

Office of the Independent Budget Analyst's
FY 2026 Budget Crash Course

March 2026



Office of the Independent Budget Analyst
Providing the City Council and the public with clear, objective, and unbiased information and analysis.



Why is the City's Budget Important?

*The Budget is a statement of
– and plan to address –
City Priorities.*



The City's Budget has Two Parts



Operating Budget

Outlines how funds will be spent on City services, including public safety and parks and recreation



Capital (CIP) Budget

Allocates revenue for capital projects to improve *existing* infrastructure and build *new* public infrastructure

IBA Budget Crash Course

Presentation Overview

- Creation of the Independent Budget Analyst
- Budget Equity and the Division of Race & Equity
- Roles in the Budget Process
- Operating Budget Overview
- Capital Improvement Program Budget Overview
- Public Involvement and Resources

The seal of the City of San Diego, California, is visible in the background. It features a central shield with a building, a ship, and a sun, surrounded by the text 'THE CITY OF SAN DIEGO STATE OF CALIFORNIA' and '1850'.

The Office of the Independent Budget Analyst (IBA)

Why was the IBA Created?



2003

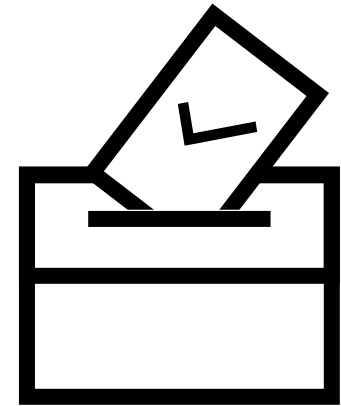
Financial problems led to a citizen initiative to change the structure of the City of San Diego's government.



2004

Voters approved a measure to try a Strong Mayor form of government for 5 years. This required an elected mayor to run the city instead of a city manager.

Measure also included the creation of the IBA.

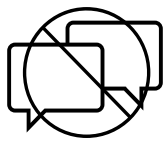


2010

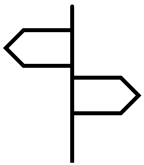
Voters approved the Strong Mayor form of government to become permanent.

Why was the IBA Created?

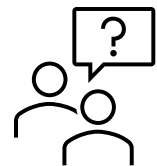
After new government structure, new needs followed



City Council no longer had City Manager as an advisor



City Council may have different perspectives than the Mayor



Public lacked clear information about budget and budget process



Need for unbiased, objective information and advice for effective decision-making

IBA

Our Mission

*To provide
clear, objective, and unbiased
analysis and advice to the City Council and
the public on all legislative items bearing
financial and policy impacts to the City*

INDEPENDENCE is key

Why our Office's role is important?

Internal Role



Reviews all items that come to City Council



Analyzes proposals to inform Councilmembers' decisions

External Role

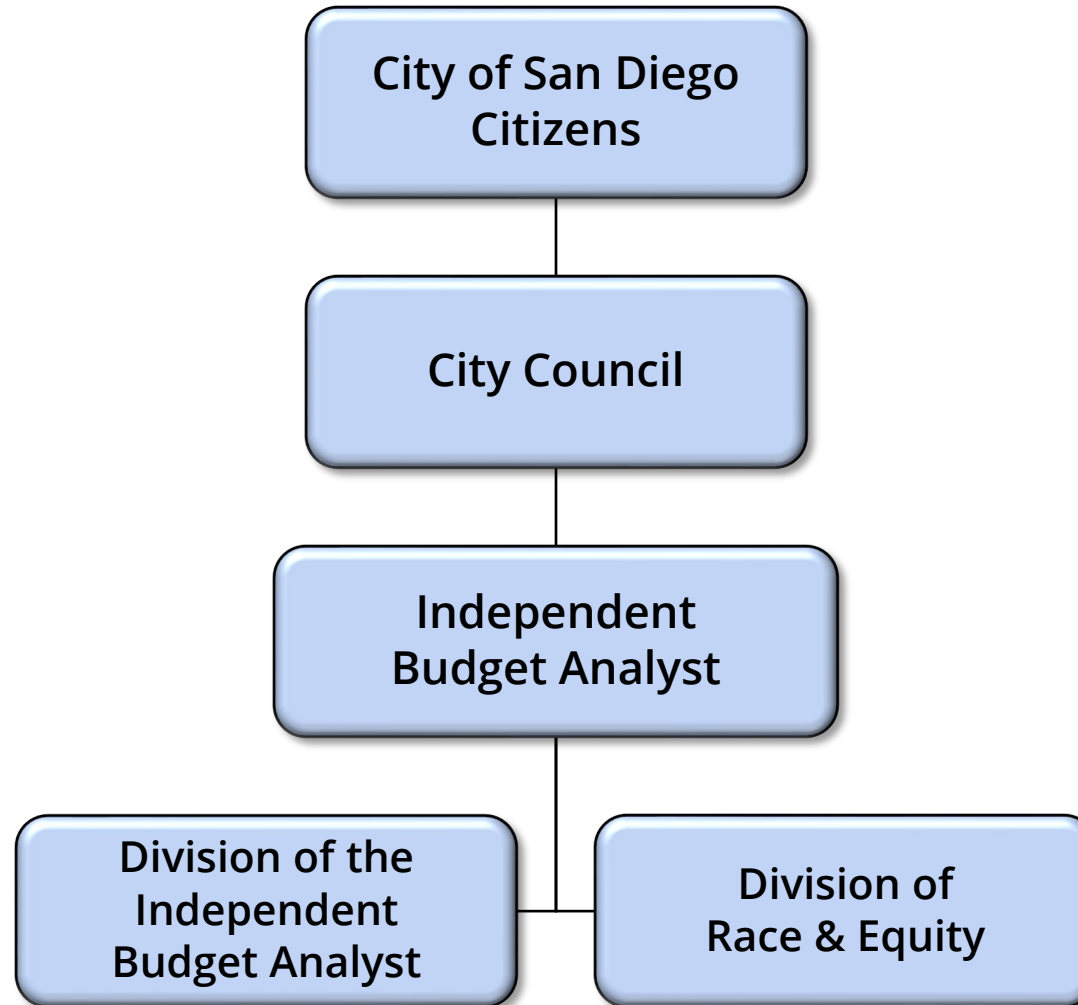


Translates City business into easily understandable language

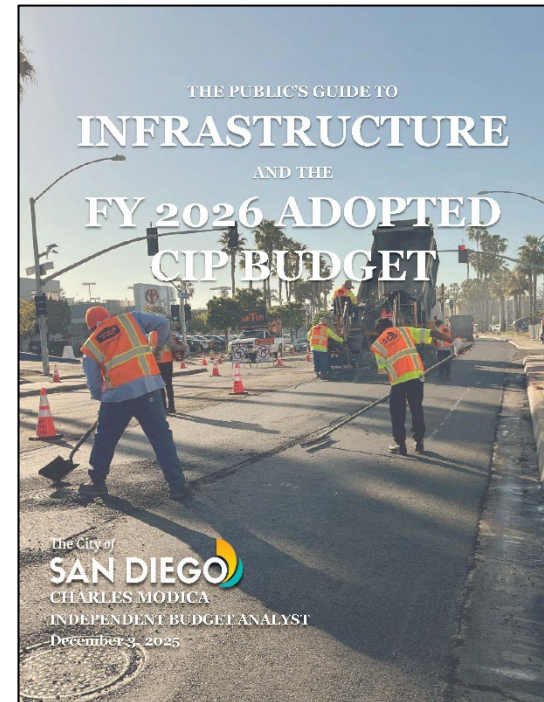


Public Outreach on how to be involved in major decisions, like the budget

IBA's Organization Chart




Public Involvement in the Process is **Key** Clear Information is **Vital**



<https://sandiego.gov/iba/public-guides>

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Questions?

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Budget Equity and the Division of Race & Equity

Division of Race & Equity

Who We Are:

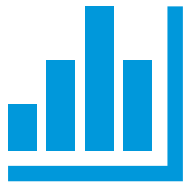
- Created by City Ordinance in 2020
- Became part of the Office of the Independent Budget Analyst in 2025
- We provide clear data-informed equity analysis to support budget and policy decisions

Our Mission: help ensure city services, programs, and resources work for all communities



Division of Race and Equity

Updated Goals within IBA Scope of Work



Goal #1: Data

- Develop new, and enhance existing, data driven tools to identify and track the impacts of disparities, gaps and deficiencies in support of the City's ability to make equitable budget, policy and operational decisions.



