

Community Budget Reform Council

SECOND DRAFT Recommendations- 2.6.09

We are community advocates who represent San Francisco's most vulnerable populations, especially its low-income residents. We represent more than 25% of the city, including seniors, the disabled, homeless, children and families, and other San Franciscans who need a public sector safety net for their survival, well-being and economic opportunity. We have come together across our health, human service and housing sectors to develop common recommendations for structural reform of our flawed city budget process.

We value community-based support systems over institutionalization. We seek equity in resources and influence with city labor unions. We value public/democratic participation in deciding the use of public dollars.

Ultimately, we seek structural budget reform that addresses:

- 1. Address the imbalance of power between executive and legislative branches.**
- 2. Institutionalize the city's financial commitment to address the needs and priorities of San Francisco residents with the least resources.**
- 3. Create a multi-year, values and policy-driven budget planning process.**
- 4. Create a more democratic and participatory budgeting process that is accountable to San Francisco residents and taxpayers.**

Participants:

Council of Community Housing Organizations

The San Francisco Human Service Network

Coleman Advocates for Children & Youth; Family Budget Coalition

Planning for Elders

Senior Action Network

Coalition on Homelessness

The Peoples Budget Coalition

South of Market Community Action Network

Community Housing Partnership

Bernal Heights Neighborhood Center

San Francisco Youth Commission

Bay Area Legal Aid

I. Address the Imbalance of Power between Executive and Legislative Branches

Background: the Charter requires the Mayor to develop a proposed balanced budget by June 1, and the Mayor has considerable staff in the Mayor's Office of Policy and Finance who work with Departments and commissions throughout the year to do this. The Charter requires the Board of Supervisors to approve the budget by August 15th and to (weigh in), but the BoS has insufficient time or staffing resources to do so.

Additionally, the Mayor's power in determining the city's financial priorities is increasingly consolidated, lacking 'checks and balances' from the Legislative division and the public. The Mayor has made millions of dollars of unilateral budget cuts without any checks and balances from the Board of Supervisors and has refused to spend funds allocated by the BoS after public input and public process.

- 1. Increase the budget and policy analysis capacity of the Board of Supervisors throughout the year.**
 - a. Combine the Mayor's Office of Policy and Finance and the Board of Supervisors' Legislative Analyst Office to create an independent Policy and Finance Department for the city that serves both the Mayor and the Board of Supervisors. Director of this Policy and Finance Office is hired by Mayor, BoS and Controller.
 - b. Redesign Budget Analyst's contract (ends 12/09) to strengthen its policy-driven, budget analysis role for the BoS. Within current budget, reduce focus on addback process, increase focus on budget analysis of policy proposals and budget analysis of trade-offs.
 - c. Extend 5-member BoS Budget & Finance Committee to 6 months.
- 2. Increase the amount of time that the Board of Supervisors has to review and amend the Mayor's proposed budget.**
 - a. Shift the focus from a one-month *cut and addback* role in June to a four-month *collaborative* role driven by values, public input and long-term policy goals.
 - b. Require the Mayor's Office to submit an *initial* proposed budget to the Board of Supervisors by March 15 or if budget year changes, 3 ½ months prior to end of fiscal year. *Charter amendment*
- 3. Strengthen the relationship between the Board of Supervisors and city commissions, who are responsible for approving Department budgets.**
 - a. Commission appointments should be ½ Mayor and ½ Board of Supervisors. *Charter amendment*
 - b. Board of Supervisors should meet with Commissions prior to Mayor's proposed budget submission to the Board
- 4. Change fiscal year to calendar year.**
 - a. Currently, the fiscal year does not align with the election year. In years of shortfall, the voters are not aware of fiscal crisis, as the budget is deliberated in June. Having the fiscal year in line with the election year would solve that issue. *Charter amendment*
- 5. Ensure labor Memorandum of Understandings come to approval in conjunction with the budget.**

- a. Labor MOU's are often negotiated outside of the budget process. This creates labor agreements out of synch with revenue. This then can create financial problems for the city. *Agreement from labor?*

6. Give Legislative Branch spending as well as allocating authority.

- a. The legislative and executive branches balance and sign the budget in conjunction, but at times the Mayor has decided not to spend what the Supervisors allocated. This imbalance should be eliminated, as it gives unilateral power to the Mayor and undermines the democratic process.
- b. Any allocated funding that is unspent should be reported by Mayor to BoS, for a vote to compel spending of funding by a majority.

