

June 14, 2023



Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

Office of the Treasurer & Tax Collector

Presented by Treasurer José Cisneros



Mission & Vision

Mission

The Office of the San Francisco Treasurer & Tax Collector serves as the banker, tax collector, collection agent, and investment officer for the City and County of San Francisco. Our mission is to collect and safeguard the City's money and use our expertise to assist low-income San Francisco families build economic security and mobility.

Vision

We are committed to providing excellent services for taxpayers, customers, and our community. By promoting diversity, equity, and inclusion, we are a stronger, smarter, and more informed government agency.



Objectives



1

Fiscal Stewardship – Safe, sound investments that support the goals of the City & County of San Francisco

2

Financial Equity – Remove barriers and develop safe financial products for residents and businesses

3

Customer Service – Consistent, agile and responsive

4

Innovation – Execute continuous improvement and be customer and staff-centric

5

Operational Excellence – Optimize business effectiveness

6

Rigorous Compliance – Digital, intelligent and rapid





Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

2023 Highlights

By the Numbers



95,000

Registered Businesses



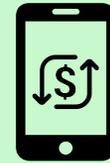
\$3.3 Billion

Online Payments



\$6.3 Billion

Revenue Collected



16 Million

Online Transactions



\$15 Billion

Funds Invested



77,000

311 Calls/Tickets



1,146,000

Individual Communications
Delivered



754,000

Online Interactions with
99% of Tax Filings Online

2023 Highlights



- 1 Tax Implementation**– rolled out two voter-approved business taxes: the Overpaid Executive Tax and the Commercial Vacancy Tax.
- 2 New Banking Partner**– Transitioned the City to a new banking partner.





Kindergarten to College

Celebrated first class of graduating students!

- Began distributing funds to graduates
- Seniors who contributed their own money, and who had accounts since Kindergarten have an average balance of \$1,422 – a 28x increase from the initial \$50!

Overall:



52,000+

SFUSD TOTAL ACCOUNTS



\$1,046

AVERAGE ACCOUNT BALANCE (SAVERS)



\$15 MILLION

TOTAL IN ACCOUNTS





Be the Jury

Partnered with San Francisco Superior Court, Public Defender's Office, District Attorney's Office, and Bar Association

First Program to increase jury stipend to \$100 per day for low- to moderate-income San Franciscans

- Over **400** jurors have participated in this program
- **81 %** of participants state they could not have served without the \$100/day stipend
- **63%** participants self-identified as people of color
- **95%** of participants completed a voluntary survey





Advancing Racial Equity

- Joint contract for Racial Equity consulting services with Assessor-Recorder and Controller
- Offered robust department-wide trainings, as well as targeted trainings for Managers
- Monthly department wide employee engagement events to build an increased culture of belonging and inclusion



Progress in Hiring and Retaining Staff

With a focus on revenue classifications (auditors, collectors and investigators):

- Changed minimum qualifications for key entry positions that yielded more diverse applicant pool and more diverse hires
- Promoted 30 city employees, including 19 TTX internal promotions, with the majority being people of color and women
- Reduced vacancy rate by 4%
- Nearly doubled the number of hires



Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

Budget



Budget at a Glance

2024

- Increase Department Revenue by \$449K
- Delete 6.25 FTEs of vacant positions
- Reduce \$223k non-personnel costs
- \$1.9M for General Fund from state legislative changes (via Financial Justice Project advocacy)
- Reduce project funding by \$400K in 2023

Increases:

