

# Nine-Month Budget Status Report

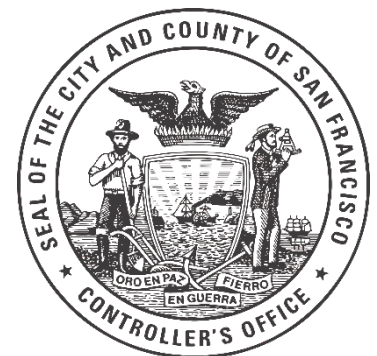
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Prepared by

**OFFICE OF THE CONTROLLER  
BUDGET AND ANALYSIS DIVISION**

**May 12, 2025**



## About the Controller's Office

The Controller is the chief financial officer and auditor for the City and County of San Francisco. We produce regular reports on the City's financial condition, economic condition, and the performance of City government. We are also responsible for key aspects of the City's financial operations — from processing payroll for City employees to processing and monitoring the City's budget.

Our team includes financial, tech, accounting, analytical and other professionals who work hard to secure the City's financial integrity and promote efficient, effective, and accountable government. We strive to be a model for good government and to make the City a better place to live and work.

## About the Budget & Analysis Division

The Budget and Analysis Division (BAD) manages the technical development of the City's annual budget, including forecasting tax revenues, costing and budgeting labor and benefit costs, and assisting the Mayor and Board of Supervisors with costing and budgeting of policy initiatives. The group manages the City's adherence to voter-approved spending requirements and financial policies and produces a variety of reports, including quarterly budget status updates. Additionally, the division manages property tax apportionment, rate setting, and reporting to the state, places special assessments on property tax bills, and processes the Assessor's changes to prior and current year property tax rolls.

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## Executive Summary

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- We project a \$483.4 million General Fund ending balance in the current fiscal year, a \$53.9 million improvement from the \$429.5 million balance in our last projection (March 2025 Update to the Five-Year Financial Plan). Application of this additional current year fund balance would decrease the projected shortfall in the upcoming two-year budget to \$781.5 million (from \$817.5 million) and by \$18.0 million in FY 2027-28. Some risk to this projection remains from economic uncertainty and potential changes affecting federal revenue, however, the risk is much greater in the budget years.
- Citywide revenues are projected to be \$32.7 million below budget, no change from March 2025 Update projections. Property tax is projected to be \$34.0 million below budget, reflecting high volumes of assessment appeals filed and refunds paid, partially offset by increased excess ERAF. Business tax revenue is projected to be \$46.2 million above budget given the strength of tax year 2024 returns to date and the postponement of some litigation reserve deposits to FY 2025-26 to smooth revenue across fiscal years. Shortfalls in hotel tax and both state and local sales tax revenues reflect year-to-date weakness in cash receipts. These shortfalls are partially offset by strength in real property transfer tax revenue and interest income.
- Departments are projected to end the year with a \$145.4 million net surplus including:
  - A total of \$19.9 million of expenditure savings from the close out of continuing projects, including \$10.5 million at the Department of Children, Youth and Their Families and \$3.0 million at the Mayor's Office of Housing and Community Development. Amounts that require Board of Supervisors approval to deappropriate will be noted in the Controller's June 2025 Revenue Letter and will be placed on Mayor's reserve in the interim. In addition, \$2.5 million of annual project expenditures at the Department of Public Health related to sugary drinks distributor tax programs will be placed on reserve. The Mayor's Office provided project-level detail to the Board of Supervisors on February 14, 2025.
  - A total of \$123.1 million in operating surplus identified by departments includes a net \$75.8 million revenue surplus and \$47.3 million in expenditure savings, primarily generated as a result of September 2024 Mayor's Office mid-year personnel savings target of 3.5%, additional hiring restrictions announced by the Mayor's Office in January 2025, debt service and other operating conditions. The Department of Public Health is projected to have a \$106.3 million surplus, including \$102.1 million in revenue above budget due to surplus patient revenue at the San Francisco Health Network and Zuckerberg San Francisco General Hospital and an unusual number of prior year Medicare settlement payments, partially offset by a patient revenue shortfall at Laguna Honda Hospital due to lower than projected patient census resulting from a pause on new admissions during recertification. Expenditure savings at the Human Services Agency and Administrative Services are offset by revenue shortfalls at Public Works and City Planning and overspending at the Sheriff's department.

- The Police, Fire, Emergency Management and Sheriff's departments, and the Public Utilities Commission, will require additional supplemental appropriations for overtime, as required by Administrative Code Section 3.17. To the extent these are not funded by reallocation of existing expenditure appropriation, such supplementals could reduce available fund balance. Any additional supplemental appropriations using projected revenue surpluses or expenditure savings displayed in this report will reduce fund balance available to solve the budget year shortfalls.
- Projections assume no changes to federal revenue for the current fiscal year related to the new federal administration's funding freezes or rescission of funds, but this remains a source of budgetary uncertainty. Since January 20, the new federal administration has issued a number of Executive Orders and agency directives to eliminate, reduce, or condition federal funding based on the President's immigration, LGBTQ+, energy, and DEI/DEIA program policy preferences. Several federal agencies have terminated, frozen, or conditioned grants and funding that City departments rely on for ongoing programming. In some cases, federal agencies have denied the City reimbursement of costs expended prior to those terminations. The City has filed and joined in litigation challenging many of these actions and continues to evaluate its options to appeal federal agency decisions to terminate grants and deny reimbursements. But those efforts and the threat to the City's federal funding remain ongoing. Other federal agencies continue to initiate processes to implement the administration's desired funding cuts. The City Attorney has filed lawsuits to protect federal funds received by the City and will continue to work with the Mayor's Office and City departments to protect the City's interests.

**Table 1. FY 2024-25 Projected General Fund Variances to Budget (\$ millions)**

|                                                       | Fall 2024<br>Projection | 6-Month | March 2025<br>Update | 9-Month | Change |
|-------------------------------------------------------|-------------------------|---------|----------------------|---------|--------|
| FY 2023-24 Ending Fund Balance                        | 455.2                   | 455.2   | 455.2                | 455.2   | -      |
| Appropriation in the FY 2024-25 Budget                | (455.2)                 | (455.2) | (455.2)              | (455.2) | -      |
| A. Prior Year Fund Balance vs Budgeted Levels         | -                       | -       | -                    | -       | -      |
| Citywide Revenue                                      | (45.7)                  | (114.1) | (32.7)               | (32.7)  | 0.0    |
| Baseline Contributions                                | (6.1)                   | (0.3)   | (18.8)               | (12.6)  | 6.2    |
| Departmental Operations                               | -                       | 97.7    | 97.7                 | 145.4   | 47.7   |
| B. Current Year Revenues and Expenditures             | (51.9)                  | (16.7)  | 46.1                 | 100.1   | 53.9   |
| General Reserve Appropriated - Source                 | -                       | 0.5     | 0.5                  | 6.0     | 5.4    |
| New Expenditures Supported by General Reserve - Use   | -                       | (0.5)   | (0.5)                | (6.0)   | (5.4)  |
| C. Supplemental Appropriations & Use of Reserves      | -                       | -       | -                    | -       | -      |
| D. Previously Unappappropriated Fund Balance          | 154.9                   | 154.9   | 154.9                | 154.9   | -      |
| E. Fund Balance Previously Appropriated in FY 2025-26 | 228.5                   | 228.5   | 228.5                | 228.5   | -      |
| F. FY 2024-25 Projected Ending Balance                | 331.5                   | 366.7   | 429.5                | 483.4   | 53.9   |

# FY 2024-25 Nine-Month Budget Status Report

## A. GENERAL FUND STARTING BALANCE

Total projected uses of fund balance at the time the FY 2024-25 and FY 2025-26 adopted budget were \$455.2 million, of which \$226.7 million was appropriated in FY 2024-25 and \$228.5 million was appropriated in FY 2025-26. General Fund available fund balance at the end of FY 2023-24 was exactly \$455.2 million as the use of reserves in FY 2023-24 was reduced to exactly meet budgeted requirements.

## B. CURRENT YEAR REVENUES AND EXPENDITURES

### Citywide Revenue

As shown in Table 2, citywide revenues are projected to be \$32.7 million below budget. This represents an \$81.4 million improvement from the Six-Month Report issued in February 2025; this improvement was already assumed as an improvement to current year, General Fund fund balance in the March 2025 Joint Report. The Nine-Month citywide revenue forecast is the same as the March 2025 Joint Report forecast. The variance from the Six-Month Report is largely due to improvement in property and business taxes, slightly offset by weakness in interest income.

**Table 2. General Fund Citywide Revenues Variances to Budget (\$ millions)**

|                                  | FY 2023-24     | FY 2024-25     |                  |                  |                         |                  | Variance      |             |                  |
|----------------------------------|----------------|----------------|------------------|------------------|-------------------------|------------------|---------------|-------------|------------------|
|                                  | Actuals        | Budget         | 5-Yr<br>(Dec 24) | 6-Mo<br>(Feb 25) | 5-Yr Update<br>(Mar 25) | 9-Mo<br>(May 25) | Vs Budget     | Vs 6-Mo     | Vs<br>March 5-Yr |
| Traditional Property Tax         | 2,142.1        | 2,158.0        | 2,167.0          | 2,107.0          | 2,104.0                 | 2,104.0          | (54.0)        | (3.0)       | -                |
| Excess ERAF                      | 397.2          | 311.6          | 298.0            | 306.8            | 331.6                   | 331.6            | 20.0          | 24.8        | -                |
| <b>Property Tax Total</b>        | <b>2,539.4</b> | <b>2,469.6</b> | <b>2,465.0</b>   | <b>2,413.8</b>   | <b>2,435.6</b>          | <b>2,435.6</b>   | <b>(34.0)</b> | <b>21.8</b> | <b>-</b>         |
| Business Taxes                   | 868.9          | 1,023.0        | 995.4            | 1,000.2          | 1,069.2                 | 1,069.2          | 46.2          | 69.0        | -                |
| Sales Tax - Local 1%             | 190.5          | 193.7          | 188.0            | 182.8            | 182.8                   | 182.8            | (10.9)        | -           | -                |
| Hotel Room Tax                   | 251.2          | 285.2          | 254.1            | 246.9            | 246.9                   | 246.9            | (38.3)        | -           | -                |
| Utility User & Access Line Taxes | 186.6          | 164.5          | 168.8            | 168.8            | 168.8                   | 168.8            | 4.3           | -           | -                |
| Parking Tax                      | 86.2           | 86.9           | 86.9             | 86.9             | 86.9                    | 86.9             | -             | -           | -                |
| Real Property Transfer Tax       | 177.7          | 218.9          | 229.6            | 229.6            | 229.6                   | 229.6            | 10.8          | -           | -                |
| Sugar Sweetened Beverage Tax     | 11.6           | 12.7           | 11.6             | 11.6             | 11.6                    | 11.6             | (1.1)         | -           | -                |
| Stadium Admissions Tax           | 8.6            | 7.4            | 8.6              | 8.6              | 8.6                     | 8.6              | 1.2           | -           | -                |
| Cannabis Tax                     | -              | -              | -                | -                | -                       | -                | -             | -           | -                |
| Franchise Taxes                  | 17.4           | 16.2           | 17.1             | 17.1             | 16.2                    | 16.2             | (0.0)         | (0.9)       | -                |
| Interest Income                  | 171.4          | 146.7          | 164.4            | 164.4            | 155.0                   | 155.0            | 8.3           | (9.4)       | -                |
| FEMA Disaster Relief             | 73.3           | 80.0           | 87.0             | 87.0             | 87.0                    | 87.0             | 7.0           | -           | -                |
| Health & Welfare Realignment     | 264.6          | 283.6          | 269.3            | 264.8            | 264.8                   | 264.8            | (18.8)        | -           | -                |
| Public Safety Realignment        | 55.6           | 55.4           | 54.9             | 51.9             | 51.9                    | 51.9             | (3.5)         | -           | -                |
| Public Safety Sales Tax          | 97.2           | 99.6           | 96.9             | 95.7             | 95.7                    | 95.7             | (3.9)         | -           | -                |
| Airport Transfer In              | 55.6           | 58.3           | 58.3             | 57.5             | 58.3                    | 58.3             | -             | 0.9         | -                |
| Commercial Rent Tax Transfer In  | 28.4           | 28.1           | 28.1             | 28.1             | 28.1                    | 28.1             | (0.0)         | -           | -                |
| <b>Total Citywide Revenues</b>   | <b>5,084.0</b> | <b>5,229.7</b> | <b>5,184.1</b>   | <b>5,115.6</b>   | <b>5,197.0</b>          | <b>5,197.0</b>   | <b>(32.7)</b> | <b>81.4</b> | <b>-</b>         |

## Baseline Contributions

Table 3 shows the impact of voter-mandated spending requirements. Despite projected shortfalls in Aggregate Discretionary Revenue (ADR), the General Fund portion of baseline contributions is projected to be \$12.6 million above budget but \$6.3 million below the March 2025 projection. Highlights include:

- MTA baselines are projected to be \$13.2 million above budget. This is driven by the \$14.2 million true-up of the FY 2023-24 Proposition B Population Adjustment to MTA baselines, as actual calendar year 2023 daytime population growth was 4.51% versus the 1.18% growth assumed in the budget. Relative strength in population growth is partially offset by weakness in projected aggregate discretionary revenue (ADR).
- The Library baseline and property tax set-aside are projected to be \$2.9 million below budget, of which \$0.2 million is due to weakness in projected aggregate discretionary revenue (ADR) and \$2.6 million is due to property tax weakness. No General Fund return is currently assumed.
- Required General Fund support for the Public Education Enrichment Fund baseline and annual contribution to SFUSD and OECE is projected to be \$0.3 million below budget.
- The Children and Youth Fund property tax set-aside is projected to be \$3.4 million below budget.
- The Open Space property tax set-aside is projected to be \$2.6 million below budget.
- Growth in the Street Tree Maintenance Fund baseline and Early Care and Education (ECE) expenditure baseline was suspended in FY 2024-25 at FY 2023-24 levels, for the second year in a row, given the deficit levels forecasted in the March 2024 Joint Report.

