

2022-23 Budget Principles

Best Practices – The following key principles, which have been established in County financial policies, reflect best budgeting practices and shall provide the foundation for annual budget development:

- The budget should be structurally balanced, with ongoing revenues equal to ongoing expenditures (*Policy on Budget & Financial Management*)
- Ongoing expenditures should not be funded by one-time or non-recurring revenue sources (*Policy on Budget & Financial Management*)
- Reserves and contingencies shall be funded at levels consistent with best practices and County policies. Efforts shall continue toward increasing the General Reserve to the policy level of 10% (*Policy on Fund Balance and Reserves*)
- Fees and charges should be calculated to recover the full cost of providing services, unless prohibited by law or waived by specific action of the Board of Supervisors (*Policy on Cost Recovery and Fees*)
- The General Fund should be the fund of last resort; restricted and special purpose funds should be used before General Fund resources are drawn upon (*Policy on Fund Balance and Reserves*)

State and Federal Funding – The 2022-23 County budget will take advantage of funding opportunities presented in the State budget as well as major one-time funds from American Rescue Plan Act (ARPA) and the Infrastructure Investment & Jobs Act (IIJA) but will continue to stabilize core County operations.

Financial Sustainability – The 2022-23 budget shall strengthen financial sustainability by continuing to proactively fund pension and OPEB liabilities, build reserves and be judicious in any General Fund position growth exiting the pandemic. Resource reductions that occurred during the past two pandemic budget cycles will not be automatically restored, but will be treated as new funding requests.

Strategic Alignment – Funding recommendations shall reflect the Board’s strategic priorities as established in the 2020-2025 Strategic Plan. Funding requests that do not clearly support the Board’s strategic priorities will receive lower prioritization.

New Position Requests – Due to an uncertain economic outlook, continued impacts of the COVID-19 public health emergency, and cost pressures from inflation and labor cost increases, new position requests that increase net county cost will be reviewed closely. Departments may submit new position requests where operational needs exist, but are encouraged to identify alternate funding strategies.

Sustainable Fleet – Departments shall endeavor to purchase the most environmentally sustainable option when replacing or purchasing new vehicles, starting with electric, then electric-hybrid, hybrid and finally combustion. Hybrid or combustion vehicles will only be considered if there is a compelling business reason.

Net County Cost – Departments shall continuously strive to reduce their net county cost through methods such as implementing operational efficiencies, maximizing the use of restricted funding sources, contracting for services, utilizing shared services agreements, identifying grant opportunities, and achieving full cost recovery. Funding priority shall be given to initiatives that use technology to provide online access to County services, streamline operations and reduce workload.

Performance Measurement – For 2022-23 departments shall continue to provide one-sentence purpose statements for each program identified in the budget book, including any new programs for 2022-23. Departments shall also provide performance measures of their choice. These should be key measures of importance to the department and would ideally be outcome measures. Data should be provided along with each measure for the 2021-22 fiscal year.