

MAYOR'S PROPOSED FY2023-25 BUDGET

A plan to address significant challenges in a daunting budget environment while laying the groundwork for a stronger and more secure future.



What is the City's budget process?

From January to June, every other year, City staff, the Mayor and City Council work together to create a balanced budget by June 30, as required by law.

Through the budget Process the Mayor and Council are Responsible for resolving any deficits that exist in the coming two-years.



THE OUTCOME

A BALANCED BUDGET

The budget is our plan for how we will spend City money on services that support our community.

A balanced budget ensures our "revenues" (the amount of money the City brings in) are equal to or greater than our "expenditures" (the amount of money the City spends). While other cities and government agencies have different cycles, Oakland approves a budget every two fiscal years. The budget currently under consideration runs from July 1, 2023 through June 30, 2025.

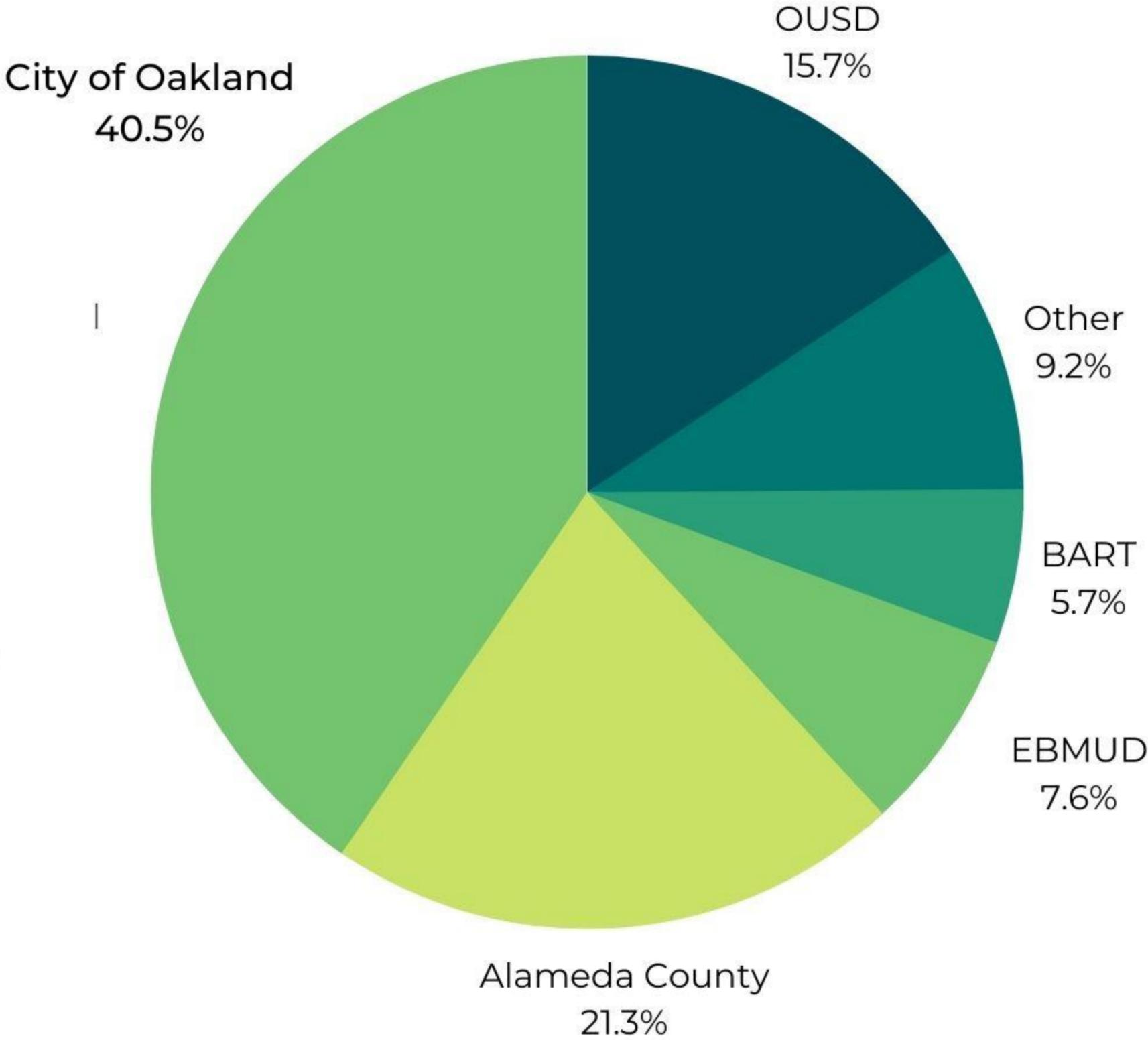


SUPPORT FOR THE OAKLAND COMMUNITY BY PARTNER GOVERNMENT AGENCY

The City of Oakland is one of many government entities serving the residents of Oakland, California.

When you pay taxes, such as sales or property tax, a percentage comes to the City to fund local programs and services. The rest goes to other agencies that provide services to Oaklander's.

Many of the services that Oaklander's care about such as public & mental health, water, education, transportation, and homeless services are not in the City's budget.



The source of the City's revenue is varied.

While well over half of our revenue comes from taxes, we also earn revenue from service charges, fees, bonds, grants, and other sources.

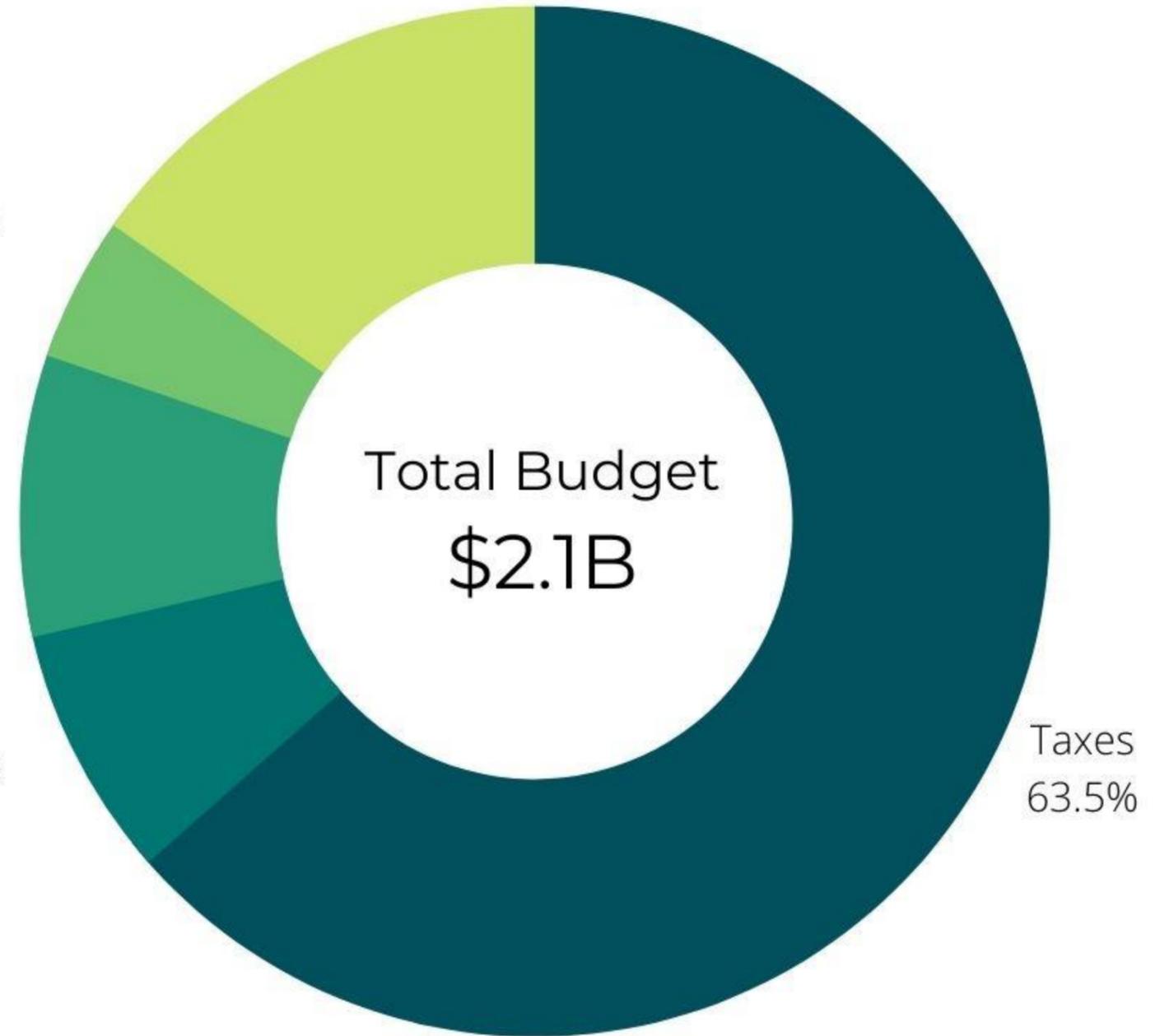
Taxes include: Property Tax, Sales Tax, Transient Occupancy Tax, Utility Consumption Tax, Business License Tax, Real Estate Transfer Tax, and Parking Tax.