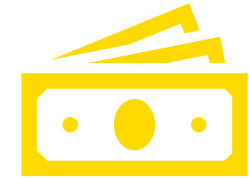
Goal #2: Learning and Development

- Integrate an Operationalizing Equity Model through providing learning and Development, equity-centered coaching, and technical assistance to departments to advance citywide racial equity outcomes.



Goal #3: Policy

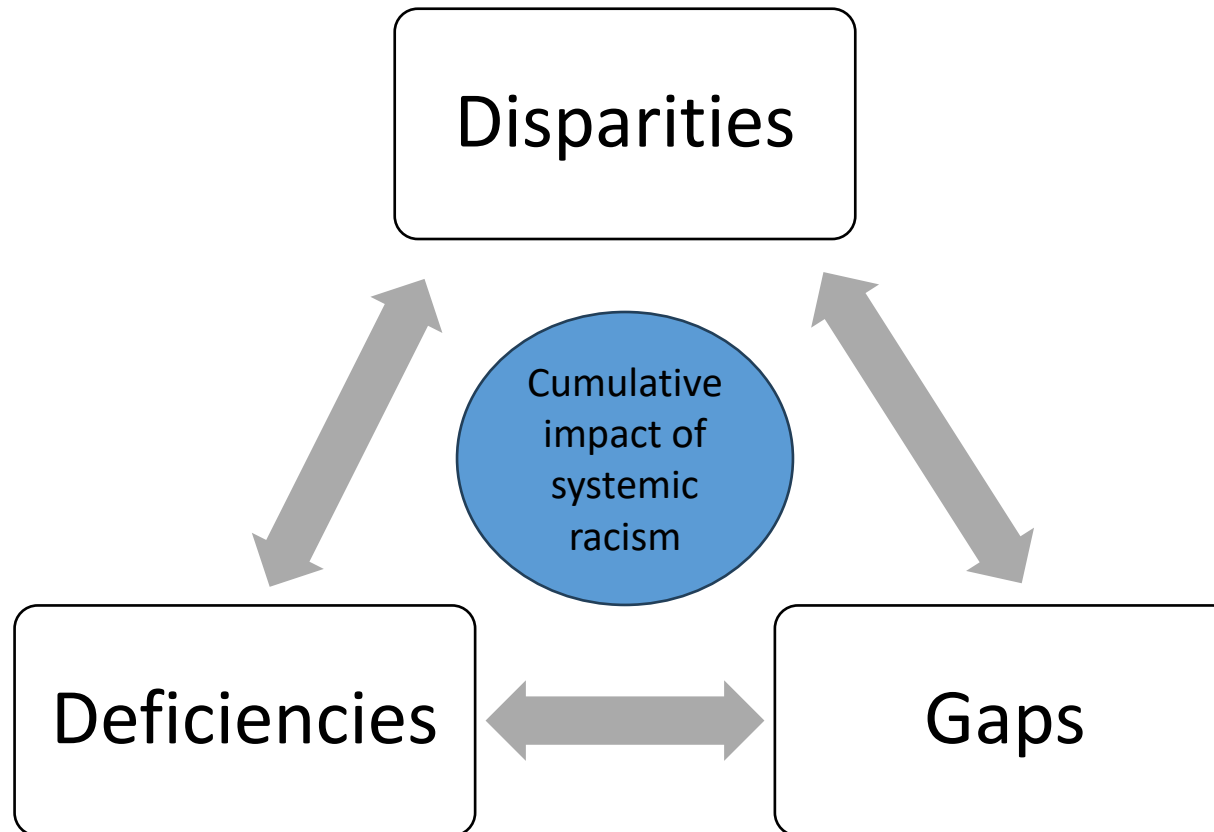
- Provide social equity research and analysis on the City of San Diego's policies.



Goal #4: Budget Equity Framework

- Apply Budget Equity tools to review and analyze City processes that have budget equity implications to reduce disparities, gaps, and deficiencies across the four Equity Factors: Access, Assets, Neighborhoods, and Processes.

What is Equity?



What Equity Means in City Budgeting...

- "Equity" means making sure all neighborhoods and residents have fair access to City services
- We look at differences (disparities, gaps, and deficiencies) in:
 - **Access** to city services and programs
 - **Assets** like streets, sidewalks, and streetlights
 - **Neighborhood** conditions
 - **Processes** that affect how services are delivered
- Budget decisions should help close the gaps over time



Tools We Use Data to Identify Community Needs

- **Tactical Equity Plans (TEPs):** identify community needs and service gaps
- **Key Performance Indicators (KPIs):** track progress on closing gaps
- This information helps the city understand where improvements are most needed
- These tools guide how departments shape their budget requests



How Equity Shows Up in the City Budget...

- Each department writes a short, public-facing **Budget Equity Impact Statement (BEIS)**
- It explains:
 - What progress they made last year ("**Equity Highlights**")
 - How their ongoing operations address equity gaps
 - How new budget request target disparities
- All residents can read this in Volume II of the Proposed & Adopted Budget

Budget Equity Impact Statement

The Budget Equity Impact Statement (BEIS) is a brief, public-facing summary of how a department's budget impacts existing or potential disparities, gaps, and deficiencies

Equity Highlights	Ongoing Operations	Budget Adjustments
Examples from the past fiscal year of how the department's investments, policies, programs, or other initiatives have produced more equitable outcomes	Opportunities to adjust the department's ongoing operations to address identified disparities, gaps, and deficiencies	Submitted budget adjustments that address identified disparities, gaps, and deficiencies

Why Budget Equity Matters to You

- Helps ensure City dollars go to neighborhoods with the greatest need
- Makes budget decisions more transparent for the public
- Helps the City track improvements over time
- Supports long-term fairness in services, infrastructure, and opportunities

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The seal of the City of San Diego, featuring a central shield with a ship, a sun, and a landscape, surrounded by the text 'THE CITY OF SAN DIEGO STATE OF CALIFORNIA' and '1850'.

Roles, Authorities, and Budget Process Timeline

Budget Process Roles and Authorities



MAYOR

- Proposes a balanced budget
- Carries out the City budget and services



CITY COUNCIL

- Reviews, approves, and amends the Mayor's Proposed Budget
- Approves the Mayor's recommended budget changes during the fiscal year



IBA

- Analyzes the Mayor's Proposed Budget and supports Council
- Develops final budget recommendations for Council consideration

Budget Process Roles and Authorities

Additional Powers and Roles:



MAYOR

Mayor can **veto** Council's changes to the Budget

Council can **override** a Mayoral veto with six votes



CITY COUNCIL

Budget Process Roles and Authorities

Additional Powers and Roles:



MAYOR



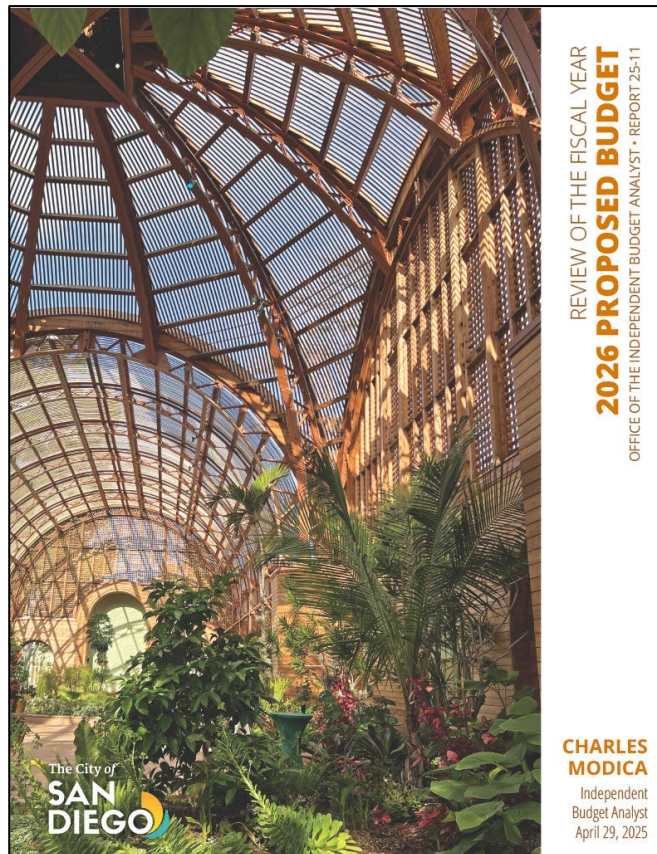
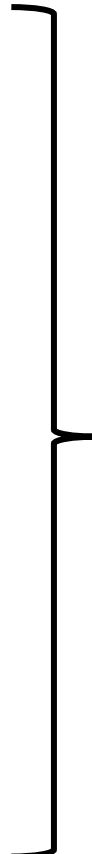
CITY COUNCIL



