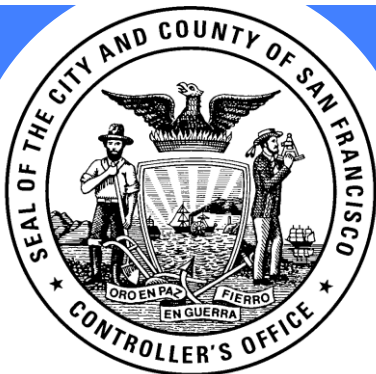


# FY 2022-23 Nine Month Budget Status Report



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

5.24.2023

# Summary

	March 5-Yr Update	9-Month	Change
FY 2021-22 Ending Fund Balance	497.2	497.2	-
Appropriation in the FY 2022-23 Budget	(457.4)	(457.4)	-
<b>A. Prior Year Fund Balance Above Budgeted Levels</b>	<b>39.8</b>	<b>39.8</b>	-
Citywide Revenue	(58.8)	(31.9)	26.9
Baseline Contributions	(11.6)	(13.7)	(2.0)
Departmental Operations	25.4	44.7	19.3
<b>B. Current Year Revenues and Expenditures</b>	<b>(45.0)</b>	<b>(0.8)</b>	<b>44.1</b>
Approved Use of General Reserve - Source	50.4	50.4	-
Approved Use of General Reserve - Expenditure	(50.4)	(50.4)	-
Public Health Revenue Management Reserve	14.8	6.9	(7.9)
<b>C. Supplemental Appropriations &amp; Use of Reserves</b>	<b>14.8</b>	<b>6.9</b>	<b>(7.9)</b>
<b>D. Previously Unappropriated Fund Balance</b>	<b>163.4</b>	<b>163.4</b>	-
<b>E. FY 2022-23 Projected Ending Balance</b>	<b>173.0</b>	<b>209.3</b>	<b>36.3</b>

# Summary

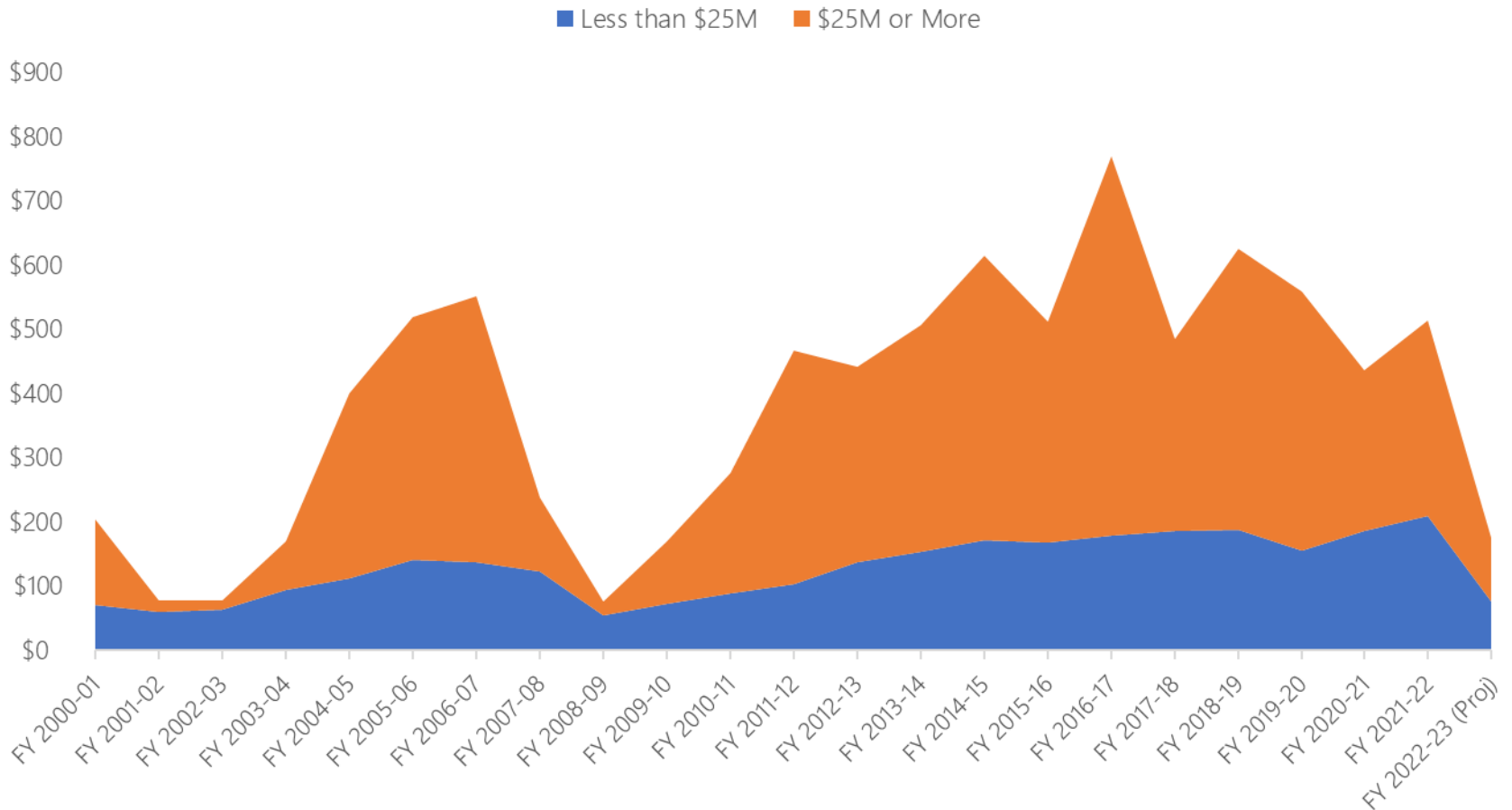
- Improvement of \$36.3 million from prior projection in the March Update to the 5-Year Plan.
- Application of this balance would reduce the projected two-year budget shortfall from \$780 million to \$744 million.
- Revenues:
  - \$31.9 million below budget, or +\$26.9 million since the March Update.
  - Strength: overpaid executives tax, hospitality sector, and interest income
  - Weakness: FEMA reimbursements, real property transfer tax, and business tax.
- Department operating savings of \$44.7M are +\$19.3 million from March Update from modest revenue changes and salary + benefit savings.
  - Public Health revenue shortfall is largely due to Laguna Honda Hospital revenue shortfall of \$14.8 million due to declining patient census. Will be filled by Public Health Revenue Management Reserve.
  - Human Services Agency savings are offset by \$26.0 million to pay for repairs and demobilization in SIP hotels.

