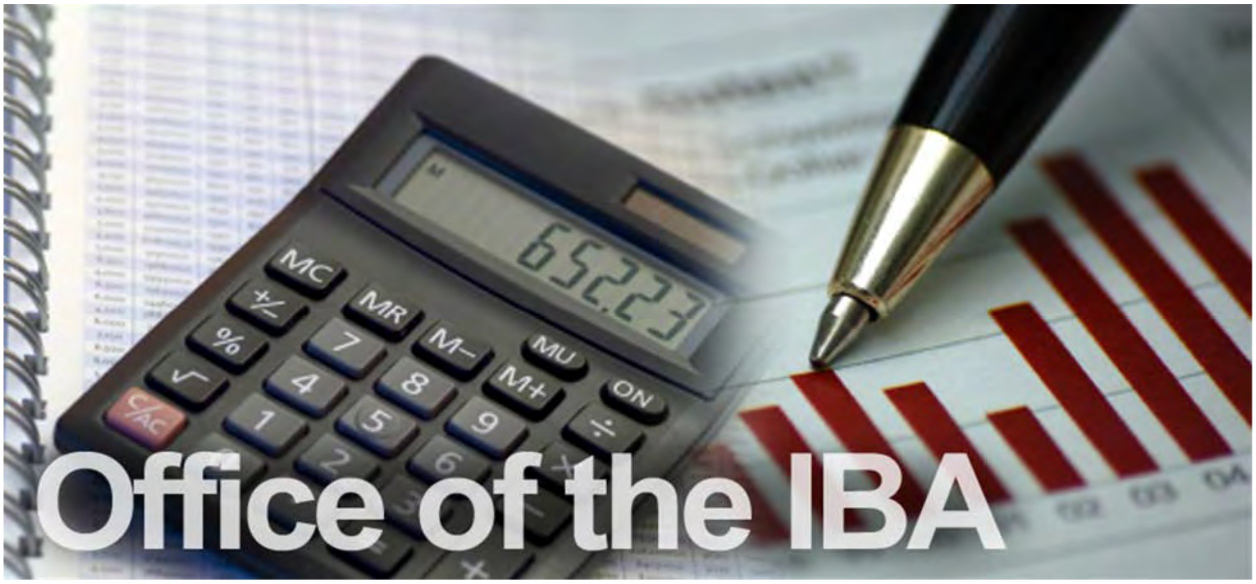

Description

On November 2, 2004, the voters of the City of San Diego approved Proposition F, which changed the City's form of government from City Manager to Strong Mayor-Strong Council for a five-year trial period. Proposition F also provided that the City Council shall have the right to establish an Office of the Independent Budget Analyst (IBA) and determine the powers of the Office and its manager by ordinance. The Office of the IBA was established on January 16, 2006 consistent with Proposition F.

On June 3, 2008, voters passed Proposition C, which amended the City Charter related to the Independent Budget Analyst, Chief Financial Officer, City Auditor, City Treasurer, and Audit Committee, and made permanent the Strong Mayor-Strong Council form of government. By adding Section 39.3 to City Charter Article V, this proposition made permanent the Office of the Independent Budget Analyst regardless of the form of government.

The function of this office is explained in Charter Section 39.3 which states “[t]he Office of the Independent Budget Analyst shall provide budgetary and policy analysis for the City Council,” and San Diego Municipal Code Section 22.2301 which states "[t]here is hereby created the Office of Independent Budget Analyst, a City department whose designated function is to assist the City Council in the conduct of budgetary inquiries and in the making of budgetary decisions.”