Service Charges, Fines, Licenses & Permits
15.2%

Grants & Subsidies
4.5%

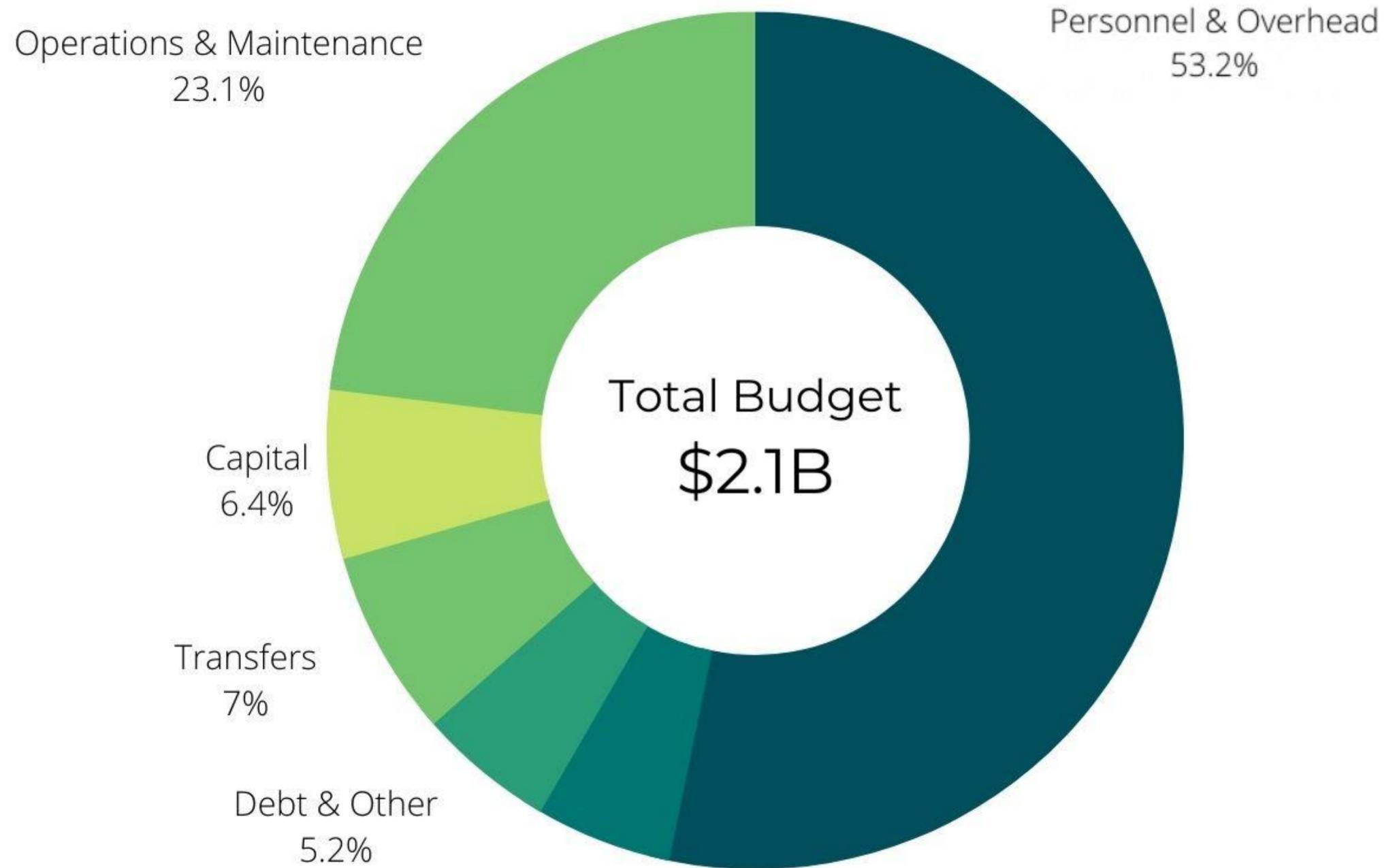
Bonds & Other
8.8%

Transfers
7.9%



