

FISCAL YEAR 2025

Volume 1
Budget Development Process

ADOPTED BUDGET

The City of
SAN DIEGO
MAYOR TODD GLORIA



HOUSING | PROTECT & ENRICH | INFRASTRUCTURE | SUSTAINABILITY | PROSPERITY

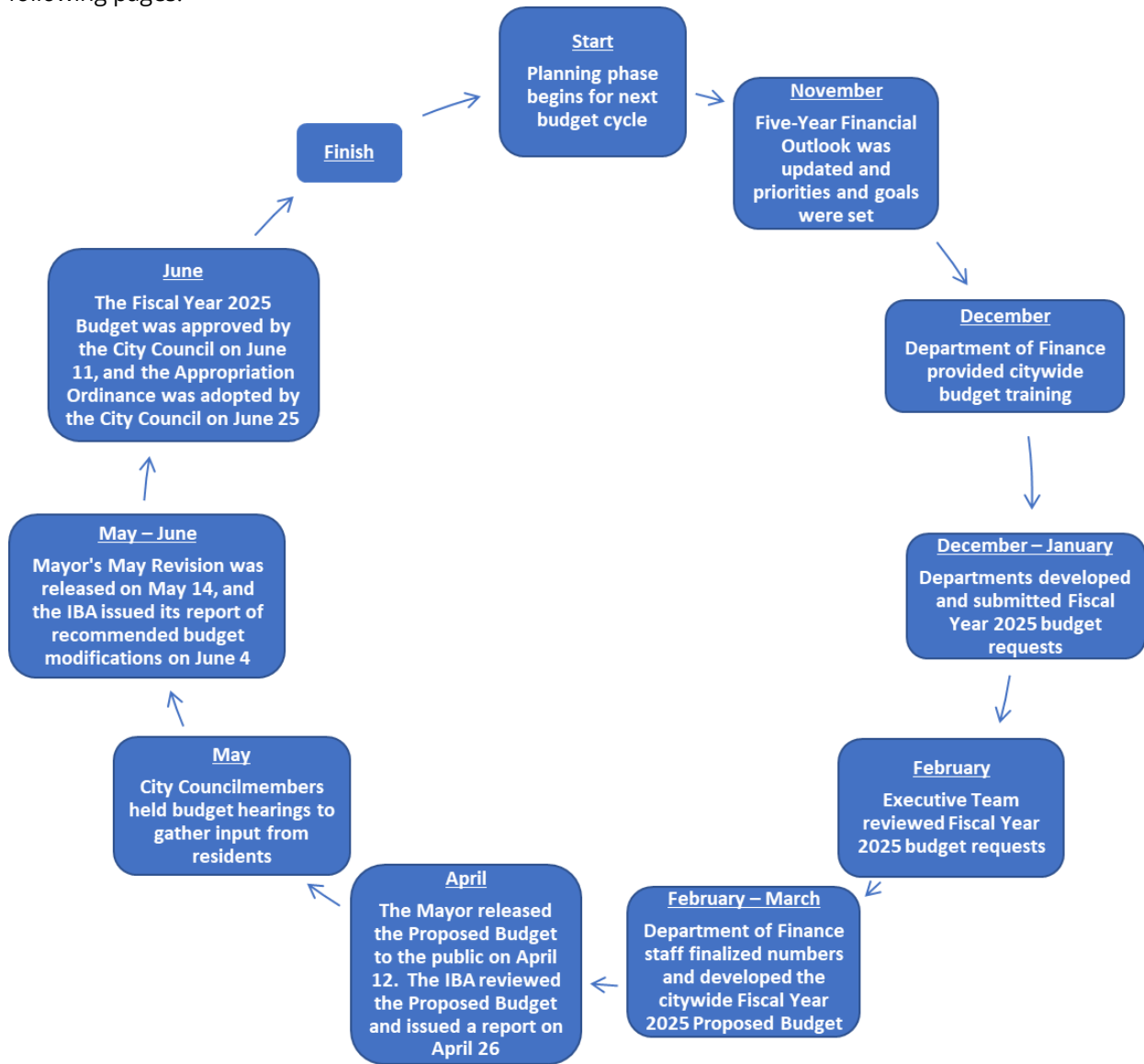


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Budget Development Process

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 of the City for the upcoming fiscal year, while following a timeline for budget publication codified in the City's Charter. This section provides an overview of the annual workflow and the specific processes that help produce the City's budget for Fiscal Year 2025. The chart below illustrates the process, and detailed descriptions of key stages are listed on the following pages.



The Budget Development Process consists of three main phases: Budget Development, Budget Review, and Budget Adoption. After the budget is adopted, there is an opportunity to amend the budget via the Budget Monitoring Process.