In Fiscal Year 2025, the Department of Race & Equity (DRE) merged with the Human Resources Department. Following Council action during the Fiscal Year 2026 budget adoption process, the Department of Race & Equity was moved into the Office of the Independent Budget Analyst (IBA) as of July 1, 2025. Race and Equity was established in 2020 via City Ordinance through advocacy from then Councilmember Monica Montgomery Steppe as a deliberate step toward advancing racial and social equity in the City of San Diego. Previously, the department was responsible for providing education and technical support to City staff, local law enforcement, and elected officials in order to recognize and eliminate systemic racism and barriers for the fair and just distribution of resources, access, and opportunity. Through strategic initiatives, the department played a pivotal role in visualizing, normalizing, organizing, and operationalizing equity in policy, procedural, programmatic, and budgetary decisions. The team is comprised of educators, coaches, researchers, and organizers committed to partnering with City departments to embed equity in their operations and measure progress towards achieving equitable outcomes.

For more information, please visit the Office of the Independent Budget Analyst website (https://www.sandiego.gov/iba).

The vision is:

A City Council and Public empowered to fully and effectively participate in the City's governance

The mission is:

To provide clear, objective and unbiased analysis and advice to the City Council and the public regarding all legislative items bearing financial and policy impacts to the City of San Diego.

Goals and Objectives

Goal 1: Support the City Council's adoption of balanced budgets and the implementation of best financial and government practices.

- Prepare thorough and timely analyses of the Proposed Budget, financial monitoring reports, and financial outlooks, including a review of projected revenues and expenditures to ensure reasonableness
- Make recommendations that allow the City Council to adopt a balanced budget each fiscal year, and note the long-term impact that budget decisions may have on the ability to adopt balanced budgets in future fiscal years
- Ensure all fiscal recommendations adhere to best financial practices, including alignment with GFOA budgeting best practices
- Provide two Council trainings per year covering a variety relevant of financial topics to aid Council in carrying out its oversight responsibilities

Goal 2: Assist the City Council in making sound decisions on all items brought before it, and in ensuring the City Council retains its full role in the City's governance.

- Review all items docketed for consideration by the City Council and Council Committees, and provide comments, background, context, and analyses as needed and appropriate
- Prepare thorough and unbiased analyses of significant items brought before Council, including budgetary, policy, and operational impacts, and considerations of best government practices and principles
- Respond in a timely fashion to ad-hoc requests from the City Council and Councilmembers for analyses and information on a variety of topics
- When appropriate, serve as an interface between the City Council and other City operating departments and staff, to ensure Council has the information necessary to make operationally-informed decisions and to ensure operating departments understand the objectives of the City Council

Goal 3: Ensure public access to information and enhance the public's ability for informed participation in the decision-making process.

- Provide public copies of all IBA reports, analyses, and presentations, and ensure that those items are written in clear, plain, and understandable language
- Make presentations to a wide and diverse number of interested public and stakeholder groups, both proactively and on request, on significant budget and policy items facing the City
- Prepare and release Public Guides to City processes and issues, including the City's Budget Process and the City's Capital Program
- Lead development of fiscal impact statements for all ballot items submitted to voters
- Respond promptly to all requests for information from the public and the press
- Budget Equity: Identify opportunities to implement equity lens toolkits across the City's Budget Processes to address any disparities, gaps, and deficiencies that may have a budgetary implication.

Goal 4: ***(Division of Race & Equity) 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.***

- TEP Dashboard: Enhance existing infrastructure of Tactical Equity Plan (TEP) Dashboard, maximizing accessibility and transparency, and shepherd all City departments towards the implementation of high quality TEPs that can be leveraged for strategic, data-driven decision-making.
- Equity Metrics: In partnership with PandA, create citywide equity metrics and publish a Geospatial Tool to provide the public and decision makers with reliable social equity data - supporting civic and community engagement.
- Strategic Research Projects: In collaboration with academic partners, drive 3 department-specific equity research projects for identified high impact disparities, gaps and deficiencies.
- Small Local Business Enterprise (SLBE) Program Oversight: Regularly monitor and report program outcomes. Provide evidence-based recommendations on achieving program goals and objectives.

