

IBA Crash Course: Understanding the FY 2023 Budget Process

April 2022



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



Understanding the FY 2023 Budget Process

Presentation Overview

- Background on the Independent Budget Analyst's Office
- Roles and Authorities in the Budget Process
- Budget Process and Information
- Public Involvement and Resources

Why is the City's Budget Important?

The Budget reflects City policies and community priorities, and allocates available funds for City programs and services

- Public Safety
- Infrastructure
- Parks and Recreation
- Libraries
- Climate Action Plan
- Code Enforcement
- Arts & Culture
- Homeless Services
- Economic Development
- Environmental Services

The Budget is a statement of - and plan to address - City Priorities

Background on the Office of the Independent Budget Analyst (IBA)

What is the Independent Budget Analyst?

The Independent Budget Analyst (IBA) reports directly to the City Council, and provides clear, objective, and unbiased information and analysis

- IBA has *internal* role: reviews all materials, proposals, and budgets coming to Council for a vote, and offers clear analyses of those proposals to inform Councilmember decisions
- IBA has *external* role: provides reports and presentations to public in easily understandable language and free from jargon
 - Educates public as to how it can be involved in major decisions and budget processes

Why was the IBA Created?

In 2003 serious financial problems led to a citizen initiative to change the structure of San Diego's City government

- Serious budget shortfalls, irresponsible expenditures
 - Underfunding of pension system while increasing benefits
- Voters approved measure in 2004 to move away from City Manager form of government, and to Strong Mayor/Strong Council form of government
 - Requires election of new Mayor to run the city, instead of city manager reporting to Council
- Council needs unbiased, objective information and advice for effective decision-making
- Public needs objective information to meaningfully participate in budget process

Roles and Authorities in the Budget Process

Mayor/Council/IBA Roles and Authorities in the Budget Process

- **Mayor**

- Proposes a balanced budget to Council by April 15
- Carries out the City's goals and services reflected in the Council-approved budget
- Has sole authority to propose budget changes during the fiscal year after Proposed Budget is approved

- **Council**

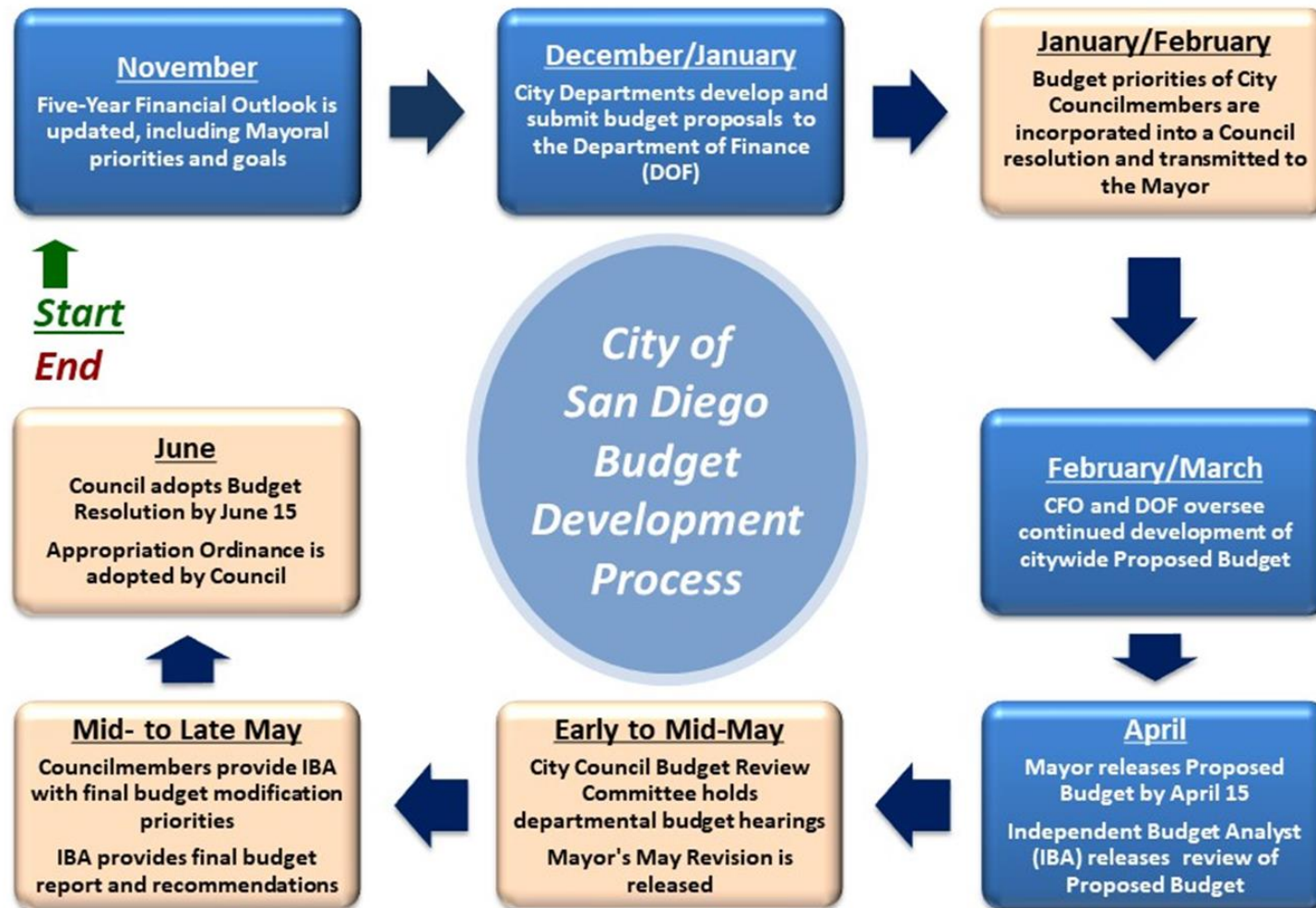
- May change the Mayor's Proposed Budget as long as the budget remains balanced
- Reviews, approves, and amends the Proposed Budget on or before June 15
- Has final budget authority (i.e., approves recommended changes from the Mayor)

