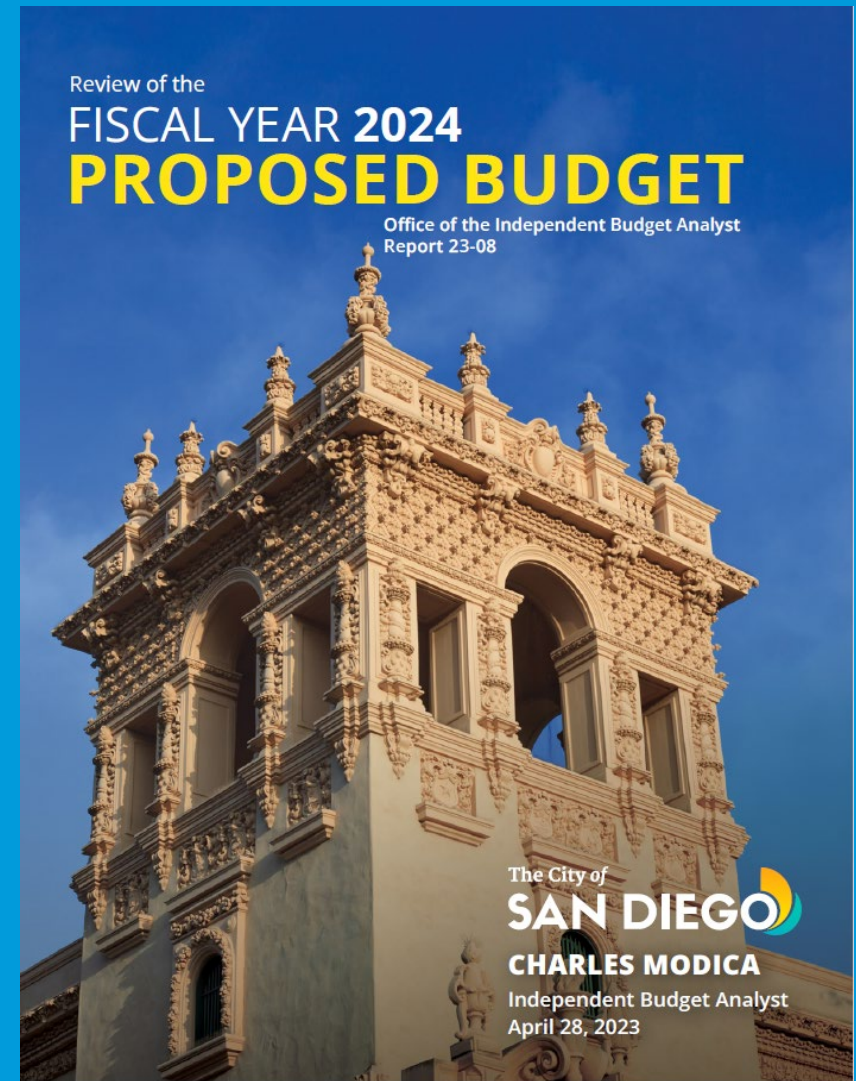


IBA Review of the FY 2024 Proposed Budget

Presentation to Downtown San Diego Partnership
May 11, 2023



Office of the Independent Budget Analyst



IBA Review of the FY 2024 Proposed Budget

Presentation Overview

- Budget Process
- Overview of the Proposed Budget
- Key Budget Issues
- Next Steps and Resources



Why is the City's Budget Important?

