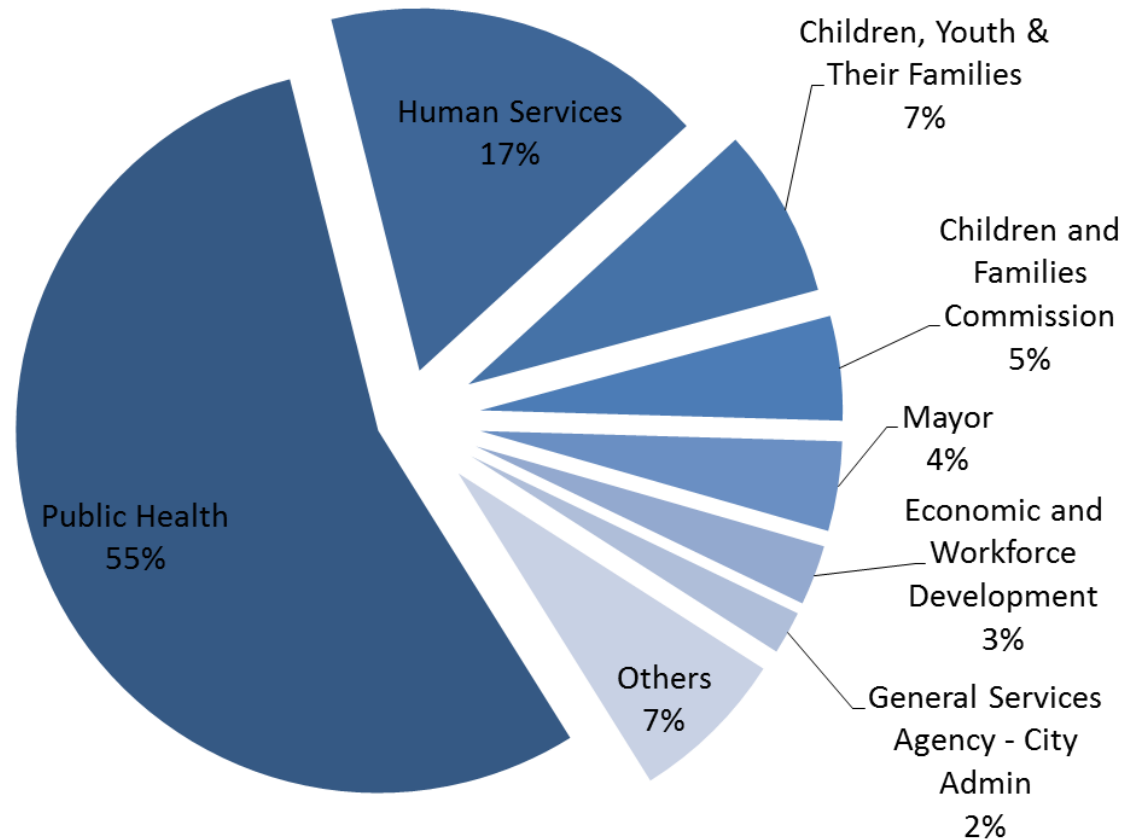


Cost Increases for Non-Profit Service Providers

Budget & Finance Committee
