

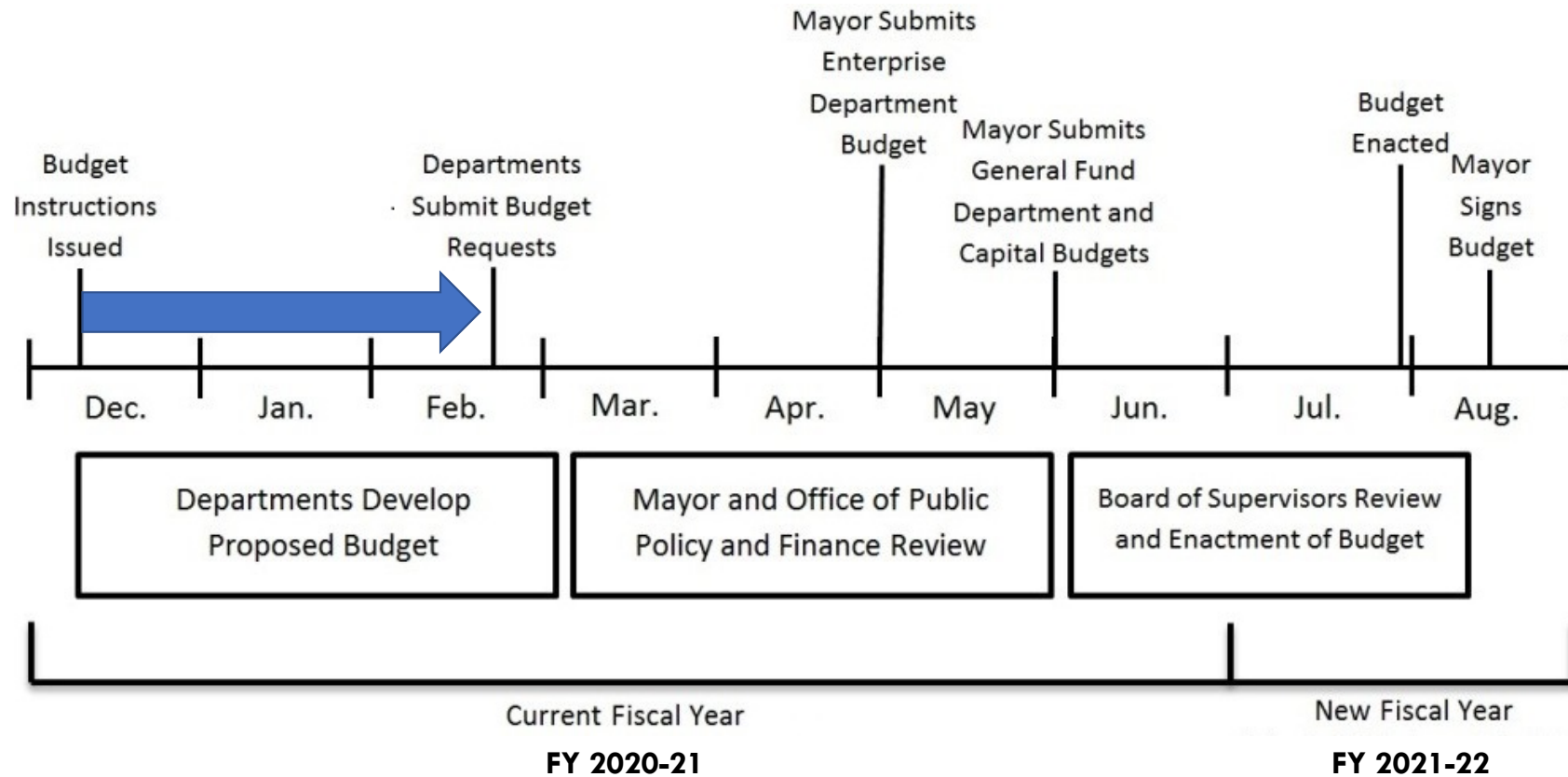


Oversight Advisory Committee FY 2021-22 & 2022-23 Budget

January 25, 2021

San Francisco Department of Children, Youth & Their Families

Budget Timeline (FY 2021-22 & FY2022-23)



