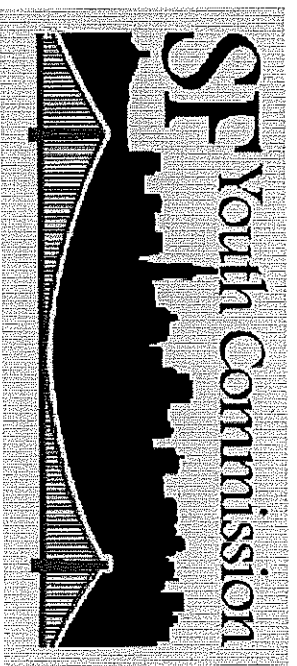


DOCUMENT A



# San Francisco

## City Budget Basics:

A Simple Overview in 3 Parts

San Francisco Youth Commission

Youth Budget Hearing/Townhall

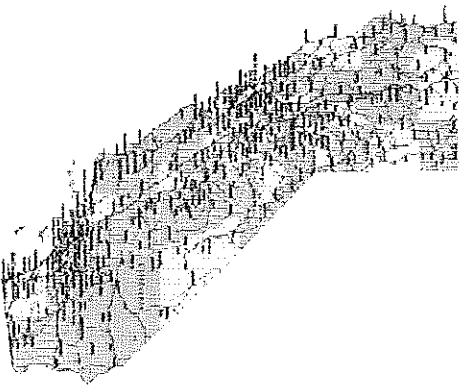
April 2, 2012

# Part I: The Big Picture

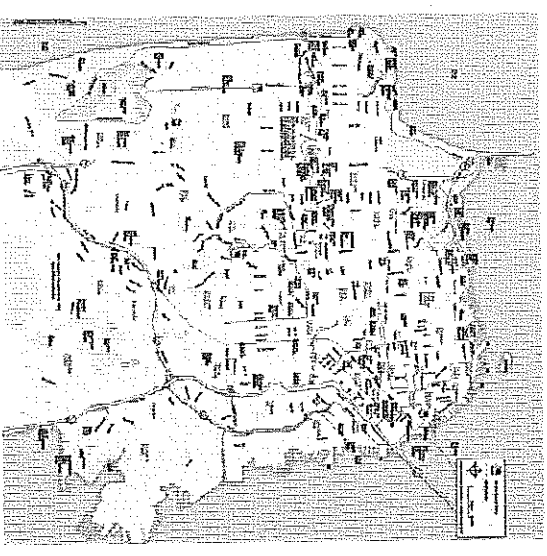
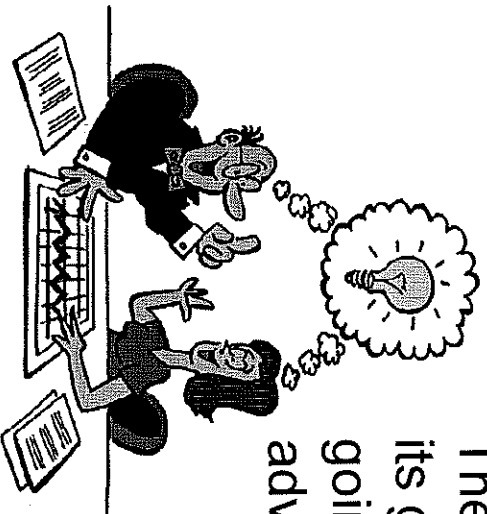
# The Budget

The Constitution of the State of California requires all cities to adopt a balanced budget. This simply means that

$$\text{Total City Revenues} = \text{Total Cost of City Services}$$



The City must estimate how much its going to make and how much its going to spend as far as 5 years in advance.

