

CITY OF SAN JOSE 2020-2021 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

Due to the enormous impact of COVID-19 on City operations and the capacity of staff to adjust budgetary projections on a very compressed timeline, this document looks significantly different than in previous years. The most notable changes include the reduction in the number of summary reports, the removal of History and Trend Information section, shortened City Service Areas section, and the removal of Performance Measures in the City Department section. The 2020-2021 Adopted Operating Budget, scheduled for release at the end of summer 2020, will restore some of these changes as conditions and capacity allow.

The Operating Budget document includes the **City Manager's Budget Message**, outlining major policy issues and changes to City programs, including the General Fund Balancing Strategy Detail, status of Mayor and City Council referrals, and status of City Auditor recommendations with funding impact. The **Community Profile** section includes the roster of elected officials, as well as a listing of State and local legislative highlights. The **Budget Guide** section provides a flow chart of the City of San José's annual budget process; City organization charts by City Service Area, Function, and Department/Core Service/Program; this operating budget guide; a list of boards, commissions, and committees; fund descriptions; a glossary of terms; and an acronyms index. **Summary Information** of the Total City Source and Use of Funds is then presented. The **Budget Policies and Practices** section includes budgeting policies, a City Service Area policy framework, significant accounting practices, and information regarding debt service obligations. The **General Fund Revenue Estimates** section contains assumptions used in budget development, as well as descriptions of major General Fund revenue sources. The remaining Operating Budget document is organized by the following sections as discussed below.

City Service Areas (CSAs) align services provided in individual departments into the City's six key lines of business as viewed from the community's perspective. A collection of core services from various partner departments, CSAs show the results of the collaboration among the departments at a higher organizational level:

- Community and Economic Development
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Transportation and Aviation Services
- Strategic Support

Strategic Support represents functions that provide organization-wide guidance and support to enable the delivery of the City's direct services.

As an introduction to the CSA section, an **Overview** of the CSA concept, structure, and role in strategic planning and cross-departmental management of service delivery is included. Also, a **City Service Area/Core Service Map** is provided.

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CITY SERVICE AREAS (CSA)

Individual sections on each of the six CSAs follow. Each individual CSA section begins with a **Cover Page** that lists the **CSA Mission Statement, Outcomes, and Primary Partners**, followed by a **Service Delivery Framework** that maps the linkage between the CSA mission, outcomes, and core services. A **CSA Dashboard** highlights key performance measures for the CSA.

CITY DEPARTMENTS/COUNCIL APPOINTEES

Next, the **City Departments** section, organized alphabetically, reflects technical budget information for each department and provides a full description of budget changes. Each department section begins with a brief synopsis of the department, including the department's **Mission Statement**, listing of the **City Service Areas** supported by the department, and listing and description of the department's **Core Services**. A **Service Delivery Framework** follows, which maps the linkage between the department's **Core Services** and **Programs** and provides program descriptions.

This framework is followed by a **Department Budget Summary**, which includes a summary description of expected 2020-2021 service delivery, impacts of 2020-2021 key budget actions, and a list of operating funds managed by the department (if applicable). A table reflecting funding by core service, category, and funding source for four separate points in time: 2018-2019 Actual Expenditures, 2019-2020 Adopted Budget, 2020-2021 Forecast (Base Budget), and 2020-2021 Proposed Budget, follows. Starting in 2017-2018, the data included in this section has been expanded to include all operating costs managed by the department (e.g., City-Wide Expenses, debt service/financing costs) except Transfers, Reserves and Ending Fund Balances. Total Authorized Positions by Core Service are also provided. This section also includes a Dollars by Program that reflects the budget by Core Service and Budget Program.

Next, the **Budget Reconciliation** is presented, which reconciles the Personal Services and Non-Personal/Equipment budget from the 2019-2020 Adopted Budget to the 2020-2021 Proposed Budget. The significant Base Budget adjustments are described (such as negotiated salary and benefit changes and contractual obligations) from the prior year's Adopted Budget and a listing of Budget Actions for 2020-2021 is included.

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CITY DEPARTMENTS/COUNCIL APPOINTEES

The details of **Budget Changes by Department** are provided next. Included for each change is a budget action title; the action's impact on positions, all funds, and the General Fund; a list of the CSAs, core services and programs impacted; followed by a description of what will be added or deleted, the need for the change, and the amount and nature of the funding involved.

The City Departments section ends with a **Departmental Position Detail** that provides the authorized positions for the department and a one-year history of changes.

CITY-WIDE

The next major section of the budget document includes technical budget information. **City-Wide Expenses** are General Fund allocations that relate to more than one department or are not directly associated with ongoing departmental operations. These expenses are categorized to align to the CSAs to which they primarily contribute. **General Fund Capital, Transfers, and Reserves** includes budget information regarding capital contributions, transfers to other funds, earmarked reserves, and the contingency reserve. Both the City-Wide Expenses and General Fund Capital, Transfers, and Reserves sections include a **Mission Statement**, listing of **City Service Areas** and **Expense Types** supported by these allocations, **Budget Summary**, **Budget Reconciliation**, **Budget Changes by Expense Type**, and **Detail of Costs Description** (a listing of all allocations for each Expense Type).

SOURCE AND USE OF FUNDS STATEMENTS

The **Source and Use of Funds Statements** detail projected revenues, expenditures, and fund balances and are included for all budgeted special funds.

APPENDICES

In the Proposed Budget, the appendices section includes the Mayor's March Budget Message.