



**FOR IMMEDIATE RELEASE:**

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**\*\*\* PRESS RELEASE \*\*\***

**MAYOR LEE PRESENTS PROPOSED BALANCED BUDGET FOR  
FISCAL YEAR 2013-14 & 2014-15**

*Two-Year Budget Proposal Invests in Public Safety, Social Services, Infrastructure & Job Creation to Serve Residents Most in Need & Protect Local Economic Recovery*

**San Francisco, CA**— Mayor Edwin M. Lee today presented his proposed two-year balanced budget for Fiscal Year 2013-14 and 2014-15. The Mayor's proposal balances a two year budget that closes budget deficits of \$124 million for FY 2013-14 and \$256 million for FY 2014-15. The two-year budget is the result of a collaboration with elected officials, residents, departments, community organizations, and employees.

"Because of our strategic investments in job creation and economic growth, San Francisco has been spared the deep budget deficits we have experienced over the last several years and we are now able to invest in our City and protect social services when people need them the most," said Mayor Lee. "This consensus driven, responsible budget reflects my commitment to innovate to solve our civic challenges, involve the public, and invest in our infrastructure and workforce. The hard work is not done, and we can expect that the State and Federal governments will continue to scale back their investment in cities. We must continue on the path of reform and fiscal responsibility to continue our economic recovery, guarantee public safety and essential social safety net programs and serve our residents. I look forward to working with the Board of Supervisors to deliver this final budget to the people of San Francisco."

To deliver this year's budget, Mayor Lee heard directly from residents about their concerns and worked with the Board of Supervisors to hold six district-based community budget town halls, an online town hall, and met with hundreds of residents, community organizations, City Commissioners, labor organizations, business owners, and activists to discuss priorities and address concerns.

Mayor Lee's two-year budget invests in people who live, work and visit San Francisco; protects the social safety net and supports seniors, youth and low-income and working class families; and maintains the City's critical infrastructure and thriving diverse neighborhood corridors.

The budget reflects responsible funding decisions that align with the City's Five Year Financial Plan and protects the City's economic recovery. This includes increasing budgetary reserves; reducing reliance on debt; fixing a structural problem in the Department of Public Health's budget without enacting service cuts; and making unprecedented up front investments in capital infrastructure and streets that will save money over the long term.

In addition, the budget adds staff capacity and funding to ensure successful implementation of the Federal Affordable Care Act. This budget also works to build back some of the capacity that was lost over the last few years by funding hiring plans for the City's public safety departments; sending \$110 million in direct funding to

the San Francisco Unified School District; and supporting the social safety net by continuing to restore some State and Federal cuts to childcare and HIV prevention and health services.

Mayor Lee's proposed budget contains no service reductions and funds 300 new police officers and 120 fire fighters over the next two years.

The proposed budget ensures the long term, structural stability of our City's finances by making fiscally responsible investments that will protect San Francisco from the next economic downturn. This includes reducing reliance on debt and funding historic levels of General Fund for capital improvements – a total of \$177 million over the next two years. This includes \$40 million in FY 2014-15 to fully fund the City's street repaving program after the Road Repaving and Streets Safety Bond funds are spent. This investment up front will save the City millions on future street repaving costs, reduce needed Muni repairs, and reduce residents' annual car maintenance costs.

By the end of this year, the City will have \$127 million in Rainy Day and Budget Stabilization Reserves, and the upcoming budget includes additional deposits of \$30 million over the next two years. By the end of FY 2014-15, the City will have \$157 million in reserves, which is equal to approximately 4.5 percent of the total General Fund budget of \$3.5 billion.

The Mayor's proposed budget invests in the youth of San Francisco with investments in public schools to offset the State's past cuts to education.

In a time of State and Federal cuts, protecting the social safety net is more important than ever. In this budget, Mayor Lee has rejected all proposed mental health and substance abuse reductions from the Public Health Department and worked to close their structural deficit without reducing vital health services to the public. This budget also includes funding for the continued backfilling of \$2.8 million in Title V childcare cuts from the State; \$4.0 million in HIV health and prevention service cuts from the Federal government; and an additional \$2.5 million for supportive services for seniors, including nutrition and digital inclusion services. This budget also includes \$3.8 million in additional funding for homelessness prevention services and housing subsidies; including funding for a dedicated family shelter in the South of Market. This shelter will serve transitional age youth and provide them with supportive housing and services to help them succeed.

San Francisco's unemployment rate has dropped from 9.5 percent in January 2011 to 5.4 percent last month. But with 25,800 San Franciscans still unemployed, Mayor Lee remains focused on jobs and the economy, and this proposed budget includes a number of economic and workforce development initiatives to support small businesses, drive job creation and strengthen diverse neighborhoods. This includes funding for an online Business Portal that will cut through bureaucratic red tape and make starting and operating a business in San Francisco easier. The proposed budget also includes the launch of two new international economic development initiatives – one focused on Latin America and the other focused on Asia. In addition to attracting new firms to San Francisco, the initiatives will help local firms expand or export into the Latin American and Asian markets.

The proposed two-year budget continues to invest in workforce development, ensuring that those San Francisco residents needing training or seeking new job opportunities are able to succeed. The budget funds workforce development activities, maintaining resources for vital community-based training providers and the broad range of clients they serve. The budget invests more heavily in the City's First Source Hiring Program, helping to ensure that unemployed San Franciscans benefit from private sector growth in San Francisco, including access to both construction and non-construction jobs while new projects are being built, as well as the jobs inside the new buildings when they are completed.

The City Charter requires that the Mayor submit a balanced budget proposal by June 1<sup>st</sup>. Mayor Lee will continue to work with the Board of Supervisors to develop the best balanced budget for the City and County of San Francisco over the next month.

The Mayor's proposed balanced budget for Fiscal Year 2013-14 and 2014-15 is available online, go to: <http://sfmayor.org/index.aspx?page=880>.

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