



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: June 2, 2026

IBA Report Number: 26-16

Budget Review Committee Date: June 5, 2026

Item Number: 1

FY 2027 Councilmember Budget Modification Memoranda

As part of the FY 2027 budget development process, Councilmembers submitted budget modification memoranda to our Office on May 20, 2026, which are included in their entirety as attachments to this report. These memos identify specific expenditure priorities and potential new funding sources not included in the FY 2027 Proposed Budget or the May Revision.

Our Office reviewed the budget modifications recommended by a majority of Councilmembers in their memoranda, and we discuss these prioritized expenditures in [IBA Report 26-15, Recommended City Council Modifications to the Mayor's Proposed FY 2027 Budget and Review of the May Revision](#). In that report, we also recommend expenditure modifications to be included in the budget, as well as resources that could be used to fund those modifications. The IBA's budget recommendations will be presented to the Budget Review Committee as an informational item on June 5, 2026, and then considered by the City Council at its meeting on June 9, 2026.

Sergio Alcalde
Associate Fiscal and Policy Analyst

APPROVED: Charles Modica
Independent Budget Analyst

Attachment 1: Councilmember Budget Modification Memoranda




COUNCIL PRESIDENT JOE LACAVAL

FIRST COUNCIL DISTRICT

MEMORANDUM

DATE: May 20, 2026

TO: Charles Modica, Independent Budget Analyst

FROM: Council President Joe LaCava 

SUBJECT: Updated Fiscal Year (FY) 2027 Budget Priorities - REVISED

The City of San Diego faces an ongoing structural budget deficit driven by increasing costs of providing the same level of services that have not been matched by increasing levels of revenue. These are nationwide challenges. Last year, members of the Council and the Mayor made difficult decisions to reduce services and raise unpopular revenue to balance the budget. The message for FY2027 was clear – no new revenue on the backs of City residents. This budget is responsive to that objective, but therefore relies on cuts to City services, many of which compound the very difficult service impacts we are experiencing from the FY2026 adopted budget.

Over the week of May 4-8th, City Council convened as the Budget Review Committee to hear departmental presentations and public comments, and ask questions. Public and Council feedback was clear, and changes were made. **A number of my key District and citywide priorities I fought for were reflected in the May Revise and are now part of the budget.**

For District 1, the May Revise contains:

- Restoration of the La Jolla Recreation Center at 40 hours of service which was initially proposed to be fully closed;
- Restoration of full Monday hours at the Carmel Valley library;
- Restoration of shoreline restrooms;
- Speed Management Plan implementation funding;
- Restoration of a zoning investigator for streetary enforcement;
- Wildfire prevention via additional brush management support.

The May Revise does not restore all cuts; however, these changes in particular protect critical services in my district.

These restorations also reflect the good work of City staff across every department who sharpened their pencils and dug deep into the draft budget to create additional efficiencies, generate more savings, and reexamine past practices – all in response to public and Councilmember feedback. There are two key examples of this.

- First, the **distribution of golf enterprise funds to right-size the contribution to the general fund while maintaining the health of the golf enterprise fund** for upcoming and necessary capital improvement projects. Restoring the proposed cuts to recreation centers and libraries was only possible with this solution.
- Second are the efforts of San Diego Housing Commission and the City's Homelessness Strategies and Solutions Department who collaborated to achieve targeted reductions in a more strategic manner. **I support the inclusion of these recommended modifications in the adopted budget.**

HSSD Reductions	\$1,006,000
Fund family reunification with HHAP	\$406,000
Elimination of security at Old Central Library	\$325,000
Continued closure of Safe Parking (Aero Drive)	\$275,000
SDHC Reductions	\$2,790,305
Bridge Shelter (16 th and Newton) – Capacity Reduction and Potential Relocation	\$1,559,903
Closure of Lighthouse Interim Shelter	\$980,402
Closure of Central Elementary Safe Parking Program	\$250,000
Total Reductions	\$3,796,305

With that introduction, I offer my perspective going into the council's budget deliberations.

Budget Changes Not Supported

- Draconian cuts to unclassified positions. What has devolved into a derogatory term "middle managers" has become a favorite talking point this budget cycle and reflects a misunderstanding of the critical role unclassified positions play in the City's workforce. Further, it ignores that this group does not enjoy the same worker protections as represented positions and are not compensated for overtime pay nor are they slated to receive any pay increases in the proposed budget, to note a few distinctions. The specialized expertise and experience these positions require reflects the complexity of multiple revenue sources and grants, federal- and state-mandates, and the specialized programs that council and the public demand. The strategic reductions in the Draft Budget and the May Revise were thoughtfully proposed, and I support those, except as may be noted below.
- New revenue or fees on the backs of hard-working San Diegans.
- Increasing revenue projections that are not based on hard data or a verifiable track record.
- New cuts targeted at individuals rather than departmental budgets.

Recent Council Actions = Tentative Settlement Agreement

The Council's unanimous support of the tentative settlement agreement will impact the Draft Budget and must be reflected in the Council's budget discussion. Items to be considered include:

- Reduction of at least 50% of projected revenue (net \$3.5 million) and perhaps more if Council opts to accelerate the termination of Balboa Park Paid Parking.
- Costs associated with removal of parking kiosks and closing the IPS contract.
- Possible savings from returning tram service to their historic frequency and hours.