Key Dates

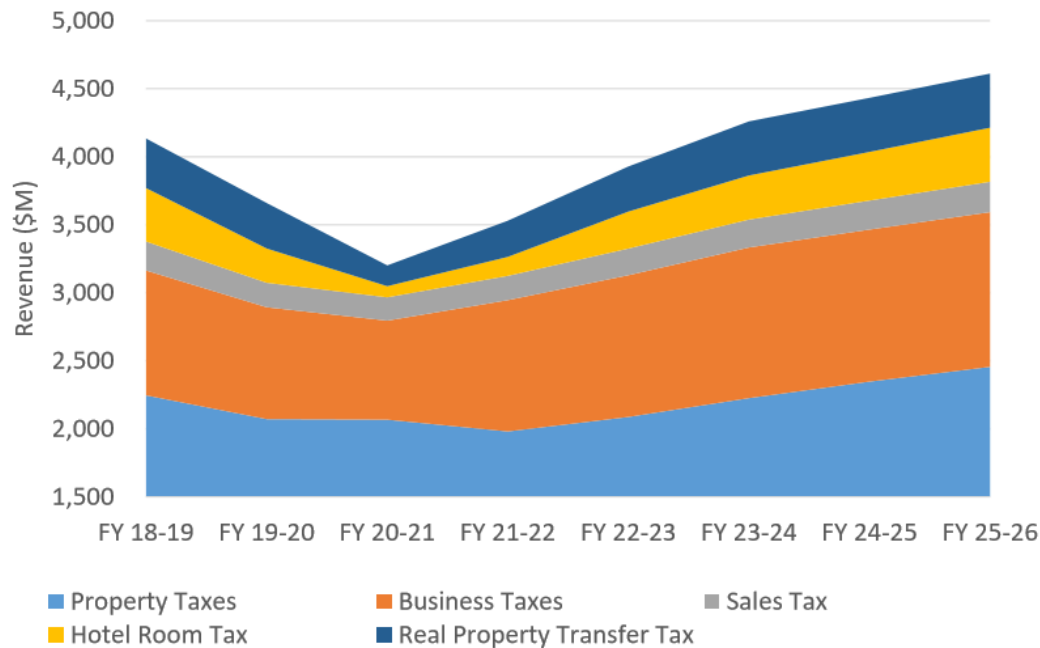
Dec 16	Budget Outlook & Instructions issued
Early Jan	Budget system opens to departments / CON budget system trainings
Jan 15	Proposed Five-Year Financial Plan FY21-22 through FY25-26 published
Jan 22	COIT and Capital budget requests due
Early Feb	Controller's 6-Month Report
Feb 22	Budget Department Phase submissions due
May	Controller's 9-Month Report Governor's May Revise
Jun 1	Mayor proposes balanced budget to Board of Supervisors
June	Budget and Finance Committee hearings
July	Budget considered at Board of Supervisors



City's Fiscal Outlook



Local Tax Revenues



- Transfer, hotel, sales, and business taxes most impacted by COVID, while property tax remains the most stable
- New revenues assumed to offset General Fund shortfall



City's Fiscal Outlook (continued)



Drawdown of Economic Stabilization Reserve

Balance in City's Economic Stabilization Reserve Fund



City's Fiscal Outlook (continued)



Five-Year Financial Plan Projection

	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
<i>SOURCES Increase / (Decrease)</i>	(117.6)	268.5	459.2	704.1	935.4
	-	-	-	-	-
<i>Uses</i>	-	-	-	-	-
Baselines & Reserves	(54.4)	(157.7)	(242.1)	(293.2)	(354.6)
Salaries & Benefits	(150.8)	(233.4)	(318.0)	(433.8)	(565.1)
Citywide Operating Budget Costs	(21.4)	(8.2)	(94.2)	(219.4)	(304.8)
Departmental Costs	(67.0)	(111.2)	(156.5)	(198.9)	(242.2)
<i>USES (Increase) / Decrease</i>	(293.6)	(510.6)	(810.9)	(1,145.4)	(1,466.8)
Projected Cumulative Surplus / (Shortfall)	(411.1)	(242.1)	(351.7)	(441.3)	(531.3)
Two Year Deficit	(653.2)				



City's Fiscal Outlook (continued)



