



Budget Outlook

Sugary Drink Distributor Tax Advisory Committee

January 2020

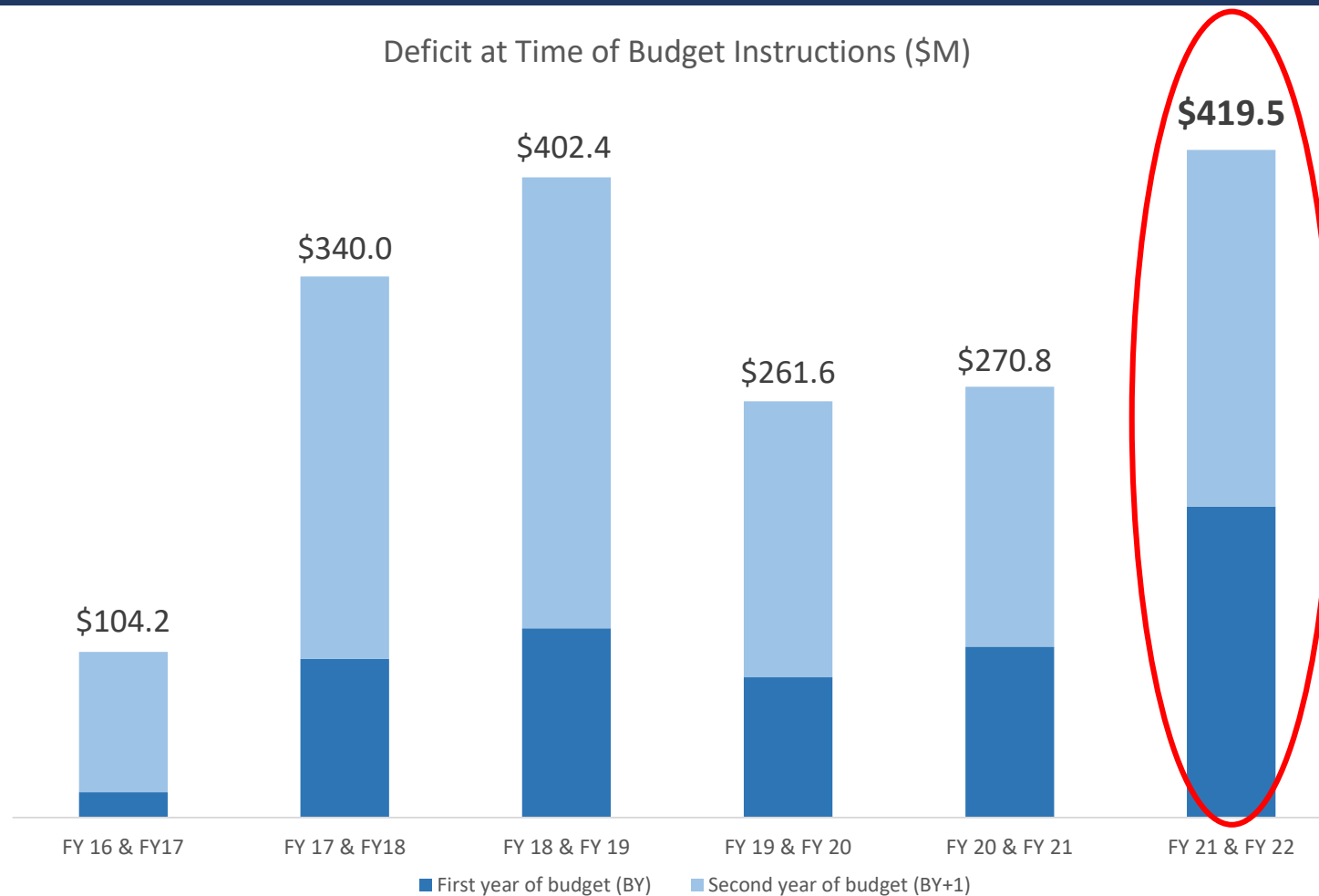


Agenda

- Deficit Projection – Joint Report Update
- Mayoral Priorities



Projected Deficit vs. Historical Deficits





Deficit Details

	FY 20-21	FY 21-22	FY 22-23	FY 23-24
<i>SOURCES Increase / (Decrease)</i>	89.0	346.0	289.4	423.6
Uses				
Baselines & Reserves	(45.5)	(54.0)	(127.1)	(163.3)
Salaries & Benefits	(167.9)	(269.6)	(338.5)	(407.5)
Citywide Operating Budget Costs	(66.9)	(167.8)	(235.0)	(314.6)
Departmental Costs	(3.9)	(78.8)	(119.9)	(168.8)
<i>USES (Increase) / Decrease</i>	(284.3)	(570.1)	(820.5)	(1,054.2)
Projected Cumulative Surplus / (Shortfall)	(195.4)	(224.1)	(531.1)	(630.6)
Two Year Deficit	(419.5)			



Sugar Sweetened Beverage Tax Projection

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Year-End Pre-Audit	Original Budget	Projection	Projection	Projection	Projection
Property Taxes	\$ 2,246.3	\$ 1,956.0	\$ 2,117.4	\$ 1,964.0	\$ 2,047.0	\$ 2,143.0
Business Taxes	917.8	1,050.6	1,070.8	1,072.4	1,103.0	1,119.5
Sales Tax	213.6	204.1	213.9	216.0	219.7	223.4
Hotel Room Tax	392.3	389.1	399.2	408.0	417.1	426.2
Utility Users Tax	94.0	98.7	95.3	96.1	96.9	97.7
Parking Tax	86.0	83.0	85.2	85.2	85.2	85.2
Real Property Transfer Tax	364.0	296.1	278.4	253.4	253.4	253.4
Sugar Sweetened Beverage Tax	16.1	16.0	16.0	15.0	15.0	15.0
Stadium Admission Tax	1.2	5.5	5.5	5.5	8.2	10.8
Access Line Tax	48.0	48.9	50.4	52.1	53.6	55.2
Cannabis Tax	-	3.0	4.3	8.5	8.5	8.5
Subtotal - Local Tax Revenues	4,379.4	4,151.0	4,336.3	4,176.3	4,307.6	4,438.0

- Amount **after** voter-mandated baselines and set-asides equates to \$12.4M in FY 2020-21 and \$11.5M in FY 2021-22
- Exclude \$1.2M in on-going “Healthy Addbacks” appropriated by the Board of Supervisors during FY 2017-18 budget process, nets to **\$11.2M and \$10.3M available for recommendation.**

