



To: Honorable Members of the Oakland City Council
From: Budget Advisory Commission
Subject: Recommendations on the FY 2026-27 Proposed Midcycle Budget

Statement of Purpose

The Consolidated Fiscal Policy (“CFP”) Ordinance No. (13279 C.M.S.) requests that the Budget Advisory Commission (“BAC” or “Commission”) submit a published, written report on the City of Oakland’s biennial budget each year, prior to June 1; and encourages the BAC to provide similar statements on the midcycle budget revision and other significant budget actions. This report is prepared pursuant to the CFP’s recommendations on the midcycle budget.

Key Recommendations

- Prioritize fully funding maintenance of effort and service levels for voter-approved measures to the greatest extent possible, including \$1.9 million for Measure Q.
- Consider more conservative revenue assumptions, especially in Sales and Utility Consumption taxes, to avoid a potential shortfall of \$15-20 million.
- Improve performance metrics and evaluation, including data collection on service levels and age groups served.
- Improve transparency and accessibility for key data and indicators.
- Prioritize implementation of the long-term Roadmap to Fiscal Health, including developing long-term investment plans for City infrastructure, equipment, and systems; strengthening economic development efforts; and improving the systems for holding the City and its contractors accountable for the efficient delivery of public services.

Background and Overview

Oakland is continuing a gradual recovery from the COVID-induced budget crisis. Since 2020, pandemic-driven reductions in revenue and continuously increasing expenses have led to significant and widening gaps between the level of service Oakland would like to provide and the level of service Oakland is able to provide. Federal grants, hiring freezes, pay cuts, new taxes, interfund transfers, reserve funds, one-time revenues, and other efforts have been leveraged to balance the budget each fiscal year, but have yet to generate a successful economic recovery.



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Oakland's fiscal recovery is affected by several overlapping factors, including high crime rates, high fire risk, high taxes, high regulatory burden, and high commercial vacancies. These factors drive up the city's operating costs and discourage revenue-generating economic activity. The scale of these challenges is unique to Oakland: according to the most recent comprehensive data available, in 2024, Oakland had property and violent crime as much as five to ten times higher than other major California cities¹. That same year, Oakland had the highest and second-highest violent and property crime rates, respectively, of the top 200 largest cities in the U.S. High crime rates contribute to driving out tax-paying businesses² (and their patrons), and disproportionately impact Oakland's low-income and diverse communities. While crime has seen meaningful declines since 2024 (including a roughly 25% drop in 2025³ and a further 22% drop in the first quarter of 2026⁴), rates would need to continue to drop, by as much as a cumulative 80-90%, to bring Oakland into parity with where other major California cities were in 2024. Since 2024, crime has trended lower nationwide⁵, and so still greater reductions in crime rates may be necessary to bring Oakland into present-day parity with those cities.

Compounding this issue, despite voting to raise the sales tax in April 2025, Oakland saw *lower* sales tax revenue in the second half of 2025—following the tax increase—than it saw during the same time period the year prior. It is unclear whether the tax itself drove shoppers to make purchases in other neighboring cities, if tax revenue would have been still lower without the tax (such as if crime drove out businesses and shoppers), or if other circumstances affected this revenue. In 2008, a report prepared for the City estimated that the city loses about \$1 billion in retail volume per year to neighboring cities due to a lack of retail stores⁶, a number that has likely grown since.

¹ Based on data from the FBI's Uniform Crime Reporting (UCR) Table 8, in 2024, Oakland had 1,925 violent crimes, and 7,230 property crimes, per 100,000 people. Among California's largest cities, San Jose had 607 violent crimes and 2,588 property crimes, Los Angeles had 729 violent crimes and 1,484 property crimes, and San Diego had 412 violent crimes and 1,670 property crimes (all per 100k people). Among California's safest cities, Fremont had 196 violent crimes and 2,327 property crimes, and Irvine had 84 violent crimes and 1,390 property crimes, also per 100k people. [Source](#), also on [Wikipedia](#).

² NBC Bay Area,

<https://www.nbcbayarea.com/news/local/businesses-leaving-oakland-crime/3440618/>

³ Oaklandside, <https://oaklandside.org/2025/12/03/oakland-homicides-shootings-down-2025/>

⁴ Oakland Police Department, <https://www.facebook.com/watch/?v=2439242806534936>

⁵ FBI UCR,

<https://www.fbi.gov/news/press-releases/fbi-releases-historic-early-look-at-annual-crime-data>

⁶ Reimagine RP&E Journal, citing East Bay Express, <https://www.reimaginerpe.org/node/6764>



Other economic challenges include a slowdown in new housing construction (effectively halted since 2024), and elevated vacancies in both retail and office spaces, especially in the Downtown.

The Proposed FY 2026-27 Midcycle Budget shows that revenues are expected to stabilize and begin a gradual improvement, no longer forcing significant cuts or difficult compromises. However, Oakland must still find ways to generate additional revenues to fill the gaps for desired levels of service while practicing good fiscal stewardship.

Guiding Principles for BAC Recommendations

The Budget Advisory Commission has been providing support to City Council since 1999. In providing these recommendations, the BAC aims to follow consistent general guiding principles to inform fiscal priorities. A full listing of BAC findings and recommendations [was presented to Council in June 2024](#), and BAC previously issued recommendations on the [FY 2023-25 budget](#) and [FY 2025-27 Proposed Policy Budget](#). This memo restates a selection of these priorities as they apply to the FY 2026-27 Proposed Policy Budget.