# Revenues

	FY 2021-22	FY 2022-23				Variance		
	Actuals	Budget	5-Yr (Jan 23)	6-Mo (Feb 23)	5 Yr (Mar 23)	9-Mo (May 23)	Vs Budget	Vs Prior Proj
Property Taxes	2,337.2	2,379.5	2,429.0	2,449.2	2,466.0	2,466.0	86.5	-
Property Tax	1,971.3	2,051.0	2,091.0	2,099.0	2,111.0	2,111.0	60.0	-
Excess ERAF	365.9	328.5	338.0	350.2	355.0	355.0	26.5	-
Business Taxes	861.2	902.3	831.1	848.9	900.9	878.2	(24.1)	(22.7)
Sales Tax - Local 1%	188.3	182.9	203.7	201.4	201.4	200.0	17.1	(1.4)
Hotel Room Tax	158.2	188.9	257.4	264.9	260.5	254.2	65.3	(6.3)
Utility User & Access Line Taxes	161.0	129.7	157.4	161.1	161.1	164.1	34.3	3.0
Parking Tax	71.1	80.2	80.4	80.2	80.2	82.0	1.8	1.8
Real Property Transfer Tax	520.3	390.5	233.8	233.8	193.9	174.3	(216.2)	(19.6)
Sugar Sweetened Beverage Tax	12.0	13.3	13.7	13.7	13.7	13.7	0.5	-
Stadium Admissions Tax	4.6	5.4	5.4	8.0	8.0	7.0	1.6	(1.0)
Cannabis Tax	-	-	-	-	-	-	-	-
Overpaid Executives Tax	-	60.0	100.0	100.0	140.0	190.0	130.0	50.0
Franchise Taxes	15.4	14.3	15.6	15.6	15.6	15.6	1.3	-
Interest Income	31.7	44.5	71.7	74.8	74.8	98.0	53.5	23.1
FEMA Disaster Relief	183.4	243.4	183.4	183.4	23.4	23.4	(220.0)	(0.0)
ARPA	312.4	-	-	-	-	-	-	-
Health & Welfare Realignment	283.5	269.1	293.1	299.5	299.5	299.5	30.3	-
Public Safety Realignment	52.1	61.7	60.9	58.4	58.4	58.4	(3.2)	-
Public Safety Sales Tax	93.8	89.7	93.1	93.2	93.2	93.1	3.4	(0.0)
Airport Transfer In	37.9	37.1	37.1	43.7	48.0	48.0	10.9	-
Commercial Rent Tax Transfer In	28.7	34.0	27.3	26.7	29.0	29.0	(5.0)	-
<b>Total Citywide Revenues</b>	<b>5,352.9</b>	<b>5,126.3</b>	<b>5,094.1</b>	<b>5,156.6</b>	<b>5,067.6</b>	<b>5,094.4</b>	<b>(31.9)</b>	<b>26.9</b>

# Rate-Adjusted Property Transfer Tax

FY 2000-01 through FY 2021-22 (*\$ millions*)



# Net Shortfall Departments

Net Shortfall Departments	Revenue Surplus / (Shortfall)	Expenditure Savings/ (Deficit)	Net Surplus / (Shortfall)
Public Health	(18.0)	11.0	(6.9)
City Planning	(8.3)	4.6	(3.7)
Public Works	(1.3)	0.3	(1.0)
Police	(0.4)	-	(0.4)
Human Resources	(2.9)	2.5	(0.4)
Assessor Recorder	(1.2)	0.9	(0.3)
Board of Appeals	(0.2)	-	(0.2)
District Attorney	(0.1)	-	(0.1)
<b>Subtotal Net Shortfall Departments</b>	<b>(32.3)</b>	<b>19.3</b>	<b>(13.0)</b>

# Net Surplus Departments

Net Surplus Departments	Revenue Surplus / (Shortfall)	Expenditure Savings/ (Deficit)	Net Surplus / (Shortfall)
General City Responsibilities	4.6	9.8	14.3
Fire	7.8	-	7.8
Human Services Agency	(7.7)	13.6	5.9
Homelessness and Supportive Housing	(0.0)	4.9	4.9
City Administrator	(2.0)	6.5	4.4
Adult Probation	(0.1)	3.6	3.5
Treasurer/Tax Collector	(0.3)	2.9	2.6
Mayor	(0.4)	2.3	1.9
Superior Court	-	1.7	1.7
Emergency Management	0.1	1.6	1.7
Ethics Commission	-	1.5	1.5
<b>Subtotal Net Surplus Departments</b>	<b>1.8</b>	<b>48.4</b>	<b>50.2</b>
All Other Departments	(24.2)	31.8	7.5
<b>TOTAL</b>	<b>(54.7)</b>	<b>99.4</b>	<b>44.7</b>

## Risks and Uncertainties

- Approval of additional supplemental appropriations using the General Reserve.
- Uncertainty regarding business tax filings.