

THE PROCESS OF ADOPTING THE BUDGET

The process for adopting the FY 01 budget for Hillsborough County consists of four distinct phases.

The Planning Phase began October 1, 1999 with in-house review of the FY 00 and FY 01 two-year budget process and consideration of comments from the review of prior budget documents by the Government Finance Officers Association (GFOA). The FY 00 and FY 01 biennial (two-year) budget received GFOA's *Distinguished Budget Presentation Award*. The planning phase continued with preparation of budget instructions, examples, and training materials.

The Preparation Phase for FY 01 is designed to require only minor changes over the FY 01 Planned Budget previously approved by the BOCC. The FY 01 preparation phase for all BOCC funded organizations began with the delivery of instructions and reports on March 6, 2000 and an overview of the budget process at the March 9, 2000 Director's meeting. For the FY 01 recommended budget process departments were to prepare decision units and related summaries for only those budget items changing from the previously approved planned budget. When the FY 01 planned budget was prepared, departments and agencies were told to prepare budgets at what is called the "continuation level", that is, pricing FY 01 service and activity levels with modest cost increases. Continuation level funding is the level of funding needed to provide the same level of services in the next fiscal year as was provided in the current fiscal year. It does not necessarily provide funding for growth in demand for services. Departments requiring such funding must submit a new or revised decision unit.

These "decision units" describe distinct services and levels at which these services may be offered. Department or agency management then ranks each decision unit by funding source against all decision units in the funding source and in the department. The ranking of "decision units" gives management a means of evaluating what services could be offered at a variety of funding levels by a department. For FY 01, departments were also allowed to submit "desired decision

units" reflecting service or activity levels that may have changed as a result of new mandates or Board actions.

The deadline for BOCC departments and agencies to submit their budget packages to the Management and Budget Department was April 10th. Although Florida Statutes allow most Constitutional Officers to submit their budgets on June 1st, the County Administrator asked them to make their submissions earlier to accommodate an accelerated schedule. Most were able to supply preliminary budget information in the requested time.

The Review Phase consisted of scheduled work sessions by the County Administrator with Assistant County Administrators and budget staff to review and prioritize department requests for changes. These sessions began in April and continued through May.

The Public Adoption Phase begins with the formal presentation of the County Administrator's Recommended Budget on June 7, 2000. The BOCC review of the budget and the public process of review, change, and formal adoption lasts through late September. This phase includes several workshops with the BOCC and three public hearings of which two are mandatory under State law. Although one of these public hearings is not required by State law, the BOCC wants to give county residents opportunities for input to the budget prior to the Board setting proposed millage rates.

The second milestone of this phase involved setting the proposed millage rates for FY 01. This was accomplished at a budget workshop on July 13th. The workshop is preceded by a reconciliation workshop earlier that day. The proposed millage rates approved at the July 13th workshop were used by the Property Appraiser to prepare Truth-in-Millage (TRIM) notices distributed in mid-August.

TRIM notices advise County taxpayers of how tax rates proposed by all local taxing authorities combined with current information on assessed value of real property will affect the taxes on each taxed parcel of land. The TRIM notice also serves as the official notification of the time and place of the first public hearing

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for adoption of both tentative millage rates and a tentative budget by each taxing authority.

The third milestone in this phase will be the first of two State required public budget hearings. The first public budget hearing was held on September 13th. After hearing public testimony at the hearing, the BOCC adopt tentative millage rates and a tentative FY 01 budget.

The fourth and final milestone in this phase was the adoption of the FY 01 budget and setting the final millage rates. This was accomplished at the second public hearing held on September 27th. The second public hearing was advertised by a published notice with detail information of the tentative millage rates and the tentative budget.

BUDGET PROCESS MILESTONES

Planning

- **October - December - Staff review of previous biennial budget process, comments from GFOA reviewers, and Board policies.**

Preparation

- **March 6 – Distribute Budget Instructions and Reports**
- **April 10 - Budget Submissions Due**
- **June 1 - Budget Submissions Due From Sheriff, Clerk, Property Appraiser, and Supervisor of Elections**

Review

- **April through May - County Administrator review of proposed budgets and decision units with Management and Budget Department staff and the Assistant County Administrators.**
- **June 1 - Preliminary tax roll information from the Property Appraiser's Office available.**

