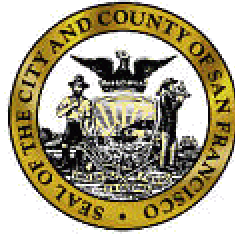


Budget Year 2008-09



A Guide to San Francisco's Budget Process



Prepared by
City and County of San Francisco
Controller's Office

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Introduction

Each year the City and County of San Francisco spends billions of dollars to maintain and improve our libraries and parks, to pave roads, and to operate hospitals, the Airport and City Hall. The City runs MUNI, provides police, fire and emergency medical services and also collects taxes. During the budget

process, critical decisions are made about all public services. Choices are made about spending on health care, children's programs, jails, and hundreds of other public services and facilities.

City services significantly impact your daily life. Stay informed - attend a public meeting, call or send an e-mail or a letter to your

elected representatives and talk with your neighbors.

Your tax dollars go into the budget, and public input on how the money is spent is vital. This brochure will help you navigate the City & County's budget process and provides key timeline and meeting information to help you stay informed.



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Balancing the Budget

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

$$\begin{array}{r} \text{Sources or Revenues} \\ = \\ \text{Uses or Costs} \end{array}$$

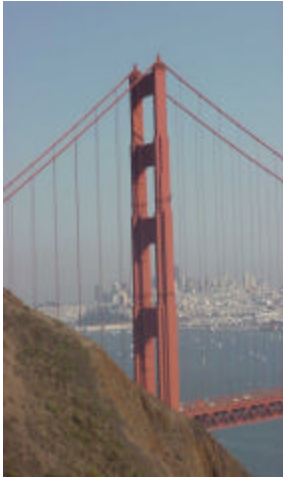
One of the challenges each year is that the City must estimate its revenues and costs as far as 18 months in advance. Another challenge is that the City Charter and State law in many cases restrict how revenue may be generated and oftentimes specify how the City must spend available funds. In some years, yet another challenge is that projected

cost increases are expected to outpace revenue growth. For Fiscal Year (FY) 2008-09, a shortfall of \$338 million (equal to 10% of the City's General Fund supported budget) is projected due to decreases in projected year-end fund balance, State budget cuts, increased voter-approved baseline funding requirements (Proposition A, Nov. 2007) and increasing City operating costs.

While the Bay Area economy is strong in many areas, challenges still exist. The moderate growth in new jobs has resulted in some increase in employment-related local revenues, and property-related revenues reflect stability in real

estate values, although revenues realized over the past few years from the transfer of commercial properties has sharply declined. Economic downturn in other parts of California have negatively impacted the State's budget and Citywide costs have continued to climb, in large part due to escalating employee salary and benefit costs related to labor agreement provisions, new mandates and capital funding. As a result, the City will have to either reduce projected cost increases or increase revenues. This presents San Francisco officials and citizens with difficult budget decisions.

What is in the Budget?



The Annual Appropriation

Ordinance and the

Controller's Citizen Survey

are available on the

Controller's Office website

(www.sfgov.org/controller)

The City is organized by departments - nearly 60 in total - ranging in size of budgets less than \$1 million (Board of Appeals) to over \$1.3 billion (Public Health) and from staffs of three (Law Library) to thousands (Public Health, MUNI).

Each department breaks down its budget and staff into programs - smaller units with specific jobs to do.

For example, the Fire Department's programs include Fire Prevention, Fire Suppression & Investigation. A program is often the best way to understand and critique the budget - at this level you can see the trends, the decisions that your City is making, and the specific services being funded.

The **Mayor's Budget Book** (Proposed Budget) and the **Annual Appropriation Ordinance** (Adopted

Budget) each show the City budget by program.

Every department is required by law to measure and report on its performance. These measures can show the effectiveness of different City services and the money spent on them.

For example, the Human Services Agency measures the number of people receiving job training who successfully earn income and stop receiving public assistance.

