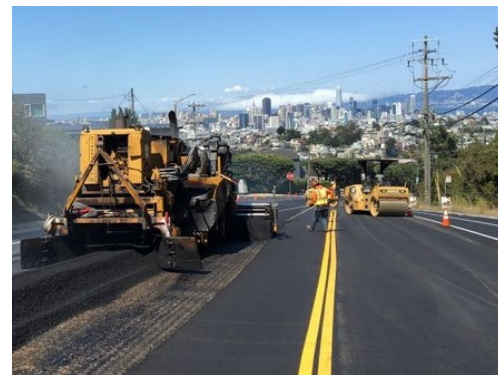
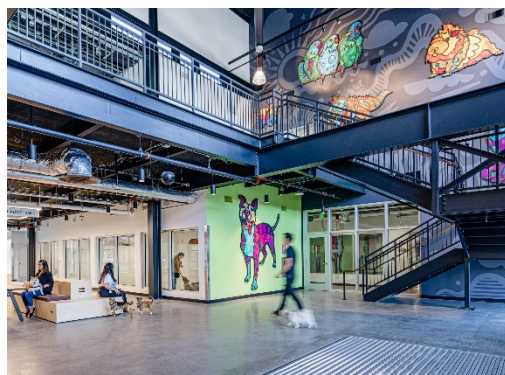
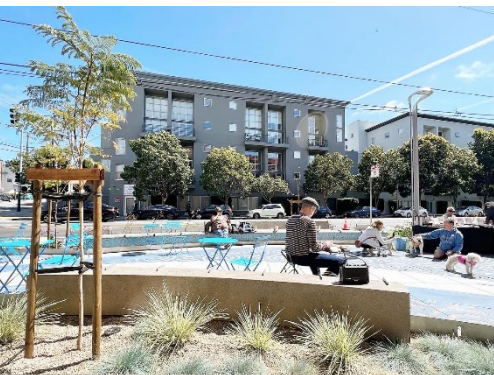


February 12, 2026

FY26/27 & FY27/28 Budget Overview

Bruce Robertson

Deputy Director for Financial Management and Administration



FY26-27 & FY27-28 Budget Commission Action Request

Recommendation:

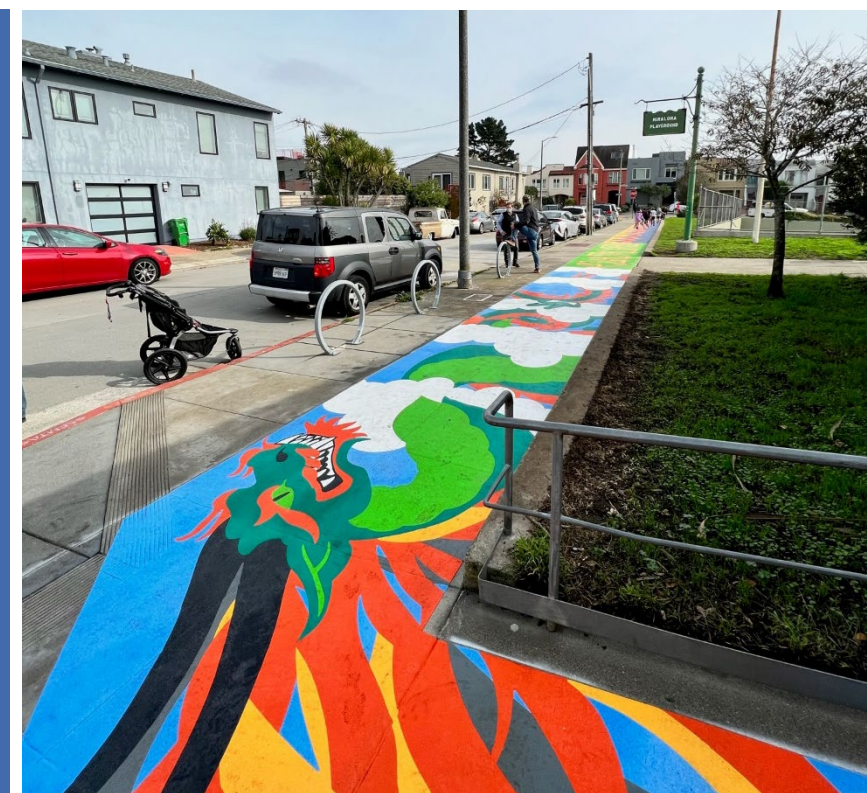
**Approve the proposed FY 2026-27 Operating and Capital Budget of \$441.8 million
and the FY 2027-28 Operating Budget of \$361.0 million**

