




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