



**Marla Su, Psy.D.**  
DIRECTOR

TO: Members of the Citizens' Advisory Committee  
THROUGH: Marla Su, Director  
FROM: Taras W. Madison, Budget & Operations Director *T.M. aka*  
DATE: January 19, 2012  
SUBJECT: FY 2012-13 and 2013-14 Proposed Budget Strategy

**Mayor's Budget Instructions Recap**

The department is preparing the FY 2012-2013 and 2013-2014 Budgets. A 5% ongoing General Fund Reduction is required in both fiscal years. In addition, we must submit a 2.5% contingency to be met anytime over the two-year budget cycles.

**5% General Fund Reduction and 2.5% General Fund Contingency**

Over the past several fiscal years, the department has had savings due to lower than budgeted expenditures for various community based organizations and city department work order agreements. These two expenditure categories make up over 90% of the department's budget (excluding SFUSD funds).

To meet the FY 12-13 5% General Fund target reduction (\$1.4M), the department proposes to use these savings. Using savings will allow the department to maintain funding at the current Children's Services Allocation Plan (FY 10-11 through FY 12-13 CSAP) level and complete the department's three-year funding cycle.

To meet the FY 13-14 additional 5% General Target reduction (\$1.4M) and the 2.5% Contingency (\$711K), the department proposes to make a minimal 3% cut across all service areas. Please see attachment for details.

**Children's Fund**

Per the Controller's Office, the FY 12-13 and 13-14 Children's Fund property tax projections are \$45.59M and \$46.85M respectively. They represent an \$800K and \$2M increase over current year Children's Fund. Projections will be updated in the Six-Month Report in February.

**State Budget Impact**

DCYF has limited state grants that fund two service areas: Violence Prevention and Intervention (VPI - \$2M) and Early Childcare and Education (ECE-\$700K). We are awaiting state budget information. The Proposed Budget assumes current year funding for state grants.

**Next Steps**

Over the next few weeks, we will be updated budget information in the city's budget system. At our next CAC meeting, I will provide the updated budget details including final revenues sources and expenditure categories.

If you have any questions, please let me know.

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**Department of Children, Youth and Their Families  
Proposed FY 12-13 and 13-14 Department Revenues  
(in millions)**

	FY 11-12 Budget	FY 12-13 Budget	FY 13-14 Budget
General Fund	28.5	27.0	25.0
Children's Fund	44.8	45.6	46.9
Federal/State Grants	4.2	4.2	4.2
<b>TOTAL</b>	<b>\$77.50</b>	<b>\$76.78</b>	<b>\$76.10</b>

**Department of Children, Youth and Their Families  
Proposed FY 12-13 and 13-14 Service Area Funding  
(in millions)**

SERVICE/AREA	FY 11-12 Budget	Proposed FY 12-13 Budget	Proposed FY 13-14 Budget Reduction	Proposed FY 13-14 Budget
Early Care and Education (ECE)	11.0	11.0	0.341	10.7
Family Support -General	4.7	4.7	0.146	4.6
Out of School Time -Beacons	2.8	2.8	0.087	2.7
Out of School Time	14.5	14.5	0.450	14.1
Violence Prevention and Intervention (VPI)	11.3	11.3	0.350	10.9
Youth Leadership, Empowerment and Development (Y-LEAD)*	16.7	16.7	0.518	16.2
Citywide Systems Support	7.7	7.7	0.239	7.5
<b>TOTAL</b>	<b>\$68.70</b>	<b>\$68.70</b>	<b>\$2.13</b>	<b>\$66.57</b>

Notes: In FY 12-13, department proposes no changes. \$1.4M target will be met with savings.  
For FY 13-14, department is awaiting final children's fund projections and is reviewing current year spending. If funding is needed to cover the department's \$2.1M FY 13-14 target, the department proposes a 3% cut to all service areas.