Amount:

**\$441.8 million for FY 2026-27 and
\$361.0 million for FY 2027-28**



**FY 2025-2026
Adopted Budget:
\$428.5 Million**



FY26-27 & FY27-28 Budget Scenario

■ Fiscal Outlook

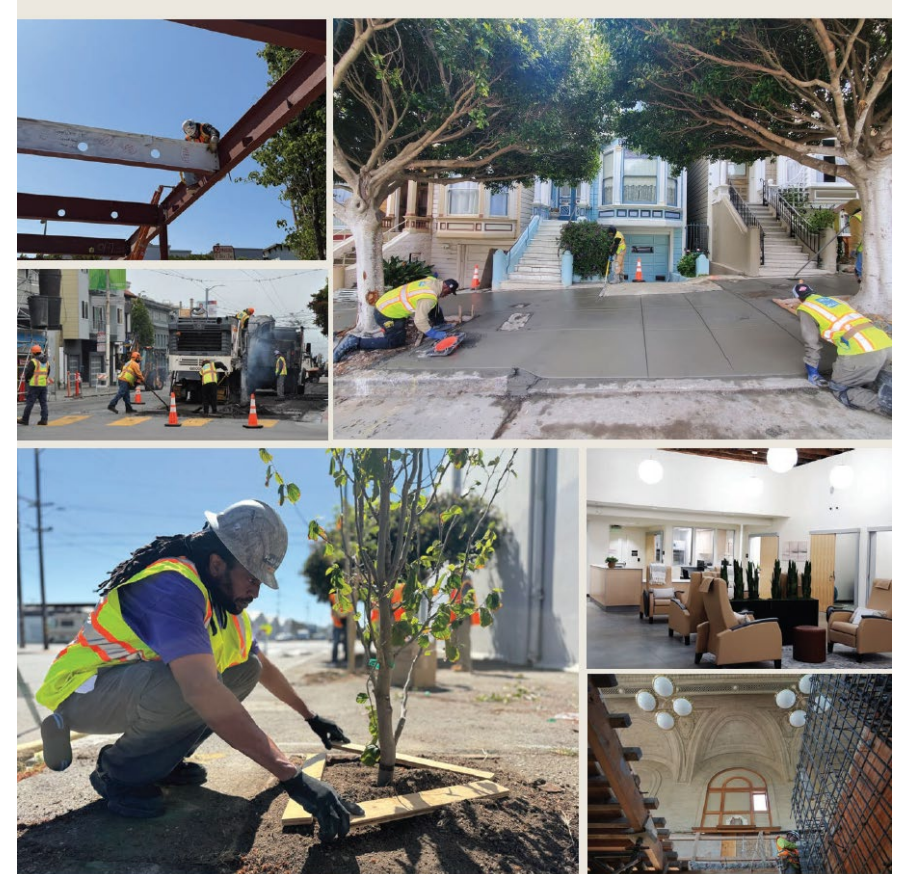
- Expenditure Growth outpaces General Fund revenues
 - Expenditure Growth – \$1.8B
 - Revenue Growth – \$617M
- Deficits remain and continue to grow
 - FY26-27 Deficit – \$296M
 - FY27-28 Deficit – \$640M

■ Mayor's Budget Instructions

- Reduce citywide General Fund ongoing expenditures by \$400M
- Identify core services
- Reduce workorders and overhead
- Eliminate discretionary programs

