



Fiscal Year 2020-21 and Fiscal Year 2021-22

Fire Department Budget Update

FIRE COMMISSION

JUNE 10, 2020



FY 20-21 and FY 21-22 Budget Agenda

1. Review of February Budget Submission
2. Fiscal Impact of the past few months
3. Updated Budget Instructions
4. Updated Budget Timeline
5. Brief COVID budgetary overview
6. Questions/Discussion



FY 20-21 and FY 21-22 Budget February Budget Review

- At the time, City was projecting an approximate \$195 million deficit in the upcoming FY2021 (\$420 million over the next two fiscal years), with deficits anticipated to increase in the subsequent years.
- All City Departments were requested to make on-going reductions to their general fund support to the tune of 3.5% in both budget years (7% cumulative in the second year).
- Departments were requested to not submit any budget enhancements as part of their proposal, including personnel (new FTE) or non-personnel.



FY 20-21 and FY 21-22 Budget February Budget Review

- Fire Department budget, approved at the Fire Commission meeting on February 12th, 2020, was submitted to the Mayor's Office on February 21st, 2020.
- The budget that was approved by the Commission did not meet the target reduction levels as proposed by the Mayor's Office, as Department had an increased demand for services
- The Department was going to continue to work with the Mayor's Office over the spring to address a number of Departmental issues and priorities pertaining to the budget in advance of the balanced budget to the Board on June 1st.



FY 20-21 and FY 21-22 Budget Impacts of COVID-19

- In late February, a local emergency was declared in San Francisco by Mayor Breed.
- “Shelter in Place” order issued in mid-March in response to COVID-19
- Significant public health impacts as well as economic impacts as a result of both the impacts of and the response to the Coronavirus pandemic
- Response and impacts anticipated to last an extended period, as pandemic is different from other types of emergencies
- Leads to many areas of uncertainty going forward



FY 20-21 and FY 21-22 Budget Revised Budget Deficit

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24
I. Current fiscal year	(246.2)				
II. Future fiscal years		(753.9)	(735.4)	(1,016.4)	(1,088.5)
III. Projected shortfalls	(246.2)	(753.9)	(735.4)	(1,016.4)	(1,088.5)
FY 2019-20 - FY 2021-22 Total			(1,735.5)		

- Back in February, the City was looking at a budget deficit of \$420 million over the next two years as a comparison
- Includes new deficit in the current fiscal year ending June 30th



FY 20-21 and FY 21-22 Budget Fiscal Risks due to COVID-19

- Duration and intensity of Coronavirus pandemic
- Length of economic recovery
- Requirements of the City's emergency response
- Risks at the State Level
 - CalOES emergency match
 - Significant State budget deficit (\$54 billion)
- Risks at the Federal level
 - Duration of FEMA emergency
 - Additional Federal Aid packages



FY 20-21 and FY 21-22 Budget Revised Budget Instructions

- As a result of the economic impacts of COVID-19 and the resulting projected deficits for the City's budget, the Mayor's Office restarted the budget process with revised instructions
- Departments were asked to cut 10% of their General Fund support in the first year, with a 5% contingency reduction proposed for a total of 15%.
- This would continue into the second year, FY21-22, with a 15% reduction proposed
- No new hires except for essential workers and COVID-related direct roles



FY 20-21 and FY 21-22 Budget Mayor Budget Priorities

- Prioritize core services and critical government functions
- Modify existing operations to comply with COVID operating guidelines for City Departments
 - Telecommuting
 - Social Distancing at work for employees and the public
 - Shifting services on-line to the extent possible
- Continue to provide equitable services and focus delivery on underserved populations



FY 20-21 and FY 21-22 Budget Department Submittal Overview

- Currently reviewing internally the Department's budget and potential for expenditure cuts/revenue alternatives in attempt to address instructions and targets
- Continuing to work with Mayor's Office over the next few months on a number of budget issues, with potential for additional uncertainty
- New program, Capital, and Equipment allocations under analysis for both the current year as well as the next two budget years



FY 20-21 and FY 21-22 Budget Revised Budget Timeline

May 12 th	Revised Joint Report, 9-Month Report
May 18 th	Department Budget Instructions Released
June 1 st	Interim Budget Introduced to the Board of Supervisors
June 12 th	Department budget plans due to Mayor's Office
July 22 nd	Current date for Budget Hearing at the Board for Fire
August 1 st	Balanced budget presented to Board by Mayor
August	Budget and Finance Committee meetings
September	Board of Supervisors considers budget
October 1 st	Mayor signs budget



FY 20-21 and FY 21-22 Budget COVID Budget Updates

- The Department deployed members to direct COVID-related job functions as part of the City's emergency response
- Department also purchased increased PPE and other items related to its response to the pandemic
- All work related to COVID being tracked for two reasons – measuring total level of effort as well as preparing documentation for potential reimbursement
- Reviewing other potential COVID funding sources as well as impacts from current and proposed CARES legislation



FY 20-21 and FY 21-22 Budget

Questions/Discussion