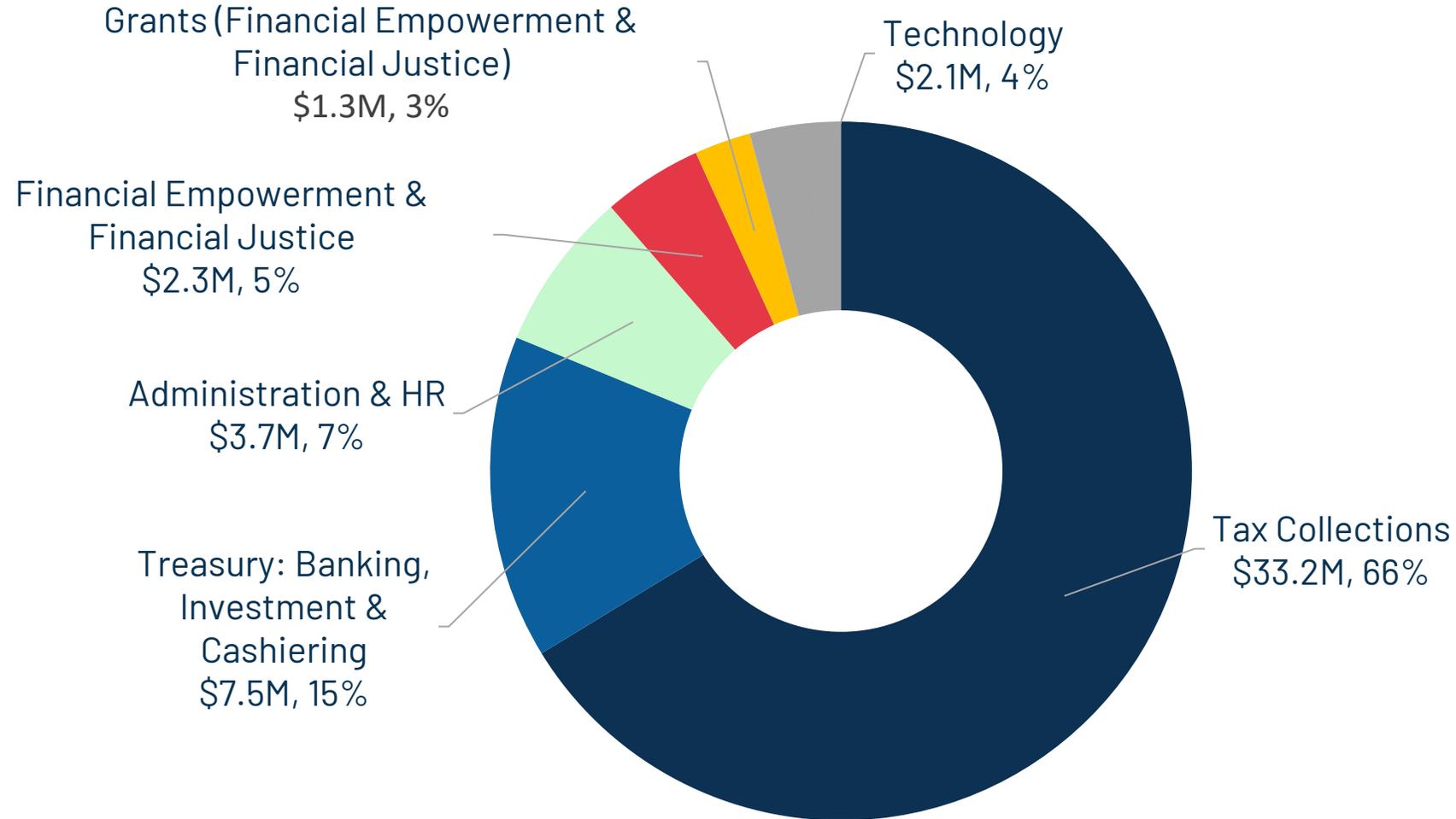
- Empty Homes Tax via COIT
- First Year Free
- Be the Jury / financial support

2025

- Reduce another \$100K one-time in projects
- Reduce an additional 2 FTEs
- 16% or \$288K reduction in software licensing budget



Proposed FY23-24 Budget: \$50.1M





Two Year Comparison

	FY22-23	FY23-24 (Proposed)	FY24-25 (Proposed)
General Fund	\$30.5M	\$30.3M	\$30.4M
Interdepartmental Services	\$10.3M	\$10.7M	\$10.8M
Projects	\$5.5M	\$5.8M*	\$6.1M
Grants	\$1.6M	\$1.9M**	\$1.4M
TOTAL	\$47.9M	\$48.7M	\$48.7M

*FY23-24 General Fund excludes the First Year Free (\$2.1M)