The **Mayor's Budget Book** and the **Controller's Citizen Survey** each show performance measures, comparisons, and ratings of the quality of City Services from year to year. The Citizen Survey is completed every other year. The last survey was completed in 2007, and the next survey

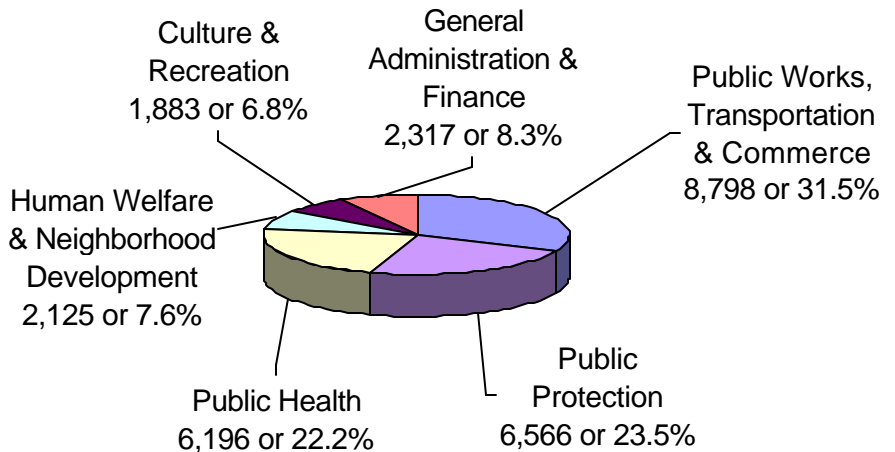
will be completed in Spring 2009.

Every department pays salaries to its staff, buys materials and supplies, and contracts with private businesses or with non-profit organizations to build things or to provide services.

Many departments collect fees, receive grant funding, or generate other kinds of revenue. By reviewing the sources side of a department's budget, you will be able to tell how much of their costs are being covered through both tax and non-tax revenues (that is, fees and service charges).

The **Mayor's Budget Book** and the **Annual Appropriation Ordinance** both show department budgets this way - by type of revenue and expense.

The City & County's FY 2007-08 Annual Budget is \$6.1 billion and includes funding for 27,885 positions as shown below by Major Service Area



Mayor's Office

The Mayor is the City's chief executive and is responsible for proposing and carrying out City policy through the budget. The Mayor's Budget Office must present a balanced budget for consideration by the Board of Supervisors each spring.

Visit the Mayor's Office website at www.sfgov.org/mayor. Contact the Mayor's Budget Office and his Budget Director Nani Coloretti at 554-6114 to share your opinion with the Mayor.



Board of Supervisors

The Board is the City's legislative body and is responsible for reviewing, amending and approving the Mayor's Proposed Budget, setting policy direction for the City, and making sure that citizen views are part of the budget process. During the spring and early summer, the Budget Committee holds hearings focusing on specific departments and services. The Supervisors hear public comment during each of these meetings.

The Board's **Budget Analyst** (Harvey Rose) analyzes the budget at the direction of the Board, and the **Legislative Analyst** does research and analysis for the Board. Come to a public hearing, visit www.sfgov.org/bdsupvrs, call the Clerk of the Board 554-5184, or contact your district's Supervisor.

Controller

The Controller (Ben Rosenfield) is the City's chief financial officer and is responsible for projecting how much revenue the City has available to fund the budget, preparing reports, managing all technical aspects of the budget and ensuring that the City meets financial obligations legally and efficiently.

Visit the Controller's website at www.sfgov.org/controller or call 554-7500 for further information.



City Departments

City department heads and their staff are responsible for delivering public services, carrying out policy, and managing budgets. Throughout the budget process, they prepare program and financial information and answer questions from policymakers and the public. Input from the public at the department level is very important for those with concerns about specific programs or spending plans.

Commissions

Many City departments, including Public Health, MUNI, and Recreation & Park, have a commission that holds public hearings, approves the department's budget proposal to the Mayor and advises the Mayor and the Board on policy matters.

