

City of Sacramento  
**Measure U Community Advisory Commission Report**  
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**Approval of Fiscal Year (FY) 2026/27 Measure U Budget Recommendations**

File ID: 2026-00964

**Location:** Citywide

**Recommendation:** 1) Discuss draft recommendations regarding FY2026/27 Measure U budget expenditures; and 2) pass a **Motion:** a) approving the recommendations, as discussed; and b) authorizing the 2026/27 Budget Recommendations Ad Hoc Committee to finalize and forward the approved recommendations to the City Council's Budget and Audit Committee on behalf of the Commission for consideration.

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**Presenter:** Teddy Georgeoff, III, Chair, Measure U Community Advisory Commission

**Attachments:**

- 1-Description/Analysis
- 2-DRAFT FY2026/27 Measure U Budget Recommendations

**Description/Analysis**

**Issue Detail:** The City's fiscal year is July 1 through June 30. As such, the City Council annually adopts the City's operating and capital budgets for a single fiscal year beginning July 1 and ending June 30 in the subsequent calendar year. To inform the Measure U Community Advisory Commission's (Commission's) development of budget recommendations, Measure U funded City departments presented their program accomplishments on the following dates:

**February 23, 2026**

- Department of Information Technology
- Fire Department
- Department of Finance (Budget Update)

**March 16, 2026**

- Office of Diversity & Equity (Department of Human Resources)

### **April 20, 2026**

- Department of Community Response
- Police Department
- Youth, Parks, & Community Enrichment
- Office of Innovation & Economic Development (Office of the City Manager)

Due to scheduling constraints, not all Measure U funded departments were able to present prior to the Commission's consideration of its budget recommendations. In response to the Commission's request, the following departments provided written updates on their Measure U funded programs:

- Department of Community Development
- Department of Convention and Cultural Services
- Department of Public Works
- Office of the City Attorney

During this item, the Commission should discuss and approve its FY2026/27 Measure U Budget Recommendations to the City Council. The 2026/27 Budget Recommendations Ad Hoc Committee prepared draft recommendations, which are included in this report as Attachment 2.

**Policy Considerations:** City Council Ordinance 2024-0039, adopted September 24, 2024, outlines the purpose and the powers and duties of the Measure U Community Advisory Commission; specifically, to ensure that the expenditures of City resources reflect Council and community priorities, the commission shall review, report, and make non-binding recommendations on revenue and expenditures of certain funds from the Transactions and Use Tax imposed under Sacramento City Code chapter 3.27 (Sacramento City Code chapter 2.114).

**Economic Impacts:** None.

**Environmental Considerations:** California Environmental Quality Act (CEQA): This report concerns administrative activities and governmental fiscal activities that do not constitute a "project" as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

**Sustainability:** None.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** A primary purpose of the Commission is to ensure that the City Council's Measure U spending decisions reflect community priorities. Approving budget recommendations at this meeting will aid the Commission's timely input into the FY2026/27 Budget adoption schedule.

**Financial Considerations:** The California Constitution requires all local governments, including charter cities such as the City of Sacramento, to balance their budgets each fiscal year.

**Local Business Enterprise (LBE):** None.

# Measure U Community Advisory Commission

## FY 2026-27 Budget Recommendations

Prepared by the Measure U Goals & Metrics Ad Hoc Subcommittee

### Executive Summary

Measure U generates roughly \$150M per year for City programs. This document recommends some strategic changes to how that money should be allocated in FY 2026-27 and, more importantly, how programs should be held accountable for results in future cycles.

#### Headline calls:

1. The Police Hiring Pipeline is underperforming for its size and needs to be restructured, or re-goaled.
2. Fire Diversity/Outreach Recruitment is a fully staffed recruitment operation at a department that is not reporting a hiring problem. Most diversity and hiring issues were solved not by budget, but as the Chief says, by working hour policy changes and locale of recruiting, which costs nothing.
3. Libraries are ranked 10/12 on the priority of the community, but take the 3<sup>rd</sup> largest budget of Measure U.
4. Outsourcing work Has a proven record of reducing cost and not reducing quality of work, We need to utilize this where possible.
5. Contracting to mission-aligned operators is the City's best-performing service pattern and should be treated as a first-class budget lever.
6. Roughly \$8M in FY25 Measure U spending reads as General Fund work and should be relabeled. This is a transparency fix, not a savings claim, but also would stop the GF (general fund) from subsidizing Measure U.

