



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

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Post-Forum Questions and Answers

June 5, 2020 Nonprofit Policy Forum

Do the projections include defunding Police activities and returning funds to the community? How are you looking at ways to revise law enforcement funding?

- The deficit projections are “base case projections”, meaning they assume that current operations continue and do not incorporate any new policy choices.

Has the City considered early retirement options such as 3:3 to save jobs?

- The City is considering a variety of reduction options at this time.

Why are the salaries by year going up so much from year to year? It seems that you are inflating the payroll assumptions in a time of economic depression.

- The wage increases assumed in the early years of the forecast are based on actual costs from negotiated closed labor contracts that the City adopted during FY 2018 and FY 2019 labor agreements.

Any idea when the Shelter in Place will be lifted for non-profit organizations? When might we be able to open our offices?

- The City is working closely with DPH to develop clear guidelines across all sectors of our City economy. The most updated information can be found at [sfgov.org](https://www.sfgov.org).

Departments are being asked to reduce their budget, will San Francisco's millionaires and billionaires be directly mandated to contribute to the City's budget? They could easily be taxed \$1.7 billion over the next two-years to make up for the shortfall. Why are San Francisco's most vulnerable citizens and public service departments/organizations being asked to make reductions?

- The Board of Supervisors and Mayor have introduced a number of tax measures over the last week for the November 2020 ballot. These will need to be approved by voters in November in order to be implemented.

May City Departments allow CBOs to roll-over unspent funds from FY19-20 into FY20-21?

- These decisions will be made throughout the Mayor and Board’s budget processes. Departments may consider carryforward requests on a case-by-case basis. Please stay in regular communication with your grantmaking department(s).

Our department Program Manager doesn't know the status of our funding. How can we get information?

- Please continue touching base with the Program Manager. They will receive updated information from the Mayor’s Budget Office throughout this process as we approach the August 1 budget.

Will organizations be able to get advance payments typically received in July?

- The Controller's Office is developing a policy and procedure to determine how advance payment will be processed given the interim budget. Procedures will be communicated to departments when developed.

Through when will May and June invoices be honored? What's the last day CBOs can submit May and June invoices?

- Nonprofits should submit FY 19-20 invoices by June 29, 2020. Departments may process invoices received after June 30, 2020, up to August 1, 2020. Nonprofits should consult with their funding departments regarding department-specific internal deadlines beyond June 30, 2020.

Does the flexibility City Departments have been asked to follow with CBOs include flexibility on how to submit invoices to the City Departments? Can there be a requirement asking City Departments not require excessive back-up for monthly invoices, given our remote virtual environment and the obstacles that come with it?

- The Controller's Office has eliminated the fiscal monitoring site visits and desk reviews for FY20-21 except those required by federal or state funding sources. Additionally, the Controller's Office supports a sampling approach to documentation review, including only reviewing documentation for 2 months of invoices during the year rather than requiring documentation for every invoice. However, suppliers are required to retain and make available upon request documentation of all expenses invoiced to the City, and departments may request documentation at their discretion.

Is the \$1.7B projection per year, or over the next two fiscal years combined from FY20 through FY22?

- It is a cumulative deficit through FY22.

Is it a 10% reduction for 20-21? and 15% for 21-22?

- Yes, the General Fund support reduction is equivalent to 10% of adjusted General Fund support in FY 20-21 and 15% in FY 21-22. There is also a 5% contingency in FY 20-21, should revenue projections worsen.

Are the COLA adjustments the same as the CODB adjustments? Will contracts, at a minimum, be reduced to FY 2019-2020 levels?

- The cost of living adjustment (COLA) is the same as the cost of doing business (CODB) adjustment. The interim budget pauses the CODB *increase* initially planned for July 1. Departments were not instructed to strip the FY 19-20 CODB allocation from budgets. The choice to implement new increases in FY 20-21 will be revisited in August and September as part of the budget that the Mayor and Board will review and adopt for October 1. Funds are not appropriated or available for the July 1st increase and previous contracts that included this assumption will need to be modified to remove it. Should funds be appropriated for this purpose in the October 1 budget, contracts will be amended accordingly.

Department-Specific Questions

- How might existing DCYF community (add-back) grants be impacted? Our organization receives DCYF budgets. We understand there will be cuts. Is it possible our grants will be cut completely, or is more likely we will see a 10% cut?

- What cuts has DAS offered up to date?
- What happens with the new round of MOHCD grants that were to begin July 1?
- We've recently signed new contracts with the City effective this fiscal year. What is the likelihood that they will retroactively be decreased?
- If we are currently a non-profit contractor receiving funding through OEWD, can we assume that our funding will be extended to December 31, 2020 at the current levels?

See the following response to all department-specific questions:

- All grants and contracts may be revisited during the budget process, depending on available funding levels. Departments submitted revised budget proposals, which will be reviewed through the budget process over the next few months. Department's February 2020 budget submissions are posted on the [SF Budget website](#). Updated June submissions are expected by the end of the week. The link to departments' budgets within the SF Budget website is [here](#).

Regarding contract extensions or carryover funds, departments are making choices about how to leverage the Controller's policies based on their business needs. Their focus is on emergency response and continuity of service through this period. Nonprofits are encouraged to follow up with their funding departments directly to learn about how specific contracts will be treated. The policy gives departments flexibility during this transition period.

Additional slides about the budget outlook are available on www.sfcontroller.org