IBA

Mayor, Council, and IBA
monitor expenditures, revenues, and City
programs throughout the fiscal year

IBA Review and Analysis of the Mayor's Proposed Budget



Projected revenues and expenditures



Impacts of cuts or reductions on service levels



Key programmatic issues



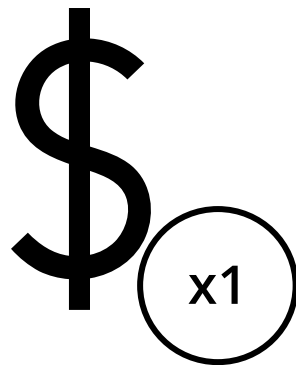
Consistency with sound fiscal practices

Key standards for a sound budget

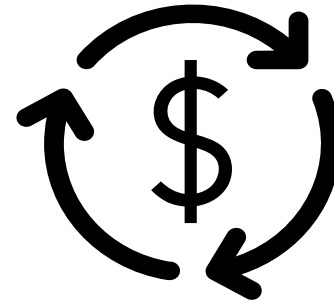
Budgetary Principles



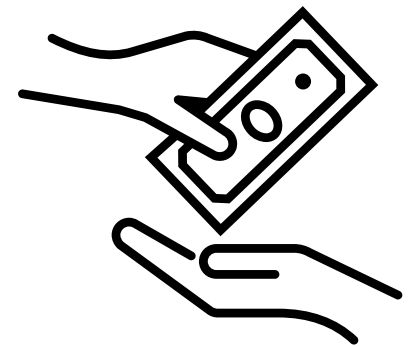
Balanced
budget



One-time
revenues should
fund **one-time**
expenditures



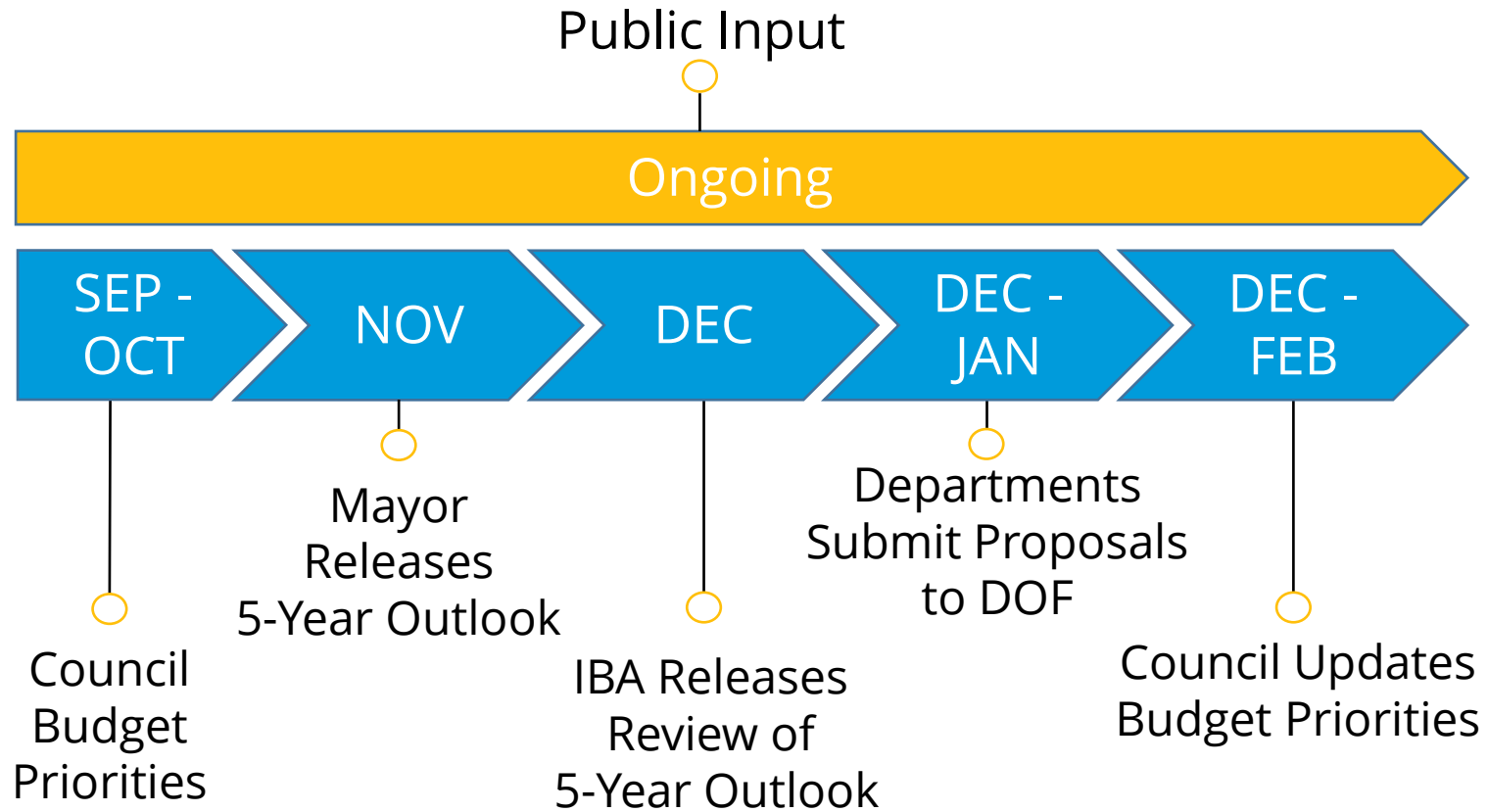
Ongoing
expenditures should
be funded by
ongoing revenues



Fund annual
pension
payment

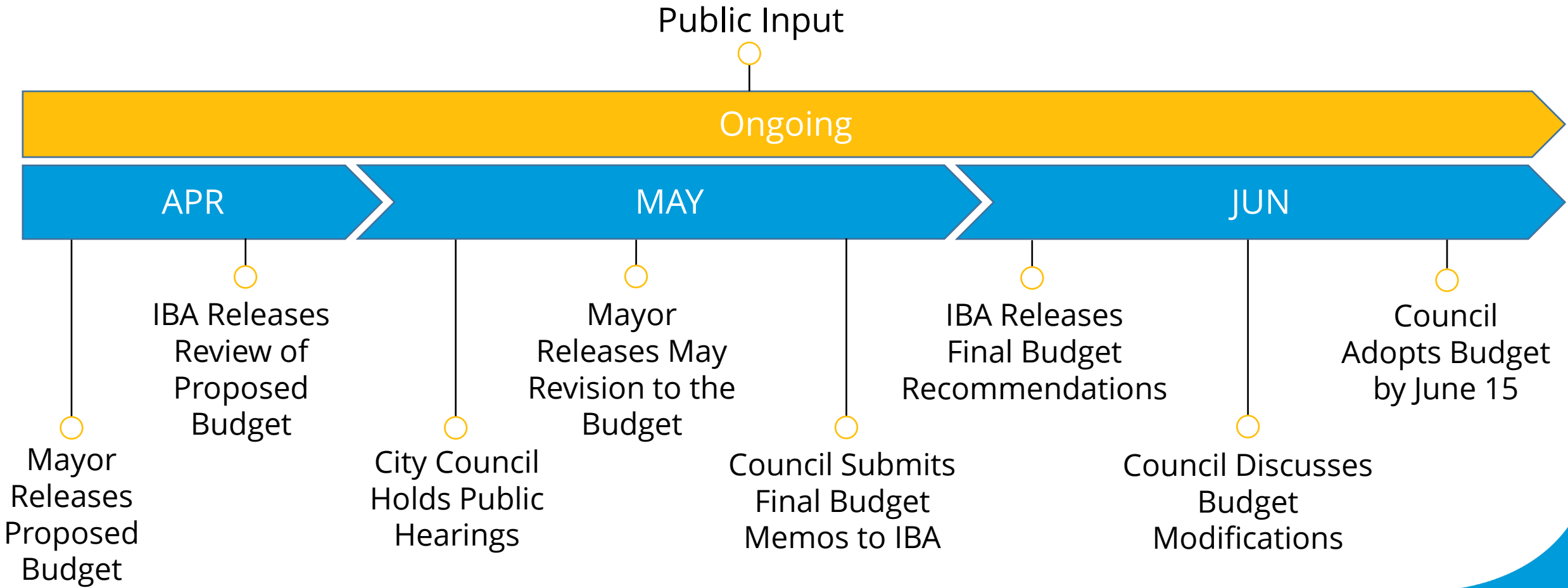
How is the Budget created?

Budget Development Process



How is the Budget created?

Budget Adoption Process



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Questions?

