FY2020-21 and FY2021-22 Budget Overview

Local Homeless Coordinating Board
January 6, 2020
City’s Financial Outlook

Short-term Outlook
• Economy strong, but revenue growth slowing
• Personnel and inflationary expenditures outpacing revenue

Long-Term Outlook – Areas of Risk:
• Increasing employee costs (salaries & benefits, pension and health costs)
• Moderate business tax growth
• Proportion of City budget allocated to baselines and set asides
• Projected decline in transfer tax revenue
## City’s Two-Year Budget Projections

<table>
<thead>
<tr>
<th></th>
<th>FY 20-21</th>
<th>FY 21-22</th>
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<tbody>
<tr>
<td><strong>Total Sources</strong></td>
<td>89.0</td>
<td>346.0</td>
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<tr>
<td><strong>Uses</strong></td>
<td></td>
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<tr>
<td>Baselines &amp; Reserves</td>
<td>(45.5)</td>
<td>(54.0)</td>
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<tr>
<td>Salaries &amp; Benefits</td>
<td>(167.9)</td>
<td>(269.6)</td>
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<tr>
<td>Other Citywide &amp; Departmental Expenditures</td>
<td>(70.8)</td>
<td>(246.6)</td>
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<tr>
<td><strong>Total Uses</strong></td>
<td>(284.2)</td>
<td>(570.2)</td>
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<tr>
<td><strong>Projected Cumulative Surplus / (shortfall)</strong></td>
<td>(195.2)</td>
<td>(224.2)</td>
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Mayoral Priorities

污染物的硬核目标是解决我们面对的挑战，与那些在街头挣扎的人们
- 住房、庇护和为有需要的人提供服务
- 干净和安全的街道
- 健康和活力的社区

焦点并重新优先考虑资金分配，以应对最紧迫的需求:
- 提供对街头的人们的帮助
- 对居民做出反应
- 支持城里的工人，他们正在努力

http://hsh.sfgov.org
Mayor’s Budget Instruction to Departments

- Mandated “target” efficiency/reduction proposals of 3.5% reduction in adjusted General Fund support, growing to 7% total reduction in second year of budget cycle

- Intensified focus on accountability and equitable outcomes

- Demonstrate the effective use of resources, help identify programs and funding that can be reprioritized
Complying with the Mayor’s budget instructions to reduce $6.2 million (3.5%) General Fund support in FY2020-21 and $12.4 million (7%) in FY2021-22.

Supporting HSH’s Strategic Framework goals

Ensuring equity for providers across services based on Controller’s Office’s equity analyses

Continuing $10.4 million in Whole Person Care investments after 2020

Sustainability of new programs after state and ERAF funds expire (ongoing 1,000 bed shelter expansion and new PSH operations)
Met with providers and advocates in December to preview FY20-22 budget preview and get feedback on HSH priorities

Ongoing funding challenges to hire and retain nonprofit staff based on low wages and high cost of housing

Contract funding has not kept pace with these cost pressures and impact sustainability of HSH services

HSH solicited feedback about what contracting/budget changes could support providers in spending down all contracted funds

Heard support for permanent housing to match shelter expansion and expanded investment in problem solving
2020 Budget Timeline

- Dec-Feb: HSH Budget Development, Stakeholder Meetings
- Feb. 21: Budget Submission Due to Mayor’s Office
- March-May: Mayor’s Office Budget Development
- May: City’s 9-Month Financial Projections Released
- June 1: Mayor Proposes Two-Year Budget
- June: Board of Supervisors Holds Budget Hearings
- July: Board Adopts Final FY2020-22 Budget

http://hsh.sfgov.org