- **Adherence to the Consolidated Fiscal Policy.** The CFP sets forth a number of budgeting practices, including: adopting a balanced budget; allocating excess RETT stabilization funds and paying off debt obligations; using one-time revenues solely for one-time expenditures, including unassigned GPF revenue; and maintaining a healthy Vital Services Stabilization Fund balance of at least 15% of GPF revenues. The adopted budget should adhere to these requirements.
- **Focus spending on community priorities.** The CFP requires a public survey to inform community priorities in the biennial budgeting process (every odd year). The most recent survey, in 2025, showed that community priorities include public safety, cleanliness, and housing. The adopted budget should reflect these community priorities. For the complete survey results, [see the February 2025 presentation here](#).
- **Adherence to the requirements of voter-approved measures.** Oakland's budget is supported, and constrained, by a wide variety of voter-approved measures. Many of these measures contain "maintenance of effort" requirements, obligating the City to make particular budget decisions to continue to receive the benefits of the tax. While these measures can be suspended in times of fiscal emergency, consistent with the CFP requirements to focus spending on community priorities, the BAC believes



that these voter-approved requirements reflect core community priorities, and that these legal mandates should be prioritized over other initiatives to the greatest extent feasible.

- **Following best practices and lessons learned from other cities.** Oakland is not unique in its services provided, community concerns, or its fiscal challenges. While our challenges may be of a larger scale, best practices applied in other cities are also relevant to Oakland.
- **Keep equity considerations at the forefront of decision-making.** Oakland is home to many diverse and long-underserved communities. Equitable budget practices means that after ensuring the city's long-term financial health and meeting legal obligations, additional revenue should be allocated in ways that ensure *all* members of the community access and benefit from City services equitably. Sound financial practices help ensure that lifeline programs for disadvantaged communities can be continued even in times of budget shortfalls.

Review and Findings in the FY 2026-27 Proposed Midcycle Budget

BAC has conducted a careful review of the FY 2026-27 Proposed Midcycle Budget, including reviewing the Mayor's Message, Budget Priorities, Service Impacts, Significant Budgetary Changes reports, department-level budgets and changes, and proposed contracts and grants spending. Our findings and short-term recommendations for the proposed budget are presented below.

1.0 Voter Approved Measures

1.1 Success: The Proposed Midcycle Budget Fully Funds Libraries and the City Auditor Per Voter-Approved Measures

The Proposed Midcycle Budget increases General Purpose Fund (GPF) expenditures on Library services to \$14,500,500, exceeding the requirements of Measures C and D. In addition, the proposed budget fully staffs the City Auditor's office, providing funding for 14.0 full-time equivalent (FTE) positions, in compliance with the Oakland City Charter (2022 Measure X). This marks a significant improvement from the FY 2025-26 budget, which did not meet these requirements. The Proposed Midcycle Budget also maintains existing compliance with the Kids First Charter Amendment, Oakland Children's Initiative (Measure AA), Police Commission (Measure LL and SI), and the Vacant Property Tax Act (2018 Measure W).

1.2 Issue: Inadequate Police Staffing Under Measure NN



The Community Violence and Emergency Response Act of 2024 (Measure NN) requires the city to budget for 700 sworn police officers. However, the Proposed Midcycle Budget only includes funding for 678 officers.

The Mayor’s Proposed Measure E Spending Plan would provide roughly \$7 million to fund the additional 22 officers, if Measure E is adopted by the voters. If Measure E fails to pass, the City would need to adopt a declaration of “extreme fiscal necessity”, finding that “a severe and unanticipated financial or other event” occurs which so adversely affects the GPF as to prevent the City from budgeting for the minimum number of sworn police.

The Proposed Midcycle Budget does not identify what event is occurring which so adversely affects the GPF. Because Measure E would be a restricted fund, its passage or failure does not affect general purpose expenditures. It is also unclear why such a declaration would not also apply to other voter-approved measures which are proposed to be fully funded.

Regardless of the outcome of Measure E, the intent of the voters under Measure NN is almost certainly for the city to *have* 700 sworn officers—not just budget for them. OPD’s recent staffing report⁷ showed just 607 sworn officers on payroll as of January 1, 2026. At the same time, 87 officers were on long-term leave, leaving just 520 officers deployable. Even at the current budgeted level of just 678 officers, the city will almost certainly be unable to fill the vacant positions this fiscal year. While some level of vacancies and leave is unavoidable, if the City cannot fully meet the Measure NN requirements, it should aim to at least improve the utilization and effectiveness of the sworn officers it does have. Additional recommendations in this direction are provided in Appendix A and will be expanded upon in an upcoming report.

1.3 Issue: Inadequate Funding Levels for Parks (Measure Q) and Democracy Dollars

The Proposed Midcycle Budget also fails to maintain voter-mandated parks maintenance services, with a shortfall of approximately \$1.9 million as required under Measure Q, and it fails to allocate any of the \$4 million requirement for the Democracy Dollars fund. Both these measures contain similar “extreme fiscal necessity” provisions. The Proposed Midcycle Budget does not offer suggestions as to what severe and unanticipated events warrant these shortfalls.

⁷ City of Oakland,
<https://oakland.legistar.com/LegislationDetail.aspx?ID=7940769&GUID=D700A11B-502F-43CD-A61F-47DF0EE749B6&Options=ID|Text|&Search=police+department+staffing>



At present, even if funding was allocated, the Democracy Dollars program would not be possible to implement without accompanying software. The Proposed Midcycle Budget does include funding to develop the necessary software to help enable this program in the future.

However, there is no similar rationale that can justify the shortfall in fully funding Measure Q's maintenance of effort provisions.

1.4 Recommendation: Review Proposed Service Expansions, Fully Funded Vacant Positions, and Grants & Contracts; Consider Prioritizing Compliance with Voter-Approved Measures

While the midcycle budget falls short of fully funding voter-approved measures by roughly \$12.9 million, it proposes adding \$7.7 million in GPF spending on new or unfrozen staff positions (excluding the City Auditor and Library funding). It also proposes increasing O&M expenditures from the GPF by roughly \$16 million. Some of this money is in support of other critical efforts, including revenue collection, Democracy Dollars software, police recruitment, and other maintenance of effort requirements. However, some funding is also for expansion of non-essential services, staffing, or programs that could subject the City to additional scrutiny if they are prioritized over voter-mandated funding or staffing levels during a period of “extreme fiscal necessity.”

The City also has roughly \$97 million from the GPF budgeted for positions which are currently vacant. Like the expenditures mentioned above, some of this money is required to be allocated under existing measures—including currently vacant positions budgeted for the City Auditor, Library, Police Department, etc.—but some vacant positions are for non-essential services not otherwise mandated by the voters.

