



**Fiscal Year 2025-26 and 2026-27**

**Mayor's Budget Update and  
Instructions**

**San Francisco Fire Department**

Fire Commission – January 8, 2025

# Budget Process and 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

# 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 2024
- 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

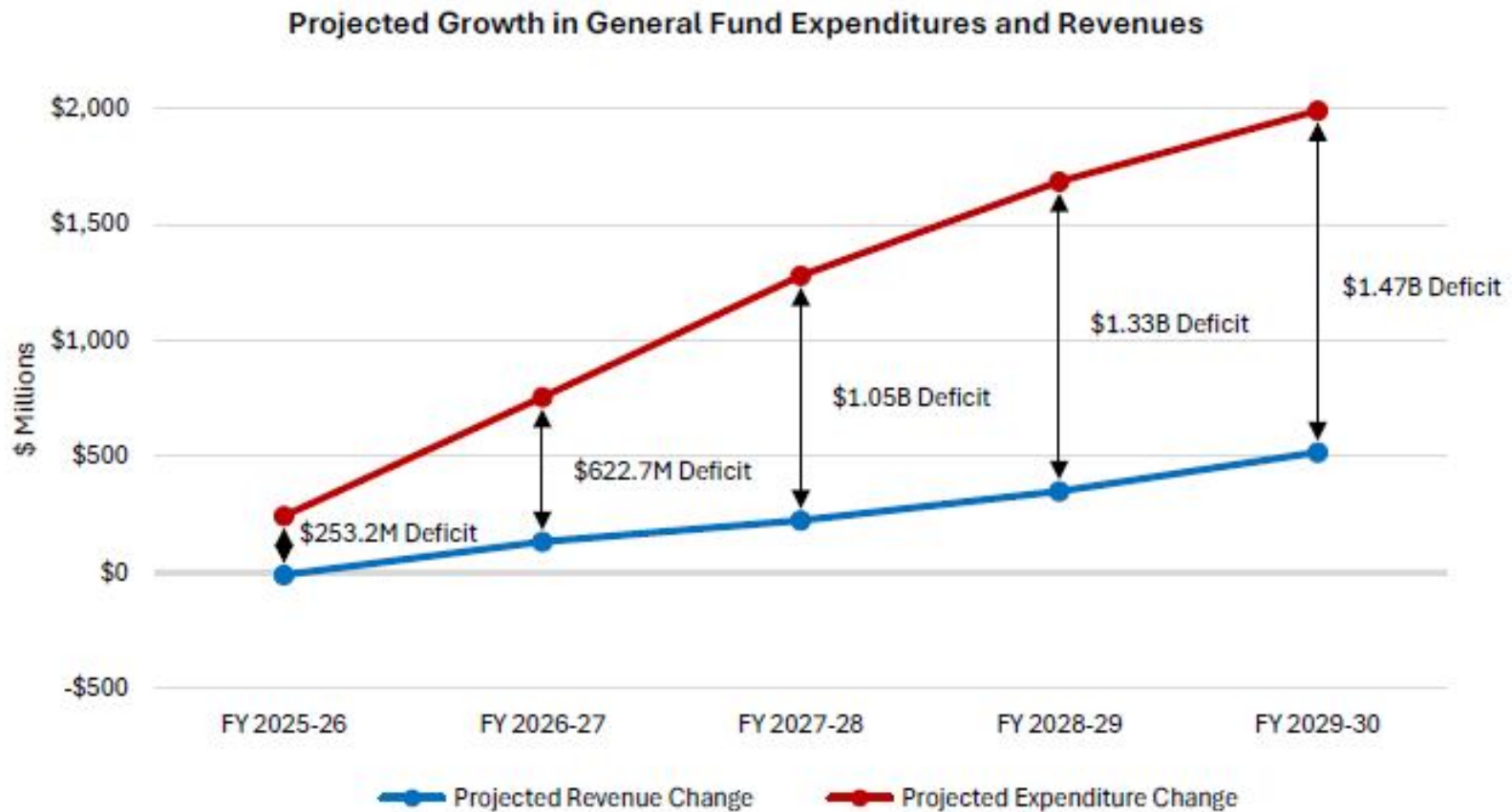
# Five-Year Plan Summary

- 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
- Increased costs driven by salary and benefit increases over the next five years (projected at over \$900 million) as well as increases to required baselines and voter mandates, along with other factors
- Projections do not factor in a recession
- Addition risks from State budget impacts as well as unknowns from pending Federal reimbursements still outstanding from the COVID pandemic

# Five-Year Projections

(\$ millions)	Change from AAO Budget		Projection		
	2025-26	2026-27	2027-28	2028-29	2029-30
<b>SOURCES Increase / (Decrease)</b>	<b>(203.2)</b>	<b>132.9</b>	<b>225.8</b>	<b>350.4</b>	<b>518.6</b>
Uses:					
Baselines & Reserves	(1.5)	(147.1)	(232.1)	(255.8)	(254.0)
Salaries & Benefits	0.4	(350.4)	(607.0)	(795.3)	(943.1)
Citywide Operating Budget Costs	(7.0)	(125.0)	(235.4)	(316.1)	(392.5)
Departmental Costs	(41.8)	(133.1)	(204.6)	(317.8)	(400.2)
<b>USES Decrease / (Increase)</b>	<b>(50.0)</b>	<b>(755.7)</b>	<b>(1,279.1)</b>	<b>(1,684.9)</b>	<b>(1,989.8)</b>
<b>Projected Cumulative Surplus / (Shortfall)</b>	<b>(253.2)</b>	<b>(622.7)</b>	<b>(1,053.3)</b>	<b>(1,334.5)</b>	<b>(1,471.2)</b>
<b>Two-Year Deficit</b>					

# Projected City Budget Deficit Over Time



# Mayoral Priorities

- Maintaining core City services, including public safety and clean streets
- Continue significant progress decreasing unsheltered homelessness; ensuring effective mental health treatment
- Propose opportunities to improve operational efficiency in service delivery and reporting across all areas of City services

# Mayoral Budget Instructions

- Propose permanent reductions in the amount of **15%** of general fund support beginning in Fiscal Year 2025-26
- Re-examine all non-personnel expenditures
- Eliminate vacancies and do not add any new FTEs

## Policy changes:

- City-wide travel ban
- Budget transparency legislation compliance



# Budget Process Timeline

<u>Date</u>	<u>Description</u>
December 2024	Budget Instructions released; Five Year Financial Plan Released
Early February 2025	Controller six-month report issued
February 21st, 2025	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 8 <sup>th</sup> , 2025	Budget Instructions presented to Commission
January 22 <sup>nd</sup> , 2025	Budget Discussion continues at Commission
February 12 <sup>th</sup> , 2025	Submission of Final Budget for Commission Approval
February 13 <sup>th</sup> -20 <sup>th</sup> , 2025	Special meeting called if necessary
February 21 <sup>st</sup> , 2025	Department budget submitted to CON/MYR

# Questions/Discussion

