



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 9/19/2023

**= Mandatory, information must be provided*

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***Title:**

Revisions to BOS Policy D22.5, Periodic Review of Departmental Base Budgets

***Introduction/Background:**

Originally adopted on October 26, 1999, this policy established a process for a periodic, comprehensive review of all base budgets for all departments.

***Discussion:**

We are requesting this policy be eliminated as this policy is no longer needed because the policy's purpose is now included in BOS Policy D 22.2 Budget Accountability. Policy D 22.2 Budget Accountability was expanded to include a discussion of Targeted Base Budgets and Supplemental Requests.

***Conclusion:**

The elimination of this policy will remove a redundant policy.

***Recommendation:**

Staff recommends eliminating this policy.

***Fiscal Impact:**

The County will continue to develop and adopt an annual budget to ensure transparency, accountability, and compliance.

***Board of Supervisor District:**

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Date:

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PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

<u>Subject:</u> Periodic Review of Departmental Base Budgets	Policy Number	Page
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Purpose

To provide for a periodic, comprehensive review of the base budgets of all County departments; to thoroughly reevaluate the expenditures and revenues attributable to each program within a department; and to determine optimal levels of funding that coincide with workload, projected revenues, operational management controls and policy priorities.

Background

Pima County uses a system of target base budgeting to develop and recommend to the Board of Supervisors an annual operating budget. Under this system a department's budgeted expenditures and revenues are adjusted from year-to-year only to the extent that readily identifiable changes to laws or factual circumstances directly impact expenditures or revenues or to implement specific actions of the Board. The cumulative effect of target base budgeting is that ongoing programs within departments are never subject to a comprehensive, systematic reevaluation that examines whether expenditures and revenues originally assigned within the base continue to be justified within the context of changing service demands and overall County policies and priorities. This policy addresses this deficiency by providing for such reevaluation for all departments on a periodic basis.

Policy

- A. **Utilization of Zero-Base Budgeting** - Beginning with fiscal year 2000/2001, every department in Pima County shall develop an annual operating budget at least once during each subsequent four year period using zero-base budgeting methodology as described in subsection B of this policy. The County Administrator shall, prior to December 1, forward to the Board of Supervisors for approval a list of departments recommended for zero-base budget development for the next fiscal year. For fiscal year 2000/2001 the County Administrator's recommended list shall emphasize departments that exceeded budgeted net fund impact in fiscal year 1998/1999.
- B. **Zero-Base Budgeting Methodology** - The County Administrator shall develop, adopt and implement administrative procedures for zero-base budget development that accomplish the following policy objectives:
 1. Requires a department and all of its programs to build a budget from zero to a level based upon actual services performed.
 2. Compares the projected cost of services provided by each program with costs incurred by other public providers of that service.
 3. Requires departments to prioritize and justify the continued existence of each of their programs.
 4. Provides the Board of Supervisors with additional relevant information to facilitate a decision as to whether each program within a department should be continued, discontinued or continued at an increased or decreased level of funding and service delivery. This information should include a description of the projected impacts of incremental reductions to funding received by each program in the previous fiscal year.
 5. Requires departments to submit separate zero-base budget requests for new or expanded services.

Oct 26, 1999