Lastly, the Proposed Midcycle Budget includes \$45.3 million in GPF expenditures on contracts and grants. Some of this money supports voter-approved maintenance of effort requirements and other core services, like parking meter operations, police academies, fire equipment, and IT services. However, at least \$2.8 million in these GPF contracts and grants have “Not Identified” listed as the description, including \$2.2 million in Human Services expenditures. These Human Services expenditures are generally proposed for various nonprofit organizations. Due to the lack of description, it is unclear whether they are new services, a proposed contract extension, or an existing ongoing contract for service delivery.



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These expansions of non-essential services, existing vacant positions, and other contracts and grants should be carefully evaluated to determine whether compliance with voter-approved measures can be improved. In particular, identifying \$1.9 million for Parks maintenance to ensure full compliance with Measure Q could be a meaningful step towards improving voter trust.

2.0 Contracts and Grants

2.1 Issue: \$37 million in Proposed Grants and Contracts Lack Details, Require Oversight

The FY 26-27 proposed budget includes over 900 grants and contracts, totaling roughly \$178 million. Of this total, 108 grants or contracts, totaling roughly \$37 million, have “Not identified” listed as the proposed use. Of this \$37 million, Human Services accounts for \$33.8 million and Finance for \$1.6 million, with the remaining amounts all less than \$1 million across Economic & Workforce Development, Human Resources, Planning & Building, Police, and Police Commission. Most of these expenditures have potential or anticipated grantees or contractors identified, or are from various restricted funds which limit their permissible uses.

City Council should request additional details from staff prior to approving budgets for unknown grants or contracts.

3.0 Revenue Projections

3.1 Success: Property, Business License, Transient Occupancy, Parking Tax, And Real Estate Transfer Tax Are Conservatively Budgeted In GPF

Given Oakland’s uncertain economic recovery, conservative revenue projections are necessary to help ensure Oakland’s balanced budget, once adopted, remains balanced as actual revenues and expenditures come in throughout the year. The Proposed Midcycle Budget projects several major sources of revenue remaining in line with the most recent projections for FY 2025-26, which is appropriate given the uncertainty—and unlikeliness—of major growth in revenue. The areas where forecasted revenues are conservatively aligned with current projections include:

Revenue Source	FY 2026 Projected Revenue (\$ Millions)	FY 2027 Proposed Budget (\$ Millions)	Percent Change
Property Tax	\$312.26	\$312.8	0.2%
Business License	\$132.0	\$133.77	1.3%



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Tax			
Real Estate Transfer Tax	\$69.92	\$72.0	3%
Transient Occupancy Tax	\$16.40	\$15.80	-3.7%
Parking Tax	\$10.96	\$11.52	5.1%
Grants & Subsidies	\$2.58	\$0	-100%
Total	\$544.12	\$545.89	0.3%

3.2 Issue: Sales Tax, Utility Consumption Tax, Service Charges, Fines Revenues May Be Overestimated In GPF

At the same time, some critical revenue sources may be overestimated. In particular, there is no clear evidence that Oakland will be able to grow its sales tax revenue by the proposed \$10 million, which would require over \$200 million in new sales to occur within Oakland. Existing businesses may not be sufficient to see that kind of growth, and plans for new stores that could drive significant revenue (such as Costco) are likely to take years to come to fruition. In addition, the Utility Consumption Tax has remained largely flat for the past several years, with no clear evidence to support expectations that it would grow by over 7%. Overall, these elevated assumptions risk a shortfall of as much as \$20 million, if this revenue growth is not realized.

Revenue Source	FY 2026 Projected Revenue (\$ Millions)	FY 2027 Proposed Budget (\$ Millions)	Percent Change
Sales Tax	\$81.56	\$91.45	12.1%
Utility Consumption Tax	\$70.60	\$75.06	7.1%
Service Charges	\$53.46	\$57.29	7.2%
Fines & Penalties	\$26.59	\$29.24	10%
Miscellaneous Revenue	\$4.27	\$4.60	7.8%
Total	\$236.48	\$257.64	8.9%



4.0 Use of Restricted and One-Time Funds

4.1 Issue: Questionable Use of Measure NN Funds for Fire Equipment and Unclear Dollar Amounts

The Proposed Midcycle Budget includes either \$650,000 or \$1 million in proposed Operations & Maintenance (O&M) expenditures from Measure NN to pay for fire fighting equipment and services. Not only is this amount inconsistent between different sources included in the budget, it appears inconsistent with the intent of the use of Measure NN funds.

As described in the “Service Impacts” section, the Proposed Midcycle Budget would “reallocate” \$1 million in Measure NN funds for the Fire Department to “support purchase of safety gear replacement such as Turnouts and Helmets, and... new Advance Life Safety equipment (Defibrillators and Lucas machines).”

Using Measure NN funds for equipment appears to be inconsistent with the intent of the measure, which is written such that funds should be spent directly on services and service levels. The text of Measure NN⁸ says that funds may only be spent on “direct services, programs, and strategies such as, but not limited to: 911 dispatch and emergency responders... non-sworn mobile crisis responders...” and various other police and violence prevention services, with the goals of “(1) reduce homicides, robberies, car jackings and break-ins... (2) reduce response time for 911 emergency calls for service, and improve the quality of response; and (3) reduce the incidence of human trafficking...” There is no mention of equipment or other one-time expenditures for Measure NN funding.

In addition, it is unclear what the exact dollar amount proposed for equipment is. The “Significant Budgetary Changes” section of the budget lists a total of \$1 million in Measure NN funds (fund 2255) used for contract expenditures in medical and support services. However, the “Contracts and Grants by Fund” section of the budget lists only \$725k in Measure NN contracts for the Fire department, of which \$650k is described as being used for personal protective equipment, defibrillators, and safety helmets. It is unclear whether the Significant Budgetary Changes section is incorrect, or whether the Fire Department has additional O&M spending planned but not disclosed.

