

Budgeting in County Government

Seminar for Newly Elected County Judges & Commissioners

Why Have a Budget?

- The budget is a Plan
- Expression of accountability and compliance
- Short term implementation of a long term focus

Proposed budget contents

- As clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes that were made for the preceding fiscal year.
- The budget must show as definitely as possible each of the projects for which an appropriation is established in the budget and the estimated amount of money carried in the budget for each project.

The Comprehensive Budget

- Analysis of tax rates
- Revenue estimates
- Expenditure budgets by line item
- Detail of capital budgets
- Budgets for special revenue funds
- Historical information for comparison

- And a Contingency!

Who is the Budget Officer?

- A – County Judge; counties with 225,000 people or less
- B – County Auditor; counties with more than 225,000 people
- C – Budget officer appointed by Commissioners Court; counties with more than 125,000 people who choose not to operate under A or B

Who Helps Prepare the Budget?

- Subchapter A counties: “...the county judge, assisted by the county auditor or the county clerk, shall prepare a budget...”
- Any county officer may be required to furnish existing information
- Commissioners, at a minimum:
 - Approve and/or change the proposed budget presented by the budget officer
 - Decide upon the level of services, functions, operations & programs to be funded
 - Decide upon level of taxation needed to fund the budget
 - Decide upon any budget amendments

Key Dates – Subchapter A

- April 30 – Estimate of property value due from appraisal district
- July 25 – Certified property value due from appraisal district; or a certified estimate
- August 15 – Last day for County Judge to file proposed budget
 - Must hold public hearing on Budget within 25 days after filing date
- 78 days before the November uniform election date
 - Deadline to order a voter approval election
 - Budget must be adopted first – LGC 111.007 & 111.010

Public hearings

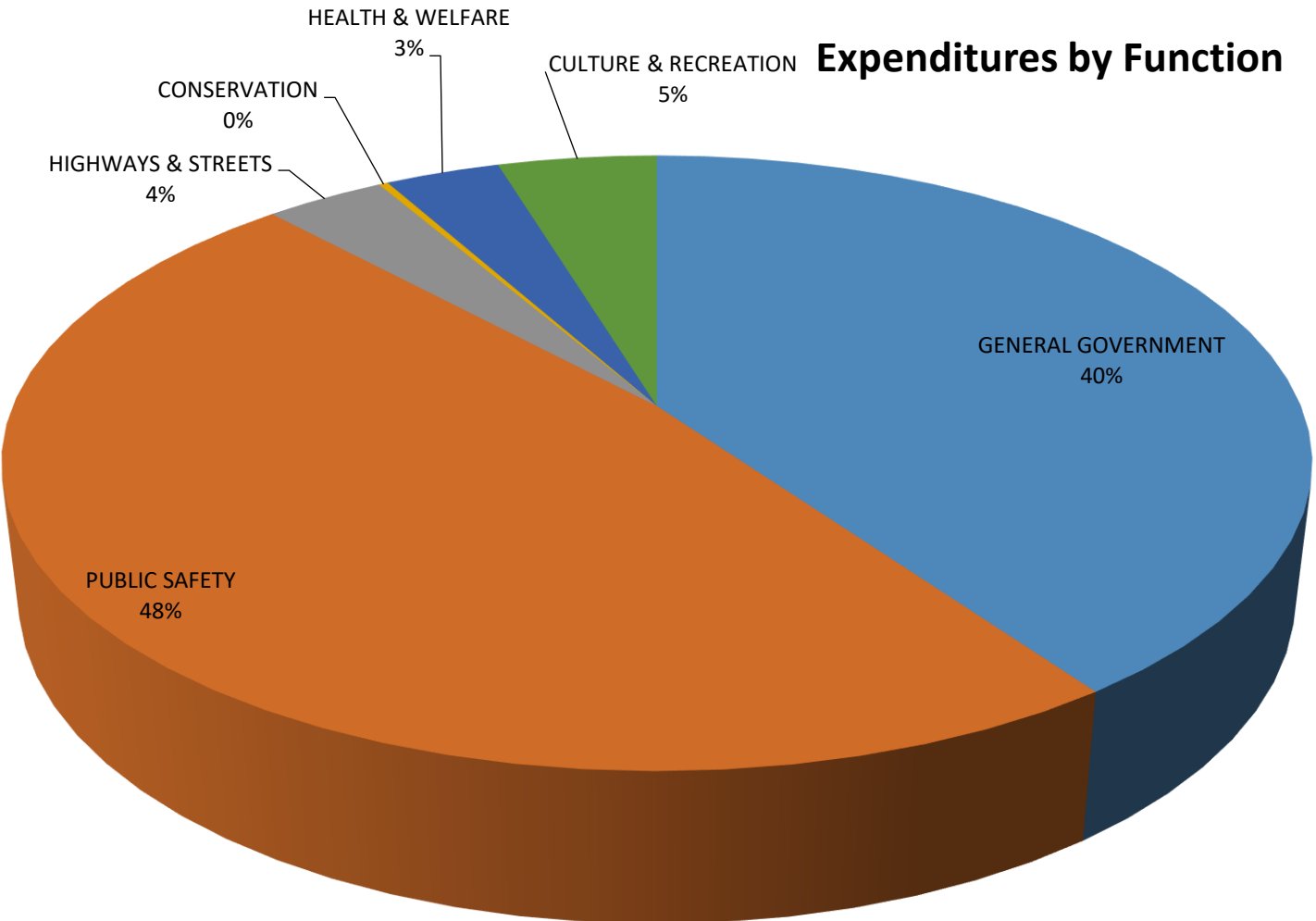
- Public Hearing on Tax Rate

- If proposed rate exceeds lower of NNR or VAR, this hearing is required
- Must afford adequate opportunity for proponents and opponents of the tax increase to present their views