If resources are identified, the following are my priorities to restore or fund, in alphabetical order by department:

Programs and Projects to Restore and/or Fund

- City Attorney's Office, Move Compliance to CAO
 - Amount: Cost neutral with potential upside on revenue & grants
- Council Administration, Full or Partial Restoration of Community Projects, Programs, and Services (CPPS) Funding
 - Amount: \$900,000
- Development Services Department, Building and Zoning Enforcement Team
 - Amount: \$1.1 million (7 FTE)
- Economic Development Department, Full or Partial Restoration of Arts Funding, including OSP and CCSD
 - Amount: TBD
- Economic Development Department, Full or Partial Restoration of the Small Business Enhancement Program (SBEP)
 - Amount: \$750,000
- Engineering and Capital Projects, West Valley River Crossing (Mission Valley)
 - Amount: minimum amount necessary to secure grants
- Ethics Commission, Case Management Software
 - Amount: \$20,000 (one-time) and \$10,000 (ongoing)
- Fire-Rescue Department, Community Resource Officer and Fire Information Officer
 - Amount: \$600,000 (2 FTE)
- Fire-Rescue Department, Lifeguard Wellness for all Full-Time Lifeguards
 - Amount: \$160,000
- Mayor's Office, Child and Youth Success Leadership
 - Amount: \$400,000 (1 FTE)
- San Diego Police Department, Community & Youth Services Division

- Amount: \$417,000 (2 FTE)
- San Diego Police Department, Restoration of Front Counter Staffing
 - Amount: \$592,292 (4 FTE)
- Special Events and Filming, Film Program Coordinator
 - Amount: \$201,545 (1 FTE)
- Stormwater Department, Channel Maintenance and Wetlands
 - Amount: \$841,000
- Transportation Department, Partial Restoration of Multimodal Team
 - Amount: \$1.4 million (7 FTE)
 - Funding from RMRA, not General Fund

Potential Resources

- San Diego Police Department, Deployment of Two-Officer Units
 - Amount: fuel savings of \$750,000+
- Citywide Program Expenditures, Reset Elections Costs (Savings)
 - Amount: \$1 - \$3 million
- Excess Equity (3rd Quarter Budget Monitoring Report)
 - Amount: \$1.7 million

I look forward to the discussions with the Mayor, my Council colleagues, the Independent Budget Analyst, and our residents as we look to adopt a budget on June 9.

Thank you, Mr. Modica and your team, for your time and attention.

CC: Mayor Todd Gloria
Chief Financial Officer Rolando Charvel



COUNCILMEMBER JENNIFER CAMPBELL

COUNCIL DISTRICT TWO

M E M O R A N D U M

DATE: May 20, 2026

TO: Charles Modica, Independent Budget Analyst

FROM: Councilmember Jennifer Campbell

A handwritten signature in blue ink that reads "Jennifer Campbell".

SUBJECT: Final Budget Modification Recommendations – Fiscal Year 2027

This year's budget process reflects the difficult realities facing the City as declining revenues and rising operational costs continue to place pressure on essential services and long-term fiscal sustainability. As Councilmembers, we are tasked with making thoughtful, disciplined decisions that prioritize core city functions while remaining responsive to our residents' needs. Protecting services such as infrastructure maintenance, emergency response, homelessness services, and neighborhood support must remain central to our approach, even as we navigate unavoidable trade-offs. At the same time, we should recognize that investments in areas such as the arts, culture, and community assets can also contribute to the City's broader economic health and long-term stability. Fiscal discipline today will help prevent deeper structural challenges tomorrow, and any adjustments we consider must be balanced, sustainable, and aligned with efforts to maintain public trust and the City's long-term stability. Below you will find my final budget modifications recommendations for FY 2027.

Potential Budget Restorations

- Restore Mission Beach Second Trash Pick-up - Restoring \$111,595 funding for a second daily trash collection in Mission Beach during the summer months is critical to maintaining public health, cleanliness, and the overall visitor experience. With thousands of residents and tourists visiting the beach each day, waste accumulates quickly, and overflowing trash bins create sanitation concerns, especially during periods of extreme heat when odors, insects, and rodents become more prevalent. This is a practical and cost-effective investment that helps protect one of San Diego's most visited public destinations while supporting the local tourism economy. For the Mission Beach community, enhanced trash collection is not an added amenity but a basic public service.

necessary to preserve safety, environmental quality, and the quality of life for everyone who lives in and visits the area.

