hour workweek, it would generate savings of approximately \$2.9 million annually, a 52-hour workweek, savings of approximately \$11.3 million annually, and a 56-hour workweek, savings of approximately \$16.6 million annually (note: 2004 dollars).

The Controller's report also identified various MOU-required fixed-staffing practices that – if updated to better reflect the City's emergency response needs – could generate additional savings.

The Budget and Legislative Analyst highlights this report's findings because Department management consistently cites the MOU as a constraint on its ability to reduce Department personnel costs, including overtime costs. Workweek and fixed-staffing changes could increase Fire Department

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DEPARTMENT: FIR – FIRE DEPARTMENT

In FY 2009-10, operations, maintenance, and improvement function responsibilities for the City and County's auxiliary water supply system were transferred from the Fire Department to the Public Utilities Commission. According to the Mayor's Office, this transfer consolidates into the Public Utilities Commission a water supply and distribution function that was previously not under that department's administrative jurisdiction, and will facilitate effective water distribution planning, conservation of the City's water supplies and reliability of fire suppression facilities. This transfer will save the Fire Department approximately \$1.7 million in salary and benefits in FY 2010-11. Furthermore, this transfer does represent a General Fund savings, as it costs will become the responsibility of the Public Utilities Commission enterprise.

Ambulances

Private ambulance companies are providing an increasing percentage of the City's hospital transports. One result has been a decrease in the number of patient transports that the City is able to provide and bill for. According to the Department, in three years, private companies have gone from providing 3 percent of patient transports to approximately 18 percent of patient transports. The City currently does not have a master agreement in place as to when or where private ambulances enter the system. The Department is working with EMSA and the private ambulance companies to develop an umbrella agreement between the three entities that could result in improving the predictability and stability of the Department's ambulance transport revenue.

Battalions

Currently, the Department has nine battalions, consisting of four to six fire stations per battalion. Each battalion is staffed by H-40 Battalion Chiefs 24 hours per day, seven days per week. Each Battalion Chief "post" is equivalent to approximately 3.4 FTEs to provide 24-hour, seven-day coverage, plus vacation and other time off. The Department's FY 2010-11 budget includes 37.80 H-4 Battalion Chief FTEs.

In its 2002 management audit of the San Francisco Fire Department, the Budget Analyst recommended that the Chief of the Department consider reducing the number of battalions from ten to six in order to achieve a more efficient and strategic battalion structure. As noted in the 2002 management audit report, the ten battalions varied significantly in the number of incidents to which they respond. The Department has reduced the number of battalions from ten to nine, but these battalions still vary significantly in the number in responses to incidents¹.

According to the Department, the savings realized from any reduction of the number of battalions would be approximately \$0.8 million in salary and fringe benefits in FY 2010-11.²

¹ From June 1, 2008 through May 31, 2009, the average number of responses per day ranged from 38 for Battalion 8 to 136 for Battalion 2.

² These estimated savings include (1) salary differentials for H-40 Battalion Chiefs who would be reassigned to other positions, including premium pay and fringe benefit costs, and (2) overtime.

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DEPARTMENT: **FIR – FIRE DEPARTMENT**

Eliminating up to three battalions, as recommended by the Budget Analyst in 2002, would result in an annual savings of approximately \$2.4 million.

Recommendation

The Mayor's FY 2010-11 budget provides an increase of \$8,425,098. Our recommended reductions in the proposed FY 2010-11 budget, which total \$1,889,091, would still allow an increase of \$6,536,007 or 2.3 percent in the Department's FY 2010-11 budget.

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<u>AAD - Administration & Support Services (1G-AGF-AAA)</u>									
97	022	Training					46,750	18,700	28,050
		<p>As of May 31, 2010, the Department has expended and encumbered only 26% of its \$46,750 allocated to training funding for FY 2009-10. The recommended amount of \$18,700 will allow for sufficient training funding for FY 2010-11.</p>							
97	027	Professional & Specialized Services					412,217	406,017	6,200
		<p>The Department has requested \$412,217 for Professional & Specialized Services in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$6,200 because the Department has \$6,200 in outstanding encumbrances that were appropriated in FY 2008-09 for Professional & Specialized Services, which the Department has not yet spent. The revised budget amount still allows an increase of \$202,152 in the Department's FY 2010-2011 budget.</p>							
97	028	Maintenance Svcs - Buildings and Structures					486,969	396,874	90,095
		<p>The Department has requested \$486,969 for maintenance services in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$20,095 because the Department has \$20,095 in outstanding encumbrances that were appropriated in FY 2008-09 for maintenance services, which the Department has not yet spent. In addition, the Controller projects that the Department will underexpend at this character, and that it did so in FY 2008-2009. Therefore, the Budget and Legislative Analyst recommends an additional reduction of \$70,000, for a total reduction of \$90,095.</p>							

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97	029	Maintenance Svcs - Equipment			391,250 381,585	9,665

The Department has requested \$391,250 for Maintenance Services in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$9,665 because the Department has \$9,665 in outstanding encumbrances that were appropriated in FY 2008-09 for Maintenance Services, which the Department has not yet spent. The revised budget amount still allows an increase of \$28,585 in the Department's FY 2010-2011 budget.