⁸ Full text of Measure NN:

https://acvote.alamedacountyca.gov/acvote-assets/02_election_information/PDFs/20241105/en/Measures/32%20-%20Measure%20NN%20-%20City%20of%20Oakland%20-%20Citywide%20Violence%20Reduction%20Services.pdf



There is other funding that could be made available to cover these equipment costs while preserving Measure NN funding for its voter-intended use. Presently, the Proposed Budget includes \$3.6 million in new GPF expenditures for Fire staffing, including over \$1 million in Fire Communications Dispatcher and Fire Fighter positions transferred to the GPF from other funds (2124 and 2412, respectively, which include FEMA funding and another parcel tax, Measure M). These positions could instead be transferred to the Measure NN fund (2255), which would appear consistent with the intent of the measure and free up the GPF for the equipment purchases. If the equipment purchases come in under budget, this would also leave more GPF funding available to help meet other voter-mandated maintenance of effort requirements.

4.2 Issue: Use of One-Time Funds for Ongoing Expenses; Suspension of Vital Services Stabilization Policy

The Proposed Midcycle Budget includes the use of one-time funds for ongoing expenses, “due to revenue losses brought on by the pandemic... [leaving] the City facing significant structural imbalances in the GPF.” The BAC strongly advises against the use of one-time funds for ongoing GPF expenses. In previous years, when Council has budgeted for the use of one-time funds (such as elevated real estate transfer tax revenue or the sale of the Coliseum), failure to realize such revenues has resulted in severe mid-year budget adjustments. Instead, the BAC recommends using one-time funds for one-time expenses, such as capital improvements or paying for unfunded liabilities, rather than building ongoing services and systems that depend upon one-time revenues.

The Proposed Midcycle Budget does not identify which one-time funds are being used or what ongoing expenses they are funding. Additional transparency would help improve public understanding of the city’s budget and fiscal situation.

Suggested Long-Term Improvements

This section outlines long-term recommendations for improving the city’s overall fiscal health, budget reporting, and transparency.

LT.1 Prioritize the City’s Roadmap to Fiscal Health

The long-term Roadmap to Fiscal Health⁹ sets forth four key actions for FY 2026-27:

⁹ City of Oakland,
<https://www.oaklandca.gov/Government/Departments/City-Administrator/Roadmap-to-Fiscal-Health>



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- Review and update the City's governing financial policies
 - Develop long-term investment plans for the City's infrastructure, fleet, and systems
 - Maximize collection of existing revenue sources
 - Strengthen the City's revenue base through focused economic development efforts

In FY 2027-28, the Roadmap sets just one priority: improving the structures needed to hold the City and its contracts accountable for the delivery of city services.

Staff has already begun these efforts, and the City Council should continue to support and prioritize these projects. The BAC looks forward to working with staff and the community to help provide input and education around these topics.

The BAC has already provided a recommendation for the City's financial policies regarding the use of excess real estate transfer tax. In this report, we provide additional suggestions for consideration around long-term investment plans, economic development, and accountable delivery of city services.

LT.2 Develop a needs assessment and multi-year Maintenance and Replacement Plan for City assets

The City's ability to deliver basic services depends on vehicles, equipment, facilities, technology, and other operational infrastructure. When these assets are not maintained or replaced on a predictable schedule, the City risks higher emergency costs, service delays, reduced staff productivity, and public safety impacts.

Oakland has a Capital Improvement Program and a project-level capital planning process. However, per the Roadmap to Fiscal Health, the City currently appears to lack a comprehensive maintenance and replacement plan for City assets, including a complete inventory of assets, age / condition, expected useful life, maintenance needs or costs, and risks if the asset were to go out of service unexpectedly. In this case, assets includes vehicles, equipment, facilities, public works infrastructure, and software.

In addition, the City's needs—and the capability of modern technologies—change over time. Prior equipment or tools may no longer be sufficient to meet modern demands, either for service delivery or operational needs. As a result, in addition to developing a maintenance and replacement plan for existing assets, the BAC recommends that relevant departments (such as Fire, Police, Public Works,



Transportation, Parks and Recreation, Libraries, Human Resources, Information Technology, Finance City Clerk, etc.) conduct a needs assessment to identify any long-term capital investments required for delivery of effective services. For example, the current Proposed Budget provides funding for development of Democracy Dollars software, ongoing Oracle dashboard upgrades, and new Microsoft Copilot AI licenses to staff.

Identifying needs for both new assets and existing asset replacement or maintenance can help strengthen long-term financial planning, by ensuring the City can budget appropriately for these anticipated costs, moving away from crisis-driven replacement decisions. It would also allow Council to distinguish between real budget savings (such as from the use of technology or modern equipment reducing the need for staff time and maintenance) and deferred expenses (such as postponing necessary upgrades or replacements to a future year).

LT.3 Improve transparency and tracking of restricted and voter-approved measures

Oakland relies on voter-approved tax measures and restricted revenues to fund core City services. These funds are essential, but they also carry legal, fiscal, and public trust obligations. Oakland currently provides budget transparency through OpenGov, including revenue, expenditure, and fund-level tables. However, there does not appear to be a “one-stop shop” to allow the public to clearly identify restricted revenues, allowable uses, proposed expenditures, maintenance of effort requirements, compliance status, and related service performance metrics. Without a clear fund-by-fund schedule, Council and the public cannot easily assess whether restricted revenues are being used as intended and whether the City is complying with voter-approved requirements.

The City should strengthen the budget process by developing public-facing transparency dashboards for voter-approved tax measures and other restricted revenues that fund City services. The dashboards should show, by fund and measure:

- allowable uses;
- revenue received and projected;
- proposed expenditures by department and service area;
- services or programs supported;
- performance metrics tied to the funded services;
- maintenance-of-effort requirements, including General Fund obligations, and their level of commitment;
- and any current or projected compliance concerns.



Giving Council, staff, and the public a single, reliable source of information on restricted revenues, legal obligations, and service outcomes could help improve budget transparency, strengthen oversight, and rebuild public confidence in the city's financial decision-making.