7. Ensure Legislative Branch weighs in during times necessitating mid-year budget reductions.

- a. The Mayor has the power to make mid-year budget cuts unilaterally in times of budget shortfall. This undermines the democratic process. Reductions in the middle of the year should follow similar budget processes, where the Board holds public hearings, gathers input, and is able to make decisions alongside the Mayor on spending priorities.

II. Institutionalize the city's financial commitment to address the needs and priorities of San Francisco residents with the least resources.

This includes low-income children, families, seniors, people with disabilities, homeless, immigrants, and other residents who depend on a public sector safety net for survival and economic opportunity.

1. Develop a five-year *anti-poverty* plan that addresses the needs of the city's most vulnerable populations, and implements the best practices in supporting their self-sufficiency.

- a. Creation of an "all-parties" task force jointly appointed by the Mayor and Board of Supervisors to craft five-year plan for health and human services, in partnership with department heads.
- b. The plan should develop a city-wide plan for the comprehensive care of vulnerable populations served by health and human services, and should be informed by sector-based community planning and departmental strategic plans.
- c. The creation of such a plan- and linked multi-year budgeting of funds to carry it out- will outline the key services needed, their relationship to each other, and how they can "surge" and recede during fluctuations in funding while still providing the essential core of needed services through both community and city-based services, during both good and bad years.
- d. The process to develop this plan should prioritize input by low-income people themselves, and should *require departments to work together* and understand where their funding streams overlap.

III. Create a multi-year, values and policy-driven budget planning process.

1. Require a multi-year (2-3 year) city budget and a multi-year budget-planning cycle.

- a. The process must allow room for annual adjustments to address emerging needs and changing economic environment. The development of this budget must be guided by long-term city plans and policy priorities, including the anti-poverty plan mentioned above. *Charter amendment*

2. Revenue

- a. Too much of the process is focused on the expense/use side of the budget. The city needs an institutionalized venue for discussing and vetting revenue proposals that require voter approval during election cycles. Incorporating a revenue-proposal process into a multi-year budget process could help de-politicize the process with more intentional planning.

IV. Create a more democratic and participatory budgeting process that is accountable to San Francisco residents and taxpayers.

1. Increase information-sharing with the public and the accessibility of budget information.

- a. Proposed budgets that are easy for an average member of the public to understand, [language accessibility]
- b. All budget proposals, from the Mayor's Office or BoS, including proposed Departmental budgets, the proposed city budget, proposed budget cuts, etc., should be available online in a centralized place at sfgov.org. The Controller's Office and Budget Analyst's budget-related reports should also be available at that site.
- c. Ensure compliance from city departments and city policy-makers with sunshine ordinance.
- d. Consistency from all departments that provide funding for health and human services, to hold a hearing on their annual budget during which they provide information to the public regarding the department's budget and mid-year reductions (amount of staff/management reduced, number of clients impacted, assessment of services and populations impacted). *Admin code*

2. Increased opportunity for the public to participate in guiding the city's policy and finance priorities – in meaningful ways that go beyond advocacy for specific programs or policies.

- a. Board of Supervisors to hold District community budget meetings that are issue-based and neighborhood-based, structured for maximum public understanding of the city budget and maximum public input into prioritization of public dollars.
- b. The Mayor should hold at least one public hearing on the proposed budget
- c. Independent Policy and Finance Office to provide economists and tech support for the community to do budget analysis.
- d. Develop community budget boards (district-specific) that are accessible to residents like students, immigrants, parents, etc. BoS would have to adopt 50% of their recommendations. *Ballot measure*

**Revised Calendar
Change to Calendar Year???**

What is role of Independent Policy and Finance Office!?!?

	Year 0	Year 1	Year 2
August			
September	Board of Supervisor hearings on policy priorities, long-term city plans, revenue, etc.		Board of Supervisor hearings on policy priorities, long-term city plans, revenue, etc.
October	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office
November	Joint Budget Instructions are released	Joint Budget Instructions are released (updated based projections)	Joint Budget Instructions are released
December	12/15: Department budget submissions are due		12/15: Department budget submissions are due
January	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office
February	Early Feb.: Mayor's Public Hearing on his proposed budget		Early Feb.: Mayor's Public Hearing on his proposed budget
March	3/15: Mayor's Proposed Budget is due to BoS		3/15: Mayor's Proposed Budget is due to BoS
April	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office
May	BoS Hearings on their Proposed Budget		BoS Hearings on their Proposed Budget
June			
July	Quarterly Budget Report/ Projections released from Controller's Office Pass Budget	Quarterly Budget Report/ Projections released from Controller's Office	Quarterly Budget Report/ Projections released from Controller's Office Pass Budget