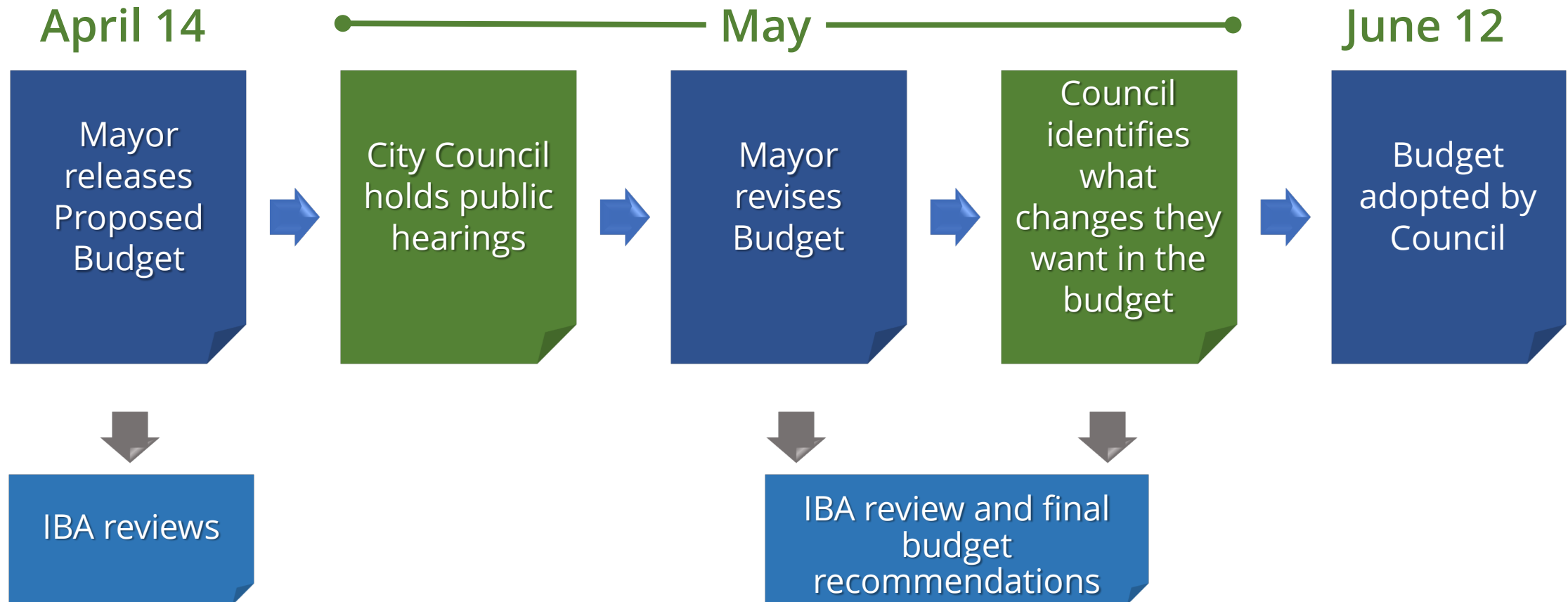
The Budget is a statement of – and plan to address – City priorities.



Budget Process

How is the Budget created?

