



**San Francisco Office of the City Administrator**

Carmen Chu, City Administrator

# **FY 2026-28 Budget Overview**

February 10, 2026

# CAO Mission

To ensure efficient and effective government services, robust infrastructure, safety and resiliency and sustained economic recovery within an equitable and inclusive organization.

# Major Programs under the CAO

- City Administrator's Office

- Department of Technology

- 311 Customer Service Center
- Animal Care & Control
- Civic Engagement & Immigrant Affairs
- COIT
- Community Challenge Grants
- Contract Administration
- Contract Monitoring Division
- Convention Facilities
- County Clerk
- Digital & Data Services
- Entertainment Commission
- Fleet Management
- Grants for the Arts
- Mayor's Office on Disability
- Medical Examiner
- Office of Labor Standards Enforcement
- Office of Cannabis
- Permit Center
- Real Estate Division
- Resilience & Capital Planning
- Risk Management
- Reprographics & Mail Services
- Treasure Island Development

# Mayor's 2026 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

Ensure downtown is a neighborhood where people live, work, play, and learn

### Make the City More Affordable and Livable for Families

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

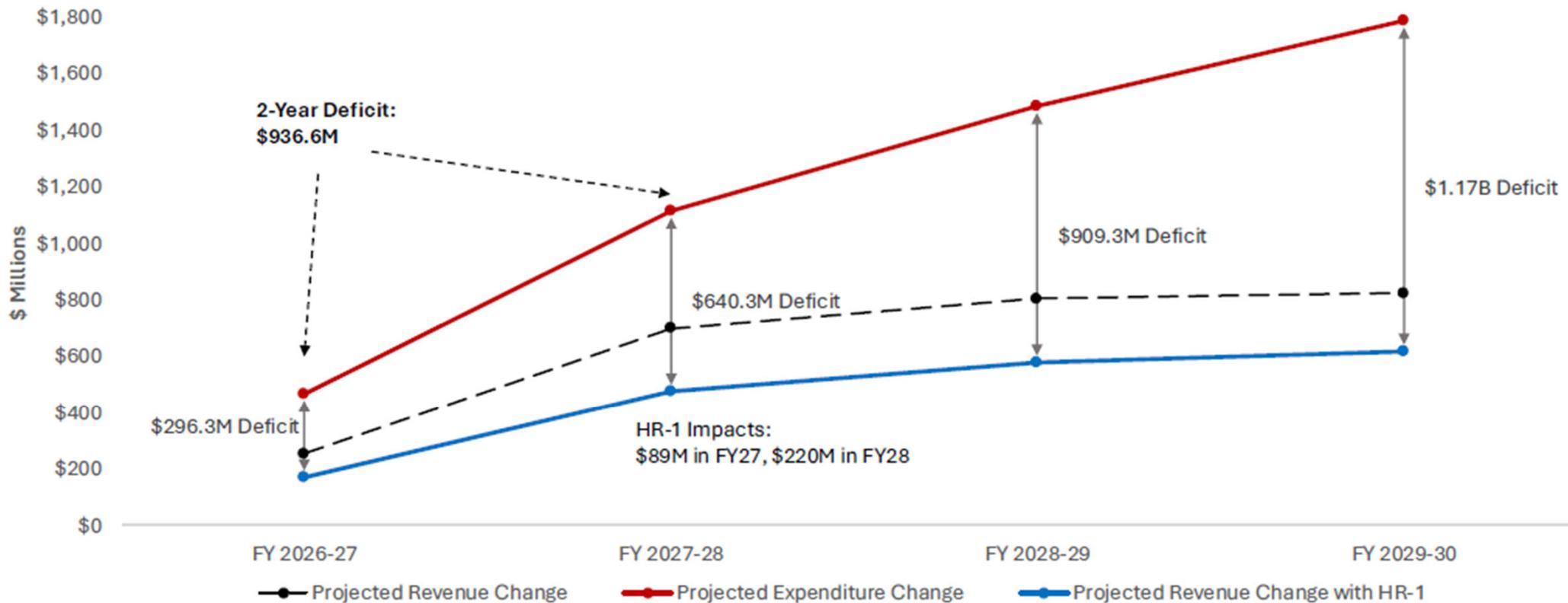
### Strengthen the City's Economy, Arts & Culture

Grow the economy by supporting a breadth of industries, ensuring the creation of good jobs, expanding tourism and arts & 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