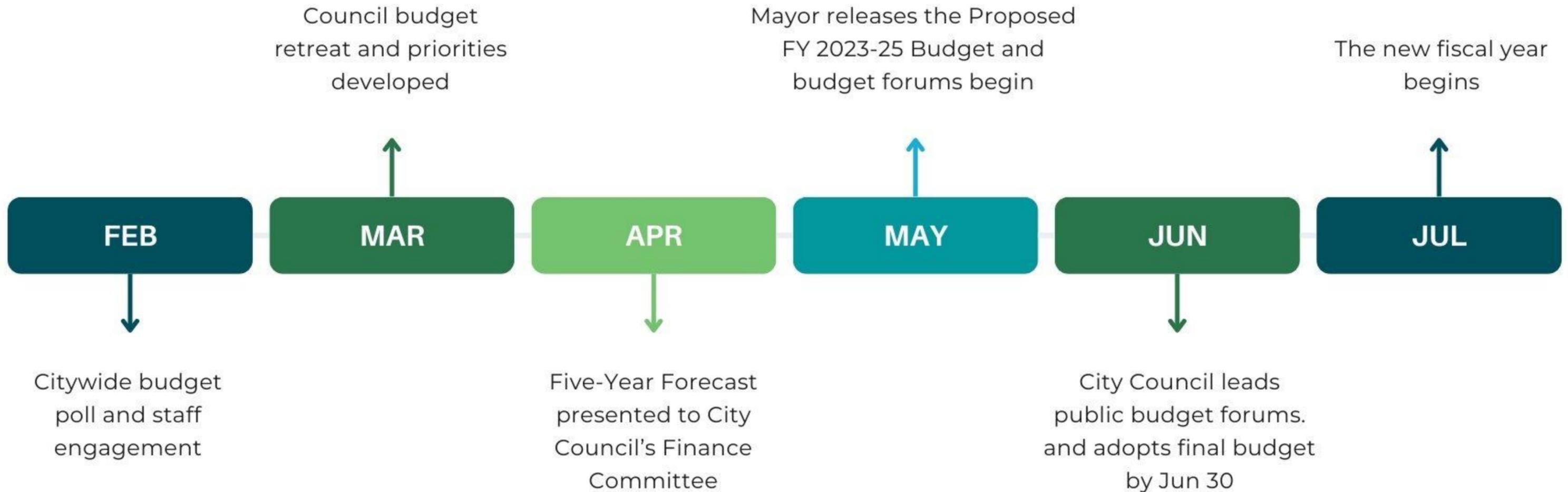
Expenditures reflect the costs associated with the provision of services and performance of operations by the City.

