

## **LEGISLATIVE DIGEST**

[Administrative Code - Budget Procedures and Reporting Requirements]

**Ordinance amending the San Francisco Administrative Code by amending Sections 3.3, 3.4, 3.5, 3.6, 3.20, 22A.6, and 88.4, and by repealing Sections 88.8 and 88.10, to: 1) update budget procedures to accommodate two-year budget cycles and five-year financial planning requirements; and 2) eliminate outdated and duplicative reporting requirements.**

### **Existing Law**

Administrative Code Section 3.5 requires, among other things, that each department prepare along with its annual budget a three-year strategic plan "to reflect policy outcomes from the operations of respective department . . . consistent with the then-approved budget."

Chapter 88 of the Administrative Code requires each department to prepare an annual departmental efficiency plan.

In 2009, the voters amended the City Charter to provide for two-year budgets (Charter § 9.101) and the creation of five-year financial plans (Charter § 9.119) for the City. Section 9.119 requires that the plan include, among other things, "a summary of each department's strategic goals, resources allocated in the plan to meet these goals, and changes in service levels expected given investment levels proposed in the plan."

### **Amendments to Current Law**

The proposal is an ordinance that would amend the Administrative Code and modify the City's budget procedures to further implement the Charter provisions addressing two-year budget cycles and five-year financial plans. The proposal would also update and consolidate some existing reporting requirements for City departments.

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The proposal would:

- Set deadlines and procedures for preparation of the Five-Year Financial Plan, and eliminate superseded provisions regarding three-year budget projections;
- Make additional technical changes to reflect the two-year budget cycle;
- Eliminate the requirement that departments prepare a separate strategic plan where they have provided similar information for inclusion in the Five-Year Financial Plan;
- Give departments additional means of satisfying the requirement that they prepare an annual efficiency plan; and,
- Eliminate outdated provisions of the Administrative Code relating to pilot programs under the Performance and Review Ordinance.