# General Fund Budget Outlook



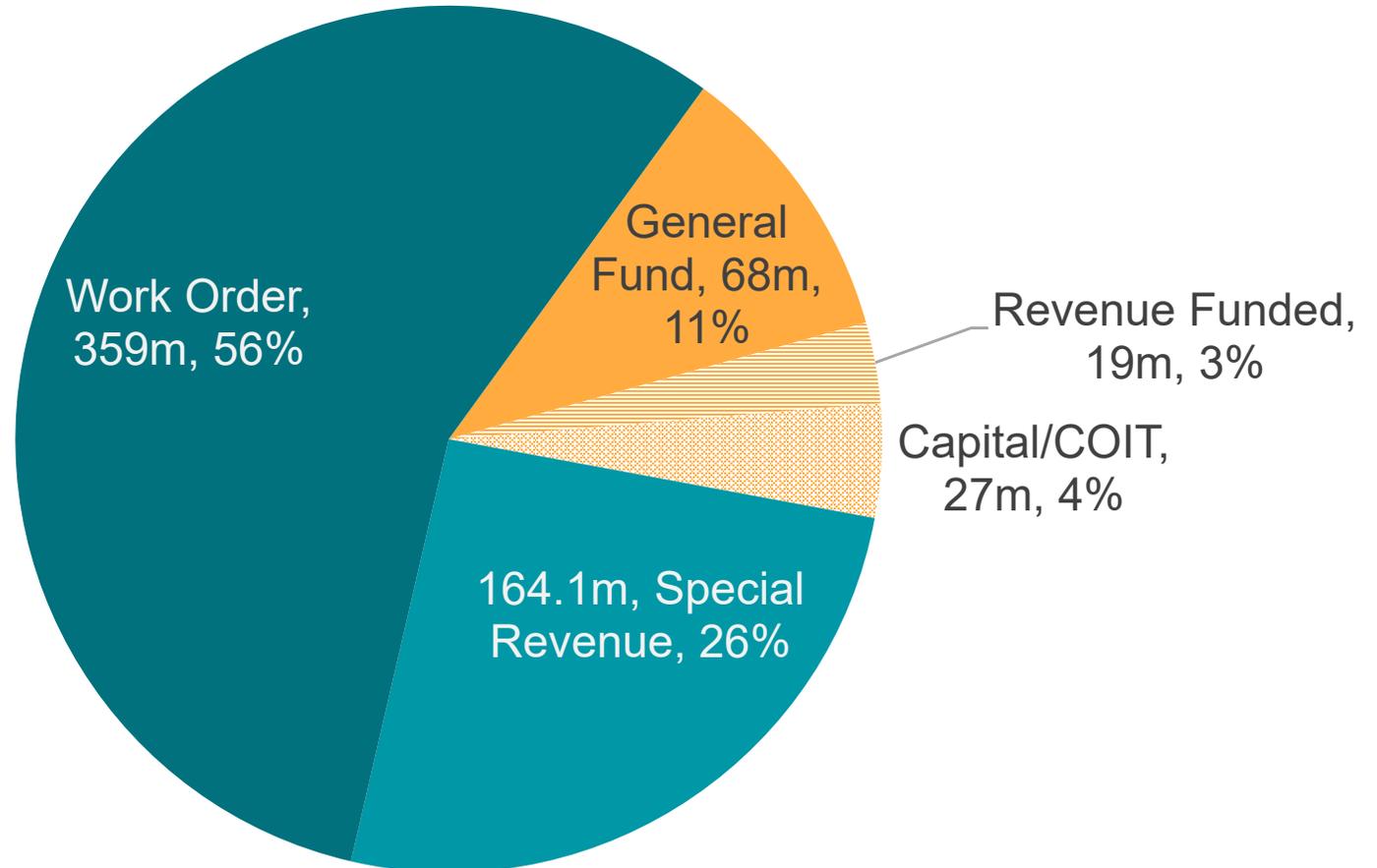
# **\$936 Million General Fund Deficit**

## **Mayor's Budget Instructions**

- Reduce General Fund spending citywide by \$400 million in ongoing cuts
- Reduce cost of services to other departments and overhead by 10%
- Reorient spending to support priority core services
- Invest in long-term operational efficiencies