For commission meetings and other information, visit the City's website at www.sfgov.org, and click on the department that interests you.

You

Anyone can speak at public hearings. Meetings may also be held in districts so those who cannot attend a meeting in City Hall have an opportunity to participate. Look on the Board's website (see above) for upcoming meetings or contact your district's Supervisor.

Throughout the budget process, you can call or write your elected officials. Speak out early so that your representatives know what you think and have time to consider and act on your opinion.

Fiscal Year 2008-09 Budget Timetable

December:

The Mayor's Office and the Controller's Office issue budget instructions setting the overall direction for the budget of next fiscal year.

January-February:

Departments, Boards and Commissions conduct hearings to obtain public comment on proposed budgets. Departmental budget proposals are submitted to the Controller in late February.

March:

Departmental budget submissions are consolidated by the Controller's Budget Office and forwarded to the Mayor's Budget Office by the first working day of March.

April-May:

The Mayor's Budget Office analyzes departmental budget submissions. The Board's Budget Committee meets to deliberate on key Citywide budget issues. Supervisors gather and assess constituent input and often hold neighborhood meetings during this time. Check the Board of Supervisors website for more information. Additionally, select enterprise department budgets are proposed by the Mayor for Board deliberation by the first working day in May.

June:

The Mayor's Proposed Budget is presented to the Board's Budget Committee

by the first working day of June. The Budget Committee continues its budget deliberations, reviewing all operations during the June hearings.

No later than June 30th, the Board of Supervisors passes the Interim Annual Appropriation Ordinance (AAO), which often reflects the Mayor's Proposed Budget. The Interim AAO provides the authority for the City to pay its bills when the new fiscal year starts on July 1st.

July:

No later than the last working day of July, the Board of Supervisors adopts the final budget with its amendments and recommendations.



Fiscal Year 2008-09 Budget Timeline

2007	2008						
DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
Mayor & Controller issue policy and technical budget instructions.	Departments conduct hearings on the proposed departmental budgets.	By February 21st, departments submit proposed budgets to the Controller.	By the first working day of March, the Controller submits departmental proposed budgets to Mayor's Office.	Mayor's Budget Office analyzes department budget proposals.	By the first working day of May, the Mayor issues Proposed Budget for select enterprise departments.	By the first working day of June, the Mayor issues Proposed Budget for all City departments.	By the last working day of July, the Board of Supervisors adopts the budget.
					Budget Committee conducts public hearings.	By June 30th, the Budget Committee conducts public hearings. Board of Supervisors adopts Interim AAO.	

Where Do I Get Budget Information?



Departmental Submissions

The documents prepared by City departments for their commissions and other public hearings are all available to the public. Go to the City's departmental websites at www.sfgov.org and click on the department that interests you. Departmental websites also contain helpful information about their services, goals and plans.

Board Hearings

The information prepared for and discussed by the Board of Supervisors at their hearings is available to the public. Contact the Board of Supervisors, attend a public hearing, or visit the Board's website at www.sfgov.org/bdsupvrs for more information. Many reports prepared by the Board's Budget Analyst and Legislative Analyst are also available on the Board's website. Board of Supervisors

and many Committee meetings are televised on cable Channel 26.

Mayor's Budget Book

By the first working day of May (for select enterprise departments) and the first working day of June (for all departments), the Mayor's Office will publish the Proposed Budget. These will contain detailed financial information, strategic issues, and performance measures for each department. Reviewing previous years' Budget Books may be helpful for you to learn more about a department prior to the Mayor's next Proposed Budget.



Citizens' Organizations

Local advocacy groups, business organizations, political parties, and other non-profit organizations frequently hold meetings and publish recommendations for the City's budget. Contact the organizations that interest you or check the community event listings in local media.

The Annual Appropriation Ordinance (AAO)

The proposed Annual Appropriation Ordinance (AAO), which is the legal authorization for budgetary spending, will be available by the first working day of June, when the Mayor's Proposed Budget is published.

