

From: [Rosenfield, Ben \(CON\)](#)
To: [Haney, Matt \(BOS\)](#); [Mar, Gordon \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Ronen, Hillary](#); [Walton, Shamann \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Stefani, Catherine \(BOS\)](#); [Elsbernd, Sean \(MYR\)](#)
Cc: [Allersma, Michelle \(CON\)](#); [Lu, Carol \(CON\)](#); [Sandler, Risa \(CON\)](#); [Groffenberger, Ashley \(MYR\)](#); [RivamonteMesa, Abigail \(BOS\)](#); [BOS-Legislative Aides](#); [Campbell, Severin \(BUD\)](#); [Campbell, Severin \(BUD\)](#); [Wong, Linda \(BOS\)](#); [Calvillo, Angela \(BOS\)](#); [Goncher, Dan \(BUD\)](#)
Subject: Updated Controller's Office Revenue Forecast
Date: Monday, June 28, 2021 8:53:42 AM
Attachments: [CON Forecast Updates June 2021.pdf](#)

Mayor Breed, Board President Walton, Board Budget Chair Haney, and Members of the Board of Supervisors,

The attached memorandum summarizes recent changes to our projections of General Fund revenues and expenditures since the presentation of the Mayor's Proposed Budget on June 1st. These projections, predominantly driven by sales tax allocations contained in the recently adopted State budget, would increase General Fund resources by approximately \$43.7 million over the coming two fiscal years and are hereby certified as available for appropriation.

Please contact me with any questions,

Ben

Ben Rosenfield
Controller
City & County of San Francisco



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

June 28, 2021

Mayor London Breed
Budget Chair Supervisor Matt Haney
Members of the Board of Supervisors

Re: June 2021 Budget & Finance Committee Phase Revenue & Citywide Expenditure Updates

Dear Mayor Breed and Budget Chair:

This memo provides updates to citywide General Fund revenue and expenditure projections using information that has become available since the publication of the Mayor's Proposed Budget on June 1st. These changes would support a net increase of \$43.7 million in General Fund spending over the two budget years, should the Mayor elect to increase appropriations, as summarized below:

	FY 2020-21	FY 2021-22	FY 2022-23	Total
1 Transfer Tax Revenue Above 9-Month*	11,844,000	-	-	11,844,000
2 1991 Health & Welfare Realignment	-	6,790,000	17,180,000	23,970,000
3 2011 Public Safety Realignment (AB109)	-	6,300,000	9,060,000	15,360,000
4 June 19 Holiday Costs	(2,500,000)	(2,500,000)	(2,500,000)	(7,500,000)
Total	9,344,000	10,590,000	23,740,000	43,674,000

*\$15.0 million additional revenue - \$3.2 million of baseline allocations = net General Fund revenue of \$11.8 million.

1. Current Year Transfer Tax. Given the pace of real property transfer tax collections in the current month, we estimate total FY 2020-21 revenues will exceed Nine-Month Report projections by \$15.0 million. After accounting for baseline contributions of approximately \$3.2 million, this would result in an increase in General Fund ending fund balance of \$11.8 million.
2. State Budget Sales Tax Allocations. State sales tax and VLF revenue projections contained in the Governor's May Revise budget were materially higher than those in the January budget, increasing our office's estimate of the City's allocations by a total of \$13.1 million in FY 2021-22 and \$26.2 million in FY 2022-23. These revenues are provided to local governments for specific purposes and are therefore not included in Aggregate Discretionary Revenue and related baseline calculations. These additional state revenues can be used to offset local General Fund support of the realigned social service and public safety programs.

Departments are currently estimating potential additional grant and subvention revenues that may be available through the final budget adopted by the State legislature.

3. Additional Holiday Costs. On June 17, following President Biden's declaration of Juneteenth as a federal holiday, Mayor London Breed declared by proclamation that Juneteenth would be a recognized legal holiday for all City employees. Incremental costs associated with holidays, including overtime, premium pay, and other mandated costs, increase projected costs for staffing 24/7 operations by approximately \$2.5 million annually.

Please feel free to contact me at 554-7500 with any questions.

Sincerely,

/s/ Ben Rosenfield

Ben Rosenfield
Controller