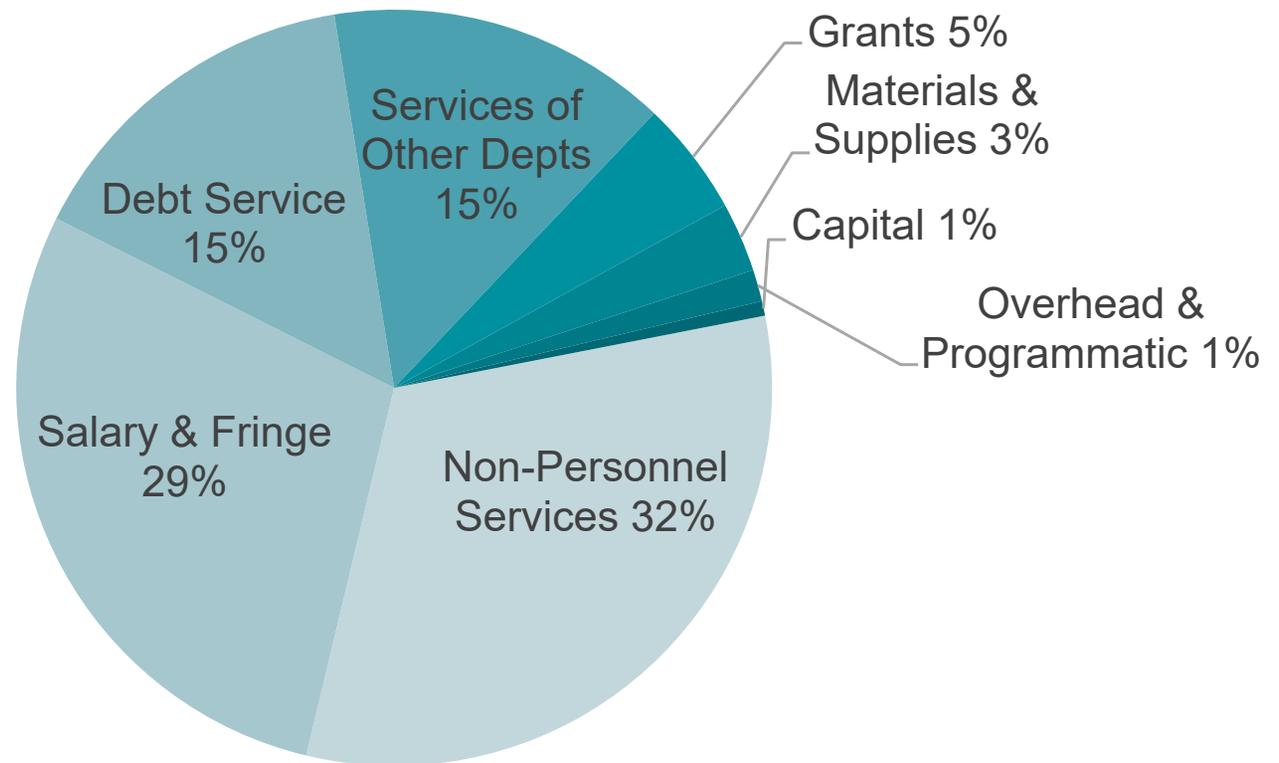
# CAO Budget Sources

**FY 26-27**



# CAO Budget Uses

|      | FY 25-26 | FY 26-27 | FY 27-28 |
|------|----------|----------|----------|
| Uses | 611m     | 638m     | 642m     |
| FTE  | 900      | 895      | 894      |



# Uses by Division

| Division                             | FY26-27<br>Base | FY27-28<br>Base | Division                              | FY26-27<br>Base | FY27-28<br>Base |
|--------------------------------------|-----------------|-----------------|---------------------------------------|-----------------|-----------------|
| 311 Call Center                      | 21.1            | 22.6            | Fleet Management                      | 48.8            | 50.2            |
| Animal Care and Control              | 12.1            | 12.8            | Grants For The Arts                   | 17.6            | 17.6            |
| City Administrator's Office          | 3.7             | 4.8             | Medical Examiner                      | 15.9            | 16.3            |
| Civic Engagement & Immigrant Affairs | 9.4             | 9.7             | Office of Cannabis                    | 1.6             | 1.7             |
| COIT                                 | 1.2             | 1.2             | Office of Contract Administration     | 11.9            | 12.7            |
| Community Challenge Grants           | 2.5             | 3.0             | Office of Labor Standards Enforcement | 7.8             | 7.9             |
| Contract Monitoring                  | 7.9             | 8.5             | Real Estate Division                  | 220.5           | 224             |
| Convention Facilities                | 103.3           | 100.5           | ReproMail                             | 11.5            | 11.8            |
| County Clerk                         | 3.5             | 3.7             | Resilience & Capital Planning         | 18.4            | 10.4            |
| Digital Services                     | 14.7            | 12.9            | Risk Management                       | 65.7            | 65.7            |
| Entertainment Commission             | 1.8             | 1.9             | Treasure Island                       | 37.2            | 39.4            |
|                                      |                 |                 |                                       | 638.2           | 641.6           |

