



## CITY AND COUNTY OF SAN FRANCISCO

# MEMORANDUM

**TO:** Mayor Mark Farrell  
Members of the Board of Supervisors

**FROM:** Ben Rosenfield, Controller  
Kelly Kirkpatrick, Mayor's Acting Budget Director  
Severin Campbell, Board of Supervisors Budget & Legislative Analyst's Office

**DATE:** March 21, 2018

**SUBJECT:** **Update to the City's FY 2018-19 through FY 2021-22 Financial Plan**

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### **Executive Summary**

- This memo summarizes our offices' current projections of the City's General Fund revenues and expenditures for the coming four fiscal years, through Fiscal Year (FY) 2021-22. The projection updates the Five Year Financial Plan Update that was jointly prepared in December 2017.
- As was the case in the December projection, projected expenditure growth will exceed revenue growth in all years, resulting in growing shortfalls during the forecast period. The Charter requires the City to balance each fiscal year's budget, and to the extent ongoing solutions are adopted in that process, shortfalls in future years will be reduced accordingly.
- We project a \$136.9 million cumulative shortfall for the upcoming two fiscal years – the period for which the City is required to adopt a two-year budget in coming months. This represents an improvement of \$124.6 million versus the \$261.6 million projected in the December report. These changes are detailed in the report, but are primarily driven by stronger revenue and lower projected employer pension contributions.
- While the shortfalls during the first two years of the forecast have declined, it is in large part due to the use of onetime revenue sources. The projected shortfalls in out years of the forecast remain significant. The shortfall for FY 2020-21, the third year of the projection, is \$521 million which is \$422 million greater than the projected deficit for the year prior due to the spend down of fund balance and other onetime sources in the first two years. The fourth and final year of the plan, FY 2021-22, has a projected deficit of \$652 million.

- Importantly, these forecasts do not assume any new losses of federal or state revenues, which together account for approximately 20% of City revenues. Significant risks remain regarding federal and state revenues, particularly those related to the Affordable Care Act and SB1 state revenues for road resurfacing and transportation projects. Our offices will continue to monitor potential state and federal budget changes over the coming months.
- Forecasts also do not assume the passage of local ballot measures on upcoming ballots which would have significant implications, both positive and negative, for the General Fund. Two separate measures propose to increase gross receipts tax rates to fund either child care and early childhood education or housing and homeless services. Other measures would require the City to provide legal representation to all residential tenants facing eviction lawsuits and setting policy for the use of Tasers in the Police Department.

## Five Year Financial Plan Update

On December 21, 2017, the Five Year Financial Plan Update for FY 2018-19 through FY 2021-22 was jointly released by the Controller’s Office, Mayor’s Office, and Board of Supervisors Budget and Legislative Analyst’s Office. This memo updates that report with the most recent information on the City’s fiscal condition.

The cost of City services is still projected to outpace revenue growth. Total expenditures are projected to grow by \$1.1 billion over the next four years, which represents an increase of 22% over FY 2017-18 budgeted spending levels. In contrast, available General Fund sources are projected to grow 9%, or \$488.7 million over the same period. If the City does not take corrective action, the projected gap between revenues and expenditures will rise from \$36.9 million in FY 2018-19 to approximately \$651.7 million in FY 2021-22, as shown in Table 1 below.

**Table 1: Updated Base Case – Summary of FY 2019-22 General Fund-Supported Projected Budgetary Cumulative Surplus / (Shortfall) (\$ in millions)**

Updated Projection	FY 18-19	FY 19-20	FY 20-21	FY 21-22	% of Uses
<i>SOURCES Increase/(Decrease)</i>	235.1	510.5	360.2	488.7	
Baselines & Reserves	(83.6)	(117.9)	(163.6)	(190.7)	17%
Salaries & Benefits	(112.5)	(261.4)	(411.4)	(531.2)	47%
Citywide Operating Budget Costs	(50.9)	(152.9)	(209.7)	(283.1)	25%
Departmental Costs	(26.0)	(77.4)	(96.5)	(135.6)	12%
<i>USES Increase/(Decrease)</i>	(273.0)	(609.5)	(881.2)	(1,140.6)	100%
<b>Projected Cumulative Surplus / (Shortfall)</b>	<b>(37.9)</b>	<b>(99.0)</b>	<b>(521.0)</b>	<b>(651.9)</b>	

