



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Bradley Johnson
Finance Director

SUBJECT: Multi-year Plan to Meet Voter-
Mandated Staffing and Service Levels

DATE: January 12, 2026

City Administrator Approval


[Jestin Johnson \(Jan 29, 2026 18:27:33 PST\)](#)

Date: 01/29/2026

RECOMMENDATION

Staff Recommends That The City Council Receive An informational Report Addressing The Oakland Roadmap To Fiscal Health's Objective Of Presenting A Phased, Multiyear Plan To Move The City Toward Compliance With Voter Mandated Staffing, Service Levels And Other Agreements.

EXECUTIVE SUMMARY

Oakland voters and the City Council have approved several ballot measures and mandates requiring minimum staff or service levels. These include voter-approved ballot measures (such as Measures Q, C, D, N, W, AA, and NN), labor agreements such as the Fire Memorandum of Understanding (MOU) and advisory board recommendation such as the Sugar-Sweetened Beverage Tax Advisory Board's guidance for Measure HH allocations. These obligations span more than a dozen City funds.

BACKGROUND / LEGISLATIVE HISTORY

The City Council approved an amended Consolidated Fiscal Policy ([Ordinance No. 13487 C.M.S.](#)) on May 15, 2018, which directs staff to produce a Five-Year Financial Forecast as part of the biennial budget development process. The current Forecast was presented to the Finance and Management Committee on May 27, 2025, and received and filed by the City Council on June 3, 2025. The [Oakland Roadmap to Fiscal Health](#) (Roadmap) was a supplemental to this Forecast and established strategies proposed over the coming three fiscal years to address the City's projected mid- and long-term financial challenges. The Roadmap, passed by the City Council on July 15, 2025, builds upon and further details strategies initially presented in a budget balancing report to the City Council on December 17, 2024.

Due to the City's recurring budget deficits, some of these requirements have been suspended or only partially funded in recent years. As an element of the City's Roadmap, this report presents an initial framework for achieving full Maintenance of Effort (MOE) compliance over time. It

Finance and Management Committee
February 10, 2026

outlines expenditure and revenue considerations, a phased implementation timeline centered around Measure NN (Community Violence and Emergency Response Act of 2024), and key risks and uncertainties that could affect the City's ability to meet these obligations.

Multiple measures have been approved by Oakland voters that set minimum service, funding, or staffing levels, creating oversight structures, or dedicating revenues to specific activities and uses. For more info on the respective measures and the requirements see **Attachment A**.

In addition to these measures, certain labor agreements such as the Fire MOU and advisory body recommendations such as Measure HH's SSBT Advisory board allocations have established funding expectations for investments in certain service areas. Due to recurring structural deficits, however, many MOE requirements have been suspended in recent years.

ANALYSIS AND POLICY ALTERNATIVES

Cost Containment as a Prerequisite

Before the City can restore suspended programs or expand services, it must first bring baseline operating costs under control. A core prerequisite to any multi-year compliance plan is maintaining strict cost containment.

The City's structural budget deficit has persisted over multiple budget cycles. Without firm cost controls, any new or increased revenues will continue to be quickly offset by rising expenditures. As such, departments will be expected to absorb inflationary and operational increases within their existing appropriations.

The launch of new programs or service enhancements should be deferred until MOE and other mandated obligations are met. This approach ensures that the City's limited discretionary resources are directed first to voter-mandated or legally required services before considering new commitments.

Status of Funded and Unfunded MOEs and MOUs

The Fiscal Year 2025-27 Adopted Budget fully or partially funds several voter-approved measures and negotiated. Others remain suspended or unfunded due to the City's ongoing structural deficit.

Staff analyzed a total of 21 measures and agreements across multiple funds. While this report focuses primarily on voter-approved local measures, the analysis and implementation plan also include other items such as the Fire MOU, and SSBT Advisory Board's funding recommendations. This comprehensive approach ensures that the City's long-term plan reflects all major staffing and service obligations, not only those defined by MOEs, but also agreements and advisory commitments the City intends to fund.

Notably, more than half of these requirements are currently being met, which is a significant achievement given the City's ongoing fiscal constraints.

Table 1 below provides a summary overview of the current funding status for the City's local measures and agreements.

