



Fiscal Year 2024-25 and
Fiscal Year 2025-26

Mayor's Budget Update and Instructions

FIRE COMMISSION

JANUARY 10, 2024



FY 24-25 and FY 25-26 Budget

Agenda

1. Budget Process & Background
2. Joint Report Update
3. SFFD Budget and Budget Instructions
4. Budget/Fire Commission Timelines
5. Open for Discussion/Questions



FY 24-25 and FY 25-26 Budget

Budget Process & Background

- Department receives target for general fund support in December
- Department submits its proposed budget to the Mayor's Office on February 21st
- Mayor reviews Departmental submissions and must submit a balanced budget to the Board of Supervisors by June 1 (Charter Requirement)
- Budget Hearings in late June/early July at the Board of Supervisors
- Continuation of two-year rolling budget cycle



FY 24-25 and FY 25-26 Budget

Joint Report Updates

- Mayor/Controller/Budget Analyst have released updates to the City's Five-Year Financial Plan last month.
- This report gives an overview of the City's current financial status, as well as a projection for the next five years for the economic overview of the City.
- These projections drive the budget instructions to City Departments.

Five Year Financial Plan Update: FY 2024-25 through FY 2027-28

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

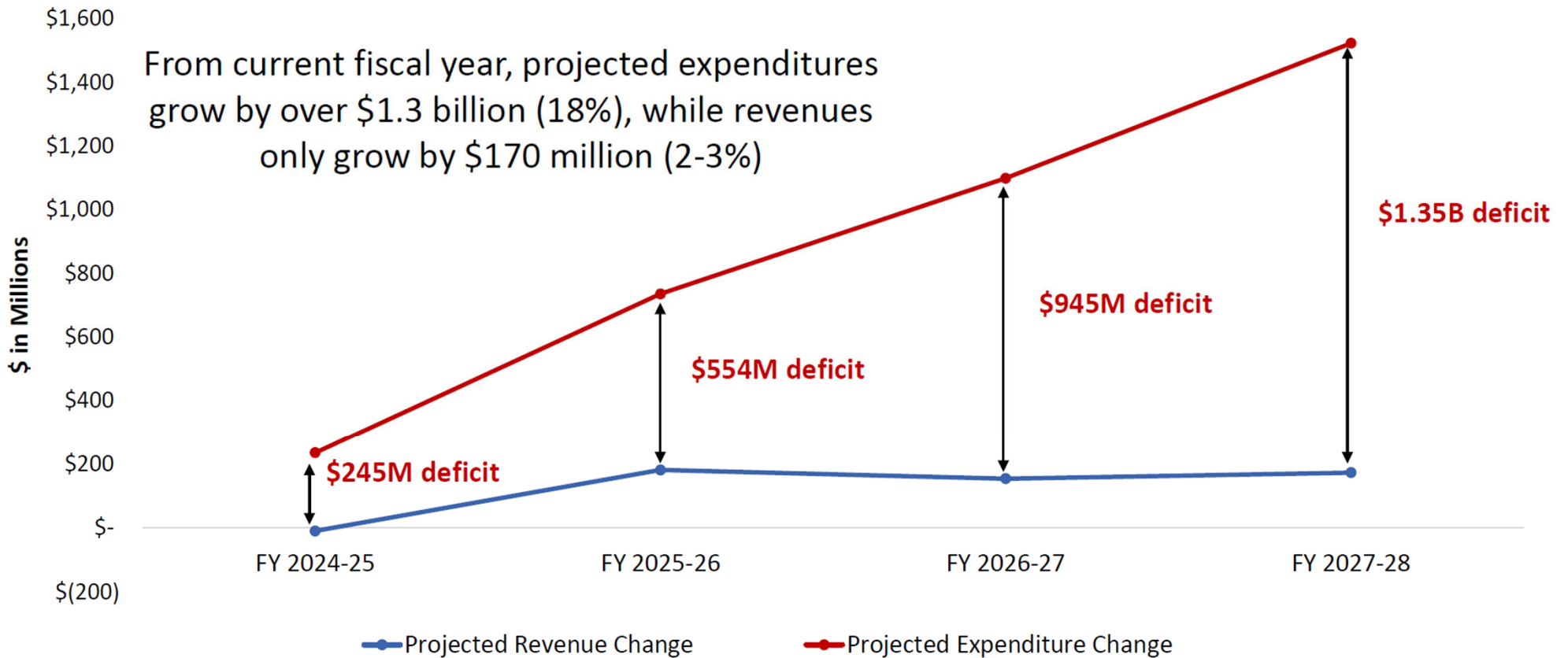


December 22, 2023
City & County Of San Francisco



FY 24-25 and FY 25-26 Budget

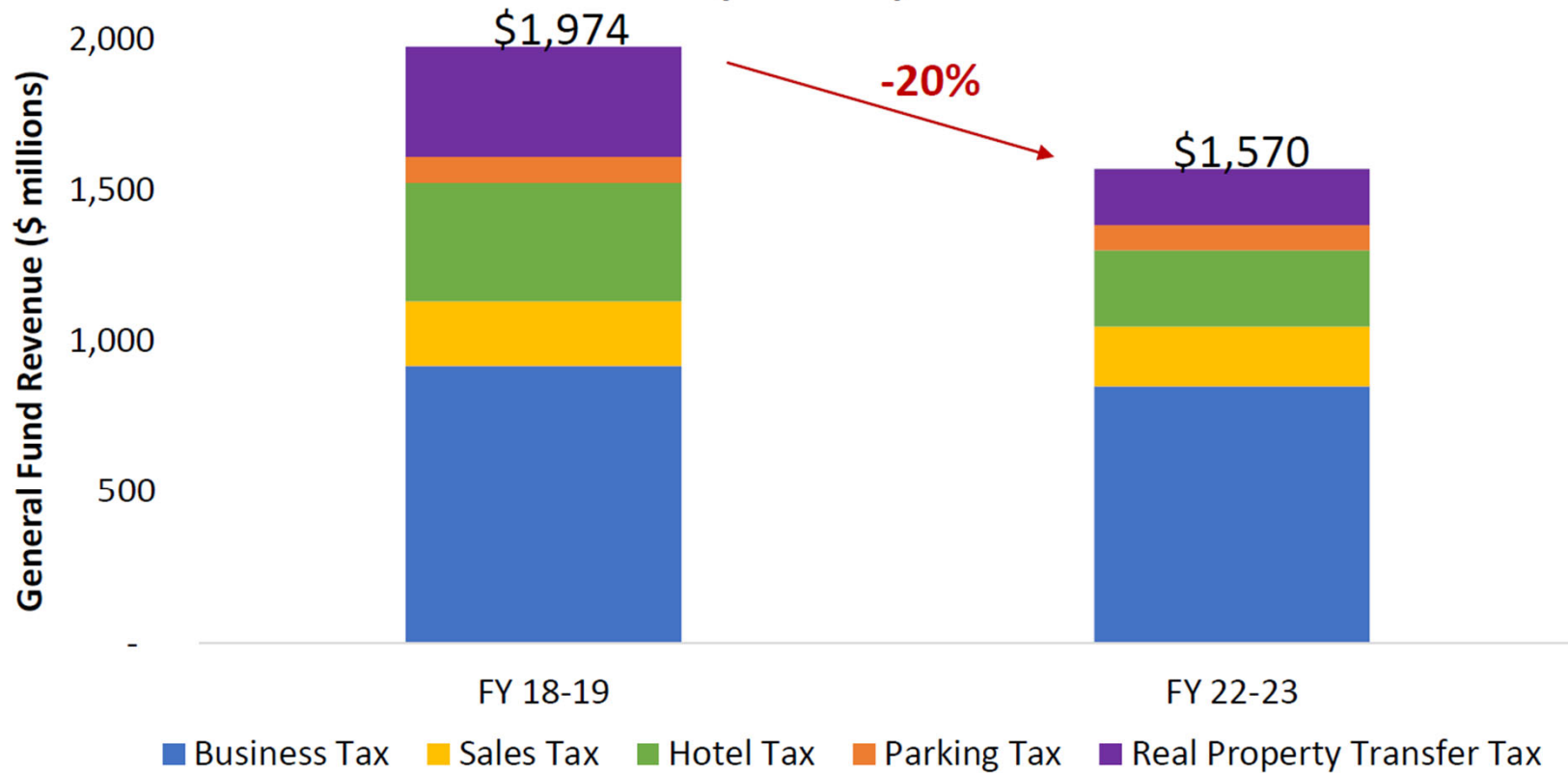
From current fiscal year, projected expenditures grow by over \$1.3 billion (18%), while revenues only grow by \$170 million (2-3%)





