



Health Service System

*Delivering your
benefits with choice,
affordability and service*

Date: March 4, 2010
 To: President Scott Heldfond and
 Honorable Members of the Health Service Board
 Thru: Catherine Dodd, PhD
 Director, Health Service System
 From: Robin Courtney
 Chief Financial Officer
 Re: Health Service System FY 2010-11 Administration Budget - UPDATE

On February 22, 2010, the Health Service System submitted a proposed HSS FY 2010-11 Budget to the Mayor's Budget Office totaling \$6,172,556. Although the budget still includes \$400,956 of reductions to meet our 20% budget reduction target, based on the Boards' request the proposed position deletions have been funded and replaced with other cuts. The following Table summarizes the budget reductions:

<u>Category</u>	<u>\$ Reduction Amount</u>	<u>Comments</u>
EAP	\$11,540	Eliminate software maintenance; reduce materials &supplies
Professional Services	\$108,259	Efficiencies from Mercer contract, offset by lower than budgeted rate increase
Materials & Supplies	\$2,500	Reduce usage
Deletion of IT Vacancy	\$111,093	Deletion of entire IT position without DT w/o offset
Other Current Expense	\$209	Elimination of bottled water
Subtotal Reductions:	\$233,601	
Forfeitures	\$167,355	Additional forfeitures identified
Total Reductions:	\$400,956	

As noted in the Table above, the budget we submitted to the Mayor's Budget Office includes significant reductions which are explained below:

EAP: The cuts to the EAP budget will eliminate the software maintenance agreement and reduce the materials and supplies budget. The EAP staff will be required to work with the current software vendor to ensure a smooth transition of these services and develop another method of tracking using excel, word or access.

Professional Services: The cuts to professional services will require us to derive efficiencies from our Mercer contract. We expect to be able to do so by bringing part of the Dashboard work in-house, reducing consultants' attendance at HS Board meetings, requesting fewer adhoc analyses, and realizing efficiencies from templates in place for board slides, the rate book etc. As a result of additional negotiations, we will also achieve savings from a lower than expected rate increase.

Deletion of IT Vacancy: The deletion of the 1022 position will require HSS to establish a new work order with DT totaling \$42,000 for server support. Desktop support is now part of the Benefit Coordinator's job description.

Forfeitures: Use of additional unclaimed revenues identified.

Work Order Recoveries:

Beginning in 2010-11 HSS will begin recovering our administration costs through departmental work orders. In order to be fair and equitable these work orders are based on active members in each department, including CCD and USD. At the request of the Mayor's Budget Office, our proposed work order recoveries exclude the \$400,956 of reductions. Therefore, the total work order allocations are \$6,573,512 or \$400,956 more than our FY 2010-11 budget submission. According to the Mayor's Budget Office, they plan to load our work orders into departmental Base Budgets so departments will not have to identify additional funding sources in FY 2010-11.

Over the next several weeks we will continue to work with the Mayor's Budget Office as they review our Budget submittal and proposed Work Order allocations. If anything should change we will keep you informed.

Proposed HSS Work Order Allocation by Dept (Based on Actives)
Vs. 09/10 Budgeted WO Recoveries

Summary	
Total FY 2009-10 GF WO Support	2,793,078
Proposed WO Impact on GF Dept	3,232,137
Total Impact on GF Depts	439,059

Dept	Description	09/10 Budgeted WO Recoveries	Proposed W/O Recovery - Actives	Dept Impact
AAM	Asian Art Museum	-	8,735	8,735
ADM	General Services Agency	-	112,664	112,664
ADP	Adult Probation	-	16,935	16,935
ART	Arts Commission	-	5,526	5,526
ASR	Assessor & Recorder	-	21,392	21,392
BOS	Board of Supervisor	-	11,766	11,766
CAT	City Attorney	-	52,054	52,054
CHF	Children, Youth, & Family	-	5,348	5,348
CON	Controller	-	34,227	34,227
CPC	City Planning	-	25,314	25,314
CSC	Civil Service	-	1,426	1,426
DAT	District Attorney	-	40,823	40,823
DPH	Public Health	-	235,846	235,846
LHH	Laguna Honda	205,355	241,907	36,552
SFGH	San Francisco General Hospital	382,608	532,837	150,229
DPW	Public Works	200,335	188,070	(12,265)
DSS	Social Services	-	308,756	308,756
ECD	Emergency Communications	-	43,675	43,675
ECN	Econ Workforce Develop	-	8,913	8,913
ETH	Ethics Commission	-	3,744	3,744
FAM	Fine Arts Commission	-	18,183	18,183
FIR	Fire	-	271,855	271,855
HRC	Human Rights Commission	-	7,487	7,487
HRD	Human Resources	-	24,244	24,244
HSS	Health Service System	-	6,239	6,239
JUV	Juvenile Probation	-	42,249	42,249
LLB	Law Library	-	357	357
MYR	Mayor	-	18,540	18,540
PDR	Public Defender	-	27,096	27,096
POL	Police	-	487,735	487,735
REC	Recreation & Park	-	146,000	146,000
REG	Elections	-	6,952	6,952
SCI	Academy of Sciences	-	2,139	2,139
SHF	Sherriff	-	190,923	190,923
TIS	Technology Info Systems	-	41,714	41,714
TTX	Treasurer & Tax Collector	-	38,862	38,862
WOM	Dept of Status of Women	-	1,604	1,604
GFS	General City Responsibilities	2,004,780	-	(2,004,780)
	Net GF Dept W.O.	2,793,078	3,232,137	439,059
AIR	Airport	194,390	234,954	40,564
CFC	Children & Families Comm.	-	2,317	2,317
CRT	Trial Court	-	98,581	98,581
CSS	Child Support Services	-	19,609	19,609
CWP	PUC-Clean Water	83,994	71,128	(12,866)
DBI	Department of Building Inspection	37,675	39,397	1,722
DPT	Muni	721,676	826,443	104,767
ENV	Environment Commission	-	12,122	12,122
HHP	Hetch Hetchy	32,426	43,319	10,893
LIB	Public Library	-	129,064	129,064
PAB	Board of Appeals	-	1,604	1,604
PRT	Port	33,197	37,258	4,061
PUC	Public Utilities	111,167	136,730	25,563
RDA	Redevelopment Agency	-	713	713
RET	Retirement System	11,567	14,974	3,407
RNT	Rent Arbitration Board	4,942	5,526	584
WAR	War Memorial	-	10,696	10,696
WTR	Waste Water	-	102,325	102,325
USD/CCD	USD and CCD Recoveries to HSS	1,712,696	1,554,615	(158,081)
	Net Non GF Dept W.O	2,943,730	3,341,375	397,645
	Total HSS W.O Recoveries	5,736,808	6,573,512	836,704
Note: USD Proposal: \$1,186,814 and CCD Proposal: \$367,801				