■ Public Works Impact

- Reduce budget by \$5.0 million
- Eliminate positions

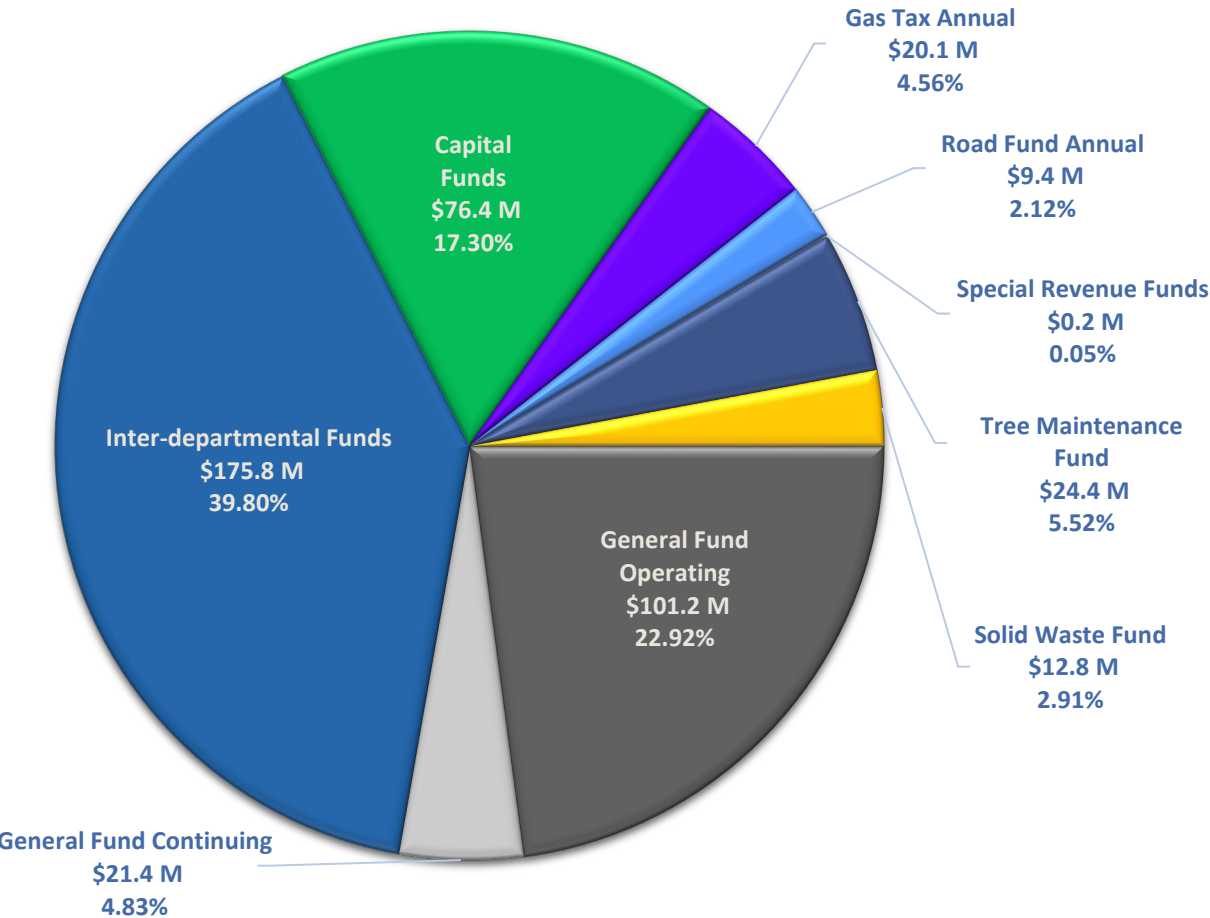