Goal 5: ***(Division of Race & Equity) Learning and Development – 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.***

- Equity Centered Coaching (ECC): Deliver systematic coaching support and monitoring tools to departments for TEP development, implementation, and progress tracking.
- Tactical Equity Plan (TEP) Training: Design and facilitate training on TEP protocols for City Council and City departments to implement an action plan to achieve racial equity in the City budget, policy, operations, services, and public programs.
- Race & Equity Academy: Expand comprehensive equity training curriculum for all City employees.
- Leadership Development Training: Equip City supervisors, managers, and leadership with the knowledge, skills, and tools to lead equity transformation and create inclusive organizational cultures.

- Specialized Trainings: Design and implement customized training programs tailored to unique department context and City Council needs to advance equity in operations, service delivery, and policy decisions.

Goal 6: (Division of Race & Equity) Policy and Budget – Provide social equity related analysis on the City of San Diego's policies and apply a citywide Budget Equity Framework to review budget equity implications to reduce disparities, gaps, and deficiencies.

- Equity Implications: Design and implement processes for identifying and enumerating equity implications of policies.
- Public Policy Partnerships: Enhance and forge strategic public policy partnerships to drive social equity research and analysis.
- Reporting: Outline equity implications in reports to City Council through verbal and/or written comments on items that have both policy and budgetary implications.
- Reporting: Outline equity implications in reports to City Council through verbal and/or written comments on items that have both policy and budgetary implications.

Budget Equity Impact Statement

Equity Highlights

Examples from the current fiscal year.

- In FY 2026, the Division of Race & Equity was formally integrated into the Office of the IBA with Council approval of related municipal code changes. With this transition, the division assessed disparities and incorporated equity considerations and recommendations into the Office's analyses, especially the budget process.
- The IBA's existing staff expanded its collaboration with the Division of Race & Equity by partnering on several budget and policy issues. These joint efforts were aimed to equip staff and stakeholders with better understanding of the City's budget and policy decisions, including their equity implications.
- Tactical Equity Plan training was delivered to City Council staff, to help Councilmembers support a more consistent approach in recognizing disparities and applying equity considerations in their legislative work.

Budget Equity Lens Summary

Ongoing Operations

Is there an opportunity to adjust the department's ongoing operations to mitigate the impacts of identified disparities, gaps, and deficiencies?

NO

The IBA will continue to produce budget and policy reports, offer written and verbal comments to support transparent decision-making, and host public workshops to help residents better understand the City of San Diego's annual budget and the process through which it is developed, and equity impacts - further informed by the Division of Race and Equity - will additionally be assessed in those reports and workshops when appropriate.

Additionally, the Division of Race and Equity will continue working with City departments on their Tactical Equity Plans (TEPs) to identify and address inequities across operations, services, and budget processes. This collaboration is intended to assist departments with incorporating equity considerations into their own developments of policies and budgets.

Budget Adjustment(s)

Do the adjustments impact any department disparities, gaps, and deficiencies?

N/A

Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2026 Performance	Goal
(Division of Race & Equity) Equity-Centered Coaching hours provided[1]	Number of hours that Departments have received Equity-Centered Coaching	0	141	150
(Division of Race & Equity) Learning and Development[2]	Percentage of employees that participate in at least one in person or virtual training session	9.00%	12.00%	100.00%

Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2026 Performance	Goal
Budget Town Halls[3]	Number of Council Districts that held at least one budget town hall meeting	6	3	9
Council Offices attendance at docket briefings	Average number of Council Offices in attendance at docket briefings	6	5	9
Financial training usefulness	Average rating of City Council financial trainings (100% being most useful)	98.00%	92.00%	95.00%
IBA reports issued[4]	Total number of IBA reports issued	31	34	35
Quality of IBA reports[5]	Average rating (out of ten) of report quality by Council in IBA performance evaluation	9.40	9.40	10.00

1 The Equity-Centered Coaching KPI was updated to track the overall number of hours of coaching provided by the Division of Race and Equity in FY26. The number of departments eligible for coaching has fluctuated over time and may continue to change.

