



Fiscal Year 2023-24 and 2024-25 Budget Instructions Overview

San Francisco Fire Department

Fire Commission – January 11, 2023

Agenda

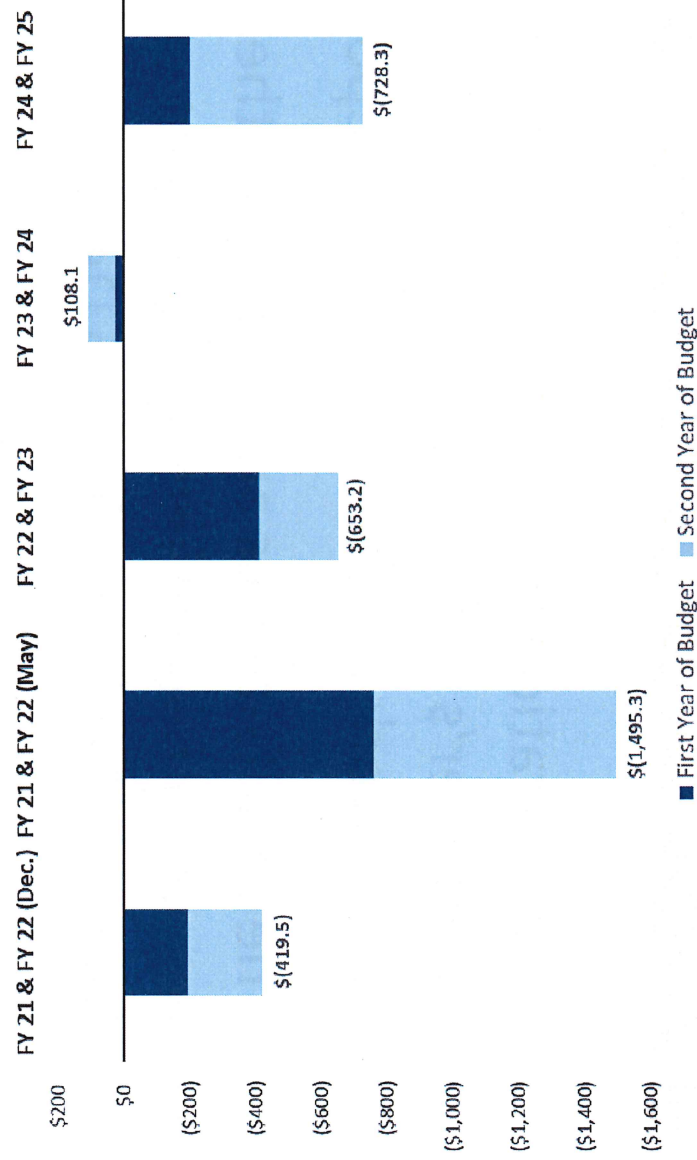
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City Fiscal Update

- In preparation for the budget process, the Mayor's Office, Controller's Office, and Board of Supervisors' Budget Analyst began work on the City's Joint Report (to be released in January)
- The results of this analysis drive the budget process and any resulting budget instructions that will be coming forth from the Mayor's Budget Office to Department Heads
- While the budget instructions from last year were based off a projected budget surplus, due to a number of factors, this year's instructions represent a significant change in that outlook

Historical Budget Deficit Projections

Deficit at Time of Budget Instructions (\$M)



- Unlike last year, City is projecting a large deficit for the two upcoming budget years, with structural deficits increasing over the next five fiscal years.

From City's upcoming Joint Report

City Fiscal Update

Changes from last year's assumptions:

- Worsened revenue outlook
- Prolonged economic recovery
- Loss of one-time Federal revenues
- Increased wage and benefit costs for employees
- Increased pension costs and contributions due to market downturn

