



Internal

Distributed at the Meeting

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?

\$8,321,425 Expenditures

Q1:
HOW MUCH
MONEY ARE WE
STARTING WITH?

\$9,796,000 in Revenue

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

A:
FY 2026 YEAR-END
PROJECTIONS

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

Total FY 2027 Projected Revenue:

\$10.25 million

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
TOTALS	25,200	\$8.2M	27,500	\$8.6M	27,500	\$10.2M

Other revenue projections

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

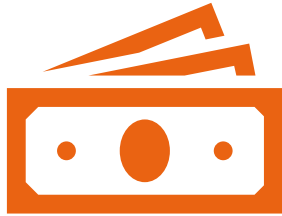
Q3:
What cost increases are anticipated for the upcoming fiscal year?

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



FY 2027
\$2,281,850

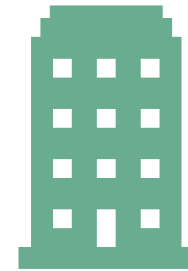
Baseline Cost Increases



**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:

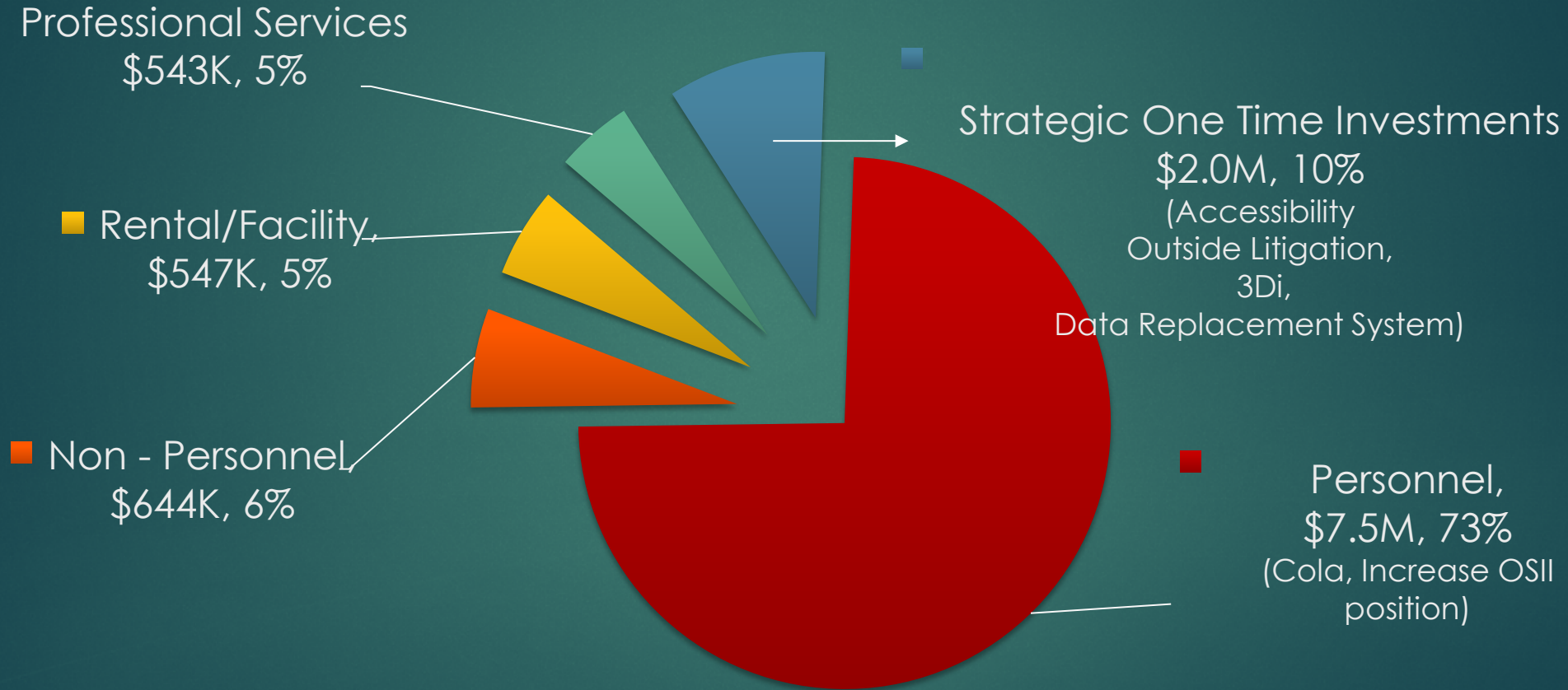
- Increased to \$1.3M
- Increased operational needs
- Data System Replacement
- Ongoing Outside Litigation Costs