The seal of the City of San Diego, California, is visible in the background. It features a central bell tower, a ship, and various symbols representing the city's history and industry. The text around the seal reads 'THE CITY OF SAN DIEGO STATE OF CALIFORNIA' and '1850'.

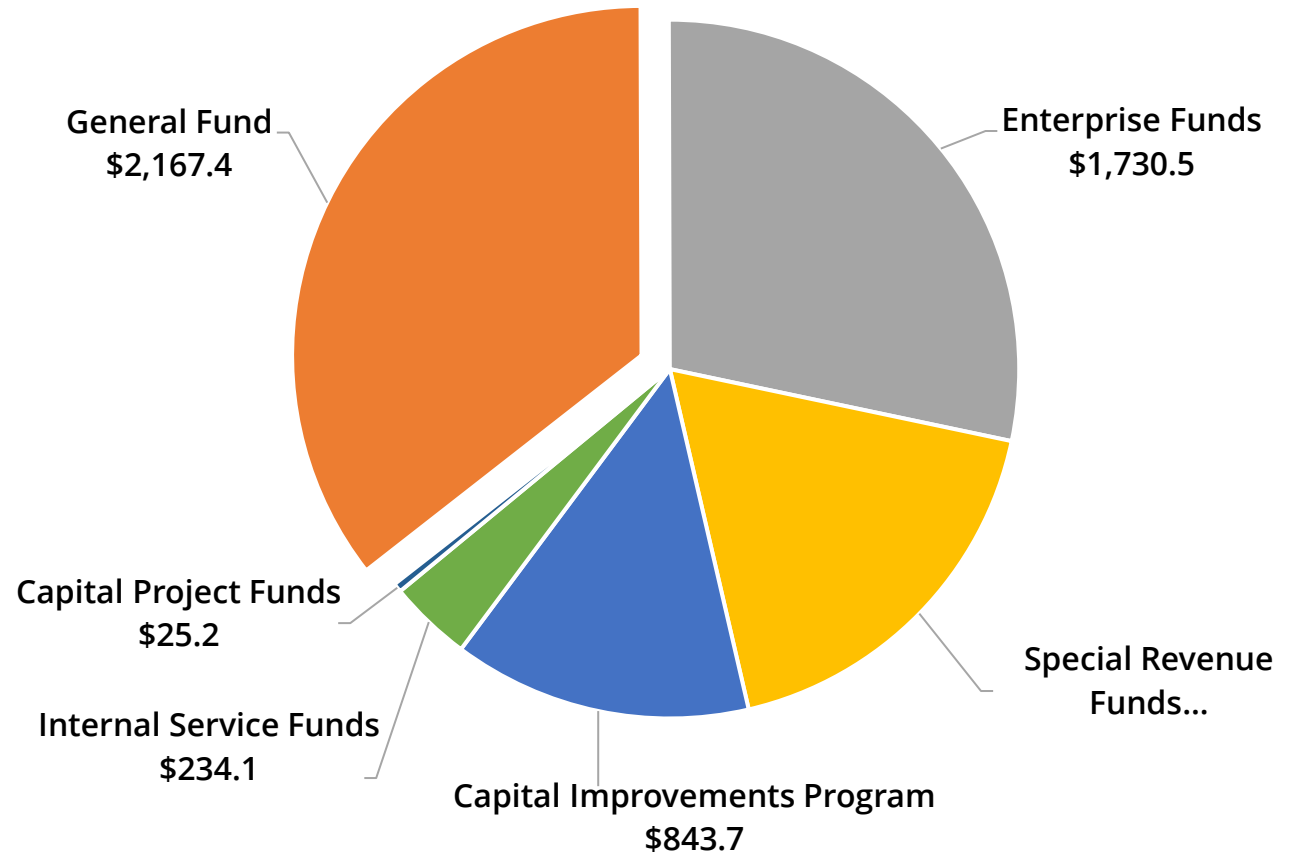
Operating Budget Overview

FY 2026 Budget Overview

While the City's total FY 2026 Budget is \$6.10 billion, the **General Fund** has the *most freedom to fund City services*

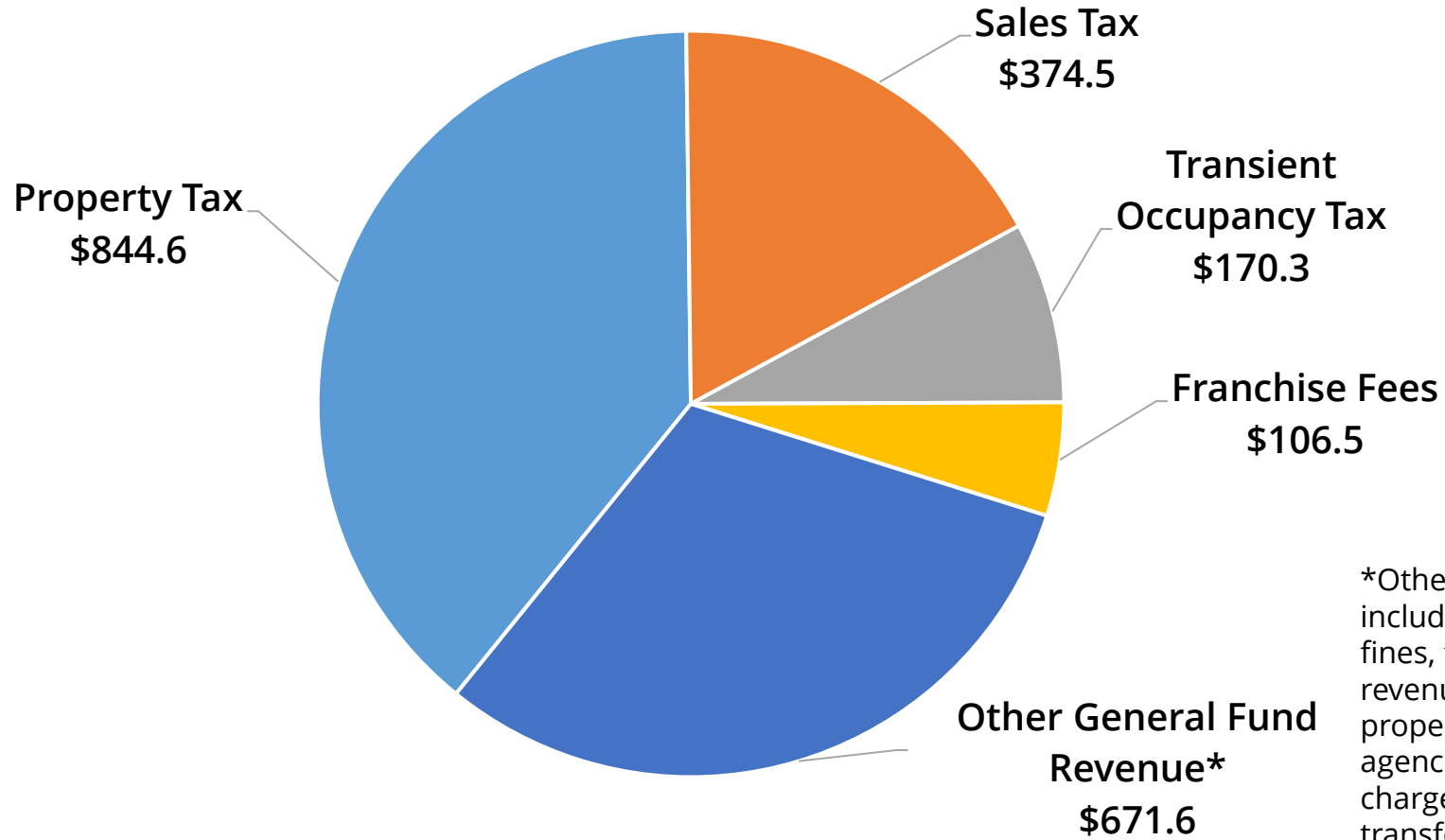
FY 2026 City Expenditures by Fund Type/Programs

(Total: \$6.10 billion; \$ in millions)