- Public Hearing on Budget

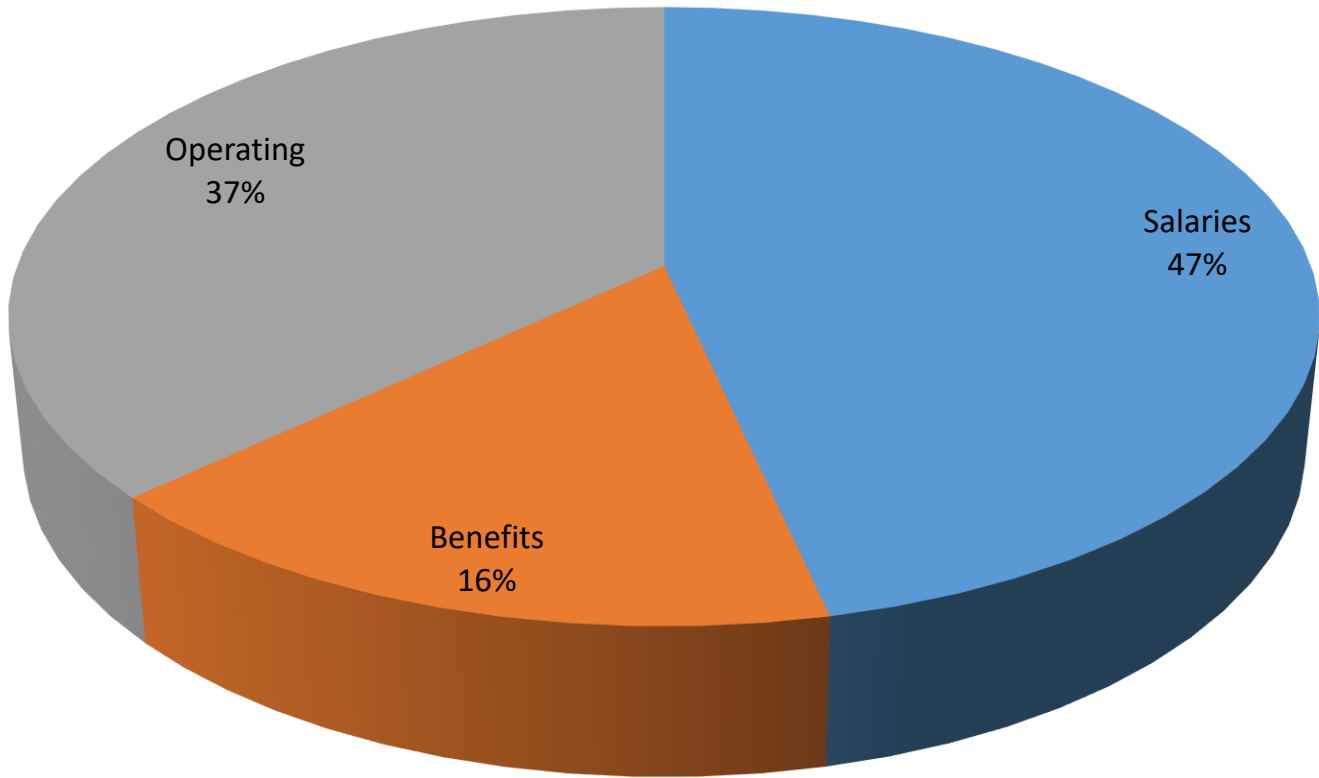
- Required; separate from tax rate hearing
- Any person may attend and participate

