



Fiscal Year 2021-22 and 2022-23 Budget Instructions Overview

San Francisco Fire Department

Fire Commission – January 13, 2021

Agenda

1. Update From FY20-21 and FY21-22 Process
2. Current Year Update
3. Budget Process/Instructions
4. Budget Transparency Legislation
5. Budget and Department Process and Timelines
6. Questions/Discussion

Update from FY21 & FY22 Budget

- Mayor Breed signed off on City's Fiscal Years 2020-21 and 2021-22 budget on October 1st, 2020, officially concluding a unique budget process for the City
- Budgets loaded and new initiatives were commenced in Fall 2020
- At signing of the budget, many uncertainties surrounding the budget, including Federal Aid, the City's COVID response, revenue impacts, labor negotiations, and more, were front and center
- Many of those uncertainties remain as we move forward

Current Year Update

- Given these uncertainties and the corresponding variance that would result from changes, analysis of revenues and expenditures were tracked closely from the beginning of the fiscal year
- The Controller's Office issued a Three-Month Budget Status Report in the current year, allowing Department to identify and communicate any issues that have popped up as a result of these uncertainties and the on-going COVID pandemic
- This analysis, along with additional analysis of the fiscal situation of the City, drove the budget instructions for the upcoming fiscal years

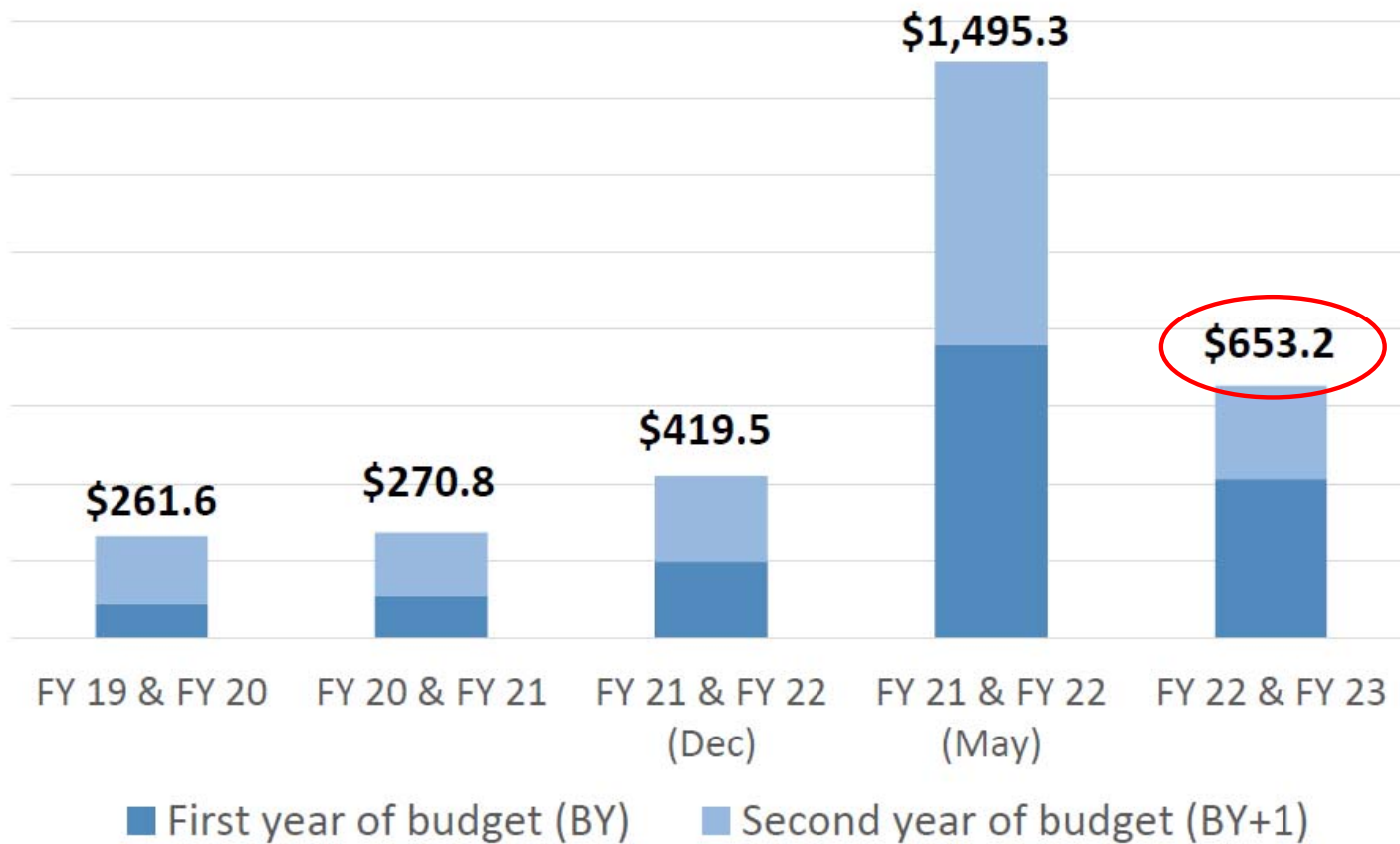
Current Year Update

Five-Year Fiscal Projection

	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
<i>SOURCES Increase / (Decrease)</i>	(117.6)	268.5	459.2	704.1	935.4
	-	-	-	-	-
Uses	-	-	-	-	-
Baselines & Reserves	(54.4)	(157.7)	(242.1)	(293.2)	(354.6)
Salaries & Benefits	(150.8)	(233.4)	(318.0)	(433.8)	(565.1)
Citywide Operating Budget Costs	(21.4)	(8.2)	(94.2)	(219.4)	(304.8)
Departmental Costs	(67.0)	(111.2)	(156.5)	(198.9)	(242.2)
<i>USES (Increase) / Decrease</i>	(293.6)	(510.6)	(810.9)	(1,145.4)	(1,466.8)
Projected Cumulative Surplus / (Shortfall)	(411.1)	(242.1)	(351.7)	(441.3)	(531.3)
Two Year Deficit	(653.2)				

Current Year Update

Deficit at Time of Budget Instructions (\$M)



Budget Process/Instructions

- Fire Department received budget instructions/reduction targets in mid-December 2020
- Departments must submit their proposed budgets to the Mayor's Office on February 22, 2021