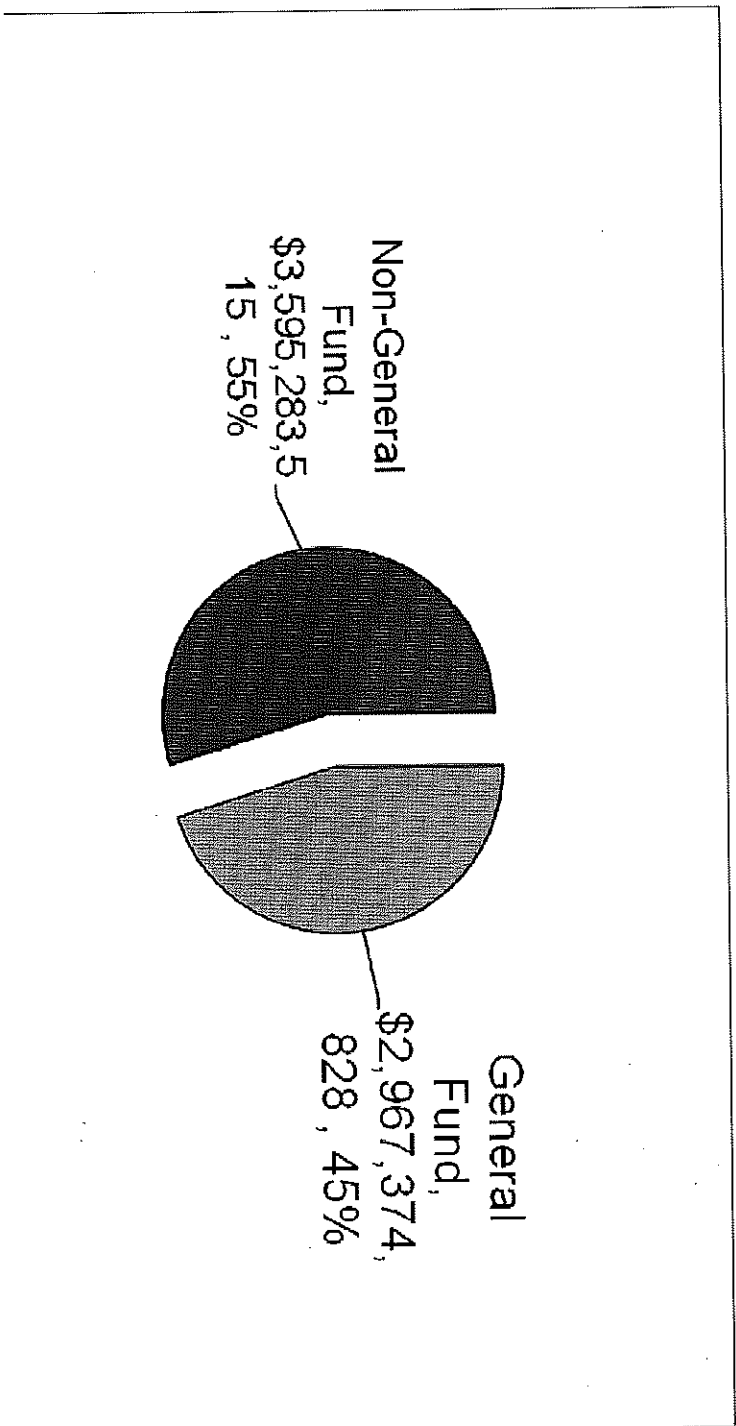




# What's in the Budget?

The City's budget in the current 2011-2012 fiscal year is

**\$6.8M**



# What's Up with Funds?

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives

All city funds can be divided into the following three categories:

## Government Funds

- (the big enchilada: the General Fund),

## Proprietary Funds

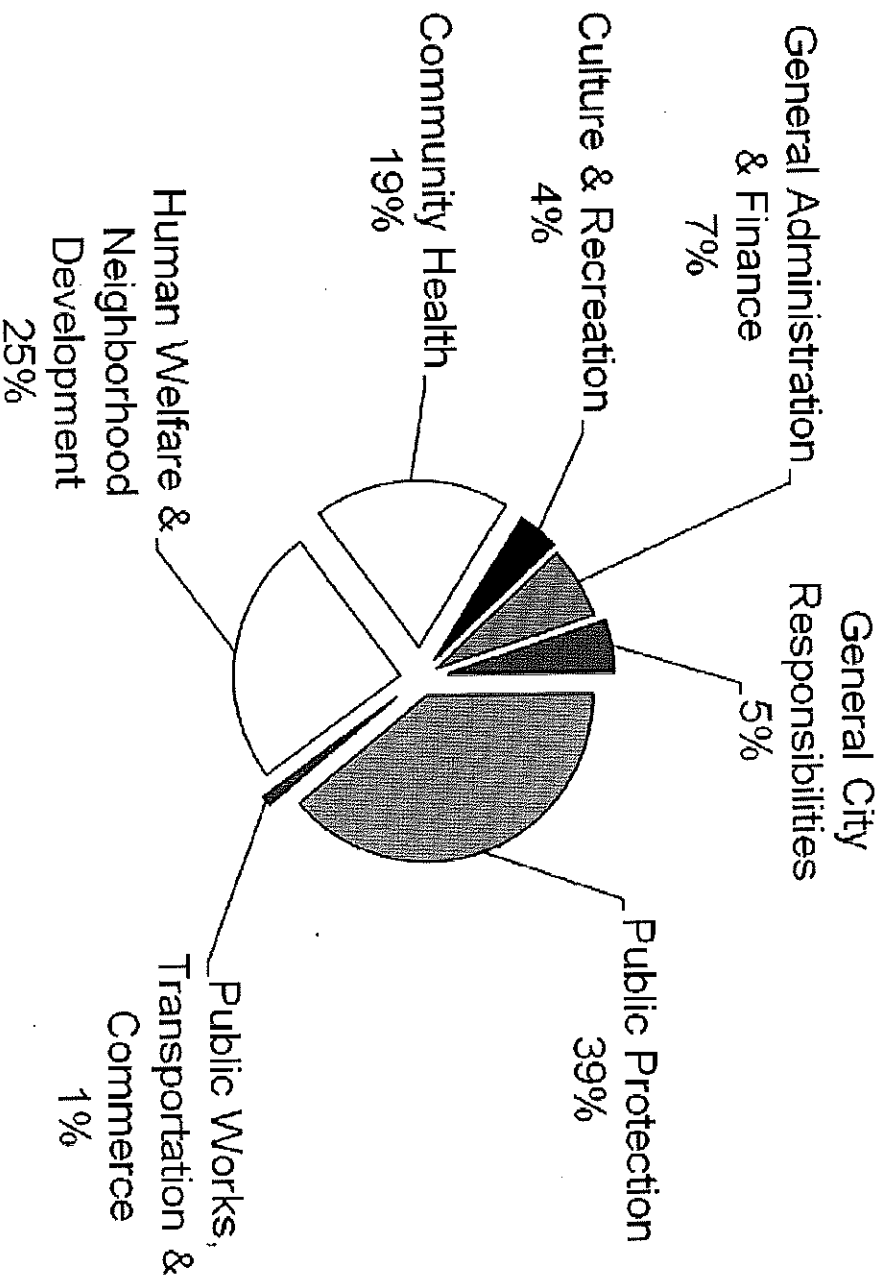
- Enterprise Departments
- (Water Company (the SFPUC), the Port, the Airport, and MUNI)

## Fiduciary Funds

- (debts: pensions, bonds, etc.)

# How does San Francisco spend its \$3.1 billion General Fund budget?

General Fund by Major Service Areas



**The General Fund is important  
because...**

**Along with the Children's Fund,  
it's what funds the City's youth  
services**



# MONEY FOR CHILDREN AND YOUTH SERVICES

- The Children’s Fund is a dedicated revenue source—in other words, a “set aside”—for funding services for children and youth. The money for the Children’s Fund comes from a portion of the City property tax (\$.03 of every \$100 of assessed property taxes)
- The Children’s Baseline is a requirement. The City must set aside a baseline level of discretionary money for children’s services. The money for the Children’s Baseline comes from the General Fund.



