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Proposition E: Budget and Appropriations
April 2016

SDCTA Position:

SUPPORT

Rationale for Position: The SDCTA supports Proposition E. The City Charter currently has a patchwork of sections addressing the budget process. Various parts within it contain outdated and confusing language. Consolidating, updating, and refining this area of the Charter is a benefit because it simplifies and streamlines the budget process. The initiative will also make this area of the Charter easier for citizens to read and understand.

Title: Proposition E. Charter Amendments regarding the budget and appropriations process for The City of San Diego

Jurisdiction: City of San Diego

Type: Charter Change Ballot Initiative

Vote: Simple Majority (Not Subject to Mayor's Veto)

Status: On the June 7, 2016 Municipal Election Ballot

Issue: Proposed ballot initiative to update the process of approving the City's annual budget, consolidate budget sections within the City Charter, and add requirements for capital planning mid-year amendment to the adopted budget.

Description: This proposition aims to consolidate two separate sections within the City Charter dealing with the budget approval process. Currently, Articles VII and XV contain budget provisions. If passed, the initiative would consolidate all the Charter provisions that deal with budget approval into one section within Article VII.

If adopted, the proposition would update and simplify language within the budget section of the Charter. It would change the verbiage to reflect San Diego's Strong Mayor system. In addition, it would require the Mayor to maintain a multi-year capital plan that identifies and organizes deferred capital and infrastructure needs and projects funding sources available. It also requires the Council to establish the terms in which the Mayor submits mid-year budget amendments.

Fiscal Impact: The fiscal impact of this measure is negligible as it does not substantively change current practice.



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Background:

The Charter of San Diego is a key body of law that directs how the City operates. The San Diego City Charter dates back to 1931.¹ The Charter has not undergone a complete review since its inception. The Charter was created at a time when City was governed by a City Manager form of government and retains many sections that pertain to this form of government despite the City's vote in 2004 to move to a Strong Mayor form of government. As a result, this created a patchwork of old and new law.

This patchwork of law also applies to the budget section within the Charter. Currently, the Charter has two areas that deal with the yearly budget, Articles VII and XV. The Charter Review Committee identified language within some provisions in the Articles that conflict and contain outdated verbiage referring a City Manager form of government. The results in a confusing body of law that makes it difficult for citizens to comprehend.

Currently, the charter contains language that is inconsistent, unclear, or is often void because it is superseded by state law. The lack of clarity within the charter presents a variety of difficulties and costs to city operations. The Council's Charter Review Committee approved the ballot measure, and the Council voted to place it on the ballot. If approved, the Charter amendments would become effective after they are chaptered by the California Secretary of State.

In addition to consolidating language and removing out of date passages, the measure codifies the current appropriation process, specifying deadlines by which each portion of the budgeting process must be finished and requiring public comment. The proposition also adds to the Charter a formal requirement that the Mayor's staff release a multi-year financial outlook and a multi-year capital plan each year, which by practice have been assembled every year since 2009, when the Independent Budget Analyst created a set of budget principles to guide the City Council.² These principles are adopted each year by resolution in City Council. This charter amendment makes these documents permanent features of the annual budgetary process not subject to council action.

Policy Implications:

This proposition is projected to be revenue neutral. It will not increase tax revenues, nor is it expected to pose a fiscal impact to the taxpayers of San Diego.

¹ "City Charter" Office of the City Clerk, City of San Diego.
<https://www.sandiego.gov/city-clerk/officialdocs/legisdocs/charter>

² Office of the Independent Budget Analyst. "A Citizen's Guide to the Budget Process & the FY 2015 Adopted Budget". 2014. <https://www.sandiego.gov/sites/default/files/legacy/iba/pdf/bpguide.pdf>



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Fiscal Impact:

The fiscal impact of this measure is negligible as it does not substantively change current practice.

Summary of Policy Recommendations:

The SDCTA supports this amendment because it brings the charter in line with current practice. The current charter contains many vestiges of the City Manager system that have not yet been removed. This charter amendment takes out these unnecessary passages and reorganizes the ones which still apply into a much more coherent whole. The SDCTA is supportive of efforts to make foundational governmental documents easier to understand for the average citizen. Removing passages that no longer apply and explicitly outlining the process of appropriations accomplishes this goal.

In addition, this amendment codifies the need for an annual multi-year capital plan and multi-year financial outlook. It is immensely important that the city governance performs long term financial planning. The SDCTA believes that this planning should be a permanent feature of the appropriations process, and not something that could hypothetically be avoided.

Proponents:

- City Council President Sherri Lightner
- Councilmember Chris Cate
- San Diego Regional Chamber of Commerce
- League of Women Voters of San Diego
- San Diego County Democratic Party

Proponent Arguments:

Proponents argue this initiative will update an area of the City Charter that has been outdated for some time. Consolidating two separate sections within the Charter that deal with the budgeting process would make the document more streamlined, and easier for the public to read, increasing transparency.³

List of Opponents:

³ “Ballot Measures” City of San Diego, June 2016.
https://www.sandiego.gov/sites/default/files/ballotmeasures2016_9.pdf



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There are currently no opponents to this proposition.

Opponent Arguments:

No official arguments have been filed against the Initiative.