- Support Funding for Arts and Culture – We should reinvest in and strengthen support for Arts and Culture as the City continues to grow and thrive. At the same time, these investments are not just discretionary; they play an important role in supporting local economic activity, attracting visitors, and enhancing neighborhood vitality. Sustained funding for arts, culture, and community assets contributes to the City’s broader economic health and long-term stability by helping to create vibrant public spaces, support creative industries, and reinforce San Diego’s identity as a dynamic place to live, work, and visit.
- Support Streetlight Repair Program - Support funding for the City’s Streetlight Repair Program to address the growing backlog of more than 6,500 streetlight repair cases citywide, including needed repairs along the Mission Beach boardwalk, Bayside Walk, and parking lots throughout Mission Beach. Additional staffing and contractor support would improve repair times and reduce reliance on overtime operations. Restoring and maintaining reliable street lighting is also an important public safety measure that helps improve visibility, deter crime, and create a safer environment for residents and visitors.
- Ethics System Update - Support a one-time investment of \$50,000 with \$20,000 in ongoing costs for the Ethics Commission to implement a secure case and document management system, replacing an outdated and unsupported platform. This upgrade would modernize data storage, improve system reliability, and reduce reliance on manual workarounds, while aligning with prior IT Governance recommendations and lower-cost vendor options identified through a revised procurement process.
- Lifeguard Wellness Expansion - Expansion of the Fire-Rescue Department’s Wellness Program to include all full-time Lifeguards, not just the Boating Safety Unit currently covered under the program. The Department requested approximately \$260,000 to provide wellness exams for an additional 200 full-time Lifeguards at an estimated cost of \$1,300 per exam, though the request was not funded in the Proposed Budget.
- Restoration of 3 DSD Zoning Investigators - Restoration of the remaining 3.00 Zoning Investigator 2 positions proposed for elimination in the FY27 Proposed Budget to maintain Development Services Department capacity for zoning and land use code enforcement. While the Mayor’s May Revision restored 1.00 position to support Streetary enforcement under the “Spaces As Places” initiative, restoring the remaining positions would help prevent further delays in responding to code violations and maintain enforcement capacity for quality-of-life and land use concerns citywide.
- Funding for a Pool Manager for the Clairemont Pool - Funding for a Pool Manager III position at Clairemont Pool to support operational readiness and staffing coordination in advance of the facility’s anticipated reopening following renovations. The position is

currently vacant, with recruitment expected to begin after July 1, pending clearer direction on FY27 budget funding and operational restoration needs.

- Restore CPPS Funding – Funding is needed to restore Community Projects, Programs, and Services (CPPS) as a way of better supporting our community organizations. Restoring this funding would help local nonprofits and community groups continue providing essential programs, services, and resources that directly benefit residents and strengthen the overall well-being of the community.
- Support Funding for a Deputy City Clerk II Position – Support funding of \$66,275 plus fringe costs for a Deputy City Clerk II (DCC2) position within the Office of the City Clerk to help meet the growing demands of legally mandated functions within the Elections and City Connections Division. This additional position would help manage increased filing volumes, summons and subpoena processing, election and campaign filing oversight responsibilities, and staffing shortages due to protected leave, while ensuring continued timely and accurate service to the public.

Potential Budget Mitigations

- Reduction in Administration Fee for Property Fees Management – The City will be paying \$5.2 million in fees to the County of San Diego for administering property taxes. This reflects the County's role in collecting, processing, and distributing property tax revenues on behalf of the City. The fee covers administrative functions such as billing, revenue allocation, and tax roll management.
- Elimination of Auto Allowances – Elimination of auto allowances for unclassified employees as part of broader Salary Ordinance adjustments, resulting in decreased ongoing compensation costs across affected executive positions.



**COUNCILMEMBER STEPHEN WHITBURN
THIRD COUNCIL DISTRICT
M E M O R A N D U M**

DATE: May 20, 2026
TO: Charles Modica, Independent Budget Analyst
FROM: Councilmember Stephen Whitburn, District 3 *Stephen Whitburn*
SUBJECT: Final Fiscal Year 2027 Budget Priorities

In support of my constituents in District 3, and in view of the City's significant budget constraints, I offer a final, limited set of funding priorities for the Fiscal Year 2027 Annual Budget. Closing a structural deficit of this magnitude has required difficult decisions, and I am grateful to the Mayor for the partial restorations reflected in the May Revision. Even with the restorations, we continue to face the sobering challenge of meeting the everyday needs of residents while positioning the City for long-term fiscal health.

I am committed to working closely with my Council colleagues, the Mayor, the IBA, city staff, and my constituents to finalize a budget that is balanced and addresses the needs of our City.

I believe it is particularly important to maintain services in the following categories:

1. Homelessness Solutions and Affordable Housing
2. Clean and Safe Neighborhoods
3. Streets, Sidewalks, and Other Infrastructure

Homelessness Solutions and Affordable Housing:

While reductions to homelessness services are unfortunate, I support the carefully considered, data-driven approach outlined below, which reflects site-specific operational realities rather than a retreat from our commitment to addressing homelessness. I expect that displaced participants will be connected to alternative shelter placements, and ask that HSSD and SDHC work collaboratively to ensure an appropriate transition timeline for the closure of the Neil Good Day Center.

HSSD Reductions	\$1,006,000
Fund Family Reunification with HHAP	\$406,000
Elimination of Security at Old Central Library	\$325,000
Continued Closure of the Safe Parking (Aero Drive)	\$275,000
SDHC Reductions	\$2,790,305
Bridge Shelter (16 th & Newton) – Capacity Reduction & Potential Relocation	\$1,559,903
Closure of the Lighthouse Interim Shelter	\$980,402
Closure of the Central Elementary Safe Parking Program	\$250,000
TOTAL	\$3,796,305

Clean and Safe Neighborhoods:

Arts and Culture

Creativity and the arts play an important role in creating jobs, educational opportunities, and enhancing San Diego's neighborhoods. Our region's ability to attract and retain workers and tourists to our beautiful city is strengthened through vital arts and culture funding. I support significant restoration of arts and culture grant funding, and restoration of 1.00 Filming Program Manager in the Parks and Recreation Department, Special Events and Filming Division.