**SLIDE ON WHY CF & CB ARE  
IMPORTANT**

**The City is facing a significant  
General Fund deficit the next 2  
years...**

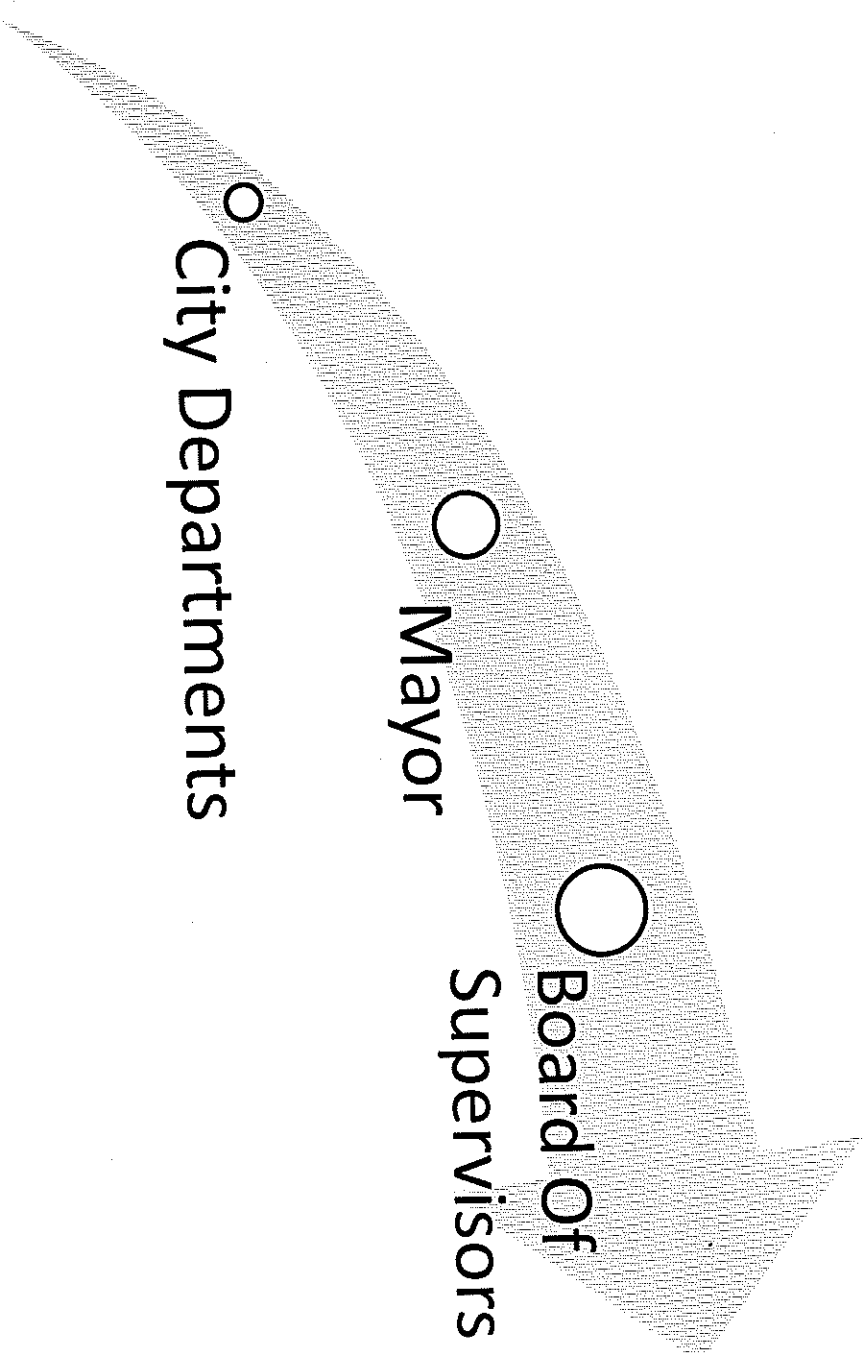
**\$ 262 million deficit in FY 2012-2013**

**\$375 million deficit in FY 2013-2014**



# Part II: The Players & The Timeline

# Who Decides the Budget?



# THE BUDGET SEASON TIMELINE

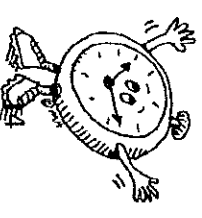


Each budget begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup> of the next year – this is called the “Fiscal Year”. Each year, the “budget season” begins in about January and lasts until the final budget is approved in July.

This year, General Fund Departments (DCYF, Public Health, Human Services) will be adopting 2 year budgets; these budgets will not be “fixed,” though—these departments will adopt 2 year budgets again next year.