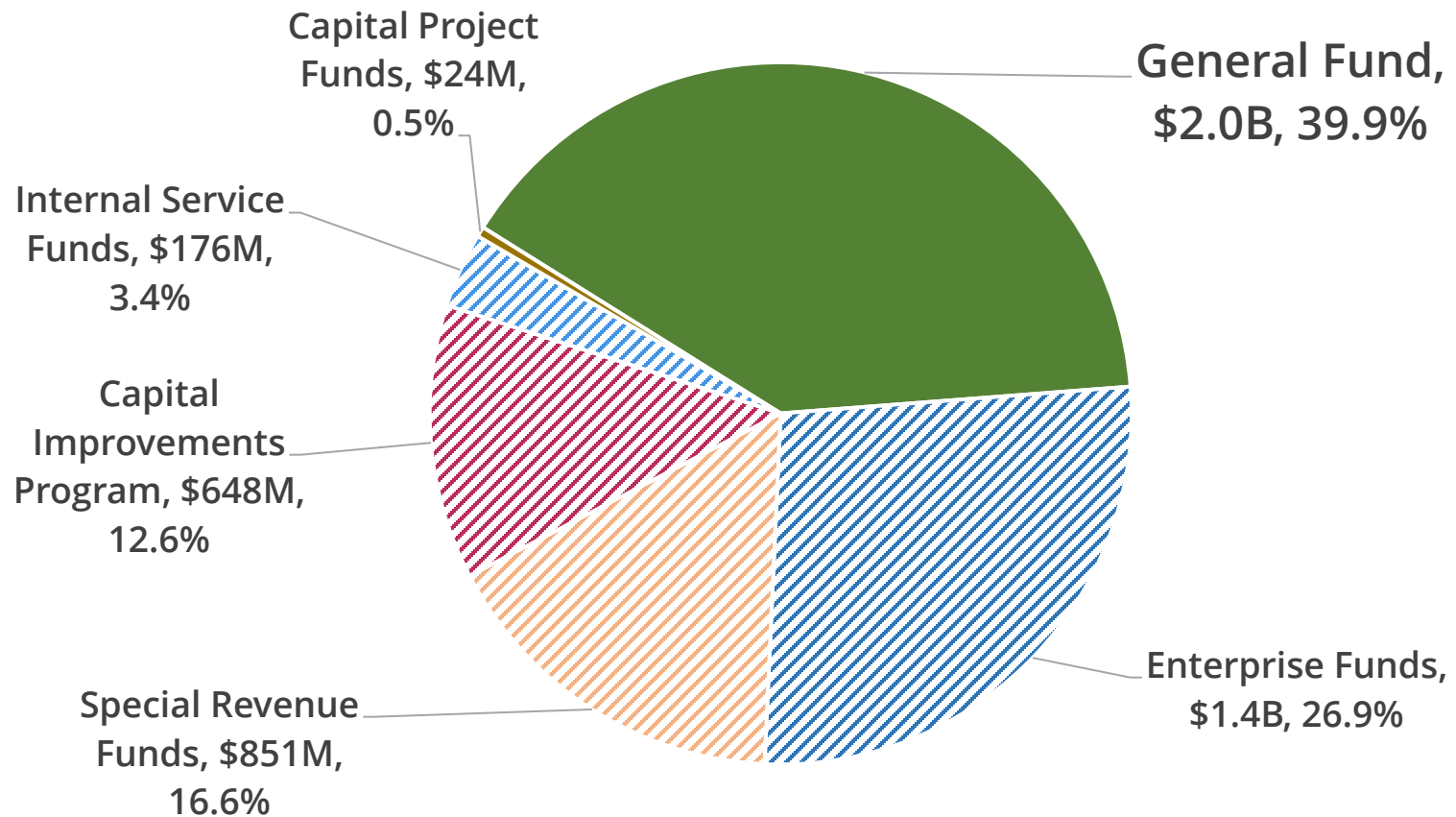
Budget Adoption Process



Overview of the Proposed Budget