LT.4 Collect and evaluate department-level service data by age group, including transitional age youth

Presently, departments report on service population demographics by race and gender. However, age-based strategies are also an important part of the city's portfolio of services, including children and youth funding, senior centers, and workforce development initiatives, particularly those that affect transitional age youth (TAY), aged 16 to 24, who are critical for the city's future workforce and tax base, but are also disproportionately likely to be impacted by crime (either as victims or perpetrators).

City departments should aim to collect age-related data, in addition to existing demographic data, wherever feasible, especially for departments most likely to provide direct public services or significantly affect residents across age groups. These departments include, but are not limited to:

- Human Services;
- Violence Prevention;
- Economic and Workforce Development;
- Housing and Community Development;
- Parks, Recreation and Youth Development;
- Library;
- Police;
- Transportation;
- Public Works;
- and other departments with direct public-facing services.

The initial goal should be to establish a practical baseline showing who is currently served by age group (e.g. children, TAY, adults, and seniors), what funding supports those services, and what outcomes are being measured and delivered.

This approach would allow Council to make better-informed decisions about existing resources, service gaps, and budget trade-offs. It would also strengthen equity considerations without creating a new program structure or requiring new spending.



LT.5 Strengthen the connection between performance metrics, service levels, and budget decisions

Oakland has begun publishing department-level performance measures. According to the budget documents, these measures are intended to help “identify, track, and improve access to City services for Oakland residents with a goal of continuous improvement in equitable outcomes.” However, the budget materials do not show how performance data is used to inform funding decisions, service-level trade-offs, staffing decisions, grant allocations, or program design across departments.

The selection of what metrics to evaluate performance against appears weak in some areas, including the omission of some critical metrics. For example, OPD does not propose tracking 911 response times as a performance metric. Instead, OPD proposes to track the number of calls for service, aiming for more calls for service—in other words, an increase in the need for police—rather than fewer. Similarly, OPD’s metrics include decreasing the number of emails responded to and the number of public records requests received, relative to prior years. In some cases, the metrics are items outside of OPD’s direct control, such as the number of shootings.

These metrics should be adjusted to reflect improvements in the *quality* of service delivery—such as increasing the percentages of calls for service answered, or decreasing the time to respond to public records requests—rather than changes in the *volume* of service delivery.

OPD is not the only department whose performance metrics need improvement. For example, Public Works proposes to track the number, rather than the percentage or time to completion, of creek protection permit approvals, drainage requests, and tree-related work orders. Transportation proposes tracking the number of parking citations and total revenue collected (which risks driving parking enforcement officers to attempt to “meet quotas”), as well as proposing to meet just 83% of city works service requests. HR proposes to track the # of job applicants, rather than the number of jobs filled. Race & Equity and City Attorney have zero proposed performance metrics. IT and City Administrator offices also have just one performance metric proposed, despite a wide range of responsibilities and ongoing projects and obligations.

In addition, no departments include projected FY 2025-26 performance results, leaving it impossible to evaluate their recent performance over the past year.



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While the initial effort is commendable, Oakland's start to performance monitoring leaves much to be desired. An ongoing, careful, concerted effort is necessary to bring all departments up to par, and City Council and associated subcommittees should pay particular attention to ensuring that department metrics are sensible, aligned with Council and community priorities, and effectively monitored.

At a minimum, departmental budget materials should identify core services funded, expected service levels, key performance indicators, populations served (where available), prior year performance, and likely service impact(s) of proposed budgetary changes.

Council and the public must be able to understand whether City investments are producing measurable results, where service levels are improving or declining, and where budget trade-offs may be necessary. Over time, this approach would improve accountability, support better budget decisions, and allow the City to compare investments across departments in a more disciplined and transparent way.

Additional Long Term Recommendations

The recommendations provided in the body of this report focus on key budget issues of transparency and performance tracking and evaluations especially important at the midcycle review. Appendix A, attached, contains additional long term recommendations intended to help improve efficiency or performance across a variety of city departments and programs. In the coming months, the BAC intends to expand upon the proposals in Appendix A, developing additional analyses and more in-depth recommendations on key topics for Council to consider prior to the next biannual budget cycle in 2027. We look forward to partnering with the Council on these and other topics.

Contact Information

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Ben Gould, Budget Advisory Commission Finance & Management Liaison

Karen Roye, Budget Advisory Commission Ad-Hoc Committee Member

Additional References:

[SEIU "Smarter Public Safety: A Roadmap for Oakland" Report \(2025\)](#)

[The Economics of Crime: Identifying the Causal Effect of Unemployment](#)

[BAC Memo on Budget Process \(2023\)](#)

[Approach to Public Safety and Economic Development](#)

**Appendix A: Additional Long-Term Recommendations****A.1 Improve contracting and procurement processes and oversight**

Oakland's complex contracting and procurement processes makes it challenging for small local businesses to effectively bid on projects. While well-intended, the outdated systems, bespoke small business certifications and requirements, and complex requirements and rules can serve as a deterrent to businesses actually bidding on Oakland projects. In addition, Oakland has recurring challenges with paying vendors in a timely manner, which disproportionately affects under-capitalized small businesses. As a result, many businesses either cannot successfully navigate the City's process, or choose not to, decreasing competition for Oakland's bids and driving up prices for taxpayers.

At the same time, the City, Council, and the public has limited visibility into the effectiveness of approved contracts and grants. Performance and outcomes are not well-monitored or tracked, making it difficult to evaluate whether vendors or grantees should have existing contracts extended or reopened for competitive bidding at the end of the initial term.

In March 2024, Baker Tilly provided a comprehensive report outlining 24 recommendations for improving the effectiveness of Oakland's contracting and small business procurement programs. Some of the most critical outstanding items include centralizing procurement and contract management, by establishing a Purchasing Bureau and creating a central contracts database, as well as updating the purchasing manual and streamlining processes for either procurement or bidding (or both), especially for smaller contracts. BAC supports these efforts to ensure taxpayer dollars are used effectively and efficiently for delivering City services and resources.