## **JANUARY & FEBRUARY**

City departments prepare their budgets, get approval from their Commissions, and send them to Mayor. Advocates hold local and citywide community forums to determine the budget needs and priorities. Advocates meet with department staff to talk about budget priorities.



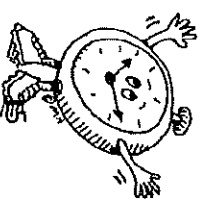
# THE BUDGET SEASON TIMELINE (CONTINUED)



## MARCH & APRIL

Advocates meet with members of the Board of Supervisors to talk about their budget priorities. The Supervisors don't have the Mayor's budget yet, but they are preparing their own list of projects to fund.

Last year at this time, Mayor Lee held a series of town hall meetings—one in each of the 11 Supervisorial districts—to get input from the public on what should be included in the budget.



# THE BUDGET SEASON TIMELINE (CONTINUED)

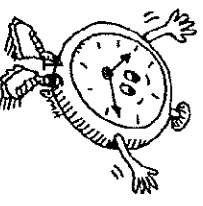


## MAY

The Mayor proposes the Budget to the Board of Supervisors. This must be done by June 1<sup>st</sup>. The Budget goes to the Board of Supervisors' Budget and Finance Committee.

The Board of Supervisors usually takes out a big chunk of money out of the Mayor's proposed budget — tens of millions of dollars. They can then spend this new pot of money on projects they want to fund that the Mayor did not include in the budget.

Citywide advocates meet with and pressure Supervisors to get support for their budget priorities. Neighborhood advocates meet with and pressure their Supervisor to fund their specific project from the Supervisor's "pot".





# THE BUDGET SEASON TIMELINE (CONTINUED)



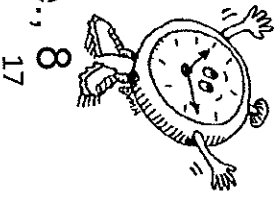
## June

The Budget & Finance Committee holds Public Hearings. These hearings are really too late to influence the process.

Advocates continue to meet with Supervisors and the Mayor, trying to influence the final negotiations.

The Board of Supervisors makes its changes to the Mayor's proposed Budget and approves the final Budget around July 1<sup>st</sup>.

"The budget" is technically an ordinance (the Annual Appropriation Ordinance), so the Mayor can sign or veto it. As with most ordinances, the Board can override a veto only with a 2/3 majority—i.e., 8 of 11 Supervisors.



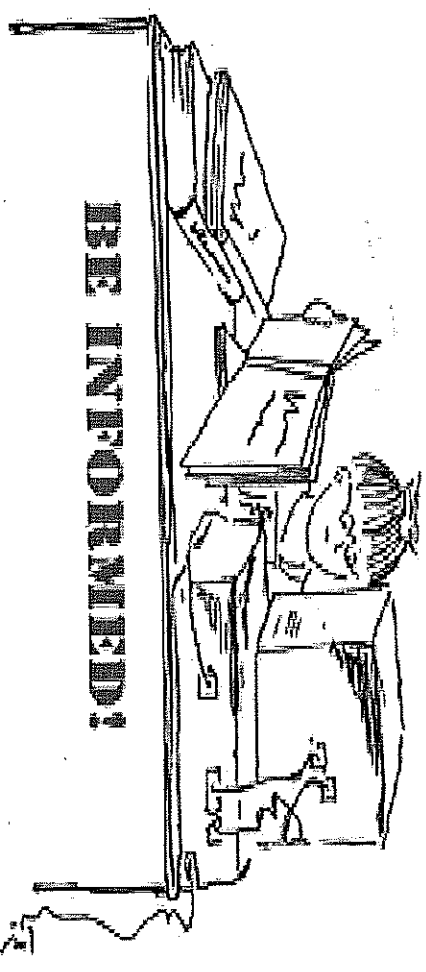
# Part III:

## How You(th)

### Can Impact the Budget Process

# Be Informed!

- Learn about the decision being made regarding services to directed to you
- Tell your friends/parents/teachers/etc. about what you've learned

