



FY 2025-26 Nine-Month Budget Status Report



Office of the Controller

Budget & Appropriations Committee June 10, 2026

Summary

- Improvement of \$53.9 million from prior projection (March 2026 Update to the Five Year Financial Plan).
- Reduces projected shortfall in the upcoming two-year budget from \$642.8 million to \$606.9 million.
- Revenue surplus of \$339.9 million is \$53.2 million better than prior projection. Reflects strength in business and transfer taxes, reducing FEMA COVID reimbursements from \$80 million to \$0.
- \$89.5 million net department surplus:
 - \$32.5 million Public Health revenue surplus
 - \$33.2 million Human Services surplus
 - Indigent defense costs will exceed budget
- The PUC, Police, Fire, Sheriff, and Emergency Management departments require supplemental appropriations for overtime. The Board has approved all except Sheriff, which is pending Board hearing.

Summary

	Fall 2025 Projection	6-Month	March 2026 Update	9-Month	Change
FY 2024-25 Ending Fund Balance	420.9	420.9	420.9	420.9	-
Appropriation in the FY 2025-26 Budget	(382.4)	(382.4)	(382.4)	(382.4)	-
A. Prior Year Fund Balance vs Budgeted Levels	38.6	38.6	38.6	38.6	-
Citywide Revenue	167.7	213.7	286.8	339.9	53.2
Baseline Contributions	(47.3)	(54.7)	(61.5)	(71.0)	(9.5)
Departmental Operations	(3.3)	55.8	55.8	89.5	33.7
B. Current Year Revenues and Expenditures	117.1	214.8	281.1	358.4	77.4
General Reserve Appropriated - Source	-	3.5	3.5	9.5	6.0
New Expenditures Supported by General Reserve - Use	-	(3.5)	(3.5)	(9.5)	(6.0)
Deposit to Budget Stabilization Reserve	-	(8.4)	(14.9)	(38.4)	(23.5)
C. Supplemental Appropriations & Use of Reserves	-	(8.4)	(14.9)	(38.4)	(23.5)
D. Previously Unappropriated Fund Balance	140.0	140.0	140.0	140.0	-
Fund Balance Previously Appropriated in FY 2026-27	229.6	229.6	229.6	229.6	-
E. FY 2025-26 Projected Ending Balance	525.2	614.6	674.3	728.2	53.9

Revenues

	FY 2024-25	FY 2025-26					Variance	
	Actuals	Budget	5-Yr (Fall 25)	6-Mo (Feb 26)	5-Yr Update (Mar 26)	9-Mo (May 26)	Vs Budget	Vs March 5-Yr
Traditional Property Tax	2,122.8	2,164.0	2,173.0	2,142.0	2,129.0	2,142.0	(22.0)	13.0
Excess ERAF	362.3	273.0	313.4	309.0	322.0	322.0	49.0	-
Property Tax Total	2,485.1	2,437.0	2,486.4	2,451.0	2,451.0	2,464.0	27.0	13.0
Business Taxes	1,120.4	1,139.6	1,268.8	1,294.8	1,337.6	1,341.6	202.0	4.0
Sales Tax - Local 1%	188.3	189.5	191.6	193.6	201.0	201.0	11.4	-
Hotel Room Tax	255.3	265.2	272.0	275.7	282.8	288.1	22.9	5.2
Utility User & Access Line Taxes	170.0	170.8	192.5	192.5	200.1	200.1	29.2	-
Parking Tax	81.3	88.8	83.5	83.5	83.5	83.5	(5.3)	-
Real Property Transfer Tax	294.4	267.6	290.7	336.7	345.3	376.2	108.7	30.9
Sugar Sweetened Beverage Tax	11.4	11.6	11.4	11.4	11.4	11.4	(0.3)	-
Stadium Admissions Tax	8.9	8.6	9.9	9.9	9.9	9.9	1.3	-
Cannabis Tax	-	-	-	-	-	-	-	-
Franchise Taxes	17.4	16.1	17.4	17.4	17.4	17.4	1.3	-
Interest Income	171.1	151.9	166.3	175.0	175.0	175.0	23.1	-
FEMA Disaster Relief	73.9	87.0	7.0	3.7	3.7	3.7	(83.3)	-
Health & Welfare Realignment	307.6	272.8	278.6	278.6	278.6	278.6	5.8	-
Public Safety Realignment	52.2	53.5	53.1	53.1	53.1	53.1	(0.4)	-
Public Safety Sales Tax	96.1	97.2	96.8	96.3	96.3	96.3	(1.0)	-
Airport Transfer In	58.5	61.3	60.5	59.4	59.9	59.9	(1.4)	-
Commercial Rent Tax Transfer In	26.7	27.7	27.2	27.2	26.4	26.4	(1.3)	-
Total Citywide Revenues	5,418.5	5,346.1	5,513.8	5,559.8	5,632.8	5,686.0	339.9	53.2