Source: [Five-Year Financial Plan Update: FY 2020-21 through 2023-24](#)



Mayoral Priorities

The Mayor's top priority for the coming year is to address the challenges we face with those struggling on our streets

- Housing, shelter, and services for those in need
- Clean and safe streets for everyone
- Healthy and vibrant neighborhoods

We need to focus and reprioritize funding toward this most pressing need so we can:

- Provide assistance to those on our streets
- Be responsive to residents
- Support City workers out there trying to make a difference



Accountability & Equitable Outcomes

Continued focus on accountability & equitable outcomes. Departments need to demonstrate how their budget submissions help achieve these goals.

- Accountability
 - Demonstrate the effective use of existing City funding
 - Track and monitor meaningful and measurable metrics
 - Achieve outcomes and goals as outlined (performance measures; project deliverables)
- Equitable Outcomes
 - City services that reflect the value that each person deserves an opportunity to thrive in a diverse and inclusive city (*Citywide Strategic Initiatives Framework*)
 - Prioritize funding initiatives that serve residents with the highest need



Accountability & Equitable Outcomes

Piloted Accountability & Equitable Outcome (AEO) Plans last year, and will build and grow this model of accountability

- Tracking implementation and outcomes of important initiatives
- Monitoring performance progress
- Help inform budget decisions



Key Dates

December – February	Departments develop budget proposals
February 21	Department Budget Submissions Due to Mayor and Controller
March	Joint Report Update
June 1	Mayor Proposes Balanced Budget to Board of Supervisors (BOS)
June	Department Budget Hearings at Budget and Finance Committee at BOS
July	Budget Considered by full Board of Supervisors



Questions?