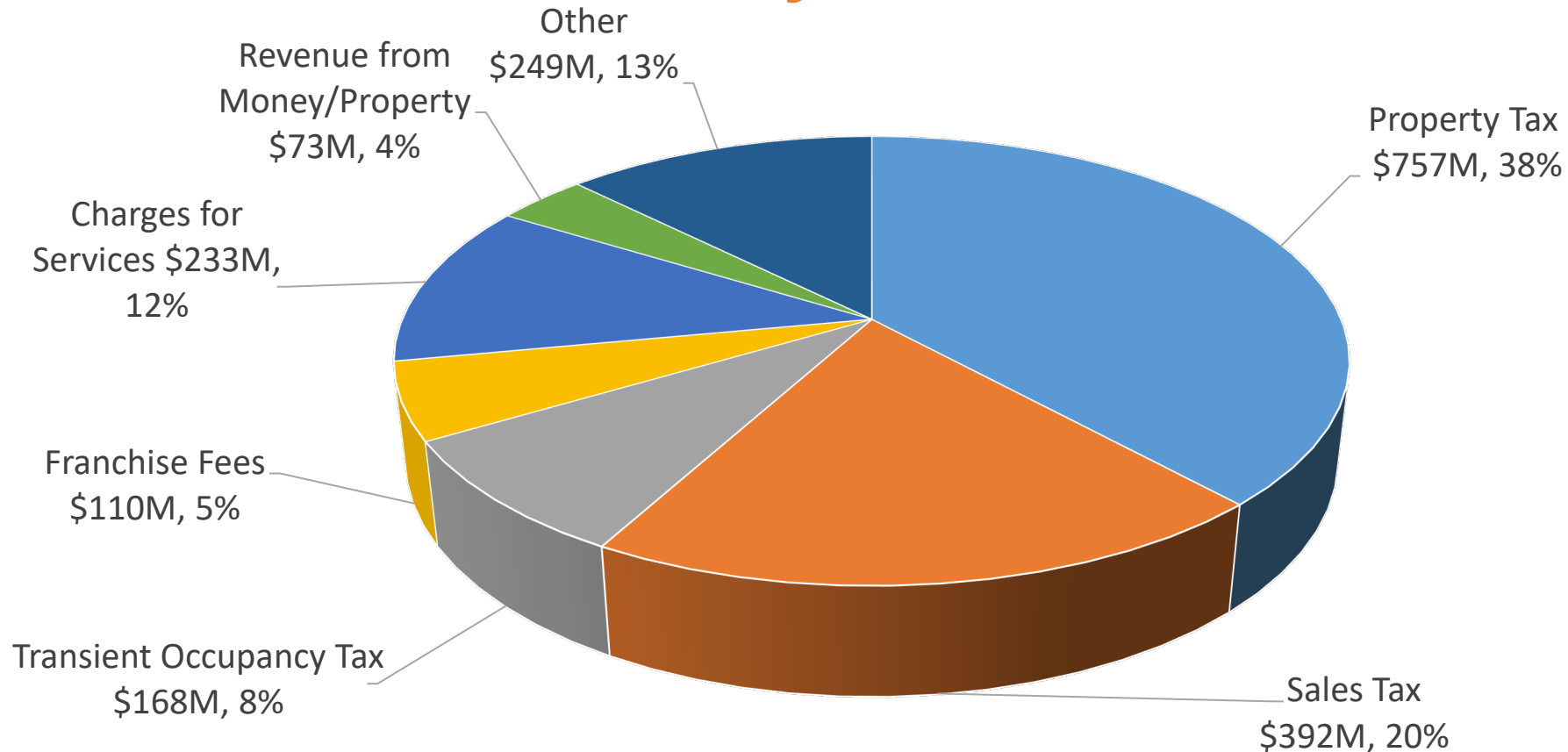
FY 2024 Proposed Budget by Fund - \$5.1B