Final Budget

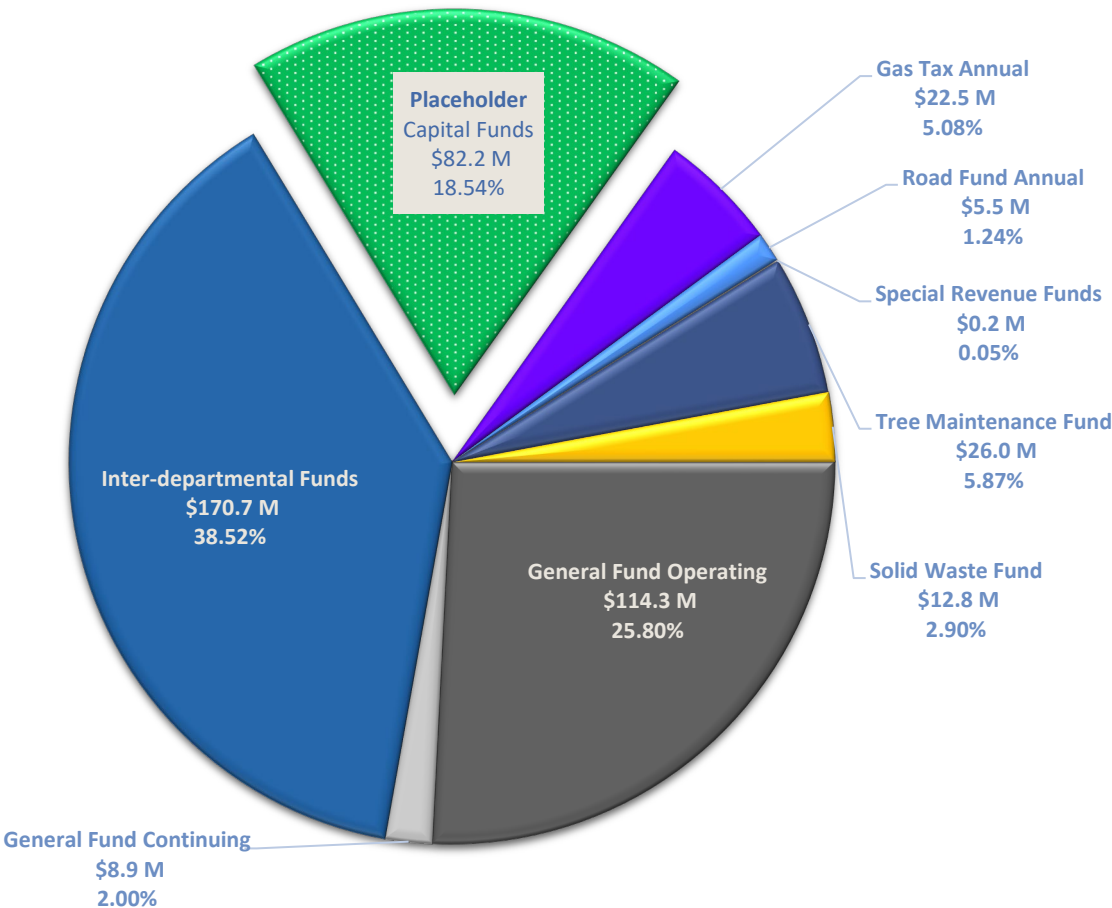
Fiscal Year 2025-26 and Fiscal Year 2026-27
City and County of San Francisco