**Table 3. General Fund Baselines and Set-Asides (\$ millions)**

|                                                                               | FY 2023-24     | FY 2024-25     |                  |                  |                            |                  | Variance      |                       |
|-------------------------------------------------------------------------------|----------------|----------------|------------------|------------------|----------------------------|------------------|---------------|-----------------------|
|                                                                               | Actuals        | Budget         | 5-Yr<br>(Dec 24) | 6-Mo<br>(Feb 25) | 5-Yr<br>Update<br>(Mar 25) | 9-Mo<br>(May 25) | Vs Budget     | Vs Mar 5 Yr<br>Update |
| <b>General Fund Aggregate Discretionary Revenue (ADR)</b>                     | <b>4,541.5</b> | <b>4,532.2</b> | <b>4,504.3</b>   | <b>4,439.9</b>   | <b>4,521.2</b>             | <b>4,521.9</b>   | <b>(10.3)</b> | <b>0.6</b>            |
| <b>Municipal Transportation Agency (MTA)</b>                                  |                |                |                  |                  |                            |                  |               |                       |
| MTA - Municipal Railway Baseline: 7.059% ADR                                  | 321.0          | 320.3          | 318.3            | 313.8            | 319.5                      | 319.6            | (0.7)         | 0.0                   |
| MTA - Parking & Traffic Baseline: 2.507% ADR                                  | 113.9          | 113.6          | 112.9            | 111.3            | 113.4                      | 113.4            | (0.3)         | 0.0                   |
| MTA - Population Adjustment                                                   | 68.6           | 74.5           | 88.7             | 88.7             | 88.7                       | 88.7             | 14.2          | -                     |
| MTA - 80% Parking Tax In-Lieu                                                 | 68.9           | 69.5           | 69.5             | 69.5             | 69.5                       | 69.5             | -             | -                     |
| <b>Subtotal Municipal Transportation Agency</b>                               | <b>572.4</b>   | <b>578.0</b>   | <b>589.5</b>     | <b>583.3</b>     | <b>591.1</b>               | <b>591.1</b>     | <b>13.2</b>   | <b>0.0</b>            |
| <b>Library Preservation Fund</b>                                              |                |                |                  |                  |                            |                  |               |                       |
| Library - Baseline: 2.286% ADR, net of General Fund Return                    | 103.8          | 103.6          | 103.0            | 101.5            | 103.4                      | 103.4            | (0.2)         | 0.0                   |
| Library - Property Tax: \$0.025 per \$100 Net Assessed Valuation (NAV)        | 79.5           | 79.3           | 79.9             | 76.9             | 76.8                       | 76.7             | (2.6)         | (0.1)                 |
| <b>Subtotal Library</b>                                                       | <b>183.3</b>   | <b>182.9</b>   | <b>182.9</b>     | <b>178.4</b>     | <b>180.2</b>               | <b>180.1</b>     | <b>(2.9)</b>  | <b>(0.1)</b>          |
| <b>Children's Services</b>                                                    |                |                |                  |                  |                            |                  |               |                       |
| Children's Services Baseline - Requirement: 4.830% ADR                        | 219.3          | 218.9          | 217.5            | 214.4            | 218.4                      | 218.4            | (0.5)         | 0.0                   |
| Transitional Aged Youth Baseline - Requirement: 0.580% ADR                    | 26.3           | 26.3           | 26.1             | 25.8             | 26.2                       | 26.2             | (0.1)         | 0.0                   |
| Early Care and Education Baseline (Jun 2018 Prop C) - Requirement: 2.212% ADR | 77.2           | 76.3           | 76.9             | 76.9             | 76.9                       | 76.9             | 0.6           | -                     |
| Public Education Services Baseline: 0.290% ADR (50% GF, 50% NGF)              | 13.2           | 13.1           | 13.1             | 12.9             | 13.1                       | 13.1             | (0.0)         | 0.0                   |
| Children and Youth Fund Property Tax Set-Aside: \$0.4 per \$100 NAV           | 127.2          | 126.9          | 127.9            | 123.2            | 123.1                      | 123.5            | (3.4)         | 0.4                   |
| Public Education Enrichment Fund: 3.057% ADR                                  | 138.8          | 138.5          | 137.7            | 135.7            | 138.2                      | 138.2            | (0.3)         | 0.0                   |
| 1/3 Annual Contribution to Preschool for All                                  | 46.3           | 46.2           | 45.9             | 45.2             | 46.1                       | 46.1             | (0.1)         | 0.0                   |
| 2/3 Annual Contribution to SF Unified School District                         | 92.6           | 92.4           | 91.8             | 90.5             | 92.1                       | 92.2             | (0.2)         | 0.0                   |
| Student Success Fund                                                          | 11.0           | 35.0           | 35.0             | 35.0             | 35.0                       | 35.0             | -             | -                     |
| <b>Subtotal Childrens Services (Required)</b>                                 | <b>613.1</b>   | <b>635.1</b>   | <b>634.2</b>     | <b>623.9</b>     | <b>630.9</b>               | <b>631.4</b>     | <b>(3.8)</b>  | <b>0.5</b>            |
| <b>Recreation and Parks</b>                                                   |                |                |                  |                  |                            |                  |               |                       |
| Open Space Property Tax Set-Aside: \$0.025 per \$100 NAV                      | 79.5           | 79.3           | 79.9             | 76.9             | 76.8                       | 76.7             | (2.6)         | (0.1)                 |
| Recreation & Parks Baseline - Requirement                                     | 82.2           | 85.2           | 85.2             | 85.2             | 85.2                       | 85.2             | -             | -                     |
| <b>Subtotal Recreation and Parks (Required)</b>                               | <b>161.7</b>   | <b>164.5</b>   | <b>165.1</b>     | <b>162.0</b>     | <b>162.0</b>               | <b>161.9</b>     | <b>(2.6)</b>  | <b>(0.1)</b>          |
| <b>Other Financial Baselines</b>                                              |                |                |                  |                  |                            |                  |               |                       |
| Our City, Our Home Baseline (Nov 2018 Prop C) - Requirement                   | 215.0          | 215.0          | 215.0            | 215.0            | 215.0                      | 215.0            | -             | -                     |
| Housing Trust Fund Requirement                                                | 44.5           | 47.3           | 47.3             | 47.3             | 47.3                       | 47.3             | -             | -                     |
| Dignity Fund                                                                  | 56.1           | 59.1           | 59.1             | 59.1             | 59.1                       | 59.1             | -             | -                     |
| Street Tree Maintenance Fund                                                  | 23.0           | 23.0           | 23.0             | 23.0             | 23.0                       | 23.0             | -             | -                     |
| Municipal Symphony Baseline: \$0.00125 per \$100 NAV                          | 4.3            | 4.4            | 4.4              | 4.4              | 4.4                        | 4.4              | -             | -                     |
| City Services Auditor: 0.2% of Citywide Budget                                | 26.0           | 28.1           | 28.1             | 28.1             | 28.1                       | 28.1             | -             | -                     |
| <b>Subtotal Other Financial Baselines</b>                                     | <b>368.8</b>   | <b>376.9</b>   | <b>376.9</b>     | <b>376.9</b>     | <b>376.9</b>               | <b>376.9</b>     | <b>-</b>      | <b>-</b>              |
| <b>Reconciliation to Previously Issued Report</b>                             |                |                |                  |                  |                            |                  | <b>-</b>      | <b>(6.4)</b>          |
| <b>* Adjusted General Fund Impact</b>                                         |                |                |                  |                  |                            |                  | <b>12.6</b>   | <b>(6.3)</b>          |

## Departmental Operations

A projected departmental operating surplus of \$145.3 is summarized in Table 4 and further detailed in Appendix 2.

**Table 4. FY 2024-25 Departmental Operating Summary (\$ millions)**

*Note: Figures may not sum due to rounding.*

|                                           | Revenue<br>Surplus /<br>(Shortfall) | Expenditure<br>Savings/<br>(Deficit) | Net Surplus /<br>(Shortfall) |
|-------------------------------------------|-------------------------------------|--------------------------------------|------------------------------|
| <b>Net Shortfall Departments</b>          |                                     |                                      |                              |
| Sheriff                                   | 0.3                                 | (10.9)                               | (10.6)                       |
| City Planning                             | (10.1)                              | 4.1                                  | (6.0)                        |
| Public Works                              | (4.9)                               | 2.6                                  | (2.3)                        |
| Police Department                         | (0.5)                               | 0.0                                  | (0.5)                        |
| <b>Subtotal Net Shortfall Departments</b> | <b>(15.2)</b>                       | <b>(4.2)</b>                         | <b>(19.3)</b>                |
|                                           |                                     |                                      |                              |
|                                           | Revenue<br>Surplus /<br>(Shortfall) | Expenditure<br>Savings/<br>(Deficit) | Net Surplus /<br>(Shortfall) |
| <b>Net Surplus Departments</b>            |                                     |                                      |                              |
| Public Health                             | 102.1                               | 4.2                                  | 106.3                        |
| Children, Youth and Their Families        | (0.1)                               | 10.6                                 | 10.5                         |
| City Administrator                        | 0.6                                 | 7.6                                  | 8.2                          |
| General City Responsibility               | 5.0                                 | 3.1                                  | 8.1                          |
| Human Services Agency                     | (1.2)                               | 8.1                                  | 6.9                          |
| Mayor                                     | -                                   | 4.5                                  | 4.5                          |
| Elections                                 | 1.8                                 | 1.8                                  | 3.6                          |
| City Attorney                             | (3.5)                               | 6.1                                  | 2.7                          |
| Human Rights Commission                   | -                                   | 2.3                                  | 2.3                          |
| Fire Department                           | 10.1                                | (8.0)                                | 2.1                          |
| Adult Probation                           | (0.3)                               | 2.1                                  | 1.8                          |
| Economic & Workforce Development          | (12.6)                              | 13.8                                 | 1.2                          |
| Ethics Commission                         | 0.2                                 | 0.9                                  | 1.1                          |
| Homelessness and Supportive Housing       | (2.9)                               | 3.9                                  | 1.0                          |
| <b>Subtotal Net Surplus Departments</b>   | <b>99.2</b>                         | <b>61.0</b>                          | <b>160.2</b>                 |
|                                           |                                     |                                      |                              |
| All Other                                 | (8.2)                               | 12.6                                 | 4.4                          |
| <b>TOTAL</b>                              | <b>75.9</b>                         | <b>69.5</b>                          | <b>145.3</b>                 |

C. SUPPLEMENTAL APPROPRIATIONS

Table 5. Approved & Pending Supplemental Appropriations (\$ millions)

| Use                                                    | Source                              | Status                    | Amount       |
|--------------------------------------------------------|-------------------------------------|---------------------------|--------------|
| MTA - Lunar New Year Parking, Transit, Ambassadors     | General Reserve                     | Approved                  | 0.5          |
| Human Services Agency Facility Move                    | Projected Revenue & Existing Budget | Approved                  | 11.8         |
| Human Services Agency - CalWORKS Housing Support       | State Revenue                       | Approved                  | 5.0          |
|                                                        |                                     | <b>Approved</b>           | <b>17.3</b>  |
| Police and Sherriff Overtime                           |                                     |                           |              |
| Police and Sherriff Overtime                           | Existing Budget                     | Pending                   | 86.3         |
| Sheriff Overtime & Capital                             | General Reserve                     | Pending                   | 5.4          |
| Sheriff Overtime                                       | Projected Revenue                   | Pending                   | 0.3          |
|                                                        |                                     |                           | <b>92.1</b>  |
| Fire, Emergency Management & Public Utilities Overtime |                                     |                           |              |
| Fire, Emergency Management & Public Utilities Overtime | Existing Budget                     | Pending                   | 3.4          |
| Fire Overtime & Permanent Salaries                     | Projected Revenue                   | Pending                   | 7.9          |
|                                                        |                                     |                           | <b>11.4</b>  |
|                                                        |                                     | <b>Pending</b>            | <b>103.4</b> |
|                                                        |                                     | <b>Approved + Pending</b> | <b>120.7</b> |

The Board of Supervisors approved the use of the General Reserve by the Municipal Transportation Agency to support free two-hour parking in the Portsmouth Square garage and transit fares and ambassador support for the Lunar New Year Parade weekend. Uses of the General Reserve in the current fiscal year require a like amount to be deposited in the budget year.

In addition, the Board approved two supplemental appropriations to the Human Services Agency. The CalWORKs Housing Support ordinance appropriated \$5.0 million of state CalWORKs revenues for direct client assistance, rental subsidies, and services through the CalWORKs Housing Support Program. The Facility Move ordinance appropriated \$8.5 million of projected revenue and repurposed \$3.3 million of capital project savings to support the Agency's one-time tenant improvement, furniture, fixtures, and equipment costs for office relocation.

The Sheriff, Police, Fire, Public Utilities Commission (PUC), and Emergency Management (DEM) departments require additional supplemental appropriations for overtime, as required by Administrative Code Section 3.17. Including a capital item for Sheriff, these pending supplementals total \$103.4 million. The Sheriff and Police overtime supplemental ordinance proposes to appropriate \$5.4 million from the General Reserve, \$0.3 million of projected Boarding of Prisoners revenue, and shift \$86.3 million from permanent salary and fringe benefits and capital projects to overtime, and to capital projects and building repair in the Sheriff's Department. The Board of Supervisors passed the Police and Sheriff overtime ordinance on first reading on May 6, 2025. The Mayor has introduced an ordinance to appropriate \$7.9 million of Ambulance Service revenue at the Fire Department and shift permanent salary budget at the Fire Department, DEM, and PUC to overtime at the PUC and DEM and overtime and permanent salaries in the Fire Department.

## D. PREVIOUSLY UNAPPROPRIATED FUND BALANCE

The projection includes \$154.9 million of unappropriated fund balance, which was designated for balancing future budget shortfalls in Section 32.1 of the Administrative Provisions of the FY 2024-25 and FY 2025-26 Budget and Appropriations Ordinance.

## E. PROJECTED ENDING FUND BALANCE OF \$483.4 MILLION

Based on the above assumptions and projections, this report anticipates an ending available General Fund balance for FY 2024-25 of \$483.4 million, a \$53.9 million improvement from prior projections in the March 2025 Update to the 5-Year Plan.

### Other Funds

Special revenue funds are used for departmental activities that have dedicated revenue sources or legislative requirements that mandate the use of segregated accounts outside the General Fund. Some of these special revenue funds receive General Fund baseline transfers and other subsidies. Others are used to record dedicated tax revenues and related expenditures. Enterprise funds are used primarily for self-supporting agencies, including the Airport, the Public Utilities Commission, and the Port. The Municipal Transportation Agency (MTA) receives a significant General Fund subsidy.

Projected General Fund Support requirements for these funds are included in the department budget projections in Appendix 2. Appendix 4 provides a table of selected special revenue and enterprise fund projections and a discussion of their operations.

### Nine-Month Overtime Report

Administrative Code Section 18.13-1 requires the Controller to submit overtime reports to the Board of Supervisors at the time of the Six-Month and Nine-Month Budget Status Reports, and annually. Appendix 5 presents actual overtime expenditures through the first nine months of the year. Administrative Code Section 3.17 requires select departments to request a supplemental appropriation to increase overtime budgets in annual operating funds.

## APPENDICES

1. General Fund Revenues
  2. General Fund Departments
  3. Reserves Status
  4. Other Funds Highlights
  5. Overtime Report
-

# Appendix 1: General Fund Revenues

As shown in Table A1-1, total General Fund revenues are projected to be \$27.4 million above the revised budget. Although there is a \$32.7 million projected shortfall in citywide tax-based revenue (Table 2 above), it is more than offset by a \$60.1 million surplus in departmental revenue. Table 4 in Appendix 2 shows a \$75.9 million revenue surplus, however, the variance is driven by the inclusion of revenue at the City's two hospitals and inter-departmental work order recoveries not shown in the table below.

**Table A1-1. Detail of General Fund Revenue and Transfers In (\$ in millions)**

| GENERAL FUND (\$ Millions)                      | FY 2023-24      | FY 2024-25     |                    |                |                      |                | Var Vs Rev Budget |
|-------------------------------------------------|-----------------|----------------|--------------------|----------------|----------------------|----------------|-------------------|
|                                                 | Year End Actual | Revised Budget | 5-Year Fall Update | 6-Month        | 5-Year Spring Update | 9-Month        |                   |
| <b>PROPERTY TAXES</b>                           | \$ 2,539.4      | \$ 2,469.6     | \$ 2,465.0         | \$ 2,413.8     | \$ 2,435.6           | \$ 2,435.6     | (34.0)            |
| <b>BUSINESS TAXES</b>                           |                 |                |                    |                |                      |                |                   |
| Business Registration Tax                       | 44.6            | 44.0           | 49.0               | 49.0           | 49.0                 | 49.0           | 5.0               |
| Payroll Tax                                     | 4.1             | 0.0            | 0.0                | 0.0            | -                    | -              | -                 |
| Gross Receipts Tax                              | 820.1           | 839.0          | 820.4              | 825.2          | 894.2                | 926.2          | 87.2              |
| Admin Office Tax                                | 0.2             | 0.0            | 0.0                | 0.0            | 0.0                  | 0.0            | -                 |
| Overpaid Executive Tax                          | 124.4           | 140.0          | 126.0              | 126.0          | 126.0                | 94.0           | (46.0)            |
| <b>Total Business Taxes</b>                     | <b>993.4</b>    | <b>1,023.0</b> | <b>995.4</b>       | <b>1,000.2</b> | <b>1,069.2</b>       | <b>1,069.2</b> | <b>46.2</b>       |
| <b>OTHER LOCAL TAXES</b>                        |                 |                |                    |                |                      |                |                   |
| Sales Tax                                       | 190.5           | 193.7          | 188.0              | 182.8          | 182.8                | 182.8          | (10.9)            |
| Hotel Room Tax                                  | 251.2           | 285.2          | 254.1              | 246.9          | 246.9                | 246.9          | (38.3)            |
| Utility Users Tax                               | 121.9           | 110.7          | 115.2              | 115.2          | 115.2                | 115.2          | 4.5               |
| Parking Tax                                     | 86.2            | 86.9           | 86.9               | 86.9           | 86.9                 | 86.9           | -                 |
| Real Property Transfer Tax                      | 177.7           | 218.9          | 229.6              | 229.6          | 229.6                | 229.6          | 10.8              |
| Sugar Sweetened Beverage Tax                    | 11.6            | 12.7           | 11.6               | 11.6           | 11.6                 | 11.6           | (1.1)             |
| Stadium Admission Tax                           | 8.6             | 7.4            | 8.6                | 8.6            | 8.6                  | 8.6            | 1.2               |
| Access Line Tax                                 | 64.7            | 53.7           | 53.5               | 53.5           | 53.5                 | 53.5           | (0.2)             |
| Cannabis Tax                                    | 0.0             | 0.0            | 0.0                | 0.0            | 0.0                  | 0.0            | -                 |
| <b>Total Other Local Taxes</b>                  | <b>912.4</b>    | <b>969.2</b>   | <b>947.6</b>       | <b>935.2</b>   | <b>935.2</b>         | <b>935.2</b>   | <b>(34.0)</b>     |
| <b>LICENSES, PERMITS &amp; FRANCHISES</b>       |                 |                |                    |                |                      |                |                   |
| Licenses & Permits                              | 12.3            | 16.1           | 15.6               | 15.7           | 15.7                 | 16.7           | 0.6               |
| Franchise Fee                                   | 17.4            | 16.2           | 17.1               | 17.1           | 16.2                 | 16.2           | (0.0)             |
| <b>Total Licenses, Permits &amp; Franchises</b> | <b>29.7</b>     | <b>32.4</b>    | <b>32.6</b>        | <b>32.7</b>    | <b>31.9</b>          | <b>32.9</b>    | <b>0.6</b>        |
| <b>FINES, FORFEITURES &amp; PENALTIES</b>       | <b>6.5</b>      | <b>3.9</b>     | <b>3.9</b>         | <b>3.8</b>     | <b>3.8</b>           | <b>3.9</b>     | <b>(0.0)</b>      |
| <b>INTEREST &amp; INVESTMENT INCOME</b>         | <b>171.4</b>    | <b>146.7</b>   | <b>164.4</b>       | <b>164.4</b>   | <b>155.0</b>         | <b>155.0</b>   | <b>8.3</b>        |
| <b>RENTS &amp; CONCESSIONS</b>                  | <b>12.5</b>     | <b>16.1</b>    | <b>14.1</b>        | <b>15.6</b>    | <b>15.6</b>          | <b>16.6</b>    | <b>0.5</b>        |