FY 2026 General Fund Revenue by Source

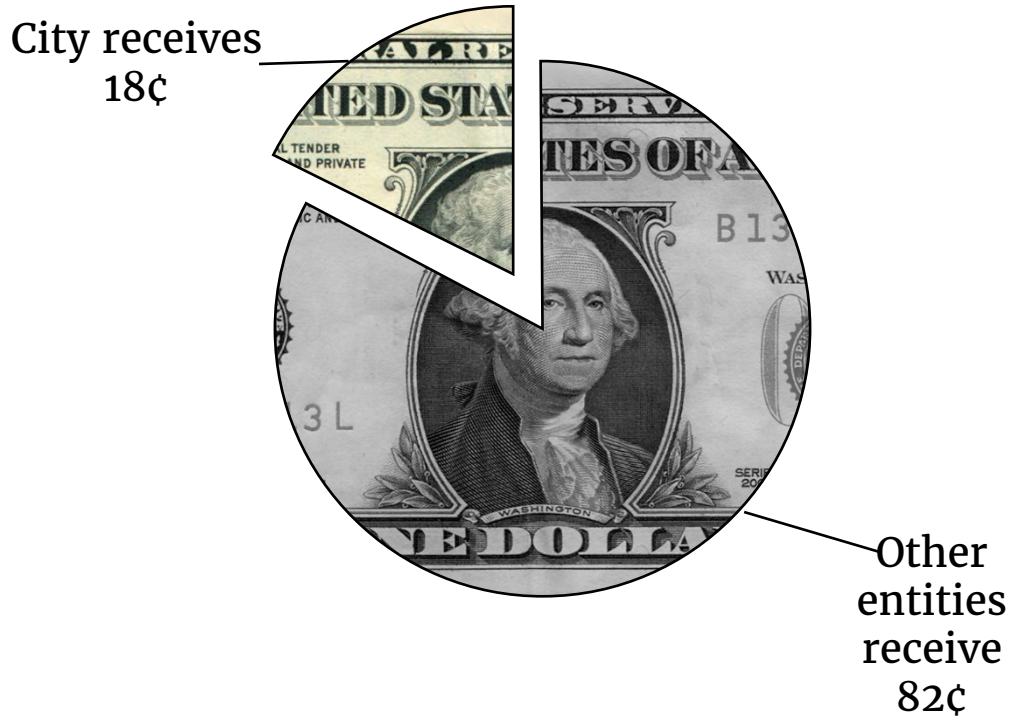
(Total: \$2.17 Billion; \$ in millions)



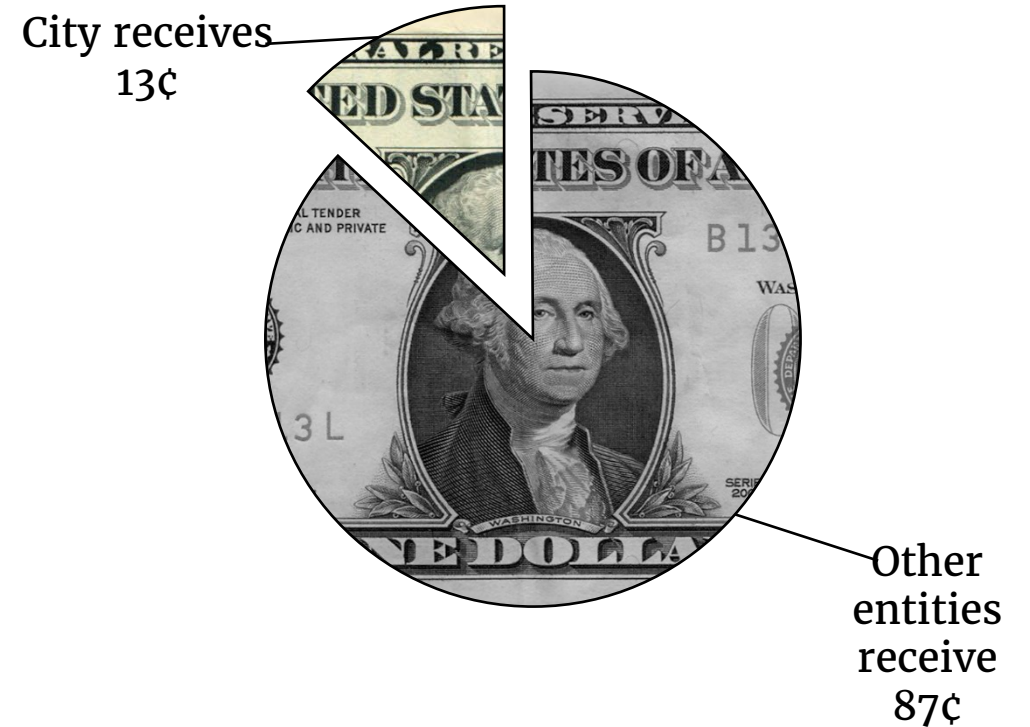
*Other General Fund Revenues include: licenses & permits; fines, forfeitures, and penalties; revenue from money and property; revenue from federal agencies & other agencies; charges for current services; transfers in; and property transfer taxes.

