

San Francisco Health Service System Proposed FY 2019-20 and FY 2020-21 General Fund Administration Budget

February 14, 2019

Mayor's Budget Instructions

- Submit “Sustainability and Efficiency Proposals” that reduce the General Fund budget by 2% from the base funding level which totals \$67,058 in FY 2019-20 and \$134,115 in FY 2020-21
- Submit Contingency Savings proposals that reduce the SFHSS proposed budget by 1% which totals \$33,529 in FY 2019-20 and \$67,058 in FY 2020-21
- No new positions can be proposed

Positions

Positions (FTE)			
	FY 2018-19 Budget	FY 2019-20 Proposed Budget	FY 2020-21 Proposed Budget
General Fund			
SFHSS Administration	45.65	45.65	45.65
Well-Being and Employee Assistance Program (EAP)	7.00	7.00	7.00
Temporary Positions	0.11	0.11	0.11
Total General Fund	52.76	52.76	52.76
<i>Change</i>		0.00	0.00
Attrition	-2.19	-2.19	-2.19
Funded Positions - General Fund	50.57	50.57	50.57
<i>Change</i>		0.00	0.00
Health Care Sustainability Fund Budget Annual Salary Ordinance			
Annual Salary Ordinance	3.35	3.35	3.35
Project Based Positions	4.00	4.00	4.00
Well-Being Interns	1.00	1.00	1.00
Total Health Care Sustainability Fund	8.35	8.35	8.35
<i>Change</i>		0.00	0.00
Total Positions	58.92	58.92	58.92
<i>Change</i>		0.00	0.00
* Projection based on 6 months of actual without carryforward funding			

Summary of Expenditures to Meet the 2% Reduction Targets

Expenditures						
	FY 2018-19 Original Budget	FY 2018-19 Projection *	FY 2019-20 Base Budget	FY 2019-20 Proposed Budget	FY 2020-21 Base Budget	FY 2020-21 Proposed Budget
Personnel	\$ 7,862,593	\$ 7,573,658	\$ 8,224,421	\$ 8,224,421	\$ 8,520,143	\$ 8,520,143
<i>Change Per Controller's Office</i>		\$ (288,935)	\$ 650,763	\$ -	\$ 295,722	\$ -
Non-Personnel						
Training	\$ 16,755	\$ 19,861	\$ 15,715	\$ 30,640	\$ 15,715	\$ 23,266
Software Licenses	10,100	12,504	9,600	19,355	9,600	19,355
Contracts	1,590,666	1,572,666	1,616,033	1,514,837	1,616,033	1,454,080
Other Non-Personnel	87,965	109,504	87,965	82,324	87,965	83,398
Total Non-Personnel	\$ 1,705,486	\$ 1,714,536	\$ 1,729,313	\$ 1,647,156	\$ 1,729,313	\$ 1,580,099
<i>Change</i>		\$ 9,050	\$ 14,777	\$ (82,157)	\$ 82,157	\$ (149,214)
Materials and Supplies	\$ 43,197	\$ 43,197	\$ 42,999	\$ 45,130	\$ 42,999	\$ 45,130
<i>Change</i>		\$ -	\$ (198)	\$ 2,131	\$ (2,131)	\$ 2,131
Work Orders	\$ 2,020,746	\$ 1,988,503	\$ 2,162,678	\$ 2,175,646	\$ 2,162,678	\$ 2,175,646
<i>Change</i>		\$ (32,243)	\$ 174,175	\$ 12,968	\$ (12,968)	\$ 12,968
Grand Total	\$ 11,632,022	\$ 11,319,894	\$ 12,159,411	\$ 12,092,353	\$ 12,455,133	\$ 12,321,018
<i>Change</i>		\$ (312,128)	\$ 839,517	\$ (67,058)	\$ 362,780	\$ (134,115)
* Projection based on 6 months of actual without carryforward funding						

Reductions in Contracts to Meet 2% Reduction Target

Contracts						
	FY 2018-19 Budget	FY 2018-19 Projection *	FY 2019-20 Base Budget	FY 2019-20 Proposed Budget	FY 2020-21 Base Budget	FY 2020-21 Proposed Budget
Actuarial, Benefit Administration, FSA and COBRA Administration, Audit Services	\$ 1,240,666	\$ 1,222,666	\$ 1,258,540	\$ 1,201,446	\$ 1,258,540	\$ 1,231,588
<i>Change</i>		\$ (18,000)	\$ 35,874	\$ (57,094)	\$ (43,486)	\$ (26,952)
Well-Being Grants	125,000	125,000	132,493	132,493	132,493	\$ 132,493
<i>Change</i>		\$ -	\$ 7,493	\$ -	\$ -	\$ -
Onsite Well-Being Activities	225,000	225,000	225,000	180,898	225,000	\$ 89,999
<i>Change</i>		\$ -	\$ -	\$ (44,102)	\$ -	\$ (135,001)
Total	\$ 1,590,666	\$ 1,572,666	\$ 1,616,033	\$ 1,514,837	\$ 1,616,033	\$ 1,454,080
<i>Change</i>		\$ (18,000)	\$ 43,367	\$ (101,196)	\$ 101,196	\$ (161,953)
* Projection based on 6 months of actual without carryforward funding						