**FY23-24 Pending grant from the State for \$0.6M as part of technical adjustment



Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

Priorities for the Future

2023-24 Priorities



1 Implement the Empty Homes Tax

2 Distribute funds to the first graduating class with Kindergarten to College Accounts

3 RFP for credit card processing to reduce cost of funds

4 Launch SF Lends pilot to identify high quality bank products for LBE's





Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

First Year Free



First Year Free

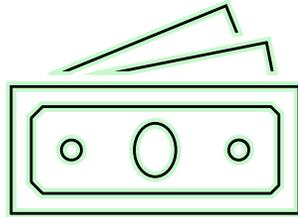
First Year Free to supports San Francisco small businesses as they recover from the pandemic. Since November 1, 2021:

4,122 First Year Free Enrollments



\$698,402

DBI



\$494,894

TTX



\$235,233

DPH



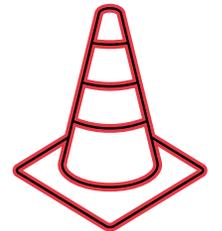
\$31,423

ENT



\$12,629

CPC



\$5,793

DPW

Total Waived: \$1,481,604



First Year Free Extension

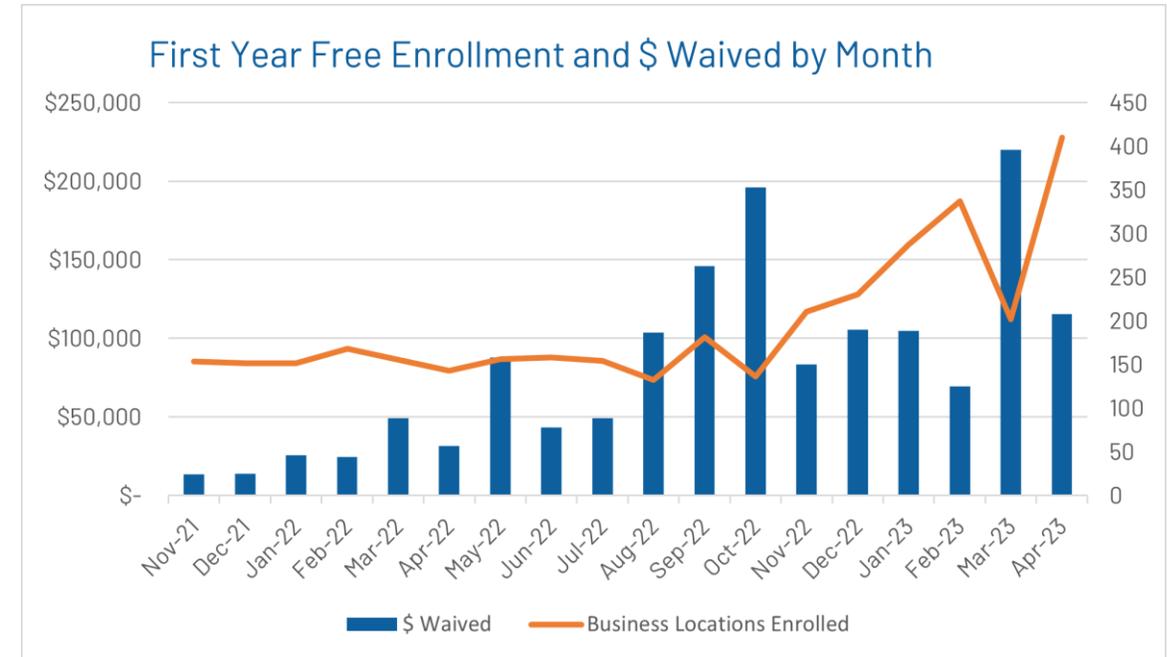
Draft ordinance and budget proposal would further extend and codify the program.

Changes

- Remove program eligibility for home-based businesses and short-term residential rentals.
- Extend the program for five years to June 2028.

Continues

- Waive the cost of initial registration fees, initial license fees, first-year permit, and other applicable fees for qualifying new businesses and new locations of existing businesses.
- Qualify new businesses or locations with \$5 million or less in San Francisco gross receipts.
- Apply to all commercial businesses.
- Require repayment if a business has more than \$15 million in San Francisco gross receipts in the calendar year of or in any of the three calendar years following.





Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

Questions?