97	040	Materials & Supplies Budget Only			3,380,097 3,358,070	22,027
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The Department has requested \$3,380,097 for Materials and Supplies in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$22,027 because the Department has \$22,027 in outstanding encumbrances that were appropriated in FY 2008-09 for Materials and Supplies, which the Department has not yet spent. The revised budget amount still allows an increase of \$18,522 in the Department's FY 2010-2011 budget.

AAD - Administration & Support Services (1G-AGF-AAP)

98	045	Firefighter Uniforms and Turnouts			1,364,149 1,338,191	25,958
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The Department has requested \$1,364,149 for firefighter uniforms and turnouts in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$25,958 because the Department has \$25,958 in outstanding encumbrances that were appropriated in FY 2007-2008 and FY 2008-09 for firefighter uniforms and turnouts, which the Department has not yet spent. The revised budget amount still allows an increase of \$258,545 in the Department's FY 2010-2011 budget.

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<u>AEC - Fire Suppression (1G-AGF-AAA)</u>							
111	009	Premium Pay	PREMU			19,104,031 18,404,031	700,000
<p>The proposed budget increases Premium Pay by approximately \$1.8 million in FY 2010-2011 due to an average increase in Holiday Pay amounting to 1.25% of uniform salaries, totaling \$1,768,484. The Controller projects that the Fire Department will underexpend Premium Pay in FY 2009-10 by between \$0.8 and \$0.9 million. A reduction of \$700,000 will allow for the budgeted Holiday Pay increase in the Department's FY 2010-2011 budget.</p>							
111	011	Overtime	OVERU			19,460,636 18,909,949	550,687
<p>The Department has budgeted for an increase in the Fire Suppression overtime budget totaling \$62,320 in FY 2010-11. According to the Department, the actual Fire Suppression expenditure for FY 2009-10 will be \$19,170,145. Efficiency efforts are anticipated to save \$1,035,000 in FY 2010-11. Increases in Fire Department Uniform salaries and the expense of adding service to the Presidio will result in Fire Suppression Overtime expenditures totaling \$18,909,949. Therefore, reduce Overtime expenditures by \$550,687.</p>							
99	013	Mandatory Fringe Benefits					53,658
<p>Corresponds to reductions in Premium Pay and Overtime, above.</p>							

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<u>API - Prevention and Investigations (1G-AGF-AAA)</u>								
105	027	Professional & Specialized Services				21,000	16,849	4,151

The Department has requested \$21,000 for Professional and Specialized Services in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$4,151 because the Department has \$4,151 in outstanding encumbrances that were appropriated in FY 2008-09 for Professional and Specialized Services, which the Department has not yet spent. The revised budget amount still allows an increase of \$16,849 in the Department's FY 2010-2011 budget.

API - Prevention and Investigations (1G-AGF-ACP)

106	060	Equipment Lease/Purchase				140,000	5,000	135,000
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The Department has requested \$140,000 for Equipment Lease/Purchase in FY 2010-11. The Budget and Legislative Analyst recommends a reduction of \$135,000 because the Department has not expended or encumbered the \$135,000 budgeted in FY 2009-2010 for this same purpose. The Department will be able to make vehicle purchase with carried-over continuing project funds.

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No.	Object	Object Title	Number	From	To	From	To	Savings
<u>ATR - Training (1G-AGF-AAA)</u>								
107	011	Overtime	OVERU			342,022	86,966	255,056
		The Neighborhood Emergency Response Team (NERT) is, with the exception of one Lieutenant, staffed using overtime. The proposed overtime budget for NERT is \$255,056 in FY 2010-11. The NERT program is not required by the City's MOU with firefighter unions, nor is it required by the City's 2005 Proposition F, the "Neighborhood Firehouse Protection Act." Off-duty firefighters earn overtime providing instruction for the free six-course disaster preparedness program, which is offered in various neighborhoods throughout the year. These firefighters are compensated 4.0 hours of overtime for each 2.5-3.5 hour session. Additionally, off-duty firefighters earn additional overtime providing instruction in classes for NERT program graduates; these courses are largely focused on ham radio communications. The Budget and Legislative Analyst recommends that NERT program training be provided by suppression staff during regular work hours. This staffing change would allow a \$255,056 reduction in the NERT program.						
105	013	Mandatory Fringe Benefits						8,544
		Corresponds to reductions in Overtime above.						
Total Recommended Reductions								1,889,091
General Fund Impact						1,889,091		
Non-General Fund Impact						0		