SDPD, Budget Restoration

Restore the budget cuts of a supervisor in the sex offender registration unit, a supervisor in the graffiti unit and four front counter officers who interact directly with the community.

SDPD, Budget Reductions

Eliminate non-sworn unrepresented/manager position of 1 Deputy Director. Deployment of two-officer units to reduce costs and increase operational efficiency. Eliminate the AXON My90 quality assurance software subscription, which does not meaningfully improve response times or core operations.

Office of the City Clerk

Deputy City Clerk II (DCC2) position within the Office of the City Clerk at an annual salary of \$66,275 plus fringe. This position is critical to ensure we can meet the growing demands of our legally mandated functions in the Elections and City Connections Division.

Streets, Sidewalks, and Other Infrastructure:

Multi-Modal Team

At least a partial restoration of the Transportation Department’s Multi-Modal Team, funded through either TransNet or RMRA funds. This team ensures that routine repaving projects also deliver safer streets, maximizing the value of every RMRA dollar spent at a fraction of the cost of a standalone Capital Improvement Project.

Small Business Enhancement Program

Fund the Small Business Enhancement Program (SBEP), which is funded through the annual Business Tax Certificate collections. The SBEP is guided by Council Policy 900-15, which requires that the SBEP receive \$20 per small business (businesses with 12 or fewer employees) registered with the City.

Thank you for the opportunity to voice my budget priorities for this upcoming fiscal year.

Should you have any further questions, please free to contact Jordan Latchford in my office at (619) 236-6374 or JLatchford@sandiego.gov.



Councilmember Marni von Wilpert

City of San Diego • District 5

MEMORANDUM

DATE: May 20, 2026

TO: Charles Modica, Independent Budget Analyst

FROM: Councilmember Marni von Wilpert

SUBJECT: Fiscal Year 2027 Final Budget Modification Recommendations

Thank you, Charles, and your team, for all of your assistance in this year's budget process. Given the ongoing challenging budget circumstances we are faced with, I have compiled several priority budget restorations as well as potential budget mitigations that remain a priority for the FY 2027 Budget. Although we continue to face significant financial challenges, I believe that the Mayor's May Revisions to the proposed budget have addressed a number of concerns that I had after the release of the draft budget. I have included in this memorandum my priorities for restoration as well as potential reductions or actions that I think should be prioritized for inclusion in the final FY 2027 Budget.

Priority Additions:

1. Funding for Arts and Culture
 - a. The City must prioritize the restorations of funding to support San Diego's arts and culture, and film and theatre community. A complete elimination of the City's arts and culture budget is shortsighted and does not serve our community well.
 - b. Included as part of the Arts and Culture allocation, I would request that \$900,000 of the identified Arts and Culture funding be included as \$100,000 CPPS allocations for each Council District to be distributed to community non-profits performing critical work.
2. Funding for Public Safety: Public Safety continues to be my top priority; we must equip our first responders with the tools they need to keep us safe.
 - a. Fire-Rescue Personnel Restoration 1.00 FTE Academy Instructure (Fire Fighter 3)
 - i. Ensuring representation of women academy instructors within the Fire-Rescue Department must be a priority for the City. I am requesting the restoration of this important position to ensure women instructors are represented in all City of San Diego Fire-Rescue Academies.

- b. SDPD Personnel Restorations (~\$988,292)
 - Supervisor in Sex Registration Unit
 - Supervisor in Graffiti unit
 - Front Counter Officers at all patrol commands
 - c. Extend Wellness Services to all Permanent Lifeguards within Fire-Rescue Department (~\$270,000)
3. Include transition funding for Neil Good Day Center to allow for continued operations during the first half of FY 2027. This time will allow for services to be transitioned to alternative sites, including at Father Joe's Villages.
4. Restoration of Rancho Penasquitos Library hours of operation until construction begins (3-6 months of operations).
5. Restoration of Stormwater Department Wetland and Channel Clearing funding (\$841,000, 1.00 FTE)
 - a. Given recent devastating storm events and potential El Nino conditions developing, the City must prioritize funding for channel clearing efforts. I am requesting the restoration of the proposed cut to Stormwater Department's Wetland and Channel Clearing program in FY 2027.
 - b. I also request that the Stormwater Department work with our regional partners and agencies to identify opportunities to do expedited channel clearing and flood prevention work in advance of a potential El Nino winter in FY 2027.
6. Climate Equity Fund restoration
 - a. I continue to support the full funding of our Climate Equity Fund, as I have each year since its creation. This fund provides critical infrastructure funding for communities most vulnerable to climate change.
7. Additional funding for Transportation overtime.
 - a. The Transportation Department does critical work improving City sidewalks, potholes, street lighting, pedestrian improvements, and providing tree maintenance, among many other critical services. I am requesting an additional allocation for Transportation Department overtime to provide the department with flexibility to deliver services and respond to unanticipated infrastructure needs in FY 2027.
 - b. These funds would also give the Transportations Department additional budget flexibility to work with existing staff and E&CP to address critical bikeway design projects being impacted by the reductions to the Multimodal Team.
8. Park and Recreation Restroom Closures
 - a. I request additional funding is made available for Park and Recreation Department to allow for targeted restoration of restroom facilities proposed to be closed. I appreciate the restorations identified in the May Revision in Shoreline Parks, but I believe that the Park and Recreation Department must have some

limited capacity to restore targeted closed restroom facilities as needs arise in the coming fiscal year.