April 22, 2015

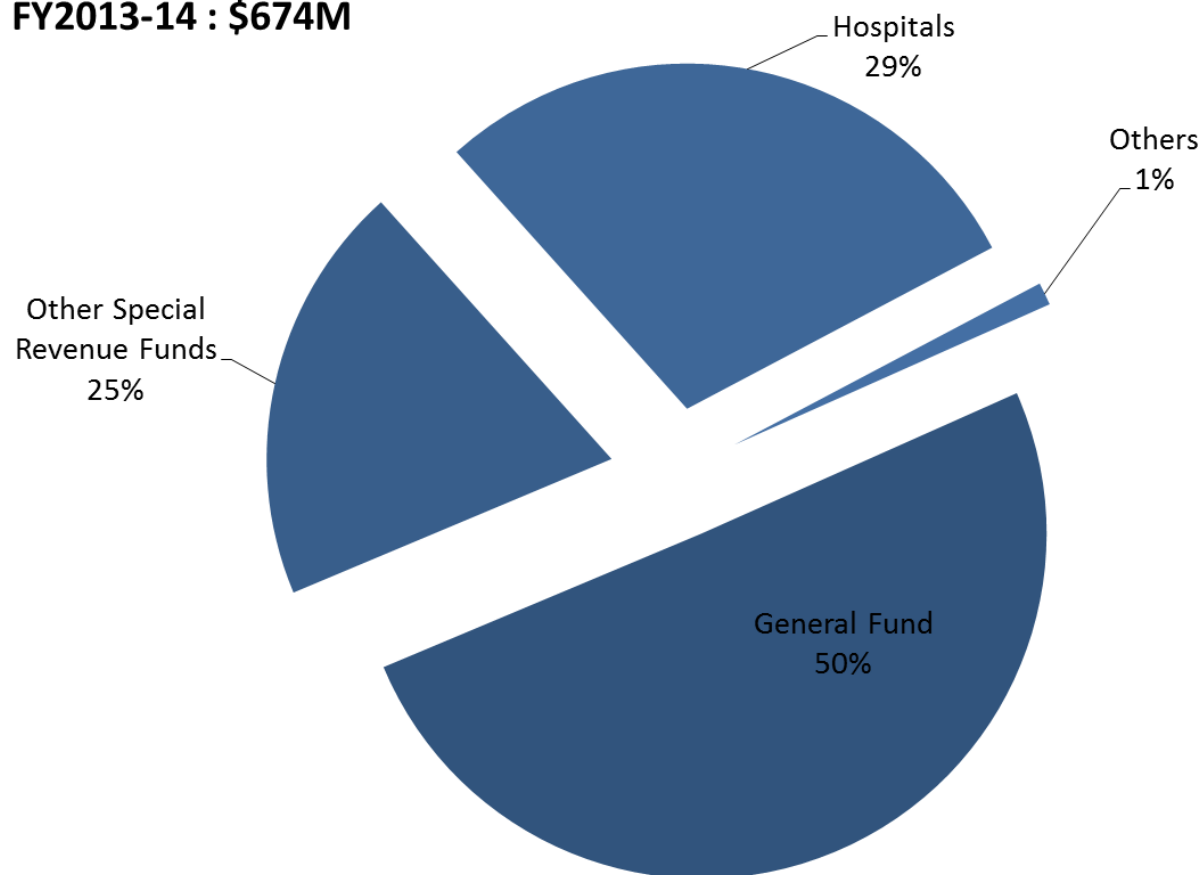
FY 2013-14 Non-Profit Provider Spending by Department