- **IBA**

- Analyzes the Mayor's financial reports, including the Proposed Budget
- Supports Council and Committee budget hearings, participates in Budget Town Halls
- Develops final budget recommendations for Council consideration

Overview of the Operating Budget Process

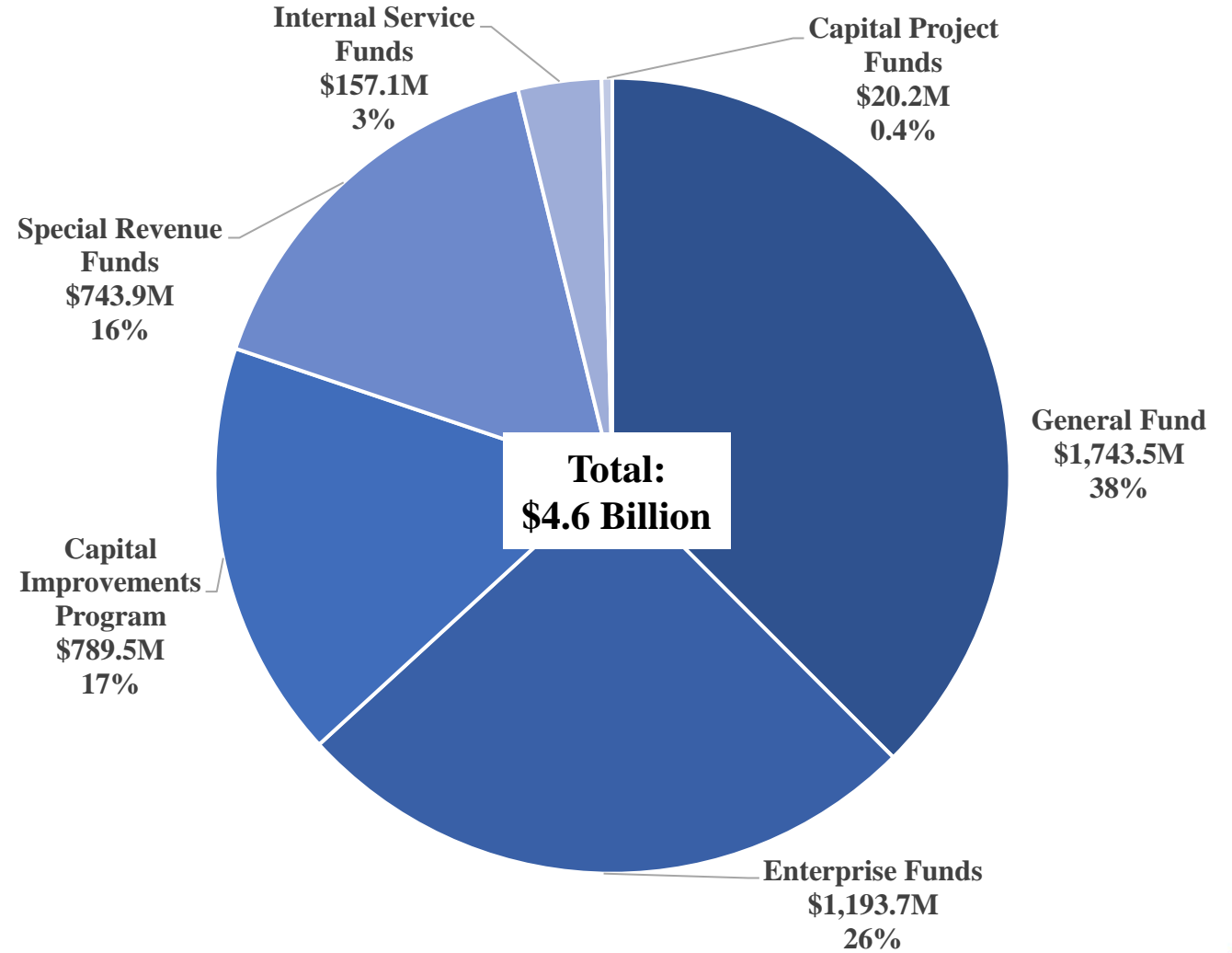
FY 2022 Budget Development Timeline



FY 2022 Budget Overview

Total City Budget

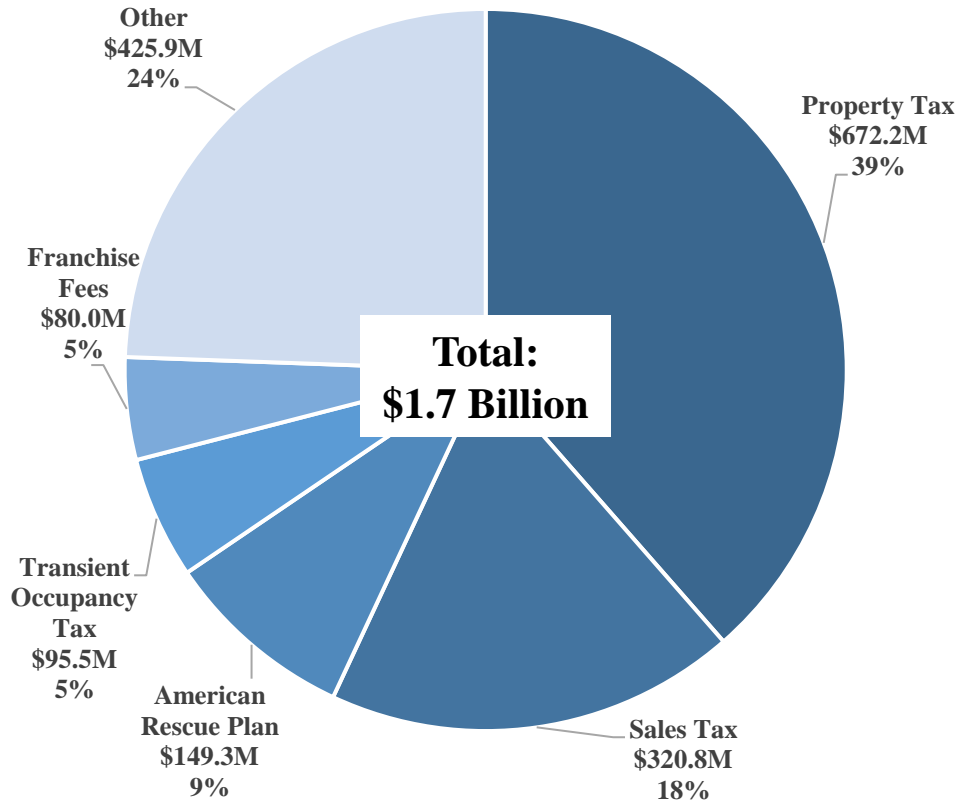
- While the City's total FY 2022 Budget is \$4.6 billion, the area where the City has *most discretion to fund operations* is in the General Fund