Table 1: FY 2026-27 Adopted Budget Summary of Measures and MOU Current Funding Status

Fund / Measure / MOU	Requirement Met?	Additional Amount Needed
1030 - Measure HH (SSBDT)	No	\$4,007,472
1780 - Kid's First Oakland Children's Fund	Yes	-
1870 - Affordable Housing Trust Fund	No	\$6,237,177
2241 - Measure Q/C-Library Services Retention & Enhancement	No	\$2,752,267
2243 - Measure D: Parcel Tax to Maintain, Protect & Improve Library Services	Yes	-
2244 - OPR Preservation, Litter Reduction, Homelessness Support Act Measure Q	No	\$2,040,870
2250 - Measure N: Fund	Yes	-
2253 - Oakland Zoo Fund	Yes	-
2254 - Measure MM - Wildfire Protection Zone	Yes	-
2255 - Measure NN - Community Violence & Emergency Response Act of 2024	No	\$18,615,464
2261 - Measure AA - Oversight	Yes	-
2262 - Measure AA - Early Education	Yes	-
2263 - Measure AA - Oakland Promise	Yes	-
2270 - Vacant Property Tax Act Fund (Measure W)	Yes	-
2412 - Alameda County: Emergency Dispatch Service Supplemental Assessment (Measure M)	Yes	-
2419 - Measure C: Transient Occupancy Tax (TOT) Surcharge	Yes	-
Public Ethics - Measure W (Democracy Dollars)*	No	\$4,997,283
Public Ethics - Measure OO (Minimum Staffing +)*	Yes	-
Auditor - Measure X (Minimum Staffing +)*	No	\$169,078
Police Commission - LL & S1 (Minimum Staffing +)*	Yes	-
Fire MOU*	Yes	-
Grand Total		\$38,819,611

* Measures/MOU funded by the General Purpose Fund

Expenditure Considerations

GPF Analysis

This analysis centers on the General Purpose Fund (GPF) because it is the City's largest source of unrestricted revenue. This evaluation of MOE requirements and MOU specifically examines current GPF allocations and identifies opportunities, where necessary, to redirect spending in order to meet voter-mandated requirements.

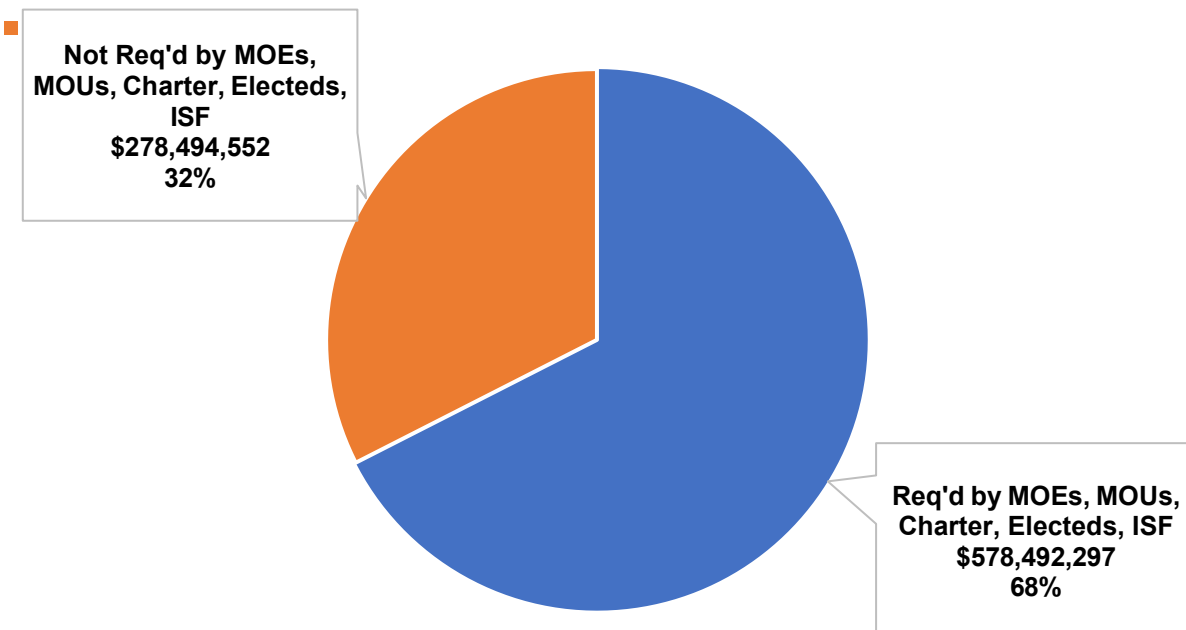
For the FY 2026-27 Adopted Budget, staff reviewed each department's expenditures to distinguish between those that are required to meet MOE or MOU obligations, and which are

not tied to any such mandate. In theory, funds not needed to fulfill these legally or voter-required obligations could be reallocated to help achieve full compliance with outstanding mandates.