How much the City Receives from Major Taxes

**Property Tax Rate:
1% of Assessed Value**

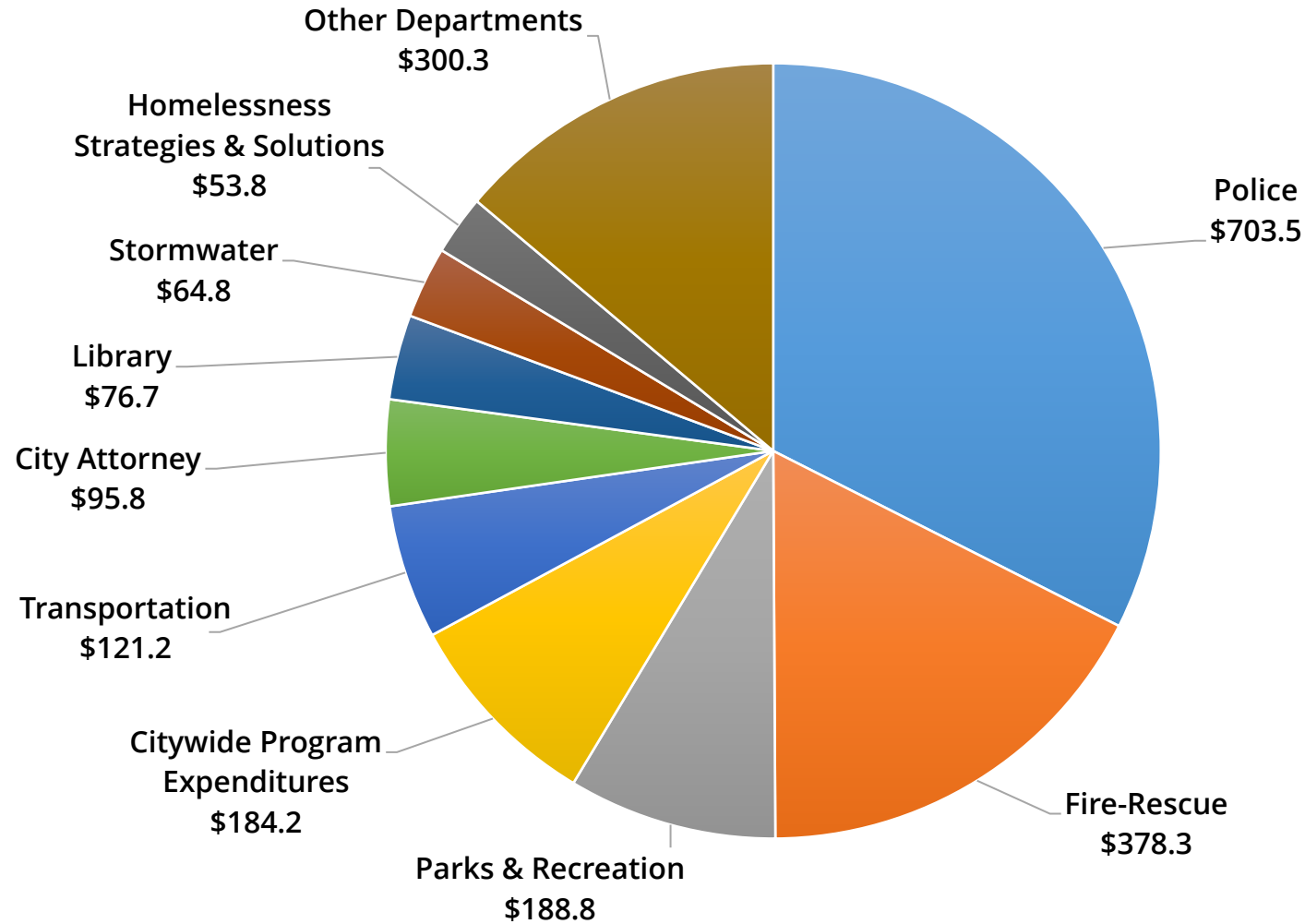


**Sales Tax Rate:
7.75% on Taxable Sales**



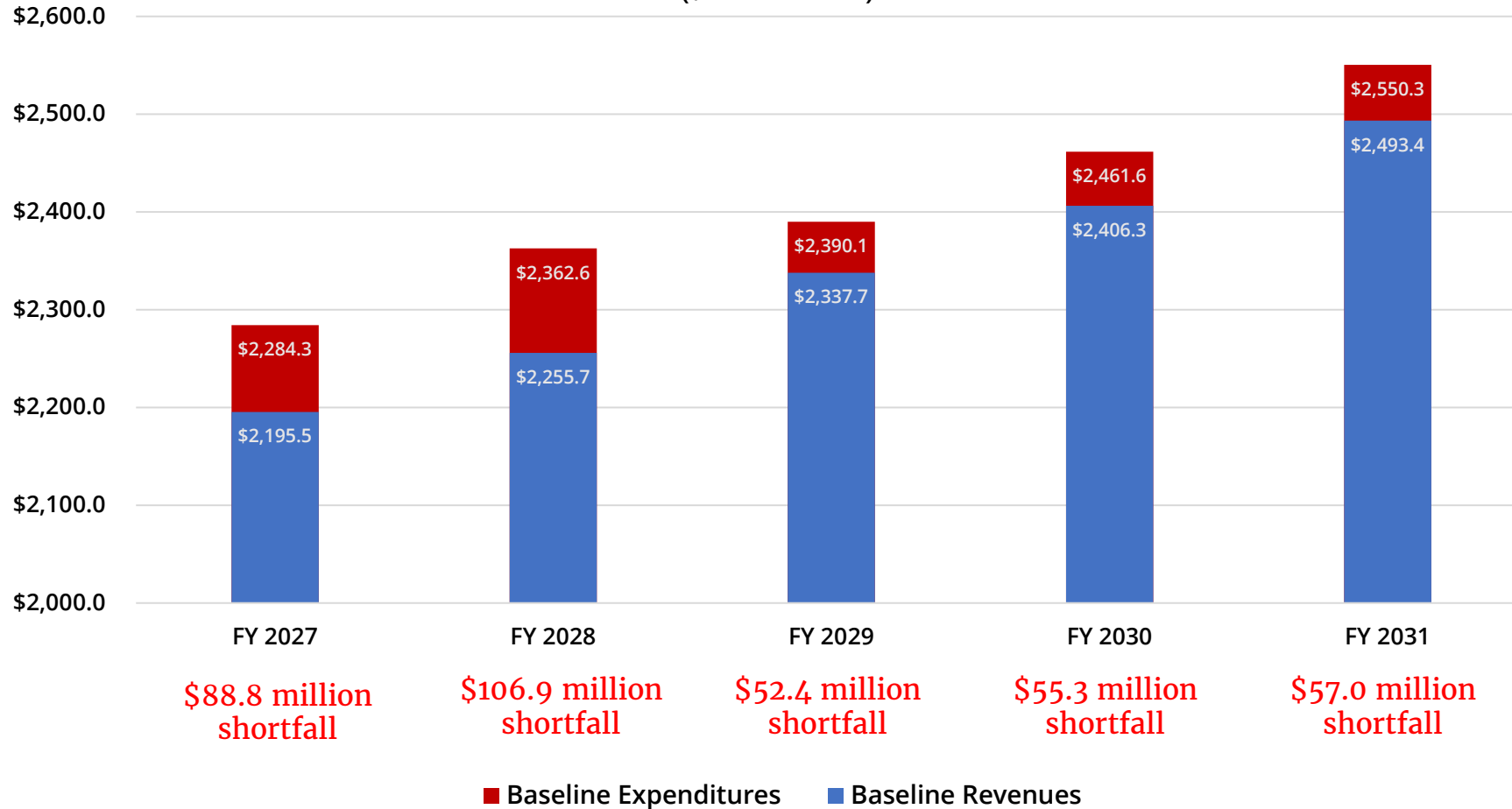
FY 2026 General Fund Expenditures by Department

(Total: \$2.17 Billion; \$ in millions)



General Fund Baseline Revenues and Expenditures, FY 2027 – FY 2031

(\$ in millions)



FY 2027 Council Operating Budget Priorities



Homelessness and Housing



Climate Action & Climate Equity



SD Access4All



Brush and Weed Management



Arts and Culture



Lifeguard Staffing and Wellness



Parks and Library Funding



No Shots Fired Program

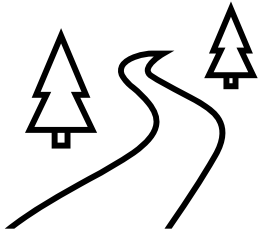
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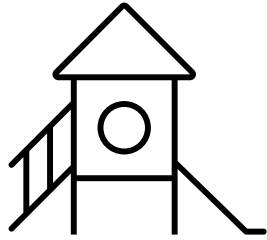
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Capital Improvements Program (CIP) Budget Overview

The City Owns and Maintains a Variety of Infrastructure



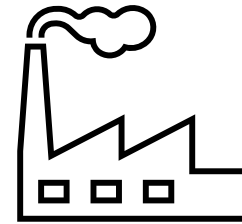
Roads



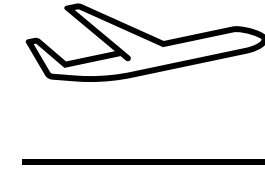
Parks



Bridges



Facilities



Airports



Water
Utilities

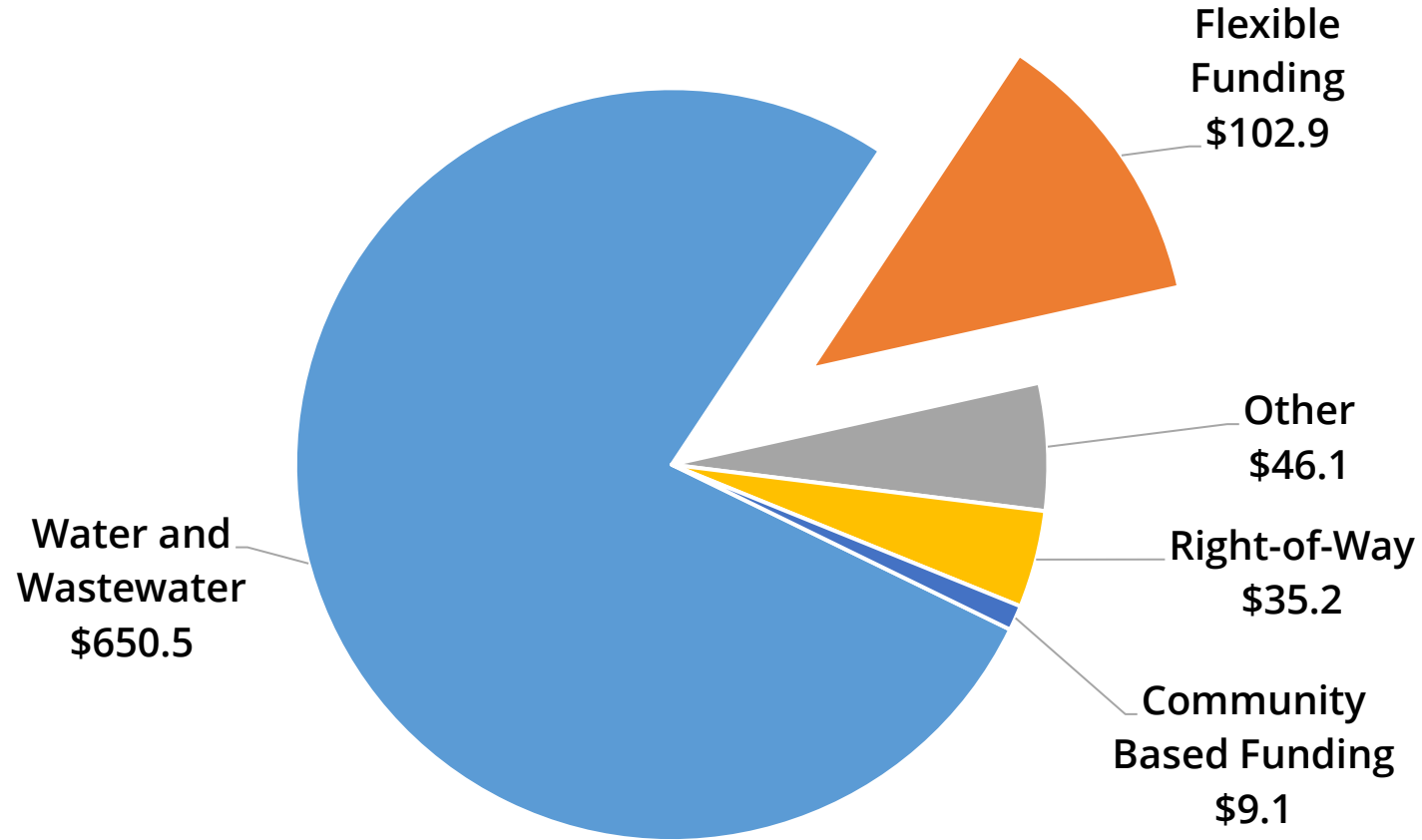
About the CIP Budget



- Funding either improves existing infrastructure or creates new ones
- Rolling budget since projects take multiple years to implement
- Restrictions on funding sources are big drivers of what gets funded