General Fund has the most flexibility for use



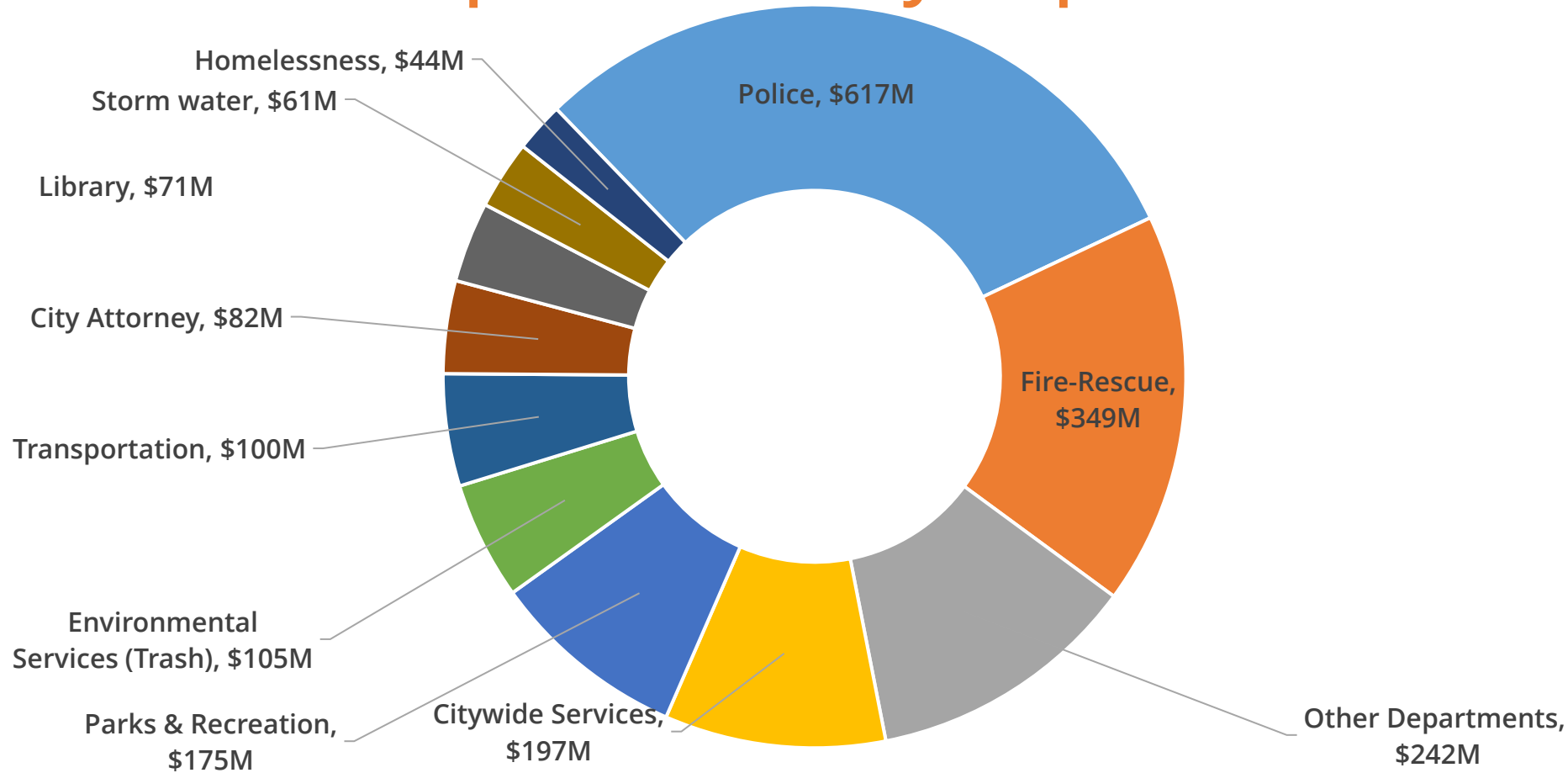
General Fund Revenues

General Fund Revenues by Source - \$2.0B



The Mayor's Proposal to Spend Money

General Fund Expenditures by Department - \$2.0B



A Closer Look at the Mayor's Proposed Budget

Significant Budget Increases

- Smart Streetlights: \$4 million
- Animal Services Contract: \$4 million
- Climate Action Plan: \$15 million
- City infrastructure:
 - Street resurfacing and other transportation projects: \$144.3 million
 - Buildings improvements: \$52.3 million (including \$3 million for Park facilities and \$4.4 for General Fund facilities, such as Libraries)
 - Parks projects: \$30.9 million

Notable General Fund Additions

New Positions Added to Departments

Department	FTE	PE	Program Areas/Positions
Environmental Services	49.48	\$4.6M	Position reallocations; waste collection cost of service process; abatement hot spot teams; other positions.
Police	23.00	\$2.7M	Various sworn and civilian positions including Police Investigative Service Officers (PISOs); Assistant Police Chief.
Fire-Rescue	21.88	\$4.1M	Increased personnel for Fire-Safety/HAZMAT inspections, Lifeguards, Advanced Lifeguard Academy, and other operations and support staff.
Parks & Recreation	21.58	\$4.0M	New park facilities, Supervising Park Rangers, Get It Done App support; Citywide Maintenance Services Deputy Director.
Human Resources	13.50	\$1.2M	Federally supported internship program, recruitment, labor and employee relations support for departments.
Other Departments	41.17	\$5.5M	Staffing to support various programs.

