

City of Oakland

# BUDGET BASICS

Fiscal Year 2021-23

Overview of the City Budget Process



# What is the City's budget process?

From February 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.

This year's budget process will be unlike any in recent memory. The challenges of the economic and health crises will require difficult choices to balance the budget.



## How is the City's budget funded?

The City of Oakland's budget is funded through local taxes, service fees, grants, voter-approved bonds, and other sources.

When you pay taxes, such as sales or property tax, a percentage comes to the City to fund local programs and services. For example, for every dollar that you pay in property tax, the City of Oakland receives a little less than 26 cents. The rest goes to other local government agencies like Alameda County, AC Transit, and Oakland Unified School District.

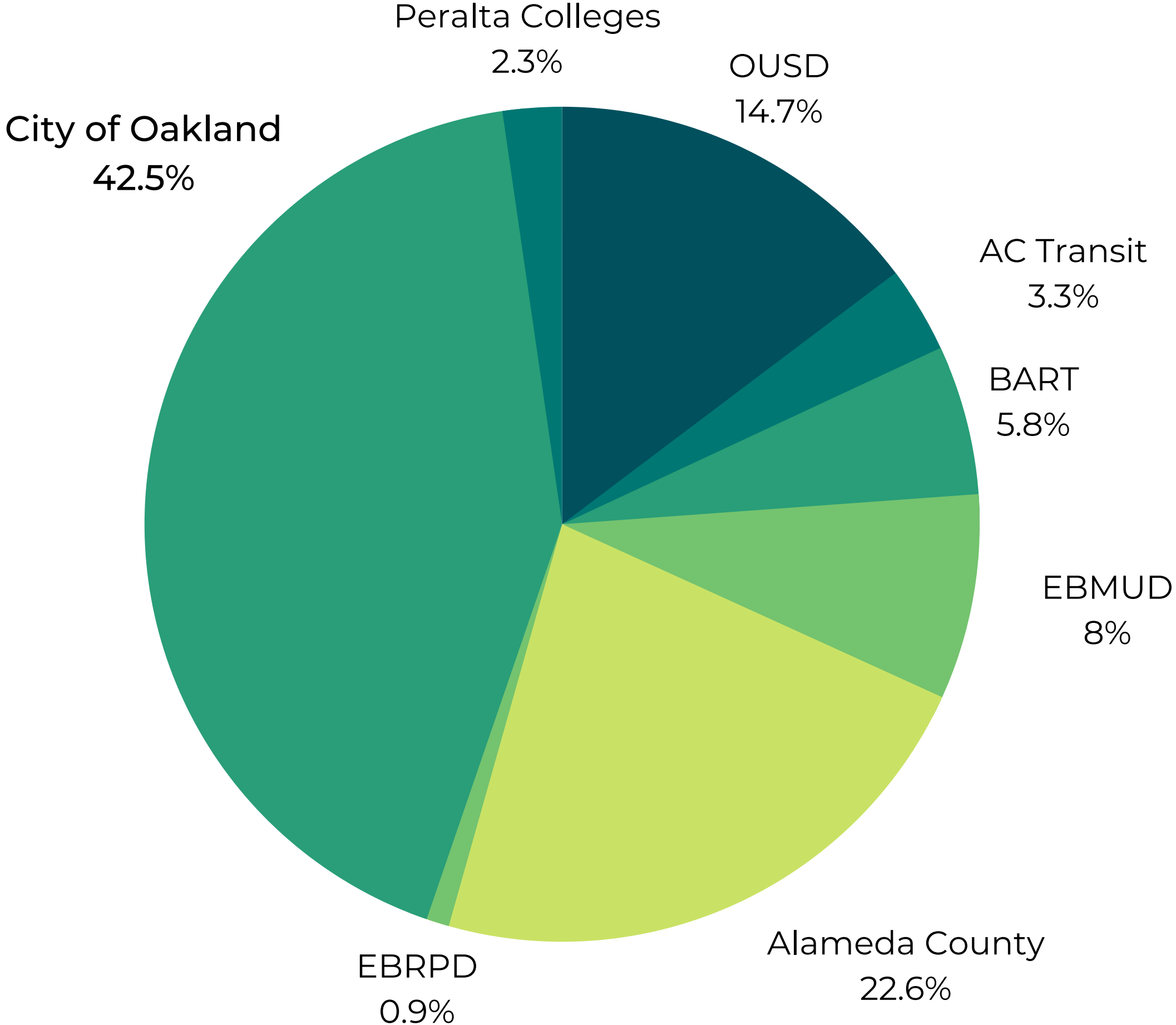


# SUPPORT FOR THE OAKLAND COMMUNITY BY PARTNER GOVERNMENT AGENCY

Many Government Agencies provide support for the Oakland community.

