



Proposed Budget FY 2026-27 & FY 2027-28



Office of the Controller
Greg Wagner, Controller

June 10, 2026

Our Mission:

We ensure the City's financial integrity and promote **efficient, effective, and accountable** government.

Our Key Strategic Goals:

1. Promote best practices & accountability in city government
2. Provide high-quality financial services & systems
3. Safeguard the City's long-term financial health
4. Inform City policy decisions & promote access to information
5. Strengthen our department & invest in our employees

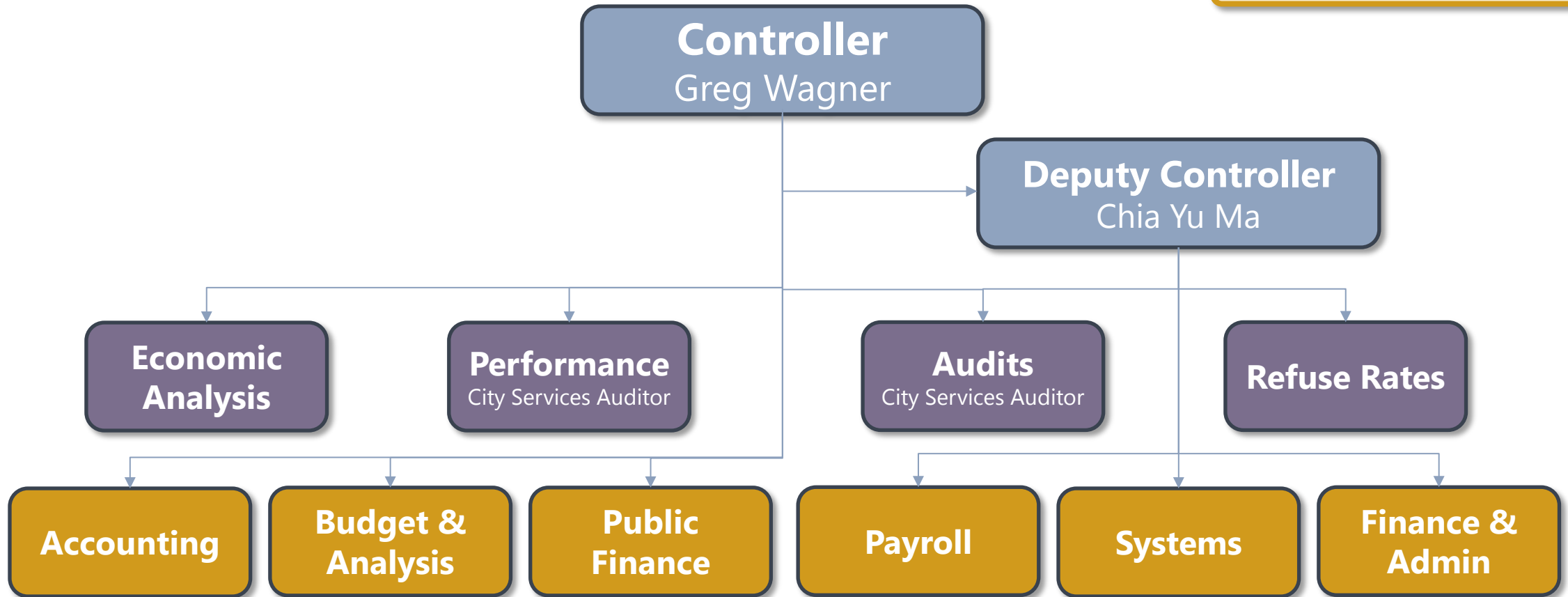


Our Teams:

0 Discretionary Programs

4 Voter-mandated (Strategic) Programs

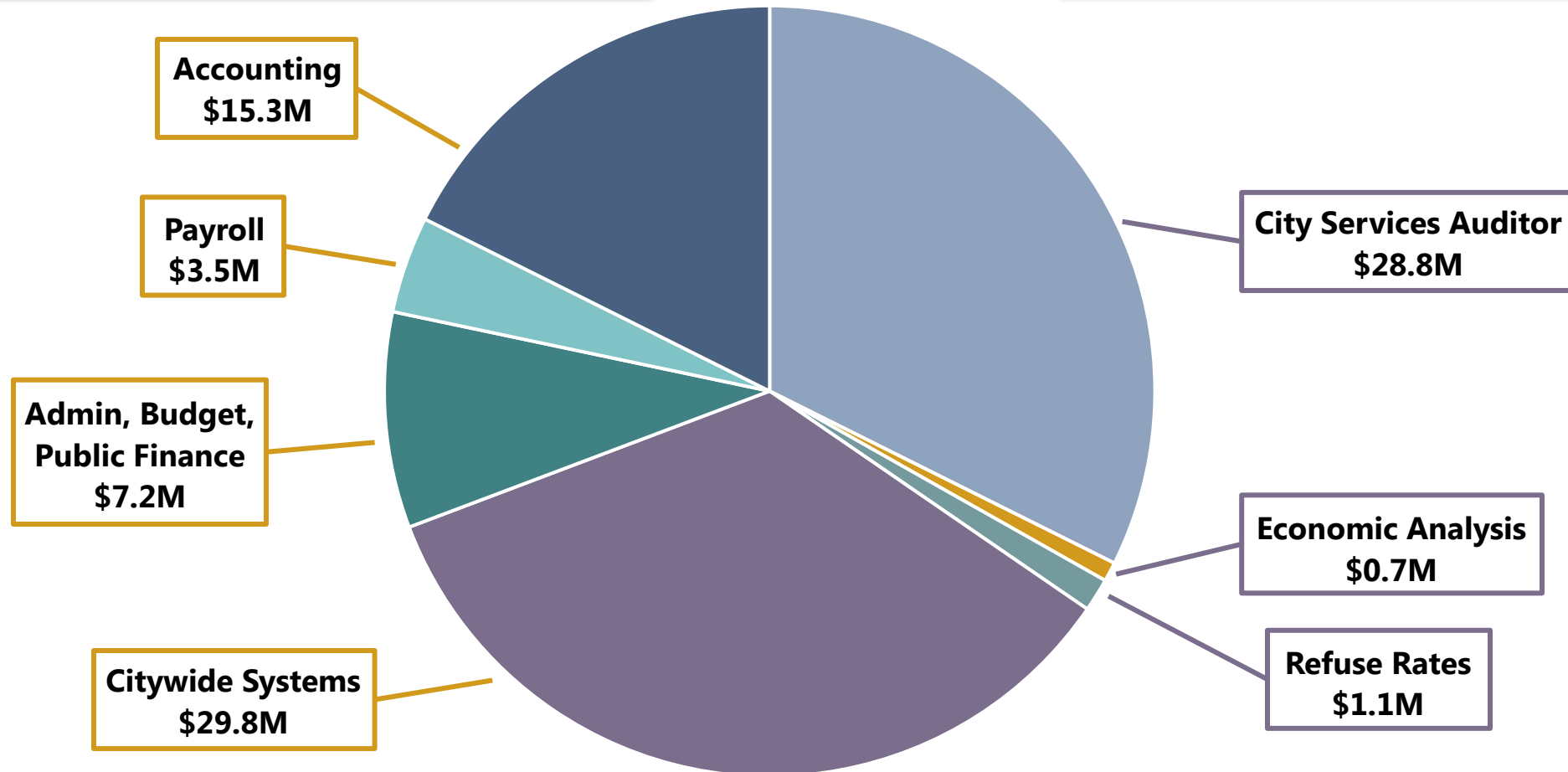
6 Core Operational Services



FY 2026-27 Proposed Budget: \$86.4M

65% Core Operational Services

35% Voter Mandated



Meeting Mayor's Budget Targets

Changes from Base Budget (\$ in millions)

	FY 2026-27	FY 2027-28
Base Budget	\$86.2	\$91.5
Ongoing position eliminations (12 FTE)	(3.0)	(3.2)
Other ongoing structural changes (\$2.1M attrition target)	1.0	(2.9)
Ongoing increase due to contractual obligations	1.1	0.6
One-time COIT funding	1.7	1.2
One-time Programmatic and Non-Personnel (CSA, RRA, DT work order)	(0.6)	(0.9)
MYR Budget	\$86.4	\$86.2
Net Change	0.2	(5.3)

Meeting Mayor's Budget Targets

Changes from Base Budget, excluding CSA* (\$ in millions)

