



# FY 2026/27 BUDGET RECOMMENDATION

Staff and Budget & Personnel Committee  
By: Shamika Cole, Finance Director

June 18, 2026

# Key Points for Discussion:

1. How much money are we starting FY 2027 with?
2. How much FY 2027 revenue is projected?
3. What cost increases are anticipated for the upcoming fiscal year?
4. What new expenditures are required or necessary?
5. What is the Board's anticipated target reserve level for next year?

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**\$8,321,425** Expenditures

Q1:  
HOW MUCH  
MONEY ARE WE  
STARTING WITH?

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**\$9,796,000** in Revenue

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Uncommitted Reserve: **\$4,600,000**

A:  
FY 2026 YEAR-END  
PROJECTIONS

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Capital Reserve: **\$0**

# FY 2026 YEAR-END PROJECTIONS



Salary Savings



Compliance Efforts



Increased Registration Revenue



# FY 2026/27 Budget Proposal

Projected Revenues =  
\$10,251,500

Projected Expenditures =  
\$11,298,855

Projected Budget Deficit  
=(\$1,047,355)



Q2:  
How much FY  
2027 revenue is  
projected?

A:  
Anticipated  
Revenue by fee  
structure

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Total FY 2027 Projected Revenue:

**\$10.25 million**

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Fully Covered: \$8.54 million

Partially Covered: \$1.46 million

Registration Penalties: \$250k

Miscellaneous (admin/copy fees): \$2K

# Registration revenue projections

Revenue Type	FY 2025 Units	FY 2025 Total	FY 2026 Units	FY 2026 Total	FY 2027 Units	FY 2027 Total
Fully Covered	20,000 x \$344	\$6.88M	21,500 x \$344	\$7.39M	21,500 x \$397	\$8.54M
Partially Covered	5,200 x \$212	\$1.12M	6,000 x \$212	\$1.27M	6,000 x \$244	\$1.46M
<b>TOTALS</b>	<b>25,200</b>	<b>\$8.2M</b>	<b>27,500</b>	<b>\$8.6M</b>	<b>27,500</b>	<b>\$10.2M</b>

# Other revenue projections

Revenue Type	FY 2027 Total
<b>Penalties</b>	\$250,000
<b>Misc Fees (admin/copy)</b>	\$2,000
<b>TOTALS</b>	<b>\$250,200</b>

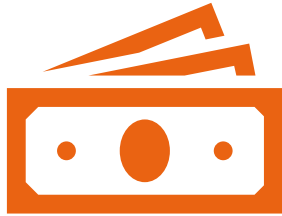
Q3:  
**What cost increases are anticipated for the upcoming fiscal year?**

A:  
Professional Services  
Special Projects  
Personnel Costs  
Facility Costs  
Baseline Expenditures



FY 2027  
\$2,281,850

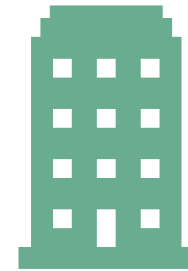
# Baseline Cost Increases



**Salary and COLA  
increases**



**Tenant Improvement  
Cost**



**Rental/Property  
Expenses**

Q4:  
**What new expenditures are required or necessary?**

A:  
Personnel Costs  
Professional Services  
Special Projects



**Personnel Costs:**

- Salaries increased from \$4.26M to \$4.43M
- Fringe Benefit increased from \$2.8M to \$2.9M
- New FTE: Office Specialist III



