Budget Outlook & Department Instructions

January 2020

Presentation for the Department on the Status of Women
Agenda

• Fiscal Outlook & the Deficit
• Mayoral Priorities
• Budget Instructions for Departments
Projected Deficit vs. Historical Deficits

Deficit at Time of Budget Instructions ($M)

- FY 16 & FY 17: $104.2
- FY 17 & FY 18: $340.0
- FY 18 & FY 19: $402.4
- FY 19 & FY 20: $261.6
- FY 20 & FY 21: $270.8
- FY 21 & FY 22: $419.5

Legend:
- □ First year of budget (BY)
- □ Second year of budget (BY+1)
Two-Year Deficit

$419.5 million shortfall for the upcoming two-year budget

Mayor must introduce a balanced budget each year
Deficit – Changes Summary

What changed from last year? The rate of revenue growth is slowing and rising costs are significantly outpacing revenue.
Mayoral Priorities

The Mayor’s top priority for the coming year is to address the challenges we face with those struggling on our streets

- Housing, shelter, and services for those in need
- Clean and safe streets for everyone
- Healthy and vibrant neighborhoods

We need to focus and reprioritize funding toward this most pressing need so we can:

- Provide assistance to those on our streets
- Be responsive to residents
- Support City workers out there trying to make a difference
Budget Instructions

• Mandated “target” efficiency/reduction proposals of 3.5% reduction in adjusted general fund support, growing to 7% total in second year

• Intensified focus on accountability and equitable outcomes

• Demonstrate the effective use of resources, help identify programs and funding that can be reprioritized

• Do not load new General Fund supported FTE or budget enhancements
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<tr>
<th>Date</th>
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<tr>
<td>Dec 16</td>
<td>Budget Outlook &amp; Instructions issued</td>
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<tr>
<td>February 21</td>
<td>Budget submissions due to Mayor’s Budget Office</td>
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<td>June 1</td>
<td>Mayor proposes balanced budget to Board of Supervisors</td>
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<td>June</td>
<td>Budget and Finance Committee hearings</td>
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<td>July</td>
<td>Budget considered at Board of Supervisors</td>
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