	FY 2026-27	FY 2027-28
Base Budget	\$58.3	\$62.2
Ongoing position eliminations (12 FTE)	(3.0)	(3.2)
Other ongoing structural changes (\$2.1M attrition target)	0.1	(3.4)
Ongoing increase due to contractual obligations	1.1	0.6
One-time COIT funding	1.7	1.2
One-time Programmatic and Non-Personnel (RRA, DT work order)	(0.6)	(0.4)
MYR Budget, excluding CSA*	\$57.6	\$57.0
Net Change	(0.7)	(5.2)

*City Services Auditor (CSA) is funded through a dedicated set-aside in the City's budget, established by a voter-approved charter amendment in November 2003 (Proposition C)—now codified as Appendix F of the City Charter—that mandates the Mayor and Board of Supervisors appropriate at least 0.2% of the City's total annual budget to fund the CSA's activities

Year-over-year Budget Comparison

	FY 2025-26 Approved	FY 2026-27 Proposed	FY 2027-28 Proposed
Total Budget	\$86.3M	\$86.4M	\$86.2M
Change from Prior Year		\$0.1M	(\$0.2M)
General Fund Support	\$13.2M	\$14.0M	\$11.5M
Change from Prior Year		\$0.8M	(\$2.5M)
ASO Authorized Positions (FTEs)	326	316	317
Attrition Savings (FTEs)	(22)	(22)	(34)
Attrition Savings (\$)	(\$4.2M)	(\$4.4M)	(\$6.8M)

Meeting Mayor's Budget Targets

Major changes from Current FY 2025-26

- Eliminate 12 positions (-\$3.0M)
- Reduce discretionary projects (-\$3.3M)
- Increase systems licenses & support to meet contractual obligations (+\$1.1M)
- Invest in one-time COIT funded initiatives (+\$1.7M):
 - Financial Reporting Automation
 - Citywide Data Governance & BI Platform Change
 - Generative AI Enabled Customer Service

The Controller's proposed budget aligns with the Mayor's FY 2026 – 27 Budget Instructions to

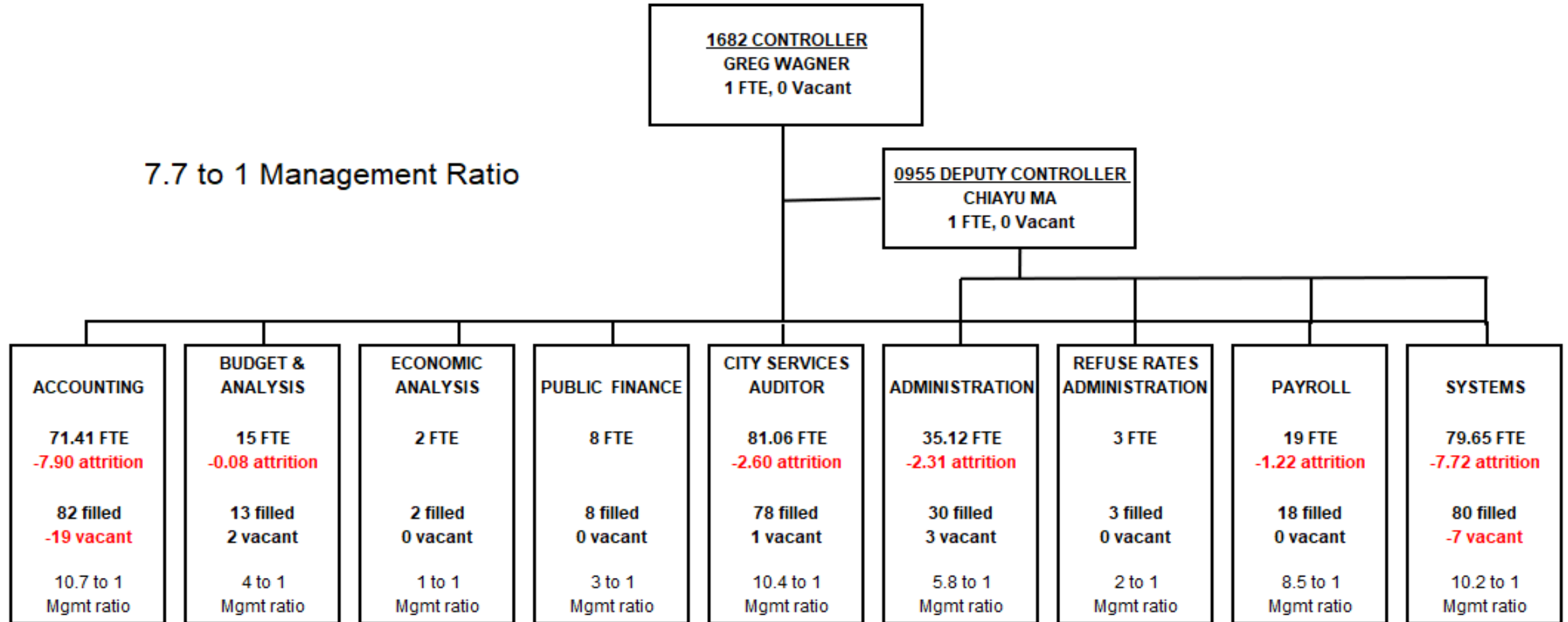
- Restructure depts around current staffing levels
- Reduce Citywide workorders and / or overhead
- Shift duplicative or common services toward a centralized model