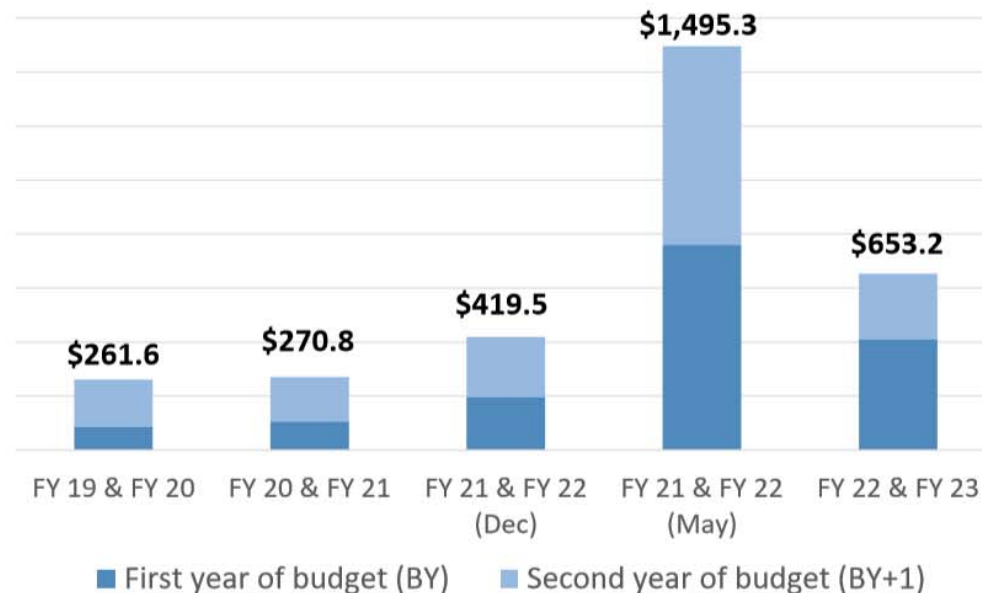
Overview: Fiscal Outlook

FY 2021-22 and FY 2022-23 deficit projection: **\$653.2 million over two years**

Key Drivers:

- Revenue declines
- Unbudgeted labor costs
- Ongoing COVID expenses

Deficit at Time of Budget Instructions (\$M)



Budget Instructions



Mayoral Policy Priorities

- Supporting small business and economic recovery
- Prioritizing programs with demonstrated outcomes centered around equity
- Implementing homelessness and mental health programming
- Continuing to respond to COVID



Budget Instructions (continued)

