

Fiscal Years 2026-27 and 2027-28

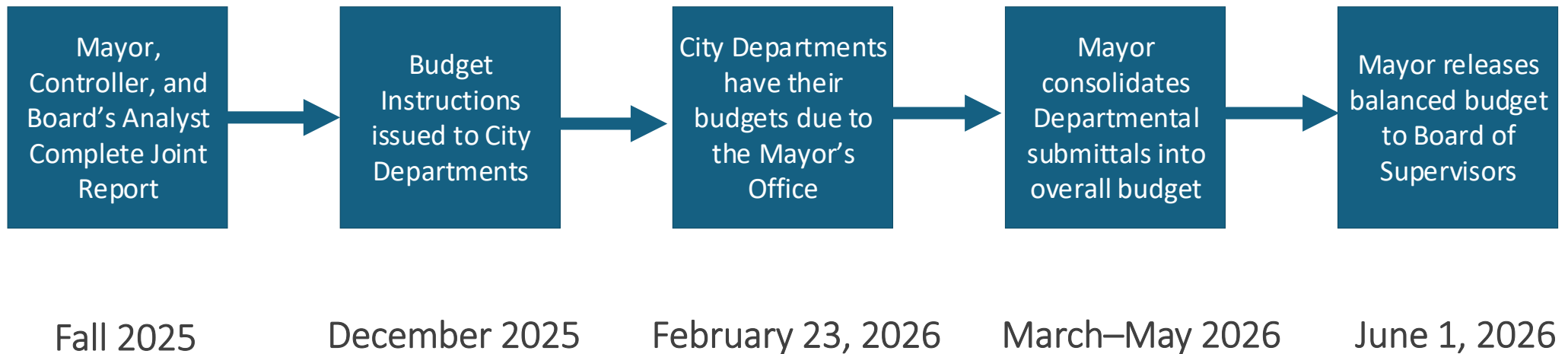
Mayor's Budget Update and Budget Instructions



San Francisco Fire Department

Fire Commission – January 14, 2026

Budget Process and Background



Five-Year Plan Updates

- The Mayor's office, the Board of Supervisors, and the Controller's Office release the City's Five-Year Financial Plan in mid-December 2025
- This plan requires the City to forecast expenditures and revenues, propose actions to balance expenditures and revenues each of the next five years, and discuss strategic goals for this purpose
- This report summarized projected budget deficit/surplus numbers over the next five years and feeds into the Mayor's budget instructions to Departments

