

# **UNDERSTANDING THE BUDGET PROCESS IN A TEXAS COUNTY**

**Seminar for Newly Elected Judges and  
Commissioners**

**January 2023**

**Panel Discussion**

# Why We Have Budgets

- I. **Information** – a great tool to communicate
- II. **Planning** – a great tool to manage
- III. **Accountability** – by law it legitimizes the level of proposed expenditures
- IV. **Evaluation** – it serves as a basis for evaluating the extent of compliance

# PURPOSE FOR A BUDGET

- **An expression of public policy**
- **A method to control the use of resources & authorizes departments & officials to expend public funds**
- **A method to evaluate performance**
- **It develops a means of accountability**
- **It is a lot broader than a financial plan**
- **Once adopted it carries the force of LAW!**

# UNDERSTANDING THE RULES

## Budget Laws

- **Local Government Code Chapter 111**  
Budget Officer, Expenditures & Revenues
- **Local Government Code Chapter 152**  
Compensation, Expenses & Allowances
- **Tax Code Chapter 26**  
Calculating & setting tax rates
- **Attorney General Opinions**  
[www.texasattorneygeneral.gov](http://www.texasattorneygeneral.gov)

# UNDERSTANDING THE RECIPE

## Budget Law Differences

- **Subchapter A – population 225,000 or less**
  - **County Judge is budget officer**
- **Subchapter B – pop. more than 225,000**
  - **County Auditor is budget officer**
- **Subchapter C – alternative, more than 125,000**
  - **Budget Officer appointed by Cct**

# The Comprehensive Budget

**Process should include:**

- **Budget Calendar**
- **A statement as to mission, goals and objectives**
- **Receipts other than taxes**
- **Level of indebtedness**
- **General spending**
- **Salary & benefits**
- **Department & program priorities**
- **Unexpended budget balances & Reserve policy**

**A statement of actual assessed property valuations and tax rates to include historical collections**

# The Comprehensive Budget

- **A summary of budget by all funds**
- **A detail of the operating budget including revenues and expenditures with comparables**
- **A detail of the capital budget**
- **An overview & details of all special revenue funds**
- **Historical information and comparative data in one document or throughout**

# The Comprehensive Budget

## **\*\*Additional information\*\***

- Optional: An analysis of economic conditions – past, present, future**
- An analysis of staffing needs, changes and related costs**
- Optional: An organizational chart of the county**
- Property tax calculation form, as an appendix**

# Budget Basics

## Types/Methods of Budgeting

- **Line Item – traditional**
- **Program – by function instead of department**
- **Performance – state & federal**
- **Zero-based – rejustify entire program/dept.**
- **Modified Program – categories  
(modified ‘object-of-expenditure’ approach)**

# Budget Basics

## “Categories” per Dept:

- Salaries/Wages
- Benefits
- Departmental Support
- Repairs & Maintenance
- Contractual/Professional Services
- Miscellaneous
- Capital Outlay
- Debt Service

# Budget Basics

## Budget Request Forms

- Revenue Estimates
- Expenditure Estimates
- New Employee Request Form
- Capital Outlay Needs
- Out of County Travel Requests

Can require narrative explanation for all increases including contractual information.

# Public Hearings, Notices, Filings

- Refer to Budget Calendar
- Refer to current Truth-In-Taxation Guide for entities other than School Districts
- Publications rules for newspaper and website postings apply to ALL notices

# Beware of those bearing gifts



- Federal or State Aid or Relief and other one time funding
- Grants and other Federal Reimbursement for services

# BUDGET OFFICER'S BUDGET RESPONSIBILITIES

- Plan & coordinate the budget preparation process
- Advise county officials & dept. heads when preparing their budget requests
- Advise Commissioners Court on matters of budget policy
- Monitor county's actual performance & compare to budget forecasts

# COMMISSIONERS COURT BUDGET RESPONSIBILITIES

- Decide upon the level of services, functions, operations & programs to be funded
- Decide on level of taxation needed to fund final budget
- Approve and/or change proposed budget as presented by budget officer
- Decide upon any budget amendments

# Resources

- Budget & tax rate planning calendar

[www.county.org/Legal/Legal-Resources/Legal-Publications](http://www.county.org/Legal/Legal-Resources/Legal-Publications)

- Truth-In-Taxation (T-N-T)

[www.comptroller.texas.gov/taxes/property-tax](http://www.comptroller.texas.gov/taxes/property-tax)

- Local Government Code (LGC)

[www.statutes.capitol.texas.gov](http://www.statutes.capitol.texas.gov)