Position reductions and attrition mandates have already negatively impacted — and will further restrict — the Office's capacity to safeguard the City's financial integrity, **raising the risk of audit failures, regulatory violations, and costly litigation**. If hiring freezes or position eliminations persist, the Controller's Office will lack the staffing necessary to deliver on core policy priorities, including:

- Development (housing, downtown revitalization) using tax increment (both redevelopment and OCII) and related bonds
- New and proposed revenue measures (Prop M, transit funding, other 2026 ballot measures) and underlying revenue risk (assessment appeals, federal and state revenue risk)
- Department reorganizations and restructurings

Organizational Chart and Position Details

OFFICE OF THE CONTROLLER PROPOSED FY 2026-27 ORGANIZATIONAL CHART



Reflects proposed FY 2026-27 position deletions, temp hires, and vacancies as of May 26, 2026.
Negative vacancies reflect more filled (including TEMP and Off Budget) positions than budgeted

Filled Positions by Appointment Type

Current FY 2025-26

	PCS	PEX	TEX	TPV	Total Headcount
CON Accounting	55	2	25		82
CON Administration	24	4	3		31
CON Budget & Analysis	12	2			14
CON City Services Auditor	66	5	6		77
CON Citywide Systems	61	14	7	1	83
CON Economic Analysis	1	1			2
CON Payroll	17	1	0		18
CON Public Finance	7	1	0		8
CON Refuse Rates Adm	2	0	1		3
Total	245	30	42	1	318

Reflects FY 2025-26 hiring status as of May 26, 2026.

