



Fiscal Year 2025-26 and 2026-27

**Fire Department
Base Budget Overview**

San Francisco Fire Department

Fire Commission – January 22, 2025

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 th , 2025	Budget Instructions presented to Commission
January 22 nd , 2025	Budget Discussion continues at Commission
February 12 th , 2025	Submission of Final Budget for Commission Approval
February 13 th -20 th , 2025	Special meeting called if necessary
February 21 st , 2025	Department budget submitted to CON/MYR

Budget Instructions Review

- City is projecting a deficit over the next two budget years of approximately \$876 million, made up of \$253 in year one and \$623 in year two. The deficit in subsequent years is expected to reach \$1.5 billion as currently constructed.
- Departments submit their proposed budget to the Mayor's Office on February 21st, and as part of their proposal, City Departments must propose permanent, on-going reductions in the amount of 15% of their general fund support beginning in Fiscal Year 2025-26

Budget Instructions Review (cont.)

- Additional policy instructions:
 - No new FTEs
 - Take a look at all non-salary expenditures
 - Find efficiencies, either operational or fiscal
- Updated Mayoral instructions for current year:
 - City-wide travel freeze
 - Hiring freeze
 - Expanded contract review

Budget Discussion Today

- High-level comparison of current year to base budget in two budget years of this process
- What is the “base” budget?
- Overview of budget structure, both revenue and expenses
- Department budget challenges
- Budget Priorities and Next Steps
- Questions/Clarifications

High-level Budget Comparison

	FY24-25 Current	FY25-26 Base	FY26-27 Base
Expenditures	532,163,641	548,744,888	557,076,504
Revenues	134,109,891	133,240,580	134,528,421

- Main difference between fiscal years are expense increases for salary rates negotiated/assumed, as well as fringe benefit rate projections
- Currently no operational changes incorporated for the upcoming two fiscal years
- Total FY25-26 GF budget: \$509,638,729

High-level Budget Comparison (cont.)

Expenditure Overview by Fund

Fund Title	FY24-25 Current	FY25-26 Base	FY26-27 Base
General Operating Fund	471,291,625	485,402,830	495,179,683
Annual Fund	1,727,980	1,727,980	1,727,980
Continuing Fund	5,340,140	5,585,683	2,981,297
Work Order	16,302,748	16,766,109	17,137,548
Airport	36,113,364	37,839,859	38,728,022
Transfer Fund	1,387,784	1,422,427	1,321,974
Grand Total:	532,163,641	548,744,888	557,076,504

High-level Budget Summary

Type		FY 2025-26 Base	FY 2026-27 Base
EXPENDITURE	Salaries	389,631,095	398,972,984
	Mandatory Fringe Benefits	99,269,129	103,473,469
	Programmatic Projects	2,475,000	2,475,000
	Overhead and Allocations	177,024	177,024
	Non-Personnel Services	3,034,376	3,034,376
	Materials & Supplies	7,634,026	7,634,026
	Capital Outlay	5,114,160	0
	Transfers Out	1,422,427	1,321,974
	Services Of Other Depts	39,987,651	39,987,651
EXPENDITURE		548,744,888	557,076,504
REVENUE	Rents & Concessions	320,000	320,000
	Intergovernmental: State	50,970,000	52,490,000
	Charges for Services	61,780,351	61,780,351
	Expenditure Recovery	17,325,375	17,325,375
	Intergovernmental: Federal	1,422,427	1,290,721
	Airport	37,839,859	38,728,022
	Transfers In	1,422,427	1,321,974
	General Fund Support	377,664,449	383,820,061
REVENUE		548,744,888	557,076,504

Base Budget Assumptions

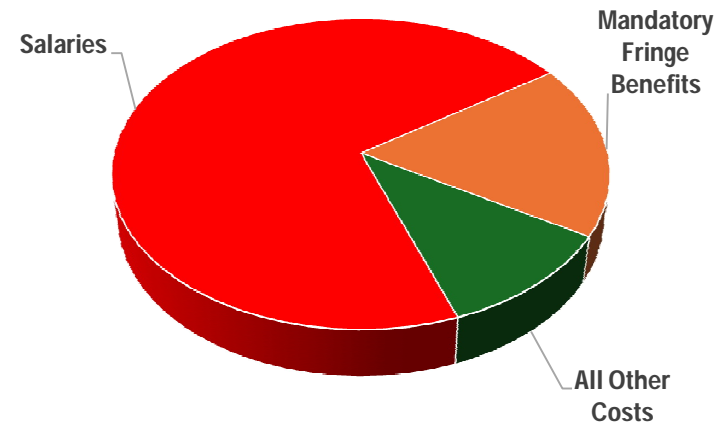
- The Department's base budget consists of the second year (FY25-26) approved as part of last year's final budget, with any adjustments made by the Mayor/Controller's Office
- Adjusted for current rates known or assumed, such as wage and benefit rates, as well as any centrally-loaded work orders with known adjustments
- Requested budget reductions are then made off of the base general fund budget, with any carve-outs taken into account

Base Budget Assumptions (cont.)

- Base budget includes support for existing staffing levels for Fire Suppression, Emergency Medical Services, and Community Paramedicine operations
- Assumption of continuing hiring plan for the Fire Department over the next two years, including two H-2 Firefighter academies in each fiscal year as well as H-3 EMT/Paramedic academies to backfill and maintain staffing levels for EMS and Community Paramedicine
- Funding levels for Capital, Equipment, and IT projects is re-evaluated every year as priorities/funding levels can change

Budget Challenges

- Department must address day-to-day needs along with aging infrastructure (facilities, equipment, etc.)
- Limited budgetary flexibility given minimum staffing level requirements and operational mandates
- Majority of budget dedicated to personnel costs for front-line operations
- Reductions the size and scope of what is being requested would result in operational impacts



Budget Next Steps

- Internal discussion on priorities and needs
- Continued analysis of staffing levels, new hires/retirements, and any other projected staffing implications
- Discussions surrounding equipment and capital allocations as part of overall City budget
- Continued analysis for revenue opportunities to offset the Department's general fund needs
- Discussion will be on-going with the Mayor's Office during Department phase of budget as well as through Mayor's phase

Questions/Discussion