Impact of Budget Reductions on Contractual Obligations

Contracts - Requirement to Meet Contractual Obligations				
	FY 2019-20 Funding Requirement Based on Current Utilization	FY 2019-20 Proposed Budget	FY 2020-21 Funding Requirement Based on Current Utilization	FY 2020-21 Proposed Budget
Actuarial, Benefit Administration, FSA and COBRA Administration, Audit Services	\$ 1,284,446	\$ 1,201,446	\$ 1,302,026	\$ 1,231,588
<i>Change</i>		\$ (83,000)		\$ (70,438)
Well-Being Grants	\$ 132,493	132,493	132,493	132,493
<i>Change</i>		\$ -	\$ -	\$ -
Onsite Well-Being Activities	\$ 225,000	180,898	225,000	89,999
<i>Change</i>		\$ (44,102)	\$ -	\$ (135,001)
Total	\$ 1,641,939	\$ 1,514,837	\$ 1,659,519	\$ 1,454,080
<i>Change</i>		\$ (127,102)		\$ (205,439)

Requests to be Submitted to Mayor's Office for Additional Funding

Requests for Additional Funding		
FY 2019-20	FY 2020-21	Justification
\$ 30,266	\$ 30,266	The proposed budget for both fiscal years does not include all the required funding for credit card processing fees pursuant to the Treasurer and Tax Collector's new City-wide contract. SFHSS is working with the credit card payment processing vendor on building a member facing portal which will reduce the cost to the City. It is too early to estimate the savings in credit card processing fees and the request is to fully fund the shortfall.
83,000	70,438	To meet the budget targets in each fiscal year, funding for contracts/professional services was significantly reduced below the existing multi-year not-to-exceed contract values. Funding is requested to restore the contract values and meet the agreed upon service level.
44,102	135,001	Apart from further eroding the budget for contracts/professional services or eliminating personnel, the remaining area for reduction is on-site Well-Being activities. These activities are integral to the City-wide Well-Being program and funding is requested to restore the budget to the base budget for both fiscal years.
120,631	118,537	SFHSS has sponsored 960 group exercise classes with 11,355 visits at 28 City worksites in partnership with the Recreation and Parks Department (RPD). This does not include the classes the RPD provides at Enterprise Departments such as the Port and Airport. RPD provides the fitness instructors via a workorder with SFHSS and Enterprise Departments pay RDP directly. RPD staff are also responsible for administrative tasks including recording and reporting attendance, generating quarterly invoices, occasional site visits to city agencies, recruiting and hiring skilled instructors, scheduling staff, and fulfilling short term class requests. The increasing demand for programs has resulted in a drastic increase in workload for the RPD Wellness Program Coordinator and an additional Recreation Coordinator is requested. Both SFHSS and RPD support this proposal however the additional funding is not in the proposed budget for either fiscal year.
\$ 277,999	\$ 354,242	

Contingency Proposal Impact on Well-Being Budget

Contingency Proposals - Additional Reductions to Well-Being						
Fiscal Year	Grants		On-Site Activities		Grand Total	
	Funding	Change from FY 2018-19 Projection	Funding	Change from FY 2018-19 Projection	Funding	Change from FY 2018-19 Projection
FY 2018-19 Budget	\$ 125,000		\$ 225,000		\$ 350,000	
FY 2018-19 Projection *	125,000		225,000		350,000	
FY 2019-20 Base Budget	132,493		225,000		357,493	
Reduction to Meet Mayor's Reduction Target	-		(44,102)		(44,102)	
FY 2019-20 Proposed Budget	132,493	6% increase	180,898	20% Reduction	313,391	13% Reduction
FY 2019-20 Contingency Plan	(33,529)		-		(33,529)	
FY 2019-20 Budget After Contingency Plan	\$ 98,964	21% reduction	\$ 180,898	20% Reduction	\$ 279,862	20% Reduction
FY 2020-21 Base Budget	\$ 132,493		\$ 225,000		\$ 357,493	
Reduction to Meet Mayor's Reduction Target	-		(135,001)		(135,001)	
FY 2020-21 Proposed Budget	132,493	6% increase	89,999	60% Reduction	222,492	36% Reduction
FY 2021 Contingency Plan			\$ (67,058)		\$ (67,058)	
FY 2020-21 Budget After Contingency Plan	\$ 132,493	6% increase	\$ 22,941	90% Reduction	\$ 155,434	56% Reduction
* Projection based on 6 months of actual without carryforward funding						