

S.F. City Hall cuts a deal on new budget

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SAN FRANCISCO -- Marathon negotiations stretching into the early-morning hours at San Francisco City Hall on Friday produced a \$6.8 billion budget package for the new fiscal year that reverses most proposed health and human services cuts and dumps Mayor Ed Lee's plan to contract out security at the city's two public hospitals.

The deal also includes funding for a new police academy class for officers transferring from other departments, which Police Chief Greg Suhr argued was needed to help blunt the impact of anticipated retirements.

The Board of Supervisors' budget committee immediately recessed its meeting after its scheduled 1 p.m. start time Thursday, then reconvened 13 hours later after talks involving supervisors and their aides, the mayor and his chief of staff, union representatives, advocates for the poor, and budget officials ended in a deal.

Money was added to fund law enforcement, economic development initiatives, neighborhood services and planning, and the safety net for the most vulnerable San Franciscans.

"I am very proud that we have a budget that is balanced, that we can send to the full board that accomplishes many of our shared objectives," said Supervisor Carmen Chu, who heads the budget committee.

Once the meeting reconvened, it took the panel less than a half-hour to approve the revamped budget plan and recommend the full board adopt it.

The board is scheduled to hold the first of two required votes July 19, with final approval expected a week later.

The committee-backed plan offers a slight revision to the balanced-budget proposal that Lee presented to the supervisors June 1 after closing a deficit that at one point was projected to hit \$380 million.

The holdup came down to resolving about \$25 million worth of unfunded requests by individual supervisors and crafting a solution that would avoid a public showdown with Lee.

The chief sticking point was the \$3.3 million Lee hoped to save by outsourcing to a private firm 71 security jobs at San Francisco General and Laguna Honda hospitals. Those jobs are now performed by institutional police officers and sheriff's deputies on the city payroll.

Under Lee's proposal, none of the city workers would lose their jobs. Instead, they would be transferred to other security posts.

But the proposal was strongly opposed by Service Employees International Union, Local 1021. The union, the largest representing city employees, has exercised its political clout over the years to fight any privatization efforts.

The final negotiations did not produce all the money needed to satisfy every funding request by supervisors. Instead, \$17.3 million in available funds was identified. About \$5.5 million is from higher-than-expected sales tax revenue, and the rest comes largely from the savings whittled from city departments by the committee and its budget analyst, Harvey Rose, over the past month.

Greg Wagner, the mayor's budget director, called the reworked budget "a great outcome."

The budget committee also recommended restoration of \$5.5 million in cuts to funding for health and human services, such as substance abuse and mental health treatment, supportive housing for disadvantaged families, and job training for the homeless. The committee set aside another \$2.3 million for families and young people to pay for child care and violence prevention and other programs.

In all, less than \$2 million ended up being cut from health and social programs - far less than city departments reluctantly proposed.

"That's a small amount, something our members can absorb," said Debbi Lerman, administrator of the San Francisco Human Services Network, which represents many nonprofit service providers that have city contracts.

The committee restored half the funding for street-tree maintenance that the mayor had proposed trimming, but shelved a plan promoted by some supervisors to give each of the 11 board members a third aide.

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