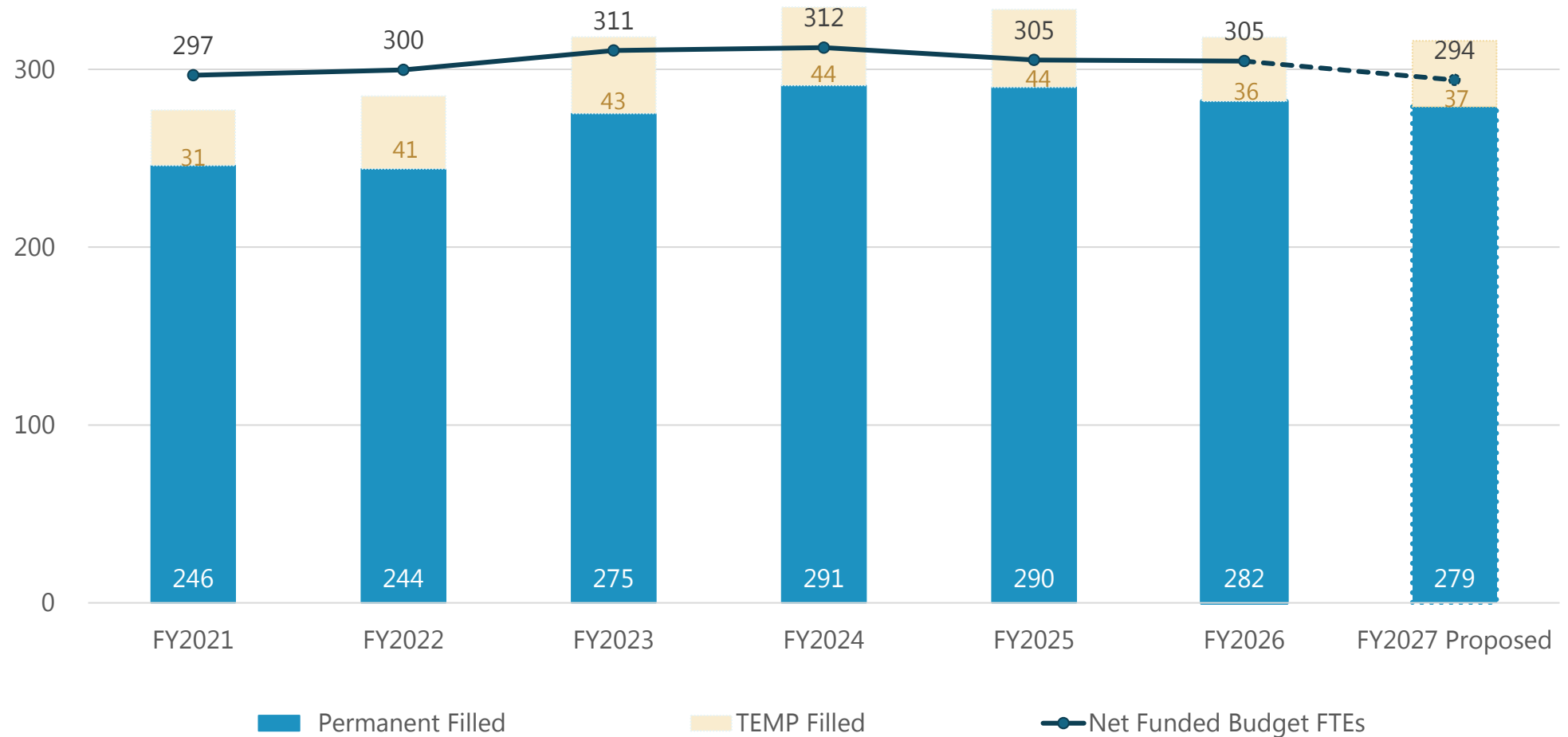
Filled vs Vacant FTEs

FY 2021-22 to FY 2025-26

Fiscal Year	Authorized	Attrition Savings	Total Net Funded	Permanent Filled	Temp Filled	Total Filled	Total Vacant	Vacant %
2026	327	(22)	305	282	36	318	(13)	-4%
2025	333	(28)	305	290	44	334	(29)	-9%
2024	339	(26)	313	291	44	335	(23)	-7%
2023	337	(26)	311	275	43	318	(7)	-2%
2022	323	(23)	300	244	41	285	15	5%

Filled and vacant FTE counts as of May 26, 2026. Majority of the temporary positions are funded by work orders requested by other departments.

Budgeted vs Filled Positions



Filled FTE counts as of May 26, 2026.

FY 2026-27

Priorities and Key Initiatives



Ensuring Fiscal Sustainability Amid Revenue Volatility

- A range of factors is driving revenue volatility, including local and state ballot measures, federal funding cuts, AI investment and economic shifts, and the inflationary effects of the war with Iran
- The Office will provide long-term fiscal forecasts and reserve policy options to manage this volatility and stabilize core services



Developing our Workforce & Shared Services

- **Launch SF Payroll Academy:** Building on the success of the **SF Budget Academy** and **1649 Accounting Internship Program**, introduce the SF Payroll Academy in FY 2026-27 to strengthen core payroll services and proactively address Citywide payroll staffing challenges
- **Centralize Administrative Services:** Continue streamlining intra-departmental services within the Administration Division to optimize resources and enable divisions to focus on City-serving missions



Driving Citywide Cost Savings

- **Audit and Close-Out of Projects:** Identify and return unused project funds to departments, reducing reliance on the General Fund (\$27.2M identified to date)
- **State Sales & Use Tax Audit:** Recover overpayments to the State, generating an average annual savings of \$0.8M
- **GO Bond Audit and Close-Out:** Identify unspent bond proceeds and interest for reallocation, reducing General Fund needs (\$126.4M identified from bonds issued since 2015)