## 1. Findings

### 1.1 Police Hiring Pipeline - \$5.80M, 74.5 authorized FTE, no reported KPIs

Everyone knows we need more officers, but as a program that's recruiting officers, this is a colossal failure. To cover that failure, we've merged this initiative with a youth development program. The first thing that should happen is that youth development should be separated from

the hiring pipeline. After all, a very small percentage of cadets from the youth training programs become sworn officers, so although they are linked, it's not highly correlated.

Both sections of this program can be evaluated accordingly. First you can calculate what is the amount of officers that we've hired and second is how many youth have been up leveled due to this program.

- The former can be compared with various external hiring pipelines on a cost per hire basis. Most recent estimated recruitment costs are \$5,000 to \$15,000 per officer including marketing and outreach and background investigations, internal administrative costs, etc. This program has yielded no more than 10 sworn officers per year at a cost of \$5-7 million per year. **50-100x the cost of expected value.**
- The second one can be compared against many other city programs. Other youth development programs (in YPSE for example) have significantly more individuals involved for a significantly lower cost. You could argue that the value they achieve from the hiring pipeline (this program) is of a higher value. These youth also get paid, but I'm not sure that the city is in a position to hire or pay out youth in our current fiscal situation. Especially when they yield such low long-term benefits or hiring capabilities to the city.

## 1.2 Fire Diversity/Outreach Recruitment - \$3.75M, 18 FTE, fully staffed

From the dashboard: *"All programs are operating successfully. All 8 FTE's fully staffed. 19 of 20 EMS Trainee/Non-Career (0.5 FTE's) filled."*

Fire does not report a hiring shortfall. A \$3.75M annual recruitment investment for a department that is fully staffed is disproportionate on its face.

Recommendation: **reduce and convert to a leaner outreach + cadet pipeline.** Preserve the cadet/EMS-trainee pathway (clearest youth-development and diversity value), drop general recruitment costs to a maintenance level, and redirect the difference to high-unmet-need areas (homelessness placement throughput, youth programs). Acceptable trigger to restore funding: a documented Fire hiring gap.

## 1.3 Libraries

On a per-resident basis, the MU contribution alone is ~\$27 per Sacramento resident per year. Add County/state/matched funds and the true operating cost per resident is likely \$50-\$75. That is within national norms for California but is not cheap. And yet this item is placed 11 out of 12 on the priorities list. I think we need to be realistic that in the new world, in the new age of internet, libraries have changed their role substantially, but also have become slightly less valuable. And we need to make sure that we are providing opportunity for libraries because they have a central part in our community, but figuring out what is worth keeping within said library.

Perhaps the physical volume of books is really not that important these days, And there may be some cost savings to be had on a per-person basis to ensure that we can keep the services that people care about most while deprioritizing the services that we can't afford.

### 1.4 Outsourcing economics

The dashboard marks virtually every in-house program at roughly **50% FTE-percent-of-budget**, i.e. about half of every dollar goes to city labor and benefits before service is delivered. On top of that the strawman shows explicit citywide items that compound the overhead load: **\$2.64M Gen Insurance/Termination, \$1.07M Retired/Transfer Employee Benefits, \$116K Employee Development, plus IT and fleet lines**. In-house delivery at the City of Sacramento carries a materially higher per-dollar overhead than most peer-operator contracts.

Where contracting is already the model, results are strong:

- **Community Outreach (\$9.2M)** runs through Hope Cooperative, Forensic Clean, and PW Homeless Mitigation, this is the program surfacing the most concrete throughput numbers.
- **Animal Care/Shelter** contracted with the nonprofit Friends group for spay/neuter and shelter medicine to work around the national veterinarian shortage.
- **Arts and culture venues** (Crocker, Zoo, Powerhouse/MOSAC, Fairytale Town, Sacramento History Museum) are MU-subsidized but operated by external partners.
- **Golf Administration** operates under a lessee model; the City only pays for specific asset repairs.

Recommendation: **treat outsourcing as a first-class budget lever**. For each new or renewing program over a threshold (suggestion: \$500K/year), the sponsoring department should document why in-house delivery is preferred over a mission-aligned contract, with a comparable cost-per-outcome estimate. This is not a blanket privatization push; it is forcing the overhead comparison to be explicit.