9. City Clerk Personnel (+1.00 FTE for Deputy City Clerk 2 position)
 - a. This position is anticipated to be 75% cost recoverable from passport services revenue.
 - i. Estimated GF impact ~\$31,000
10. Pedestrian Traffic Calming – I request funding for a pedestrian crossing beacon near Rosa Parks Elementary school (\$40k).

Revenue Opportunities and Budget Reductions to consider:

1. SDPD Reductions
 - a. Cut AXON My90 software services from Police Department contracts budget (~\$250,000)
2. Adjust Stormwater Department’s reinspection fees to ensure cost recovery of services being provided.
3. Homelessness Strategies and Solutions Adjustments –
 - a. Family Reunification Program – (~\$406,000)
 - i. Utilize funding from HHAP 6.0 set aside for Diversion to fund client assistance services.
4. San Diego Housing Commission Adjustments –
 - a. Bridge Shelter (16th & Newton) - (~\$1.56M)
 - i. Propose reduction of 50 beds with the intent of identifying relocation options for Fiscal Year 2028. The system will not lose any bed capacity with the 50 beds lost at 16th and Newton, with the plan to transition them to the Rachel’s Promise site.
 - b. Closure of the Lighthouse Interim Shelter – (~\$980,000)
5. Evaluate financing options for significant upcoming City investments, such as the City’s ERP Modernization project, to determine the most cost-effective method of delivering the projects.
6. Consider Department Reorganization/Consolidation to achieve budget savings:
 - a. Consolidate the City Treasurer’s Office of Labor Standards and Enforcement into the Office of the City Attorney to streamline enforcement and funding for Living Wage, Minimum Wage, and Prevailing Wage programs. This change will be beneficial by consolidating the staff performing this critical work across the two departments. Additionally, the City Attorney has indicated that with potential state and federal grants and increased enforcement leading to recovered civil penalties, this important program that protects workers can become self-sustaining and reduce the currently necessary general fund contribution.

7. Evaluate and amend CP 600-33: Public Notification and Input for City-wide Park Development Projects, in order to reduce Park and Recreation project costs by identifying more cost-effective ways to engage with the community and plan for future park improvements.
8. Further consideration of outside contract reductions or eliminations.

I appreciate your consideration of these priorities and recommendations.

Cc: Jillian Andolina, Deputy Director, Office of the IBA

Councilmember Raul A. Campillo
 FY27 Budget Priorities Memo



**CITY OF SAN DIEGO
 OFFICE OF COUNCILMEMBER RAUL CAMPILLO
 DISTRICT SEVEN**

MEMORANDUM

DATE: May 20, 2026

TO: Charles Modica, Independent Budget Analyst

FROM: Councilmember Raul A. Campillo *Raul A. Campillo*

SUBJECT: Final Budget Priorities for FY27

Thank you for the opportunity to submit my final budget priorities. While the revision moves us closer in the right direction, there is still important work ahead to ensure we are protecting the services residents rely on every day, from parks, libraries, arts, and youth programs to safe streets, sidewalks, and emergency response services. As we move toward adoption, my priorities remain the same: restoring long-term investments in youth and the arts and maintaining our commitment to traffic safety infrastructure and coordination, as these investments are fundamental to public safety and the City’s long-term vitality.

As we consider alternatives to the proposed budget, I continue to evaluate decisions through the same lens: whether they protect the basics residents need to live safely today while preserving enough of the future for the City to thrive tomorrow. Many of the discussions during this process have centered on perceived “either-or” choices, between public safety and youth investment, between near-term stability and long-term sustainability, or between serving current needs and preserving future opportunity. In reality, these priorities are interconnected.

This is especially important in areas where the revised budget relies on temporary or uncertain funding strategies. For example, the use of golf enterprise revenues to support community services may be appropriate in the near term where strong performance exists, but ongoing reliance on those revenues requires confidence in their long-term stability and in the City’s ability to continue planned capital investments that sustain them. Similarly, reductions to

Councilmember Raul A. Campillo
FY27 Budget Priorities Memo

homeless services may address immediate fiscal constraints, but they also carry potential downstream impacts to grant funding, philanthropic partnerships, and regional service capacity.

As part of this memo, I am requesting additional information regarding these longer-term fiscal impacts so that Council can fully evaluate the sustainability of the proposed solutions before final budget adoption. I look forward to continuing to work collaboratively with my colleagues and your office throughout this process.

