

City of Sacramento  
**Measure U Community Advisory Commission Report**  
915 I Street Sacramento, CA 95814  
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**File ID:** 2026-00580

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**Development of Fiscal Year (FY) 2026/27 Measure U Budget Recommendations**

File ID: 2026-00580

**Location:** Citywide

**Recommendation:** Discuss potential recommendations regarding FY2026/27 Measure U budget expenditures and provide direction.

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

**Attachments:**

1-Description/Analysis

2-2026 Measure U Budget Priorities

**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.

The purpose of this item is to ensure the Measure U Community Advisory Commission (Commission) continues to discuss its priorities for developing recommendations regarding the FY2026/27 Measure U Budget.

Attachment 2 is the Commission's 2026 Measure U Budget Priorities, as defined in its 2025 Annual Report. These priorities may serve as a foundation for specific FY2026/27 budget recommendations to the City Council.

**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. Authorizing an ad hoc committee to coordinate the development of recommendations prior to the City Council’s anticipated June 2026 final budget adoption 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.

### **3. Advice to City Council Regarding Community Priorities**

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#### **A. Reflections on FY2025/26 Adopted Budget**

Our FY2025/26 budget recommendations were brought to council fairly late in the process, and we thank Councilmember Dickinson and the rest of B&A who were vocal about ensuring that this commission's feedback gets heard sooner. We are working with Pete and the budgeting department to ensure that happens next year, which will be helpful to all involved so it's less rushed and more useful.

Many of the specific recommendations Measure U suggested, we are grateful that they were acted on. We kept funding for GPIT, \$1.3 million reduction to youth programs was backfilled with other funding, and we stayed firm in funding our diversity programs within our city.

At the time of recommendation we had only begun the program goals work, and so our ability to recommend on specifics were not able to be backed by objective data, and program results. As this initiative continues the council should expect deeper level analysis and data driven recommendations from this committee.

Measure U Community Advisory Committee is charged with overseeing expenditure of revenue captured from the Measure U tax, but it's very apparent to all members and anyone doing our work that a proper budget analysis cannot be done in isolation of the General Fund. Programs have mixed funding models from both pools, departments receive mission based funding from both, so something may be underfunded when looking at MU in isolation, but when accounting general funds an initiative may actually be over funded. As our commission looks to next year's cycle, we intend to take a more broad view and holistic approach to our analysis, even though our recommendations will remain focused on only Measure U programs.

*A copy of the Commission's FY2025/26 Measure U budget recommendations is included as Appendix A.*

#### **B. 2026 Measure U & Budgeting Analysis**

It is the position of the Measure U Commission that spending priorities must reflect the new economic reality. Sacramento now faces a fiscal environment defined by a structural deficit, reduced external funding, and residents who are already carrying significant economic strain.

This reality demands a shift in how Measure U is managed: from a revenue-driven fund to an impact-driven investment strategy that protects taxpayer trust, delivers measurable community outcomes, and sustains the long-term credibility of the measure.

1. The federal government is likely not coming to save Sacramento.

The expiration of COVID-era ARPA and CARES funding, combined with the federal government's pivot toward deficit reduction, will cascade to the state and then local levels. Sacramento is already dependent on state passthroughs for homelessness, infrastructure, and public safety, all of which will face sharp reductions.

For example Sacramento received ~\$27 million from HHAP Round 5 in FY2024–25 but the State has not guaranteed ongoing rounds beyond that. If HHAP is reduced or eliminated, the City would have to either backfill from the General Fund (which it cannot afford) or cut shelter and outreach programs.

2. There is little appetite for new or more taxes.

Sacramento residents are already burdened by rising housing costs, utilities, and inflation. There is no economic bandwidth from the taxpayers for new taxes or bonds. For example:

- In 2022 - the county attempted to implement a 0.5% sales tax increase via Measure A, it was rejected by 56% of voters.
- In 2024 - the city attempted to increase taxes on local businesses via Measure C, it was rejected by 62% of voters.
- In 2024 - the state attempted to lower the super majority requirement for local bond measures via Proposition 5, it was rejected by 55% of voters.

## **Implications for Measure U**

Measure U's credibility depends on demonstrating measurable community outcomes rather than seeking more revenue from increased consumer spending. The Commission recommends focusing on:

- Demonstrating a clear return on investment per dollar spent by showing a tangible improvement in public safety, housing stability, youth outcomes, and economic mobility per dollar invested.
- Ensuring every Measure U-funded initiative clearly ties to the measure's core purpose: public safety, affordable housing, libraries, parks, economic development, and youth programming.

- Embedding transparency through data: departments should track who benefits from Measure U investments and report progress through standardized, public outcome dashboards.

**Recommendations for MU funded program evaluation:**

For the upcoming fiscal year, it is recommended that programs which receive funding from Measure U be evaluated across the following three vectors:

1. Programs impact measures.

There are at least 17 programs which in the aggregate receive \$19 million in MU funding which have no reported metrics. It will be our recommendation that programs unable to provide measurable impact must provide impact metrics before continued funding.