A key point to note – these projections **do not assume** a recession

City Fiscal Update

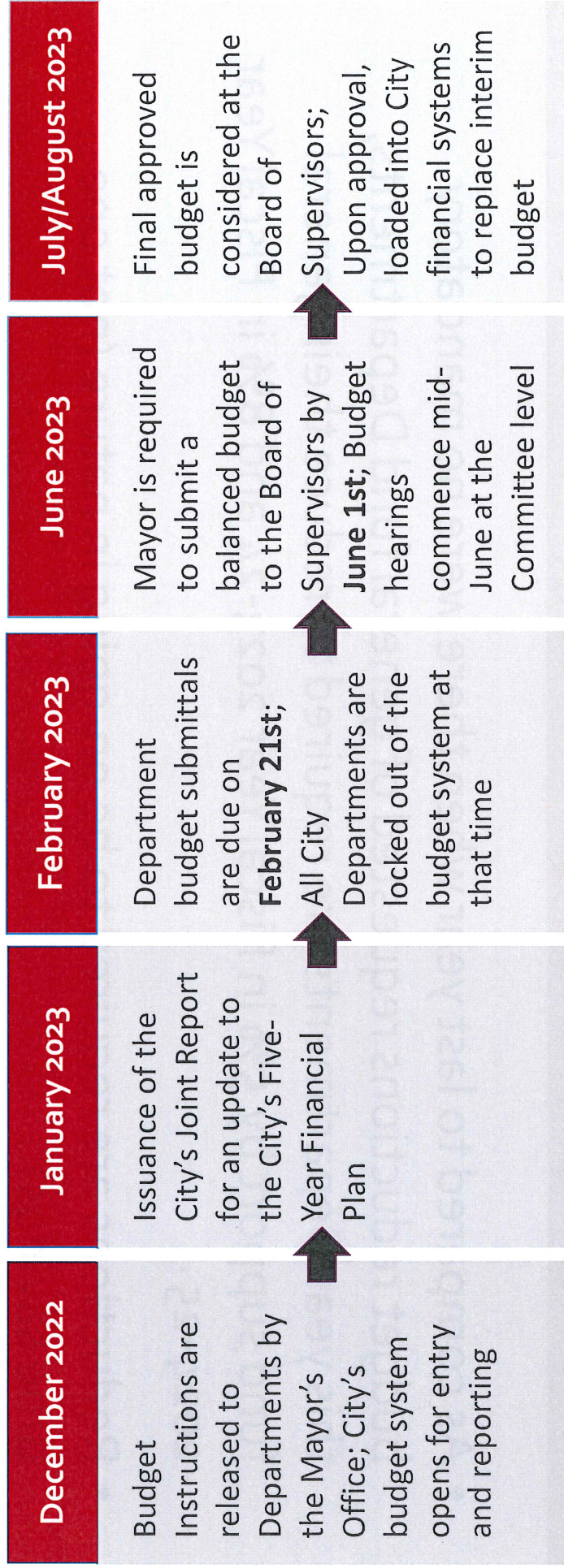
Five-Year Fiscal Projection

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
<i>SOURCES Increase / (Decrease)</i>	(29.2)	(24.7)	49.9	105.4	206.2
Uses					
Baselines	(49.8)	(96.3)	(140.9)	(177.1)	(209.9)
Salaries & Benefits	(55.0)	(169.6)	(257.7)	(364.2)	(490.7)
Citywide Operating Budget Costs	(78.5)	(199.5)	(312.8)	(409.6)	(514.9)
Departmental Costs	11.7	(37.3)	(84.0)	(146.1)	(214.9)
<i>USES (Increase) / Decrease</i>	(171.6)	(502.8)	(795.4)	(1,097.0)	(1,430.4)
Projected Annual Surplus / (Shortfall)	(200.8)	(527.5)	(745.6)	(991.7)	(1,224.1)
Two Year Deficit	(728.3)				

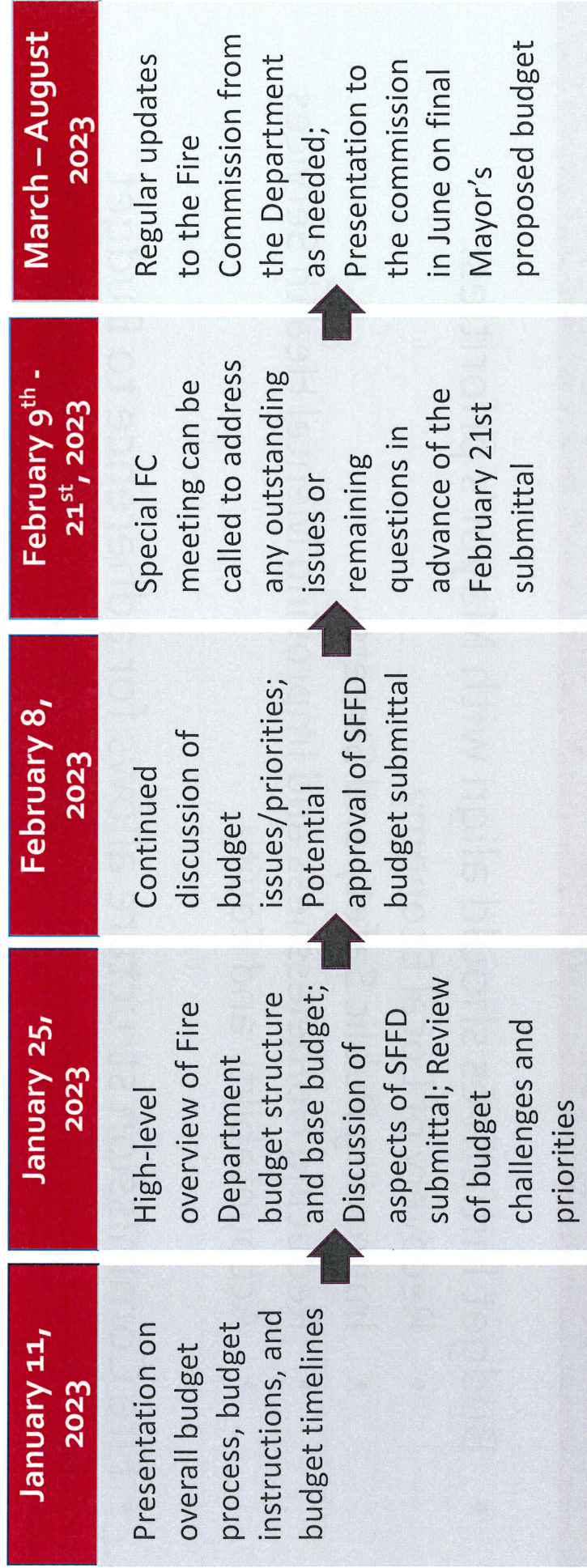
Budget Instructions

- As compared to last year when there were no mandatory budget reductions requested of general fund Departments, this year Departments are required to reduce their general fund support by **5%** in Fiscal Year 2023-24 and **8%** in Fiscal Year 2024-25
- Reductions are required to be on-going in nature (not one-time savings)
- Departments also are asked to prepare for a worsening economic outlook

Budget Process Timeline



Fire Commission Meeting Timeline



Other Budget Notes

- Budget Initiatives should align with Mayor's priorities:
 - Recovery of Local Economy
 - Improving Public Safety and Streets
 - Reducing Homelessness and Improving Mental Health Services
 - Accountability and Equity
- Fire Commission structure allows for adherence to Budget Process Legislation requirements effective December 2020:
 - Two Public Meetings prior to February 14th
 - Centralization of all budget documents for public access and viewing (SFFD website and Controller website)

Questions/Discussion



