



*Canopy of Sky*, 2025, by Ned Kahn. Photo by Ethan Kaplan

**sfac** san francisco  
arts commission

# FY 2027 & FY 2028 Budget Priorities

Executive Committee Meeting  
January 14, 2026

# Presentation Topics

- Budget Timeline
- Budget Climate
- Mayor's 2026 Budget Priorities
- Budget Instructions
- FY27 & FY28 Budget Process



*Arrival*, 2025, by Tomie Arai;; SFMTA, Photo by Ethan Kaplan

# Budget Timeline

- Capital Projects Request (Jan 2026)
- Department Submission (Feb 2026)
- Mayor's Proposed (Interim) Budget (Jun 2026)
- Board of Supervisors' Phase
- Budget Hearings (Jun 2026)
- Final Approved Budget
- Annual Appropriation/Salary Ordinances (Jul 2026)
- Mayor's Signature (Jul / Aug 2026)



# Budget Climate

## Budget Deficit of \$936M over next two FYs

- Expenditure growth continues to outpace revenue growth
- Salary and benefits costs projected to grow from \$4.481B in current year (FY26) to \$5.033B in FY28
- Revenue loss due to H.R. 1 exceeds \$300M over two years
  - Additional revenue uncertainty related to Federal grant disbursement



*Pacific Transit, 2024, by Jesse Schlesinger. Photo by Ethan Kaplan*

# Mayor's 2026 Budget Priorities

- Making the City more affordable and livable for families, strengthening our social safety net
- Ensuring safe and clean streets
- Stabilizing reliable public transit
- Transforming our health and homelessness systems
- Delivering excellent core city services with modern systems and structures
- Strengthening the city's economy



*Promissory Notes, 2022, by Mildred Howard. Photo by Ethan Kaplan Photography*

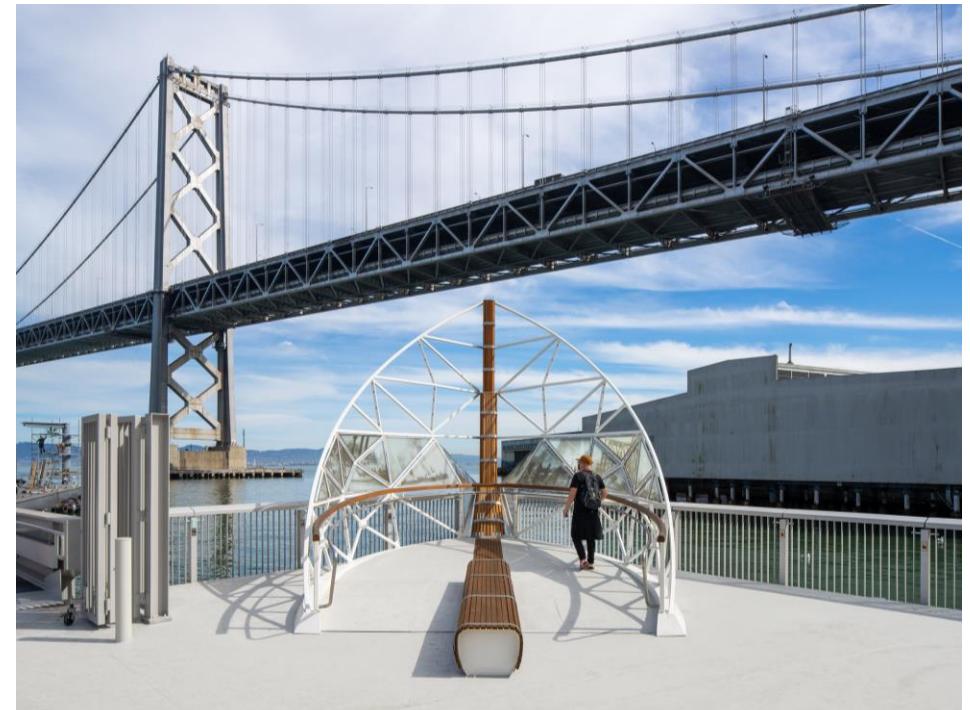
# Budget Instructions

## **Mayor's Budget Instructions: Overview**

- Reorient City spending towards 2026 priority core services
- Continue to reduce structural deficit
- Invest in long-term operational efficiencies