Budget Development Process

Budget Development

August - September 2023 City Council Priority Memoranda Issued

Call memorandum issued on August 30, 2023, for City Councilmembers' FY 2025 budget priorities. City Councilmembers' FY 2025 budget priorities memoranda were due to the Office of the Independent Budget Analyst on September 27, 2023.

November 2023: Fiscal Planning

The Fiscal Year 2025-2029 Five-Year Financial Outlook (Outlook) was released in November 2023. The Outlook is a long-range fiscal planning guide that serves as the framework for the Fiscal Year 2025 General Fund Budget. The report provides an outlook of the City's General Fund finances over the next five years.

November - December 2023: Citywide Budget Development Training

City departments received training on the budgeting system, the budget development process, and incorporating equity into the budget. This included guidance and expectations for developing budget requests within the Fiscal Year 2025 Proposed Budget goals and priorities.

December 2023 - January 2024: Budget Submission

Departments developed and submitted budget requests for Fiscal Year 2025. Department of Finance staff analyzed the budget submissions and prepared a summary of changes and adjustment recommendations for discussion at the Executive Budget Review (EBR) meetings.

February 2024: Executive Budget Review (EBR) Meetings

In the EBR meetings, Department Directors and fiscal support staff met with the City's Executive Management Team, Mayoral Staff, Department of Finance, and Chief Race and Equity Officer to discuss strategic priorities. City management reviewed the departments' budget proposals ensuring requests aligned with the City's fiscal policies and Strategic Plan.

February - March 2024: Budget Development

Based on information provided by the City's Executive Management Team, the Mayor's Office, and the Department of Finance developed the Fiscal Year 2025 Proposed Budget. Staff balanced General Fund resources with expenditures and adjusted the budget to align with the City's fiscal policies and priorities.

March - April 2024: Proposed Budget Finalized

In March, the Fiscal Year 2025 Proposed Budget, including the General Fund, non-general funds, and capital improvement projects, were finalized. The Department of Finance created the Proposed Budget document in March and April. The Mayor released the Fiscal Year 2025 Proposed Budget to the public on April 12, 2024, in compliance with the City's Charter [Article VII, Section 69, Item (c)]. The Office of the Independent Budget Analyst (IBA) will review the Fiscal Year 2025 Proposed Budget and issue its report on April 26, 2024.

Budget Development Process

Budget Review

May 2024: Budget Review Committee Hearings

The City Council's Budget Review Committee will hold a series of public budget hearings, obtaining San Diego residents' input on spending priorities. Councilmembers use the information to develop their final budget priorities and recommended changes to the Fiscal Year 2025 Proposed Budget.

May – June 2024: Mayor's May Revision and IBA Recommended Revisions

On May 14, 2024, the Mayor's May Revision to the Fiscal Year 2025 Proposed Budget will be released. In this report, the Mayor recommends changes to the Proposed Budget based on updated policy related issues and revised Fiscal Year 2024 year-end revenue and expenditure projections. Following the release of the May Revision, the IBA will issue a report on June 4, 2024, with recommended City Council modifications to the Mayor's Fiscal Year 2025 Proposed Budget and May Revision.

Budget Adoption

May - June 2024: Adopted Budget

On May 16, 2024, the Budget Review Committee will review the Mayor's May Revision and the Third Quarter Budget Monitoring Report. On June 11, 2024, the City Council is expected to approve the Fiscal Year 2025 Budget, with modifications. If the budget has been modified by the City Council, the Mayor's veto period is expected to begin on June 13, 2024, and end on June 19, 2024.

June 2024: Adopted Budget Finalized

In June, the final changes to the Fiscal Year 2025 budget were implemented based on City Council modifications. Once the changes were made, the Fiscal Year 2025 Adopted Budget was complete. The Change Letter was created to summarize the May Revision and City Council's changes to the Fiscal Year 2025 Proposed Budget, by fund and department.

June 2024: Appropriation Ordinance

On June 25, 2024, the City Council is anticipated to adopt the Appropriation Ordinance, codifying the Fiscal Year 2025 Adopted Budget into law.

Budget Monitoring

July 2024 - June 2025: Budget Monitoring and Amendments

During the fiscal year, the Department of Finance monitors the annual operating budget via quarterly financial reports. During this process, the department, in conjunction with all City departments, analyzes year-to-date actuals, forecasts year-end results, and recommends budget amendments. Throughout the fiscal year, budget amendments may be recommended by the Mayor and approved by the City Council.¹

¹Not all budget amendments are subject to City Council approval. Refer to the Appropriation Ordinance for budget amendments that are not subject to City Council approval.