Together, we provide essential services and support to our community-- from maintaining roads, sewers, and parks to providing education, transit, and clean water.

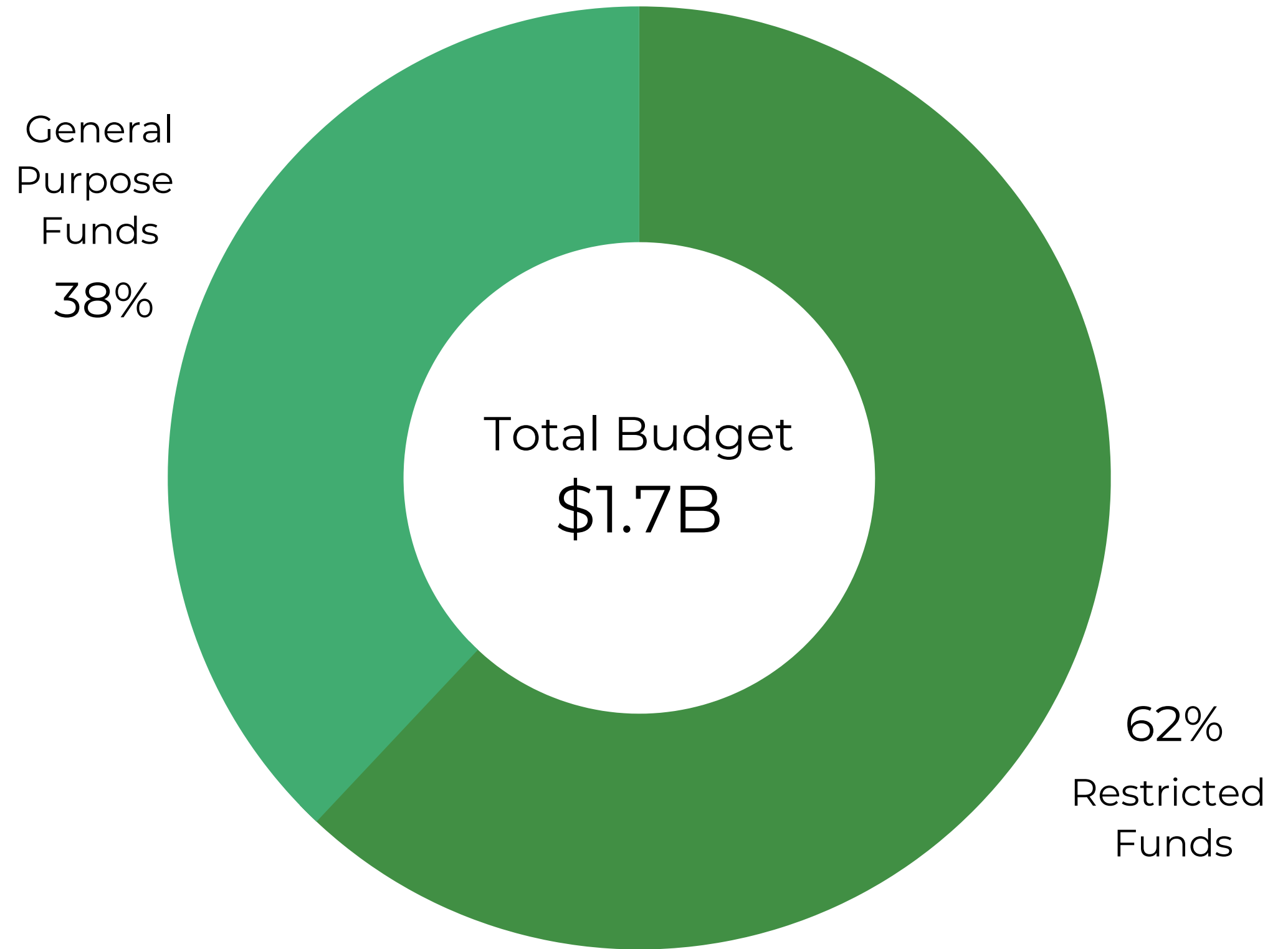
Many of the services that Oaklanders care about such as public & mental health, water, education, transportation, and homeless services are not in the City's budget.



The City of Oakland's total annual budget is approximately \$1.7B.

62% of our budget comes through grants and voter-approved bonds (like the Library or parks bond) and legally must be used for specific purposes; these are called **Restricted Funds**.

**General Purpose Funds** are generally supported by tax revenue and make up 38% of our budget. They are the most flexible with regards to what they can be spent on. Public safety (police and fire) are primarily funded through the General Purpose Fund, in part because we don't typically charge for these services.



