[Intent to Prioritize Funding a Cost of Doing Business Supplemental Appropriation]

Resolution to prioritize approval of a supplemental appropriation up to the amount of $3,400,000 during FY2014-2015 to fund a cost of doing business allocation for non-profit agencies that contract with the City and County of San Francisco.

WHEREAS, From FY2008-2009 to FY2011-2012, nonprofits received flat funding from the City of San Francisco, despite having to absorb the rising cost of healthcare, rent, and other inflationary increases; and

WHEREAS, Because of these factors, flat funding amounted to a reduction for nonprofits, negatively impacting vital City services, the clients who depend on them and the workers who serve them; and

WHEREAS, In 2014, the nonprofit sector in Northern California reported a 13% turnover rate for full-time employees and a 17% turnover rate for part-time employees, and

WHEREAS, City-wide appropriations for Professional and Contractual services will amount to a 13.4% increase from FY2012-2013, in part because City for-profit contractors receive annual increases, even during challenging economic times; and

WHEREAS, For-profit contractors with the City receive annual increases, either indexed to CPI or fixed increases of 3% or more; and

WHEREAS, Until last year, Nonprofit Contractors had not received a CODB increase since FY2007-2008; and

WHEREAS, There has been a steady demand for the social services provided by city-funded nonprofit agencies, but the City has increased funding to its nonprofit contractors by only 11.9 percent since 2004; such a low increase equals a cut to the agencies, which often
have to choose between losing their lease, cutting programs or services, or laying off or
cutting the pay and benefits of their workforce; and

WHEREAS, Beginning July 1, 2014, all elected officials in San Francisco, including the
Mayor and all members of the Board of Supervisors, will receive a 2.6% salary increase; and

WHEREAS, The City's FYs 2014-2015 and 2015-2016 budget appropriates $270.7
million in projected ending balance available from FY2013-2014, largely resulting from higher
than anticipated revenue growth and expenditure savings; and

WHEREAS, The City's final audited ending balance for FY2013-2014, as reported in
the City's Comprehensive Annual Financial Report (CAFR), following final revenue receipts,
year-end expenditures, audit adjustments, and required reserve deposits, may be higher than
the projected ending balance assumed in the budget; and

WHEREAS, During the last four fiscal years, the variance between projected and final
ending balance has varied significantly from year to year, but averaged $12.0 million in
positive final results versus those appropriated in the subsequent budget; and

WHEREAS, The estimated cost of a .75% CODB increase is $3.4 million annually;
now, therefore, be it

RESOLVED, Upon release of the City's Comprehensive Annual Financial Report
(CAFR), the Controller shall report on the final audited ending General Fund balance versus
the level assumed in the adopted budget; and, be it

FURTHER RESOLVED, The Board of Supervisors shall prioritize approval of a
supplemental appropriation, up to the amount of $3.4 million during FY2014-2015, to fund a
cost of doing business allocation for non-profit agencies that contract with the City and County
of San Francisco; and, be it
FURTHER RESOLVED, Any funding allocation for this purpose shall be contingent on revenue and savings above projected estimates for FY2013-2014 to be found in sources such as the City's local tax, property tax, and real estate transfer tax.
Resolution to prioritize approval of a supplemental appropriation up to the amount of $3,400,000 during FY2014-2015 to fund a cost of doing business allocation for non-profit agencies that contract with the City and County of San Francisco.

July 22, 2014 Board of Supervisors - CONTINUED
Ayes: 10 - Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Avalos

July 29, 2014 Board of Supervisors - ADOPTED
Ayes: 7 - Avalos, Campos, Chiu, Cohen, Kim, Mar and Yee
Noes: 4 - Breed, Farrell, Tang and Wiener

I hereby certify that the foregoing Resolution was ADOPTED on 7/29/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board