There are two key categories of expenditures: personnel expenditures and operations & maintenance (O&M) expenditures. Personnel expenditures make up more than half of the City's budget.



Budget Process

Community and Council priorities, public engagement, and input from City staff inform the proposed budget that the Mayor and City Administrator present to City Council. The Council then hosts public deliberations and ultimately adopts the final budget.



FY2023-25 PROPOSED BUDGET

PLANNING FOR DEFICITS

The City of Oakland is facing the largest budget deficit in its history. The projected shortfall of approximately \$360 million over the next two fiscal years is a result of two factors: the loss of federal pandemic funding and a reduction in revenue generated from the real estate transfer tax and transient occupancy tax.



FY 2023-25 BUDGET PRINCIPLES

As we seek to achieve our goals, we are mindful of the values of the City of Oakland and our residents.

- **Centering Equity** – Centering equity is an intentional effort to prevent exacerbating racial disparities and to reduce racial disparities wherever possible.
- **Valuing the City Workforce** – Preserving current city staff and prioritizing the wellbeing and professional development of our dedicated & talented workforce, especially during this difficult time and into the future.
- **Strategic Thinking** – Encouraging creative and innovative strategies to become a more efficient and effective City. Soliciting ideas for improvement Citywide regarding service delivery, organizational structures, internal processes, and utilization of technology, to become more efficient, effective, and equitable given limited resources.

ONE OAKLAND BUDGET PROCESS

We took a thoughtful and collaborative approach to identify solutions to our fiscal challenges:

- **Smart fiscal planning** – We are not only projecting \$20M in new revenue from Measure T, our new progressive business tax, which Oakland’s residents voted into law last year, but also have healthy balances in dedicated Special Funds.
- **Leveraging the creativity and commitment of the public servants who work in City government** – The Mayor’s and City Administrator’s Office worked closely with every part of City government to identify what was needed to deliver on our missions and provide the services that Oakland’s residents need.
- **Close partnership with the City Council** – We are grateful for a strong working relationship with the City Council, including a productive retreat in early March in which we discussed our shared budget priorities. This FY 2023-25 budget proposal reflects what is important to council members and to communities you serve across Oakland.

FY2023-25 PROPOSED BUDGET

MORE EFFICIENT AND EFFECTIVE GOVERNMENT

The Proposed Budget includes a new reorganization of City Departments to help the government be more efficient and reduce costs.

Each of these new departments will have a clear mission related to community priorities and each will save up to \$2 million per year due to the consolidation of related services under one strong management team.



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IMPROVED ACCOUNTABILITY AND MANAGEMENT

This reorganization will be supported by an improved management structure in the City Administrator's Office. Departments with related services will be grouped into “channels” and report to or coordinate with a dedicated Deputy or Assistant City Administrator.



Community Safety

Comprised of public safety departments such as Police, Fire and the Department of Violence Prevention



Infrastructure and Economic Growth

Comprised of built environment departments such as DOT, OPW with community development departments such as Planning, Building and Economic Development



Community Services

Comprised of the new Housing Development and Homelessness Department, Department of Children, Youth & Families, Library Services and Animal Services

