

The Budget Process

Effective Budgeting in County Government

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WHAT IS THE BUDGET

- **A statement of revenue, expenses and fund balances for the County**
- **A legal document of approved expenditures**
- **A plan of action for the fiscal year**
- **A policy statement by the Commissioners Court**
- **A vision statement for the County**



The key to a successful budget.....



Rules of Effective Budgeting

Rule 1:

Set a goal....



Rules of Effective Budgeting

Rule 2:

Communicate...

- with Commissioners Court
- with Department Heads/Elected Officials
- with your employees
- with the media
- with the public



Rules of Effective Budgeting

Rule 3:

Work together....



Rules of Effective Budgeting

Rule 4:

When all else fails...

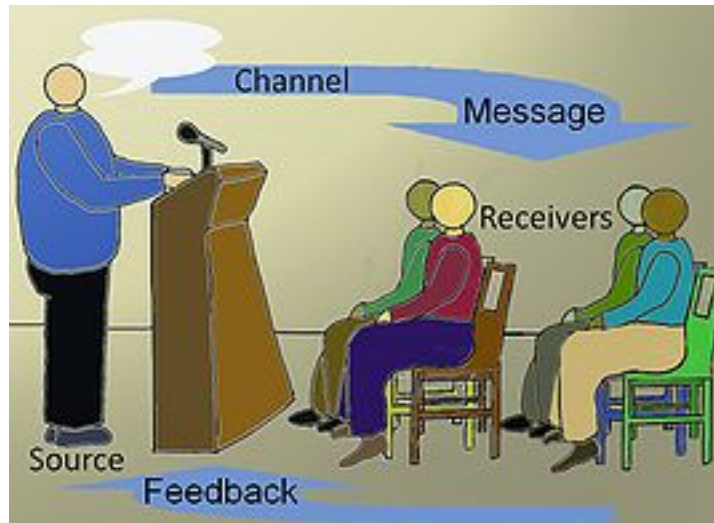


read the Local Government Code!

Rules of Effective Budgeting

Rule 5:

Be transparent....

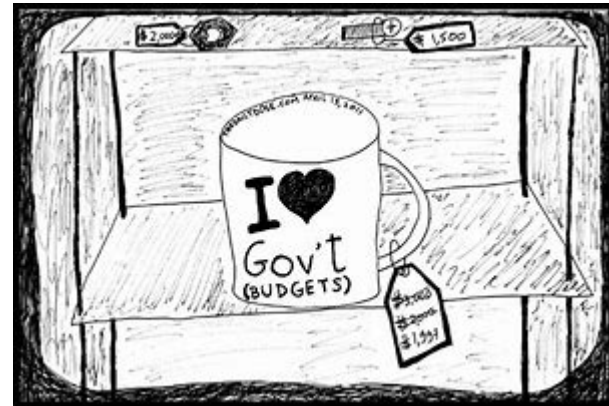


The Budget Calendar

The most helpful tool in effective budgeting

- Breaks process down to logical steps
- Improves accountability and cooperation
- Keeps everyone informed

Samples in your packet



Local Government Code Chapter 111

Subchapters A, B, C

Chapter 111

Local Government Code

- **Population up to 125,000**
- **Governed by Subchapter A**
- **County Judge is Budget Officer**

Chapter 111

Local Government Code

- **Population 125,000 – 225,000**
- **May choose Subchapter A or C**
- **A = County Judge is Budget Officer**
- **C = Commissioners Court appoints a County Budget Officer**

Chapter 111

Local Government Code

- **Population over 225,000**
- **May choose Subchapter B or C**
- **B = Auditor is Budget Officer**
- **C = Commissioners Court appoints a County Budget Officer**

The Budget Process



The Budget Process

- **Budget Officer prepares proposed budget during 7th or 10th month of the fiscal year (generally April or July)**
- **filed with County Clerk (LGC 111.006)**
- **posted on County's website**
- **If requires more revenue from property taxes than previous year, must contain cover sheet (LGC 111.003)**
- **available for public inspection and posted on county website**

The Budget Process

- **Commissioners Court holds public hearing**
 - must be a date after the 15th day of the month following the month the budget was prepared (LGC 111.007)
- **Notice**
 - must state date, time and location of hearing
- **Must be published in a newspaper of general circulation in the county (LGC 111.0075)**
 - not earlier than the 30th day before the date of the hearing
 - not later than the 10th day before the date of the hearing

The Budget Process

- **Commissioners Court may adopt budget anytime after hearing**
 - must be a record vote
 - may make changes to budget that are warranted by law and in the interest of the taxpayers
 - if raises more revenue from property taxes than previous year, must have a separate vote of the court to ratify the property tax increase (LGC 111.008)
 - *This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.*

PUBLIC NOTICE

**DUE TO RECENT BUDGET CUTS,
THE RISING COST OF ELECTRICITY,
GAS AND OIL, PLUS THE CURRENT
STATE OF THE ECONOMY, THE
LIGHT AT THE END OF THE TUNNEL
HAS BEEN TURNED OFF**

————— "Have a Nice Day!" —————

Preparing the Budget

LGC Sec. 111.005

INFORMATION FURNISHED BY COUNTY OFFICERS

- (a) In preparing the budget, the county judge may require any county officer to furnish existing information necessary for the judge to properly prepare the budget.