**Professional Services:**

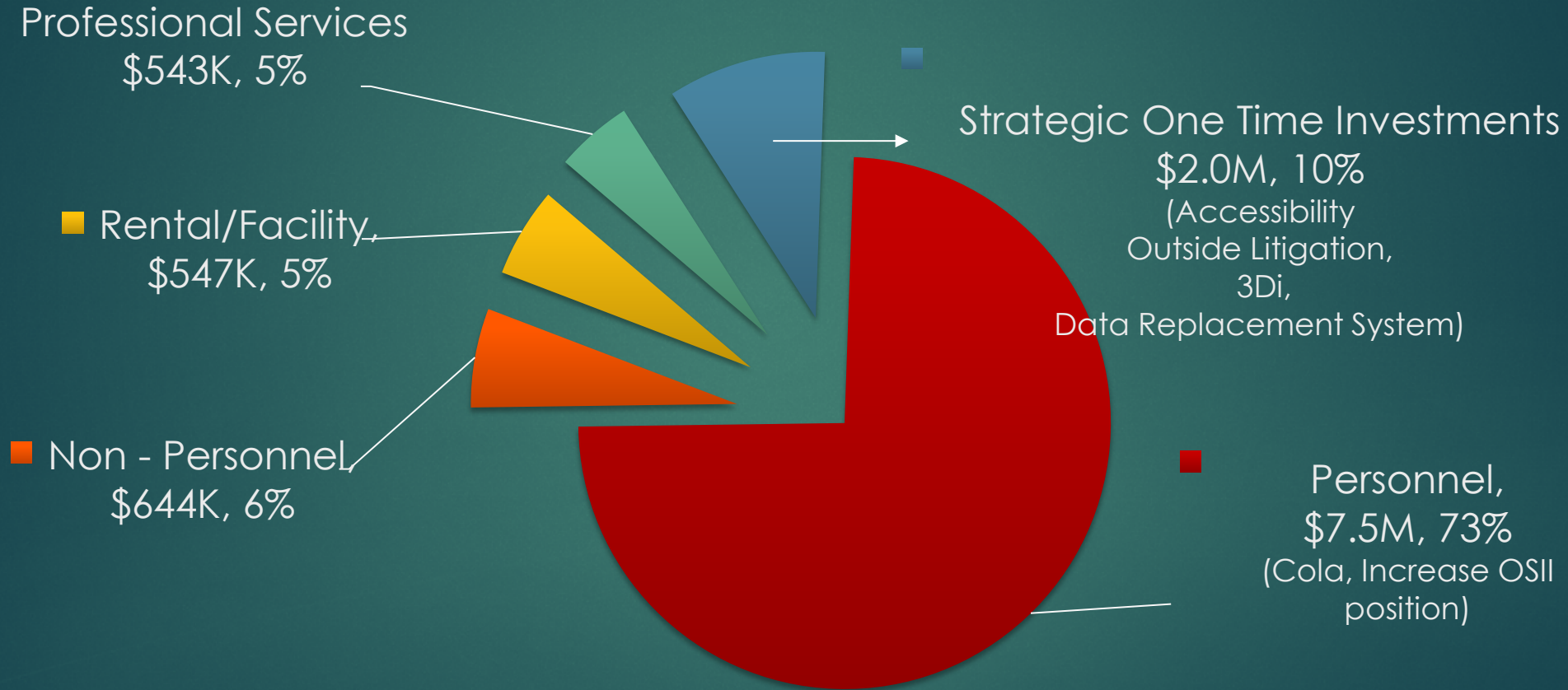
- Increased to \$1.3M
- Increased operational needs
- Data System Replacement
- Ongoing Outside Litigation Costs



**Special Projects:**

- Increased from \$40k to projected \$195K
- 3Di data system
- Accessibility mandates

# FY 2027 Proposed Budget Breakdown



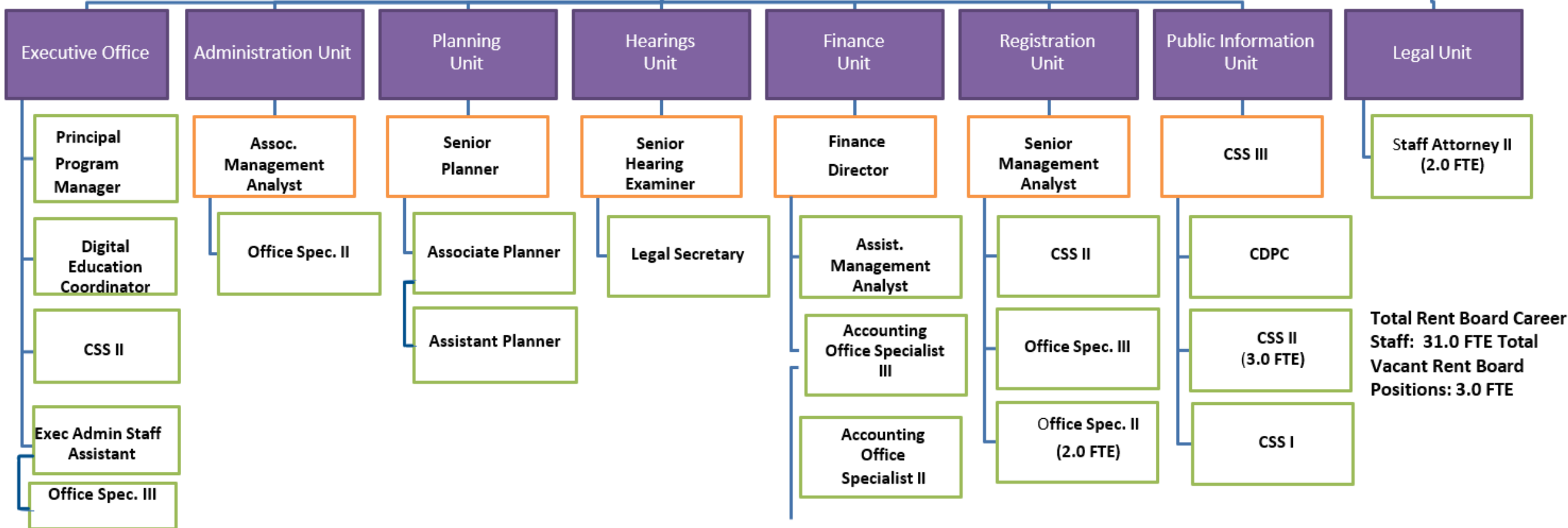
# Berkeley Rent Stabilization Program FY 2027 Organization Chart

