RULES COMMITTEE: 10/22/25 ITEM: B.2



Memorandum

TO: RULES AND OPEN

GOVERNMENT COMMITTEE

FROM: Jim Shannon

SUBJECT: 2025-2026/2026-2027 City

Budget Calendar and Budget

Study Session Schedule

DATE: October 15, 2025

Approved Date: 10/16/25

RECOMMENDATION

Approve the proposed 2025-2026/2026-2027 City Budget Calendar as presented in Attachment A and the schedule for City Council Budget Study Sessions for the 2026-2027 Preliminary General Fund Forecast and Budget Priorities, 2026-2027 Operating Budget, 2026-2027 Capital Budget Mid-Biennial Update, and 2026-2027 Fees and Charges Report as presented in Attachment B and explained in this memorandum.

ANALYSIS

Provided with this memorandum is a proposed calendar (Attachment A) to be used as a basic plan in preparing, reviewing, and approving the 2026-2027 Operating Budget, 2026-2027 Capital Budget Mid-Biennial Update, and 2026-2027 Fees and Charges Report. Approval of this schedule and process follows the City of San José Annual Budget process as shown on Attachment C. In addition, the calendar includes details associated with monitoring and amending the 2025-2026 budget that starts with City Council's October 2025 approval of the 2024-2025 Annual Report that summarizes prior year financial results and brings forward amendments to the 2025-2026 Budget.

The schedule for the 2026-2027 Budget development process recommended in this memorandum aligns closely with last year's process, and includes a Study Session on January 23, 2026 to review the 2026-2027 Preliminary General Fund Forecast and engage in a discussion on budget priorities. This Study Session will provide the City Council with a preliminary look at the forecasted budget challenges and opportunities that will impact the 2026-2027 Proposed Budget development process, and provide an opportunity for the City Council to weigh in on key budget priorities that will inform the development of the Mayor's March Budget Message for Fiscal Year 2026-2027.

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The release date for the Proposed Operating Budget, Proposed Capital Budget Mid-Biennial Update, and Proposed Fees and Charges Report are set for late April/early May as in previous years.

Please note that the City transitioned to a two-year cycle for the Capital Budget and Five-Year Capital Improvement Program during the 2025-2026 Budget cycle. As a result, the Capital Budget document scheduled for release on April 24, 2026 will be an update to the previously approved two-year budget, recommending a limited amount of adjustments based on updated revenue and cost estimates and urgent project needs in 2026-2027.

The 2026-2027 Budget and Fees and Charges approval by the City Council will be on June 9, 2026 and adoption by the City Council will be on June 16, 2026. It should be noted that the dates for the Mayor's Budget Town Hall Meeting and State of the City will be released by the Mayor's Office at a later date.

COORDINATION

The proposed 2025-2026/2026-2027 City Budget Calendar and Budget Study Session Schedule have been coordinated with the Mayor's Office.

JIM SHANNON Budget Director

For questions, please contact Jim Shannon, Budget Director, at (408) 535-8144.

ATTACHMENTS:

Attachment A – 2025-2026/2026-2027 City Budget Calendar

Attachment B – 2025-2026/2026-2027 City Budget Calendar/Budget Study Session Schedule

Attachment C – City of San José Annual Budget Process

2025-2026 / 2026-2027 City Budget Calendar

Date		Action/Event
September 30, 2025	-	2024-25 Annual Report: Released
October 21, 2025	-	2024-25 Annual Report: Review/Approval by City Council
TBD	-	State of the City
January 30, 2026	-	2025-26 Mid-Year Budget Review Report: Released
February 10, 2026	-	2025-26 Mid-Year Budget Review Report: Review/Approval by City Council
TBD	-	Mayor's Budget Town Hall Meeting
March 2, 2026	-	2026-27 City Manager's Budget Request & 2027-31 Five-Year Forecast and Revenue Projections: Released
March 9, 2026	-	2026-27 Mayor's March Budget Message: Released
March 17, 2026	-	2026-27 Mayor's March Budget Message: Public Hearing
March 17, 2026	-	2026-27 Mayor's March Budget Message: Review by City Council
April 24, 2026	-	2026-27 Proposed Capital Budget Mid-Biennial Update: Released
May 1, 2026	-	2026-27 Proposed Operating Budget: Released
May 1, 2026	-	2026-27 Proposed Fees and Charges Report: Released
May 4 - 29, 2026	-	2026-27 Proposed Capital/Operating Budgets: Community Budget Meetings