A.2 Continue improving police overtime management

In FY 25-26, actions taken by Council and OPD were successful at managing overtime and keeping it within budget. However, traditionally, OPD overtime overruns have been one of the largest sources of budget variations, leading to disruptive midcycle adjustments. The City Auditor's 2019 Police Overtime Audit found numerous strategies to address and ensure effective management of overtime. As of the latest update, in 2022¹⁰, over a dozen items remained outstanding to be implemented. The City Council could request the Auditor provide an updated review

¹⁰ Oakland City Auditor,
https://www.oaklandauditor.com/wp-content/uploads/2022/01/20220113_OPD-Overtime-Recommendation-Follow-up-Report-on-2019-OPD-Overtime-Audit-1.pdf



of the Police Overtime Audit and identify and recommend next steps for any outstanding items.

A.3 Support implementation of the Oakland Fire Department's Ambulance Program and explore smart asset modernization

The Proposed Midcycle Budget would begin establishment of an Ambulance Program within the Oakland Fire Department, preparing it to run municipal ambulance services once the existing Alameda County contract expires in two years. Running its own ambulance service will enable OFD to charge fees for calls for medical service, helping to diversify the Department's revenue streams and simultaneously improve service to the community.

Expanding OFD's services to include ambulances may require additional reconfigurations to engine companies, fire stations, or other facilities or equipment. As part of this modernization process, OFD could also explore opportunities to add smaller, light-duty vehicles to its fleet for non-fire emergency services, reducing wear and tear on expensive full-sized fire engines (and on city streets). Other fire departments, such as Nashville, have begun deploying these smaller vehicles for EMS, elevator rescue, and other light rescue operations to similarly save costs¹¹.

A.4 Establish a citywide trenching standard and financial assurance protocol

With the issuance of over \$300 million in paving bonds, it is important that the money be used efficiently to maximize community benefits. Historically, there has been limited coordination between paving and trenching operations (such as through DPW, EBMUD, or PG&E), resulting in recently paved streets being dug up to access underground utilities, and potentially not being repaired correctly. Given paving now in progress, there is some urgency in implementing the following:

1. Where large scale trenching is planned, for example for utility undergrounding, coordinate planned paving so it occurs after major trenching occurs.
2. Publish a city wide trench repair standard and require a financial assurance of repairs such as a bond to ensure repairs are adequately completed before the bond is released. Any trenching permit should require acknowledgment of the standard and comply with

¹¹ Fire Apparatus Magazine, <https://www.fireapparatusmagazine.com/features/nashville-tn-fd-running-eight-rosenbauer-s-quad-response-trucks-for-ems-calls-mvas/>



requirements such as third party verification of compaction to prevent damage in the public right of way.

Council should ask DOT for any current policies on trenching and paving, and any recommended updates to these policies to support their efforts to maintain the public right of way.

A.5 Support economic development efforts with public safety improvements and vice versa

Public safety and economic development are almost inextricably linked. As previously established, businesses have been documented leaving Oakland when their property, employees, and/or patrons feel unsafe¹². At the same time, a lack of economic opportunities, especially for young men, has been correlated with higher levels of violent crime¹³. While neither is a cure-all—a safe community does not guarantee a thriving economy, and people with jobs still commit crimes—Oakland’s challenges are unquestionably exacerbated by the combination of high levels of violent and property crime *and* high levels of unemployment, especially among young Black and Hispanic/Latino men. The 2018 Oakland Equity Indicators Report found that nearly 15% of Black youth age 16 to 24 were out of work and out of school; similar data from the U.S. Census shows that unemployment for Black men in Oakland age 20-24 was roughly 23% ($\pm 13\%$) as recently as 2024, in contrast to only 4.5% ($\pm 4.7\%$) for White men of the same age¹⁴.

Oakland’s existing targeted violence prevention programs could potentially be further strengthened with broader workforce and economic development initiatives that aim to provide opportunities to people whose circumstances might otherwise push them towards illegal activities. In addition, Oakland’s policing efforts could be made more efficient to help further enable these economic development and job opportunities.

Some potential strategies are outlined below:

- Prioritize and support implementation of the Economic Development Action Plan, and convene planning session in fall of 2026 with Oakland Chamber to

¹² NBC Bay Area,

<https://www.nbcbayarea.com/news/local/businesses-leaving-oakland-crime/3440618/>

¹³ Brookings,

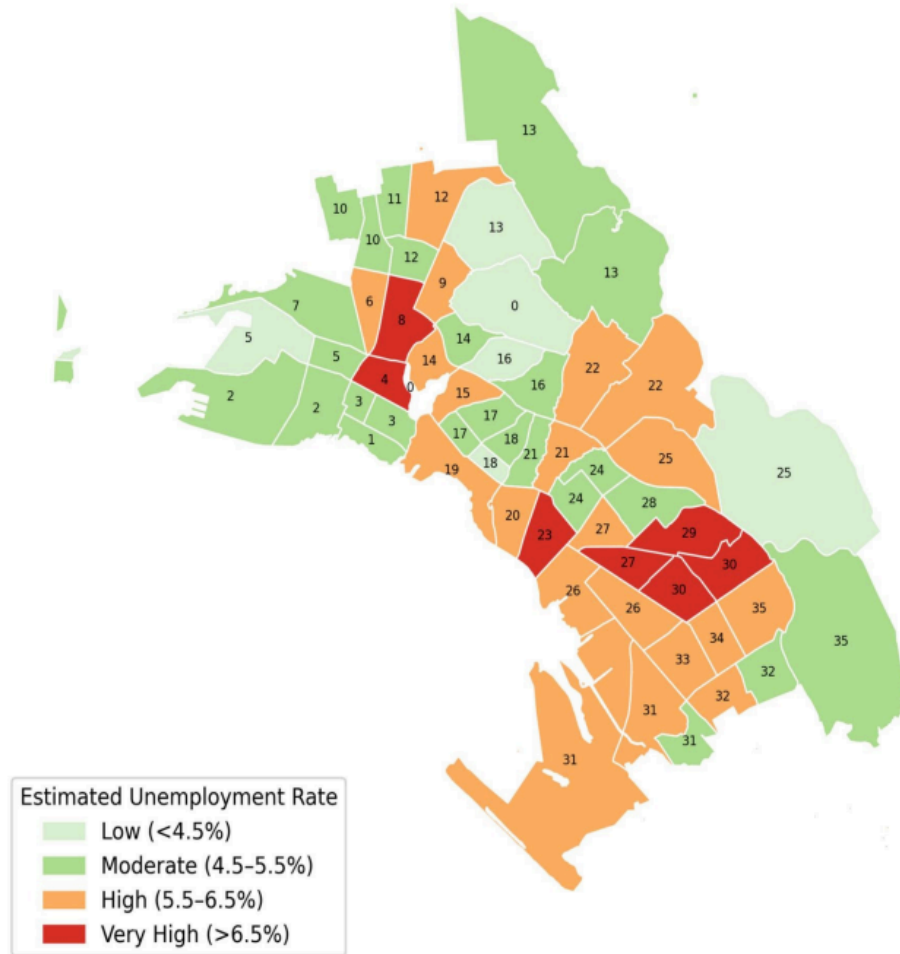
<https://www.brookings.edu/articles/why-did-u-s-homicides-spike-in-2020-and-then-decline-rapidly-in-2023-and-2024/>