Notable General Fund Additions

Homelessness and Housing Programs and Services

- \$18.8M increase
- Significant additions for *new* activities include:
 - \$8.8M ongoing increase, includes expanding shelter capacity (\$5.0M) and shelter bed replacement (\$1.5M)
 - \$0.5M increase for Neil Good Day Center
- Funding to continue *existing* activities include:
 - \$3.3M for homelessness outreach efforts
 - \$2.3M for the Housing Instability Prevention Program, maintains existing service levels

Key Budget Issues

Key Budget Issues

Budget Equity Included in the Budget Process

- The first year the budget process includes additional steps to more deeply integrate equity considerations
- Some highlights are:
 - \$9 million for projects responding to climate change impacts in communities of concern
 - 4 positions and \$1 million for SD Access 4 All Digital Equity Program & a hotspot and Chromebook lending program
 - 3 positions and \$1 million to support tree planting in historically disadvantaged communities

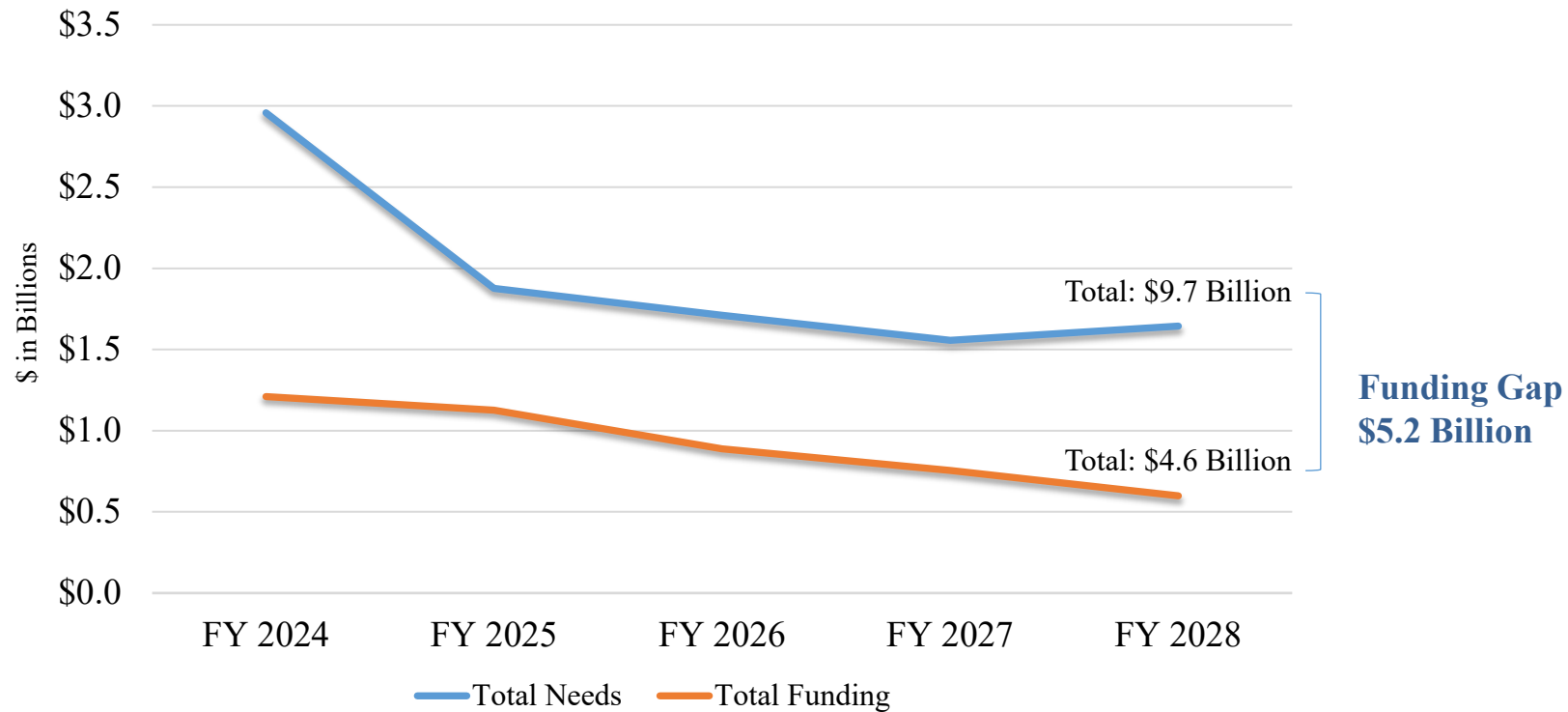
Key Budget Issues

The Budget is Structurally Imbalanced

- Ongoing expenditures are supported with temporary funding sources
- When temporary funding expires, programs or services may need to be cut