2025-2026 / 2026-2027 City Budget Calendar

Date		Action/Event
May 6, 2026	-	2026-27 City Council Budget Document Cost Estimate Requests due to the City Manager's Office
May 6, 2026	-	Planning Commission Study Session: 2026-27 Proposed Capital Budget Mid- Biennial Update
May 6 - 14, 2026	-	Council Study Sessions: 2026-27 Proposed Budgets and 2026-27 Proposed Fees and Charges Report
May 12, 2026	-	Initial Public Hearing: 2026-27 Proposed Capital/Operating Budgets and 2026-27 Proposed Fees & Charges Report
May 15, 2026	-	2026-27 City Council Budget Document completed Cost Estimate Requests returned to Council Offices
May 21, 2026	-	2026-27 City Council Budget Documents due to Mayor's Office
June 1, 2026	-	2026-27 Mayor's June Budget Message: Released
June 8, 2026	-	Final Public Hearing: 2026-27 Proposed Capital/Operating Budgets and 2026-27 Proposed Fees & Charges Report (evening)
June 9, 2026	-	2026-27 Mayor's June Budget Message: Final Review/Approval by City Council
June 9, 2026	-	2026-27 Proposed Capital/Operating Budgets and 2026-27 Proposed Fees & Charges Report: Approved by City Council
June 16, 2026	-	2026-27 Capital/Operating Budgets and 2026-27 Fees & Charges Report: Adopted by City Council

2025-2026 / 2026-2027 City Budget Calendar/ Budget Study Session Schedule

Date	Time	Action/Event
Friday, January 23, 2026	9:30 am - 12:00 pm	2026-2027 Preliminary General Fund Forecast and Budget Priorities
Wednesday, May 6, 2026	9:00 am - 12:00 pm	2026-2027 City Budget Overview/Budget Study Session on 2026-2027 City Operating/Capital Budget and 2026-2027 Fees and Charges Report
Thursday, May 7, 2026	9:00 am - 12:00 pm	2026-2027 City Budget Overview/Budget Study Session on 2026-2027 City Operating/Capital Budget and 2026-2027 Fees and Charges Report
Monday, May 11, 2026	9:00 am - 12:00 pm 1:30 pm - 5:00 pm	2026-2027 City Budget Overview/Budget Study Session on 2026-2027 City Operating/Capital Budget and 2026-2027 Fees and Charges Report
Wednesday, May 13, 2026	9:00 am - 12:00 pm	2026-2027 City Budget Overview/Budget Study Session on 2026-2027 City Operating/Capital Budget and 2026-2027 Fees and Charges Report
Thursday, May 14, 2026	9:00 am - 12:00 pm	2026-2027 City Budget Overview/Budget Study Session on 2026-2027 City Operating/Capital Budget and 2026-2027 Fees and Charges Report

CITY OF SAN JOSE ANNUAL BUDGET PROCESS

	COMMUNITY	MAYOR & CITY COUNCIL	CITY ADMINISTRATION
October	Input on Budget Priorities and Direction Through: Direct contact with Mayor and City Council Community-Wide Surveys and Meetings	Review and Approval of Annual Report Provides understanding of the fiscal status and condition of the City to inform the upcoming budget process	Annual Report on Prior-Year Financial and Service Results ■ Report to City Council and Community on financial performance of the City for the preceding fiscal year
November December			Preliminary General Fund Forecast Planning and Department Budget Proposal Submittal In context of the preliminary budget outlook, departments develop service delivery and budget strategies for upcoming budget process
January		City Council Priority Setting Process ■ Develop budget priorities for the City based on input from the Community, Staff, and City Council	Release City Manager's Budget Request and Five-Year Forecast and Revenue Projections for the General Fund and Capital Improvement Program Projects revenues for next 5-year period Projects General Fund expenditures to achieve previously approved by City Council service levels
March	Public Hearing on Mayor's March Budget Message ■ City Council meets to receive public input on Mayor's March Budget Message	Review and Approval of Mayor's March Budget Message Provides more specific direction for preparation of the Proposed Budget	Finalize City Manager's Proposed Budget/Capital Improvement Program CSAs incorporate strategic planning and City Council direction into results-driven spending plans Analyze budget strategies and other service delivery options within context of budgetary outlook
April			
May	Initial Public Hearing on Proposed Budget ■ City Council meets to receive public input on Proposed Budget	Review Proposed Budget in Budget Study Sessions Working sessions with City Manager, CSA, and department representatives to review details of the Proposed Budget	Release City Manager's Proposed Operating and Capital Budgets, Capital Improvement Program, and Fees and Charges Report Provide service delivery strategies in the context of proposed revenue projections and a balanced spending plan
		Release City Council Budget Documents Requested reports and amendments to the Proposed Budget	Release City Manager's Budget Addenda Administration's reports and amendments to the Proposed Budget are submitted for City Council review and consideration
June	Final Public Hearing on Proposed Budget ■ Last opportunity for public input on Proposed Budget	Review and Approval of Mayor's June Budget Message Changes to Proposed Budget based on feedback from City Council and public	

Final City Council Budget Adoption