Departments

	Revenue Surplus / (Shortfall)	Expenditure Savings/ (Deficit)	Net Surplus / (Shortfall)
Net Shortfall Departments			
Sheriff	1.9	(6.1)	(4.2)
Superior Court	-	(3.4)	(3.4)
Public Works	(2.9)	-	(2.9)
City Planning	(3.8)	2.7	(1.0)
Police Department	(0.4)	-	(0.4)
Human Resources	(4.2)	3.9	(0.3)
Police Accountability	(0.1)	-	(0.1)
Early Childhood	(4.4)	4.2	(0.3)
Subtotal Net Shortfall Departments	(14.0)	1.3	(12.7)

	Revenue Surplus / (Shortfall)	Expenditure Savings/ (Deficit)	Net Surplus / (Shortfall)
Net Surplus Departments			
Human Services Agency	(2.0)	35.1	33.2
Public Health	32.5	-	32.5
General City Responsibility	6.2	5.1	11.3
City Attorney	(1.4)	5.8	4.4
Homelessness and Supportive Housing	(1.3)	5.5	4.3
City Administrator	(0.4)	3.8	3.4
Elections	0.3	2.0	2.4
District Attorney	(0.1)	2.3	2.2
Adult Probation	0.0	2.2	2.2
Treasurer / Tax Collector	(3.1)	4.8	1.7
Mayor	(0.1)	1.2	1.0
Subtotal Net Surplus Departments	30.6	67.8	98.4

All Other	(10.2)	13.9	3.7
TOTAL	6.5	83.0	89.5

Reserves

	FY 2024-25	FY 2025-26			FY 2026-27		
	Ending Balance	Deposit	Use	Projected Balance	Deposit	Use	Projected Balance
General Reserve	\$ 136.8	\$ 27.6	(9.5)	\$ 154.9	\$ 40.2	-	\$ 195.1
Rainy Day Economic Stabilization City Reserve	114.5	-	-	114.5	-	-	114.5
Budget Stabilization Reserve	390.9	38.1	-	429.0	35.8	-	464.8
Economic Stabilization Reserves	505.4	38.1	-	543.5	35.8	-	579.3
Percent of General Fund Revenues	7.6%			7.7%			8.2%
Budget Stabilization One Time Reserve	54.8	-	-	54.8	-	(54.8)	-
Rainy Day Economic Stabilization SFUSD Reserve	1.0	-	-	1.0	-	-	1.0
Federal and State Emergency Grant Disallowance Reserve	2.1	-	(1.1)	1.1	-	(1.1)	-
Fiscal Cliff Reserve	40.0	-	(25.0)	15.0	-	(15.0)	-
Federal and State Revenue Risk Reserve	221.6	220.8	(9.1)	433.3	-	-	433.3
Business Tax Stabilization Reserve	29.5	-	-	29.5	-	-	29.5
Public Health Revenue Management Reserve	174.2	-	-	174.2	-	-	174.2
Free City College Reserve	0.1	8.2	(8.3)	-	-	-	-
Student Success Fund Reserve	18.1	-	-	18.1	-	-	18.1
Other Reserves	541.4	229.0	(43.4)	727.0	-	(70.9)	656.1
Litigation Reserve	-	11.0	(11.0)	-	-	-	-
Salary and Benefits Reserve	9.6	22.0	(19.6)	12.0	21.3	(33.3)	-
Annual Operating Reserves	9.6	33.0	(30.6)	12.0	21.3	(33.3)	-
TOTAL, General Fund Reserves	1,193.2	327.7	(83.5)	1,437.4	97.4	(104.2)	1,430.6