Since December, the City has seen changes to its fiscal outlook due to:

- Additional sources identified in the Controller’s FY 2017-18 Six-Month Budget Status Report and a revision of the City’s revenue projections based on updated forecasts;
- Reduced inflationary costs in all years except FY 2020-21, as projected by the California Department of Finance and Moody’s;
- Decreases in retirement plan employer contribution rates;
- Increases in projected departmental costs, including the ongoing impact of supplemental appropriations approved in the current fiscal year.

## Background

San Francisco Administrative Code Section 3.6(b) requires that by March 1 of each even-numbered year, the Mayor, Board of Supervisors Budget Analyst, and Controller submit an updated estimated summary budget projection for the remaining four years of the City’s Five Year Financial Plan. That update was released on December 21, 2017. This memo provides updated expenditure and revenue projections for the fiscal years covered in that report, assuming no changes to current policies and staffing levels. The next full update of the City’s Five Year Financial Plan will be submitted in December 2018.

## Changes from the December 2017 Projections

Most of the key assumptions outlined in the Five Year Financial Plan Update released in December 2017 still apply, with the changes described in detail below and summarized in Table 2. The City’s projected deficit decreased incrementally by \$50.3 million in FY 2018-19, an additional \$74.4 million in FY 2019-20, \$40.1 million in FY 2020-21, and \$57.4 million in FY 2021-22.

**Table 2: Summary Changes to Updated Projected Budgetary Surplus / (Shortfall)**

	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<i>Incremental Changes To:</i>				
Sources - Revenue and Fund Balance	45.2	59.8	29.9	51.9
Uses - Baselines & Reserves	(5.5)	(0.9)	(5.5)	(10.5)
Uses - Salaries & Benefits	20.2	29.4	26.3	27.8
Uses - Citywide Operating Budget Costs	(0.3)	(0.4)	(0.9)	(1.1)
Uses - Departmental Costs	(9.4)	(13.5)	(9.8)	(10.7)
<b>Total Incremental Change</b>	<b>50.3</b>	<b>74.4</b>	<b>40.1</b>	<b>57.4</b>

**SOURCES – Revenue and Fund Balance:** Projected General Fund sources have increased by \$45.2 million in FY 2018-19, \$59.8 million in FY 2019-20, \$29.9 million in FY 2020-21, and \$51.9 million FY 2021-22.

- **Fund Balance** – On February 10, 2018, the Controller’s Office issued its FY 2017-18 Six-Month Budget Status Report. The report projected the FY 2017-18 ending fund balance to be \$61.6 million above the balance assumed in the Five Year Financial Plan. This update assumes the use of this fund balance to be split one-third in FY 2018-19 and two-thirds in FY 2019-20, bringing the total Fund Balance assumed over the two-year period to \$419.3

million. The expiration of this onetime source is the largest driver of the \$422 million increase in the cumulative deficit shown in Table 1 above, from \$99 million in FY 2019-20 to \$521 million in FY 2020-21.

- **Local Tax Revenue** – Based on input on the City’s underlying economic condition provided during the February 2018 Municipal Finance Advisory Committee (MFAC) meeting, as well as six months of collections in the current fiscal year, General Fund revenues are projected to grow faster than assumed in the December 2017 plan in all years. The revenue increase is due to higher than previously projected property, business tax, and hotel tax, tempered by weakness in sales and parking taxes.

**USES – Baselines and Reserves:** Increases to projected General Fund sources over the next four years result in corresponding increases to baseline and reserves in all four years. These costs increased by \$5.5 million in FY 2018-19, \$0.9 million in FY 2019-20, \$5.5 million in FY 2020-21, and \$10.5 million in FY 2021-22.