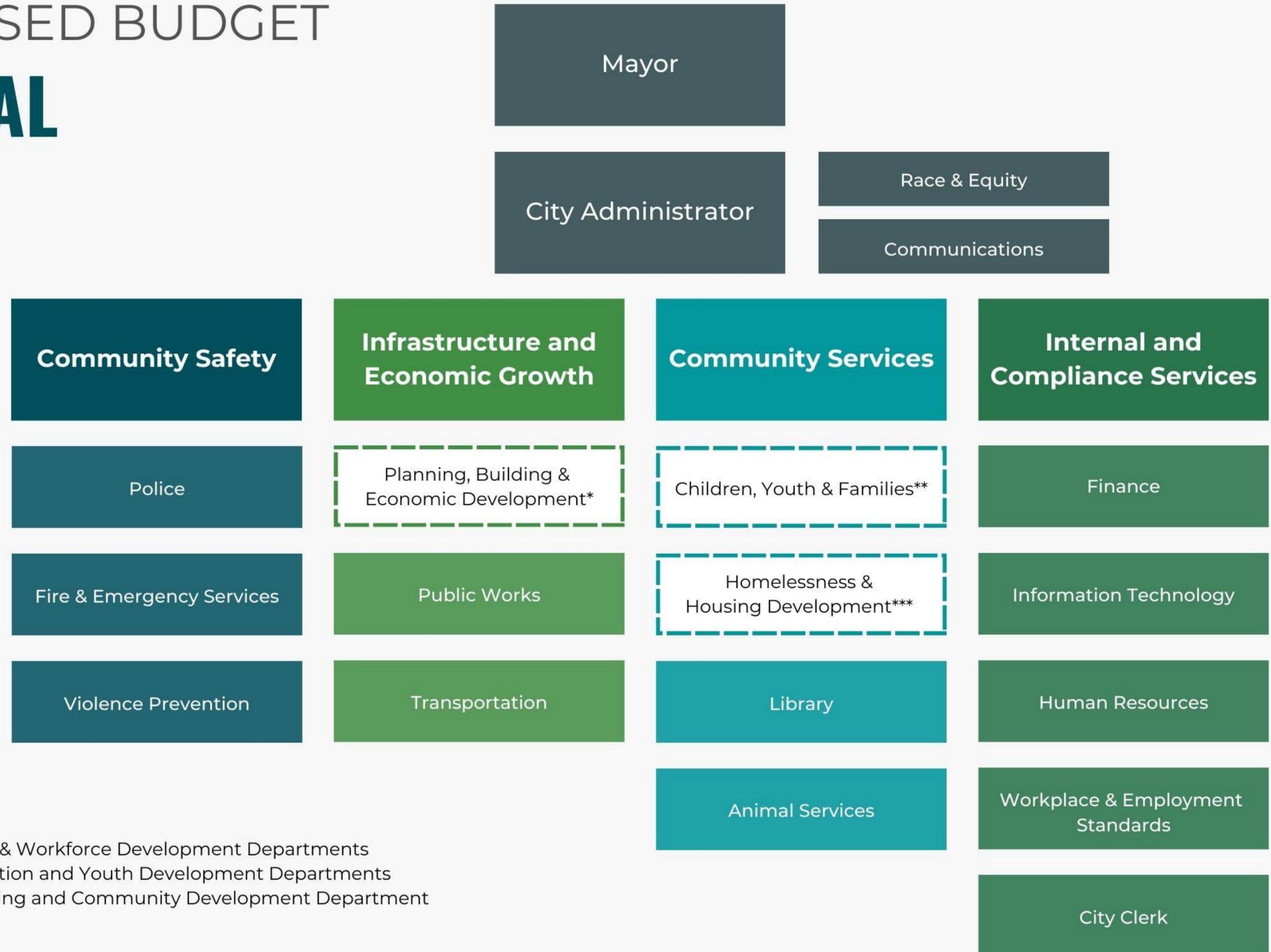


Internal Services

Comprised of Finance, Human Resources and Information Technology. This channel will be focused on supporting more efficient and effective government.