Key Budget Issues

The City's infrastructure needs far exceed funding available



FY 2024 – FY 2028 Projected Capital Needs and Available Funding

Key Budget Issues

City employee vacancies make it harder to fully serve residents

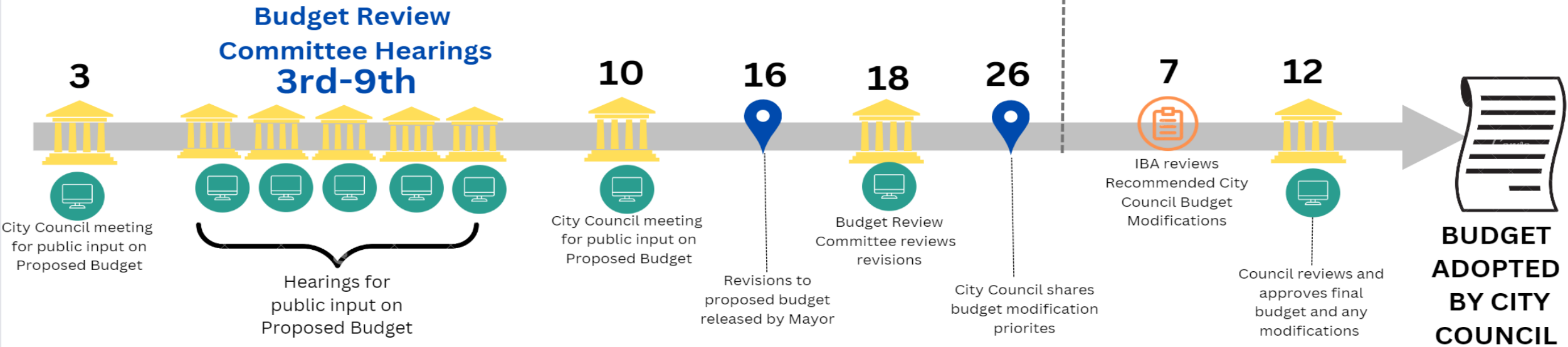
- City at competitive disadvantage in hiring and retaining employees
- Compensation levels lower than other private and public entities
- Recruitment and hiring process is long
- Progress made with compensation programs, improving hiring process, and a citywide career fair

Next Steps

Next Steps in the Budget Process

May

June



Key Milestone
Important points in the budget development process

Public Input
High impact opportunity to share your opinions with Council members

Public Meeting
Share your opinions with all Council members

IBA Report
Independent Budget Analyst reviews information in report

Additional Resources

More City of San Diego Budget Information

- City of San Diego budget documents (Proposed and Adopted):
<https://www.sandiego.gov/finance>
- Budget Review Committee Hearing Schedule:
https://www.sandiego.gov/sites/default/files/fy24_departmental_and_outside_agencies_budget_hearing_calendar.pdf
- Call IBA's Office for additional information: 619-236-6555

More City of San Diego Budget Information

- IBA reports, including a full list of key budget dates are online:
<https://www.sandiego.gov/iba>
- IBA report: Review of the FY 2024 Proposed Budget
https://www.sandiego.gov/sites/default/files/iba_report_23-08_review_of_the_fy_2024_proposed_budget.pdf
- IBA report: A Public Guide to the City's Budget Process
https://www.sandiego.gov/sites/default/files/a_public_guide_to_the_budget_fy23_final.pdf
- IBA report: A Public Guide to Infrastructure
<https://www.sandiego.gov/sites/default/files/citizens-guide-to-infrastructure2023.pdf>