



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

January 10, 2024

Dear Mr. Rosenfield,

As the union representing over 5,000 employees of the City and County of San Francisco, we are writing to state our concern with the proposed reform of the city's business tax. At the end of calendar year 2023, there were 3,700 vacant permanent positions across the city. Every day, we hear from union members who are overworked and under resourced in the services that they provide. In a recent survey of our membership, 58% of Local 21 members said that staffing shortages were causing increases to their workload, some reporting that they are responsible for the work of 2 or 3 people. 45% of our membership said that staffing shortages are causing delays to projects or services in their departments. In the Department of Public Health, there were over 600 vacant positions and the vacancy rate for the Department of Public Works was over 22%, with most of those vacancies in critical frontline services. There were over 270 vacant positions that, if filled, could provide mental and behavioral health services to residents.

Given the dire state of the city's staffing levels, it is concerning to us that the proposed business tax reform does nothing to close the projected budget deficit, making it more likely that severe cuts to budgeted staffing will occur. Recently, departments were instructed to make budget reductions almost entirely through the elimination of vacant positions. Staffing cuts should never be the first and only tool for balancing the city's budget. When the demand for city services is higher than ever, the risk to city workers and residents is too great. Most concerning to us is that the proposed business tax model would give \$53 million in tax cuts to companies earning more than \$1 billion in gross receipts. If this proposal would move forward, we would be slashing staffing levels in order to give tax cuts to billionaire corporations.

We believe that there is room for reform to the city's business tax in a way that closes the projected deficit and minimizes the need for staffing cuts. We support making our business tax less reliant on office-based payroll and more stable in the long term. We support closing tax loopholes that

have allowed large companies to dispute their tax liabilities and we support shifting our tax base toward businesses that earn millions in San Francisco while hiring few local workers, paying low wages and contribute little to our community. However, we do not support a proposal that puts safe staffing levels at risk for our members and residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Debra J. Grabelle', with a stylized, cursive-like script.

Debra J. Grabelle

Executive Director

IFPTE Local 21

CC: Mayor London Breed

San Francisco Board of Supervisors