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ORGANIZATIONAL STRUCTURE



* Combines the Planning & Building and Economic & Workforce Development Departments
 ** Combines the Human Services and Parks, Recreation and Youth Development Departments
 *** Combines Homelessness Services with the Housing and Community Development Department

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CLOSING THE GAP

The steps we outline will help us make the government more efficient and save taxpayer money but to address our \$300 million General Purpose Fund shortfall, we must make strategic spending reductions. We carefully considered every reduction within this budget with an eye to minimizing impacts on services that residents rely on every day.



Freeze Vacant Positions



Allow for Attrition



Delay Spending

FY2023-25 PROPOSED BUDGET

INVESTING IN OUR PRIORITIES

Even in this environment, the Proposed Budget will make significant investments in affordable housing, Head Start programs and infrastructure improvements. Above all, we are seeking to manage our fiscal situation responsibly while still supporting the priorities of City Council and our residents.



Community Safety



**Infrastructure and
Economic Growth**



Community Services



**Internal and
Compliance Services**

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BUDGET HIGHLIGHTS: COMMUNITY SERVICES

The Proposed Budget seeks to make major investments in key Oakland priorities like affordable housing and programs for youth while delivering more streamlined and coordination services to residents.



- Largest affordable housing investment in Oakland's history: over \$200M over the next 2 years
- Greatly expands Head Start programming
- Allocates \$108.5 million towards providing new shelter and housing options
- New Department of Children, Youth & Families will support at-risk and disadvantaged youth and integrated, intergenerational support
- Expand investments in Summer Town Camp and other community programs

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BUDGET HIGHLIGHTS: COMMUNITY SAFETY

The Proposed Budget will allow for better coordination of key public safety goals while continuing the civilianization of certain functions of the Police Department.



- Better coordination of services
- 6 new police academies
- Civilianize Internal Affairs (IA), move from the Police Department to the Community Police Review Agency
- Expands investment in Mobile Assistance Community Responders of Oakland (MACRO)
- Delays the rollout of a fire engine that had been previously approved and “browns out” one more fire engine on a rotating basis
- Preserves existing funding level for Department of Violence Prevention

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BUDGET HIGHLIGHTS: INFRASTRUCTURE AND ECONOMIC GROWTH

Many of the Departments in this channel are funded through sources outside the General Purpose Fund, allowing Oakland to make major investments in our future even during these difficult budget conditions.



- \$213 million dedicated to build, repair and upgrade parks, recreation facilities, libraries, storm drains and infrastructure
- \$73.9 million allocated for citywide street resurfacing projects
- \$7.7 million in programs towards street safety & bike and pedestrian plans
- Prioritizes the Keep Oakland Clean and Beautiful program
- Better coordination for economic growth

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BUDGET HIGHLIGHTS: INTERNAL SERVICES

Our reorganization will also allow for us to streamline and improve Oakland's internal service delivery. By making these functions more efficient, we also make them more effective and responsive to the needs of residents and our City workforce alike.



- Adds \$10 million over the next two fiscal years to upgrade, modernize and harden our cybersecurity protections
- Includes funding for Human Resources to fill positions in Planning & Building, Transportation, Housing and Public Works
- Includes funding to develop partnerships with local community colleges and high schools to host recruitment events, connecting our most vulnerable residents with opportunities to build a career in public service

FY2023-25 PROPOSED BUDGET

PLANTING THE SEEDS

The fiscal crisis currently facing the City of Oakland will be limited in scope and limited in time – particularly if we enact a FY 2023-25 budget that protects services while streamlining and strengthening how our City government is run.

With this Fiscal Year 2023-2025 budget, we are laying a foundation to emerge from this crisis with a more streamlined, proactive City government that can be a force for more housing, more safety, and more equity in Oakland.



GET INVOLVED

Learn more about the budget, attend upcoming budget town halls, ask budget questions, and share your ideas.

[OAKLANDCA.GOV/BUDGET](https://oaklandca.gov/budget)