Out of the \$856 million GPF FY 2026-27 Adopted Budget, \$504 million is tied to funding the staffing, services, and obligations needed to meet MOE or MOU compliance. This has been determined by analyzing all local measure requirements which primarily include public safety, library services, youth services, public works, and minimum staffing requirements in Police Commission, Public Ethics, and the Auditor's office. An additional \$74 million, although not restricted by an MOE or MOU, supports Charter provisions such as elected offices and also funds internal service operations. This leaves approximately \$278 million in unrestricted services that may be reduced or eliminated to fill the funding gap of \$38.8 million to be fully compliant with all MOE's/MOU's. These "unprotected" services primarily include City-Wide Administration, Civilian staffing in Fire and Police, Parks & Recreation, Animal Services, Senior Services, Parking enforcement, Cultural Assets/Grants and additional youth-services. Although these services are technically tied to supporting MOE/MOU compliance, there are positions and services that are essential for day-to-day city operations. For example, the City Attorney's Office and IT services are not tied to a specific mandate, yet both are critical for maintaining basic governmental functions such as legal compliance and cybersecurity, respectively.

Chart 1 shows a summary of the GPF budget for by MOE/MOU related appropriations. See **Attachment B** for a breakdown by department.

Chart 1: FY 2026-27 Adopted GPF Budget by MOE/MOU-Related Appropriations



Revenue

Expenditure cuts alone to close the remaining funding as gap are not a realistic solution without significant reductions to major services areas. As such, in order to maintain current service levels while achieving full compliance with MOEs and advisory requirements, the City will require new, ongoing revenue sources.

Administration recently presented an [informational report](#) outlining possible revenue options to general an additional \$40 million in ongoing revenues to maintain operations and support key systems such as 911 dispatch, IT infrastructure, and public safety. While that analysis addresses the broader fiscal deficit, it highlights the same structural issues existing in this context of the City's revenue base not able to sustain existing services, much less fund all MOEs and MOUs. The [supplemental report](#) provided additional detail on how those tools could be structured, their revenue potential, and associated legal of administrative considerations.

The revenue options identified in the earlier \$40 million analysis remain applicable for consideration in this context. Those same strategies could be considered to generate the additional revenue needed.

Staff is happy to conduct additional research on potential revenue options that Council may wish to explore and refine further as this process continues. These approaches collectively highlight that Oakland's fiscal challenges extend beyond MOE compliance. Even with prudent cost containment, the City's existing revenue base is insufficient to sustain current operations AND meet all voter-mandated service levels over time.

Implementation Timeline for MOE Compliance

The following scenario presents one possible approach for achieving full compliance with voter-mandated MOE and advisory measures. This framework is intended as a starting point for Council discussion; the timeline and prioritization may be modified based on Council direction.

