

Proposed FY 2024 Statement of Budgetary Principles

Budget & Government Efficiency Committee

Item 1

July 12, 2023



Office of the Independent Budget Analyst



FY 2024 Statement of Budgetary Principles

Background

- Annual agreement between Council and Mayor
 - Establishes budgetary authority and facilitates communication
- Need arose with the transition to new form of government
- Approved every year, following approval of Appropriation Ordinance
 - We recommend it continue

FY 2024 Statement of Budgetary Principles

Overview of Proposed Principles

- Three categories
 - Communication on Proposed Program or Service Changes
 - Appropriation Ordinance
 - Principles for an Effective, Cooperative, and Transparent Mayor-Council Form of Government, pertaining to budget implementation
- Proposed FY 2024 Principles largely mirror FY 2023
 - Mostly date changes or technical adjustments
 - One addition, at the very end, to further align the Budgetary Principles with the 2012 “Ten Fundamental Principles”

Highlights

Communication

- Mayor provides quarterly reports to Council
- Prior to any significant reduction in service levels or elimination of programs funded in the budget, Mayor shall provide written notice to Council
 - Must include justification and description of service level impacts, including potential unintended consequences that create disproportionate inequity for Communities of Concern

Highlights

Appropriation Ordinance (AO)

- AO implements the approved budget, sets spending authority by Department and by Fund
 - AO does not include policy direction
- Neither Mayor nor Council have unilateral authority to make changes to spending authority in the budget
 - Council cannot change the budget without first receiving a funding recommendation from the Mayor
- Mayor shall in good faith fulfill the legislative intent reflected in the budget
 - It is Council's intent that services be implemented *equally* and *equitably*

Highlights

Budget Implementation

- Follow the 2010 “Structural Budget Deficit Principles”
- Strategic Plan Dashboard will display metrics demonstrating progress towards outcomes
 - Data to be discussed at B&GE Committee by end of first quarter
- Mayor will address deferred capital backlog by implementing funded projects
 - Work with Council to identify resources
- **Addition**: Mayor will work cooperatively with IBA, City Attorney, Council, and its Committees to carry out programs and policy directives in the budget

FY 2024 Statement of Budgetary Principles

Request for Committee Action

- We recommend Committee review and forward the proposed FY 2024 Principles, with any desired modifications, to the full City Council for review and adoption
 - Any revisions will be subject to Mayoral approval