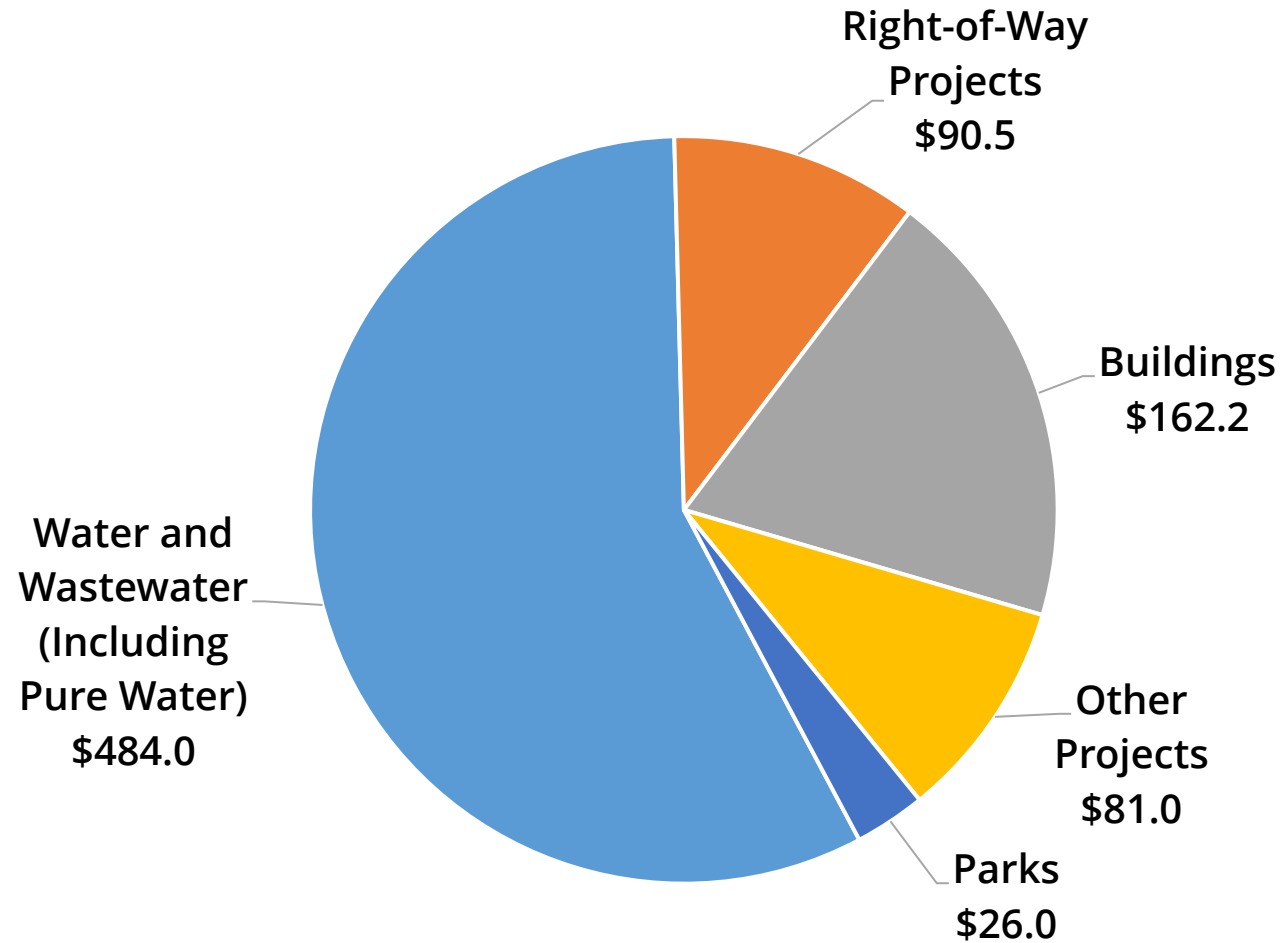
FY 2026 Adopted CIP Budget by Funding Source

(Total: \$843.7 million; \$ in millions)



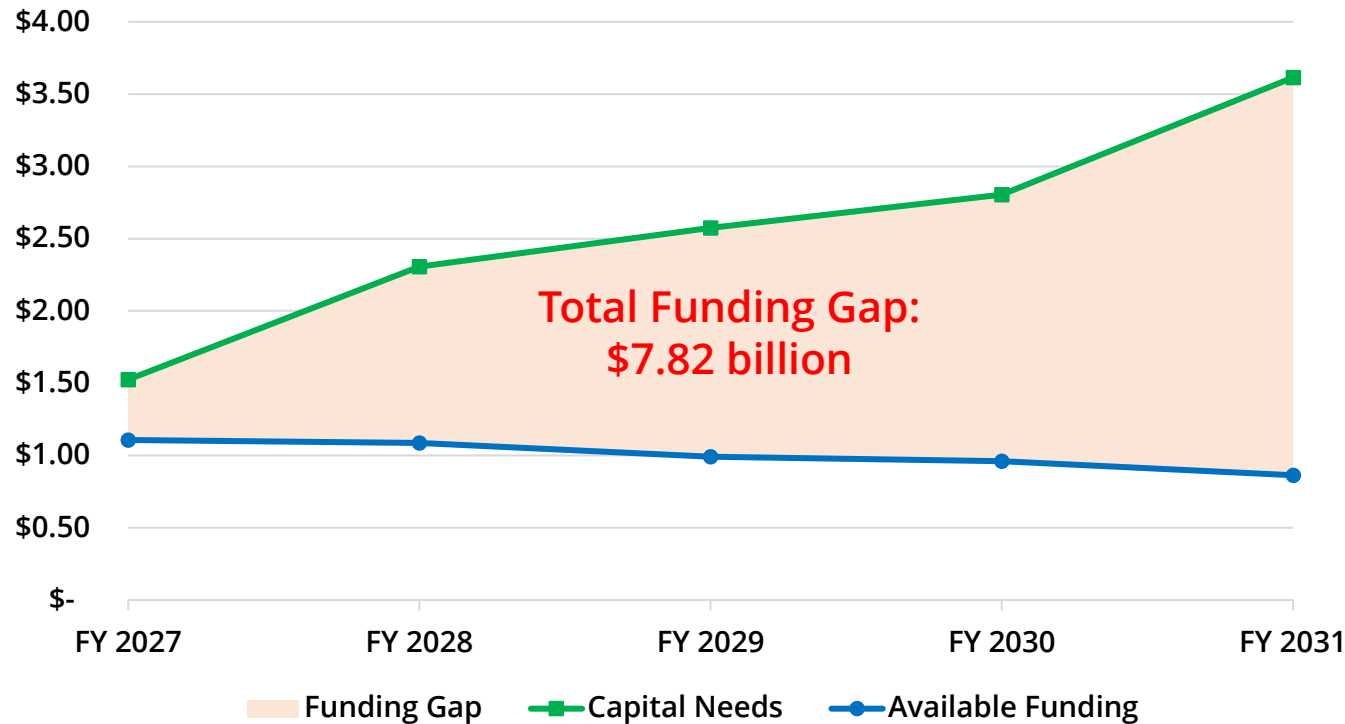
FY 2026 Adopted CIP Budget by Project Type

(Total: \$843.7 million; \$ in millions)



FY 2027-2031 CIP Outlook

City's Five-Year Capital Infrastructure Needs, Available Funding, and Gap
 (\$ in billions)



- Infrastructure is a major challenge for the City
- Total Five-Year CIP Funding Gap: **\$7.82 billion**
- Capital needs **far exceed** funding