Department Base Budget – Proposed Sources

FY 2026-27 All Funds Total: \$441.8 M



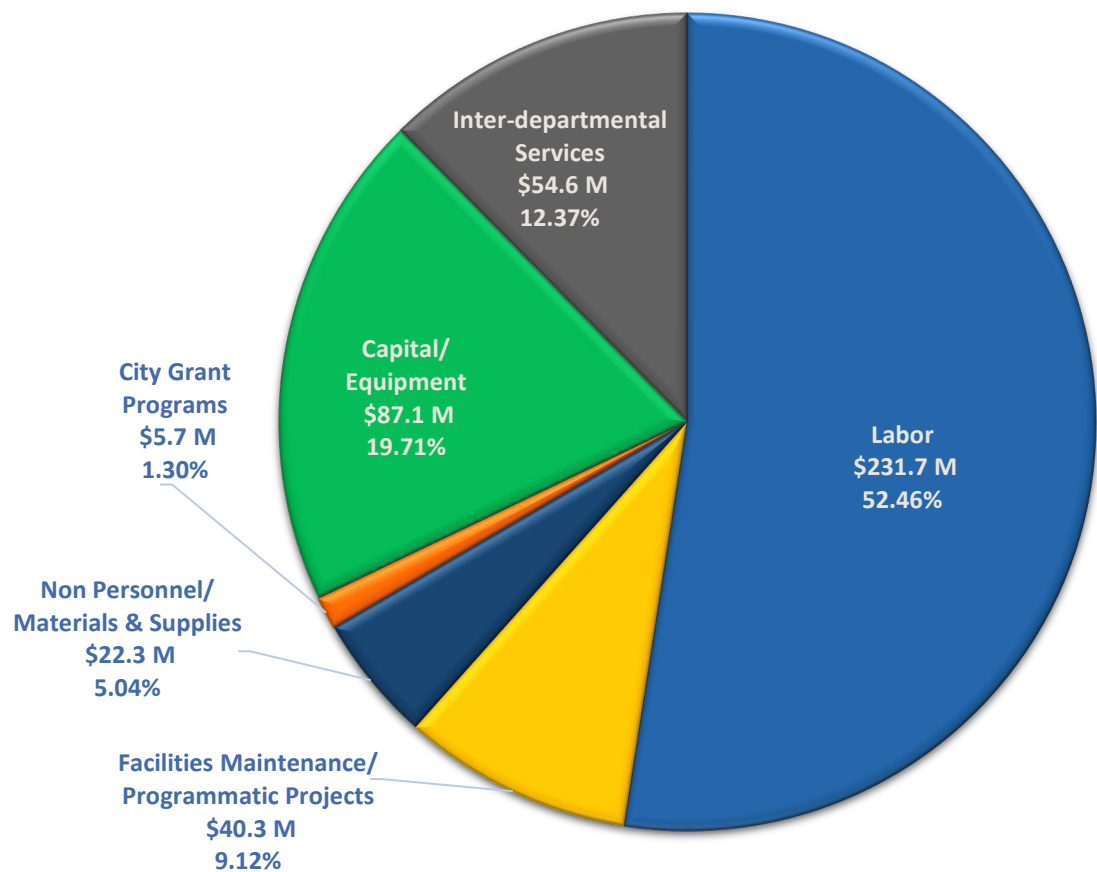
FY 2027-28 All Funds Total: \$361.0 M*



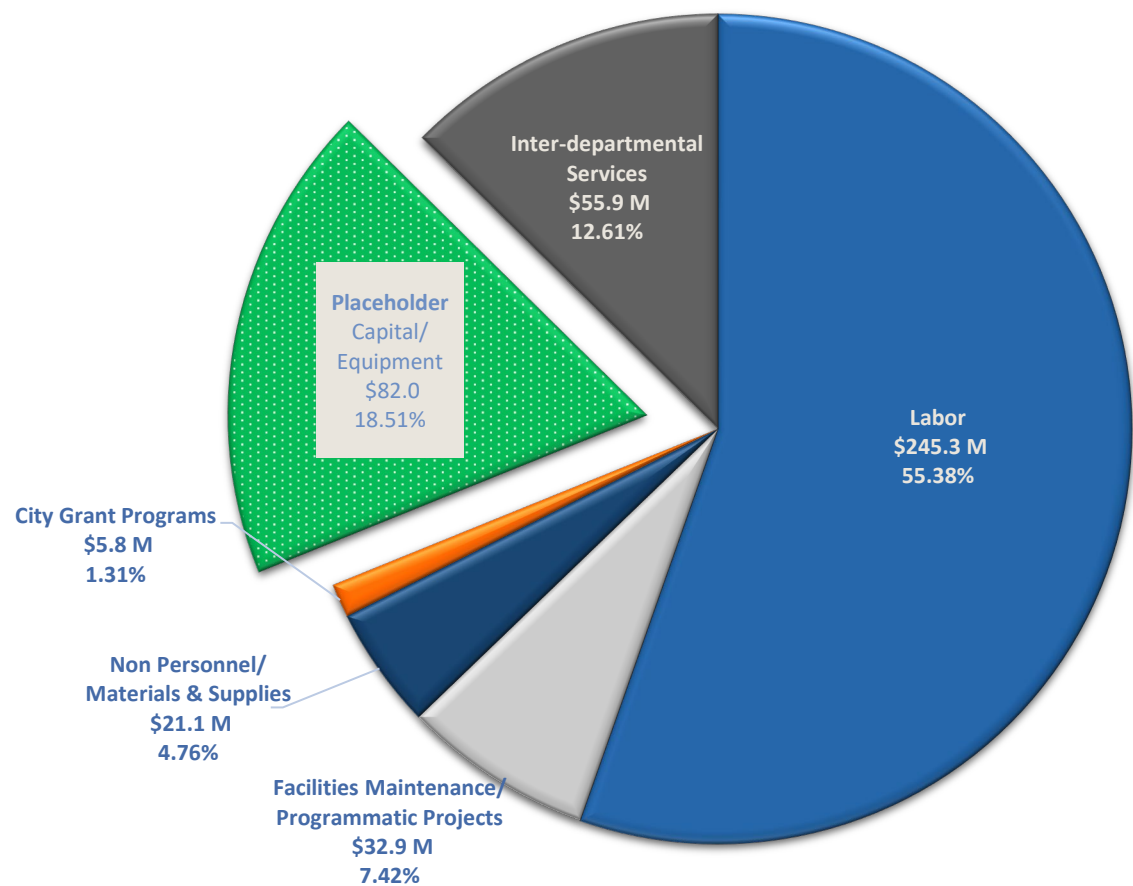
*Assumed same level of capital funds as proposed FY27; Proposed FY28 budget estimated to be \$443M.