Divisions in **blue** are General Funded

# Previous budget solutions...

- Increased attrition and deleted vacancies, wound down Community Ambassador Program
- Increased revenue and restructured work order models
- Reduced contracts and grants

|               | FY24             | FY25<br>(Two Cycles) | FY26<br>(Two Cycles) | % of<br>Total |
|---------------|------------------|----------------------|----------------------|---------------|
| Personnel     | 1,296,183        | 2,798,276            | 3,259,026            | 31%           |
| Revenue       | 664,570          | 2,905,456            | 2,357,497            | 25%           |
| Grants        | 160,000          | 1,338,000            | 839,512              | 10%           |
| Non-Personnel | 339,850          | 1,059,627            | 6,293,414            | 32%           |
| Other         |                  | 78,000               | 440,443              | 2%            |
|               | <b>2,460,603</b> | <b>8,179,359</b>     | <b>13,189,892</b>    |               |

# Mayor's Direction to CAO

**Reduce cost of services to other departments  
by 10% = \$16 million**

|                                                             | <b>FY 26-27</b>  | <b>FY 27-28</b>  |
|-------------------------------------------------------------|------------------|------------------|
| Eliminate vacant positions & reduce temp salary budgets     | 2,135,000        | 2,298,000        |
| Contract savings                                            | 931,000          | 931,000          |
| Enforce no idling policy (fuel savings) & reduce fleet size | 534,400          | 534,400          |
| Reflect full funding for surety bond program                | 159,000          | 159,000          |
| <b>Total</b>                                                | <b>3,759,400</b> | <b>3,922,400</b> |

# Additional Budget Changes

- Transfer Permit Center to Planning Department
- Transfer Grants for the Arts to new arts and culture department

# CAO Initiatives

- City Administrator to partner with the Mayor, Board of Supervisors and other stakeholders to implement updates to the City's governance structure
- Central Office to manage implementation of citywide technology strategy including transition to unified data platform and moving city systems to the cloud
- Office of Civic Engagement and Immigrant Affairs to work with City and community-based partners to provide legal and financial support to immigrants, newcomers and other underserved communities
- Animal Care and Control to implement spay and neuter legislation to reduce overpopulation of dogs in its shelter

# CAO Initiatives

- 311 to deliver a new mobile app to simplify and improve user experience
- Digital Services to enable stable online delivery of crucial city services such as tenant rights support
- Data SF to continue to build a shared citywide data platform to support inter-departmental data use
- Entertainment Commission to continue to roll out and support expansion of Entertainment Zone and Outdoor Activations
- CMD to hold in-person certification clinics to provide staff support to existing and prospective LBEs who are completing applications
- OCME to improve its case management and analytics platforms to deliver near-real-time overdose and mortality data to support public health policy and decision-making

# CAO Initiatives

- Gov Ops to implement reforms to improve technology purchasing processes and outcomes, including a new framework to enable pilot use of emerging technology
- Real Estate to implement a Civic Center real estate strategy and consolidate City departments into efficient, lower-cost office space
- Real Estate to support improvements to key assets on city land, such as SF Produce Market, Metreon, and Alemany Farmers Market, to strengthen economic activity and generate additional revenue
- Fleet to complete a strategic plan for electrification of the light duty fleet and complete installation of over 400 EV chargers citywide
- Fleet to use telematics data to optimize fleet utilization and management to lower costs and reduce carbon emissions
- Office of Resilience and Capital Planning to work with Lifelines Council to implement recovery work plan to ensure quick restoration of essential services and operations after a disaster
- TIDA to receive permit approval for a family housing building and begin construction on senior housing building and a behavioral health building. These projects add approximately 250 additional units of affordable housing and approximately 120 beds to DPH's program portfolio