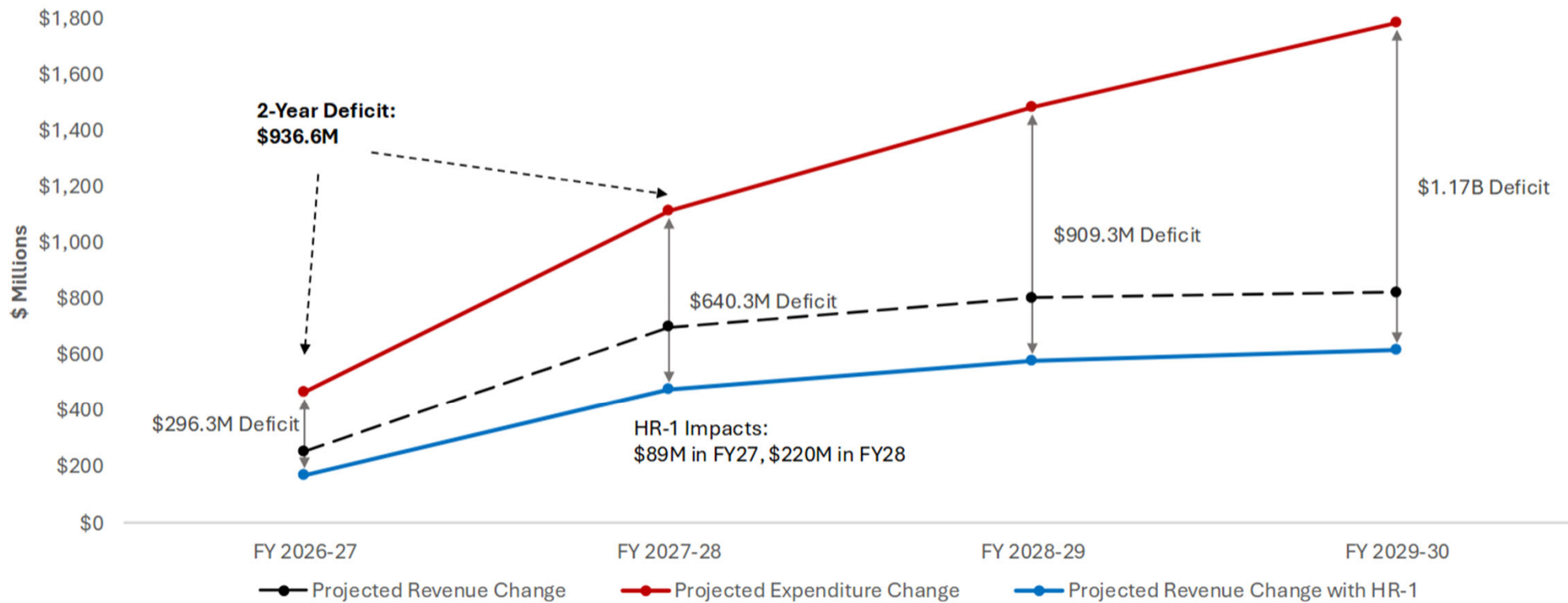
Five-Year Plan Summary

- After balancing as part of FY25-26 and FY26-27 budget process last year, huge negative impact as a result of revenue loss from Congressional bill H.R.1
- While revenues are anticipated to increase over the next few years, City expenditures are expected to grow at a much larger rate, leading to significant deficits over the next five years
- Projections do not factor in a recession
- Unknowns from State budget as well as further policy/legislative changes at the Federal level
- Assessment appeals being processed

Outlook on Projections

	Projection 2026-27	Projection 2027-28	Projection 2028-29	Projection 2029-30
SOURCES Increase / (Decrease)	252.4	697.7	803.0	822.0
Uses				
Baselines & Reserves	(118.8)	(220.2)	(259.0)	(274.3)
Salaries & Benefits	(216.5)	(551.5)	(705.9)	(828.9)
Citywide Operating Budget Costs	(50.4)	(179.5)	(232.4)	(302.2)
Departmental Costs	(78.5)	(165.1)	(289.0)	(380.3)
USES Decrease / (Increase)	(464.2)	(1,116.2)	(1,486.3)	(1,785.6)
Subtotal Surplus / (Shortfall)	(211.8)	(418.5)	(683.3)	(963.7)
State & Federal Policy Impacts	(84.5)	(221.8)	(226.0)	(204.8)
Projected Surplus / (Shortfall)	(296.3)	(640.3)	(909.3)	(1,168.5)
Two-Year Deficit	(936.6)			

Projected City Budget Deficit Over Time



Mayoral Budget Instructions

- Budget instructions are different as compared to previous years, where Departments are not being asked to submit a target reduction (% or \$) as part of their submission
- Requested to look at budget submissions in totality, to get input from Departments and then revise deficit numbers
- Implement shared budget reductions that align with Mayoral priorities over the next couple of years

Mayoral Priorities

Safe and Clean Streets

Keep Our City Safe

Keep all San Franciscans safe through coordinated and proactive public safety efforts

Transform Our Health and Homelessness Systems

Ensure positive long term health outcomes for San Franciscans, including those in crisis on our streets or vulnerable in our communities

Maintain Clean, Safe, and Welcoming Public Spaces

Provide clean streets, inviting parks, and reliable mobility options so people feel comfortable being out in the city

Economic Revitalization

Revitalize Downtown San Francisco

Rebuild a vibrant, mixed-use downtown by bringing people, jobs, housing, and cultural activity back to the city's core

Make the City More Affordable and Livable for Families

Improve quality of life and access to opportunities so children and families can thrive

Strengthen the City's Economy, Arts & Culture

Grow San Francisco's broader economy by supporting key industries, creating good jobs, expanding tourism and cultural activity, and increasing economic opportunity citywide

Effective Common-Sense Government

Modernize the systems and structures that shape how we work, and build the data, technology, and talent capabilities we need to innovate, improve services, and deliver results within our financial means

Mayoral Budget Instructions

- Goal is to find \$400 million in on-going savings City-wide
- Evaluate services being provided and eliminate discretionary programs that do not serve the core mission/functions
- Restructure to find efficiencies where available, and identify duplicative services to a more consolidated model
- Identify technology and procurement savings/efficiencies

Budget Process Timeline

<u>Date</u>	<u>Description</u>
December 2025	Budget Instructions released; Five Year Financial Plan Released
January 20th, 2026	Budget Programming Worksheet Due to MBO
Early February 2026	Controller six-month report issued
February 23rd, 2026	Budget Submissions Due from Departments
March-May 2025	Update to the Joint Report; Nine Month report update
June 1st, 2025	Mayor's Budget Submitted to Board of Supervisors
June 2025	Department Budget Committee Hearings
July 2025	Budget considered at Board of Supervisors

Fire Commission Timeline

<u>Meeting Date</u>	<u>Item for Consideration</u>
January 14 th , 2026	Budget Instructions presented to Commission
January 28 th , 2026	Budget Discussion continues at Commission
February 11 th , 2026	Submission of Final Budget for Commission Approval
February 12 th -20 th , 2026	Special meeting called if necessary
February 23 rd , 2026	Department budget submitted to CON/MYR

SFFD Next Steps

- Internal meetings to discuss budgetary strategies and priorities, including evaluation of services provided
- Continue discussions with Mayor's Office surrounding open and vacant positions in the current year
- Continued advocacy for Department priorities, including facilities, fleet, and equipment
- On-going labor negotiations for Fire MOUs

Questions/Discussion