Department Base Budget – Proposed Uses

FY 2026-27 All Funds Total: \$441.8 M



FY 2027-28 All Funds Total: \$361.0 M*



*Assumed same level of capital funds as proposed FY27; Proposed FY28 budget estimated to be \$443M.

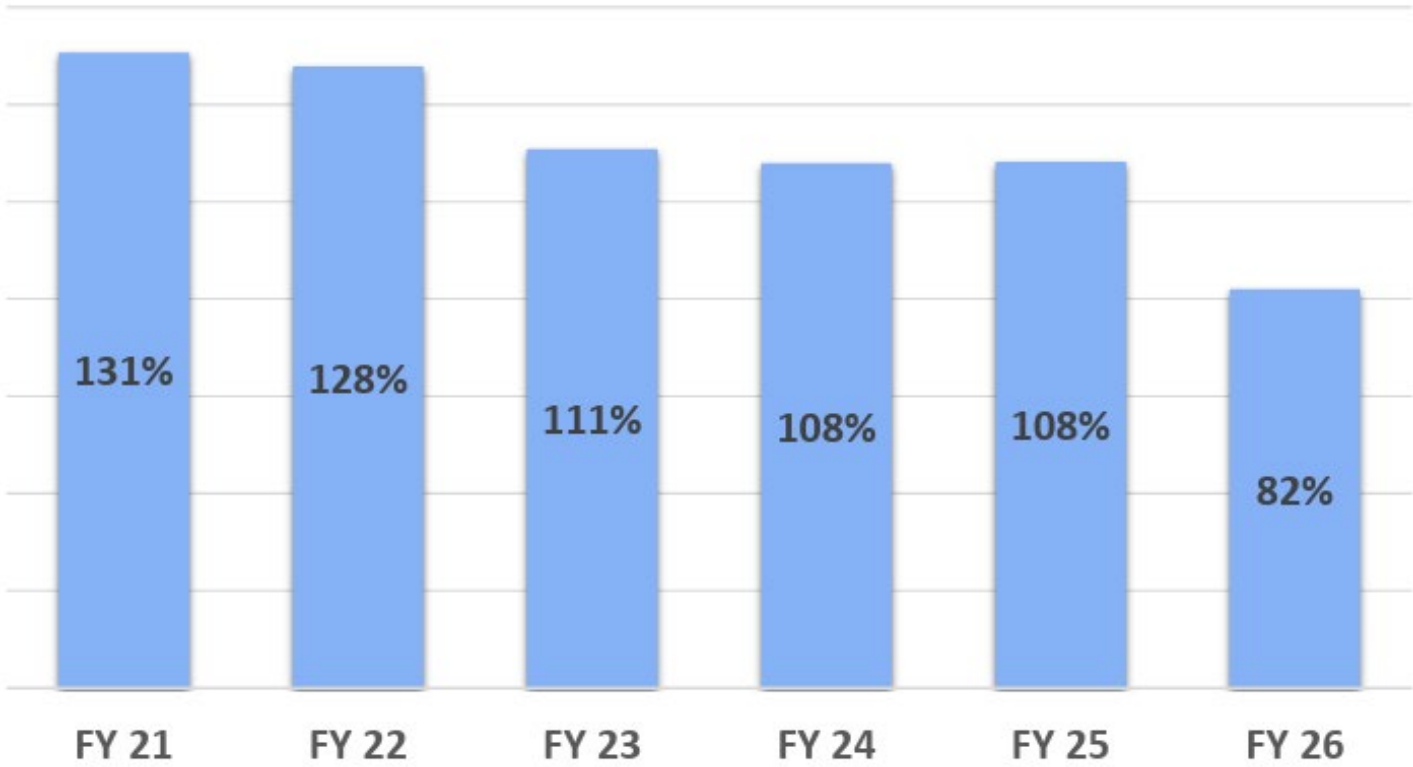
FY26-27 Public Works General Fund Base Budget