## 12 | FY 2024-25 Nine-Month Budget Status Report

| GENERAL FUND (\$ Millions)                 | FY 2023-24        | FY 2024-25        |                    |                   |                      |                   | Var Vs Rev Budget |
|--------------------------------------------|-------------------|-------------------|--------------------|-------------------|----------------------|-------------------|-------------------|
|                                            | Year End Actual   | Revised Budget    | 5-Year Fall Update | 6-Month           | 5-Year Spring Update | 9-Month           |                   |
| <b>INTERGOVERNMENTAL REVENUES</b>          |                   |                   |                    |                   |                      |                   |                   |
| <b>Federal Government</b>                  | <b>387.5</b>      | <b>442.2</b>      | <b>443.4</b>       | <b>452.0</b>      | <b>452.0</b>         | <b>443.9</b>      | <b>1.7</b>        |
| Social Service Subventions                 | 320.7             | 359.3             | 354.0              | 360.9             | 360.9                | 354.1             | (5.3)             |
| Disaster Relief                            | 73.3              | 80.0              | 87.0               | 87.0              | 87.0                 | 87.0              | 7.0               |
| Other Grants & Subventions                 | (6.5)             | 2.8               | 2.4                | 4.2               | 4.2                  | 2.8               | -                 |
| <b>Total Federal Subventions</b>           | <b>387.5</b>      | <b>442.2</b>      | <b>443.4</b>       | <b>452.0</b>      | <b>452.0</b>         | <b>443.9</b>      | <b>1.7</b>        |
| <b>State Government</b>                    |                   |                   |                    |                   |                      |                   |                   |
| Social Service Subventions                 | 339.3             | 328.3             | 314.6              | 323.0             | 323.0                | 328.3             | -                 |
| Health & Welfare Realignment - Sales Tax   | 218.9             | 238.5             | 228.9              | 224.1             | 224.1                | 224.1             | (14.4)            |
| Health & Welfare Realignment - VLF         | 45.7              | 45.1              | 40.4               | 40.6              | 40.6                 | 40.6              | (4.4)             |
| Public Safety Sales Tax                    | 97.2              | 99.6              | 96.9               | 95.7              | 95.7                 | 95.7              | (3.9)             |
| Public Safety Realignment (AB109)          | 55.6              | 55.4              | 54.9               | 51.9              | 51.9                 | 51.9              | (3.5)             |
| Other Grants & Subventions                 | 26.6              | 34.2              | 15.2               | 43.6              | 43.6                 | 43.1              | 8.9               |
| <b>State Government</b>                    | <b>1006.4</b>     | <b>912.4</b>      | <b>862.7</b>       | <b>890.3</b>      | <b>890.3</b>         | <b>895.1</b>      | <b>(17.3)</b>     |
| <b>Other Regional Government</b>           | <b>1.9</b>        | <b>4.6</b>        | <b>4.0</b>         | <b>4.0</b>        | <b>4.0</b>           | <b>3.7</b>        | <b>(0.9)</b>      |
| <b>CHARGES FOR SERVICES</b>                | <b>254.5</b>      | <b>324.5</b>      | <b>323.8</b>       | <b>379.4</b>      | <b>379.4</b>         | <b>387.9</b>      | <b>63.3</b>       |
| General Government Service Charges         | 42.7              | 51.1              | 51.1               | 51.1              | 51.1                 | 51.1              | -                 |
| Public Safety Service Charges              | 39.4              | 45.6              | 45.6               | 53.1              | 53.1                 | 45.6              | -                 |
| Recreation Charges - Rec/Park              | 23.7              | 26.9              | 26.9               | 26.9              | 26.9                 | 26.9              | -                 |
| MediCal, MediCare & Health Service Charges | 128.1             | 175.9             | 175.9              | 223.5             | 223.5                | 239.3             | 63.3              |
| Other Service Charges                      | 20.5              | 25.0              | 24.2               | 24.8              | 24.8                 | 25.0              | -                 |
| <b>Total Charges for Services</b>          | <b>254.5</b>      | <b>324.5</b>      | <b>323.8</b>       | <b>379.4</b>      | <b>379.4</b>         | <b>387.9</b>      | <b>63.3</b>       |
| <b>RECOVERY OF GEN. GOV'T. COSTS</b>       | <b>26.2</b>       | <b>27.7</b>       | <b>27.7</b>        | <b>27.7</b>       | <b>27.7</b>          | <b>27.7</b>       | <b>-</b>          |
| <b>OTHER REVENUES</b>                      | <b>19.3</b>       | <b>20.3</b>       | <b>19.4</b>        | <b>13.2</b>       | <b>13.2</b>          | <b>13.2</b>       | <b>(7.1)</b>      |
| <b>TOTAL REVENUES</b>                      | <b>6,361.0</b>    | <b>6,392.4</b>    | <b>6,304.1</b>     | <b>6,332.3</b>    | <b>6,412.8</b>       | <b>6,419.8</b>    | <b>27.4</b>       |
| <b>TRANSFERS INTO GENERAL FUND:</b>        |                   |                   |                    |                   |                      |                   |                   |
| Airport Transfer In                        | 55.6              | 58.3              | 58.3               | 57.5              | 58.3                 | 58.3              | -                 |
| Commercial Rent Tax Transfer In            | 28.4              | 28.1              | 28.1               | 28.1              | 28.1                 | 28.1              | -                 |
| Other Transfers                            | 144.4             | 188.7             | 120.1              | 120.1             | 120.1                | 188.7             | -                 |
| <b>Total Transfers In</b>                  | <b>228.4</b>      | <b>275.1</b>      | <b>206.5</b>       | <b>205.6</b>      | <b>206.5</b>         | <b>275.1</b>      | <b>-</b>          |
| <b>TOTAL GENERAL FUND RESOURCES</b>        | <b>\$ 6,589.5</b> | <b>\$ 6,667.5</b> | <b>\$ 6,510.6</b>  | <b>\$ 6,537.9</b> | <b>\$ 6,619.3</b>    | <b>\$ 6,695.0</b> | <b>27.4</b>       |

### 1. Property Tax

Total property tax revenue in the General Fund for FY 2024-25 is projected to be \$34.0 million (1.4%) below budget and \$103.8 million (4.1%) below prior year actuals, unchanged from projections underlying the March 2025 Update to the Five-Year Financial Plan. A surplus in excess ERAF (Educational Revenue Augmentation Fund) revenue reflects updated state calculations of ERAF entitlement for the San Francisco Unified School District and Community College District, which are lower largely due to student enrollment. This is more than offset by higher levels of assessment appeals than anticipated, which increases projected refunds.

Between January 17 and April 7, 2025, for the secured roll, the number of open assessment appeals decreased by 13%, from 10,615 to 9,213, and the total assessed value under appeal declined by approximately \$13.8 billion, reducing the amount needed for reserves and increasing projected General Fund revenue by just under \$20.0 million. This is offset by reductions of the current year secured annual property tax roll and refunds of prior year taxes, which reduce projected revenue by \$20.0 million.

Refund amounts are projected using both actual and calculated reductions: 28.5% for retail, reflecting tax year 2021 average actual reductions to date; 15.9% for hotel, reflecting 2021 reductions as well as significant Prop 8 reductions made by the Assessor's Office; multifamily residential reductions for tax years 2023 and 2024 equal to actual 2023 reductions to date of 22.7%; single family residential reductions for 2023 and 2024 of

13.8%, the current average for 2023 decisions. Tax year 2023 and 2024 office values are assumed to be reduced by 33%, consistent with the estimate first used in our June 2024 projections, given actual reductions made for 2022 appeals at that time, which continues to reflect a midpoint between actual reductions made for 2022 and 2023 to date and the average 55% reduction in sale value versus assessed value for recently traded office buildings. This will be updated as more AAB decisions on offices are made.

## 2. Business Tax

Business tax revenues in the General Fund include Business Registration fees, Gross Receipts Taxes, Administrative Office Tax, and the Overpaid Executive Tax, and are projected to be \$1,069.2 million in FY 2024-25, or \$46.2 million (4.3%) above budget and \$75.8 million (7.6%) above prior year actuals. There are two main factors affecting the forecast. First, tax year 2024 collections to date have been stronger than expected due to firms' increases in worldwide sales allocated to San Francisco and from tax rate increases in 2024. The second factor is litigation, discussed below.

Proposition M (November 2024) restructured the City's business taxes by changing how gross receipts are calculated, increasing the small business exemption, and reorganizing business activities. The new tax structure begins in tax year 2025, with two quarterly prepayments occurring in Fiscal Year 2024-25. However, the Tax Collector will bill taxpayers' prepayments as one fourth of their total tax obligation in 2024. Thus, the effects of Proposition M will likely not be apparent this fiscal year. Although businesses have the option to make prepayments based on their expected tax obligation in 2025, based on first quarter prepayments received as of April 25<sup>th</sup>, nearly all businesses are paying the amount billed by the Tax Collector.

When the FY 2024-25 budget was prepared, there was a scheduled tax increase in 2025. With the passage of Proposition M, this tax increase will no longer be reflected in 2025 revenue, leading to a small decline in projected revenue relative to expectations in the budget.

There continues to be significant ongoing and new claims in litigation involving gross receipts tax payments in prior years. These claims involve a wide range of issues including which business activity (and therefore tax rate) businesses fall into, what receipts are attributed to businesses, and how to apportion worldwide gross receipts to San Francisco. Litigation affects revenue projections. In FY 2024-25, claims against the Overpaid Executive Tax have increased \$35 million, reducing the revenue forecast for this fiscal year. Although some Gross Receipts Tax claims have settled, new claims continue to be filed. On net, the Gross Receipts Tax liability has increased almost \$150 million to date in FY 2024-25, for a total expected liability of approximately \$440 million. To manage litigation-related revenue volatility across fiscal years, the City is reducing the amount held in reserve to 75% of the total liability, to be replenished in the budget year. This reduces the reserve needed to cover new and existing liabilities by \$110 million.

## 3. Local Sales Tax

Local sales tax revenues are projected to be \$182.8 million, \$10.9 million (5.6%) below budget and \$7.7 million (4.1%) below prior year actuals. San Francisco sales tax has been weak compared to both other Bay Area counties and the rest of the State.

The decline from the prior year is driven by decreases in business and industry (26.2%), fuel and service stations (11.7%), and general consumer goods (3.3%). Sales tax from restaurant and hotel spending, as well as the state and county pools, represents slightly more than half of the City's sales tax and are expected to grow very modestly at 1.1% year over year. Factors such as inflation, interest rates, consumer debt, online shopping, and

a shift in spending patterns toward nontaxable services have resulted in store closures and fewer luxury and discretionary purchases.

In the City's most recent quarter of sales tax receipts (October through December 2024) compared to same quarter prior year, San Francisco's sales tax adjusted for misallocations declined by 1.8%, a greater decrease than the state (1.1%) and the Bay Area (0.5%). The declines are primarily related to fuel and service stations (15.5%); building and construction (10.4%); and autos and transportation (7.4%).

4. Hotel Room Tax

Hotel taxes for all funds are projected to be \$279.9 million, \$43.49 million (13.4%) below budget and \$7.6 million (2.6%) below prior year. General Fund hotel tax revenues are projected to be \$246.9 million, \$38.3 million (13.4%) below budget and \$4.3 million (1.7%) below prior year.

Hotel tax is highly correlated with the hotel industry indicator revenue per available room (RevPAR), which is the combined effect of occupancy and average daily room rates. RevPAR for the first nine months of FY 2024-25 fell significantly from the same time prior year, averaging \$146.27, a decrease of 7.6% versus the first nine months of FY 2023-24, which had average RevPAR of \$158.20.

Because conventions drive up hotel room rates through compression pricing, the return of conferences and conventions plays a key role in the recovery of hotel tax revenues. In FY 2023-24, a total of 37 conferences with over 427,000 attendees took place in Moscone Center. This is compared to 33 events with over 286,000 in FY 2022-23 and 54 events with over 723,000 attendees in FY 2018-19. In the first three quarters of FY 2024-25, San Francisco hosted 23 events with over 230,000 attendees; for the remainder of the fiscal year, 10 events with almost 120,000 attendees are anticipated for a projected total of 33 events and 350,000 attendees.

Proposition E (November 2018 ) allocates 1.5% of the 14% hotel tax rate (or approximately 10.7% of total hotel tax revenue) to arts programming outside of the General Fund. Due to projected shortfalls from budget, the allocation to arts programs is projected to be \$31.0 million in FY 2024-25, or \$4.8 million (13.5%) below budget and \$0.8 million (2.7%) below the prior year. See the Other Funds section for more information about the Hotel Tax for Arts fund.

FY 2024-25 Allocation of Hotel Tax for Arts (Prop E)

|                           | Budget | 6-Month | 9-Month | Variance<br>from<br>Budget |
|---------------------------|--------|---------|---------|----------------------------|
| Grants for the Arts       | 18.2   | 15.8    | 15.8    | (2.5)                      |
| Arts Impact Endowment     | 2.8    | 2.4     | 2.4     | (0.4)                      |
| Cultural Centers          | 4.2    | 3.7     | 3.7     | (0.6)                      |
| Cultural Equity Endowment | 7.2    | 6.2     | 6.2     | (1.0)                      |
| Cultural Districts        | 3.4    | 2.9     | 2.9     | (0.5)                      |
| Total                     | 35.8   | 31.0    | 31.0    | (4.8)                      |

5. Parking Tax

Parking tax revenue is projected to be \$86.9 million, which is equal to budget and \$0.7 million (0.8%) above prior year actual. Although there are fewer commuters coming into the City now than before the pandemic, a

higher share is commuting by car rather than public transportation, and projected revenue is approximately equal to pre-pandemic levels. Revenues are deposited into the General Fund, from which an amount equivalent to 80% is transferred to the MTA for public transit under Charter Section 8A.105.

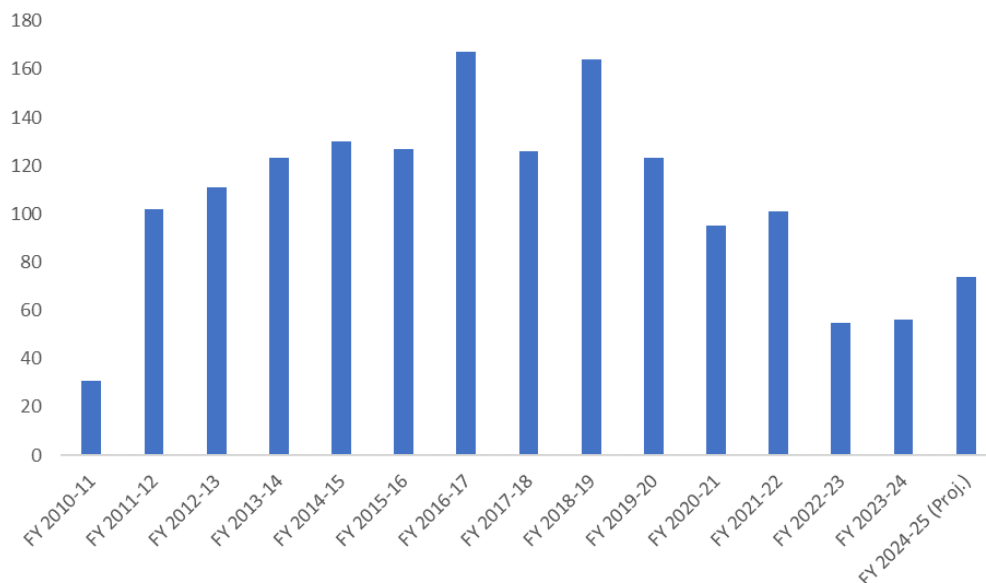
## 6. Real Property Transfer Tax

Real property transfer tax revenue is projected to be \$229.6 million, which is \$10.8 million (4.9%) above budget and \$51.9 million (29.2%) above prior year actual revenues. The impact of November 2020 Proposition I, which increased transfer tax on transactions over \$10 million, is estimated to be \$68.9 million.