¹⁴ Based on an analysis of U.S. Census Public Use Microdata Sample (PUMS) Data using Codex (GPT-5.5-High), <https://www.census.gov/programs-surveys/acs/microdata.html>



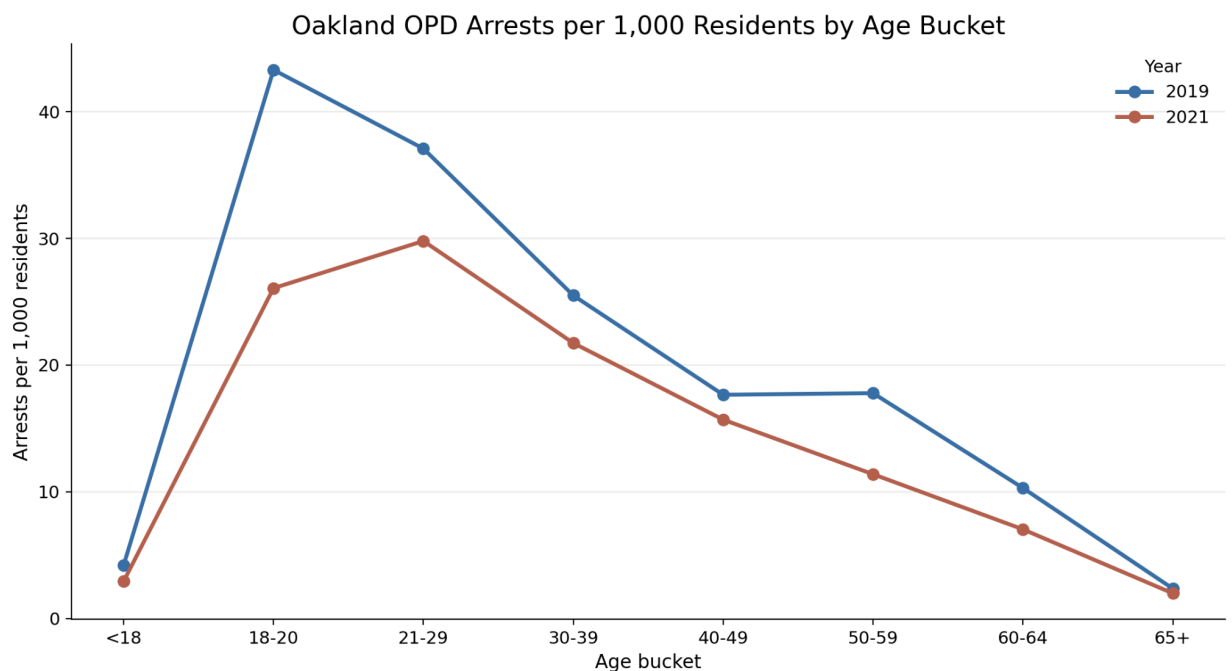
plan for next budget cycle. Oakland's newly developed Economic Development Action Plan includes strategies for attracting and growing key sectors, sustaining and supporting existing businesses, building Oakland's workforce, investing in place-based strategies, and supporting Oakland's arts and culture sector. These strategies are essential for attracting and retaining businesses, and helping Oakland residents get the job training they need to work in these local businesses.

- Prioritize targeted workforce development as a public safety initiative component of EDAP, working closely with the Oakland Chambers of Commerce and its workforce development effort. Unemployment has been shown to be highly correlated to crime, especially property crime, and in Oakland, unemployment is highly geographically concentrated. Crime has also been seen to be more prevalent in vulnerable aged youth. This needs to be taken into consideration in workforce development plans. Given the close correlation between unemployment and crime, this needs to be considered an important public safety priority. Economic and workforce development funds in Oakland have been cut over 60% since 2023, often as a result of concerns about public safety. By prioritizing workforce development proactively, crime can be reduced in the long term while at the same time increasing quality of life for Oakland residents.



Oakland Unemployment Rate by Police Beat

Looking at the distribution of crime by age helps us understand how to better target our efforts.



Source: OPD Arrests by Age & Gender workbook; Census ACS1 B01001 Oakland city population. Rates use total arrests, not unique persons arrested.

Arrests per 1,000 residents by age bucket. Data from Oakland Police Department¹⁵ and U.S. Census (American Community Survey).

Many cities such as Boston have found it productive to provide summer jobs for students when school lets out¹⁶, resulting in 35% reduction in violent crime and 29% reduction in property crime, for participants. These factors can help better focus our EDAP efforts so as to improve public safety.