The AAO contains revenue, expenditures, and program

budgets for all departments. The AAO from the current fiscal year provides helpful information, which is relevant for the upcoming budget year. The AAO is available at the Controller's website at www.sfgov.org/controller.

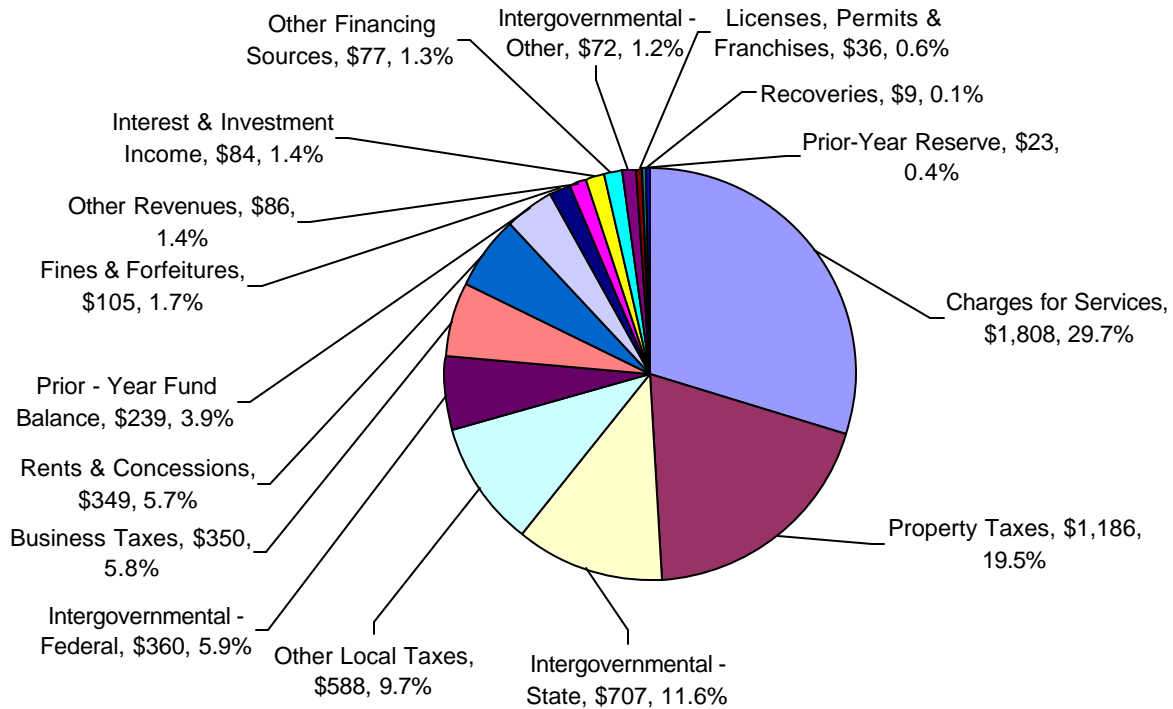
Also available online are the Budget Instructions, the Six-

and Nine-Month Budget Status Reports, the 3-year Budget Projection Report (AKA Joint Report), the annual Citizen Survey, and the City's Comprehensive Annual Financial Report (CAFR).