# Next Steps

|                 |                                       |
|-----------------|---------------------------------------|
| February 10     | Public Budget Meeting                 |
| February 23     | Submit Budget to Mayor's Office       |
| March – June    | Finalize Budget with Mayor's Office   |
| June 1          | Mayor Submits Budget to BOS           |
| Week of June 15 | 1 <sup>st</sup> Budget Hearing at BOS |
| Week of June 22 | 2 <sup>nd</sup> Budget Hearing at BOS |
| July 28         | Last day BOS may approve budget       |



## **San Francisco Office of the City Administrator**

Carmen Chu, City Administrator

# **Thank You**



Department of Technology

# FY 26/28 Public Budget Hearing

Presented by Michael Makstman, City CIO & DT Executive Director

Elaine Benvenuti, Acting CFO

**February 2026**





With an **annual budget of \$172M** and over **250 employees** supporting **50+ City and County departments**, our mission is to provide innovative, reliable, and secure technology solutions that support the delivery of high-quality services to the public.



## Michael Makstman

Chief Information Officer &  
Executive Director, Department of Technology

The Department of Technology (DT) delivers on the Administration's priorities by modernizing core infrastructure, strengthening public safety and homelessness response, and responsibly scaling AI across the City. The following summarizes our most impactful accomplishments, organized according to Mayor Lurie's priorities.

### Safe, Clean Streets & Public Safety

- **Delivered** the citywide Large Vehicle Navigator platform, enabling coordinated outreach by 135 workers and 84 case managers and supporting issuance of 325 permits for vehicle-dwelling residents.
- **Built** an AI-driven identity-resolution tool unifying cross-agency outreach data and supporting a \$7M Bloomberg Philanthropies grant.
- **Upgraded** connectivity at 25 fire stations with redundant fiber, delivering 10x bandwidth for next-gen 911 and drone operations.
- **Implemented** a predictive analytics to identify high-risk crash locations, enabling proactive Vision Zero injury and fatality prevention.
- **Deployed** a 311 AI Knowledge Search tool now used by 25% of representatives, reducing call times and accelerating responses to cleanliness and street issues.

### Economic Revitalization

- **Expanded** #SFWiFi to advance digital equity and neighborhood vitality, serving 10,000+ users weekly across high-traffic and underserved locations citywide.
- **Connected** 41 affordable housing sites (3,177 units) to the Fiber to Housing network, providing free high-speed internet to 24,000+ households and delivering \$18M in annual economic relief.

### Effective Common-Sense Government

- **Established** SF as a leader in municipal AI by deploying Copilot Chat to 30,000 employees at no cost and training 4,000+ staff in responsible AI.
- **Delivered** \$28.2M in cost savings and avoidance in 2025 through enterprise agreement negotiations and citywide contract oversight.
- **Modernized** the PeopleSoft financial system by migrating it to the public cloud, enabling up to 2x faster payroll and financial processing.
- **Migrated** six departments and 300+ phone lines to a modern telecom platform, saving \$350K annually with \$1.2M in projected citywide savings.
- **Strengthened** citywide public cloud security to improve cyber threat detection and enable safe adoption of modern cloud services.