2. Impact measures alignment with Measure U priorities.

The Measure U fund is subsidizing expenses which should be covered by the General Fund. For example (not exhaustive):

- \$2.2 million of Measure U funding is allocated to the “repair or replacement of roofs, structural elements, plumbing, electrical service, mechanical systems, and exterior coatings of City facilities”.
- \$58,000 of Measure U funding is allocated to “the management of department-wide technical equipment and software expenditures”.
- \$500,000 of Measure U funding is allocated to “help the city comply with state and federal civil rights laws to eliminate physical barriers which cause discrimination to individuals with disabilities. Remediate conditions or barriers that hinder the participation of individuals with disabilities in City’s programs, services, and activities.

While these programs are essential to city operations, they should be funded through the General Fund not Measure U.

3. Prioritize impact over activities where possible.

Many of the City’s performance measures are activity counts that may not effectively capture the impact on the citizens of Sacramento. For example (not exhaustive):

<b>Department</b>	<b>Category</b>	<b>Measure</b>	<b>Why its activity based</b>
Community Response	Outreach	Count of Type of Services Provided	Describes what’s delivered, not impact

			on clients.
Community Response	Shelter Service Provider	Total Number of Scheduled Intakes	Counts throughput; no measure of housing retention or client stability.
Community Response	Case Management	Total number of clients provided a service	Count participation only.

- Counting how many services were delivered says little about whether the service worked. The MU commission must move from “what did we do?” to “did it change anything?”.
- Activity-based metrics can create an illusion of progress. The City Manager’s inclusive economic development program can hit its target of assisting 500 new businesses and still fail to improve citywide economic outcomes (no net job creation, stagnant median income).
- Outcome measures reveal ROI and accountability. By tracking end results, we can prioritize MU funded programs that produce lasting change and redirect funds from those that do not.

However, the commission recognizes that change takes time and the evaluation of change can carry a high cost burden. While we recommend that all Measure U programs push measurement towards impact and outcomes, all programs must demonstrate a clear basis in evidence-based best practices that are proven to lead to the desired outcomes.

**What Measure U Commission is doing in collaboration with departments:**

Today, departments collect a significant amount of data, but metrics are internally defined, and not all made public in an easily digestible manner. We are also cognizant that asking for metrics has a cost, so we wish to ensure our asks can be done efficiently with staff and do not cause too much time spent on data collection vs services.

Therefore the measure U commission is aligned with staff to update our quarterly report to include program level goals. This will ensure every department’s Measure U presentation demonstrates how its programs contribute to Measure U prioritized outcomes. By the end of this year, it is the goal of the Measure U Commission and staff to have a first draft of this, and iterate as we find ways to improve our reporting structure.

### C. 2026 Program Recommendations

The commission feels that funding should be prioritized for programs that align with the intended purpose of Measure U, and the priority areas identified by focus group participants. Without metrics being made available, it is difficult to make meaningful suggestions for program funding prioritization. However, the commission has received detailed presentations from departments regarding their Measure U funded programs and reviewed all available details and metrics currently reported in the public dashboard. Using this information, the commission has developed the following list of programs it feels should be prioritized due to the strong alignment with Measure U priorities, along with programs that may be considered for deprioritization due to the lack of apparent alignment.

Areas of Alignment	Notes
Small-business and Workforce Development	Focus should be in low-income, marginalized communities
Libraries	Emphasis on areas without access, such as District 8, which as experienced a 2 year closure
Inclusive Economic Development	Prioritize programs that engage residents in planning and address historical underinvestment
Youth and Community Programs	Aquatics, community centers, violence prevention, and youth expanded-learning initiatives were highlighted as cost-effective investments in long-term public safety and community health.
Cultural Arts Grants	Cultural arts are central to the Measure’s goal of creating thriving, vibrant communities
Homeless Programs	Emphasis on programs that address root issues and a proven track record of success in establishing permanent and stable housing
Public Safety	Public safety services (e.g., police, fire, emergency medical services, citywide emergency management and youth-centered prevention services)

Participatory Budgeting	Should be prioritized to ensure transparency in funding allocation and addressing community needs
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While these areas of alignment are broad, the commission feels that programs, even those within areas of alignment, should be evaluated and deprioritized when they:

- Increase the structural deficit
- Have low performance history
- Are unable to measure output
- Should be part of the City’s general funding
  - Maintenance on City Hall
  - Legal obligations, such as ADA compliance

#### **4. Commission Resources Expended**

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In 2025 we held 9 meetings. The estimated cost per meeting is **\$5,405.81**. The estimated cost to support the Measure U Commission’s meetings in 2025 was **\$48,652.29**.

At the Measure U Commission’s request, the City Council approved additional expenditures of up to \$16,000 to support the implementation of Measure U focus groups. The actual cost of the Focus Groups Implementation Consultant was **\$14,000.00**.

Therefore, the total estimated cost to support the Measure U Commission in 2025 was **\$62,652.29**.