- Mayor reviews Department budget submittals and consolidates them for an overall balanced City budget that then must be submitted to the Board of Supervisors by June 1, 2021 by charter mandate
- Budget Hearings in late June/early July at the Board
- Final approval late July/early August
- Continuation of rolling two-year budget cycle

Budget Process/Instructions

Budget Instructions

- In order to balance the \$653 million projected deficit over the two years, Departments were asked to reduce their budgets
- Mandatory reduction proposals of 7.5% of adjusted general fund support proposed in each of the two upcoming future fiscal years, as well as a 2.5% contingency proposed should fiscal conditions worsen in both years as well
- Departments to prioritize core services
- Emphasis on racial equity (as well as equity in general) in Department proposals

Budget Transparency Legislation

Ordinance 294-19

- Effective December 1, 2020, a number of new budget transparency requirements were put into place as a result of Board of Supervisors legislation with the goal of additional transparency during the budget process and centralized repository for City Department budget information
- Requirement of two public meetings prior to February 14th with proper notice and documentation available in advance
- Working closely with the Commission secretary and Controller's office to meet all reporting requirements

Budget Process Timelines

<u>Date</u>	<u>Description</u>
Mid-December, 2020	Budget Instructions released to Department heads
January 22nd, 2021	Capital Budget Project requests due
February 22nd, 2021	Budget Submissions Due from Departments
June 1st, 2021	Mayor's Budget Submitted to Board of Supervisors
June 2021	Department Budget Committee Hearings
July 2021	Budget considered at Board of Supervisors

Department Process Timelines

<u>Proposed Date</u>	<u>Description</u>
January 13th, 2021	Budget Instructions presented to Commission
January 13th, 2021	Capital/IT/Equipment Budget to be heard at Fire Commission
January 27th, 2021	Budget Discussion Continues at Commission
February 10th, 2021	Submission of Final Budget for Commission Approval
February 16th-19th, 2021	Special meeting called if necessary
February 22nd, 2021	Department budget submitted to CON/MYR

Questions/Discussion