Modernizing Citywide Systems

- **Upgrade Core HR and Payroll Platforms:** Modernize the City's HR, Payroll, Benefits, and Learning systems from 2021 versions to deliver an improved user experience, enhanced functionality, and strengthened security
- **Transition to Unified Data Platform:** Migrate the legacy business intelligence system to DataSF's Unified Data Platform, enabling departments to leverage advanced data warehousing, analytics, and visualization tools for better financial, procurement, and workforce reporting
- **Automate Financial Reporting:** Deploy automated, cloud-based financial reporting solutions to streamline processes and ensure compliance with legally mandated reporting requirements



Effectively Managing Public Financing

- Oversee issuance of approximately 20 financings totaling \$1.7B—including General Obligation Bonds, Commercial Paper, Special Tax Bonds, Tax Increment Bonds, and Certificates of Participation—while forming two Contingent Services Community Facilities Districts required as part of the Stonestown and 3333/3700 California Street EIFD formations
- Continue managing the EIFD Public Financing Authority, San Francisco Finance Corporation, and the City's \$5.9B debt portfolio, and administer 16 development finance districts with authority to issue over \$25B in debt



Increasing Accountability

- **Enhance Oversight and Transparency:** Drive accountability through compliance and performance audits and whistleblower investigations to safeguard public trust
- **Establish Inspector General Function:** Build and develop a dedicated team to lead investigations into potential fraud, waste, and abuse under the newly voter-approved Inspector General authority
- **Strengthen Nonprofit Oversight:** Implement a Citywide monitoring program to ensure contracted nonprofits meet financial and performance standards, including the introduction of a new policy requiring performance measures in all nonprofit contracts



Supporting City Charter Reform

In addition to Controller Greg Wagner's role as co-chair, the CSA Performance Team supports this key Citywide initiative via:

- **Data-Driven Analysis:** Identifying issues like fragmented authority and diffuse accountability, which lead to service inefficiencies, providing clear, evidence-based insights
- **Proposal Development:** Assisting in drafting common sense reform options, analyzing impacts, and advising on ballot language and implementation strategies
- **Public Engagement:** Supporting transparency through facilitating the public Charter Reform Working Group meetings, including public comment

Questions?

Appendix

- Controller Reports Samples
- Key Performance Measures

Planning & Measuring Results

Office of the Controller

ANNUAL WORK PLAN
FY 2025-26



CITY AND COUNTY OF
SAN FRANCISCO, CALIFORNIA

Annual Comprehensive Financial Report
Year ended June 30, 2025



Promote Best Practices and Accountability in City Government

- Strengthen accountability by developing policies and audit standards for city-funded nonprofit organizations. Update accounting guidance, coordinate the citywide nonprofit monitoring program, and continue to conduct audits to bolster transparency, compliance, and impact.
- Publish department and citywide annual performance reports, update the Mayor's Budget Book measures, refresh the Scorecards website, and release annual standards reports to promote transparency and continuous improvement in city services.
- Organize annual citywide payroll and timekeeping training, focusing on disaster recovery, FEMA-compliant practices, and best practices.
- Complete at least 70 audits, assessments, and deliverables on high-risk areas including procurement and contracting, cybersecurity and information technology, construction projects, and meeting government law and

delivery issues and government improprieties. Resolve

ed within two years through follow-up reviews.

aters in November 2024, by establishing the Inspector

y's waste hauler and implement and manage Year 1 of June 2025.

y Budget Academy cohorts, the 1649 Accounting Intern courses.

Services and Systems

(CFR) with no material weaknesses and integrate new

cluding implementing department restructuring and

jections and reporting. Maintain property tax rolls and n in light of 2024 business tax overhaul.

the Office of Public Finance's \$5 billion dept portfolio

rement Bonds, Commercial Paper, and COPs. Pursue

munity Facilities District (CFD)/Infrastructure Finance explore opportunities to improve efficiency through

5% accuracy, while increasing adoption of self-service

- Maintain 99.9% system uptime for the City's budget, financial, procurement, human resources, and learning syst
- Support city departments by better aligning Controller enterprise systems and support services with city business processes to enable improved delivery of client services.