Since the beginning of the COVID-19 pandemic in spring 2020, businesses in office-using sectors have largely adopted remote and hybrid work practices, resulting in persistently high office vacancies, 35.4% as of the 4<sup>th</sup> quarter of 2024. This dynamic is expected to decrease commercial real estate values. Exacerbating this structural change in where and how people work is the elevated interest rate environment, which increases the cost of borrowing and dampens real estate investment. Additional factors include credit availability, borrowing costs, foreign capital flows, and the relative attractiveness of San Francisco real estate compared to other investment options.

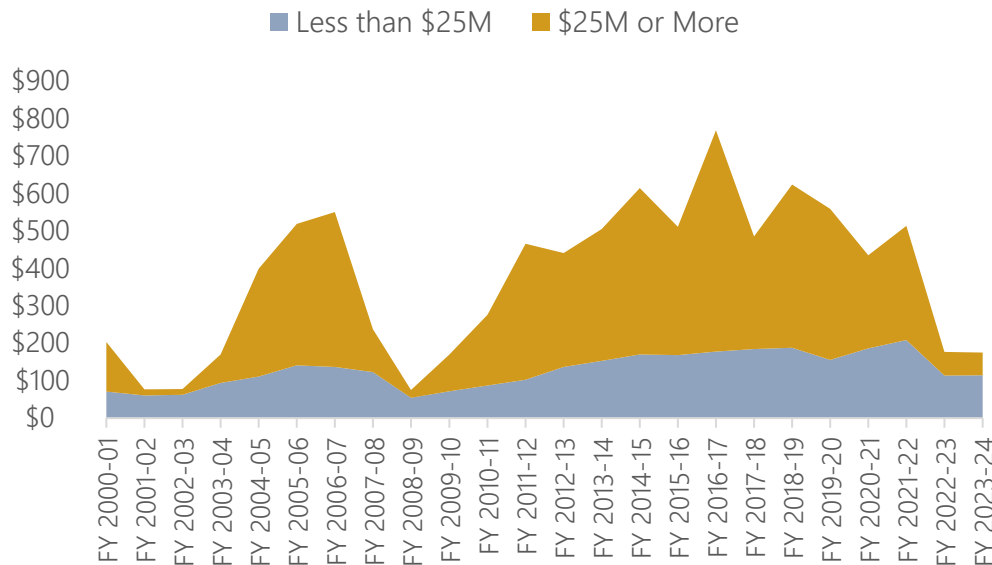
In the current year, the number of real property transfers over \$10 million (tax tiers 5 and 6) is expected to be low relative to pre-pandemic times but starting to recover. The average annual number of transactions over \$10 million between FY 2014-15 and FY 2018-19 was 143. Since then, the number of transactions over \$10 million has declined nearly every year; FY 2024-25 is expected to reverse the trend, ending with 74 large, taxable transactions, 32% more than the prior year. Similarly, real property transfers below \$10 million (tax tiers 1 through 4) are expected to fare worse than pre-pandemic times but begin to recover from the FY 2023-24 low. Between 2014-15 and FY 2018-19, there were an average of 9,172 transactions in these tiers. The forecast assumes there will be approximately 7,000 transactions in these tiers, more than the 6,491 transactions in the prior year.

**Number of Real Property Transfers Over \$10 million, FY 2011-12 through FY 2024-25**



Transfer tax revenue is one of the General Fund's most volatile sources. The tax is highly progressive, with a handful of high-value transactions generating a majority of the tax. Of the roughly 6,500 transactions that generated \$177.7 million of revenue in FY 2023-24, 21 transactions (or 0.3% of total) over \$25.0 million generated \$60.9 million (or 34%) of total revenue. The graph below shows rate-adjusted transfer tax from FY 2000-01 through FY 2023-24, broken out by the value of transactions above and below \$25.0 million. The graph underscores the magnitude and volatility of the highest tier, commercial transactions.

**Rate-Adjusted Real Property Transfer Tax, FY 2000-01 through FY 2023-24 (\$ millions)**



## 7. Cannabis Tax

In December 2022, the Mayor and Board of Supervisors delayed the imposition of the local cannabis excise tax from January 1, 2023, to January 1, 2026. The first collection of cash and recognition of revenue will occur in FY 2026-27.

## 8. Interest & Investment Income

Interest and investment revenues are projected to be \$155.0 million, \$8.3 million (5.6%) above budget and \$16.4 million (9.5%) below the prior year actual revenues. The improvement from budget is primarily due to higher-than-expected earned income yields (EIY) on the City's pooled investments. For all funds, net earnings through March 2025 were \$450.5 million and EIY was 3.64%.

Beginning in FY 2014-15, to reduce employer pension contribution cost growth, the City entered into an agreement with the Retirement System (SFERS) to prepay the entire fiscal year's estimated pension contribution on July 1 of the fiscal year (rather than with each biweekly pay period), given SFERS' ability to achieve a much higher rate of return on investments compared to cash in the Treasurer's pool. To make implementation feasible, the General Fund prepaid the cost for all departments and funds, including enterprise funds. While the benefit of lower pension contribution rates was enjoyed by all, only the General Fund earned negative interest on the negative cash balance created by the prepayments. The FY 2024-25 General Fund

interest forecast reflects the allocation of \$3.5 million of negative interest from the General Fund to enterprise and special revenue funds.

## 9. Intergovernmental Revenues – Federal

Federal revenues are projected to be \$443.9 million, or \$1.7 million (0.4%) above budget and \$56.4 million (14.5%) above prior year actuals. The variance from budget is driven by FEMA reimbursement of 2023 winter storms costs, which were not anticipated in the budget.

The budget assumed \$80.0 million of FEMA reimbursements for COVID response costs of which \$64.1 million is confirmed in the current year to date, and the projection assumes reimbursements at budgeted levels. COVID claims are currently undergoing eligibility reviews by CalOES (California Office of Emergency Services). The City has the option to appeal costs deemed ineligible.

Projections assume no changes to federal revenue related to the Trump administration's proposed funding freezes or rescission of funds.

## 10. Intergovernmental Revenues – State

State grants and subventions are projected to total \$895.1 million, \$17.3 million (1.9%) below revised budget and \$111.3 million (11.1%) below prior year actuals. The variance from budget is due to state sales tax-based subventions not performing as anticipated due to weaker sales tax across the state. These subventions include Health & Welfare Realignment (\$18.8 million below budget) and Public Safety Realignment and Public Safety Sales Tax (\$3.5 million and \$3.9 million below budget, respectively). Partially offsetting this weakness is strength in departmental revenues from the State, detailed in Appendix 2.

Projections assume no changes to federal revenue related to the Trump administration's proposed funding freezes or rescission of funds.

## 11. Airport Transfer In

The San Francisco International Airport (SFO) transfers 15% of its annual concession revenue to the General Fund. This revenue is dependent upon lease agreements with concessionaires and passenger traffic and spending levels. The Airport's annual service payment to the General Fund is projected to be \$58.3 million, which is on budget and \$2.6 million (4.9%) above prior year actuals.

## Appendix 2: General Fund Departments

**Table A2-1. General Fund Supported Operations (\$ millions)** *Note: Figures may not sum due to rounding.*

| GENERAL FUND SUPPORTED OPERATING<br>(\$ MILLIONS)   | Expenditures -<br>Revised<br>Budget | Expenditures -<br>Projected Year<br>End | Revenue<br>Surplus/<br>(Deficit) | Expenditure<br>Savings/<br>(Deficit) | Net New<br>Surplus/<br>(Deficit) |    |
|-----------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------------|--------------------------------------|----------------------------------|----|
| <b>PUBLIC PROTECTION</b>                            |                                     |                                         |                                  |                                      |                                  |    |
| Adult Probation                                     | 65.6                                | 63.6                                    | (0.3)                            | 2.1                                  | 1.8                              | 1  |
| Superior Court                                      | 33.0                                | 33.0                                    | -                                | -                                    | -                                |    |
| District Attorney                                   | 81.2                                | 80.5                                    | (0.2)                            | 0.7                                  | 0.5                              | 2  |
| Emergency Management                                | 81.0                                | 80.7                                    | 0.0                              | 0.3                                  | 0.3                              | 3  |
| Fire Department                                     | 509.8                               | 517.8                                   | 10.1                             | (8.0)                                | 2.1                              | 4  |
| Juvenile Probation                                  | 31.2                                | 31.1                                    | 0.1                              | 0.1                                  | 0.2                              | 5  |
| Public Defender                                     | 55.7                                | 55.6                                    | -                                | -                                    | -                                |    |
| Police Department                                   | 720.4                               | 720.4                                   | (0.5)                            | 0.0                                  | (0.5)                            | 6  |
| Sheriff                                             | 310.0                               | 320.9                                   | 0.3                              | (10.9)                               | (10.6)                           | 7  |
| Police Accountability                               | 10.4                                | 10.2                                    | 0.0                              | 0.2                                  | 0.2                              | 8  |
| Office of Sheriff's Inspector General               | 1.4                                 | 1.2                                     | -                                | 0.2                                  | 0.2                              | 9  |
| <b>PUBLIC WORKS, TRANSPORTATION &amp; COMMERCE</b>  |                                     |                                         |                                  |                                      |                                  |    |
| Public Works                                        | 105.4                               | 102.4                                   | (4.9)                            | 2.6                                  | (2.3)                            | 10 |
| Economic & Workforce Development                    | 126.8                               | 110.6                                   | (12.6)                           | 13.8                                 | 1.2                              | 11 |
| Board of Appeals                                    | 1.2                                 | 1.0                                     | (0.2)                            | 0.2                                  | -                                | 12 |
| <b>HUMAN WELFARE &amp; NEIGHBORHOOD DEVELOPMENT</b> |                                     |                                         |                                  |                                      |                                  |    |
| Children, Youth and Their Families                  | 25.9                                | 4.8                                     | (0.1)                            | 10.6                                 | 10.5                             | 13 |
| Human Services Agency                               | 1,126.6                             | 1,118.5                                 | (1.2)                            | 8.1                                  | 6.9                              | 14 |
| Human Rights Commission                             | 14.8                                | 10.2                                    | -                                | 2.3                                  | 2.3                              | 15 |
| Homelessness and Supportive Housing                 | 301.3                               | 296.5                                   | (2.9)                            | 3.9                                  | 1.0                              | 16 |
| Status of Women                                     | 13.5                                | 12.8                                    | -                                | 0.7                                  | 0.7                              | 17 |
| Early Childhood                                     | 55.1                                | 54.5                                    | (0.6)                            | 0.5                                  | (0.1)                            | 18 |
| Environment                                         | 1.5                                 | 1.5                                     | -                                | -                                    | -                                |    |
| <b>COMMUNITY HEALTH</b>                             |                                     |                                         |                                  |                                      |                                  |    |
| Public Health                                       | 2,839.9                             | 2,835.6                                 | 102.1                            | 4.2                                  | 106.3                            | 19 |
| <b>CULTURE &amp; RECREATION</b>                     |                                     |                                         |                                  |                                      |                                  |    |
| Asian Art Museum                                    | 11.7                                | 11.5                                    | -                                | 0.1                                  | 0.1                              | 20 |
| Arts Commission                                     | 10.3                                | 9.9                                     | -                                | 0.2                                  | 0.2                              | 21 |
| Fine Arts Museum                                    | 21.4                                | 21.4                                    | -                                | -                                    | -                                |    |
| Law Library                                         | 1.3                                 | 1.3                                     | -                                | -                                    | -                                |    |
| Recreation and Park Department                      | 119.4                               | 118.6                                   | (0.8)                            | 0.8                                  | 0.0                              | 22 |
| Academy of Sciences                                 | 8.0                                 | 7.5                                     | -                                | 0.4                                  | 0.4                              | 23 |
| War Memorial                                        | 7.3                                 | 7.3                                     | -                                | 0.1                                  | 0.1                              | 24 |
| <b>GENERAL ADMINISTRATION &amp; FINANCE</b>         |                                     |                                         |                                  |                                      |                                  |    |
| City Administrator                                  | 190.3                               | 182.7                                   | 0.6                              | 7.6                                  | 8.2                              | 25 |
| Assessor/Recorder                                   | 35.9                                | 35.3                                    | (0.6)                            | 0.6                                  | (0.0)                            | 26 |
| Board of Supervisors                                | 23.3                                | 23.3                                    | -                                | -                                    | -                                |    |
| City Attorney                                       | 120.8                               | 114.6                                   | (3.5)                            | 6.1                                  | 2.7                              | 27 |
| Controller                                          | 104.1                               | 103.7                                   | (0.1)                            | 0.4                                  | 0.3                              | 28 |
| City Planning                                       | 43.6                                | 39.4                                    | (10.1)                           | 4.1                                  | (6.0)                            | 29 |
| Civil Service Commission                            | 1.5                                 | 1.5                                     | -                                | 0.1                                  | 0.1                              | 30 |
| Ethics Commission                                   | 6.9                                 | 6.0                                     | 0.2                              | 0.9                                  | 1.1                              | 31 |
| Human Resources                                     | 44.5                                | 39.5                                    | (4.6)                            | 5.0                                  | 0.4                              | 32 |
| Health Service System                               | 13.3                                | 12.5                                    | (0.5)                            | 0.8                                  | 0.3                              | 33 |
| Mayor                                               | 130.9                               | 123.3                                   | -                                | 4.5                                  | 4.5                              | 34 |
| Elections                                           | 28.6                                | 26.9                                    | 1.8                              | 1.8                                  | 3.6                              | 35 |
| Technology                                          | 5.2                                 | 4.7                                     | (0.3)                            | 0.4                                  | 0.1                              | 36 |
| Treasurer / Tax Collector                           | 41.0                                | 40.2                                    | (0.2)                            | 0.9                                  | 0.6                              | 37 |
| Retirement System                                   | 2.1                                 | 2.1                                     | -                                | -                                    | -                                |    |
| <b>GENERAL CITY RESPONSIBILITY</b>                  | 192.9                               | 189.9                                   | 5.0                              | 3.1                                  | 8.1                              | 38 |
| <b>TOTAL</b>                                        | <b>7,675.9</b>                      | <b>7,586.4</b>                          | <b>75.9</b>                      | <b>69.5</b>                          | <b>145.3</b>                     |    |

## NOTES TO GENERAL FUND DEPARTMENT BUDGET PROJECTIONS

The following notes explain projected variances for select departments' revenues and expenditures compared to the revised budget.

### 1. Adult Probation

The Adult Probation Department projects to end the fiscal year with a net operating surplus of \$1.8 million, primarily due to salaries and fringe benefit savings of \$2.3 million partially offset by \$0.2 million work order shortfall and \$0.3 million revenue shortfall due to State Pre-Trial funds ending.

### 2. District Attorney

The District Attorney's Office projects to end the fiscal year with a \$0.5 million surplus in salaries and fringe benefits and programmatic projects.

### 3. Department of Emergency Management

The Department of Emergency Management anticipates ending the year with a net surplus of \$0.3 million. The department projects \$0.2 million in savings from salaries and fringe benefits and \$0.1 million in work order savings. The department projects overtime costs of \$1.5 million above budget. The Mayor's Office has introduced a supplemental appropriation to shift \$1.5 million from permanent salaries to overtime, as required by Administrative Code Section 3.17.

### 4. Fire Department

The Fire Department projects to end the fiscal year with a net operating surplus of \$2.1 million, which is comprised of a \$10.1 million revenue surplus and a \$8.0 million expenditure deficit. The \$10.1 million revenue surplus includes \$9.4 million in surplus emergency services revenue and \$2.0 million surplus in reimbursements from prior year billings, offset by shortfalls of \$1.0 million in fire prevention revenue and \$0.3 million in other operating revenue. Personnel expenditures are expected to be \$14.4 million above budget primarily due to a higher number of role transitions, deployment to the Los Angeles wildfire response, and overtime required to backfill. The department also anticipates \$2.8 million in workers' compensation savings. The Mayor's Office introduced a supplemental appropriation to appropriate \$7.9 million of emergency services revenue and reallocate existing salary budget to overtime, as required by Administrative Code Section 3.17. The department also anticipates receiving \$3.5 million from the MOU Reserve for eligible one-time salary and benefit payments.