- **Baselines** – Net increases in projected revenue increase baseline funding to the Municipal Transportation Agency, Library, Children’s and Public Education Enrichment Fund, Street Tree Maintenance Fund, and other baselines in all years.
- **Reserves** – Revenue increases also trigger additional General Reserve deposits. In addition, the Plan reflects replenishment of \$0.9 million to the General Reserve in FY 2018-19 related to the FY 2017-18 supplemental appropriation supporting funds for legal services for immigrants. The update does not assume any deposit to the Budget Stabilization or Rainy Day Reserves.

**USES – Salaries and Benefits:** Salary and benefit costs decreased by \$20.2 million in FY 2018-19, \$29.4 million in FY 2019-20, \$26.3 million in FY 2020-21, and \$27.8 million in FY 2021-22, due to the following changes:

- **Labor Agreements** – In years where contracts are open, the report continues to assume CPI increases, which are revised in this plan to be 3.06% in FY 2018-19, 3.19% in FY 2019-20, 3.17% in FY 2020-21, and 3.01% in FY 2021-22. These changes are based on updates to the average projections of the California Department of Finance San Francisco Area CPI and Moody’s SF Metropolitan Statistical Area CPI. The City is in active negotiations with physician and dentist, police officer, and firefighter unions for Memoranda of Understanding (MOUs) to begin in FY 2018-19. For the majority of miscellaneous employee unions the report assumes negotiated rates of 3% through FY 2018-19 and increases of CPI, as noted above, thereafter.
- **Retirement Benefits – Employer Contribution Rates** – Changes in the assumed employer contribution rates for SFERS are the largest drivers of the decreased salary and benefit costs compared to December 2017 projections. Due to multiple factors, including investments gains, liability experience, payroll growth, and method and assumption changes, the employer contribution rates assumed over the next four years have declined. Savings from this rate change are partially offset by a change in the assumed amortization

period for paying down the City's unfunded CalPERS liability from 30 to 20 years, which will increase costs by \$16.2 million over the next four years but will result in estimated net savings of \$79.3 million over the amortization period.

- **Health and Dental Benefits for Current Employees** – The update has no changes to the December assumptions the annual growth in health costs for current and retired employees.

**USES – Citywide Operating Costs:** Citywide operating costs increased by \$0.3 million in FY 2018-19, \$0.4 million in FY 2019-20, \$0.9 million in FY 2020-21, and by \$1.1 million in FY 2021-22.

These changes are primarily due to small projected increases in citywide non-personnel contracts and external leases, partially offset by the updated CPI assumptions mentioned above.

**USES – Departmental Costs:** Departmental costs increased by \$9.4 million in FY 2018-19, \$13.5 million in FY 2019-20, \$9.8 million in FY 2020-21, and \$10.7 million in FY 2021-22. These changes are primarily due to changes with the City's elections system and schedule, and the ongoing impact of supplemental appropriations approved in the current fiscal year, primarily related to the In-Home Support Services cost shift and the expansion of immigration services:

- **Elections System Lease Costs** – The City's contract with its current voting system vendor expires in December 2018. In February 2018, the Department of Elections issued a Request for Proposals to lease or rent a new voting system. This update assumes increased departmental operating costs of \$2.0 million in FY 2018-19 to account for the new lease, decreasing to \$1.0 million starting in FY 2019-20 to account for phasing out of costs associated with the expiring voting system.
- **Replenishment of the Election Campaign Fund** - Due to the projected use of the Elections Campaign Fund for the Mayoral election in June 2018, the Election Campaign Fund will need to be replenished in FY 2018-19 and FY 2019-20 for the November 2018 supervisorial election and the November 2019 Mayoral election. The additional projected General Fund cost is \$1.6 million in FY 2018-19, and \$2.9 million in FY 2019-20.
- **In-Home Support Services (IHSS) cost shift from state** - This update reflects changes to the projected impact of the state cost shift of the IHSS program due to additional information from the state on the City's future Maintenance of Effort (MOE) obligation and cost reimbursement cap for administrative costs, and the inclusion of the updated CPI rates in the out years. The updated projections result in a \$14.7 million increase of cost to the City over the next four years.
- **Annualization of Current Year Supplemental Appropriations** - This update reflects the annualized, ongoing cost of supplemental appropriations passed by the Board of Supervisors in FY 2017-18. This includes the \$1.4 million annual cost to backfill reduced federal funding to the Department of Public Health and the \$3.5 million annual cost to provide additional Public Defender staff for deportation defense and immigration related legal services through the Mayor's Office of Housing and Community Development.