Public Adoption

- **June 7 - County Administrator presents the Budget at a regular BOCC meeting.**
- **June 14 through July 13 - BOCC Workshops**
- **June 15 - Public Hearing to Accept Public Input on the Operating and Capital Improvement Budgets**
- **July 1 - Official preliminary taxable values provided by the Property Appraiser's Office**
- **July 13 - BOCC Workshop to Reconcile Changes to the Budget and Set Proposed TRIM Millage Rates**
- **July 15 - County Administrator's Recommended FY 01 Budget filed with the Clerk in accordance with Florida Statutes**
- **September 13 - First State-Required Public Hearing to Adopt Tentative Millage Rates and Tentative Budget**
- **September 27 - Second State-Required Public Hearing to Adopt Final Millage Rates and the FY 01 Operating and Capital Budgets**

BUDGET PROCESS ADOPTION REQUIREMENTS

An annual budget, including all such funds as required by law, shall be prepared, approved and adopted for each fiscal year. The budget shall control the levy of taxes and expenditure of money for all County purposes during the ensuing fiscal year. The budget process shall be conducted in accordance with Chapters 125, 129, 200, and 218 of the Florida Statutes, as amended.

SPECIFIC REQUIREMENTS

By July 1, the Property Appraiser must certify the (initial) taxable value of property within each taxing district.

The County Administrator must present a balanced budget to the Board of County Commissioners (BOCC) by July 15.

Within 35 days of either July 1, or the date the Property Appraiser certifies the taxable value of property, whichever is later, the BOCC must set proposed millage rates. At that time, a date, time and place is set for a first public hearing on the proposed budget and millage rates.

Within 65 to 80 days of July 1, or the date the Property Appraiser certifies the taxable value, the BOCC must hold a public hearing, after 5:00 p.m., to hear public testimony and to adopt a tentative budget and tentative millage rates. The first substantive issues discussed must be the percentage increase in the proposed aggregate millage rate over the rolled-back rate and the specific purposes for which the ad valorem tax revenues are being increased. (Information on rolled-back millages may be found in the Executive Summary section of **Volume I: Operations and Funding Guide** and a definition may be found in the glossary.) Prior to the conclusion of the hearing, the BOCC shall amend the tentative budget as it deems necessary, adopt the amended tentative budget, recompute its proposed millage rates and publicly announce the percent, if any, by which the recomputed proposed aggregate millage exceeds the rolled-back rate. That percentage shall be characterized as the percentage increase in property taxes tentatively adopted by the BOCC (regardless of whether millage rates have changed). A date, time and place for a second public hearing is set at this hearing. As with the first public hearing, the second public hearing must be held after 5:00 p.m.

Within fifteen days after the first public hearing, the County must publish two adjacent budget ads in a newspaper of general circulation in the County. One advertisement notifies

County residents of the BOCC's intent to finally adopt millage rates and a budget, identifying any increase in property taxes. The second advertisement summarizes the tentative budget, showing for each budget and for the total of all budgets, the proposed millage rates, balances, reserves, and major revenues and expenditures classifications. Specific size, placement, and wording requirements apply, as set forth in Chapter 200.065(3) of the Florida Statutes.

Within two to five days after the advertisements are published, a second public hearing is held to hear public testimony and to adopt a final budget and final millage rates. If, for any reason, the adoption of the final budget is delayed beyond the start of the next fiscal year, the BOCC can expend moneys as outlined in Chapter 200.065(2)(g) of the Florida Statutes, as amended.

Copies of completed resolutions adopting the final millages are forwarded to the Property Appraiser and the Tax Collector by the Clerk to the BOCC within approximately 100 days of certification of preliminary taxable value by the Property Appraiser.

Not later than 30 days following adoption of an ordinance or resolution establishing a property tax levy, the BOCC shall certify, to the Florida Department of Revenue, compliance with the provisions of Chapter 200 of the Florida Statutes, as amended. In addition to a statement of compliance, the certification package including a copy of the adopted millage resolution or ordinance, a copy of the budget advertisements including proof of publication, and a copy of the Certification of Taxable Value form.

Copies of the budget shall be filed with the Clerk of the BOCC as public records.

Upon final adoption of the budget, the budget shall regulate the expenditures of the County and the budget shall not be amended, except as provided for in Chapter 129.06, Florida Statutes. Pursuant to Chapter 129.07, Florida Statutes, it is unlawful for the BOCC to expend or contract for expenditures in any fiscal year in excess of the amount budgeted in each fund. Every appropriation shall lapse at the close of the fiscal year. Unexpended funds for uncompleted projects and encumbrances for capital outlay (equipment) at the close of the fiscal year may be reappropriated in the succeeding fiscal year.