### 5. Juvenile Probation

The Juvenile Probation Department projects to end the fiscal year with a net operating surplus of \$0.2 million, including a \$0.1 million revenue surplus in Superior Court reimbursement for custodial services and facilities maintenance and a \$0.1 million expenditure surplus in interdepartmental services.

### 6. Police

The Police Department projects to end the year with a \$0.5 million shortfall due to lower than anticipated 10b-services revenue. The projection includes permanent salary and fringe savings offsetting an overtime deficit of

approximately \$61.0 million and the use of \$5.9 million from the MOU reserve for eligible costs. As required by Administrative Code section 3.17, the Mayor's Office has introduced a supplemental appropriation to reallocate permanent salaries and fringe benefits savings to overtime. The Controller's Office will work with the department on saving strategies to ensure the department remains within budget.

## 7. Sheriff

The Sheriff's Office projects to end the year with a net deficit of \$10.6 million. Revenues are expected to be \$0.3 million higher than budget due to more federal reimbursement for the boarding of federal prisoners, and expenditures are expected to be \$11.9 million over budget. Non-personnel expenditures for jail supplies, facility maintenance, and water heater maintenance are expected to be \$1.6 million above budget. Personnel expenditures are expected to be \$10.3 million over budget primarily due to an overtime budget deficit of \$28.6 million, partially offset with \$17.3 million savings in regular salaries and fringe benefits and the planned use of \$1.0 million from the MOU reserve for eligible costs. As required by Administrative Code section 3.17, the Mayor's Office has introduced a supplemental appropriation to reallocate savings to overtime. However, additional funds from the General Reserve or de-appropriation of previously approved budgeted items, including facilities maintenance and other capital projects, or a combination thereof, will be required to resolve the department's overspending.

## 8. Department of Police Accountability

The Department of Police Accountability projects \$0.2 million in salary and mandatory fringe benefits savings.

## 9. Sheriff's Inspector General

The Sheriff's Department of Accountability projects salary savings of \$0.2 million due to staff attrition.

## 10. Department of Public Works

The Department of Public Works projects to end the fiscal year with a \$2.3 million deficit. Revenues are projected to be \$4.9 million below budget primarily due to fee revenue shortfalls and under recovery from interdepartmental services. A \$2.6 million expenditure surplus in salaries and fringe benefits, overhead cost allocation, non-personnel services, and grants to community-based organizations is partially offset by a shortfall in materials and supplies. The expenditure surplus includes \$0.4 million of project savings that the department has identified in coordination with the Mayor's Office.

## 11. Economic and Workforce Development

The Office of Economic and Workforce Development projects to end the fiscal year with a net surplus of \$1.2 million. A projected \$12.6 million shortfall in developer exaction revenue and expenditure recovery combined will be offset by \$13.8 million expenditure savings in work order expenses related to these exactions, programmatic projects, and CBO grants.

## 12. Board of Appeals

The Board of Appeals is projected to be on budget. The department projects a revenue shortfall of \$0.2 million offset by \$0.2 million salary and fringe benefits savings due to attrition.

### 13. Children, Youth, and Their Families

The Department of Children, Youth, and Their Families projects a net surplus of \$10.5 million from community-based organization grants savings the department has identified in coordination with the Mayor's Office.

### 14. Human Services Agency

|                             | Sources           | Uses              | Net               |
|-----------------------------|-------------------|-------------------|-------------------|
|                             | Surplus/(Deficit) | Surplus/(Deficit) | Surplus/(Deficit) |
| Aid Payments                | (0.8)             | 2.2               | 1.4               |
| Operations & Administration | (0.4)             | 5.9               | 5.5               |
| <b>Total</b>                | <b>(1.2)</b>      | <b>8.1</b>        | <b>6.9</b>        |

The Human Services Agency projects to end the year with a net surplus of \$6.9 million, comprised of a \$1.2 million revenue deficit and \$8.1 million in expenditure savings. The Board of Supervisors has approved a supplemental to repurpose \$8.5 million in surplus revenue and \$3.3 million in capital project savings for office relocation purposes. The department plans to request \$4.0 million in expenditure savings to be repurposed for office relocation.

The department projects a net surplus of \$1.4 million in aid payments, comprised of \$0.8 million in revenue deficit and \$2.2 million in expenditure savings. County Adult Assistance Programs (CAAP) are projected to have a net deficit of \$1.2 million primarily due to significantly higher caseload, including higher homeless caseload, than budgeted, and lower than budgeted SSI-IAR reimbursements. Skim-Scam is projected to have a net surplus of \$0.4 million due to decreased costs from food benefits replacement instead of cash benefits. Foster Care and Foster Care Childcare Aid programs are projected to have a net surplus of \$1.3 million due to delays in implementation of specialized placements for high-needs youth to FY 2025-26. Revenues in the In-Home Supportive Services (IHSS), CalWORKs, and Kin-GAP Aid programs are largely tied to expenditures and have a combined surplus of \$0.9 million due to higher enrollment and caseload expenditures in these programs than assumed in the budget.

In operations and administration, the department projects a net surplus of \$5.5 million, comprised of a \$0.4 million revenue deficit and \$5.9 million in expenditure savings. These figures are net of \$8.5 million in revenue surplus and \$4.0 million in expenditure savings to be repurposed towards office relocation purposes. CalFresh revenue is projected to be \$3.7 million above budget due to higher than budgeted allotment. Medi-Cal revenue is projected to be \$2.2 million above budget due to higher than budgeted allotment and is comprised of \$0.3 million for annual funds and \$1.8 million for one-time funds to unwind pandemic waivers that are no longer in effect. Sales tax subventions under 2011 Realignment are projected to be \$3.5 million above budget due to shifting available funding from aid payments to operations and administration. Revenue projections for IHSS administration, CalWORKs, and Child Welfare Services are anticipated to be \$1.1 million above budget because of increased allocations or redistributions. Revenue projections for CalSAWS and the Housing and Disability Advocacy Program are anticipated to be \$2.1 million below budget because of decreased allocations. The state is projected to recoup \$1.0 million food stamps overpayments and other claim adjustments for FY 2021-22 through FY 2023-24. As a result of changes in the allocation of staff time across fund sources and other operating costs, the following programs are projected to end the year with net surpluses: CAAP and CAPI eligibility services (\$0.5 million); CalWORKs and refugee eligibility services, workforce development refugee, CalWORKs mental health and substance abuse (\$0.8 million); CalWORKs Stage 1-2 Child Care (\$0.5 million);

Medi-Cal Eligibility (\$0.7 million); IHSS administration (\$2.2 million); Child Welfare Services (\$9.8 million); and CalSAWS grants (\$1.3 million). The Human Services Care Fund is projected to have a \$0.3 million surplus due to higher homeless caseloads, which reduce baseline savings. Changes in allocation of staff time and other operating costs result in projected end-of-the-year net deficits in the following programs: CalFresh Eligibility (\$1.8 million); CalFresh employment and training (\$0.5 million); Aging Grants, Community Living Fund, and Adult Protective Services (\$2.3 million); and Public Conservator, Public Administrator, and Representative Payee programs (\$0.7 million).

## 15. Human Rights Commission

The Human Rights Commission projects to end the fiscal year with a surplus of \$2.3 million due to continuing projects savings the department has identified in coordination with the Mayor’s Office.

## 16. Homelessness and Supportive Housing

The Department of Homelessness and Supportive Housing projects \$1.0 million savings in community-based organizations grant costs identified by the department in coordination with the Mayor’s Office.

## 17. Status of Women

The Department on the Status of Women projects to end the fiscal year with a net surplus of \$0.7 million, primarily from savings in salaries and fringe benefits, non-personnel services, and city grant programs.

## 18. Early Childhood

The Department of Early Childhood projects a net operating shortfall of \$0.1 million, comprised of a \$0.6 million shortfall in state subvention revenue partially offset by \$0.5 million savings in community-based organization grants and interdepartmental services.

## 19. Public Health

The Department of Public Health (DPH) projects to end the fiscal year with a net surplus of \$106.3 million, comprised of a \$102.1 million revenue surplus and expenditure savings of \$4.2 million, which includes \$2.5 million in non-personnel savings the department has identified in coordination with the Mayor’s Office.

**Table A2-3. Department of Public Health by Fund (\$ millions)**

|                                           | Sources           | Uses              | Net               |
|-------------------------------------------|-------------------|-------------------|-------------------|
|                                           | Surplus/(Deficit) | Surplus/(Deficit) | Surplus/(Deficit) |
| Public Health General Fund                | 65.8              | 26.9              | 92.7              |
| Laguna Honda Hospital                     | (28.1)            | 5.6               | (22.5)            |
| Zuckerberg San Francisco General Hospital | 64.4              | (28.3)            | 36.1              |
| <b>Total</b>                              | <b>102.1</b>      | <b>4.2</b>        | <b>106.3</b>      |

### **Public Health General Fund**

The projected surplus for Public Health General Fund programs (including Primary Care, Behavioral Health, Jail Health, SF Health Network, Population Health Division, and Public Health Administration) is \$92.7 million. DPH projects a combined revenue surplus of \$65.8 million in the General Fund comprised of \$6.1 million (12.5%) from Medi-Cal Managed Care supplemental payments due to DPH earning 100% of funding in the Quality Incentive Pool Program through meeting 100% of Quality Metrics, \$60.4 million (42.4%) in surplus revenue from patient revenues, a \$0.6 million (6.0%) surplus in net capitation revenue, and a \$0.5 million (5.2%) surplus in miscellaneous revenue. These surpluses are partially offset by a \$1.1 million (27.1%) shortfall in County Medi-Cal Administrative claiming and a \$0.6 million (2.3%) shortfall in Environmental Health fees.

A projected expenditure surplus of \$26.9 million is due to \$2.4 million (0.5%) savings in combined salary and fringe benefits from position vacancies and combined savings of \$24.5 million in non-personnel services, materials and supplies, debt service payments, interdepartmental services, and annual projects.

### **Laguna Honda Hospital**

The department projects Laguna Honda Hospital (LHH) will have a net operating deficit of \$22.5 million. A \$28.1 million revenue shortfall resulting from a pause in admissions during the Medicare/Medi-Cal recertification process is offset by a one-time revenue true-up of the State's DP/NF Supplemental Payment Program transition from Traditional Medi-Cal to Managed Care Medi-Cal. Hospital admissions resumed after LHH regained certification, and the facility is expected to reach full capacity by December 2025. This revenue shortfall is partially offset by a \$5.6 million expenditure surplus, including \$4.7 million in salary and fringe savings attributed to the Citywide hiring freeze and \$0.9 million savings from services of other departments.

### **Zuckerberg San Francisco General Hospital**

The department projects a \$36.1 million net surplus at Zuckerberg San Francisco General Hospital (ZSFG). Expenditures are projected to be \$28.3 million over budget, and include a \$7.2 million shortfall in salary and fringe benefits driven primarily by structural budget issues in premium and holiday pay and a \$1.4 million shortfall in non-personnel services due to registry costs and unexpected expenses related to the hospital's failed chiller system. Materials and supplies are projected to be \$20.4 million over budget due mostly to pharmaceutical spending, increased hospital census and patient volumes, and inflationary pressures on medical supply costs. Finally, the department projects \$0.7 million in savings in workers' compensation costs.

The department projects a \$64.4 million revenue surplus at ZSFG. Patient revenues are expected to end the year with a net surplus of \$21.3 million comprised of \$36.8 million surplus in Medi-Cal, Medicare and Other Patient Revenue reimbursements due to higher-than-expected patient volume, patient census, and higher than budgeted outpatient pharmacy revenue. This surplus is partially offset by a \$15.5 million shortfall in prior year settlement activity due primarily to a projected \$21.7 million recoupment of FY 2014-15 State AB85 Realignment funds, partially offset by favorable prior year Medicare and Medi-Cal settlements of \$34.9 million.

A \$43.2 million surplus from other operating revenue, primarily from the Global Payment Program and Medi-Cal GME, is partially offset by shortfalls of \$21.1 million in Medi-Cal Managed Care Supplemental Revenue and \$1.7 million in other miscellaneous revenue.

## 20. Asian Art Museum

The Asian Art Museum projects a net operating surplus of \$0.1 million comprised of a \$0.2 million surplus from salary and benefits offset by a \$0.1 million workers compensation overage.

## 21. Arts Commission

The Arts Commission projects \$0.2 million savings in community-based organization grant costs identified in coordination with the Mayor's Office.

## 22. Recreation and Park Department

The Recreation and Park Department is projected to end the year on budget. A \$0.8 million revenue deficit, including a \$0.7 million surplus in rents and concessions and a \$1.6 million shortfall in fees and permits, is projected to be offset by a like amount of salary and fringe benefit savings.

## 23. Academy of Sciences

The department projects \$0.4 million in salaries and fringe benefits savings due to staff vacancies.

## 24. War Memorial

The War Memorial projects \$0.1 million in debt service savings.

## 25. City Administrator

The City Administrator projects a net operating surplus of \$8.2 million. A projected net revenue surplus of \$0.6 million includes \$1.5 million from a one-time recognition of prior year marriage licenses paid in advance, partially offset by a \$0.3 million shortfall at the Entertainment Commission and Office of Cannabis due to a combination of factors including passage of Proposition M (November 2024), fee waivers, and halted applications, and a \$0.3 million deficit in work order recoveries. The department projects \$1.0 million in salary and fringe benefit savings, \$6.1 million in debt service savings, and \$0.5 million in city grant program, interdepartmental services, and non-personnel services savings.

## 26. Assessor Recorder

The Assessor Recorder projects to be on budget. The Department projects a \$0.6 million shortfall in fee revenue from recording documents because of fewer than expected real estate transactions, offset by expenditure savings of \$1.0 million primarily in salaries and benefits. The net surplus of \$0.4 million will be applied to the property tax system replacement project.

## 27. City Attorney

The City Attorney's Office projects an operating surplus of \$2.7 million. An expenditure surplus of \$6.1 million consists of \$2.0 million in salaries and fringe benefits savings and \$4.1 million of non-personnel savings

primarily driven by prior year carryforward budget offset by a \$3.5 million shortfall in recoveries for services provided to other departments.

## 28. Controller

The Controller's Office projects to end the year with a surplus of \$0.3 million. A revenue shortfall of \$0.1 million in recoveries from the Office of Community Investment and Infrastructure is offset by expenditure savings of \$0.4 million in salary and fringe benefits and interdepartmental services.

## 29. City Planning

City Planning projects a \$6.0 million operating deficit, driven by a \$10.1 million revenue shortfall which includes shortfalls of \$7.2 million in building permit alterations, \$0.9 million in new construction building permits, \$0.7 million in planning conditional use fees, and \$0.4 million in short-range city planning and other fees. Additionally, City Planning projects a \$1.4 million shortfall in recoveries for services provided to other departments. Expenditure savings of \$4.1 million including \$1.2 million in salaries and fringe benefits, \$1.2 million in interdepartmental services, and \$1.6 million in non-personnel services and materials and supplies, partially offset the revenue shortfall.

## 30. Civil Service Commission

The Civil Service Commission projects \$0.1 million in salary and non-personnel services savings.

## 31. Ethics

The Ethics Commission projects \$1.1 million in savings, including \$0.2 million in surplus campaign registration fee, fine, and penalty revenue and \$0.9 million in salary savings from delays in filling vacant positions.

## 32. Human Resources

The Department of Human Resources expects to end the year with a surplus of \$0.4 million. The Department projects a \$4.6 million shortfall in recoveries from other departments will be offset by \$5.0 million expenditure savings in salaries and benefits, non-personnel costs, and workorders.

## 33. Health Service System

The Health Service System anticipates a surplus of \$0.3 million, including a revenue deficit of \$0.5 million from expenditure recoveries and other revenue offset by expenditure savings of \$0.8 million primarily from salaries and fringe benefits, non-personnel services, and services of other departments.

## 34. Mayor

The Mayor's Office, which includes the Mayor's Office of Housing and Community Development, projects to end the year with an operating surplus of \$4.5 million. Expenditure savings of \$1.5 million are comprised of \$0.6 million from grants that were not deployed in the current year and grant balances from prior years, \$0.6 million from staff vacancies for grant-related projects, and \$0.3 million related to agreements with the Treasure

Island Development Agency and other City departments. Additionally, the department has identified \$3.0 million of savings in community-based organization grant costs.

## 35. Elections

The Department of Elections projects to end the fiscal year with an operating surplus of \$3.6 million, comprised of a \$1.8 million expenditure surplus in non-personnel, salaries, and fringe benefit costs, and a \$1.8 million revenue surplus due to higher than expected paid ballot argument fees and reimbursement from special districts for the November 2024 election.