Areas of Focus

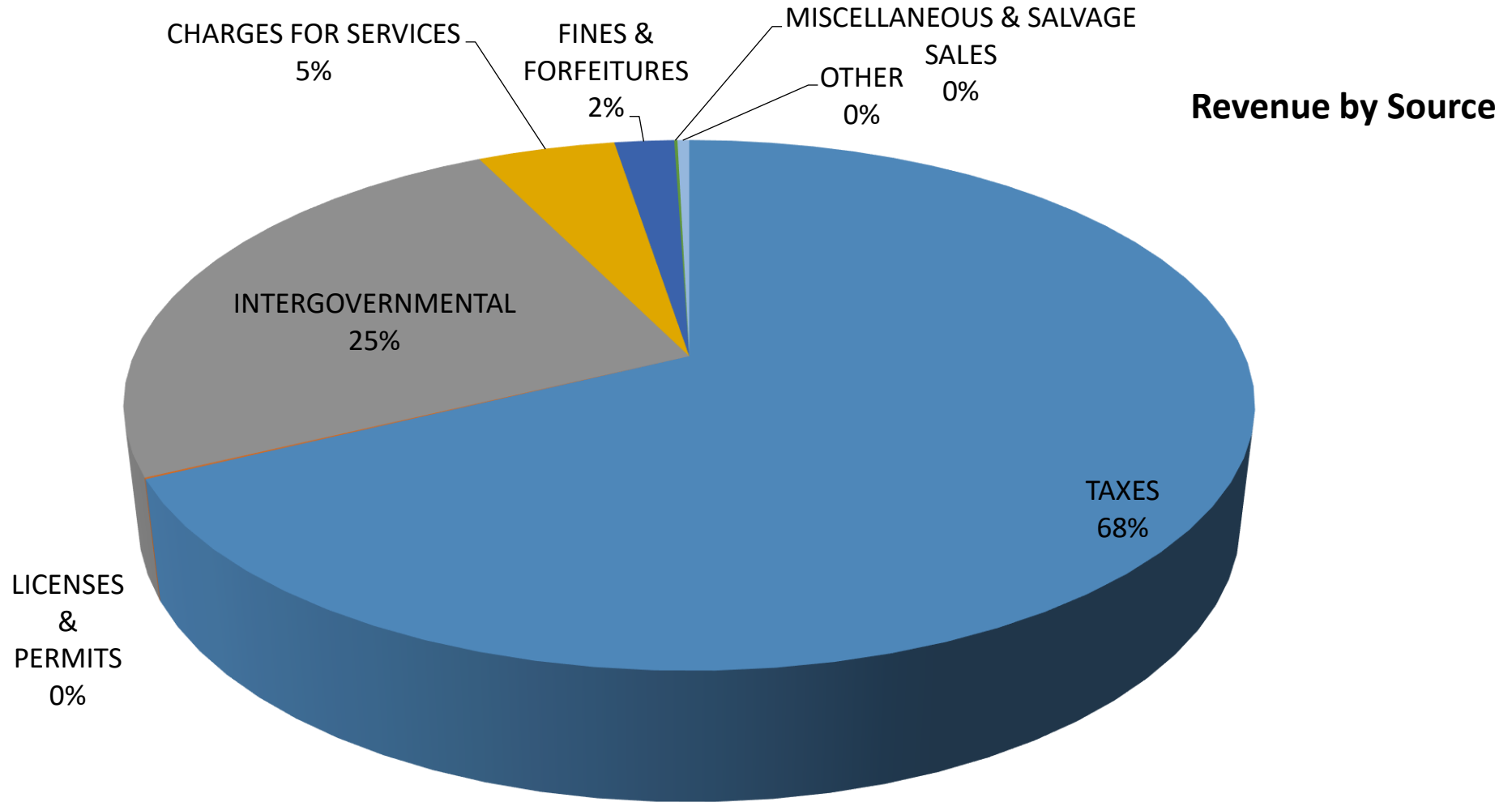


Areas of Focus

Expenditures by Category



Areas of Focus



Strategy

- Read the situation; Start with a goal, a priority
 - Avoid beginning budget analysis simply with department requests
- Ask county officials to help
 - They know the most about their operations
 - Give them a stake in the budget, an opportunity to contribute
- Be early, allow for time to make changes, impacts from outside agencies, and to adapt as the summer progresses

Tips

- Don't forget the special revenue funds
 - Analyze to see where they can be used to relieve the general fund
- Ask plenty of questions; throw out an idea
 - Don't assume it's already been thought of
- Tackle a special project, or a particular interest
- Avoid as much bureaucracy as possible, be open to direct communication from officials

Common Questions

- Does the Court have to vote on, or approve, the Judge's proposed budget before it is filed with the Clerk?
 - NO
- What happens if we miss a step?
 - It depends, but don't freak out. It likely can be resolved.
- Can we budget for a contingency from reserves?
 - Yes, and you should. LGC 111.014

Common Questions - continued

- Can the budget be changed between the time the proposed budget is filed with the Clerk and when it is adopted?
 - Yes, at the meeting to adopt. LGC 111.008. But not generally within the 25 day period otherwise. Keep a list of proposed changes, present them the day of the vote.
- When do probation departments have to provide their budgets?
 - Minimum 60 days before County's new fiscal year begins. The respective boards hold meetings to finalize budget at least 45 days before, and have to provide a copy of proposed budget to the County at least 14 days before that. LGC 140.004.

Common Questions – get to the end already

- How much should we have in reserves or fund balance?
 - Talk about what makes sense for your County.
- Who can I call with budget questions?
 - TAC Legal Helpline: **(888) ASK-TAC4** or **(888) 275-8224**

Resources

- Budget & Tax Rate Planning Calendar aid
 - www.county.org Legal, Legal Publications
- Texas Comptroller; Truth in Taxation
 - www.comptroller.texas.gov
- GFOA – Budgeting & Forecasting help and research
 - www.gfoa.org