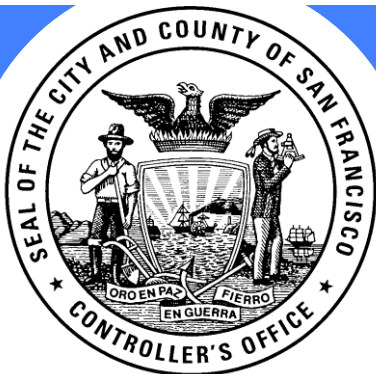


# Overview of Budget Impacts of Prior Recessions

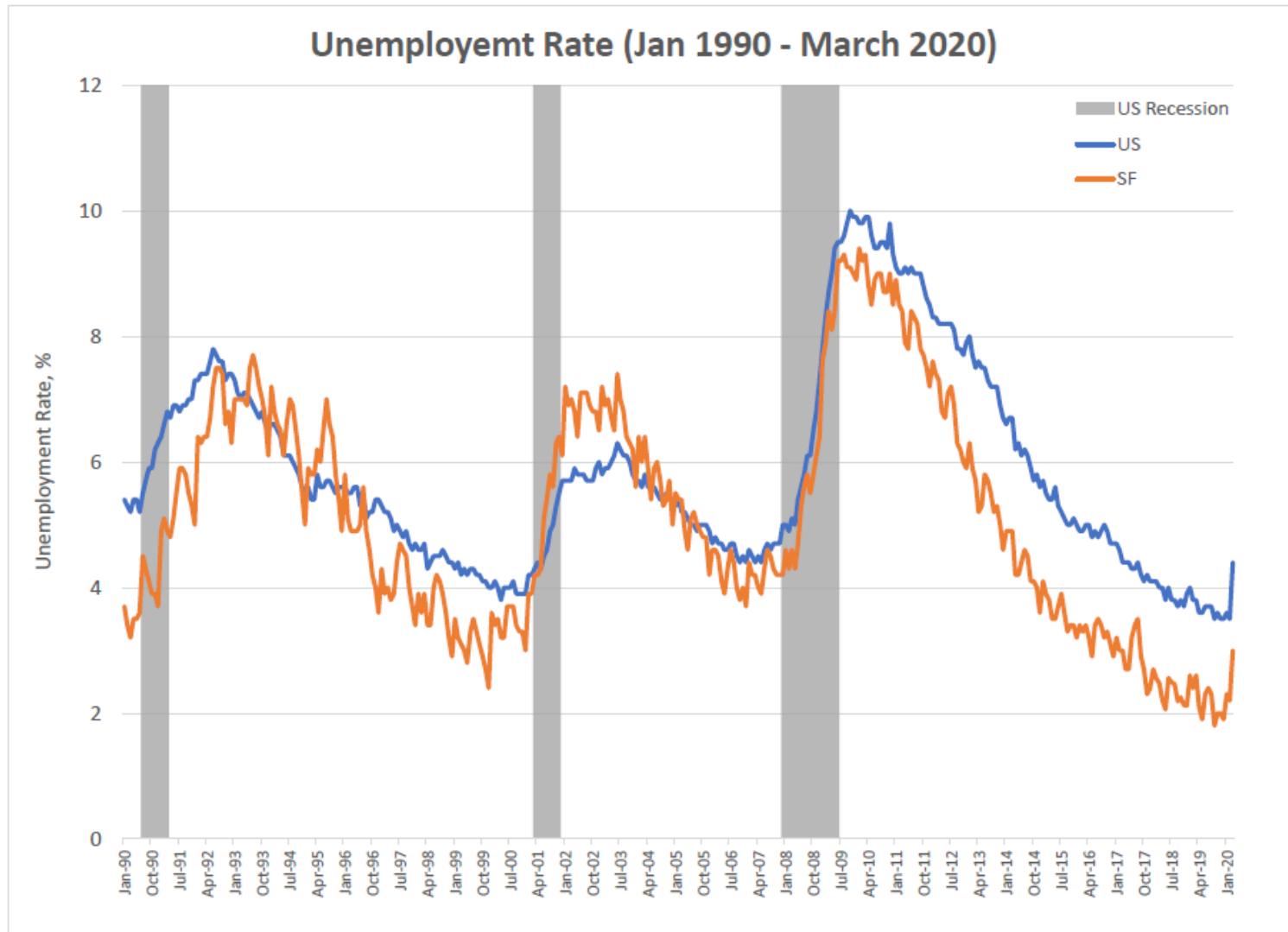


**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

June 11, 2020

# Recessions During the Last Thirty Years



# The Dot.Com Bust: 2001-2004

## Change in Major Tax Revenues from Prior Year

(\$ Millions)