<i>Priority Restorations</i>	
<i>Long Term Investments</i>	
Arts and Culture Funding	<i>\$11.8 million (\$9.6M for OSP Grants, \$1.7M for CCSD Grants, \$500K for Impact grants)</i>
Child and Youth Services	<i>1 Director Level FTE</i>
City Auditor personnel restorations	<i>\$208k PE, 55k NPE</i>
<i>Immediate Needs</i>	
Transportation Department - Multimodal Team	<i>\$2.9m</i>
Fire-Rescue - Bomb Squad Fully Staffed	<i>\$1.7m and 6 FTEs</i>
Police Department: Two Supervisors (Sex Registration Unit Supervisor, Graffiti Unit Supervisor)	<i>\$396k – 2.0 FTE Supervisors</i>
Four Front Counter Officers	<i>\$592,292 – 4.0 FTE Front Counter Officers</i>
Neil Good Day Center transition plans	<i>Assistance for wind down services</i>
Ethics Commission case management	<i>\$50,000 for FY27, and \$25,000 for implementation and ongoing licensing fee</i>
<i>Priority allocations with additional resources</i>	
Prevention and Diversion	<ul style="list-style-type: none"> • <i>1.5m for Housing Instability Prevention Program</i> • <i>1.3m for expanded diversion and prevention resources</i>
<i>Potential Resource and Mitigation Options</i>	
Mayoral Office vacancies	<i>2 unfilled FTEs in Communications</i>
Reorganization of Communications Department	<i>Unknown</i>
Transportation Department recommended mitigations (currently not included in May revision)	<i>\$4.2m</i>
Police Department <ul style="list-style-type: none"> • AXON My 90 software (<i>\$250k savings</i>) 	<i>\$2.3m</i>

<ul style="list-style-type: none"> • Deployment of two-officer units for fuel savings (\$750k savings) • Reduction of filled unclassified manager positions (1 Deputy Director, 3 Program Managers, \$900,000 savings) 	
<p>Annual distribution of Neighborhood Enhancement Funds for affordable housing preservation activities determined by Council</p>	<p><i>Unknown</i></p>
<p><i>Further Analysis Requested</i></p>	
<p>City Attorney’s Office grant and penalty general fund expenditure offset</p>	<p>Following BRC discussion, I am supportive of the IBA assisting the City Attorney’s Office and other relevant departments to identify grant and penalty funds to offset general fund expenditures in other departments. For example, consolidating the City Treasurer’s Office of Labor Standards Enforcement (OLSE) positions to the City Attorney’s Office could complement existing worker rights enforcement work.</p> <p>Please include options for general fund offsets in your office’s final budget recommendations.</p> <p><i>Approximate offset: \$2.2m to \$2.5m</i></p>
<p>General fund neutral options for multi-modal team restoration</p>	<p>Please provide further analysis on options for multimodal team restorations:</p> <ul style="list-style-type: none"> a) Draw down of additional TransNet reserve funds b) Adjustment of RMRA funding to support multi-modal engineering work <p>Additionally, please include additional Council considerations discussing how multimodal scoring criteria leverages additional state funding for housing and transit.</p>
<p>Homelessness Services – System Impacts</p>	<p>Please provide analysis of the programmatic impacts of recommended mitigation options, including external funding leveraged by partner organizations, to have a comprehensive understanding of financial and policy implications.</p>
<p>Golf Course Fund Land Use Fee Increase</p>	<p>Please clarify timeline for CIP improvements and financial implications on fund solvency for annual use.</p>
<p>Departmental personnel reductions by job classification</p>	<p>Please provide list of departmental proposed FTE reductions by job classification in addition to classified/unclassified. It is District 7’s position that</p>

Councilmember Raul A. Campillo
 FY27 Budget Priorities Memo

	<p>there has not been enough justification provided to warrant current unclassified staffing levels, and thus reductions in unclassified staff should be further reviewed for the final budget resolution.</p>
<p>GMPF User Fee Study</p>	<p>Please provide implementation timeline, necessary approvals needed, and potential policy considerations for Council discussion to consider inclusion in FY27 budget.</p>
<p>Petco Park Fund</p>	<p>As the public safety expenditures relying on this fund currently are subject to a JUMA that does not expire for at least 5 years, the City Attorney’s Office should provide a legal memorandum explaining that this is not a budget mitigation option for other public services. The public safety services provided outside of Petco Park pursuant to Section 7.6 and 7.7 of the JUMA are not subsidies to our contractual partners, but rather they are a negotiated legal obligation of the City that cannot be passed onto our contractual partners without their consent, and failure to provide those services subjects the City to legal action while simultaneously harming public safety.</p>

cc: Michael Simonsen, Chief of Staff, Office of Councilmember Raul A. Campillo

RAC/syp



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 20, 2026

TO: Charles Modica, Independent Budget Analyst, Office of the Independent Analyst

FROM: Chair, Budget & Government Efficiency Committee, Councilmember Henry Foster III, District 4 

Council President Pro Tem Kent Lee, District 6 

Councilmember Vivian Moreno, District 8 

Councilmember Sean Elo-Rivera, District 9 

SUBJECT: Fiscal Year 2027 Updated Budget Priorities

Thank you to the Office of the Independent Budget Analyst (IBA) for the opportunity to provide additional input on the final version of the Fiscal Year 2027 (FY27) Budget that will be considered on June 9, 2026. The IBA plays a critical role in the budget development process by providing ethical, transparent, and accurate financial information so that the City Council and members of the public have the data required to positively shape the final budget.