## Key Factors that Could Affect the Forecast

As with all projections, uncertainties exist regarding key factors that could affect the City's financial condition:

- **Changes in the Economic Cycle** – This projection assumes the economic recovery and expansion that began in FY 2009-10 will continue through the forecast period and will be reflected in tax revenue increases. The rapid rates of growth experienced in the early part of the recovery have slowed, and in some cases declined, and low rates of growth are expected to persist in the forecast period. Economic growth, and the revenue derived from it, is heavily dependent on changes in employment, business activity, and tourism. Physical and financial constraints are expected to limit this growth. This report does not assume any economic downturns or large changes in macroeconomic conditions; however, given the duration of economic expansions over the last century, it would be an historical anomaly if there were no recession during the forecast period.
- **Local Initiatives** – The June 2018 local ballot includes several initiatives with fiscal impacts. This projection does not include the passage of any of these initiatives. Below is a subset of measures on the June ballot with projected financial impacts to the City.
  - *Ordinance establishing a program to provide legal representation to all residential tenants facing eviction lawsuits* – The projected cost of this measure is between \$4.2 million and \$5.6 million per year, depending on the rate at which residents utilize the legal services offered.
  - *Ordinance setting a gross receipts tax for child care and early education* - This measure would generate an estimated \$146 million per year to fund early care and education.
  - *Ordinance setting a gross receipts tax for housing and homeless services* – This measure would generate an estimated \$70 million per year to fund affordable housing and homeless services.
  - *Ordinance setting a policy for the use of Tasers in the San Francisco Police Department* - Implementation of this measure would require one-time costs of \$4.5 million to purchase the equipment and \$0.2 million per year to pay for ongoing costs.
- **Federal and State Budget Risks** – Like the December report, this update does not assume any further changes as a result of policy changes at the state or federal level other than those noted above. However, a number of risks exist that could have a significant impact on the projections presented in this report. Potential risks include:
  - Tax Reform – The impacts of the December 2017 federal tax bill on San Francisco are not clear at this time; however, changes such as the reduction in the mortgage interest tax deduction and the cap on the State and Local Tax (SALT) deduction could have a significant economic impact on San Francisco.

- Affordable Care Act (ACA) and Other Healthcare Changes – The December 2017 federal tax bill also included a repeal of the mandate that all individuals have health insurance. This change will have an unknown impact on the stability of health care markets, which could result in higher premiums that could impact the City. Additionally, a possible restriction on the 340B Drug Pricing Program at the Department of Public Health would have significant impact on revenues at the department, ranging from \$5-\$10 million annually.
- Potential Repeal of State Gas Tax (SB1) – A potential November 2018 state ballot measure would repeal the \$0.12 per gallon increase gas tax that went into effect on January 1, 2018. The City budgeted \$23 million for road repaving annually from this measure starting in FY 2018-19 as well as \$27 million and \$9.5 million in ongoing revenues for SFMTA operations and State of Good Repair, respectively. Loss of this revenue would put critical transportation projects and investments assumed in this projection at risk.

## **Conclusion**

While continued revenue growth has reduced the deficits in this four year projection, the use of significant amounts of onetime revenue in the first two-years of the projection means the City's structural problem of expenditures growing faster than revenues is acutely felt by the third year of the projection. This reliance on nonrecurring revenue, coupled with great uncertainty from the state and federal budgets and the timing of the economic cycle, results in areas of concern for the City's future financial outlook.

While the shortfalls shown here reflect the difference in projected revenues and expenditures if current service levels and policies continue, San Francisco's Charter requires that each year's two-year budget be balanced. Balancing the budget each year will require some combination of expenditure reductions and additional revenues. To the extent that budgets are balanced with onetime solutions, future shortfalls will continue to be significant and pose difficult choices for policy makers.