Safeguard the City's Long-Term Financial Health

- Provide regular updates on the status of the City's economic and financial recovery, including quarterly bu projections, and forecasts for the recovery of the City's property tax.
- Support the development of the City's Ten-Year Capital Plan by modeling capacity for General Obligation (I bonds and General Fund debt. Provide as-needed assistance to fund identified priority projects and assist wit rate modeling for G.O. bond elections, as applicable.
- Maintain the City's strong credit ratings, including a AAA rating from at least one of the three major rating age
- Continue to resolve and address material weakness or signif implementing policies, and continuous monitoring.

Inform Policies and Increase Public Access

- Maintain the Controller's Office website by archiving outdat findable, accessible, and user-friendly.
- Meet 90% of press and public record requests deadlines, and tr
- Produce regular reports on key local economic indicators an provide impact reports on how pending legislation, ballot economy.
- Support and manage the City's process for evaluating and mod
- Participate in and support Charter reform efforts, including s facilitating and analyzing proposed reforms, and incorporating

Strengthen Our Department and Invest

- Conduct at least one departmental Employee Engagement Sur and belonging, workforce equity, department leadership, transparently with staff to encourage dialogue and accountabi
- Promote recognition, collaboration, and knowledge-sharing th Staff meetings, Racial Equity Workgroups, and Lunch & Learns.
- Foster professional development through administering a d advertising regular training opportunities on a shared training training within divisions.
- Ensure that professional growth, promotional pathways, succes communication with all staff are supported by department lead

Racial Equity Action Plan

January 1, 2021 through December 31, 2023



December 31, 2020

City & County of San Francisco
Office of the Controller

Prepared by:
Office of the Controller

Greg Wagner
Controller

City & County of San Francisco

Five Year Financial Plan Update: FY 2026-27 through FY 2029-30

Joint Report for General Fund Operations by the Controller's Office, Mayor's Office, and Board of Supervisors' Budget Analyst



Key Performance Measures

Provide High-Quality Financial Services	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2025-26 Projected	2026-27 Target	2027-28 Target
Number of days to complete the City's Annual Comprehensive Financial Report (ACFR) for the previous fiscal year	231	182	150	150	149	150	150
City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of findings of material weakness in annual City audit	0	0	0	0	0	0	0
Percent of payroll transactions not requiring correction	98.09%	98.89%	98.86%	99.0%	99.0%	99.0%	99.0%
Provide High-Quality Financial Systems	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2025-26 Projected	2026-27 Target	2027-28 Target
Percent of scheduled time that financial systems are available for departmental use	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Percent of scheduled time that human capital systems are available for departmental use	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Safeguard the City's Long-Term Financial Health	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2025-26 Projected	2026-27 Target	2027-28 Target
Percentage by which actual revenues vary from mid-year estimates	9.5%	-0.5%	1.7%	1.5%	1.5%	1.5%	1.5%
Percentage by which actual General Fund revenues vary from prior year revised budget estimates	8.5%	-0.8%	-0.5%	2.0%	2.0%	2.0%	2.0%
Stabilization reserve balance as a percentage of General Fund revenues	6.0%	6.3%	6.13%	10.0%	10.0%	10.0%	10.0%
Ratings of the City's General Obligation Bonds from Moody's	Aaa	Aaa	Aa1	Aaa	Aa1	Aaa	Aaa

Key Performance Measures

Ensure Government is Accountable to City Residents	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2025-26 Projected	2026-27 Target	2027-28 Target
Percent of audit recommendations implemented within 2 years after report issuance.	95%	90%	99%	85%	85%	85%	90%
Percent of auditee ratings that are good or excellent	88%	74%	96%	85%	85%	85%	85%
Percent of client ratings for technical assistance projects that are good or excellent	100%	100%	97.5%	95%	95%	95%	95%
Support Informed Policy Decisions	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2025-26 Projected	2026-27 Target	2027-28 Target
Percentage of OEA economic impact reports completed by the hearing date	100%	100%	100%	100%	100%	100%	100%
Completion rate of ballot analysis by hearing date	100%	100%	100%	100%	100%	100%	100%
Number of Data Academy Training Participants	632	1,367	1,539	1,500	1,500	1,500	1,500