# Base Budget Overview

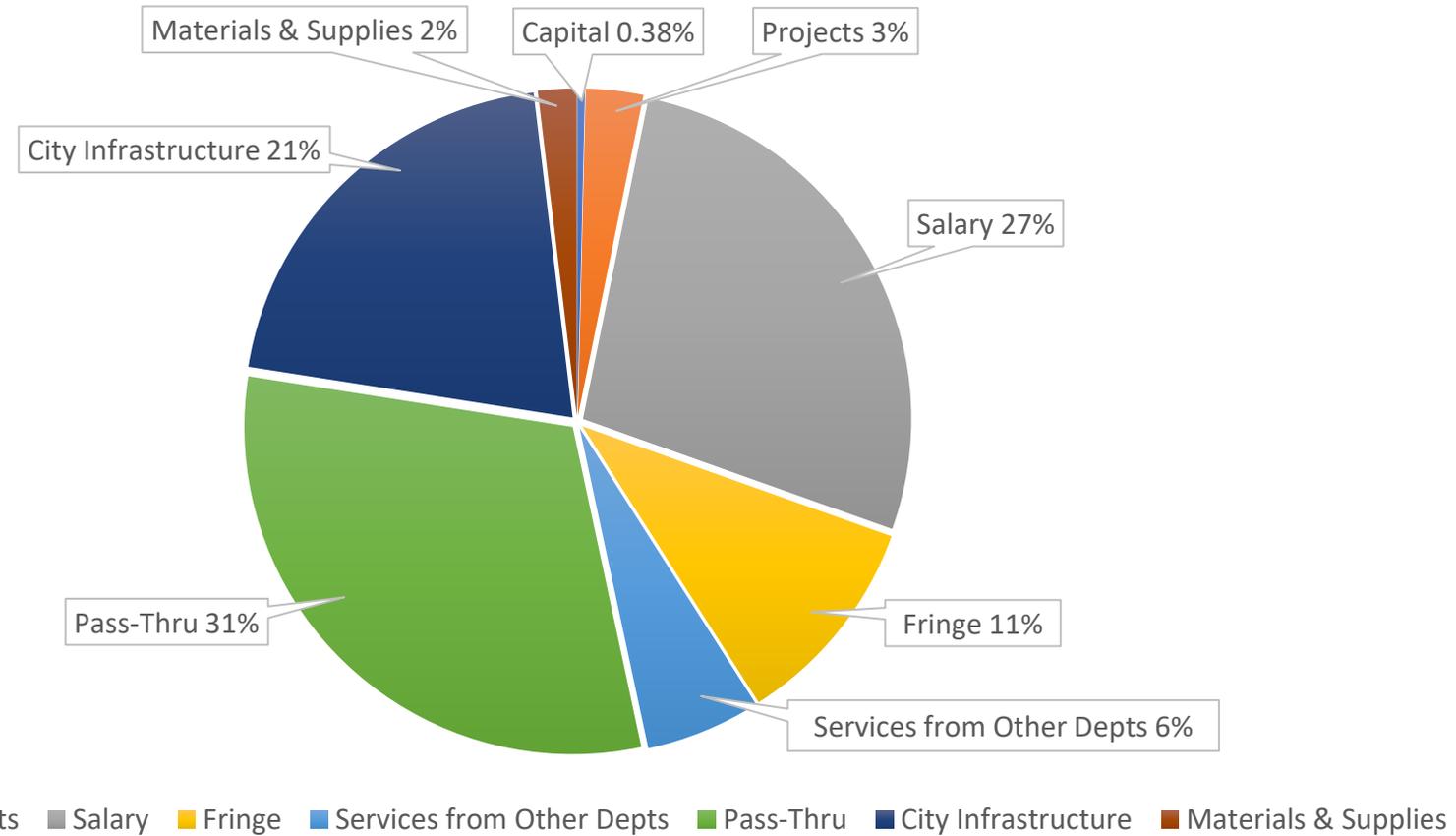
*DT will meet the Mayor's Budget Office target savings of 10%.*

|                           | FY25-26         | FY26-27<br>*Base | FY27-28<br>*Base |
|---------------------------|-----------------|------------------|------------------|
| <b>Operating Budget</b>   | <b>\$168.1M</b> | <b>\$168.2M</b>  | <b>\$171.2M</b>  |
| <b>COIT Projects</b>      | <b>\$2.3M</b>   | <b>\$3.5M</b>    | <b>TBD</b>       |
| <b>Capital Projects</b>   | <b>\$1.3M</b>   | <b>\$0.7M</b>    | <b>TBD</b>       |
| <b>Budgeted Positions</b> | <b>250.57</b>   | <b>250.58</b>    | <b>250.55</b>    |

