

FISCAL YEAR

2024

PROPOSED
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 for the upcoming fiscal year, while following a timeline for budget publication codified within the City of San Diego'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 points 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 Five-Year Financial Outlook for Fiscal Years 2024 through 2028 was released in November 2022 and served as the framework for the development of the Fiscal Year 2024 Proposed Budget by incorporating a variety of economic assumptions, and priority initiative expenditure requirements into the budget document.

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 Reviews (EBRs).

February 2023: Executive Budget Reviews

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 began the development of 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 of San Diego Charter [Article VII, Section 69, Item (c)]. The Office of the Independent Budget Analyst (IBA) will review the Fiscal Year 2024 Proposed Budget and issue a 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 will hold a series of public budget hearings to obtain input from San Diego residents on spending priorities. Council members will use the information received at the hearings to develop the 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, 2024, the Mayor's May Revision to the Fiscal Year 2024 Proposed Budget will be released. In this report, the Mayor will recommend 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, on June 7, 2023, the IBA will then issue a report of 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 will review the Mayor's May Revision and the Third Quarter Budget Monitoring Report. The final recommended modifications to the budget will be presented by the IBA and the City Council will adopt the budget on June 12, 2023. The Mayor's veto period will begin on June 14, 2023 and end on June 20, 2023.

June 2023: Adopted Budget Finalized

In June, the final changes to the Fiscal Year 2024 budget will be implemented. Once the changes are made, the Fiscal Year 2024 Adopted Budget will be complete. The Change Letter will be created to summarize the May Revision and Council Action changes to the Fiscal Year 2024 Proposed Budget by fund and department.

June 2023: Appropriation Ordinance

On June 27, 2023, the Appropriation Ordinance will be 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.¹⁷

¹⁷Not all budget amendments are subject to City Council approval. Please refer to the Appropriation Ordinance for exemptions on budget amendments not subject to City Council Approval.



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