The May Revision provided some much-needed relief to libraries and recreation centers in historically underinvested communities, youth development, and homelessness programs and services. However, the FY27 Proposed Budget and May Revision issued by the Mayor still has reductions that do not adequately account for our city's diverse needs and fall short of protecting core services throughout every district – including additional libraries and recreation centers as well as restorations supporting key community arts and cultural festivals, programs, and events.

Budgetary Approach

The FY27 Budget is now in the hands of the City Council, and the proposed modifications have been informed by the thousands of constituents who have contacted our offices fighting to prevent devastating cuts to the most critical San Diego neighborhood services.

As we approach June 9th, our overarching priority will be to identify efficiencies in proposed restorations to support maintaining a structurally balanced and responsible budget, and to accelerate external philanthropic support to mitigate deep cuts to crucial city programs and services.

Key Restorations

The current budget presents significant challenges, and we recognize that several difficult decisions must be made to pass a balanced budget, as the Charter requires.

Library Department – Full Restoration of Library Hours (\$1,236,192)

Libraries are among the last free public gathering spaces and provide San Diegans of all ages a place of refuge, social connection, educational enrichment, and support.

We appreciate the Department of Finance, the Performance and Analytics Department, and the Office of the Mayor for sharing user data, socio-economic conditions in adjacent impacted communities, current program offerings, and other relevant information to help the Council make informed decisions, particularly regarding libraries and recreation centers. Based on this data and the IBA's Division of Race and Equity (DRE) analysis, equity implications may also be informed by local patterns of service use and demonstrated community needs.

While the May Revise preserves services in several historically underserved communities, it still reduces overall library operations. The City Council must identify additional efficiencies to fully restore the service hours and schedules reduced at nine library locations across the City.

All communities, particularly communities of concern, should have access to the amenities and services provided by libraries, so that every San Diegan can benefit from these critical and cherished public assets. No revenue conservation decision should adversely impact the libraries in communities of concern. It is essential to ensure that all buildings are in good condition, safe, well-maintained, adequately stocked with materials, and accessible to the communities they serve. It is also important that core services in communities with the greatest demonstrated need and reliance on public infrastructure not be disproportionately reduced or eliminated, particularly where equity data and recommendations from the DRE indicate significant service dependence or existing disparities.

Parks and Recreation Department – Full Restoration of Recreation Center Hours (\$1,667,554)

Many San Diegans and families rely on recreation centers for safe, affordable, and family-friendly programming. While restorations in the May Revise are equity focused and provide relief to historically underserved communities in Districts 4, 8, and 9, there are recreation centers in other districts that are heavily utilized, especially youth sports and afterschool hubs. These are heavy park-dependent neighborhoods with many families living nearby.

Further, the remaining reductions will endanger the longevity and viability of equity programming that has received significant philanthropic support, such as Parks After Dark, Come Play Outside, and the Parks Ambassador Program. As noted above, given limited funding, the Council may wish to prioritize restorations based on equity data and recommendations provided by the DRE to ensure resources are directed toward communities with the greatest demonstrated need and reliance on public services.

Economic Development Department – Partial Restoration Arts and Culture Funding (Amount TBD)

The Creative Communities San Diego (CCSD) Program and Organizational Support Program (OSP) are Cultural Affairs Division grant programs that provide crucial operational funding for tax-exempt non-profit arts and culture organizations of all sizes. Through public feedback, we have heard that any cut to this support threatens the existence of the arts & culture sector as a whole, especially amid cuts from the federal level. Further, this elimination of funding significantly impacts staffing and opportunities available to programs, activities, and events throughout the entire City and does not advance the objectives of the Creative City Cultural Plan—a ten-year framework for arts and culture in the San Diego region, which was released in November 2024.

Funding for Special Promotional Programs (SPP) comes from 5.0 cents of transient occupancy tax (TOT) revenue received by the City. Of this 5.0 cents, the Municipal Code requires that 4.0 cents be used to promote the City. Direct investment into San Diego’s arts and cultural organizations is an effective strategy for promoting the City regionally and beyond and should remain a funding priority for City’s SPP fund.

Currently, the City expends more than \$12 million in debt service payments to support the Convention Center. Similar to what was proposed in the FY27 Draft Budget for San Diego Tourism Authority advertising dollars, a portion of this expenditure should be considered under the Measure C Convention Center Fund, that is expected to end FY27 with a \$53.9 million fund balance as the voter-approved measure permitted expenditures related to operating and debt service payments, and expansion efforts are delayed until at least January 2027 due to constraints imposed by the resolution of the related Measure C litigation. A partial transfer of the Convention Center debt service payments to the Measure C Convention Center Fund could permit some restoration of key SPP fund programs and should be analyzed further by the IBA to confirm compliance with the legal requirements and voter intent of Measure C.

It should be further noted that we are supportive of, and are engaging in, productive discussions with external philanthropic partners to develop a robust, ongoing strategy for attracting long-term regional and philanthropic support, as well as state funding opportunities—to create lasting funding solutions in support of San Diego’s arts and cultural institutions. Given the City’s anticipated ongoing fiscal challenges, these strategic discussions are critical to protecting the City of San Diego’s ongoing commitment to this sector.