*\* Base budget reflects the approved amount from prior year budget process.*

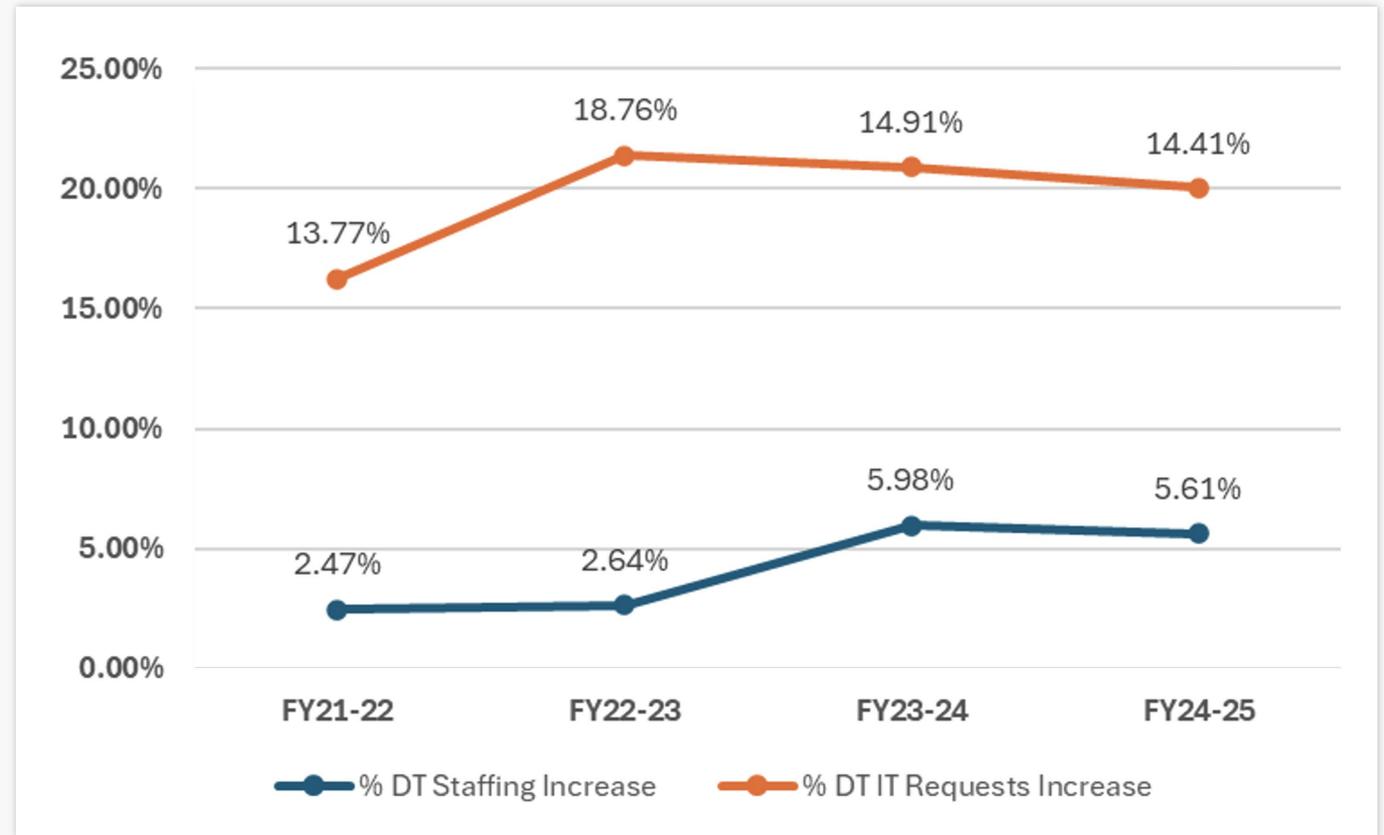
# Budget Uses by Expenditure Type

*Allocation of Cost Categories for FY 26-27*



# DT Staff Resources v. IT Services Demand

- IT services demand increased **14–19% annually**, while DT staffing grew only **2–6%**
- Demand growth has consistently **outpaced staffing by 3–7×** each fiscal year.
- The gap between service demand and staff capacity is **persistent and structural**, not temporary.
- Recent staffing increases have **not been sufficient** to close the capacity gap.



# Citywide Cost Savings

## Optimizing DT Platforms for Departments

- Optimize software expenses by rightsizing license types and usage.
- Streamline citywide mobile device management to reduce costs and eliminate unused devices.
- Modernize telephony by increasing adoption of softphones (Teams/VoIP) to reduce reliance on landlines and cell phones.
- Expand and manage enterprise technology agreements to maximize citywide purchasing power.
- Provide strategic input on departmental technology RFPs to ensure cost-effective and appropriately scoped solutions.
- Assess all CCSF technology purchases to ensure the right investments at the best value.

# THANK YOU!

Questions & Comments



SAN FRANCISCO  
DEPARTMENT OF  
TECHNOLOGY