

FISCAL YEAR

2024

ADOPTED
BUDGET



Volume 1

Budget Development Process

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY





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Budget Development Process

Budget Development Process

The City of San Diego's budget is created in conjunction with the Mayor, City Council, City departments and public input. The budget process considers the fiscal and policy goals of the City for the upcoming fiscal year, while following a timeline for budget publication codified in the City's Charter. This section provides an overview of the annual workflow and the specific processes that contribute to producing the City's budget for Fiscal Year 2024. The chart below summarizes the process, and more detailed descriptions of key stages are listed on the following pages.



The Budget Development Process consists of three main phases: Budget Development, Budget Review, and Budget Adoption. After the development of the budget and the start of the respective fiscal year, there is an opportunity to make additional amendments to the budget via the Budget Monitoring Process. An Equity component was added to the Budget Development Process for Fiscal Year 2024 and details can be found in the Budget Equity Framework section of this volume.

Budget Development Process

Budget Development

November 2022: Fiscal Planning

The Fiscal Year 2024-2028 Five-Year Financial Outlook (Outlook) was released in November 2022. The Outlook is a long-range fiscal planning guide, and serves as the framework for the development of the Fiscal Year 2024 Proposed Budget for the General Fund. The purpose of the report is to provide an outlook of the City's General Fund finances over the next five years.

November - December 2022: Citywide Budget Development Training

Budget development training on the budgeting system and the current budget development process was provided to all City departments. At these trainings, guidance and expectations were provided to department representatives for developing budget requests within the goals and priorities established for the Fiscal Year 2024 Proposed Budget.

December 2022 - January 2023: Budget Submission

Departments developed and submitted proposed budget requests for the coming fiscal year. Department of Finance staff analyzed budget submissions and prepared a summary of changes and adjustment recommendations for discussion at the Executive Budget Review meetings (EBRs).

February 2023: Executive Budget Review Meetings

The EBRs took place during the month of February. In these meetings, Department Directors and department support staff met with the Chief Operating Officer, Chief Financial Officer, Deputy Chief Operating Officers, Mayoral Staff, the Department of Finance, Chief Race and Equity Officer, and Director of Sustainability and Mobility to discuss strategic priorities. City Management reviewed the departments' budget proposals, and ensured that requests aligned with the City's fiscal policies and Strategic Plan.

February - March 2023: Budget Development

Based on information provided by management, Department of Finance staff developed the Proposed Budget. During the development of the budget, General Fund resources were balanced with expenditures, and adjustments were made to keep the budget in line with the City's fiscal policies and priorities.

March - April 2023: Proposed Budget Finalized

In March, General Fund expenditures and resources were balanced, along with changes to the non-general funds and capital improvement projects, and the Fiscal Year 2024 Proposed Budget numbers were finalized. The Proposed Budget document was created during the month of March and the beginning of April. The Mayor released the Fiscal Year 2024 Proposed Budget to the public on April 14, 2023 in compliance with the City's Charter [Article VII, Section 69, Item (c)]. The Office of the Independent Budget Analyst (IBA) reviewed the Fiscal Year 2024 Proposed Budget and issued its report on April 28, 2023.

Budget Development Process

Budget Review

May 2023: Budget Review Committee Hearings

During the month of May, the City Council's Budget Review Committee held a series of public budget hearings to obtain input from San Diego residents on spending priorities. Councilmembers used the information received at the hearings to develop their districts' priorities and recommended changes to the Fiscal Year 2024 Proposed Budget.

May - June 2023: Mayor's May Revision and IBA Recommended Revisions Report

On May 16, 2023, the Mayor's May Revision to the Fiscal Year 2024 Proposed Budget was released. In this report, the Mayor recommended changes to the Proposed Budget based on updated policy-related issues and revised Fiscal Year 2023 year-end revenue and expenditure projections. Following the release of the May Revision, the IBA issued a report on June 7 with recommended City Council modifications to the Mayor's Fiscal Year 2024 Proposed Budget and May Revision.

Budget Adoption

May - June 2023: Adopted Budget

On May 18, 2023, the Budget Review Committee reviewed the Mayor's May Revision and the Third Quarter Budget Monitoring Report. On June 12, 2023, the City Council approved the Fiscal Year 2024 Budget, with modifications. The Mayor's veto period began on June 14, 2023 and ended on June 20, 2023.

June 2023: Adopted Budget Finalized

In June, the final changes to the Fiscal Year 2024 budget were implemented. Once the changes were made, the Fiscal Year 2024 Adopted Budget was complete. The Change Letter was created to summarize the May Revision and City Council's changes to the Fiscal Year 2024 Proposed Budget, by fund and department.

June 2023: Appropriation Ordinance

On June 27, 2023, the Appropriation Ordinance was presented to, and adopted by, the City Council, codifying the Fiscal Year 2024 Adopted Budget into law.

Budget Monitoring

July 2023 - June 2024: Budget Monitoring and Amendments

During the fiscal year, the Department of Finance monitors the annual operating budget via quarterly financial reports. During this process, year-to-date actuals are analyzed, forecasts for year-end results are developed, and budget amendments are recommended. Budget amendments throughout the fiscal year are recommended by the Mayor and approved by the City Council.¹

¹Not all budget amendments are subject to City Council approval. Refer to the Appropriation Ordinance for exemptions on budget amendments not subject to City Council Approval.



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