Unfunded Needs in Five-Year CIP Outlook



Stormwater
\$5.09 Billion



Streets and Roads -
Pavement
\$677.9 Million



Streetlights
\$467.2 Million



Fire Stations
\$309.9 Million



Sidewalks
\$252.5 Million



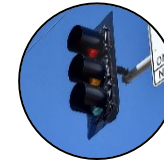
Police Stations
\$222.1 Million



Parks
\$221.3 Million



Existing Facilities
\$157.2 Million



Traffic Signals and ITS
\$121.1 Million



Streets and Roads -
Modifications
\$113.4 Million



Bike Facilities
\$88.6 Million



Bridges
\$52.5 Million



Lifeguard Stations
\$38.5 Million

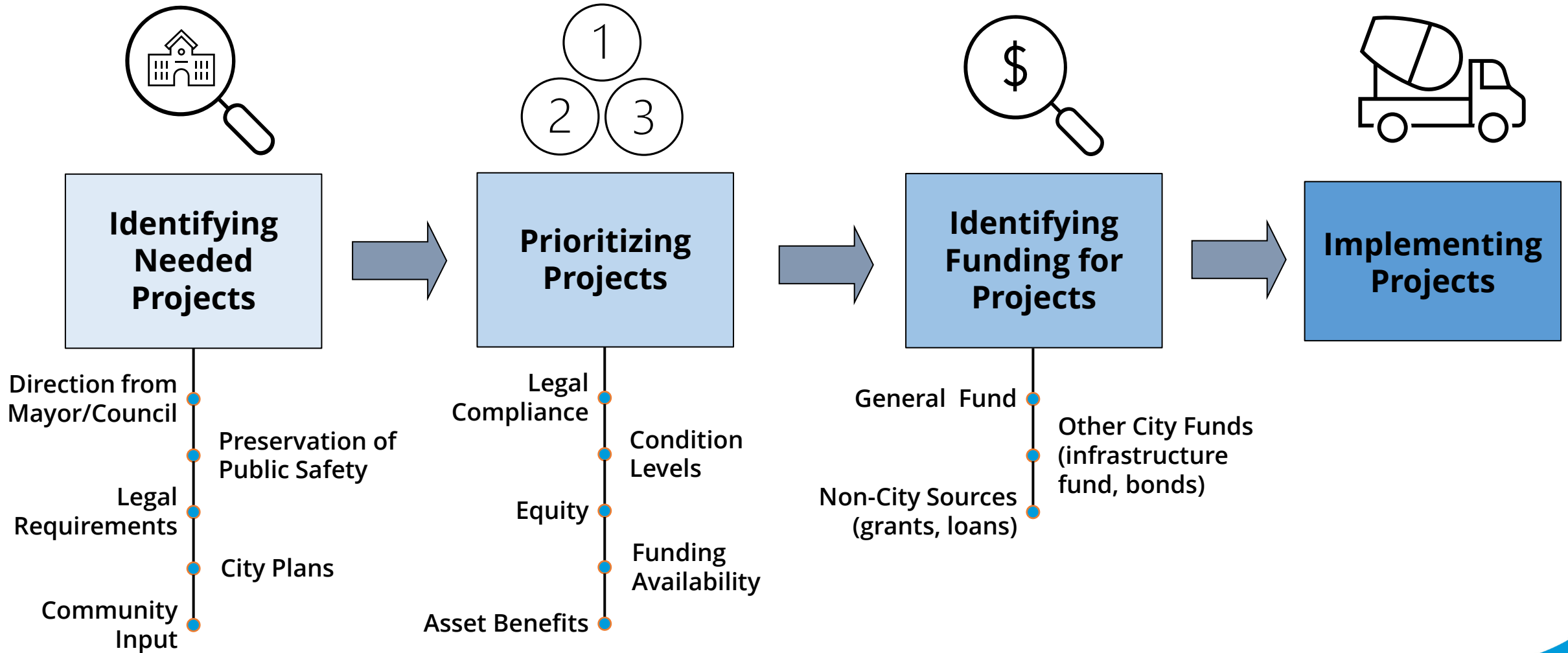


Homeless Shelters
\$5.0 Million



Fleet Facilities
\$2.6 Million

How do projects get into the CIP?



FY 2027 Council Infrastructure Priorities



**Transportation and
Mobility Safety**

Streets

Sidewalks

Stormwater

Facilities

ADA Projects

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Get Involved

Opportunities for Public Input



Contact the Mayor

Contact Your Councilmember

Get involved

Report Needs

Provide Inputs

- November – April: during budget development

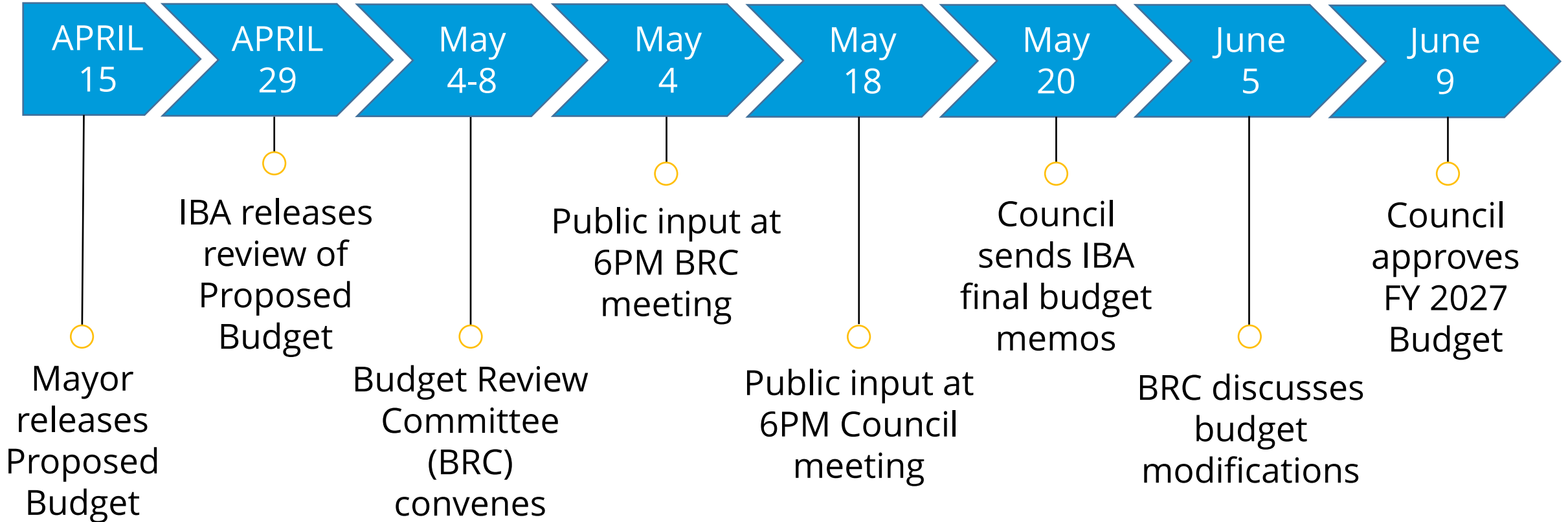
- September: as they develop their budget priorities
- November: during their review of the 5-Year Outlook
- December/January: as they update their budget priorities

- Community planning
- Recreation committees
- Other groups

- *Get It Done* App
- Appropriate staff

- Online City Survey on Infrastructure

Upcoming Public Meetings & Other Key Dates



Key Budget Dates: <https://rb.gy/qlvssp>

Important Resources

Office of the IBA

Website <https://www.sandiego.gov/iba>

- [IBA Reports](#)
- [Key Budget Dates](#)
- [Public's Guide to the Budget](#)
- [Public's Guide to Infrastructure](#)

X (Twitter)



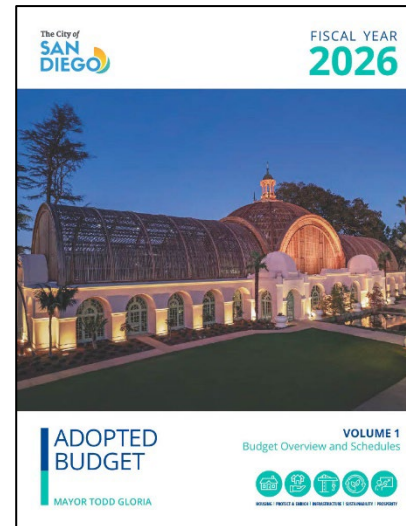
Office of the Independent Budget Analyst
@SanDiegoIBA

Phone number **619-236-6555**

Department of Finance

Website <https://www.sandiego.gov/finance>

Adopted Budget



Other Financial Reports

Financial Reports	
Five-Year Financial Outlook	▼
Budget Monitoring Reports	▼
Annual Comprehensive Financial Report	▼
Single Audit Reports	▼
State and Local Recovery Funds Performance Report	▼
Metropolitan Wastewater Utility Allocation of Billing Report	▼
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	▼
Annual Internal Controls Reports	▼
Charter 39 Financial Performance Reports	▼
City Employee Compensation Reports	▼
Discontinued Reports	▼
CED (Mello Roos) Reports	▼

Thank you for participating!

We're happy to take questions!

**FY 2026 IBA Budget
Crash Course Survey**

forms.office.com/g/iSug5cWcdf



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