Office of the Treasurer & Tax Collector

Presented by Treasurer José Cisneros
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
2023 Highlights
By the Numbers

- **95,000** Registered Businesses
- **$6.3 Billion** Revenue Collected
- **$15 Billion** Funds Invested
- **1,146,000** Individual Communications Delivered
- **$3.3 Billion** Online Payments
- **16 Million** Online Transactions
- **77,000** 311 Calls/Tickets
- **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
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

2025
• Reduce another $100K one-time in projects
• Reduce an additional 2 FTEs
• 16% or $288K reduction in software licensing budget

Increases:
• Empty Homes Tax via COIT
• First Year Free
• Be the Jury / financial support
Proposed FY23-24 Budget: $50.1M

- Tax Collections: $33.2M, 66%
- Treasury: Banking, Investment & Cashiering: $7.5M, 15%
- Administration & HR: $3.7M, 7%
- Financial Empowerment & Financial Justice: $2.3M, 5%
- Technology: $2.1M, 4%
- Grants (Financial Empowerment & Financial Justice): $1.3M, 3%
## Two Year Comparison

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<thead>
<tr>
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<th>FY22-23</th>
<th>FY23-24 (Proposed)</th>
<th>FY24-25 (Proposed)</th>
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<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td>$30.5M</td>
<td>$30.3M</td>
<td>$30.4M</td>
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<td><strong>Interdepartmental Services</strong></td>
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<td>$10.7M</td>
<td>$10.8M</td>
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<tr>
<td><strong>Projects</strong></td>
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<td>$5.8M*</td>
<td>$6.1M</td>
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<tr>
<td><strong>Grants</strong></td>
<td>$1.6M</td>
<td>$1.9M**</td>
<td>$1.4M</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$47.9M</strong></td>
<td><strong>$48.7M</strong></td>
<td><strong>$48.7M</strong></td>
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*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
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
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.
Questions?