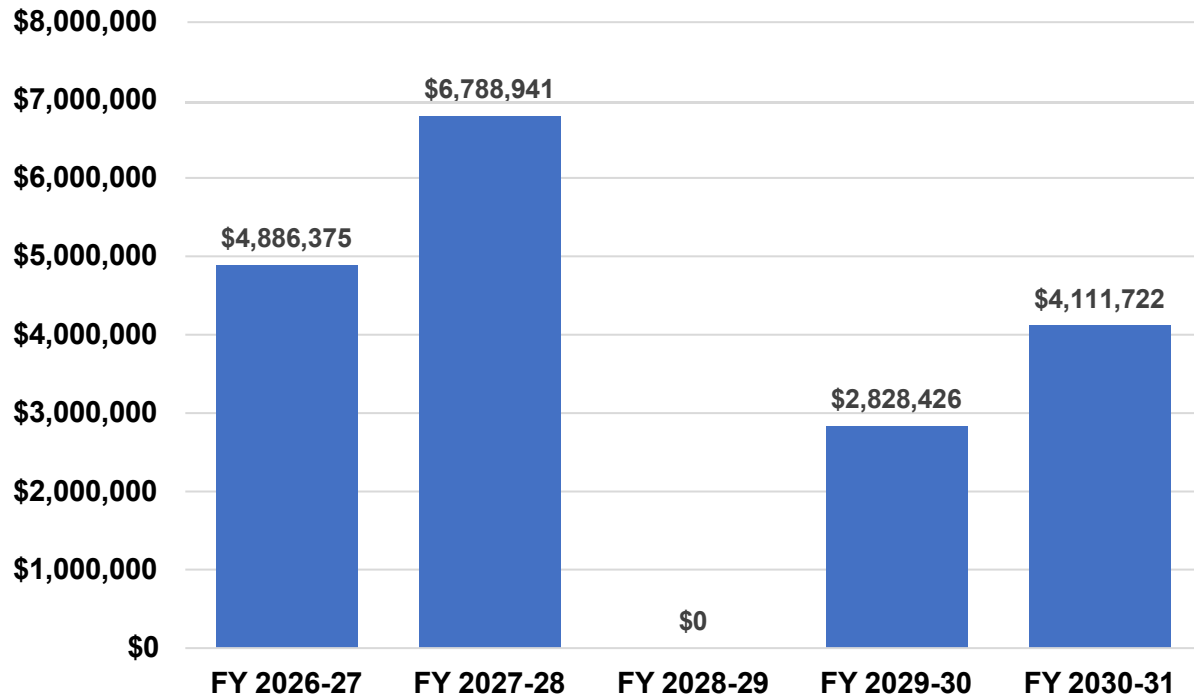
City staff met with several community and advocacy groups representing the local measures to gather feedback on this outlined phased approach. Feedback was fairly acceptable with the exception that the approach does not show the additional increase in City costs over the five years. With so many uncertainties with future costs, this was not a viable option at this time. Because Measure NN – Community Violence and Emergency Response Act of 2024 represents the largest financial and operational commitment, this scenario centers implementation around that measure. The plan assumes implementation begins in FY 2027-28, with Measure NN phased in over a four-year period. Other measures are distributed across the same period with Measure X front-loaded for early completion and Measure W backloaded to the end of the five-year plan.

Measure NN – Implementation Plan by Year

To comply with Measure NN, Oakland's Community Violence & Emergency Response Act of 2024, the City must budget and maintain at least 700 sworn officers by July 1, 2026, to collect the full parcel tax. Failure to meet this requirement suspends the tax for that fiscal year, unless exceptions for loss of special funding or a severe financial crisis apply. The FY 2025-27 Adopted Budget currently allocates funding for 678 sworn police officers, falling short of the

Measure NN requirement by 22 officers. To support this long-term goal of reaching and sustaining 700+ officers while accounting for typical monthly attrition of around six officers, the Oakland Police Department would need to commit to running approximately seven police academies per biennial budget cycle (roughly 3-4 academies per fiscal year on average). Each academy would start with an average of 38 Police Officer Trainees. Below is **Chart 2** showing new cost additions in each fiscal year.