Specific Restorations and Budgetary Priorities

The following restorations represent additional shared strategic and budgetary priorities:

Economic Development Department - Small Business Enhancement Program	\$750,000
City Council - Community Projects, Programs, and Services Grants	\$900,000
City Council - Arts, Culture and Community Festivals Grants	\$450,000
Office of Child and Youth Success - Includes one FTE in Mayor’s Office and Non-Personnel Expenditures	\$400,000
Ethics Commission - Case Intake and Management System	\$50,000
Office of the Commission on Police Practices – Complaint and Investigation Information Management System	\$200,000

Office of the City Auditor – Restore Salary Budget and Non-Personnel Expenditures Reductions	\$263,000
Office of the City Clerk – One Deputy City Clerk II	\$66,275
Office of the Mayor – Restore the Chief Operating Officer position by reclassifying or promoting a Deputy Chief Operating Officer	\$0
Homelessness Strategies and Solutions Department - Security Service Reduction for Safe Storage	\$222,000
Film Division (Parks & Recreation Department) - Film Program Manager	\$212,000
Total	\$3,513,275

Budget Mitigations

The Charter requires that the City Council pass a balanced budget. Our offices remain committed to working closely with the IBA to identify additional resources and efficiencies to facilitate targeted restorations.

The following are proposed reductions, mitigations, and targeted department restructuring. More information and analysis may be required prior to determining feasibility. We thank the IBA in advance for its assistance in refining policy suggestions that require additional vetting.

Targeted Reductions, Mitigation, and Department Restructuring

Identify options for additional cuts in non-frontline departments that have a significant proportion of unclassified staff — such as, but not limited to, the Performance and Analytics Department and Communications Department.	\$3,000,000
Reduction of unclassified, non-sworn personnel expenditures in the Police Department	\$180,000
Cancellation of ALPR subcontract under the Ubicquia agreement with San Diego Police Department	\$2,215,000
Elimination of AXON My90 Software in the Police Department	\$250,000
Implement Two-Officer Units in the Police Department	\$750,000
Explore cost-savings thru reductions to car allowances, cellphones, and non-essential travel expenses	TBD
Total	\$6,395,000

Homelessness Strategies and Solutions Department (HSSD) – Strategic Reductions

HSSD and the San Diego Housing Commission (SDHC) together administer shelter, outreach, safe parking, housing navigation, and supportive service programs serving thousands of vulnerable residents annually. According to the 2026 Point-in-Time Count, the City of San Diego experienced a 6.6% reduction in unsheltered homelessness. We appreciate HSSD and SDHC for their commitment to protect our most vulnerable residents, while making difficult decisions to meet a \$3.8 million reduction target. Based on the May Revise, we believe that we can further improve on the current budget reduction recommendations that focus more on mitigating client, program, and system risks through the following reduction plan:

HSSD Reductions	\$1,006,000
Fund Family Reunification w/ HHAP	\$406,000

Elimination of Security at Old Central Library	\$325,000
Continued Closure of Safe Parking at Aero Drive	\$275,000
SDHC Reductions	\$2,790,305
Bridge Shelter (16th & Newton) - Capacity Reduction & Potential Relocation	\$1,559,903
Closure of the Lighthouse Interim Shelter	\$980,402
Closure of the Central Elementary Safe Parking Program	\$250,000
Total	\$3,796,305
Reduction of Day Center Services	\$711,243 - \$948,324

Revenue Opportunities

City Attorney Office – Using Grants and Penalty Funds to Offset General Fund Expenditures

Following discussion at the Budget Review Committee, we are supportive of further exploring how the City Attorney’s Office can use grants and penalty funds to offset general fund expenditures in other departments and request the IBA and other relevant departments to assist in this effort. As an example, we understand there have been discussions between the City Treasurer’s Office and the City Attorney’s Office about moving the City Treasurer’s Office of Labor Standards Enforcement (OLSE) positions to the City Attorney’s Office to complement the City Attorney’s existing worker rights enforcement work. This move would allow the City Attorney to impose a penalty and grant funds to offset general fund expenditures in the range of \$2.2 to \$2.5 million. We request that the Office of the IBA assist with these discussions and include options for general fund offsets in their final budget recommendations. General fund savings achieved using grants and penalty funds from the City Attorney’s Office would be credited to the Office’s overall budget reduction target.

Other Revenue Opportunities

Ongoing funding remaining available from the Golf Enterprise Fund	\$500,000
Excess equity projected from the FY26 3rd Quarter Budget Monitoring Report	\$1,700,000
Explore the use of Low-to-Moderate Income Housing Asset Funds for homelessness	\$250,000
Total	\$2,450,000

These proposed reductions, restructuring measures, and revenue opportunities will restore critical services that all San Diegans rely on. We look forward to continued discussions with our City Council colleagues, Department of Finance, the IBA, and our residents to achieve a structurally responsible budget.

Thank you, Mr. Modica, for your time and attention to our priorities.

cc: Sara Kamiab, Chief of Staff, Office of the Council President Pro Tem Kent Lee
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