	2001-02	2002-03	2003-04	2004-05
Property Tax	48.1	8.7	28.1	163.7
Business Tax	-3.0	2.0	-11.8	27.8
Sales Tax	-32.5	4.3	5.1	-26
Hotel Tax	-59.1	2.4	23.7	10.5
Utility Users Tax	-6.4	0.6	-0.4	1.6
Parking Tax	-3.3	-0.8	2.3	1.1
Property Transfer Tax	-15.1	4.2	27.4	38
Total of Major Taxes	-71.4	21.5	74.3	216.7
% of General Fund	-3.6%	1.1%	3.6%	9.8%

## The Dot.Com Bust: 2001-2004

### Projected Budget Year Deficit in the March Joint Reports (\$ Millions)

Fiscal Year	Deficit
2000-01	-24.4
2001-02	-66.1
2002-03	-154.1
2003-04	-347.2
2004-05	-299.3
2005-06	-102.2
2006-07	-12.5

# The Dot.Com Bust: 2001-2004

## Mayor's Budget Instructions

- Three rounds of mid-year budget reductions required
- Budget reduction targets:
  - 5% in FY01-02
  - 17% in FY02-03
  - 4% in FY03-04
- Additional contingency plans ranged from 5%-15%

## The Dot.Com Bust: 2001-2004

### Reserve depletion (from peak to trough)

- \$48M draw on reserves (40%)
- \$283M reduction in total fund balance (59%)

### Reduction in General Fund positions

- 1,366 FTE reduction from FY 2000-01 to FY 2004-05 (8.5%)

# The Dot.Com Bust: 2001-2004

## Labor contracts

- No general wage increase in FY 2003-04
- City employees picked-up retirement contribution (7.5%) for three fiscal years
- Five additional paid floating holidays in FY 2003-04
- Wage increase to employee retirement pick-up at end of recession.

# The Dot.Com Bust: 2001-2004

## Budget Year Addbacks (\$ Millions)

Fiscal Year	General Fund	Non-General Fund
2000-01	7.0	-
2001-02	15.9	3.3
2002-03	9.9	-
2003-04*	6.6	1.5
2004-05	17.0	11.0
2005-06	16.3	10.7
2006-07	28.8	5.3

\* Amounts are for general and non-general fund cuts. Addback amounts are unavailable.



# The Great Recession: 2008-2010

## Change in Major Tax Revenues from Prior Year (\$ Millions)

	2008-09	2009-10	2010-11
Property Tax	77.8	39.0	1.6
Business Tax	-7.0	-33.8	37.6
Sales Tax	-9.7	-5.1	9.7
Hotel Tax	-3.8	-26.2	23.4
Utility Users Tax	2.8	4.7	-2.9
Parking Tax	-2.7	1.9	6.2
Property Transfer Tax	-37.3	34.7	51.5
<b>Total of Major Taxes</b>	<b>20.1</b>	<b>15.3</b>	<b>127.2</b>
% of General Fund	0.7%	0.5%	4.3%

# The Great Recession: 2008-2010

## Projected Budget Year Deficit in the March Joint Reports

Fiscal Year	Deficit
2007-08	-25.4
2008-09	-338.4
2009-10	-438.1
2010-11	-482.7
2011-12	-306.4
2012-13	-169.6
2013-14	-123.6
2014-15	-66.7

# The Great Recession: 2008-2010

## Mayor's Budget Instructions

- Three rounds of mid-year budget reductions required
- Budget reduction targets:
  - 8% in FY08-09
  - 12.5% in FY09-10
  - 20% in FY10-11
  - 7.5% in FY11-12
- Additional contingency plans ranged from 5%-12.5%

# The Great Recession: 2008-2010

## Reserve depletion (from peak to trough)

- \$73M draw on reserves (53%)
- \$349M reduction in total fund balance (65%)

## Reduction in General Fund positions

- 851 FTE reduction from FY 2008-09 to FY 2010-11 (6.8%)

## Labor contracts

- For most unions, 12 unpaid furloughs days per year in FY 2010-11 and FY 2011-12
- Furloughs equal to a 4.6% wage reduction

# The Great Recession: 2008-2010

## Budget Year Addbacks (\$ Millions)

Fiscal Year	General Fund	Non-General Fund
2007-08	35.8	6.6
2008-09	30.7	9.2
2009-10	47.4	7.7
2010-11	40.3	5.8
2011-12	17.3	3.2
2012-13	17.2	3.4
2013-14	25.0	0.8
2014-15	19.2	4.0

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New? Importance of federal support to address new costs

**Questions or comments?**