## **Citywide Spending Reduction Directive**

- \$400M in ongoing General Fund spending reductions through:
  - Restructured service delivery
  - Targeted program elimination

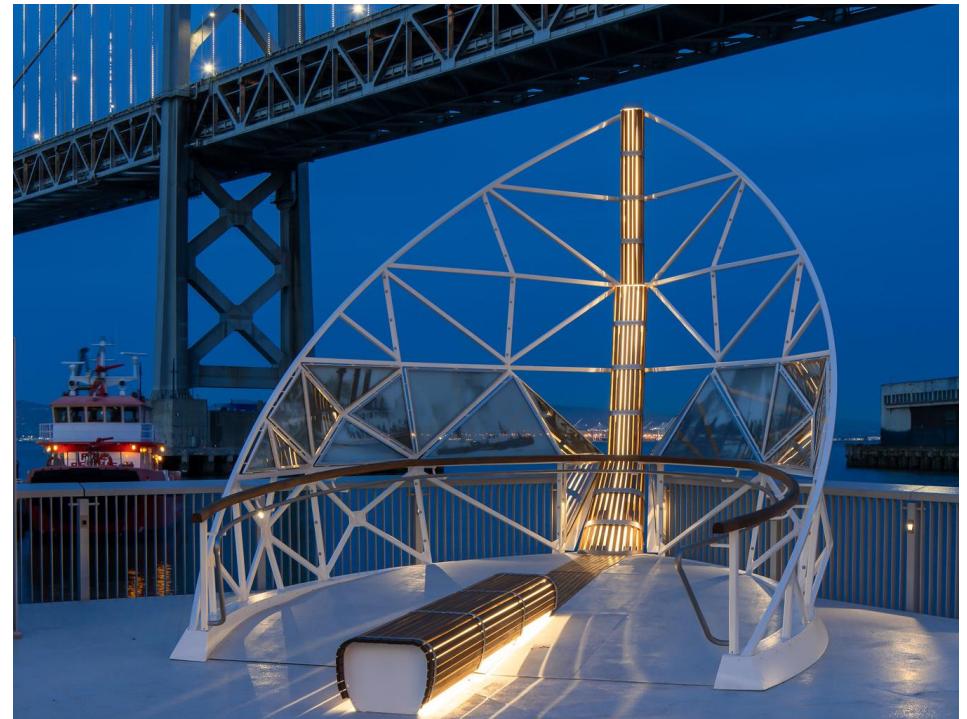


*Bow*, 2022, by Walter Hood. Photo by Ethan Kaplan Photography

# Budget Instructions, cont'd

## **Mayor's Budget Instructions: Programming & Structure**

- Eliminate discretionary programs
- Restructure departments around current staffing levels
- Reduce Citywide workorders and / or overhead by 10%
- Shift duplicative or common services toward a centralized model
- Propose near-term investments for long-term cost savings



*Bow*, 2022, by Walter Hood. Photo by Ethan Kaplan Photography

# FY27 & FY28 Budget Process

- Mayor's Budget Office (MBO) has modified its approach to department budget instructions for the FY27 & FY28 cycle
- December budget instructions to departments did not include specific cut targets
- Instead, MBO requested departments to submit budget information for all functions/programs by January 20
- After reviewing this information, MBO will provide guidance to departments either on specific budget reduction targets or programs to either scale down or eliminate
- Department budget submittals remain due by February 23



*Aurum*, 2024, by HYBYCOZO. Photo by Ethan Kaplan

# Questions?



*Whirl Whirl: Our Circular Nature*, 2024, by Norie Sato. Photo by Ethan Kaplan



Thank You!