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MEDIA ADVISORY

Independent Review Places San Diego's Budget Deficit at $80 to $100 million

Details to be Released at Citizens' Budget Forum Thursday Morning

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SAN DIEGO – Preliminary findings of an independent analysis of the City of San Diego's budget have projected an estimated deficit of $80 to $100 million for the coming fiscal year. Those findings will be announced Thursday at the first public forum of the *San Diego Citizens' Budget* project.

"The City of San Diego does not just have a budget deficit – it has efficiency, transparency, and accountability deficits. Massive over-spending by these city departments and the budget shortfalls that accompany them can only be addressed if we focus on these deficits," said Performance Institute President Carl DeMaio, who is directing the Citizens' Budget project. "We seek big change in the way city government operates, not only by offering cost savings ideas but by facilitating a public process to build political will for government reform."

The estimate is based on publicly available data on projected budget levels outlined by each City Department in the '04 budget. In their projections, most City Departments blamed increased operating costs (particularly rising employee salaries and benefits) and the need to make up for two years of deferred projects.

The City Manager's budget, however, must be submitted to match expected revenues, meaning the City Manager will likely adjust each Department's projected budget request before submitting them to Council. "As has been demonstrated with police and fire funding, the city manager in the past has played 'hide-the-ball' with funding requests from each City Department. It is time for full transparency on the City's budget and that is exactly what the Citizens' Budget project intends to provide through our review of city finances."

The impending departure of City Manager Mike Uberuaga provides San Diego city government with an opportunity to correct its financial condition. "We now have an opportunity to approach San Diego's budget with a fresh start and an open mind," DeMaio said. "We hope our project will generate useful cost savings options for the new City Manager, the Mayor and the Council."

The first public forum of the San Diego Citizens' Budget project will be held Thursday, March 18 from 9 a.m. to 12:30 p.m. in Room 23B of the San Diego Convention Center. Twenty-five experts on San Diego's budget and its administration will discuss the scope of the challenge facing the city and make recommendations on how to address it. DeMaio will provide a briefing on the findings of his project team's review of the city's finances. Media are asked to contact Ian Koski at 858-503-6787 to be credentialed.

The *Citizens' Budget* is an independent project of The Performance Institute, Reason Foundation, the San Diego Regional Chamber of Commerce and the San Diego County Taxpayers' Association. The project is located online at www.sandiegobudget.org.

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