



PROFESSIONAL & TECHNICAL ENGINEERS, LOCAL 21, AFL-CIO  
*An Organization of Professional, Technical, and Administrative Employees*

**In late January 20, 2009, the City and County of San Francisco projected a \$575.6 million shortfall in FY2009-1010 for CCSF general fund departments.<sup>1</sup> At the end of March, 2009, in its Three-Year Budget Projection,<sup>2</sup> CCSF projected a project FY09 budget deficit of \$438 million. What happened?**

Several key assumptions were made that account for the decrease in the previously projected FY2009 shortfall. Three significant factors include:

1. FY2008-2009 fund balance of \$20.1 million. The Controller's February 10, 2009 Six-Month Budget Status Report projected a \$20.1 million ending fund balance for the current fiscal year which is being used to support the FY2009-2010 budget. This amount is augmented by the effects of Federal Medical Assistance Percentage (FMAP) increase provided to San Francisco in 2008 as part of the Federal American Recovery and Reinvestment Act (Federal Stimulus Package) passed by Congress in February 2009.
2. \$53.6 million less in expected State funding reductions. In late January 2009, the City and County of San Francisco projected a \$72 million shortfall to CCSF general fund departments as a result of state budget cuts. According to CCSF's 3-Year Budget Projection, the impact on CCSF is expected to result in \$18.4 million in general fund reductions from the state. This represents \$53.6million *less* negative impact on CCSF general funds than originally projected.
3. \$46.3 million in revenue from the Federal Stimulus Package FMAP percentage increase. The federal stimulus bill provides a temporary increase in Federal Medicaid Assistance Percentages (FMAP) to states. In FY2009-2010, the County of San Francisco is projected to receive \$46.3 million in revenue to the General Fund from FMAP.

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<sup>1</sup> CCSF, Briefing to Labor: General Fund Sources and FY 2009-2010 Shortfall, January 26, 2009; FY10 Budget Instructions, Memo from Nani Coloretti, Office of the Mayor to Department Heads, December 11, 2008.

<sup>2</sup> Joint Report by the Controller's Office, Mayor's Office, and Board of Supervisors' Budget Office, Three-Year Budget Projection for General Fund Supported Operations, FY 2009-10 through FY 2011-12, March 21, 2009.