## APPENDIX A: UPDATED BASE CASE – KEY CHANGES TO GENERAL FUND-SUPPORTED SOURCES & USES FY 2019-22 – INCREMENTAL CHANGE

This appendix provides an updated version of Table A-1 from the December Five Year Financial Plan Update.

<b>SOURCES</b> Increase / (Decrease)	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
General Fund Taxes, Revenues and Transfers net of items below	245.8	109.0	114.2	112.8
Change in One-Time Sources	(42.1)	139.8	(279.5)	-
Children's Fund Property Tax Setaside Revenue	12.7	2.3	3.9	4.0
Department of Public Health Revenues	(5.0)	14.9	6.7	7.0
Other General Fund Support	23.7	9.5	4.4	4.6
<b>TOTAL CHANGES TO SOURCES</b>	<b>235.1</b>	<b>275.4</b>	<b>(150.3)</b>	<b>128.5</b>
<b>USES</b> Decrease / (Increase)				
<b>Baselines &amp; Reserves</b>				
Municipal Transportation Agency (MTA) Baselines	(31.1)	(13.3)	(14.8)	(13.9)
MTA New Central Subway	-	(10.7)	(3.6)	(0.4)
Children's Fund and Public Education Enrichment Fund	(22.3)	(11.4)	(13.4)	(12.7)
Housing Trust Fund	(2.8)	(2.8)	(2.8)	(2.8)
Dignity Fund	(3.0)	(3.0)	(3.0)	(3.0)
Recreation and Parks Baseline	(3.0)	(3.0)	(3.0)	(3.0)
All Other Baselines	(7.8)	(3.7)	(4.0)	(3.7)
Deposits to General Reserve	(0.9)	3.9	(0.7)	12.9
Other Contributions to Reserves	(12.8)	9.8	(0.5)	(0.5)
<b>Subtotal Baselines &amp; Reserves</b>	<b>(83.6)</b>	<b>(34.3)</b>	<b>(45.7)</b>	<b>(27.1)</b>
<b>Salaries &amp; Benefits</b>				
Annualization of Partial Year Positions	(3.9)	-	-	-
Previously Negotiated Closed Labor Agreements	(56.2)	-	-	-
Projected Costs of Open Labor Agreements	(15.8)	(97.2)	(99.0)	(96.5)
Health & Dental Benefits - Current & Retired Employees	(28.1)	(33.2)	(36.1)	(39.1)
Retirement Benefits - Employer Contribution Rates	(8.5)	1.6	(23.8)	17.4
Other Salaries and Benefits Savings / (Costs)	-	(20.0)	8.9	(1.5)
<b>Subtotal Salaries &amp; Benefits</b>	<b>(112.5)</b>	<b>(148.9)</b>	<b>(150.0)</b>	<b>(119.7)</b>
<b>Citywide Operating Budget Costs</b>				
Minimum Wage	(10.0)	(3.5)	(0.6)	(0.6)
Capital, Equipment, & Technology	(3.6)	(45.0)	(3.9)	(15.0)
Inflation on non-personnel costs and grants to non-profits	(12.8)	(34.8)	(35.7)	(34.9)
Debt Service & Real Estate	(12.6)	(17.4)	(31.4)	(14.9)
Sewer, Water, and Power Rates	(1.9)	(1.9)	(1.8)	(1.9)
Hall of Justice Exit	(8.0)	3.0	19.0	(3.6)
Other Citywide Costs	(2.0)	(2.4)	(2.4)	(2.4)
<b>Subtotal Citywide Operating Budget Costs</b>	<b>(50.9)</b>	<b>(102.0)</b>	<b>(56.8)</b>	<b>(73.4)</b>
<b>Departmental Costs</b>				
City Administrator's Office - Convention Facilities Subsidy	1.0	9.6	(0.5)	(0.2)
Elections - Number of Scheduled Elections	(1.2)	(5.8)	5.4	(0.3)
Ethics Commission - Public Financing of Elections	(1.6)	(2.9)	2.9	(0.0)
Free City College	(2.2)	(3.1)	-	-
Mission Bay Transportation Improvement Fund	(0.1)	(7.3)	(0.2)	(0.2)
Mayor's Office of Housing - HOPE SF and Local Operating Subsidy	(5.2)	(3.3)	(8.6)	(8.1)
Human Services Agency - Aid	1.1	(1.4)	(0.1)	0.0
Human Services Agency - IHSS	(29.8)	(26.0)	(16.5)	(13.8)
Annualization of Current Year Supplemental Appropriations	(4.9)	-	-	-
Public Health - Operating and one-time costs for capital projects	21.8	(10.2)	0.0	(16.3)
All Other Departmental Savings / (Costs)	(5.0)	(1.0)	(1.6)	(0.2)
<b>Subtotal Departmental Costs</b>	<b>(26.0)</b>	<b>(51.4)</b>	<b>(19.1)</b>	<b>(39.1)</b>
<b>TOTAL CHANGES TO USES</b>	<b>(273.0)</b>	<b>(336.5)</b>	<b>(271.7)</b>	<b>(259.4)</b>
<b>Projected Surplus (Shortfall) vs. Prior Year</b>	<b>(37.9)</b>	<b>(61.1)</b>	<b>(422.0)</b>	<b>(130.8)</b>
<b>Cumulative Projected Surplus (Shortfall)</b>	<b>(37.9)</b>	<b>(99.0)</b>	<b>(521.0)</b>	<b>(651.9)</b>