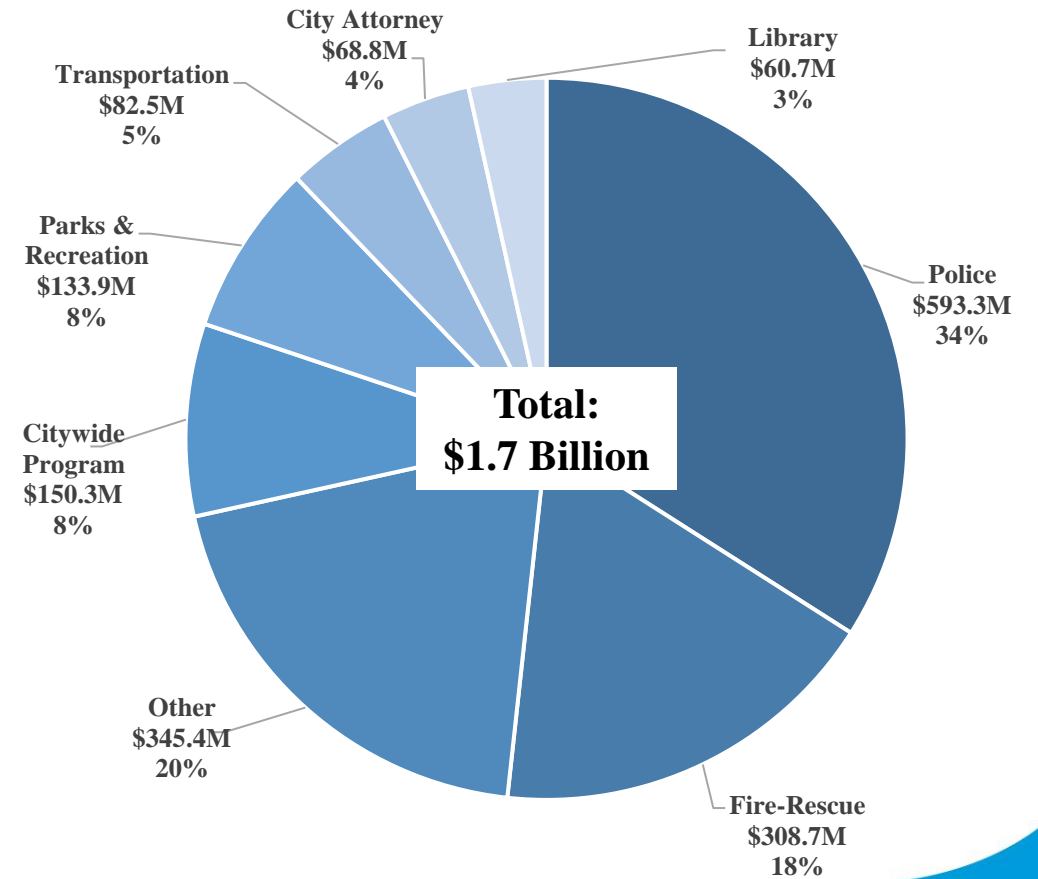
FY 2022 Budget Overview *cont.*

General Fund

Revenues



Expenditures





FY 2023 Priorities Receiving Majority Support

Operating Budget Priorities

- | | |
|---|---|
| • Environment and Climate Action | • Office of Labor Standards Enforcement |
| • Public Safety | • Public Banking Feasibility Study |
| • Neighborhood Services | • Technical Support for IBA |
| • Human Capital and Employee Compensation | • Office of Race and Equity |
| • Homelessness and Housing | • Commission on Police Practices |
| • Youth Services | • Digital equity |
| • Accessibility | • Small Business and Non-Profit Relief |
| • Arts and Culture Programs | |

Infrastructure Budget Priorities

- Transportation and Mobility Safety
- Streets
- Sidewalks
- Stormwater
- Facilities
- Americans with Disabilities Act (ADA)

Resource and Mitigation Priority

- Use of Excess Equity

Get Involved

Opportunities for Public Input

- **Contact the Mayor** and/or his staff during the development of Mayor's Proposed Budget (November-April)
- **Contact Councilmembers** at any point in the year, but especially:
 - September: when they identify capital project priorities prior to the Mayor's request for Councilmember CIP input
 - November: during Council's review of the Mayor's Five-Year Outlook
 - January: as Councilmembers develop their budget priority memos for the Mayor
- **Participate in public outreach process for CIP Projects** done every other year through your Community Planning Group (August/September)
- **Report needs** - Get It Done App, Department staff
- **Get involved** year-round in community planning, recreation committees, and other groups

Opportunities for Public Input *cont.*

- May:
 - Participate in Budget Review Committee hearings May 4th-10th; and evening City Council meetings May 4th and 16th
 - Attend Council District Town Halls or budget discussions
 - Contact Councilmembers prior to them sending their final budget priority memoranda to the IBA on April 29th
- June 13th: When City Council makes final budget decisions
- Throughout the year:
 - Review Mayoral or IBA budget reports released
 - Contact the IBA with any questions

More City of San Diego Budget Information

Information on the City's budget and other legislative items can be found on the IBA website:

- <https://www.sandiego.gov/iba>
 - IBA reports
 - Full list of key budget dates
 - A Citizen's Guide to the City's Budget Process
 - A Citizen's Guide to Infrastructure
- Call our Office for additional information: [619-236-6555](tel:619-236-6555)
- Follow us on Twitter: [@SanDiegoIBA](https://twitter.com/SanDiegoIBA)
- Link to the Adopted Budget: <https://www.sandiego.gov/finance/annual>
- Link to the Department of Finance various reports: <https://www.sandiego.gov/finance/financialrpts>