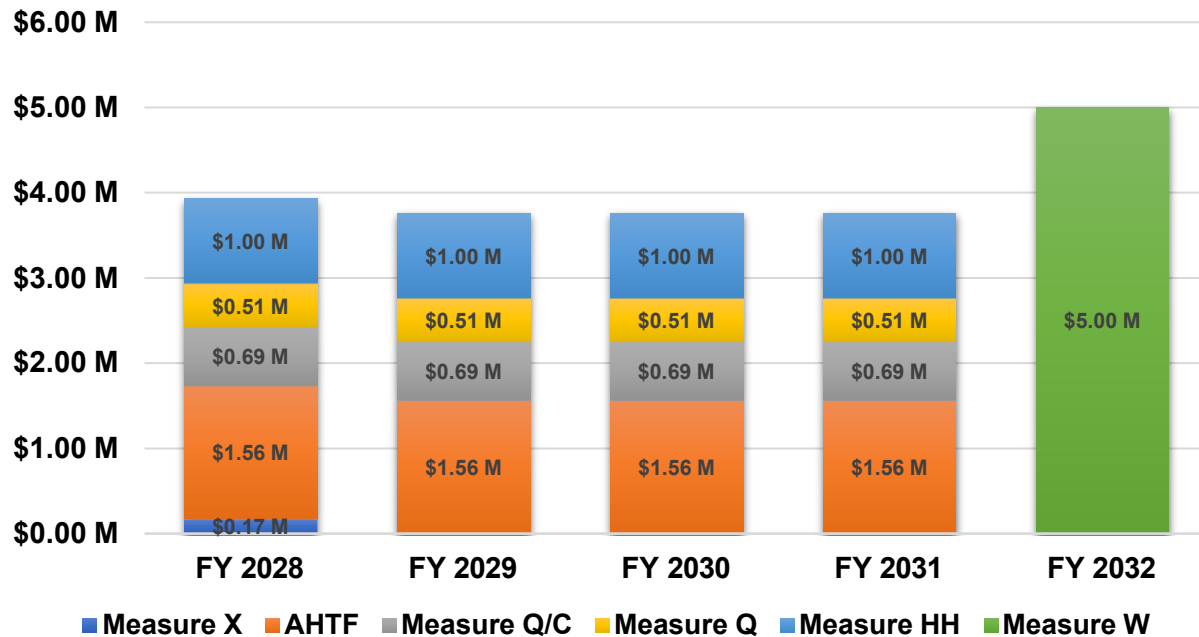
Chart 2: Measure NN Over 5 Years – New Additions in Each Fiscal Year



All Other Measures – Implementation Plan by Year

In parallel with Measure NN, the remaining measures work towards compliance over the same five-year period. Below is **Chart 3** showing new cost additions in each fiscal year.

Chart 3: Other Measures Over 5 Years – New Additions in Each FY



Because the City lacks the capacity to fund full compliance for all measures simultaneously, phasing implementation allows for prudent management and ramp up to program readiness. If the Council elects to fund past of the plan through service reductions, the five-year period will provide a transition period to wind down or realign affected programs.

Risks and Uncertainties

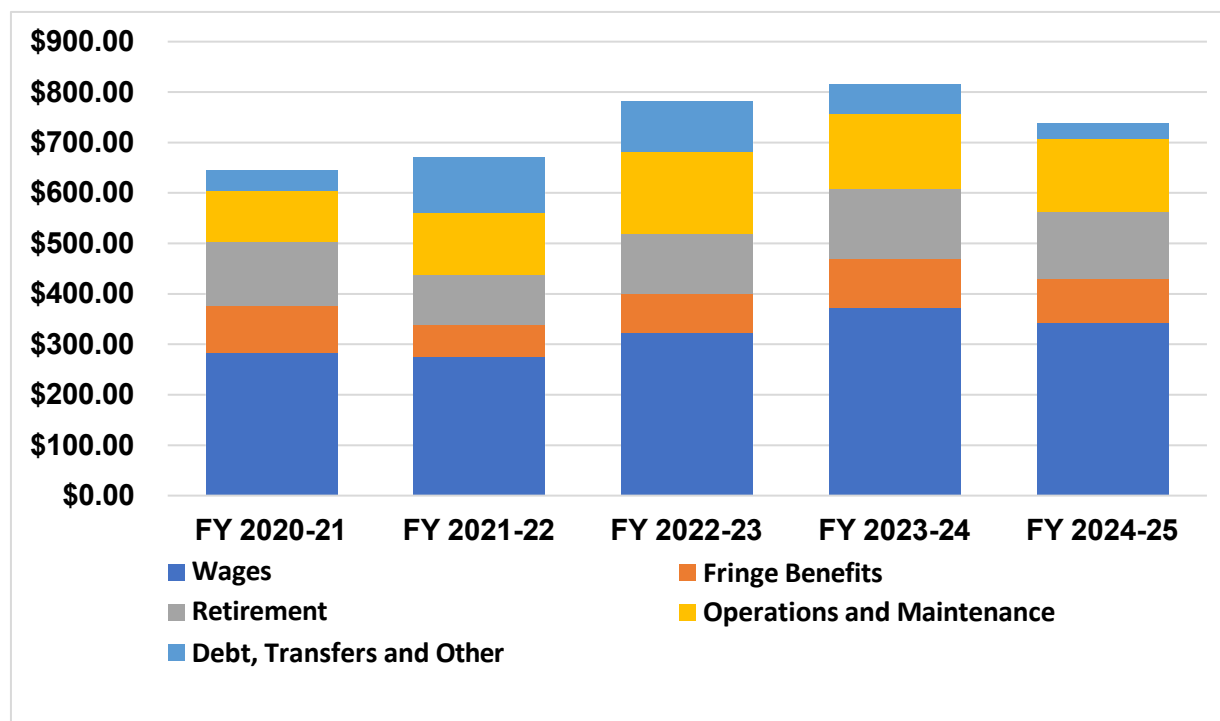
Even with a phased approach and new revenue strategies, several risks could affect the City's ability to meet MOE compliance targets:

Labor and Benefit Cost Growth

Personnel costs represent the largest portion of the City's GPF. Most employee labor agreements are scheduled for renegotiation within the next year. Any increases in salaries or benefits, particularly health care costs, will place additional pressure on the budget. These costs tend to rise faster than general revenues, meaning that even modest contract adjustments could absorb a meaningful portion of the resources intended for MOE compliance.

Additionally, the City's expenditures have accelerated recently due to ongoing costs funded by one-time resources. **Chart 4** below provide a summary of expenditures.

Chart 4: General Purpose Fund expenditures (in millions)



Federal and State Funding Instability

Many City programs rely on federal and state grants to supplement local dollars, particularly in areas such as homelessness services, youth programming, and early childhood education. Shifts in federal policy, budget reductions, or new restrictions could reduce or eliminate funding streams that the City has historically relied on. If grant revenues decline, the City may need to backfill services with the GPF to avoid immediate service cuts. This would delay progress toward compliance or force a reprioritization of limited resources. A separate informational memo on the status of federal and state funding provides additional detail and is incorporated [here](#) by reference.

Revenue Performance and Market Conditions

Any revenue measure brought forward to support MOE compliance carries inherent uncertainty. Even if a measure were to pass, actual performance may vary due to the real estate market, inflation, business activity, interest rates, and broader economic trends all affect how much revenue certain taxes will actually generate. Since MOE compliance will require sustained, ongoing revenues rather than one-time solutions, underperformance in any new revenue measure could delay or disrupt the implementation timeline.

FISCAL IMPACT

The report is provided for informational purposes only and does not generate any fiscal impact for the City. The anticipated cost to achieve full MOE and MOU compliance is estimated at approximately \$38.8 million annually, requiring new ongoing revenue sources or reallocation of existing services.

PUBLIC OUTREACH / INTEREST

City staff met with several community and advocacy groups representing libraries, youth and public safety interests, to gather feedback on this outlined phased approach.

COORDINATION

This report was prepared by the Finance Department in coordination with the City Administrator's Office.

SUSTAINABLE OPPORTUNITIES

Economic: The path to fiscal health for the City of Oakland requires a sustained multi-year effort, moving beyond a focus on maintaining fiscal solvency to attaining the fiscal health necessary to provide quality services, support the City's workforce, and achieve the financial resiliency necessary to weather future financial shocks.

Environmental: There are no environmental opportunities associated with this action.


Race & Equity: Adoption of this resolution would have no direct identifiable impacts on race and equity but does support the adopted FY 2025-27 Biennial Budget which specifically addresses areas of affordable housing and homelessness, jobs and economy, public safety and violence prevention, and clean, healthy and sustainable neighborhoods, all of which have equity considerations. Budgets have significant and complex effects on vulnerable communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An informational Report Addressing The Oakland Roadmap To Fiscal Health's Objective Of Presenting A Phased, Multiyear Plan To Move The City Toward Compliance With Voter Mandated Staffing, Service Levels And Other Agreements.

For questions regarding this report, please contact Michelle Soares, Sr. Budget & Management Analyst, ext.6806.

Respectfully submitted,


Bradley Johnson (Jan 27, 2026 17:48:02 PST)

BRADLEY JOHNSON
Finance Director

Reviewed by:
Rina Stabler, Budget Administrator (Interim)
Monica Elise Davis, Deputy City Administrator

Prepared by:
Finance Department – Budget Bureau
Asti Jenkins
Walter Silva
Michelle Soares

Attachments (2):

Attachment A - Mandated Staffing and Service Levels

Attachment B - FY 2026-27 Departmental Biennial GPF Budget by MOE and MOU