## APPENDIX B: UPDATED BASE CASE – KEY CHANGES TO GENERAL FUND-SUPPORTED SOURCES & USES FY 2019-22 – CUMULATIVE CHANGE

This appendix provides an updated version of Table A-2 from the December Five Year Financial Plan Update.

<b>SOURCES Increase / (Decrease)</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
General Fund Taxes, Revenues and Transfers net of items below	245.8	354.8	469.0	581.8
Change in One-Time Sources	(42.1)	97.7	(181.8)	(181.8)
Children's Fund Property Tax Setaside Revenue	12.7	15.0	18.8	22.9
Department of Public Health Revenues	(5.0)	9.9	16.6	23.6
Other General Fund Support	23.7	33.2	37.7	42.3
<b>TOTAL CHANGES TO SOURCES</b>	<b>235.1</b>	<b>510.5</b>	<b>360.2</b>	<b>488.7</b>
<b>USES Decrease / (Increase)</b>				
<b>Baselines &amp; Reserves</b>				
Municipal Transportation Agency (MTA) Baselines	(31.1)	(44.4)	(59.2)	(73.1)
MTA New Central Subway	-	(10.7)	(14.3)	(14.7)
Children's Fund and Public Education Enrichment Fund	(22.3)	(33.7)	(47.1)	(59.8)
Housing Trust Fund	(2.8)	(5.6)	(8.4)	(11.2)
Dignity Fund	(3.0)	(6.0)	(9.0)	(12.0)
Recreation and Parks Baseline	(3.0)	(6.0)	(9.0)	(12.0)
All Other Baselines	(7.8)	(11.5)	(15.5)	(19.2)
Deposits to General Reserve	(0.9)	2.9	2.2	15.2
Other Contributions to Reserves	(12.8)	(3.0)	(3.4)	(3.9)
<b>Subtotal Baselines &amp; Reserves</b>	<b>(83.6)</b>	<b>(117.9)</b>	<b>(163.6)</b>	<b>(190.7)</b>
<b>Salaries &amp; Benefits</b>				
Annualization of Partial Year Positions	(3.9)	(3.9)	(3.9)	(3.9)
Previously Negotiated Closed Labor Agreements	(56.2)	(56.2)	(56.2)	(56.2)
Projected Costs of Open Labor Agreements	(15.8)	(113.0)	(212.0)	(308.5)
Health & Dental Benefits - Current & Retired Employees	(28.1)	(61.4)	(97.5)	(136.5)
Retirement Benefits - Employer Contribution Rates	(8.5)	(6.9)	(30.8)	(13.4)
Other Salaries and Benefits Savings / (Costs)	-	(20.0)	(11.1)	(12.6)