# The source of the funds is varied.

While 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.

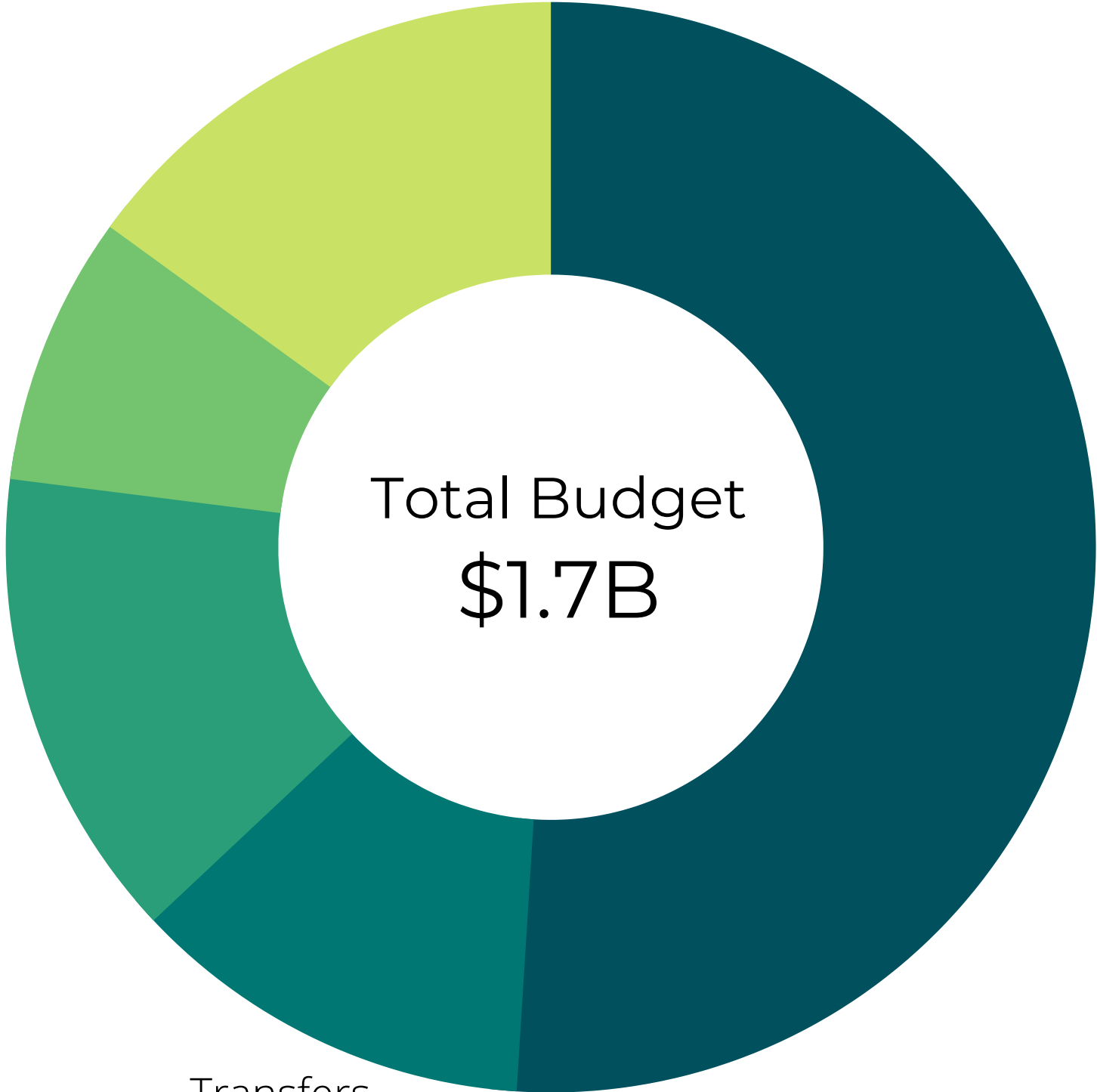
Service Charges, Fines, Licenses & Permits  
15%