- Continue existing violence prevention programs in cooperation with OUSD. Oakland's Ceasefire and other violence prevention efforts have been shown to be effective. However, key funding for violence prevention efforts within Oakland's public school system is slated to expire this year¹⁷. While it appears that the Proposed Midcycle Budget may not include funding for OUSD

¹⁵ Oakland Police Department Arrests Dashboard, <https://app.powerbigov.us/view?r=eyJrIjoiaMzZkODc3OWYtOWY2Yy00MWZkLTg4YjEtOGZkNTJhNjYzM2Q2liwidCI6Ijlk4OWEyMTgwLTZmYmMtNDdmMS04MDMyLTFhOWVlOTY5YzU4ZCJ9&pageName=ReportSection0c973751e9159c87efbb>

¹⁶ Brookings,

<https://www.brookings.edu/articles/how-can-summer-jobs-reduce-crime-among-youth/>

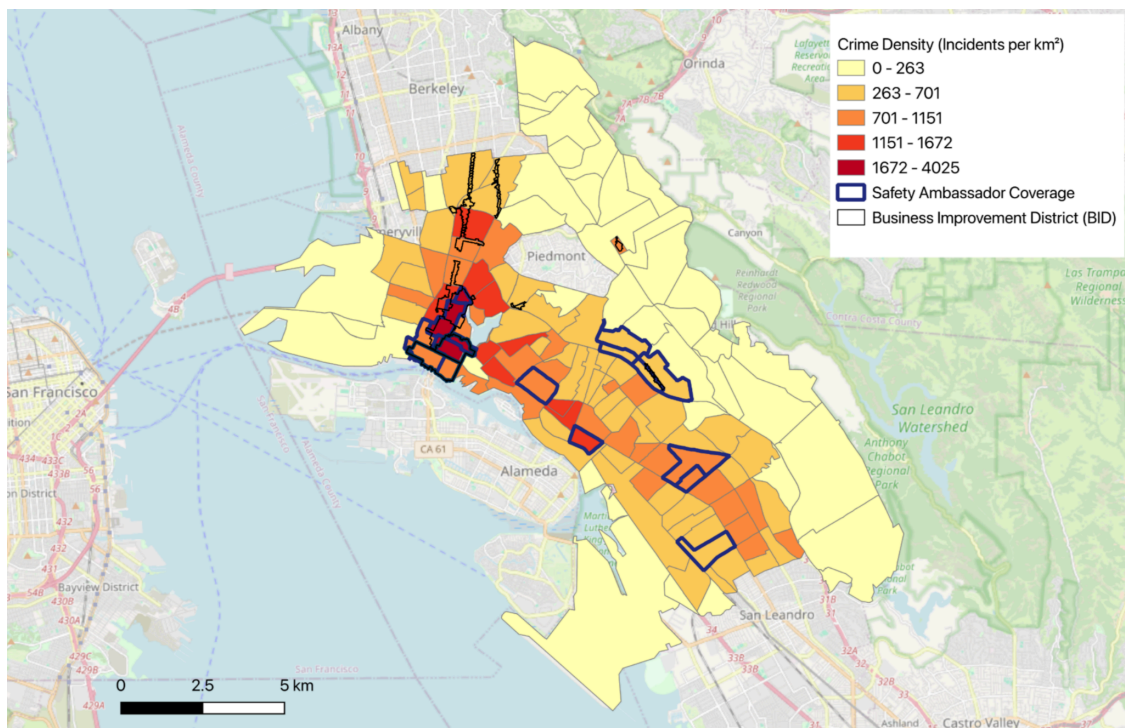
¹⁷ Oaklandside,

<https://oaklandside.org/2026/02/17/funding-oakland-high-schools-violence-intervention-at-risk/>



violence prevention effort, DVP should seek opportunities to collaborate with OUSD and support their efforts to identify or bring in additional resources to sustain the in-school initiatives.

- Continue supporting and expand public safety ambassadors program. The presence of “eyes on the street” helps to deter criminal behavior¹⁸ and can help either deter, address, or call for non-sworn assistance as needed, with other antisocial or mental health-related behaviors. The Public Safety Ambassadors Program currently serves Uptown/Downtown, Chinatown, Jack London Square, Diamond, Laurel, San Antonio, Little Saigon, Fruitvale, Elmhurst, Havenscourt, and Hegenberger business corridors¹⁹. The program has been cost-effective, and could potentially have greater impact if it were expanded to other areas such as Telegraph Ave (Temescal), West Oakland (Prescott), Lakeshore/Grand, San Pablo Ave, Piedmont Ave, or Rockridge.



Current Public Safety Ambassador coverage per Resolution 90936 CMS and Crime Intensity from Oakland Data Portal

¹⁸ Journal of Public Economics, <https://www.sciencedirect.com/science/article/abs/pii/S0047272725000143>

¹⁹ Oakland City Council Resolution No 90936 CMS, <https://oakland.legistar.com/LegislationDetail.aspx?ID=7704363&GUID=B307652B-9C70-434C-B2E9-985724DBEF8D&Options=ID|Text|&Search=90936>



- Fully implement City Auditor recommendations on 911 staffing and police beats. The City Auditor's 2025 report²⁰ shows that inadequate 911 staffing and outdated police beat boundaries lead to slow and inequitable police response times. It is notable that the staffing shortfalls are not the result of insufficient budget allocations, but rather that budgeted positions remain chronically vacant. Fully implementing the City Auditor's recommendations can improve outcomes for residents and help Oakland align with statewide best practices.
- Improve deployment and retention of sworn police officers. Roughly 17% of police officers on payroll are unavailable for deployment (for a variety of reasons), and roughly 70 sworn officer positions are funded but vacant. There may be additional opportunities to either improve deployment, retention, or efficacy of sworn police officers through changes in policy and practices. Some potential approaches could include evaluating patrol assignment methods (OPD may use a seniority-based assignment, where junior officers perpetually get undesirable patrols, and the most experienced officers may not be deployed where their experience would be most beneficial), evaluating how MACRO dispatch protocols or practices could be improved to further reduce OPD workload, reviewing police logging and oversight processes to reduce duplicative or redundant reporting, and/or updating the process for appointing the police chief to ensure accountability to community needs.

²⁰ Oakland City Auditor,
https://www.oaklandauditor.com/wp-content/uploads/2025/10/20251008_9-1-1-Emergency-Response-Times-Audit.pdf