- (b) If a county officer fails to provide the information as required by the county judge, the county judge may request the commissioners court to issue an order:
 - (1) directing the county officer to produce the required information; and
 - (2) prescribing the form in which the county officer must produce the information.

Preparing the Budget

Budgeted Positions for the Judiciary LCG 111.096

- Commissioners Court shall determine the number of additional positions authorized under Gov. Code 75.401 (court administration)
- Number of positions should be included in the budget
- Can include maximum compensation for those positions

Chapter 152

Local Government Code

.....deals with compensation of county officers and employees



Salary Grievance Procedure

LGC 152

- Before filing the budget, Commissioners Court must give written notice to each officer of their salary and personal expenses
- Must publish in newspaper of general circulation in the county
 - any salaries, expenses or allowances that are proposed to be increased; and
 - the amount of the proposed increase
- Publication must be at least 10 days before the date of meeting to set salaries (LCG 152.013)

Salary Grievance Procedure

- Request for hearing must be:
 - In writing
 - Delivered to the committee chairman within five days after officer receives notice of the salary or expenses; and
 - State the desired change in salary or personal expense
- LGC 152.016

Salary Grievance Procedure

Salary Grievance Committee (LGC 152.014)

- County Judge (Chair – does not vote)
- Sheriff
- Tax Assessor Collector
- Treasurer
- County Clerk
- District Clerk
- County Attorney or Criminal District Attorney
- Three public members

Alternate Option: Nine members of the public (requires vote by Commissioners Court for this option)

Salary Grievance Procedure

- If request gets 6 or more votes, recommendation is submitted to Commissioners Court in writing
- If 6 to 8 members vote to recommend the increase, the Commissioners Court must consider the recommendation at its next meeting
- If 9 members vote to recommend and sign the recommendation, the commissioners court shall include the increase in the budget before it is filed.
LGC 152.016

After the Budget is Adopted

**A BUDGET TELLS US
WHAT WE CAN'T
AFFORD, BUT IT
DOESN'T KEEP US
FROM BUYING IT.**



William Forstner
American Author

QUOTEHD.COM

1889 - 1981

After the Budget is Adopted

LCG 111.010

- Commissioners Court must spend funds in strict compliance with budget
- Exception – can amend for emergency
 - grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention
 - Court must file a copy of its order amending budget with county clerk who will attach it to original budget
- Budget can be amended by transferring funds from one line item to another without declaring an emergency

After the Budget

GA-0037

- Commissioners Court has discretionary authority to approve an expenditure proposed by a county officer after the annual budget is adopted, although the court may not, by refusing to approve a requested expenditure, interfere with an elected officer's ability to perform his or her duties.
- Commissioners Court may not "freeze" a vacant position or impose other conditions that interfere with an elected officer's authority to appoint an employee of his or her choosing to a position that is established in the budget.

What You Need to Know

- Know the importance to the budget of fund balances/reserves
- Understand what your budget means
- Know the difference between available budget and available cash
- Understand and be able to explain the budget process and how the different parts interrelate
- Know your special funds
- Be able to explain your debt service funds

Special Funds

- Law Library Fund
 - Courthouse Security Fund
 - Records Management Fund
 - Justice Court Technology Fund
 - County & District Court Technology Fund
 - Attorney Check Funds
 - Forfeiture Funds
-just to name a few

Debt Service Funds

- Tax Notes
- Revenue Bonds
- Certificates of Obligation
- General Obligation Bonds
- Refunding Bonds

....just to name a few



Tips for Success

- Set the rules up front
- Stick with your timeline
- Ask questions
- Be realistic
- Be willing to compromise
- Use amendment authority sparingly
- Think long range
- Remain engaged through the entire year



When all else fails...

Call TAC Helpline

- Call TAC's Toll Free Helpline **(888) ASK-TAC4** or **(888) 275-8224** to request Legal Department assistance with legal research questions or for greater information about legal deadlines. Calls are answered from 8 a.m. - 5 p.m.