2 The Learning and Development KPI was updated to reflect the share of city employees that participated in at least one training session by the Division of Race and Equity from FY23 to FY26.

3 Beyond budget town-halls specifically, the total number of budget-related presentations made to the public in Fiscal Year 2025 was 20, and those presentations were held in 7 different Council Districts.

4 One driver of the number of reports issued is the volume of Council docket items reviewed. For Fiscal Year 2025 our Office reviewed 945 items.

5 Based on Fiscal Year 2025's rating. The IBA's FY 2026 performance evaluation is anticipated to be completed in August 2026.

Department Summary

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
FTE Positions (Budgeted)	19.50	17.00	17.00	0.00
Personnel Expenditures	$3,810,520	$4,403,985	$4,599,177	$195,192
Non-Personnel Expenditures	3,320,409	337,653	506,683	169,030
Total Department Expenditures	**$7,130,929**	**$4,741,638**	**$5,105,860**	**$364,222**
Total Department Revenue	**$129,299**	**$ -**	**$ -**	**$ -**

General Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Equity	$ -	$ -	$1,364,038	$1,364,038
Office of the IBA	2,961,697	4,651,781	3,546,247	(1,105,534)
Race & Equity[1]	1,084,526	-	-	-
Total	**$4,046,223**	**$4,651,781**	**$4,910,285**	**$258,504**

Department Personnel

	FY2025 Budget	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Equity	-	-	6.00	6.00
Office of the IBA	11.00	17.00	11.00	(6.00)
Race & Equity[1]	8.50	-	-	-
Total	**19.50**	**17.00**	**17.00**	**-**

1. The Race & Equity Division was a standalone department in FY2025 and merged with the Office of the IBA in FY2026.

Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	-	$195,192	$ -
SAP Modernization Project Addition of one-time non-personnel expenditures to provide independent review of project costs.	-	50,000	-

Budget Adjustments

	FTE	Expenditures	Revenue
Support for Information Technology Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	-	7,148	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	-	6,164	-
Total	**0.00**	**$258,504**	**$ -**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
PERSONNEL EXPENDITURES				
Personnel Cost	2,639,887	2,974,960	3,054,693	79,733
Fringe Benefits	1,170,633	1,429,025	1,544,484	115,459
PERSONNEL SUBTOTAL	**3,810,520**	**4,403,985**	**4,599,177**	**195,192**
NON-PERSONNEL EXPENDITURES				
Supplies	9,405	12,455	12,510	55
Contracts & Services	113,552	116,312	169,967	53,655
External Contracts & Services	*44,583*	*57,050*	*107,050*	*50,000*
Internal Contracts & Services	*68,969*	*59,262*	*62,917*	*3,655*
Information Technology	84,896	87,710	94,858	7,148
Energy and Utilities	22,091	22,019	24,473	2,454
Other Expenses	5,758	9,300	9,300	-
NON-PERSONNEL SUBTOTAL	**235,703**	**247,796**	**311,108**	**63,312**
Total	**$4,046,223**	**$4,651,781**	**$4,910,285**	**$258,504**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Charges for Current Services	$23,919	$ -	$ -	$ -
Other Revenue	355	-	-	-
Total	**$24,275**	**$ -**	**$ -**	**$ -**

