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# Nine-Month Budget Status Report Update



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

May 22, 2019

## General Fund Overview

- Projected FY 2018-19 ending balance of \$538.6 million is an improvement of **\$55.2** million versus prior projections.
- This reduces the projected FY 2019-20 and FY 2020-21 shortfall from \$156.1 million to **\$100.9** million.
- Improvement is largely driven by net patient revenue at the Department of Public Health due to higher than anticipated Medi-Cal rates and 1115 Waiver program revenues and expenditure savings at the Human Services Agency offsetting a decline in projected property tax revenue.
- Projected deposits to the Rainy Day and Budget Stabilization Reserves will meet the target of 10% of General Fund Revenue. After the target is reached, any additional amounts would be deposited in the Budget Stabilization One-Time Reserve for nonrecurring expenses.

# General Fund Citywide Revenue Projections

## \$ Millions

		A	B	Variance	B - A
	Revised	6-Month	9-Month	vs Rev.	Variance
	Budget	Adjusted	Projection	Budget	vs Prior
					Projection
Property Taxes	2,142.7	2,142.7	2,105.5	(37.2)	(37.2)
Business Taxes	879.4	1,003.3	1,003.3	123.9	-
Sales Tax - Local 1% and Public Safety	301.5	307.1	310.5	9.0	3.4
Hotel Room Tax	375.8	390.2	389.9	14.1	(0.3)
Utility User & Access Line Taxes	151.0	147.5	145.1	(5.9)	(2.4)
Parking Tax	85.5	85.5	83.2	(2.4)	(2.4)
Real Property Transfer Tax	228.0	329.4	338.7	110.7	9.3
Sugar Sweetened Beverage Tax	15.0	15.0	16.0	1.0	1.0
Interest Income	27.8	60.7	61.1	33.4	0.4
Public Safety Realignment	39.0	40.0	40.0	1.0	-
Motor Vehicle In-Lieu and All Other	-	1.5	2.3	2.3	0.8
Stadium Admissions Tax	1.2	1.2	1.2	-	-
Franchise Taxes	17.5	17.0	17.5	-	0.4
Airport Transfer-In	46.6	48.3	48.3	1.7	-
<b>Total Citywide Revenues</b>	<b>4,311.0</b>	<b>4,589.3</b>	<b>4,562.4</b>	<b>251.4</b>	<b>(27.0)</b>

# Baseline Transfers and Property Tax Set-Asides

\$ Millions

	Original Budget	Revised Budget	9-Month Projection	Variance vs Revised Budget
<b>Aggregate Discretionary Revenue</b>	3,658.4	4,156.3	4,342.3	186.0
<b>Additional Transfers Required</b>				
MTA Baseline	336.3	374.4	399.2	24.7
MTA Population Change Baseline	50.9	50.9	47.0	(4.0)
80% Parking Tax In-Lieu Transfer to MTA	68.4	68.4	66.5	(1.9)
<b>MTA Baseline Transfers</b>	<b>455.7</b>	<b>493.8</b>	<b>512.7</b>	<b>18.9</b>
DPW Street Trees Maintenance Fund	19.7	21.8	22.4	0.5
Library Baseline (1)	83.6	93.1	96.2	3.1
Public Education Fund Baseline	5.3	5.9	6.3	0.4
Public Education Enrichment Fund	111.8	124.5	132.7	8.2
2/3 to Schools	74.6	83.1	88.5	5.4
1/3 to Preschool for All	37.3	41.5	44.2	2.8
<b>Total Baseline Transfers</b>	<b>676.1</b>	<b>739.1</b>	<b>770.3</b>	<b>31.1</b>
<b>No Additional Transfers Required (2)</b>				
Children's Baseline	187.0	220.2	209.7	-
Transitional-Aged Youth Services Baseline	28.1	28.1	25.2	-

(1) Assumes 50% of \$6.1M additional requirement is returned to the General Fund at year end.

(2) No additional adjustment required because adopted budget exceeds projected required level.



# Departmental Projections

\$ Millions

	Revenue Surplus / (Shortfall)	Uses Savings / (Deficit)	Net Surplus / (Shortfall)
Public Health	66.7	6.0	72.7
Human Services	3.0	12.7	15.7
War Memorial	8.2	-	8.2
Homelessness & Supportive Housing	-	4.1	4.1
General Services Agency	(0.7)	2.5	1.8
Fire Department	0.9	-	0.9
Juvenile Probation	-	0.8	0.8
Ethics Commission	0.1	0.6	0.7
Health Service System	-	0.3	0.3
Other Departments	(12.9)	14.6	1.8
<b>Total</b>	<b>65.3</b>	<b>41.6</b>	<b>107.0</b>

## Other Key Points

### Supplementals:

- To appropriate \$0.4 million fee revenue in the Fire Department, and re-appropriate \$5.7 million of operating expenses in the PUC and Sheriff's Department, for overtime.
- To provide short-term loans to federal government employees in the event of a shutdown using \$0.5 million of interest earnings above budget.
- To appropriate \$220.5 million of excess ERAF property tax revenue for various purposes (affordable housing, homelessness, early care and SFUSD educators, utility assessment), \$52.0 million of Rainy Day One-Time Reserves, and \$38.1 million of required baseline spending at the MTA.

**Reserves:** net increase of \$9.0 million in deposits, largely to the Rainy Day Reserves (City, School, and City One Time)

**FY 2016-17 Excess ERAF:** California Department of Education issues notifications the last week of June. \$16.3 million of \$149.1 million would be available after baseline allocations and reserve deposits.