Uses	Street Cleaning (Safe & Clean Streets)	Illegal Vending & Permits (Keeping our City Safe)	Public Right-of- Way Repair (Keeping our City Safe)	Commissions	Total
Salaries/Fringe/ Overhead Recovery	\$64,806,894	\$10,966,797	\$2,614,215	\$435,776	\$78,823,682
Non-Personnel Services	647,249	35,500	85,500	9,957	775,206
Grants	3,348,756	-	-	-	3,348,756
Materials & Supplies	961,962	12,600	184,163	4,711	1,163,436
Workorders	2,745,460	-	864,885	-	3,610,345
Grand Total	\$72,510,321	\$11,014,897	\$3,745,763	\$450,444	\$87,721,345
Budgeted FTE Positions	257.50	37.00	8.00	12.00	

FY25-26 Public Works Overhead Rates

- **Current Year (FY25-26) includes significant reductions in overhead in FY25-26**
- **Simplified rates:** Capital, Operating
- **Proactive action:** Reduced rates this fiscal year for long-term benefits
- **Reduced rates:** Yields an estimated **\$34 million** in savings, of which **\$10 million** is City General Fund

Capital Overhead Rates: FY21 to FY26



Preliminary FY26-27 & FY27-28 Budget Reduction Scenarios

Program	Type	FY27 Savings	FY28 Savings	Impact
Position Cleanup	Labor	\$2.3M	\$2.4M	Moving some positions from General Fund to other funding sources to reflect the department reorganization.
Sunset Boulevard Reduction	Labor	\$200,000	\$200,000	Slight reduction of services at Sunset Boulevard
Overhead Reductions	Labor	-	\$650,000	
Overhead Reductions	Non-Labor	-	\$250,000	
Total		\$2.5M	\$3.5M	

- **Mayor's Office Program and Service Inventory Review**
 - Assessing which positions should be eliminated
 - Exploring consolidation and centralized service delivery
 - Requesting review of ongoing contracts to potentially lower costs

Clean Streets and Fair Wages Act (File No. 26-0084)

■ Clean Streets and Fair Wages Act

- Pending ordinance to add Prevailing Wages requirements
- Applies to contracts and grants for street cleaning services, primarily for power washing, steam cleaning and litter abatement in the public right of way.
- Prevailing wage could exceed \$70 per hour

■ Budget Impact

- Increase to grant program costs likely to exceed \$10M
- Over 50% reduction in nonprofit staff to keep budget flat
- Current Office of Contract Administration (OCA) contracts already above prevailing wage

■ Public Works Workforce Development Grant Program Options

- Complete elimination of all workforce development grant programs
- Keep workforce development grant programs with significant reduction in street cleaning services and potential elimination of the Pit Stop public toilet program
- Seek over \$10.0M in additional funding to prevent operational impact
- Bring work in-house with 9916 pre-apprenticeship workers at reduced program service level



FY26-27 & FY27-28 Department Initiatives

Program	Type	Cost	Scope
Pit Stop Public Restroom Program	CBO	\$ 9.3M	Restore Pit Stop program from 15 locations to 30 locations. 311 steamer requests for biowaste concerns spiked 21% this fiscal year after reduction in Pit Stop public toilet locations, slightly higher than the projected increase.
Dog Waste Pilot Program	Materials & Supplies	\$200K	Provide dedicated dog waste receptacles and courtesy dog waste bags in targeted geographic areas, in conjunction with public information campaign and stepped-up enforcement of pooper scooper law.
Consolidated Project Management System	Non-Personnel Services	\$ 1.5M	A construction project management system that coordinates planning, budgeting, scheduling, procurement, compliance and reporting to control cost, schedule, quality and risk across the full project lifecycle.
Total		\$11.0M	

FY26-27 & FY27-28 Fee Recommendations

■ Recent Legislated Fee Changes

- Café Tables & Chairs – eliminated
- Display Merchandise – eliminated
- Contractor Parking Plan – eliminated
- Shared Spaces permit rates reduced

■ Guiding Principles

- Maintain alignment with cost-recovery requirements
- Avoid fee actions that disproportionately impact small businesses