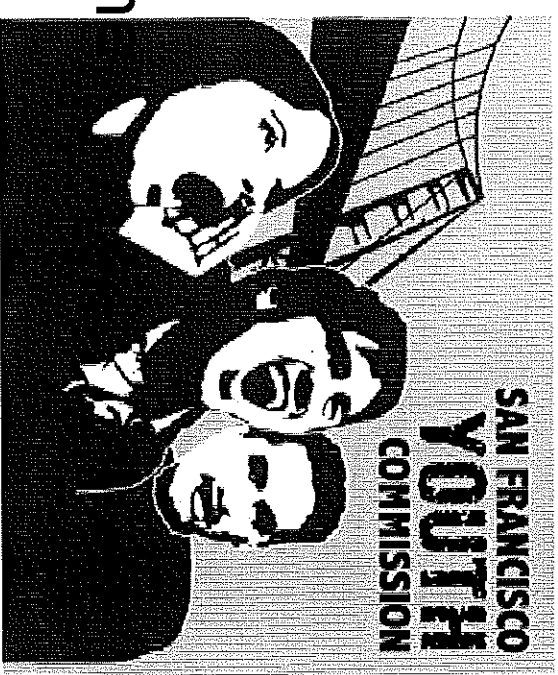


# Be Heard!

Attend hearing/town hall meetings.

Talk to your Youth Commission, District Supervisor, and Mayor.

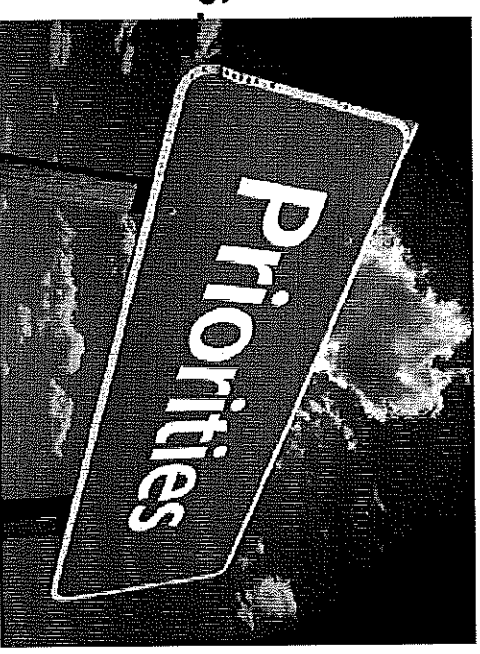
Tell the city what you want from the budget – what kinds of youth services the city should prioritize in the year’s budget.



# Make Recommendations (Budget Priorities) Based on What You Learn

The Youth Commission can review what it heard from the community and make specific budget recommendations to Departments, the Mayor and/or the Board of Supervisors.

These recommendations can be distributed to the media and to key decision-makers throughout the city.



*...this is why we are all here today*

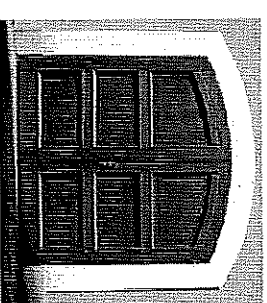
# Influence the Decision-Makers!

- We as youth can use our expertise to influence the budget decision-makers.



- Along with Youth Commissioners, we can meet with the heads or senior staff of City Departments (in February), and members of the Board of Supervisors (from March through June), and asking these decision-makers to support their recommendations. (The more young people we bring to these meetings, the stronger case we make for our budget recommendations. )

- We can also participate in other youth advocacy efforts.



- After the Budget Season is over, we can celebrate our victories and strategize for next year!

# Quick Glossary

## **Revenues/Sources:**

The money the City gets from taxes, fees and grants from the state and federal government

## **Expenditures/Uses:**

The money the City spends on its employees and services.

## **Deficit:**

An excess of expenditures over revenues.

## **Children's Fund:**

A special fund for Children's Services that the City collects each year by pooling \$.03 of every \$100 of property taxes.

## **Children's Baseline:**

A required amount of money in the General Fund that the City must budget, each year, for youth services.

**The End...**



*...now its time to practice being a  
decision maker!*

**LETS MAKE SOME BUDGETS!!**