Budget Timeline (FY 2021-22 & FY 2022-23)

- **Budget Instructions Issued**: Dec.
- **Departments Submit Budget Requests**: Feb.
- **Departments Develop Proposed Budget**: Mar.
- **Mayor Submits Enterprise Department Budget**: Apr.
- **Mayor Submits General Fund Department and Capital Budgets**: May
- **Budget Enacted**: Jun.
- **Mayor Signs Budget**: Jul.
- **Board of Supervisors Review and Enactment of Budget**: Aug.

**Current Fiscal Year**: FY 2020-21

**New Fiscal Year**: FY 2021-22
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

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$204</td>
<td>$253</td>
<td>$402</td>
<td>$459</td>
<td>$588</td>
<td>$537</td>
<td>$376</td>
<td>$188</td>
<td>$-</td>
<td>$-</td>
<td>$7</td>
<td>$16</td>
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</table>
City’s Fiscal Outlook (continued)

Five-Year Financial Plan Projection

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

FY 19 & FY 20: $261.6
FY 20 & FY 21: $270.8
FY 21 & FY 22 (Dec): $419.5
FY 21 & FY 22 (May): $1,495.3
FY 22 & FY 23: $653.2

First year of budget (BY)  Second year of budget (BY+1)
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

- DCYF Operating $163M, 60%
- SFUSD $90.5M, 34%
- Free City College $16.4M, 6%
### DCYF Base Phase Operating Budget

#### FY 2021-22 & FY 2022-23

<table>
<thead>
<tr>
<th>FY21-22 &amp; FY22-23 Base Phase*</th>
<th>FY19-20</th>
<th>FY20-21</th>
<th>FY21-22 Base</th>
<th>FY21-22 Base Change From FY20-21</th>
<th>FY21-22 Base Change %</th>
<th>FY22-23 Base</th>
<th>FY22-23 Base Change From FY21-22</th>
<th>FY22-23 Base Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>6,496,123</td>
<td>6,547,757</td>
<td>6,932,262</td>
<td>384,505</td>
<td>5.9%</td>
<td>7,266,461</td>
<td>334,199</td>
<td>4.8%</td>
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<tr>
<td>Mandatory Fringe Benefits</td>
<td>2,984,645</td>
<td>3,157,084</td>
<td>3,342,139</td>
<td>185,055</td>
<td>5.9%</td>
<td>3,351,848</td>
<td>9,709</td>
<td>0.3%</td>
</tr>
<tr>
<td>Non-Personnel Services</td>
<td>8,745,925</td>
<td>8,585,115</td>
<td>6,637,771</td>
<td>(1,947,344)</td>
<td>-22.7%</td>
<td>6,637,771</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>City Grant Program**</td>
<td>102,805,925</td>
<td>114,053,280</td>
<td>102,771,496</td>
<td>(11,281,784)</td>
<td>-9.9%</td>
<td>106,103,508</td>
<td>3,332,012</td>
<td>3.2%</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>252,649</td>
<td>297,649</td>
<td>252,649</td>
<td>(45,000)</td>
<td>-15.1%</td>
<td>252,649</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Services Of Other Departments</td>
<td>40,487,059</td>
<td>37,529,614</td>
<td>37,439,092</td>
<td>(90,522)</td>
<td>-0.2%</td>
<td>37,439,092</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Transfer Adjustments - Uses</td>
<td>6,100,000</td>
<td>5,060,000</td>
<td>5,430,000</td>
<td>370,000</td>
<td>7.3%</td>
<td>6,140,000</td>
<td>710,000</td>
<td>13.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>167,872,326</strong></td>
<td><strong>175,230,499</strong></td>
<td><strong>162,805,409</strong></td>
<td><strong>(12,425,090)</strong></td>
<td><strong>7.3%</strong></td>
<td><strong>167,191,329</strong></td>
<td><strong>4,385,920</strong></td>
<td><strong>2.6%</strong></td>
</tr>
</tbody>
</table>

**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?