■ Fees Under Review

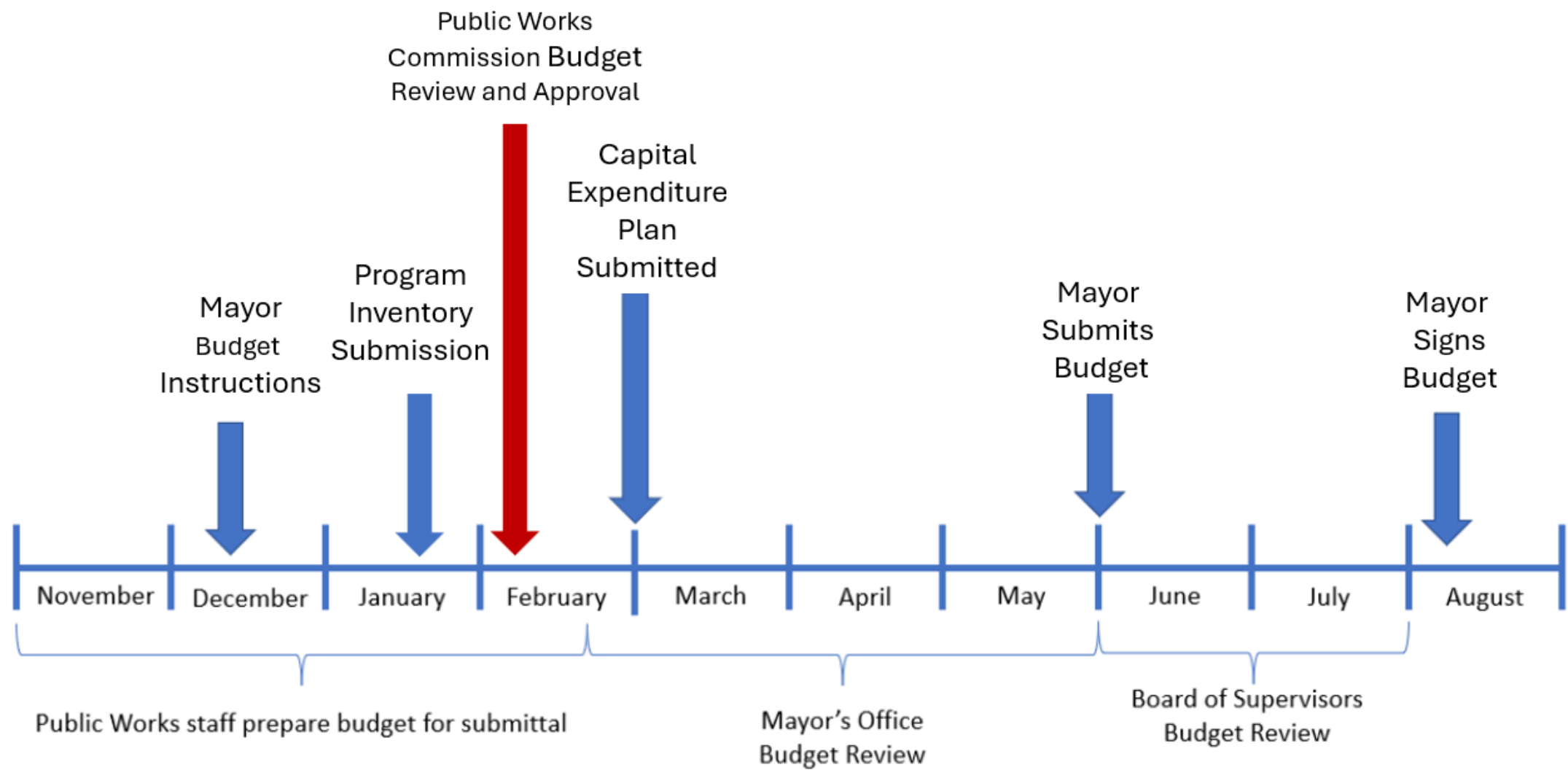
- Right of Way & Street Improvement Permits
- Encroachment Permits
- Sidewalk-Related Permits
- Any adjustments would remain below full cost recovery

■ Next Steps

- Final proposals subject to budget decisions, legal review and permit activity trends



FY26-27 & FY27-28 Budget Processes and Timeline



FY26-27 & FY27-28 Budget Commission Action Request

Recommendation:

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and the FY 2027-28 Operating Budget of \$361.0 million**

Amount:

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QUESTIONS