

1 [Urging State Lawmakers to Explore New Revenue Options - Ensure Funding for Safety Net
2 Programs]

3 **Resolution urging members of our State Assembly and Governor to explore new**
4 **revenue generating options, including a millionaire tax to ensure safety net programs**
5 **are not cut at the state level due to an unanticipated \$54.3 billion-dollar deficit as a**
6 **result of the COVID-19 pandemic.**

7
8 WHEREAS, According to the Center for Disease Control, COVID-19, a respiratory
9 disease, is a serious global health threat, with over 7 million cases of infection and 404,000
10 deaths globally; and

11 WHEREAS, In response to the COVID-19 pandemic, on February 25, 2020, Mayor
12 London N. Breed proclaimed a state of emergency, followed by a proclamation of the Board of
13 Supervisors on March 3, 2020, and then a statewide declaration on March 4, 2020, by
14 California Governor Gavin Newsom; and

15 WHEREAS, On March 16, 2020, the County Health Officer issued Order No. C19-07,
16 which directed residents to stay home unless essential and required businesses to cease all
17 in-person non-essential operations; and

18 WHEREAS, The pandemic has deeply impacted California's economy as U.S.
19 Department of Labor data shows California's pandemic-related unemployment claims reached
20 to 4.9 million, or an estimated 25% of California's workforce; and

21 WHEREAS, In statewide polling of likely voters in May 2020 by Binder Research
22 Associates for Build Affordable Faster CA, 40% of those polled had lost their jobs or had
23 hours or wages reduced at work due the COVID-19 pandemic; and

24 WHEREAS, In the polling by Binder Research Associates for Build Affordable Faster
25 CA, a near-unanimous 93% of Californians expressed strong concern about the impact of the

1 Coronavirus epidemic on the California economy, and 70% were concerned that vital these
2 programs and services, such as our public schools and fire departments, will be cut in the
3 next year because of reduced tax revenues; and

4 WHEREAS, California now faces an unprecedented \$54.3 billion deficit, which is an
5 estimated 37% of the state’s current general fund budget due to a loss of revenue; and

6 WHEREAS, While the Governor’s May budget revised proposal includes \$4.4 billion in
7 new revenues, it still largely predicated on borrowing and deferrals and an even greater
8 federal bailout that includes \$14.0 billion in triggered cuts absent further federal action; and

9 WHEREAS, While borrowing/deferrals and a federal bailout are part of the solution,
10 borrowed money will need to be repaid (it took over a decade to repay many of the debt
11 obligations from the 2008 Recession) and federal reliance is tenuous given that the White
12 House and Senate are both controlled by fiscal conservatives; and

13 WHEREAS, Even before the pandemic, there was great income inequality in California
14 where according to Public Policy Institute of California (PPIC), “the large gap between the
15 state’s top earners and others has grown substantially over the past four decades,” where top
16 income earners in the Bay Area make 12.2 times as much as those in the lowest income
17 bracket; and

18 WHEREAS, According to PPIC, in their California Poverty Measure report, major safety
19 net programs did have positive outcomes in reducing income inequality by 48%; and

20 WHEREAS, During a time of hardship, our most vulnerable San Francisco and
21 California residents will rely more heavily on safety net services to survive and these
22 programs will require additional financial investments as demand for them grows; and

23 WHEREAS, Making cuts to public education and state programs will have dire
24 consequences for our most vulnerable residents, it is imperative for our state legislators to
25 explore additional revenue options; and

1 WHEREAS, In the United States, as of 2013, the top 1% of households owned 36.7%
2 of all privately held wealth according to a study by Americans for Tax Fairness; and

3 WHEREAS, Some U.S. billionaires gained \$434 billion during the COVID-19 pandemic
4 according to Americans for Tax Fairness and the Institute for Policy Studies' Program for
5 Inequality; and

6 WHEREAS, In the 1950s and 1960s, the wealthiest Americans paid a top income tax
7 rate of 91%, compared to 43.4% today; and

8 WHEREAS, Polling by Binder Research Associates for Build Affordable Faster CA
9 shows that 70% of California voters support a Millionaire's Tax, a slight 2% increase on
10 taxable personal income for our wealthiest Californians, or those whose yearly income is over
11 a million dollars -- which would raise \$6 billion annually -- to protect vital public and community
12 services; now, therefore, be it

13 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
14 urges members of our State Assembly and Governor to explore new revenue generating
15 options, including a millionaire tax to ensure safety net programs are not cut at the state level
16 due to an unanticipated deficit; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
18 to transmit copies of this Resolution be forwarded to the City Lobbyist, State Legislature,
19 including our Senate President pro Tempore and Speaker of the California State Assembly,
20 and our State Governor upon passage.

21
22
23
24
25