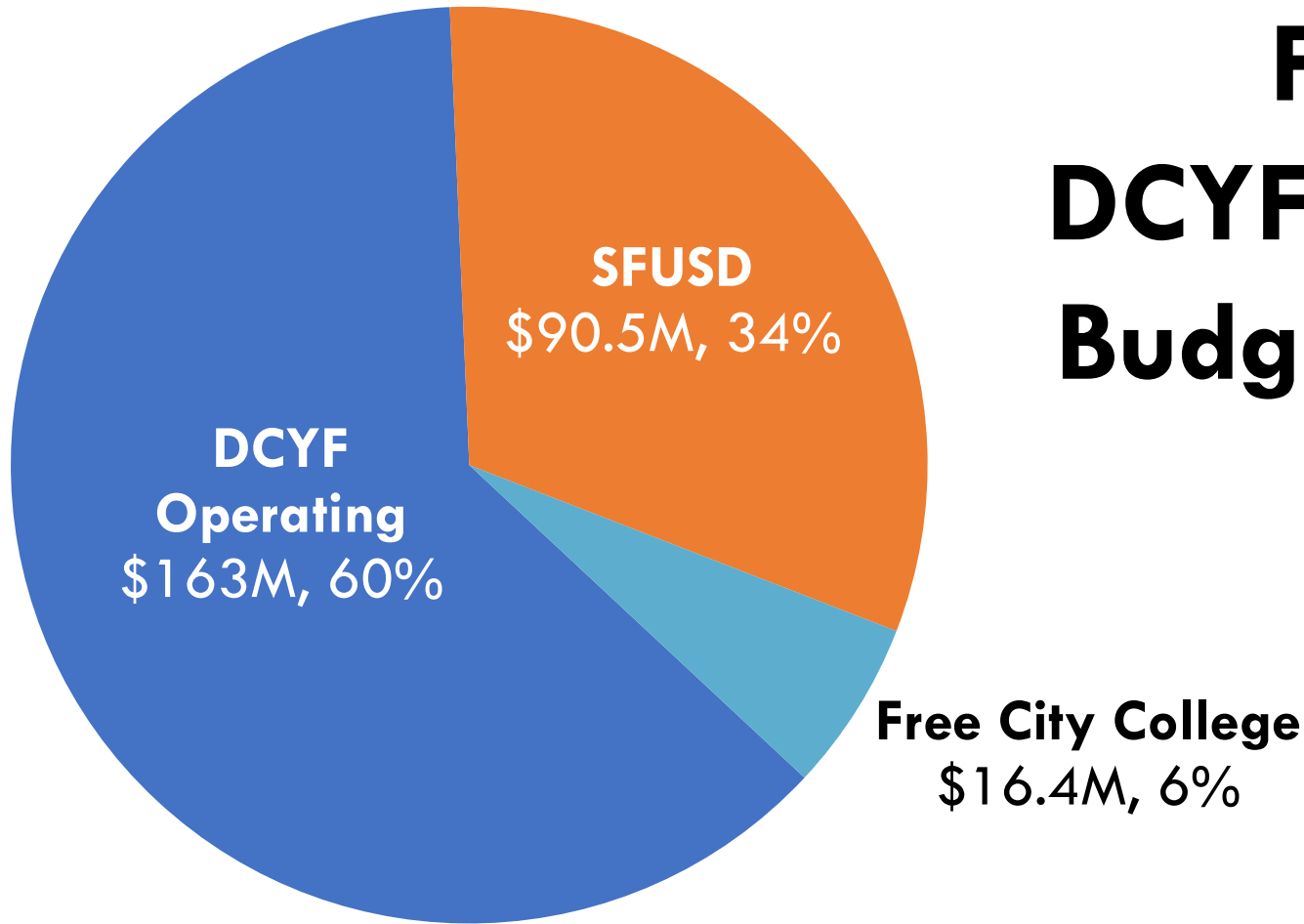


Budget Instructions to Departments

- Mandatory reduction proposals of 7.5% in adjusted General Fund support, with an additional 2.5% contingency should fiscal conditions worsen
- Departments should prioritize core services, and present clear tradeoffs
- Reduction proposals can include contract savings, efficiencies, new revenue sources, and reduction in personnel costs, including reduction in filled positions
- Non-General Fund departments and funds must balance within their own revenue projections



FY 2021-22 DCYF Operating Budget vs Other Programs



FY 2021-22 & FY 2022-23 DCYF Base Phase Operating Budget

FY21-22 & FY22-23 Base Phase* <i>as of Jan 25th 2021</i>	FY19-20	FY20-21	FY21-22 Base	FY21-22 Base Change From FY20-21	FY21-22 Base Change %	FY22-23 Base	FY22-23 Base Change From FY21-22	FY22-23 Base Change %
Salaries	6,496,123	6,547,757	6,932,262	384,505	5.9%	7,266,461	334,199	4.8%
Mandatory Fringe Benefits	2,984,645	3,157,084	3,342,139	185,055	5.9%	3,351,848	9,709	0.3%
Non-Personnel Services	8,745,925	8,585,115	6,637,771	(1,947,344)	-22.7%	6,637,771	0	0.0%
City Grant Program**	102,805,925	114,053,280	102,771,496	(11,281,784)	-9.9%	106,103,508	3,332,012	3.2%
Materials & Supplies	252,649	297,649	252,649	(45,000)	-15.1%	252,649	0	0.0%
Services Of Other Departments	40,487,059	37,529,614	37,439,092	(90,522)	-0.2%	37,439,092	0	0.0%
Transfer Adjustments - Uses	<u>6,100,000</u>	<u>5,060,000</u>	<u>5,430,000</u>	<u>370,000</u>	7.3%	<u>6,140,000</u>	<u>710,000</u>	13.1%
Total	167,872,326	175,230,499	162,805,409	(12,425,090)		167,191,329	4,385,920	

Note: *This does not reflect Department Phase Proposed Budget due February 22nd, 2021

**Due to one-time Sources (GFS & BOS Addbacks) for COVID Rapid Response



DCYF Budget Approach

- Sustained COVID Response
 - Emergency Child & Youth Care
 - Mass Feeding at C3
 - Partnership with SFUSD and DPH
 - Community Hubs Initiative
- Emphasis on Racial Equity
- Engage in Citywide COVID-specific budget planning process
- Clear Trade-offs to Mayor's Office



Questions?