FY2013-14: \$674M

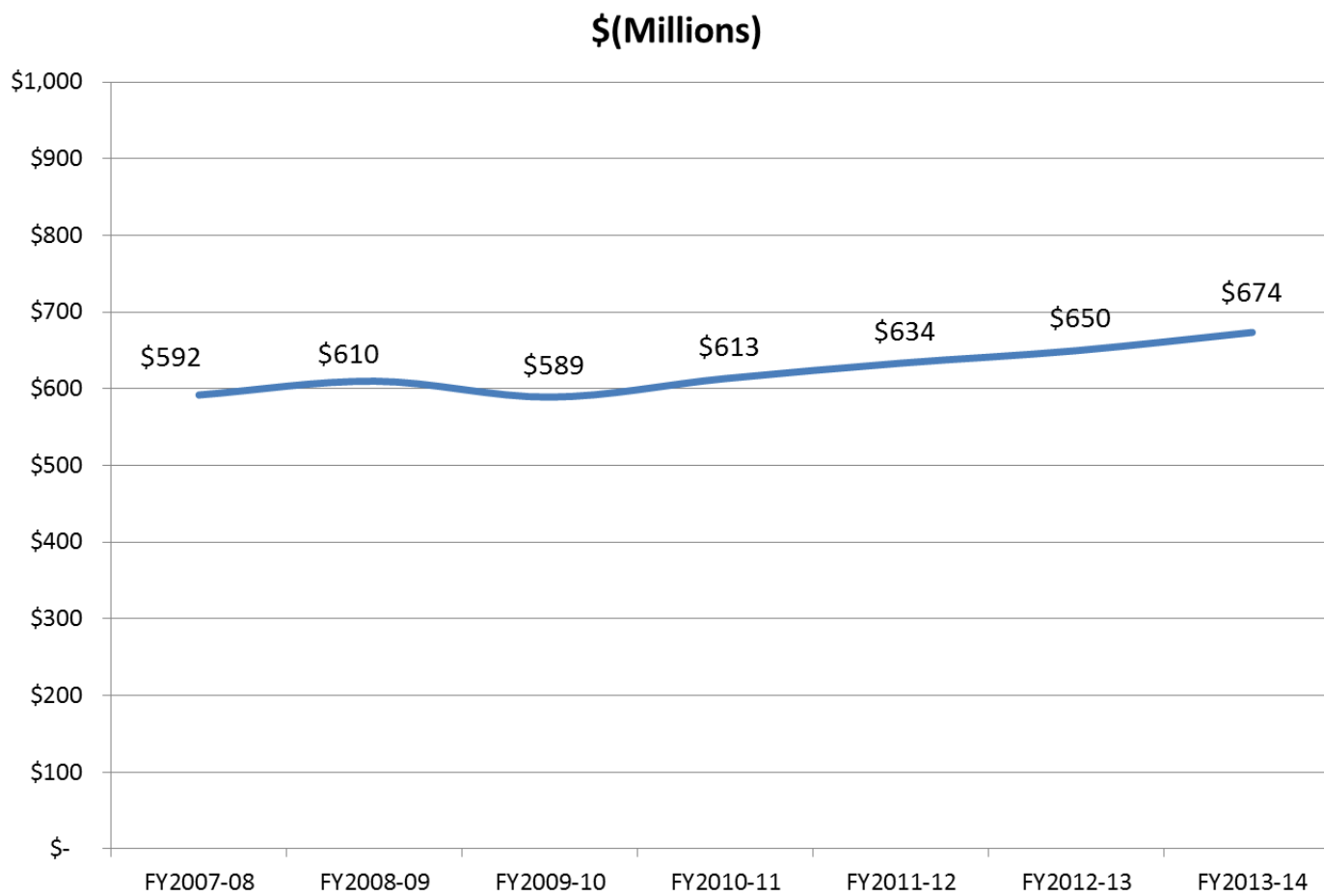


FY 2013-14 Non-Profit Provider Spending by Fund

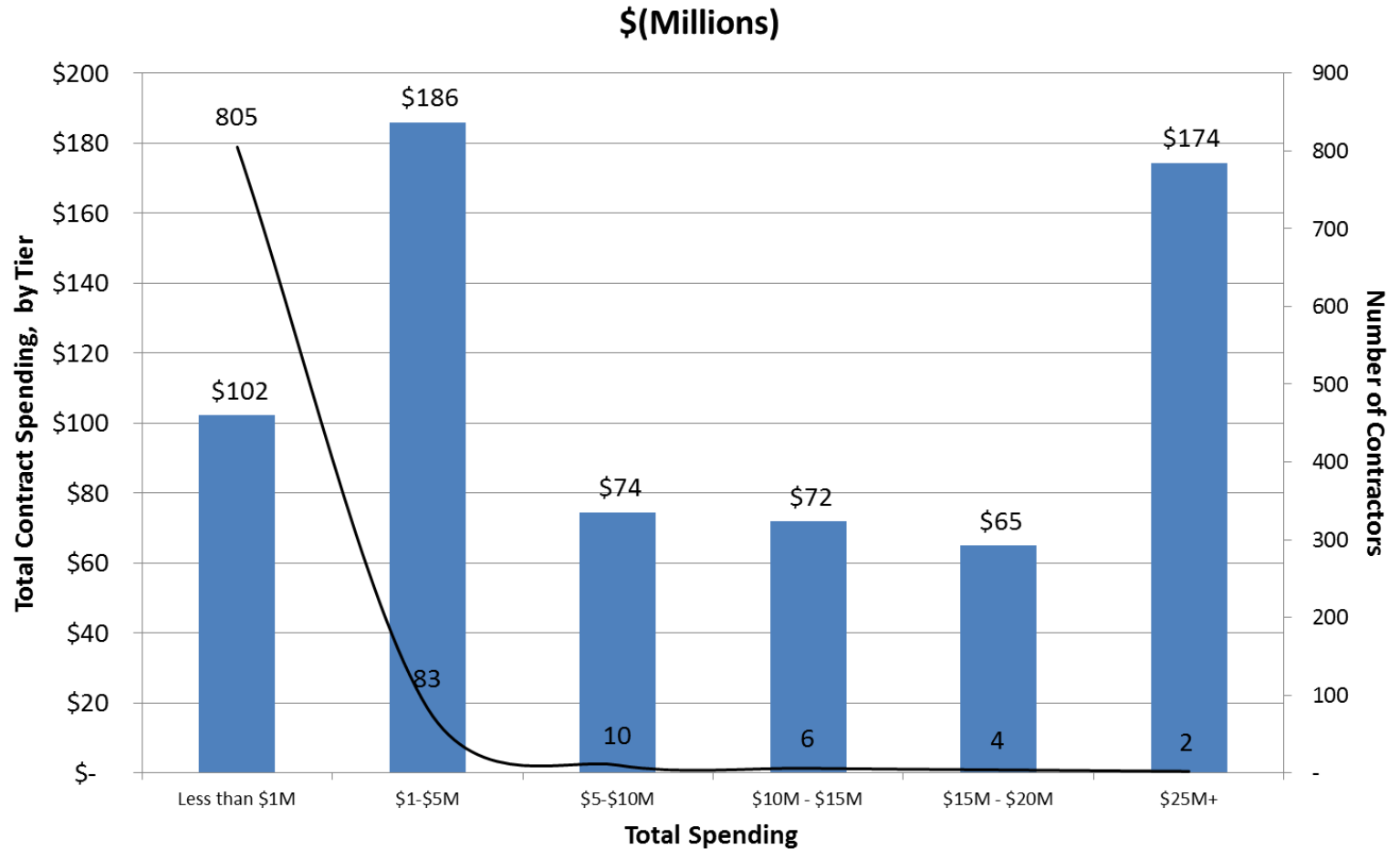
FY2013-14 : \$674M



Spending on Non-Profit Service Providers



Variation in Contract Sizes FY2013-14



Selected Cost & Revenue Pressures for Non-Profit Providers

Employee labor & benefit cost increases

- Wages to attract & retain workforce
- Health, retirement, & other benefit costs
- Minimum wage measure implications (direct & indirect)
- Changes in regulatory environment

Non-salary cost increases

- Facility rental or ownership costs
- Other supply, subcontract, and non-salary costs

Changes in non-city funding streams

- Direct federal or state revenue changes
- Fundraising, philanthropy, & other organizational revenues

Funding Non-Profit Cost Pressures: Some Questions to Consider

How do policy-makers balance the tension between funding organizational infrastructure & inflationary costs versus service expansion?

Consideration of inflationary impacts through the RFP or budget process?

Benefits & drawbacks of a global cost-of-doing-business increase versus variance given varied cost-pressures for individual providers?

Means of addressing cost pressures that minimize City costs?

Means to increase predictability & certainty for providers & the City:
Contract mechanisms & terms, use of long-term financial plans & two-year City budgets, others?