Grants & Subsidies  
8%

Bonds & Other  
14%

Transfers  
12%

Taxes  
51%



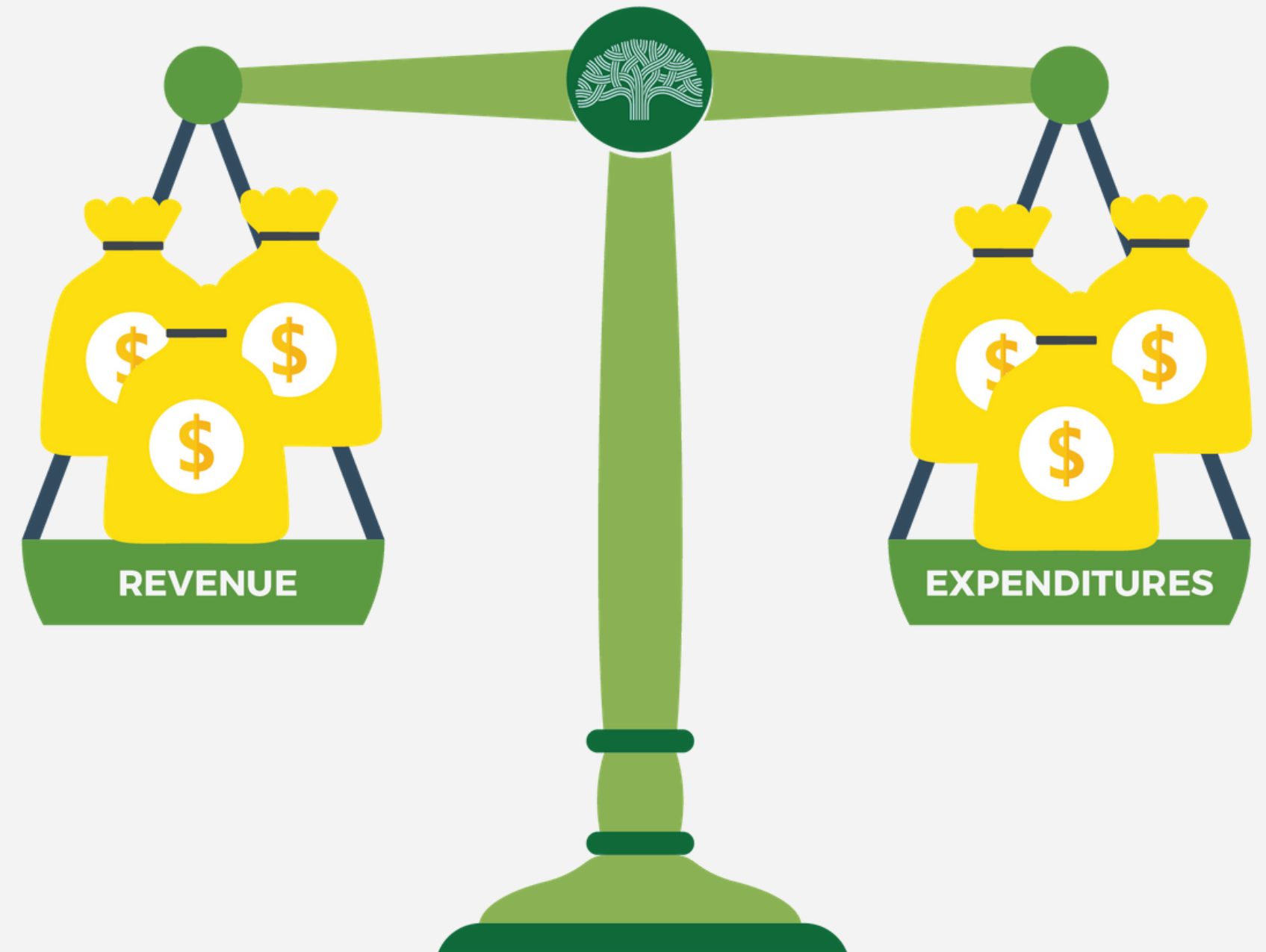
Total Budget  
\$1.7B

THE GOAL

# 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, 2021 through June 30, 2023.



# FY 2021-23 ADMINISTRATIVE BUDGET VALUES

As we consider difficult tradeoffs, these are the values that will guide our decision making.

- **Equity.**  
We seek to avoid reductions that would be felt disproportionately on low-income communities of color.
- **Preservation of core services and staffing levels.**  
We seek to prevent cuts in service levels for residents and preserve staffing levels for City workers.
- **Fiscal responsibility and long-term financial health.**  
We seek to address our current fiscal health while preparing to rebound once the economy recovers.



# 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.

## JANUARY

Citywide budget poll and staff engagement commence.

## APRIL

The Mayor engages the public to garner community insights.

## MAY - JUNE

City Council leads public budget forums.

## JUNE 30

City Council Deadline to adopt the Final Budget

## MARCH

Five-Year Forecast presented to City Council's Finance Committee.

## MAY 1

The Mayor releases the Proposed FY 2021-23 Budget.

## JUNE

City Council develops alternative budget proposals.

## JULY 1

The new fiscal year begins.

# 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)