## 36. Department of Technology

The Department of Technology projects to end the year with a surplus of \$0.1 million due to under-recovery of \$0.3 million in interdepartmental services offset by \$0.4 million in salaries and fringe benefits and non-personnel savings.

## 37. Treasurer/Tax Collector

The Treasurer/Tax Collector projects a surplus of \$0.6 million. A \$0.8 million shortfall in interdepartmental service revenue is offset by a like amount of savings in interdepartmental expenditures. The Department projects a \$0.6 million revenue surplus in delinquent revenue collection fees and commissions.

## 38. General City Responsibility

General City Responsibility contains funds that are allocated for use across various City departments and is projected to have an operating surplus of \$8.1 million. A projected \$5.0 million revenue surplus includes a \$2.9 million surplus in SB 90 state mandate reimbursements and \$2.5 million in city and county motor vehicle license fees, partially offset by a \$0.4 million shortfall in fees and fines. A projected \$3.1 million expenditure surplus includes a \$1.5 million reduction in the revenue transfer to support the Convention Facilities Fund given the Fund's debt service savings and \$1.5 million in interdepartmental services savings given reduced costs for the Permit Center, leases, contract administration, and utilities. A balance of \$11.6 million to fund community-based organizations' costs to comply with the Minimum Compensation Ordinance (MCO) is assumed spent in the subsequent budget.

## Appendix 3: Reserve Status

Various code and Charter provisions govern the establishment and use of reserves. Reserve uses, deposits, and projected year-end balances are displayed in Table A3-1 and discussed in detail below. Table A3-1 also includes anticipated deposits and withdrawals.

**Table A3-1. Reserve Balances (\$ millions)**

*Note: Figures may not sum due to rounding.*

|                                                        | FY 2023-24        | FY 2024-25  |                |                      | FY 2025-26  |               |                      |      |
|--------------------------------------------------------|-------------------|-------------|----------------|----------------------|-------------|---------------|----------------------|------|
|                                                        | Ending<br>Balance | Deposit     | Use            | Projected<br>Balance | Deposit     | Use           | Projected<br>Balance | Note |
| General Reserve                                        | \$ 128.1          | \$ 14.6     | (6.0)          | \$ 136.8             | \$ 24.5     | -             | \$ 161.2             | 1    |
| Rainy Day Economic Stabilization City Reserve          | 114.5             | -           | -              | 114.5                | -           | -             | 114.5                | 2    |
| Budget Stabilization Reserve                           | 275.2             | -           | -              | 275.2                | -           | -             | 275.2                | 3    |
| <b>Economic Stabilization Reserves</b>                 | <b>389.7</b>      | -           | -              | <b>389.7</b>         | -           | -             | <b>389.7</b>         |      |
| <b>Percent of General Fund Revenues</b>                | <b>6.1%</b>       |             |                | <b>6.1%</b>          |             |               | <b>6.0%</b>          |      |
| Budget Stabilization One Time Reserve                  | 54.8              | -           | -              | 54.8                 | -           | (54.8)        | -                    | 3    |
| Rainy Day Economic Stabilization SFUSD Reserve         | 1.0               | -           | -              | 1.0                  | -           | -             | 1.0                  | 2    |
| Federal and State Emergency Grant Disallowance Reserve | 81.3              | -           | (38.2)         | 43.1                 | -           | -             | 43.1                 |      |
| Fiscal Cliff Reserve                                   | 182.4             | -           | -              | 182.4                | -           | -             | 182.4                | 4    |
| Business Tax Stabilization Reserve                     | 29.5              | -           | (29.5)         | -                    | -           | -             | -                    |      |
| Public Health Revenue Management Reserve               | 148.9             | -           | -              | 148.9                | -           | -             | 148.9                | 5    |
| Free City College Reserve                              | 7.6               | -           | (7.5)          | 0.1                  | 6.2         | (6.2)         | -                    |      |
| Student Success Fund Reserve                           | 1.5               | -           | -              | 1.5                  | -           | -             | 1.5                  |      |
| <b>Other Reserves</b>                                  | <b>507.1</b>      | -           | (75.2)         | <b>431.9</b>         | <b>6.2</b>  | <b>(61.1)</b> | <b>377.0</b>         |      |
| Litigation Reserve                                     | -                 | 11.0        | (11.0)         | -                    | 11.0        | (11.0)        | -                    |      |
| Salary and Benefits Reserve                            | 1.8               | 20.2        | (22.0)         | 0.0                  | 20.8        | (20.8)        | 0.0                  | 6    |
| <b>Annual Operating Reserves</b>                       | <b>1.8</b>        | <b>31.2</b> | <b>(33.0)</b>  | <b>0.0</b>           | <b>34.3</b> | <b>(34.3)</b> | <b>0.0</b>           |      |
| <b>TOTAL, General Fund Reserves</b>                    | <b>1,026.7</b>    | <b>45.8</b> | <b>(114.2)</b> | <b>958.4</b>         | <b>64.9</b> | <b>(95.4)</b> | <b>927.9</b>         |      |

### 1. General Reserve

Pursuant to a financial policy approved by the Board of Supervisors in 2011 and codified in Administrative Code Section 10.60(b), year-end balances in the General Reserve are carried forward into subsequent years and thereby reduce the amount of future appropriations required to support reserve requirements established by the policy. The General Reserve balance in FY 2024-25 is required to be no less than 2.25% of budgeted regular General Fund revenues.

The FY 2023-24 ending balance of the General Reserve was \$128.1 million, and the FY 2024-25 approved budget includes a \$14.6 million required deposit. This report assumes \$6.0 million of General Reserve use in the current year, including \$0.5 million for free parking, transit, and ambassadors at Lunar New Year celebrations and \$5.4 million for overtime at the Sheriff's Office. Any uses of the reserve during the current year increase the required deposit in the budget year (FY 2025-26) by a like amount.

## 2. Rainy Day Economic Stabilization Reserve

Charter Section 9.113.5 established a Rainy Day Economic Stabilization Reserve, amended in November 2014 with the passage of Proposition C, which replaced the Rainy Day Economic Stabilization Reserve with two separate reserves—the School Reserve and the City Reserve. Of the excess revenue growth (50% of revenue growth in good years), 75% is deposited to the City Reserve and 25% to the School Reserve.

The FY 2023-24 ending balance of the City Rainy Day Economic Stabilization Reserve was \$114.5 million and the School Rainy Day Reserve was \$1.0 million. In FY 2024-25, the City is not withdrawing from or depositing to the Rainy Day Reserve.

## 3. Budget Stabilization Reserve

Established in 2010 by Administrative Code Section 10.60(c), the Budget Stabilization reserve augments the Rainy Day Economic Stabilization Reserve. The Budget Stabilization Reserve is funded by the deposit each year of 75% of real property transfer taxes above the prior five-year average (adjusted for policy changes) and ending unassigned fund balance above the fund balance appropriated as a source in the subsequent year's budget.

The FY 2023-24 ending balance of the Budget Stabilization Reserve was \$275.2 million and the Budget Stabilization One Time Reserve was \$54.8 million. When the combined value of the City Rainy Day Reserve and the Budget Stabilization Reserve reaches 10% of General Fund revenues, amounts above this cap are deposited into a Budget Stabilization One-Time Reserve for nonrecurring expenses. In FY 2024-25, the City is not withdrawing from or depositing to the Budget Stabilization Reserve.

## 4. Fiscal Cliff Reserve

Section 32.1 of the administrative provisions of the FY 2021-22 and FY 2022-23 Budget and Appropriations Ordinance established a Fiscal Cliff Reserve of \$293.9 million for the purpose of managing projected budget shortfalls following the spend down of federal and state stimulus funds and other one-time sources used to balance the FY 2021-22 and FY 2022-23 budget. This reserve is comprised of the balance of the COVID-19 Response and Economic Loss Contingency Reserve (COVID Reserve) remaining after funding the Federal and State Emergency Grant Disallowance Reserve in Section 32 in the FY 2021-22 and 2022-23 budget and accounting for the use of the COVID Reserve in the FY 2021-22 and FY 2022-23 budget. The FY 2023-24 ending balance of this reserve is \$182.4 million.

## 5. Public Health Revenue Management Reserve

Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance authorizes the Controller to defer surplus transfer payments, indigent health revenues, and Realignment funding to offset future reductions or audit adjustments associated with funding allocations for indigent health services in order to manage revenue volatility. At its December 7, 2021, meeting, the San Francisco Health Commission affirmed the department's methodology for calculating the maximum reserve level at 5% of total Medi-Cal, Medicare, and net patient revenue in the most recent adopted two-year budget. As of the end of FY 2023-24, the balance of the reserve is \$148.9 million. No deposits or withdrawals are projected in the current year.

## 6. Salary and Benefits Reserve

Section 10.4 of the administrative provisions of the AAO authorizes the Controller to transfer funds from the Salary and Benefits Reserve (or “MOU Reserve”) to adjust appropriations for employee salaries and benefits stipulated in Board-adopted collective bargaining agreements. The reserve had a fiscal year starting balance of \$22.0 million, including \$20.2 million appropriated in the current year and \$1.8 million from prior year budgets. The Controller’s Office has transferred \$6.3 million to departments and anticipates transferring an additional \$6.8 million by year end, as detailed in Table A3-2.

**Table A3-2. FY 2024-25 Salary and Benefits (MOU) Reserve Uses (\$ millions)**

|                                                   |             |
|---------------------------------------------------|-------------|
| <b>Sources</b>                                    |             |
| FY 2024-25 Adopted Budget                         | 20.2        |
| Carryforward balance from FY 2023-24              | 1.8         |
| <b>Total Sources</b>                              | <b>22.0</b> |
| <b>Uses</b>                                       |             |
| <b>Transfers to Departments</b>                   |             |
| Police Excess Retirement, Payouts                 | 3.6         |
| SF Health Plan                                    | 1.5         |
| Police Recruitment                                | 0.3         |
| Other, including Tuition Reimbursement            | 1.0         |
| <b>Total Transfers to Departments</b>             | <b>6.3</b>  |
| <b>Anticipated Allocations</b>                    |             |
| Police Excess Retirement, Payouts                 | 2.3         |
| Fire Excess Retirement, Payouts                   | 3.5         |
| Sheriff Payouts                                   | 1.0         |
| <b>Total Anticipated Allocations</b>              | <b>6.8</b>  |
| <b>Total Anticipated Uses in the Current Year</b> | <b>13.1</b> |
| <b>Total Anticipated Uses in the Budget Year</b>  | <b>9.0</b>  |
| <b>Net Surplus / (Shortfall)</b>                  | <b>-</b>    |

## Appendix 4: Other Funds Highlights

**Table A4-1. Other Fund Highlights (\$ millions)** *Note: Figures may not sum due to rounding.*

|                                                                  | Prior Year                       |                                        | FY 2024-25             |                    |                        |                                  |                               | FY 2025-26                             |       |
|------------------------------------------------------------------|----------------------------------|----------------------------------------|------------------------|--------------------|------------------------|----------------------------------|-------------------------------|----------------------------------------|-------|
|                                                                  | FY 2023-24 Year End Fund Balance | Fund Balance Used in FY 2024-25 Budget | Beginning Fund Balance | Revenue Projection | Expenditure Projection | Net Operating Surplus/ (Deficit) | Estimated Ending Fund Balance | Fund Balance Used in FY 2025-26 Budget | Notes |
| <b><u>SELECT SPECIAL REVENUE AND INTERNAL SERVICES FUNDS</u></b> |                                  |                                        |                        |                    |                        |                                  |                               |                                        |       |
| Building Inspection Operating Fund                               | 9.0                              | 9.0                                    | -                      | 5.5                | 2.3                    | 7.7                              | 7.7                           | -                                      | 1     |
| Children and Youth Fund                                          | 38.8                             | 8.7                                    | 30.2                   | (3.4)              | 12.9                   | 9.5                              | 39.6                          | 8.1                                    | 2     |
| Public Education Early Care Fund (OECE)                          | 17.1                             | 5.7                                    | 11.4                   | 0.7                | -                      | 0.7                              | 12.0                          | 6.9                                    | 3     |
| Public Education Special Fund (SFUSD)                            | 22.2                             | 6.2                                    | 16.0                   | (0.2)              | -                      | (0.2)                            | 15.8                          | 6.4                                    | 4     |
| Convention Facilities Fund                                       | 38.6                             | 10.0                                   | 28.5                   | (0.8)              | 3.9                    | 3.1                              | 31.6                          | 10.2                                   | 5     |
| Golf Fund                                                        | 4.2                              | 1.0                                    | 3.2                    | 0.6                | -                      | 0.6                              | 3.8                           | 1.0                                    | 6     |
| Marina Fund                                                      | (4.3)                            | -                                      | (4.3)                  | (0.3)              | 0.3                    | -                                | (4.3)                         | -                                      | 7     |
| Library Preservation Fund                                        | 22.3                             | 3.9                                    | 18.4                   | (1.7)              | 5.0                    | 3.3                              | 21.7                          | 2.0                                    | 8     |
| Open Space Fund                                                  | 40.3                             | 8.9                                    | 31.3                   | (1.6)              | 1.5                    | (0.1)                            | 31.2                          | 6.4                                    | 9     |
| Telecomm. & Information Systems Fund                             | 19.1                             | 7.6                                    | 11.5                   | (0.2)              | 5.3                    | 5.1                              | 16.6                          | 5.3                                    | 10    |
| General Services Agency-Central Shops Fund                       | 5.4                              | -                                      | 5.4                    | (0.6)              | 1.1                    | 0.5                              | 5.8                           | -                                      | 11    |
| General Services Agency-Repro Fund                               | 1.7                              | 0.2                                    | 1.5                    | (0.9)              | 0.8                    | (0.1)                            | 1.4                           | -                                      | 12    |
| War Memorial Fund                                                | 5.1                              | 1.0                                    | 4.2                    | 0.2                | 0.4                    | 0.6                              | 4.8                           | 0.3                                    | 13    |
| Election Campaign Fund                                           | 0.9                              | -                                      | 0.9                    | -                  | 1.4                    | 1.4                              | 2.4                           | -                                      | 14    |
| Gas Tax Fund                                                     | 13.1                             | 2.6                                    | 10.5                   | (0.2)              | 1.9                    | 1.7                              | 12.2                          | 5.1                                    | 15    |
| Children and Families Commission                                 | 0.5                              | -                                      | 0.5                    | (16.3)             | 16.3                   | -                                | 0.5                           | -                                      | 16    |
| Street Tree Maintenance Fund                                     | 6.3                              | -                                      | 6.3                    | -                  | -                      | -                                | 6.3                           | -                                      | 17    |
| Public Works Overhead Fund                                       | 16.4                             | 11.9                                   | 4.5                    | 0.3                | 6.8                    | 7.1                              | 11.6                          | 1.4                                    | 18    |
| Public Works Paid Time Off Fund                                  | 19.6                             | 5.3                                    | 14.2                   | (0.6)              | 0.9                    | 0.2                              | 14.5                          | -                                      | 19    |
| Real Estate Fund                                                 | 15.9                             | 9.5                                    | 6.4                    | (2.4)              | 17.5                   | 15.0                             | 21.5                          | 2.5                                    | 20    |
| Museum Admissions Fund                                           | (3.6)                            | -                                      | (3.6)                  | (0.3)              | 2.1                    | 1.7                              | (1.9)                         | -                                      | 21    |
| HCSO City Option Fund                                            | 920.8                            | -                                      | 920.8                  | -                  | -                      | 21.8                             | 942.6                         | -                                      | 22    |
| Solid Waste Fund                                                 | 10.0                             | 5.1                                    | 4.9                    | -                  | -                      | -                                | 4.9                           | 0.0                                    | 23    |
| <b><u>SPECIAL PURPOSE TAXES</u></b>                              |                                  |                                        |                        |                    |                        |                                  |                               |                                        |       |
| Neighborhood Beautification Fund                                 | 0.7                              | -                                      | 0.7                    | -                  | -                      | -                                | 0.7                           | -                                      | 24    |
| Culture and Recreation Hotel Tax Fund                            | 2.5                              | 1.1                                    | 1.4                    | (4.8)              | 4.8                    | -                                | 1.4                           | 0.5                                    | 25    |
| Traffic Congestion Mitigation Fund (TCM Tax)                     | 0.1                              | -                                      | 0.1                    | 1.0                | (1.1)                  | (0.1)                            | -                             | -                                      | 26    |
| Babies and Families First Fund (Commercial Rents Tax)            | 63.3                             | 0.0                                    | 63.3                   | -                  | -                      | -                                | 63.3                          | 0.0                                    | 27    |
| Our City, Our Home Fund (Homelessness Gross Receipts Tax)        | 245.1                            | 175.2                                  | 70.0                   | (11.7)             | -                      | (11.7)                           | 58.3                          | 70.0                                   | 28    |
| Small Business Assistance Fund (Commercial Vacancy Tax)          | 0.2                              | -                                      | 0.2                    | 1.4                | -                      | 1.4                              | 1.6                           | -                                      | 29    |
| Fair Wages for Educators Fund (Parcel Tax)                       | 0.2                              | -                                      | 0.2                    | -                  | (0.2)                  | (0.2)                            | -                             | -                                      | 30    |
| Housing Activation Fund (Empty Homes Tax)                        | -                                | -                                      | -                      | -                  | -                      | -                                | -                             | -                                      | 31    |
| <b><u>SELECT ENTERPRISE FUNDS</u></b>                            |                                  |                                        |                        |                    |                        |                                  |                               |                                        |       |
| Airport Operating Funds                                          | 545.4                            | 308.1                                  | 237.3                  | (25.5)             | 84.8                   | 59.3                             | 296.6                         | -                                      | 32    |
| MTA Operating Funds                                              | 80.6                             | 38.7                                   | 41.9                   | (25.5)             | 20.1                   | (5.4)                            | 36.5                          | 18.4                                   | 33    |
| Port Operating Funds                                             | 201.9                            | 11.9                                   | 190.0                  | (2.9)              | 9.7                    | 6.8                              | 196.8                         | -                                      | 34    |
| PUC Hetch Hetchy Operating Funds                                 | 195.5                            | 28.7                                   | 166.8                  | (14.9)             | 72.0                   | 57.1                             | 223.9                         | 16.3                                   | 35    |
| PUC Wastewater Operating Funds                                   | 176.9                            | 24.7                                   | 152.2                  | (3.2)              | 5.0                    | 1.9                              | 154.1                         | 34.5                                   | 36    |
| PUC Water Operating Funds                                        | 176.1                            | 24.0                                   | 152.1                  | (6.8)              | 7.3                    | 0.5                              | 152.6                         | 39.1                                   | 37    |
| PUC Clean Power Funds                                            | 13.4                             | -                                      | 13.4                   | (30.8)             | 77.1                   | 46.3                             | 59.7                          | -                                      | 38    |