### 1.5 Non-Measure U-fit costs, fix the label, not the bill

The following FY25 lines look like General Fund work rather than Measure U purpose:

| Program                                    | Budget      | Why it reads as GF                         |
|--|-------------|--|
| <b>Gen Insurance/Termination</b>           | \$2,635,411 | Citywide operating cost                    |
| <b>Retired/Transfer Employee Benefits</b>  | \$1,071,100 | Labor-agreement obligation                 |
| <b>Citywide IT Maintenance and Support</b> | \$289,684   | General operating IT                       |
| <b>Employee Development</b>                | \$116,395   | HR function                                |
| <b>City Facility Reinvestment Program</b>  | \$2,200,000 | Roofs, HVAC, electrical, ADU-style repairs |

|   |           |                             |
|---|-----------|-----------------------------|
| <b>Facility ADA Compliance Program</b>          | \$500,000 | Federal/state legal mandate |
| <b>SPLA Maintenance</b>                         | \$400,000 | Building maintenance MOU    |
| <b>Citywide Pool Assessment/Repair</b>          | \$450,000 | Capital repair              |
| <b>IT Regional Support / PD Systems Support</b> | \$73,447  | IT reimbursement backfill   |
| <b>Commission Stipends (4 depts)</b>            | ~\$40,500 | Governance operating cost   |

**Subtotal: ~\$8.0M.** Shifting these lines to the General Fund does not save the City money, it is a transparency fix so Measure U is seen to be funding the services voters approved, not to claim \$8M in new capacity. Call it a framing correction.

## 2. Budget Action Recommendations

Categories: **Grow, Hold, Reduce / restructure, Shift (to GF), Pause until data.** Dollar figures are FY25 strawman budgets from the dashboard.

| <b>Action</b>               | <b>Programs</b>   | <b>FY25 \$</b> | <b>Rationale</b>   |
|-----------------------------|---|----------------|--|
| <b>Grow</b>                 | Office of Community Outreach (DCR, \$3.45M); Homeless Housing Initiatives (DCR, \$3.23M) if data pipeline is fixed; Community Centers (YPCE, \$9.22M) | ~\$15.9M       | Highest community need signals; strongest measured throughput in the system. |
| <b>Hold</b>                 | Animal Care/Shelter; Neighborhood Code Compliance; Aquatics; Youth Employment; Community Outreach contracts; SURA                                     | ~\$25.6M       | Core services, decent metric coverage, stable execution.                     |
| <b>Reduce / restructure</b> | Library (\$14.3M); PD Hiring Pipeline (\$5.80M); Fire Diversity/Outreach Recruitment (\$3.75M); Recreation Administration (\$1.94M overhead);         | ~\$26.8M       | Outcomes do not justify current scale; request restructured plan.            |

|   |                    |         |   |
|---|--------------------|---------|---|
| <b>Shift to General Fund (label only)</b> | Items in 1.5 above | ~\$8.0M | Not voter-approved purposes; relabel, do not pretend to save. |
|---|--------------------|---------|---|

### 3. Accountability Framework

The reason recommendations can swing year-over-year is that many programs never stated up front what they were trying to achieve. Funding programs without pre-stated goals makes success unfalsifiable. We want Council to adopt a lightweight accountability loop for all Measure U programs.

#### 3.1 Program Goal Template (required for every funded program, every cycle)

Each program must submit, before budget adoption:

1. **One-sentence purpose.** What problem this program exists to solve.
2. **1–3 measurable outcome goals for the coming year**, each with:
  - Baseline value (prior year actual)
  - Target value (next year goal)
  - Source of the data (system, report, or survey)
3. **1–2 activity metrics** (throughput), only as context for the outcome goals.
4. **Named accountable owner** (not a department, a person).
5. **What failure looks like**, the threshold below which the program should be restructured or defunded.

Programs that cannot write this will not get recommended approval for the cycle. This is not punitive; it is the minimum viable planning artifact.

#### 3.2 Review Cadence

- **Midyear check-in (Q2):** each program reports progress toward its stated target. Off-track programs get a written corrective plan, not automatic cuts.
- **Annual review (end of Q4):** each program reports actuals vs. target. Three outcomes only:
  - **Met / exceeded** → eligible for normal renewal.
  - **Missed but explained** → renew with a corrective plan and a new target.
  - **Missed without a plan** → proposed for reduce/restructure/shift in next cycle.
- **Two-year rule:** any program that misses its stated outcome goals two cycles in a row, without a credible restructuring plan, should be proposed for defunding or outsourcing.

### 4. Measure U Alignment Notes

- **Ballot alignment is a framing question, not an impact question.** Moving ADU, HVAC, and insurance costs to the General Fund does not change the total cost of running the City; it restores voter trust that Measure U is funding the services advertised.
- **Do not confuse "ballot-aligned" with "high-impact."** A program can be ballot-aligned (PD Hiring Pipeline) and still underperform on outcome metrics. Accountability applies equally.
- **Do not confuse "not ballot-aligned" with "not worthwhile."** ADA compliance and facility reinvestment are legitimate city obligations; they simply belong in a different funding category.

*Prepared by the Measure U Goals & Metrics Ad Hoc Subcommittee. Comments, counter-evidence, and departmental responses are welcome.*