Mayor's Proposed Budget

FY2026-27; FY2027-28

Sophia Kittler, Mayor's Budget Director

Total Operating Budget

FY27 - FY28, All Funds

$16.9B , $17.2B

FY27 - FY28, All Funds GF

$7.6B , $7.9B

Balances $643M Deficit

- Eliminates 550 positions in FY27
- Reduces grants & contracts spending by ~$75M
- Requires continued hiring discipline, reorganization in FY27 to achieve assumed attrition

Growth drivers

- Wage Increases (3%)
- Health Rates (10.5%)
- Baselines & Set Aside growth
- Increased Capital Investment

Social Safety Net

H. R. 1 decreases access to benefits by:

- increasing frequency of eligibility checks
- stricter enforcement on workforce requirements
- limits enrollment for UIS

HR1 could reduce benefits for up to 40K individuals, and lead to a $250M revenue loss for the City.

Benefits Access

Workforce support ensurees resident connection to Cal-Fresh and access to state funding for healthy food

Health Access

Medi-Cal eligibility and General Fund backfill keep residents connected to preventative medicine

Housing Stability

Bridge funding for at-risk HUD funding loss prevents individuals from backsliding into homelessness through $98M reserve

*Leverages **$38M** Federal Risk Reserve for increased eligibility & workforce case management*

Housing & Homelessness

Leverages higher Prop C revenue + over $200M in fund balance

Strengthen the System

- Program reimbursement stabilization
- Site repositioning
- Medi-Cal infrastructure
- Workforce safety

Move TAY & Families out of homelessness faster

- Shallow subsidies for families & TAY
- Breadth of prevention work
- Accelerated family exits from SROs by 50
- Increase emergency hotel vouchers by 34%

Connect individuals to treatment

Residential Step-down beds

RESTORE residential addiction treatment

LAI access for on-site treatment

Moving On Initiative 2.0

Respond to Federal Funding Risks

- Establish $98M reserve
- Bridge 866 households with expiring EHV
- Mitigate Continuum of Care funding at Risk

Clean & Safe Streets

Community Safety

Re-envisions the Street Violence Prevention initiatives

Backfills State grants for justice-involved youth

Roots neighborhood street response in data-driven, treatment-based care through DPH

Expands staffing for law enforcement accountability at DPA

Street Cleaning

Supports data-driven pilots to improve routes, trash pick up, and 311 response

Maintains funding for street cleaning

Law Enforcement

Bridges sworn officers with DPH services through performance-based RESET contract

Funds new MOUs @ SFPD, SFFD

Capital Investment

Funds all "Medium-Scenario Packages"' using one-time funding

ADA Accessibility - $27.8M

- Elevators @ Asian Art, JPD, War Memorial, Academy of Science, AAACC
- Curb ramps
- Sidewalk Improvement & Repair

Security - $7.9M

Improves worker security systems with

- New badging systems
- Surveillance & Camera upgrades
- Alarm & Access control systems

Street Resurfacing - $101M

Maintains citywide PCI score at 75

Emergency Power - $15.6M

Funds 100% of all Emergency power requests, including:

- 1011 Turk
- Laguna Honda Hospital
- Emergency Generators for Fire, CJ, Opera House

Life Safety - $16.3M

Prevents high, reactive repair costs for

- Safety upgrades @ CJ1, CJ2, CJ3
- Fire alarm & Suppression @ Brooks Hall, FAM, ZSFGH
- 1011 Turk

Fleet, Technology, Equipment

Using a data-driven approach emphasizing total cost of ownership

Fleet Management

Prioritized vehicles by cost & time of maintenance & repair

- $8M / year for 20+ year-old fire rigs
- $2M of patrol cars & motorcycles
- Transport vehicles @ Sheriff
- 20+ year old vehicles @ DPW

Technology

$36M over two years prioritizing **citywide systems** that lower operating costs, including:

- Unified Data Platform
- HR Modernization
- Responsible AI
- Payroll & Scheduling

Equipment

Identifying equipment that protects workers, improves service outcomes

- Funds PFAS-free turnouts @ SFFD
- Weapons detection for ZSFGH
- VOIP project for 911 back-up system

Thank you
for your partnership