## SELECT SPECIAL REVENUE & INTERNAL SERVICES FUNDS

### 1. Building Inspection Fund

The Building Inspection Fund began the year with no available fund balance, as the prior year's entire ending balance of \$9.0 million was spent in the current year. The department projects a \$7.7 million net operating surplus with a net \$5.5 million revenue surplus in fees for building permits, plan review, and residential records, and net expenditure savings of \$2.3 million, primarily due to savings in non-personnel services. In addition, the department maintains an unappropriated revenue account of \$21.3 million. As a result, the department expects to end the year with net available unappropriated reserves of \$29.0 million.

### 2. Children and Youth Fund

The Children's Fund began with a balance of \$30.2 million, net of a budgeted use of \$8.7 million in the current year. The fund is projected to have a \$3.4 million shortfall in property tax revenues and expenditure savings of \$12.9 million due to staff vacancies and the Department of Technology's coverage of information technology infrastructure upgrades in the department's new office, resulting in a \$39.6 million projected ending balance, of which \$8.1 million was used to balance the previously adopted FY 2025-26 budget.

### 3. Public Education Early Care Fund (OECE)

The Public Education Early Care Fund began with a balance of \$11.4 million, net of a budgeted use of \$5.7 million in the current year. Interest earnings of \$0.8 million above budget are partially offset by a reduction in projected General Fund Aggregate Discretionary Revenue (ADR). As a result, this fund is expected to have \$12.0 million of ending balance, of which \$6.9 million was spent in the previously approved FY 2025-26 budget.

### 4. Public Education Special Fund (SFUSD)

The Public Education Special Fund began with a balance of \$16.0 million, net of a budgeted use of \$6.2 million in the current year. Revenues are expected to be \$0.2 million below budget, reflecting a reduction in projected General Fund ADR, resulting in a \$15.8 million projected ending balance, of which \$6.4 million was spent in the previously approved FY 2025-26 budget.

### 5. Convention Facilities Fund

The Convention Facilities Fund began with a balance of \$28.5 million, net of a budgeted use of \$10.0 million in the current year. A net operating surplus of \$3.1 million is projected due to an expenditure surplus of \$3.9 million from debt service, workorder savings, and closures of purchase orders, offset by a revenue shortfall of \$0.8 million. Ending fund balance is projected to be \$31.6 million, of which \$10.2 million was used to balance the previously adopted FY 2025-26 budget.

### 6. Golf Fund

The Golf Fund began with a balance of \$3.2 million, net of \$1.0 million spent in the current year. The Recreation and Parks Department projects a revenue surplus of \$0.6 million in golf fees and concessions and a projected

fund balance of \$3.8 million at year end, of which \$1.0 million was used to balance the previously adopted FY 2025-26 budget.

## 7. Marina Fund

The Marina Fund began the year with an abnormal balance of \$4.3 million. The Recreation and Parks Department projects a shortfall of \$0.3 million in marina fee revenue will be offset by an equal amount of expenditure savings. As a result, the fund is projected to end the fiscal year with an abnormal ending balance of \$4.3 million. This abnormal fund balance resulted in carryforward revenue budgets being closed during the year end process; the Controller's office will work with the department to address this technical issue and abnormal balance.

## 8. Library Preservation Fund

The Library Preservation Fund began with a balance of \$18.4 million, net of \$3.9 million of fund balance appropriated in the current year. The library projects a net revenue shortfall of \$1.7 million, composed of a \$2.6 million property tax shortfall and \$0.2 million shortfall related to lower General Fund Aggregate Discretionary Revenue (ADR), partially offset by \$1.2 million of better-than-anticipated interest income and other revenue. Expenditure savings of \$5.0 million in salaries and fringe benefits, non-personnel services, and services from other departments more than offset revenue weakness, and the net operating surplus of \$3.3 million results in a projected ending balance of \$21.7 million, of which \$2.0 million was used to balance the previously adopted FY 2025-26 budget.

## 9. Open Space Fund

The Open Space Fund began with a balance of \$31.3 million, net of a budgeted use of \$8.9 million in the current year. The property tax set aside is projected to be \$2.6 million below budget, and interest income is projected to be \$1.2 million above. The net revenue deficit of \$1.6 million is offset by salary and fringe benefits savings of \$1.5 million. The projected ending fund balance is \$31.2 million, of which \$6.4 million was used to balance the previously adopted FY 2025-26 budget.

## 10. Telecommunications & Information Services Fund

The Telecommunication & Information Services Fund began the year with a balance of \$11.5 million, net of \$7.6 million appropriated in the current year. A net operating surplus of \$5.1 million is projected, comprised of a \$0.2 million shortfall in recoveries from client departments offset by \$5.3 million salary and non-personnel services savings. The fund is projected to end the year with a balance of \$16.6 million, of which \$5.3 million was used to balance the previously adopted FY 2025-26 budget.

## 11. General Services Agency-Central Shops Fund

The Central Shops Fund began the fiscal year with \$5.4 million in fund balance and projects to end the fiscal year with a balance of \$5.8 million. The department projects a net operating surplus of \$0.5 million due to increased costs for parts and repairs that will be offset by higher reimbursements from departments.

## 12. General Services Agency-Repro Fund

The Reproduction Fund began the fiscal year with \$1.5 million in fund balance, net of \$0.2 million appropriated in the current year, and projects to end the fiscal year with a balance of \$1.4 million. The department projects a net operating shortfall of \$0.1 million due to lower reimbursements from departments that will be offset by decreased costs for postage and supplier expenses.

## 13. War Memorial Fund

The War Memorial Fund began the fiscal year with \$4.2 million in fund balance, net of \$1.0 million of fund balance appropriated in the current year. The Department projects a net operating surplus of \$0.6 million primarily due to salaries and fringe benefit savings, resulting in an ending balance of \$4.8 million, of which \$0.3 million was used to balance the previously adopted FY 2025-26 budget.

## 14. Election Campaign Fund

Election Campaign Fund began the fiscal year with a balance of \$8.5 million, of which \$0.9 million was carried forward from the prior fiscal year and \$7.5 million was appropriated in the current year budget. The fund expended \$6.1 million in the current year for public finance disbursement to eligible candidates in the November 2024 election, and projects to end the fiscal year with a balance of \$2.4 million.

## 15. Gas Tax Fund

The Gas Tax Fund began with a \$10.5 million balance, net of \$2.6 million appropriated in the current year. The department projects a revenue shortfall of \$0.2 million based on the California State Association of Counties revenue estimate of gas tax revenues, offset by \$1.9 million expenditure savings, resulting in a projected ending balance of \$12.2 million, of which \$5.1 million was used to balance the previously approved FY 2025-26 budget.

## 16. Children and Families Commission

The Children and Families Commission began with a balance of \$0.5 million. Revenues are projected to be \$16.3 million below budget due to lower than anticipated Prop 10 tobacco tax revenue. The department will close a like amount of spending budgets to maintain the \$0.5 million fund balance.

## 17. Public Works – Street Tree Maintenance Fund

The Street Tree Maintenance Fund began the fiscal year with a balance of \$6.3 million. No operating surplus or shortfall is expected.

## 18. Public Works – Overhead Fund

The Overhead Fund began the fiscal year with a balance of \$4.5 million, net of a budgeted use of \$11.9 million in the current year. Public Works projects an operating surplus of \$7.1 million due to \$6.8 million of expenditure savings from non-personnel services and services from other departments, partially offset by a salaries and benefits shortfall. Public Works projects a revenue surplus of \$0.3 million mainly due to overhead recovery.

The projected ending balance is \$11.6 million, of which \$1.4 million was used to balance the previously adopted FY 2025-26 budget.

## 19. Public Works – Paid Time-Off Fund

The Paid Time-Off Fund began the fiscal year with a balance of \$14.2 million, net of a budgeted use of \$5.3 million. Public Works projects an operating surplus of \$0.2 million due to expenditure savings of \$0.9 million offset by an overhead recovery shortfall of \$0.6 million. The resulting end balance is \$14.5 million.

## 20. Real Estate Fund

The Real Estate Fund began the fiscal year with \$6.4 million in fund balance, net of \$9.5 million appropriated in the current year. The fund is projected to have a revenue shortfall of \$2.4 million, mostly in recoveries for leased space, offset by expenditure savings of \$17.5 million as renewal lease terms are estimated to come in below budget for a number of properties. In addition, \$7.5 million allocated for purchase orders is anticipated to be carried forward. The projected ending balance is \$21.5 million, of which \$2.5 million was used to balance the previously adopted FY 2025-26 budget.

## 21. Museum Admissions Fund

The Museum Admissions fund began the year with an abnormal balance of \$3.6 million. Both the Asian Art Museum and the Fine Arts Museums have budgeted revenue and expenditures in this fund. A projected revenue shortfall of \$0.3 million from weakness in museum admissions is offset by \$2.1 million in salary savings, decreasing the expected year end abnormal balance to \$1.9 million. The Controller's Office will work with departments at year end close to address the abnormal balance.

## 22. HCSO City Option Fund

The City Option Fund is a fiduciary fund containing the balances of medical reimbursement accounts created pursuant to the Health Care Security Ordinance (HCSO), which generally requires employers to make a minimum level of health care expenditures for their San Francisco employees. One way to comply with the HCSO is to make payments under the SF City Option on behalf of employees who are then eligible for a medical reimbursement account. In FY 2022-23, City Option funds previously held in a non-interest bearing account of the San Francisco Health Plan were deposited into the City's treasury. The San Francisco Health Plan (SFHP) deposits employer contributions into, and issues reimbursements to account holders from, its accounts outside the City. Should the value of contributions exceed the value of reimbursements, the City Option Fund would receive a net transfer from the SFHP. In the current and prior fiscal years, the value of reimbursements has exceeded the value of contributions, and the City Option Fund is making periodic transfers to SFHP for cash flow purposes.

This fund began the fiscal year with a cash balance of \$920.8 million and a \$9.7 million interest receivable balance after adjusting for unrealized losses booked at the end of FY 2023-24. Based on activity through the end of April, a net transfer out of \$12.1 million to SFHP is projected to balance participant account withdrawals net of contributions. Payments of \$8.7 million to SFHP for managing participant accounts are projected to be offset by \$30.0 million in interest earnings.

## 23. Solid Waste Fund

The Solid Waste Fund began the year with a balance of \$4.9 million, net of \$5.1 million fund balance appropriated in the current year. The Department of the Environment, Controller, and the Department of Public Works have budgeted revenue and expenditures in this fund and project to end the fiscal year on budget.

## SPECIAL PURPOSE TAXES

## 24. Neighborhood Beautification Fund (Dedication of Business Tax)

The Neighborhood Beautification Fund began the fiscal year with a fund balance of \$0.7 million. No net operating surplus or shortfall or change in fund balance is projected.

## 25. Culture and Recreation Hotel Tax Fund (Dedication of Hotel Tax)

In November 2018, voters adopted an ordinance to dedicate a portion of hotel tax to support arts organizations. Revenue is deposited in the Culture and Recreation Hotel Tax Fund and allocated to the Arts Commission, General Services Agency, and Mayor's Office of Housing and Community Development.

The Fund began the year with a balance of \$1.4 million, net of a budgeted use of \$1.1 million. Due to the weakness in hotel tax revenue described in Appendix 1, the Fund is expected to have a revenue deficit of \$4.8 million. Departments and the Controller's Office will work at year end to de-appropriate an equal amount of spending authority, resulting in an ending balance of \$1.4 million, of which \$0.5 million has been spent in the previously approved FY 2025-26 budget.

## 26. Traffic Congestion Mitigation Fund (Traffic Congestion Mitigation Tax)

In November 2019, voters adopted a traffic congestion mitigation tax on rides facilitated by commercial ride-share companies, autonomous vehicles, or private transit services, to support spending on transit and infrastructure improvements. Proceeds are deposited in the Traffic Congestion Mitigation Fund and allocated primarily between MTA and the San Francisco County Transportation Authority (SFCTA).

The fund began the fiscal year with a balance of \$0.1 million. Traffic Congestion Mitigation tax revenues in the current year are projected to be \$18.0 million, or \$1.0 million above budget. All revenue is allocated to the MTA and SFCTA each year, resulting in no projected fund balance.

## 27. Babies and Families First Fund (Early Care and Education Commercial Rent Tax)

In June 2018, voters adopted a commercial rents tax on businesses leasing commercial space in San Francisco to support spending on early childhood care and education. Proceeds are deposited in the Babies and Families First Fund and allocated to the Department of Early Childhood. The fund began the fiscal year with a balance of \$63.3 million. Commercial rent tax is projected to be \$187.3 million, exactly on budget.

## 28. Our City, Our Home Fund (Homelessness Gross Receipts Tax)

In November 2018, voters adopted an additional gross receipts tax of 0.175% to 0.69% on taxable gross receipts over \$50.0 million to support spending on homelessness, housing, and mental health. The tax was revised by Proposition M (November 2024), which decreased the gross receipts exemption from \$50 million to \$25 million and adjusted rates to make the tax less reliant on a small number of large payers. Proceeds are deposited in the Our City, Our Home Fund and allocated primarily between the Department of Homelessness and Supportive Housing (HSH) and Department of Public Health (DPH).

The fund began the fiscal year with a balance of \$70.0 million, net of \$175.2 million appropriated in the current year. The large FY 2023-24 fund balance was intentionally created through prior year spending reductions to support spending in FY 2024-25 and FY 2025-26. An \$11.7 million shortfall in homelessness gross receipts tax revenue is projected, resulting in an ending balance of \$58.3 million. In the previously adopted two-year budget, \$70.0 million of fund balance was budgeted in FY 2025-26; if no expenditure reductions are made by departments in the current year, part of the previous appropriation will be unsupported. The Controller's Office will work with the departments to identify offsetting expenditure savings to bring FY 2024-25 into balance while also supporting the FY 2025-26 and FY 2026-27 expenditure budgets.

## 29. Small Business Assistance Fund (Commercial Vacancy Tax)

In March 2020, voters adopted a tax on keeping certain commercial spaces vacant for more than 182 days in a calendar year. Proceeds are deposited in the Small Business Assistance Fund and allocated primarily to the Office of Economic and Workforce Development. The tax took effect in tax year 2022 and was first collected in FY 2022-23. The fund began the fiscal year with a balance of \$0.2 million. FY 2024-25 revenues are projected to be \$2.4 million, a \$1.4 million improvement from budget, resulting in an ending balance of \$1.6 million.