Personnel Expenditures

Job Number	Job Title/Wages	FY2025 Budget	FY2026 Budget	FY2027 Adopted	Salary Range	Total
FTE, Salaries and Wages						
20001111	Budget/Legislative Analyst 1	8.00	8.00	8.00	36,920 - 242,590	$1,450,226
20001166	Council Representative 2A	1.00	1.00	1.00	36,920 - 167,482	110,510
20001101	Department Director	1.00	1.00	0.00	99,237 - 375,918	-
20001168	Deputy Director	1.00	1.00	2.00	79,643 - 292,822	460,512
20001110	Independent Budget Analyst	1.00	1.00	1.00	99,237 - 375,918	283,670
90001073	Management Intern - Hourly	1.00	0.00	0.00	36,920 - 47,320	-
20001234	Program Coordinator	2.00	1.00	1.00	36,920 - 220,314	132,392
20001222	Program Manager	4.00	4.00	4.00	79,643 - 292,822	628,744
90001146	Student Intern - Hourly	0.50	0.00	0.00	36,920 - 47,320	-
	Adjust Budget To Approved Levels					(43,781)
	Vacation Pay In Lieu					32,420
FTE, Salaries and Wages Subtotal		**19.50**	**17.00**	**17.00**		**$3,054,693**

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Fringe Benefits				
Employee Offset Savings	17,663	20,472	20,474	2
Flexible Benefits	186,192	200,815	217,082	16,267
Insurance	126	-	-	-
Long-Term Disability	9,342	15,384	13,366	(2,018)
Medicare	38,941	43,998	44,458	460
Other Post-Employment Benefits	65,172	69,224	53,754	(15,470)
Retiree Medical Trust	4,840	5,881	5,961	80
Retirement 401 Plan	18,929	23,520	23,838	318
Retirement ADC	760,300	960,735	1,077,565	116,830
Risk Management Administration	21,435	28,322	26,979	(1,343)
Supplemental Pension Savings Plan	37,378	41,287	41,289	2
Unemployment Insurance	-	2,882	2,666	(216)
Workers' Compensation	10,315	16,505	17,052	547
Fringe Benefits Subtotal	**$1,170,633**	**$1,429,025**	**$1,544,484**	**$115,459**
Total Personnel Expenditures			**$4,599,177**	

Community Equity Fund (CEF)

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Office of the IBA	$ -	$89,857	$195,575	$105,718
Race & Equity	3,084,706	-	-	-
Total	**$3,084,706**	**$89,857**	**$195,575**	**$105,718**

Budget Adjustments

	FTE	Expenditures	Revenue
Use of Fund Balance Addition of one-time non-personnel expenditures to transfer available fund balance to the General Fund.	-	$195,575	$ -
One-time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in the prior Fiscal Year.	-	(89,857)	-
Total	**0.00**	**$105,718**	**$ -**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Contracts & Services	3,084,706	89,857	-	(89,857)
External Contracts & Services	*3,084,706*	*89,857*	-	*(89,857)*
Transfers Out	-	-	195,575	195,575
NON-PERSONNEL SUBTOTAL	**3,084,706**	**89,857**	**195,575**	**105,718**
Total	**$3,084,706**	**$89,857**	**$195,575**	**$105,718**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Revenue from Use of Money and Property	$105,024	$ -	$ -	$ -
Total	**$105,024**	**$ -**	**$ -**	**$ -**

Revenue and Expense Statement (Non-General Fund)

Community Equity Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ 3,175,257	$ 195,575	$ 195,575
TOTAL BALANCE AND RESERVES	**$ 3,175,257**	**$ 195,575**	**$ 195,575**
REVENUE			
Revenue from Use of Money and Property	$ 105,024	$ -	$ -
TOTAL REVENUE	**$ 105,024**	**$ -**	**$ -**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 3,280,281**	**$ 195,575**	**$ 195,575**
OPERATING EXPENSE			
Contracts & Services	$ 3,084,706	$ 89,857	$ -
Transfers Out	-	-	195,575
TOTAL OPERATING EXPENSE	**$ 3,084,706**	**$ 89,857**	**$ 195,575**
TOTAL EXPENSE	**$ 3,084,706**	**$ 89,857**	**$ 195,575**
BALANCE	**$ 195,575**	**$ 105,718**	**$ -**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 3,280,281**	**$ 195,575**	**$ 195,575**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.