<b>Subtotal Salaries &amp; Benefits</b>	<b>(112.5)</b>	<b>(261.4)</b>	<b>(411.4)</b>	<b>(531.2)</b>
<b>Citywide Operating Budget Costs</b>				
Minimum Wage	(10.0)	(13.5)	(14.1)	(14.7)
Capital, Equipment, & Technology	(3.6)	(48.6)	(52.5)	(67.6)
Inflation on non-personnel costs and grants to non-profits	(12.8)	(47.6)	(83.2)	(118.2)
Debt Service & Real Estate	(12.6)	(29.9)	(61.3)	(76.2)
Sewer, Water, and Power Rates	(1.9)	(3.9)	(5.7)	(7.5)
Hall of Justice Exit	(8.0)	(5.0)	14.0	10.4
Other Citywide Costs	(2.0)	(4.4)	(6.9)	(9.3)
<b>Subtotal Citywide Operating Budget Costs</b>	<b>(50.9)</b>	<b>(152.9)</b>	<b>(209.7)</b>	<b>(283.1)</b>
<b>Departmental Costs</b>				
City Administrator's Office - Convention Facilities Subsidy	1.0	10.6	10.2	10.0
Elections - Number of Scheduled Elections	(1.2)	(7.0)	(1.7)	(1.9)
Ethics Commission - Public Financing of Elections	(1.6)	(4.5)	(1.6)	(1.6)
Free City College	(2.2)	(5.4)	(5.4)	(5.4)
Mission Bay Transportation Improvement Fund	(0.1)	(7.3)	(7.5)	(7.7)
Mayor's Office of Housing - HOPE SF and Local Operating Subsidy	(5.2)	(8.5)	(17.1)	(25.2)
Human Services Agency - Aid	1.1	(0.3)	(0.4)	(0.4)
Human Services Agency - IHSS	(29.8)	(55.7)	(72.2)	(86.1)
Annualization of Current Year Supplemental Appropriations	(4.9)	(4.9)	(4.9)	(4.9)
Public Health - Operating and one-time costs for capital projects	21.8	11.5	11.6	(4.7)
All Other Departmental Savings / (Costs)	(5.0)	(5.9)	(7.5)	(7.7)
<b>Subtotal Departmental Costs</b>	<b>(26.0)</b>	<b>(77.4)</b>	<b>(96.5)</b>	<b>(135.6)</b>
<b>TOTAL CHANGES TO USES</b>	<b>(273.0)</b>	<b>(609.5)</b>	<b>(881.2)</b>	<b>(1,140.6)</b>
<b>Cumulative Projected Surplus (Shortfall)</b>	<b>(37.9)</b>	<b>(99.0)</b>	<b>(521.0)</b>	<b>(651.9)</b>

## APPENDIX C: UPDATED BASE CASE – SUMMARY OF GENERAL FUND SUPPORTED OPERATING REVENUES AND TRANSFERS IN FY 2017-22

This appendix provides an updated version of Table A-3a from the December Five Year Financial Plan Update.