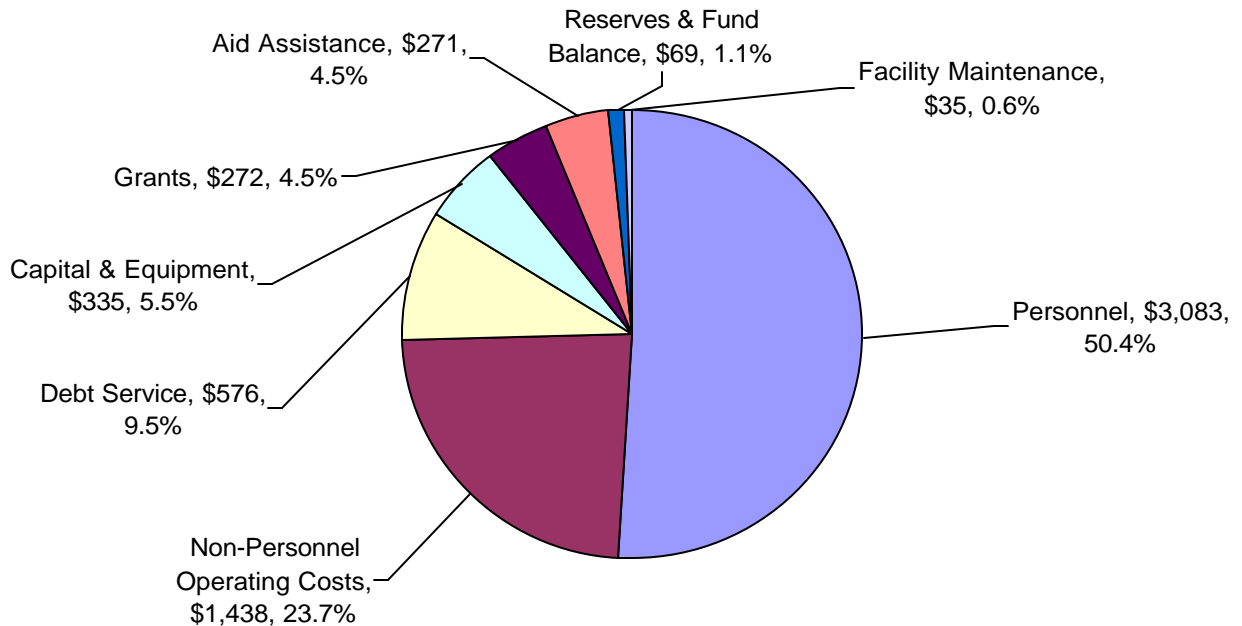


Fiscal Year 2007-08 Sources and Uses Budget

Sources - All Funds, \$6,079 Million



Uses - All Funds, \$6,079 Million



Where Can I Make My Voice Heard?

Board of Supervisors

The Board's Budget and Finance Committee meets most Wednesdays beginning at 1:00 p.m. Meetings that are held in the neighborhoods may be held on another day of the week and typically begin in the late afternoon or early evening.

In addition, the Budget and Finance Committee will hold a public hearing sometime in June. Public comment is taken on each agenda item as it is heard by the Budget and Finance Committee. The full Board of Supervisors meets on Tuesday afternoon at 2 p.m. Public comment is always taken on any topic at

the end of each full Board meeting. Visit the Board's website for Committee and Board agendas, meeting locations, times and other information.

Commissions

To find out when a specific department's commission or when the Budget and Finance Committee of a commission meets, visit the City's website at <http://www.sfgov.org> and click on the department that interests you.

Budget & Finance Committee Fiscal Year 2008-09

Supervisor Jake McGoldrick (Chair) 554-7410
Supervisor Sean Elsbernd (Co-Chair) 554-6516
Supervisor Carmen Chu 554-7460
Supervisor Chris Daly 554-7970
Supervisor Ross Mirkarimi 554-7630

Meets Wednesday at 1:00 p.m. (may also meet other days)
Agenda for the next meeting posted on the Board's website:

www.sfgov.org/site/bdsupvrs



To find out more information, visit the City's website at <http://www.sfgov.org>

Fiscal Year 2008-09 Budget Hearing Schedule*

May 1 Departments
(Enterprise Departments)

Wednesday, May 21, 2008
Thursday, May 22, 2008
Wednesday, May 28, 2008
Thursday, May 29, 2008

June 1 Departments
(General Fund Departments)

Monday, June 16, 2008
Wednesday, June 18, 2008
Thursday, June 19, 2008
Monday, June 23, 2008
Wednesday, June 25, 2008
Thursday, June 26, 2008

* Hearings typically begin at 11 AM (check the weekly agenda to verify)