Berkeley Voters

9 Elected Rent Stabilization Board Commissioners

Executive Director

General Counsel



Total Rent Board Career Staff: 31.0 FTE  
Total Vacant Rent Board Positions: 3.0 FTE

# FY 2027 Staffing Model - Budgeted Positions

31.0 FTE

3.0 Vacancies

Accounting Office Specialist II  
(Finance)

Office Specialist III  
(Executive Office)

Assistant Planner  
(Planning)



Q5:  
**What is the Board's anticipated target reserve level for next year?**

Total FY 2027 Anticipated Reserve Level:  
~31%

*Projected Reserve Level remains above the minimum target level*

A:  
The agency will begin the fiscal year at a 30% reserve level; including 500K set aside in FY 2027 for unanticipated operational expenses

# Rent Board Reserve Status FY 2026 Year-End

Spending down over  
1M from uncommitted  
reserve

- to cover one-time costs

\$500,000 to capital  
reserve

- Nearly \$500,000 in capital reserve



	Adopted FY 2025	Year End Actuals FY 2025	Adopted FY 2026	Projected Year End Actuals FY 2026	Proposed FY 2027
<b>Recurring Expenditure Subtotal**</b>	8,076,605	6,897,500	8,727,005	7,763,005	<b>9,253,855</b>
Outside Legal Counsel/Services		192,300	250,000	45,220	<b>750,000</b>
Special Projects (Executive Evaluations/Contracts, 3DI, Accessibility)	256,313	256,313	40,000	33,200	<b>195,000</b>
Tenant Improvements/Facility Costs					<b>100,000</b>
Data Replacement System			500,000	480,000	<b>500,000</b>
Capital Reserve					<b>500,000</b>
<b>Total Authorized Fund Expenditures*</b>	<b>8,332,918</b>	<b>7,346,113</b>	<b>9,017,005</b>	<b>8,321,425</b>	<b>11,298,855</b>
	Adopted FY 2025	Year End Actuals FY 2025	Adopted FY 2026	Projected Year End Actuals FY 2026	<b>Proposed FY 2027</b>
Fully Covered Revenue	6,880,000	6,865,830	7,396,000	7,396,000	<b>8,535,500</b>
Partially Covered Revenue	1,120,000	1,062,025	1,272,000	1,700,000	<b>1,464,000</b>
Registration Penalties Revenue	250,000	674,500	250,000	700,000	<b>250,000</b>
Fair Chance Ord. Administration	41,575	0	41,575	0	<b>0</b>
Misc Revenue (Admin, Copy fees)	2,000	0	2,000	0	<b>2,000</b>
<b>Total Authorized Fund Revenue*</b>	<b>8,293,575</b>	<b>8,602,355</b>	<b>8,961,575</b>	<b>9,796,000</b>	<b>10,251,500</b>
Annual Surplus/Shortfall	(39,343)	1,256,242	(55,430)	1,474,575	<b>(1,047,355)</b>
<b>FUND BALANCE (cash basis)</b>	<b>1,898,105</b>	<b>3,154,347</b>	<b>3,098,917</b>	<b>4,628,922</b>	<b>3,581,567</b>
<b>FUND BALANCE (accrual basis)</b>	<b>1,898,105</b>	<b>3,154,347</b>	<b>3,098,917</b>	<b>4,628,922</b>	<b>3,581,567</b>
<b>TOTAL UNCOMMITTED OPERATIONAL (Reserve)</b>	<b>1,384,542</b>	<b>3,154,347</b>	<b>3,098,917</b>	<b>4,628,922</b>	<b>3,581,567</b>

# FY 2027 Budget at a Glance



FY26 ends with approximately **\$4.6M** in reserves.



FY27 includes several significant one-time investments.



Staff and Budget & Personnel Committee recommends using approximately **\$1M** of reserves to fund these investments.



Reserves remain at approximately **31%**, above the Board's target.

# BUDGET & PERSONNEL COMMITTEE FY 2026/27 BUDGET ADOPTION

Proposed Expenditures: \$10,251,500

Proposed Expenditures of \$11,298,855

Minimal anticipated deficit: (\$1,047,355)

Staff anticipate 31% Reserve Level

FY 2026/27 Budget Adoption – June 18

# Overall Budget Recommendation:

Staff and the Budget & Personnel Committee recommends adoption of the FY 2027 Budget because it:

- Maintains core operations
- Funds legally required and strategic investments
  - Preserves a healthy reserve
- Positions the agency for long-term financial stability



Questions?