	FY2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
	Year-End Actuals	Original Budget	Projection	Projection	Projection	Projection
Property Taxes	\$ 1,481.1	\$ 1,557.0	\$ 1,687.0	\$ 1,727.0	\$ 1,791.0	\$ 1,858.0
Business Taxes	700.5	750.8	884.0	923.7	952.1	977.7
Sales Tax	189.5	199.9	194.8	196.7	198.7	200.7
Hotel Room Tax	370.3	372.3	391.9	405.3	415.6	424.0
Utility Users Tax	101.2	99.7	101.7	102.6	103.8	105.0
Parking Tax	84.3	82.2	83.4	83.4	83.4	83.4
Real Property Transfer Tax	410.6	300.0	245.0	245.0	245.0	245.0
Sugar Sweetened Beverage Tax	-	7.5	15.0	15.0	15.0	15.0
Stadium Admission Tax	1.2	1.4	1.2	5.5	5.5	5.5
Access Line Tax	46.5	49.6	49.4	51.0	52.6	54.2
<b>Subtotal - Local Tax Revenues</b>	<b>3,385.3</b>	<b>3,420.4</b>	<b>3,653.5</b>	<b>3,755.3</b>	<b>3,862.6</b>	<b>3,968.5</b>
Licenses, Permits & Franchises	29.3	30.0	30.5	30.7	30.8	31.0
Fines, Forfeitures & Penalties	2.7	4.6	3.6	3.6	3.6	3.6
Interest & Investment Income	24.2	18.2	24.7	24.9	25.2	25.4
Rents & Concessions	15.6	14.1	15.0	15.0	15.0	15.0
<b>Subtotal - Licenses, Fines, Interest, Rent</b>	<b>71.8</b>	<b>66.8</b>	<b>73.7</b>	<b>74.1</b>	<b>74.6</b>	<b>75.0</b>
Social Service Subventions	238.8	256.6	261.9	261.9	261.9	261.9
Other Grants & Subventions	(8.5)	7.3	8.6	8.6	8.6	8.6
<b>Subtotal - Federal Subventions</b>	<b>230.2</b>	<b>264.0</b>	<b>270.5</b>	<b>270.5</b>	<b>270.5</b>	<b>270.5</b>
Social Service Subventions	209.9	225.0	225.9	229.5	232.2	235.0
Health & Welfare Realignment - Sales Tax	154.0	156.3	161.3	164.9	168.6	172.4
Health & Welfare Realignment - VLF	38.1	32.3	44.7	45.1	45.5	45.9
Health & Welfare Realignment - CalWORKs	14.9	21.6	21.6	21.6	21.6	21.6
Health/Mental Health Subventions	148.9	159.3	148.6	148.6	148.6	148.6
Public Safety Sales Tax	100.4	101.6	103.1	104.7	106.3	107.8
Motor Vehicle In-Lieu (County & City)	0.7	-	-	-	-	-
Public Safety Realignment (AB109)	35.5	41.3	39.0	40.2	41.0	41.8
Other Grants & Subventions	22.4	14.3	14.3	14.3	14.3	14.3
<b>Subtotal - State Subventions</b>	<b>724.8</b>	<b>751.9</b>	<b>758.6</b>	<b>768.9</b>	<b>778.1</b>	<b>787.5</b>
General Government Service Charges	65.1	67.5	63.9	63.9	63.9	63.9
Public Safety Service Charges	46.2	43.9	43.3	43.3	43.3	43.3
Recreation Charges - Rec/Park	20.8	20.3	20.5	20.5	20.5	20.5
MediCal, MediCare & Health Svc. Chgs.	62.4	84.1	83.6	83.6	83.6	83.6
Other Service Charges	17.2	17.2	18.8	18.8	18.8	18.8
<b>Subtotal - Charges for Services</b>	<b>211.7</b>	<b>232.9</b>	<b>230.0</b>	<b>230.0</b>	<b>230.0</b>	<b>230.0</b>
<b>Recovery of General Government Costs</b>	<b>10.9</b>	<b>9.9</b>	<b>9.4</b>	<b>9.4</b>	<b>9.4</b>	<b>9.4</b>
<b>Other General Fund Revenues</b>	<b>37.8</b>	<b>43.4</b>	<b>44.1</b>	<b>44.1</b>	<b>44.1</b>	<b>44.1</b>
<b>TOTAL REVENUES</b>	<b>4,672.5</b>	<b>4,789.3</b>	<b>5,039.9</b>	<b>5,152.4</b>	<b>5,269.4</b>	<b>5,385.0</b>
<b>Transfers in to General Fund</b>						
Airport	45.0	45.6	45.5	50.6	52.2	53.9
Other Transfers	201.7	125.5	122.8	122.8	122.8	122.8
<b>Total Transfers-In</b>	<b>246.8</b>	<b>171.1</b>	<b>168.3</b>	<b>173.4</b>	<b>175.0</b>	<b>176.8</b>
<b>TOTAL GF Revenues and Transfers-In</b>	<b>4,919.3</b>	<b>4,960.4</b>	<b>5,208.1</b>	<b>5,325.8</b>	<b>5,444.4</b>	<b>5,561.8</b>