



# Budget Outlook

Sugary Drink Distributor Tax Advisory Committee  
January 2019



# Agenda

- Looking Back
- Upcoming Budget



# Looking Back

# Soda Tax Allocations

## FY 2018-19 and FY 2019-20



Program	FY 2018-19	FY 2019-20
<b>Grants to CBOs</b>		
Grants to CBOs	3,817,000	3,817,000
Grants to CBOs - SFUSD	728,000	728,000
<b>Total Grants to CBOs</b>	<b>4,545,000</b>	<b>4,545,000</b>
<b>School District</b>		
School Food/Education/Action	1,500,000	1,500,000
Oral Health	550,000	550,000
Water Access	450,000	-
<b>Total School District</b>	<b>2,500,000</b>	<b>2,050,000</b>
<b>Departmental Programming</b>		
Healthy Eating Vouchers	1,035,000	1,035,000
HOPE SF Peer Enhancements	400,000	400,000
Peace Parks	520,000	520,000
Oral Health	450,000	450,000
Healthy Retail	150,000	150,000
<b>Total Departmental</b>	<b>2,555,000</b>	<b>2,555,000</b>
<b>Administrative</b>		
Staffing/Research Support	800,000	800,000
<b>Total Administrative</b>	<b>800,000</b>	<b>800,000</b>
<b>Grand Total</b>	<b>10,400,000</b>	<b>9,950,000</b>



# Upcoming Budget



# Five-Year Financial Plan Projection

	<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>% of Uses</u>
<b><i>SOURCES Increase / (Decrease)</i></b>	182.0	466.0	527.1	630.0	758.7	
<b>Uses</b>						
Baselines & Reserves	(55.3)	(99.1)	(149.3)	(179.4)	(238.9)	17.0%
Salaries & Benefits	(180.7)	(317.9)	(421.9)	(529.2)	(598.4)	42.7%
Citywide Operating Budget Costs	(55.1)	(182.5)	(236.0)	(319.0)	(400.6)	28.6%
Departmental Costs	1.8	(29.9)	(82.7)	(122.4)	(164.8)	11.7%
<b><i>USES (Increase) / Decrease</i></b>	<b>(289.4)</b>	<b>(629.4)</b>	<b>(890.0)</b>	<b>(1,149.9)</b>	<b>(1,402.7)</b>	100.0%
<b>Projected Cumulative Surplus / (Shortfall)</b>	<b>(107.4)</b>	<b>(163.4)</b>	<b>(362.9)</b>	<b>(519.9)</b>	<b>(643.9)</b>	

Approx. \$270.8 million for the upcoming two-year budget. Mayor must introduce a balanced budget each year.



# Sugar Sweetened Beverage Tax Projection

**Table 6: Summary of General Fund-Supported Operating Revenues and Transfers in  
FY 2020-24 (\$ millions)**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2022-24
	Year-End Pre-Audit	Original Budget	Projection	Projection	Projection	Projection	Projection
Property Taxes	\$ 1,661.0	\$ 1,728.0	\$ 1,768.0	\$ 1,854.0	\$ 1,935.0	\$ 2,015.0	\$ 2,110.0
Business Taxes	897.1	879.4	1,015.9	1,051.4	1,080.8	1,113.0	1,146.2
Sales Tax	192.9	196.9	197.0	199.5	201.9	206.0	210.1
Hotel Room Tax	382.2	375.8	387.8	393.7	395.7	397.7	399.6
Utility Users Tax	94.5	99.1	97.7	99.2	100.8	102.5	104.3
Parking Tax	83.5	85.5	83.5	83.5	83.5	83.5	83.5
Real Property Transfer Tax	280.4	228.0	228.0	228.0	228.0	228.0	228.0
Sugar Sweetened Beverage Tax	7.9	15.0	15.0	15.0	15.0	15.0	15.0
Stadium Admission Tax	1.1	1.2	5.5	5.5	5.5	5.5	5.5
Access Line Tax	51.3	51.9	52.6	54.2	55.8	57.5	59.2
Cannabis Tax	-	-	3.0	7.3	11.5	11.5	11.5
<b>Subtotal - Local Tax Revenues</b>	<b>3,651.8</b>	<b>3,660.8</b>	<b>3,854.1</b>	<b>3,991.2</b>	<b>4,113.6</b>	<b>4,235.3</b>	<b>4,372.9</b>

- Amount **after** voter-mandated baselines and set-asides equates to \$11.6M
- Exclude \$1.2M in on-going “Healthy Addbacks” appropriated by the Board of Supervisors during FY 17-18 budget process, nets to **\$10.4M in revenue available for appropriation.**

Source: [Proposed Five-Year Financial Plan, Fiscal Years 2019-20 through 2023-24](#)



# Mayoral Priorities

- Get things done to:
  - Build more housing
  - Reduce homelessness – housing & shelter
  - Address behavioral health needs
  - Clean up our streets and make them safer
  - Create equitable opportunities for everyone
  - Make government more accountable





# Budget Themes

## Key Themes: Accountability & Equitable Outcomes

### Accountability: “Make Every Dollar Count”

- Demonstrate effective use of existing City funding
- Set meaningful and measurable metrics
- Achieve outcomes and goals as outlined (performance measures; project deliverables)

### Equitable Outcomes: “Prioritize Those With the Greatest Need”

- City services that reflect the value that each person deserves an opportunity to thrive in a diverse and inclusive city (*Citywide Strategic Initiatives Framework*)
- Prioritize funding initiatives that serve residents with the highest need
  - Examples (but not limited to): unemployed, unhoused and homeless, people lacking economic mobility, and justice system involved



# Key Dates

December	Five-Year Financial Plan Issued; Budget Outlook & Instructions Issued
December – February	Departments develop budget proposals
February 21	Department Budget Submissions Due to Mayor and Controller
March	Five-Year Financial Plan Update
June 1	Mayor Proposes Balanced Budget to Board of Supervisors (BOS)
June	Department Budget Hearings at Budget and Finance Committee at BOS
July	Budget Considered by full Board of Supervisors Final budget signed by Mayor



# Questions?