FY 24-25 and FY 25-26 Budget

Change in GF Revenues FY 18-19 to FY 22-23 Year-End (actuals)





FY 24-25 and FY 25-26 Budget

Joint Report Update

- Revenues stabilizing (slower growth) but expenditures anticipated to keep growing in future years to outpace
- Salary and Benefit growth; Healthcare cost increases
- Assumptions include CPI growth for wage increases and contract
- Depletion of one-time revenues
- No recession assumed
- Will be updated in Mid-March



FY 24-25 and FY 25-26 Budget

Joint Report Updates

	Projection	Projection	Projection	Projection
	2024-25	2025-26	2026-27	2027-28
SOURCES Increase / (Decrease)	(9.6)	181.0	153.9	172.8
Uses				
Baselines & Reserves	(13.3)	(78.3)	(150.4)	(264.1)
Salaries & Benefits	(163.3)	(336.2)	(447.4)	(593.0)
Citywide Operating Budget Costs	(95.2)	(301.7)	(396.0)	(496.3)
Departmental Costs	36.8	(19.3)	(105.3)	(169.0)
USES Decrease / (Increase)	(235.1)	(735.5)	(1,099.1)	(1,522.5)
Projected Cumulative Projected Surplus / (Shortfall)	(244.7)	(554.5)	(945.1)	(1,349.7)
Two-Year Deficit	(799.2)			



FY 24-25 and FY 25-26 Budget

Mayoral Budget Priorities

- Improving public safety and street conditions
- City-wide economic vitality
- Reducing homelessness and transforming mental health services delivery
- Accountability and equity in services and spending



FY 24-25 and FY 25-26 Budget

Budget Instructions Summary

- City is looking at projected deficits over the next two fiscal years of approximately \$244.7 million in FY24-25 and \$554.5 million in FY25-26, with deficits increasing in subsequent years
- Departments to propose on-going reductions to general fund support equal to 10% in each year, with an additional 5% contingency requested
- Departmental reductions are only part of the City's solution, as Mayor's Office must weigh other strategies



FY 24-25 and FY 25-26 Budget Budget Timeline

<u>Date</u>	<u>Description</u>
December 2023	Budget Instructions released; Joint Report issued
Early February 2024	Controller six-month report issued
February 21st, 2024	Budget Submissions Due from Departments
March-May 2024	Update to the Joint Report; Nine Month report update
June 1st, 2024	Mayor's Budget Submitted to Board of Supervisors
June 2024	Department Budget Committee Hearings
July 2024	Budget considered at Board of Supervisors



FY 24-25 and FY 25-26 Budget Fire Commission Timeline

<u>Meeting Date</u>	<u>Item for Consideration</u>
January 10 th , 2024	Budget Instructions presented to Commission
January 24 th , 2024	Budget Discussion continues at Commission
February 14 th , 2024	Submission of Final Budget for Commission Approval
February 15 th -20 th , 2024	Special meeting called if necessary
February 21 st , 2024	Department budget submitted to CON/MYR