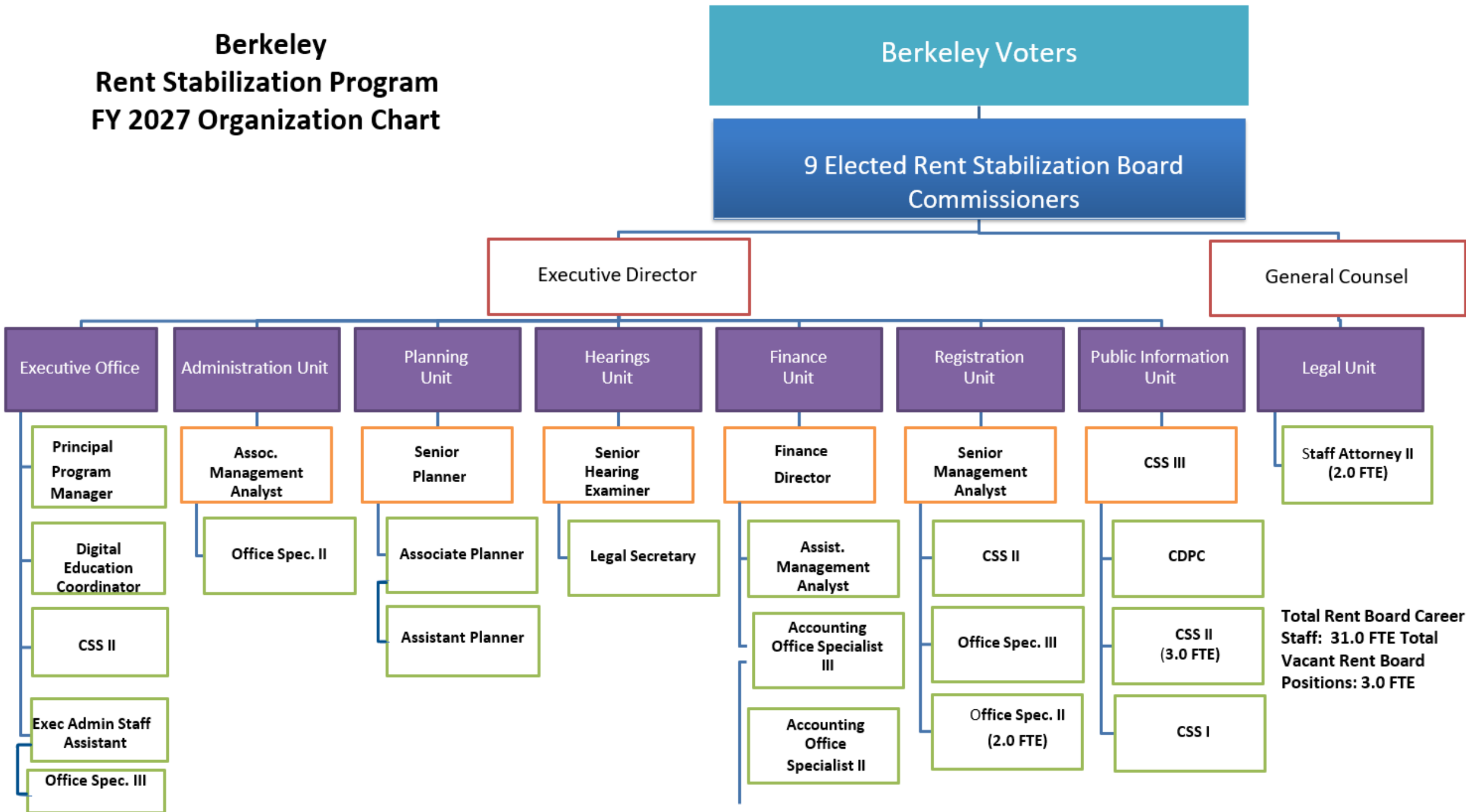
Special Projects:

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

FY 2027 Proposed Budget Breakdown



Berkeley Rent Stabilization Program FY 2027 Organization Chart



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

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 Revenue: \$10,251,500

Proposed Expenditures: \$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?