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<u>POLICY RECOMMENDATIONS</u>								
<u>AAD - Administration & Support Services (1G-AGF-AAA)</u>								
110	002	EMS Captain	H-33	2.00	1.00	274,953	137,477	137,476
97	013	Mandatory Fringe Benefits						38,370
<u>AEC -Fire Suppression (1G-AGF-AAA)</u>								
111	002	Attrition Savings -	9993U				(29,450,096)	
99	013	Uniform		(263.19)	(261.97)	(29,587,572)		(137,476)
		Mandatory Fringe Benefits						(38,370)
111	011	Overtime - Uniform	OVERU			19,460,636	19,254,422	206,214
99	013	Mandatory Fringe Benefits						6,908

SFFD has two H-33 EMS Captains assigned to Administration and Support Services performing administrative rather than emergency medical service functions. Currently, SFFD has 4.2 vacant H-33 EMS Captain positions in Suppression, and backfills these vacant positions with overtime. The Budget and Legislative Analyst recommends deleting 1.0 FTE H-33 EMS Captain in Administration and Support Services and transferring the incumbent into a vacant H-33 EMS Captain position in Suppression. This recommendation includes reducing Attrition Savings in Suppression to allow for the filling of a vacant H-33 EMS Captain position and reducing Overtime by \$206,214 plus \$6,908 in Mandatory Fringe Benefits for a total savings of \$213,122. The Budget and Legislative Analyst considers such a reallocation a policy matter for the Board of Supervisors, because it would result in the reassignment of a filled position.

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			<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
111	002	Battalion Chief	H-40	37.80	27.50	6,237,326	4,537,737	1,699,589
	002	Attrition Savings	9993U			(29,587,572)	(28,520,296)	(1,067,276)
	002	Premium Pay	PREMU			19,104,031	19,027,917	76,114
	002	Overtime	OVERU			19,460,636	17,832,371	1,628,265
99	013	Mandatory Fringe Benefits						115,025

Currently, the Department has nine battalions, consisting of four to six fire stations per battalion. Each battalion is staffed by H-40 Battalion Chiefs 24 hours per day, seven days per week. Each Battalion Chief "post" is equivalent to approximately 3.4 FTEs to provide 24-hour, seven-day coverage, plus vacation and other time off. The Department's FY 2010-11 budget includes 37.80 H-4 Battalion Chief FTEs.

In the 2002 management audit of the San Francisco Fire Department, the Budget Analyst recommended that the Chief of the Department consider reducing the number of battalions from ten to six in order to achieve a more efficient and strategic battalion structure. As noted in the 2002 management audit report, the ten battalions varied significantly in the number of incidents to which they respond. The Department has reduced the number of battalions from ten to nine, but these battalions still vary significantly in the number of responses to incidents.

The Budget and Legislative Analyst considers the reduction of battalions from nine to six to be a policy matter for the Board of Supervisors because the reduction in battalions would potentially impact (1) the Department's deployment of fire suppression resources, (2) the Memorandum of Understanding (MOU) between the City and the San Francisco Firefighters Union, and (3) Proposition F.

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<u>API - Prevention & Investigation (1G-AGF-ACP)</u>								
116	001	Fire Safety Inspector II	6281 AS	(1.00)	0.00	(124,170)	0	(124,170)
116	002	Inspector, Bureau of Fire Prevention	H-4 AS				0	
				1.00	0.00	124,170		124,170

The Department has proposed reclassifying one 6281 Fire Safety Inspector II to an H-4 Inspector in the FY 2010-11 budget. According to the Department, the 6281 Fire Safety Inspector II is the civilian equivalent of the H-4 uniform position. The Department has stated that it is phasing out the 6281 Fire Safety Inspector II position in favor of the H-4 Inspector position in order to increase its deployment flexibility. While the salary rate is the same, fringe benefits differ between the two positions. In particular, the Department's proposed substitution would increase the City's long-term retirement pension obligation because of the additional cost of the uniform pension plan compared to the civilian retirement plan. Because of the long-term budget implications of the proposed substitution, the Budget and Legislative Analyst considers a reversal of this proposed substitution to be a policy matter before the Board of Supervisors.

Total Policy Recommendations	2,664,839
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General Fund Impact	2,664,839
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Non-General Fund Impact	0
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TOTAL RECOMMENDED REDUCTIONS AND POLICY RECOMMENDATIONS	4,553,930
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General Fund Impact	\$ 4,553,930
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Non-General Fund Impact	\$ 0
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