## 30. Fair Wages for Educators Fund (SFUSD Parcel Tax)

In November 2020, voters adopted a parcel tax to support the San Francisco Unified School District (SFUSD). Proceeds are deposited into the Fair Wages for Educators Fund and transferred to SFUSD, which certifies that funds will be spent in accordance with San Francisco and Business and Tax Regulations Code. The tax was first imposed in FY 2021-22. The City remitted \$47.3 million in FY 2021-22, \$49.1 million in FY 2022-23, and \$51.6 million in FY 2023-24 to SFUSD. In FY 2024-25, the City budgeted \$53.0 million of parcel tax revenue, balanced with a \$53.0 million transfer to SFUSD. The fund began the fiscal year with \$0.2 million of fund balance; all funds will be passed through to SFUSD, so no fund balance is anticipated by year-end.

The Controller's Office has requested a report from SFUSD on the status of projects funded by this tax, as required by Article 37, Section 3709 of the Business and Tax Regulations Code. The City received a report for FY 2021-22 expenditures but not for FY 2022-23 and FY 2023-24.

## 31. Housing Activation Fund (Empty Homes Tax)

In November 2022, voters adopted Proposition M, which imposed a tax on vacant homes. The tax was scheduled to take effect in tax year 2024, with revenues first impacting FY 2024-25. The City budgeted \$20.0 million of tax revenue in FY 2024-25, balanced with \$20.0 million of housing-related expenditures. However, a lawsuit filed in 2023 challenged the validity of the tax on the grounds that it violates state law and the federal and state constitutions. In late 2024, a trial court struck down the tax in its entirety and prohibited the City

from collecting it. The City has appealed the trial court's ruling. File number 250001 was passed by the Board of Supervisors in March 2025 and signed by the Mayor in April 2025 to suspend the tax until the year after a final court ruling in the City's favor, should it occur. The Controller's Office has de-appropriated all FY 2024-25 budgets related to the tax.

## SELECT ENTERPRISE FUNDS

### 32. Airport Operating Fund

The Airport began the fiscal year with \$237.3 million in available fund balance, net of \$308.1 million of fund balance appropriated in the current year. The department projects a net operating surplus of \$59.3 million comprised of a projected revenue deficit of \$25.5 million and expenditure savings of \$84.8 million.

The department's revenue deficit is largely driven an aviation revenue shortfall of \$20.0 million. Aviation revenues include airline landing fees and terminal rents, and the deficit is largely driven by lower than originally budgeted airport traffic. Slower than expected domestic traffic growth and delays in aircraft deliveries affect both aviation and concession revenues. Parking and concession revenues are expected to be below budget by \$4.2 million driven by lower spend rate per passenger in food and beverage and duty free, as well as underperformance in automobile rental, partially offset by higher than budgeted parking and ground transportation activity. Rent and concession revenues were also impacted by airline relocations to other terminals due to the ongoing Terminal 3 West project.

The department's net expenditure savings are driven by a projected \$46.6 million in labor savings due to vacancies and savings of \$17.2 million in professional services contracts. The department estimates savings of \$5.2 million in capital outlay due to delivery and manufacturing delays, especially for large items such as vehicles and customized equipment. Lastly, the department projects savings of \$13.4 million in public safety labor costs due to vacancies in the Police and Fire Departments. The department is projected to end the fiscal year with a balance of \$296.6 million.

### 33. Municipal Transportation Agency (MTA) Operating Funds

The MTA began the fiscal year with an available balance of \$41.9 million, net of \$38.7 million appropriated in the current year. The Agency projects to end the year with a net operating deficit of \$5.4 million due to a revenue shortfall of \$25.5 million and expenditure savings of \$20.1 million.

The revenue shortfall is driven by \$1.1 million underperformance in parking revenue due to slow downtown recovery, impacting garage and citation revenue; \$2.0 million in transit fare underperformance due to continued slow downtown recovery depressing ridership; and a \$2.2 million shortfall in operating grants. Federal relief is \$20.6 million under recovered so that a proportion of the allocation can be used to balance the next fiscal year's budget. Additionally, transfers from the General Fund that support operating expenses are expected to be \$3.6 million above budget. This is due to decrease in projected aggregate discretionary revenue (ADR) in the General Fund offset by the General Fund transfer to the MTA determined by population growth, which is expected to be \$14.2 million above budget, of which \$4.6 million supports operating expenditures.

The Agency projects \$20.1 million in expenditure savings, which is driven by \$41.2 million in reduced personnel costs and overhead allocations from hiring only priority positions, \$9.2 million in capital outlay, \$3.2 million in materials and supplies, and \$5.7 million in services of other departments. These expenditure savings are offset

by shortfalls in non-personnel services of \$39.1 million, resulting in an ending balance of \$36.5 million, of which \$18.4 million was appropriated in the previously approved FY 2025-26 budget.

## 34. Port Operating Funds

The Port began the fiscal year with \$190.0 million in available annual fund balance and projects a net operating surplus of \$6.8 million.

A net revenue deficit of \$2.9 million is due to shortfalls in parking revenue and Harbor Services and Other Marine/Excursion facility rents partially offset by better-than-expected investment returns. Expenditure savings of \$9.7 million include \$4.3 million savings from underutilization of as-needed contracts in Engineering and Real Estate contracts, deferred broker payments, and savings from lower volume of credit card transactions tied to pending meter installations, \$3.1 million savings in services from other city departments, and \$1.7 million savings in salaries and mandatory fringe benefits from implementation of a reduced hiring plan. Port Operating Funds are projected to end the fiscal year with a balance of \$196.8 million.

## Public Utilities Commission (PUC)

PUC projects net operating surpluses for the Hetch Hetchy Operating Fund , Wastewater Operations Fund, Water Operating Fund, and Clean Power Fund.

## 35. Public Utilities Commission – Hetch Hetchy Operating Fund

The Hetch Hetchy Fund began the fiscal year with \$166.8 million in available operating fund balance and is projected to end the year with a net operating surplus of \$57.1 million due to a \$14.9 million revenue deficit and \$72.0 million expenditure savings. The revenue deficit is mostly due to retail sales that are lower based on year-to-date volumes. Gas and steam sales are also lower due to lower usage, but this variance is offset by equivalent cost savings. These decreases are offset by higher wholesale sales mainly due to higher resource adequacy sales. The expenditures savings are primarily due to lower power costs and savings due to higher power generation, including cost avoidance of \$12.0 million in power purchases, \$5.0 million from transmission costs, and \$3.0 million for resource adequacy costs, offset by a \$1.0 million increase in distribution costs. The remaining Power Purchase savings are a result of budgeted contingency and carryforward budget projected to be unspent.

The Hetch Hetchy Fund is projected to end the fiscal year with a balance of \$245.5 million, which includes \$21.6 million of unapproved reserves. The department appropriated \$16.3 million of fund balance in the previously approved FY 2025-26 budget.

## 36. Public Utilities Commission – Wastewater Operations Fund

The Wastewater Operations Fund began the fiscal year with \$152.2 million in available operating fund balance. The Fund is projected to end the year with a net operating surplus of \$1.9 million comprised of a revenue deficit of \$3.2 million offset by expenditure savings of \$5.0 million. The revenue deficit is mostly due to a \$11.0 million decrease in sewer services charges partially offset with one-time agency contributions of \$7.2 million related to the construction of the Mariposa Pump Station and \$0.6 million related to 525 Golden Gate facilities. Expenditure savings are primarily due to salaries savings from vacant positions and debt service savings related

to the issuance of the 2024 Series B refunding of 2018 Series B and 2023 Series B and defeasance of the 2021 Series A Notes and 2021 Series B Notes.

The Fund is projected to end the fiscal year with a balance of \$154.1 million, of which \$34.5 million was appropriated in the previously approved FY 2025-26 budget.

### 37. Public Utilities Commission – Water Operating Fund

The Water Operations Fund began the fiscal year with \$152.1 million in available operating fund balance. The Fund is projected to end the fiscal year with a net operating surplus of \$0.5 million, comprised of a revenue deficit of \$6.8 million and \$7.3 million in expenditure savings. The revenue deficit is primarily due to a \$7.9 million shortfall in retail water sales partially offset by higher than expected revenues from wholesale water sales. Expenditure savings include \$2.0 million savings from services of other city departments, \$2.2 million debt service savings for the Mt Tunnel SRF loan, \$4.7 million from facilities maintenance projects, and \$0.6 million savings on uses of reserves, partially offset by \$2.2 million of increased litigation settlement costs.

The Fund is projected to end the fiscal year with a balance of \$179.5 million, which includes \$26.9 million of unapproved reserves. The department appropriated \$39.1 million of fund balance in the previously approved FY 2025-26 budget.

### 38. Public Utilities Commission – Clean Power Fund

The Clean Power Fund began the fiscal year with \$13.4 million in available operating fund balance. The fund is projected to end the fiscal year with a net operating surplus of \$46.3 million.

The Fund is projected to have a net revenue deficit of \$30.8 million which includes retail revenues driven by final rates being lower than budgeted rates, partially offset by higher wholesale revenues. Expenditure savings of \$77.1 million are due to \$36.6 million of Power Purchases savings driven by lower wholesale energy costs and \$40.5 million of use of General Reserve savings.

The Fund is projected to end the fiscal year with a balance of \$182.4 million, which includes \$122.7 million of unapproved reserves.

## Appendix 5: Overtime Report

| Department<br>(\$ Millions)                                                                                                                                                                              | FY 2023-24   | FY 2024-25     |                          |                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|--------------------------|-------------------------------------|
|                                                                                                                                                                                                          | Actual       | Revised Budget | July through<br>1/3/2025 | % of Budget<br>through<br>4/11/2025 |
| <b>Municipal Transit Agency - Total</b>                                                                                                                                                                  | 65.0         | 35.7           | 53.9                     | 151%                                |
| <b>Police*</b>                                                                                                                                                                                           |              |                |                          |                                     |
| General Fund (Excl. Work Orders)                                                                                                                                                                         | 86.6         | 41.0           | 77.7                     | 189%                                |
| Airport                                                                                                                                                                                                  | 7.8          | 10.5           | 7.4                      | 71%                                 |
| General Fund Work Orders                                                                                                                                                                                 | 2.7          | 3.3            | 1.9                      | 58%                                 |
| <b>Total Annual Operating Funds</b>                                                                                                                                                                      | <b>97.0</b>  | <b>54.8</b>    | <b>87.1</b>              | <b>159%</b>                         |
| <i>Special Revenue (10B)</i>                                                                                                                                                                             | 14.5         |                | 11.2                     |                                     |
| <i>Total</i>                                                                                                                                                                                             | <i>111.5</i> |                | <i>98.3</i>              |                                     |
| <b>Public Health*</b>                                                                                                                                                                                    |              |                |                          |                                     |
| ZSF General                                                                                                                                                                                              | 31.1         | 30.8           | 22.1                     | 72%                                 |
| Laguna Honda                                                                                                                                                                                             | 16.8         | 20.7           | 9.3                      | 45%                                 |
| Other Annual Funds                                                                                                                                                                                       | 4.2          | 4.1            | 3.1                      | 75%                                 |
| <b>Total Annual Operating Funds</b>                                                                                                                                                                      | <b>52.1</b>  | <b>55.6</b>    | <b>34.6</b>              | <b>62%</b>                          |
| <b>Fire*</b>                                                                                                                                                                                             |              |                |                          |                                     |
| General Fund (Excl. Work Orders)                                                                                                                                                                         | 61.7         | 53.5           | 44.0                     | 82%                                 |
| Airport                                                                                                                                                                                                  | 7.8          | 7.3            | 6.1                      | 83%                                 |
| General Fund Work Orders                                                                                                                                                                                 | 1.2          | 4.8            | 1.7                      | 36%                                 |
| <b>Total Annual Operating Funds</b>                                                                                                                                                                      | <b>70.6</b>  | <b>65.6</b>    | <b>51.8</b>              | <b>79%</b>                          |
| <b>Sheriff*</b>                                                                                                                                                                                          |              |                |                          |                                     |
| General Fund (Excl. Work Orders)                                                                                                                                                                         | 29.4         | 13.5           | 32.1                     | 237%                                |
| General Fund Work Orders                                                                                                                                                                                 | 1.7          | 8.8            | 7.2                      | 82%                                 |
| <b>Total Annual Operating Funds</b>                                                                                                                                                                      | <b>31.2</b>  | <b>22.3</b>    | <b>39.3</b>              | <b>176%</b>                         |
| <b>Airport*</b>                                                                                                                                                                                          |              |                |                          |                                     |
| Annual Operating Funds                                                                                                                                                                                   | 4.0          | 6.1            | 4.6                      | 74%                                 |
| <b>Emergency Management*</b>                                                                                                                                                                             |              |                |                          |                                     |
| Annual Operating Funds                                                                                                                                                                                   | 8.1          | 7.8            | 6.7                      | 85%                                 |
| <b>Public Works*</b>                                                                                                                                                                                     |              |                |                          |                                     |
| Annual Operating Funds                                                                                                                                                                                   | 2.4          | 2.0            | 1.7                      | 84%                                 |
| General Fund Work Orders                                                                                                                                                                                 | 0.7          | 2.4            | 0.7                      | 31%                                 |
| <b>Public Utilities*</b>                                                                                                                                                                                 |              |                |                          |                                     |
| Annual Operating Funds                                                                                                                                                                                   | 6.9          | 6.4            | 5.5                      | 86%                                 |
| <b>Recreation and Park*</b>                                                                                                                                                                              |              |                |                          |                                     |
| Annual Operating Funds                                                                                                                                                                                   | 2.4          | 3.1            | 1.9                      | 60%                                 |
| <b>City Attorney</b>                                                                                                                                                                                     | 0.2          | 0.0            | 0.1                      | 1128%                               |
| <b>Juvenile Probation</b>                                                                                                                                                                                | 2.4          | 0.6            | 2.0                      | 318%                                |
| <b>Public Library</b>                                                                                                                                                                                    | 0.7          | 0.2            | 0.5                      | 266%                                |
| <b>Admin Services</b>                                                                                                                                                                                    | 2.8          | 1.0            | 2.5                      | 257%                                |
| <b>Board of Supervisors</b>                                                                                                                                                                              | 0.0          | 0.0            | 0.0                      | 217%                                |
| <b>Port</b>                                                                                                                                                                                              | 0.7          | 0.3            | 0.6                      | 214%                                |
| <b>Human Services</b>                                                                                                                                                                                    | 7.4          | 2.4            | 4.5                      | 187%                                |
| <b>District Attorney</b>                                                                                                                                                                                 | 0.3          | 0.1            | 0.2                      | 164%                                |
| <b>Building Inspection</b>                                                                                                                                                                               | 0.2          | 0.3            | 0.3                      | 97%                                 |
| <b>War Memorial</b>                                                                                                                                                                                      | -            | 0.3            | 0.2                      | 96%                                 |
| <b>Public Defender</b>                                                                                                                                                                                   | 0.0          | 0.0            | 0.0                      | 65%                                 |
| <b>Adult Probation</b>                                                                                                                                                                                   | 0.2          | 0.1            | 0.1                      | 48%                                 |
| <b>Academy of Sciences</b>                                                                                                                                                                               | 0.1          | 0.1            | 0.0                      | 47%                                 |
| <b>Board of Appeals</b>                                                                                                                                                                                  | 0.0          | 0.0            | 0.0                      | 47%                                 |
| <b>Elections</b>                                                                                                                                                                                         | 0.2          | 0.9            | 0.4                      | 42%                                 |
| <b>Fine Arts Museum</b>                                                                                                                                                                                  | 1.2          | 2.9            | 0.9                      | 32%                                 |
| <b>Retirement</b>                                                                                                                                                                                        | 0.1          | 0.0            | 0.0                      | 25%                                 |
| <b>Treasurer/Tax Collector</b>                                                                                                                                                                           | -            | 0.0            | 0.0                      | 13%                                 |
| <b>Controller</b>                                                                                                                                                                                        | 0.1          | 0.5            | 0.0                      | 3%                                  |
| <b>Child Support Services</b>                                                                                                                                                                            | 0.0          | 0.0            | 0.0                      | 2%                                  |
| <b>Total Overtime**</b>                                                                                                                                                                                  | <b>371.3</b> | <b>271.7</b>   | <b>311.4</b>             | <b>115%</b>                         |
| * Administrative Code Section 3.17 requires these departments to receive appropriation authority from the Board of Supervisors to increase the authorized budget for overtime in annual operating funds. |              |                |                          |                                     |
| ** Total overtime excludes non-annual operating funds in departments listed in Administrative Code 3.17.                                                                                                 |              |                |                          |                                     |