

County Structure & Legal Requirements

COUNTY STRUCTURE & LEGAL REQUIREMENTS

CALIFORNIA CONSTITUTION & GOVERNMENT CODE

Basic provisions for the government of counties are contained in the California Constitution and the California Government Code. A county is the largest political subdivision of the state and is vested by the Legislature with the powers necessary to provide for the health and welfare of the people within its borders. The distinction between a county and a city is that legislative control over counties is more complete than it is over cities. The Legislature may delegate to the counties any of the functions that belong to the state itself, unless specifically restricted by the State Constitution, and the State may take back and resume functions previously delegated to counties.

State laws and county ordinances prescribe the manner and form in which the budget is presented. The Office of the State Controller sets forth the Government Code that specifies the content of the budget, budget adoption procedures and dates by which actions must be taken. A county may add or show in more detail required information, providing the financial detail and the classification of items required to be included in the budget are set forth.

Fund and account titles to be used by counties in the preparation of the operating budget are set forth in the publication, *Accounting Standards and Procedures for Counties*. The general operating group of funds are budgeted and accounted for under the modified accrual basis of accounting, and are summarized on Schedule 1 of the budget document. Internal service and enterprise funds are budgeted and accounted for under the full accrual basis of accounting as required by the State Controller, Governmental Generally Accepted Accounting Principles and the Governmental Accounting Standards Board.

PLACER COUNTY CHARTER & BUDGET PROCESS

The California Constitution recognizes two types of counties: general law counties and charter counties. General law counties adhere to state law as to the number and duties of county elected officials. Placer County, as a charter county, has limited degree of "home rule" authority that may provide for the election, compensation, terms, removal, and salary of the governing board. Responsibilities and the delegation for preparation, review and approval of the budget are established by statute and ordinance and by policies coordinated through the Board of Supervisors, the County Executive Officer and the Auditor-Controller. Under the County Charter, the County Executive Office is responsible for providing systematic planning of the budget, recommending long-range capital planning, and must recommend an annual budget after reviewing requests of all departments and agencies for which the Board is responsible or which request County funds.

In accordance with provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions, known as the County Budget Act, the County prepares and legally adopts a balanced Final Budget each fiscal year. Until the adoption of this final balanced budget, the adopted Proposed Budget approved by the Board of Supervisor governs operations.

The Proposed Budget is prepared after receiving direction from the Board of Supervisors regarding County priorities and goals to address long-term concerns and issues. Following this direction, the County Executive Office prepares budget procedures and forms for use by departments and established target budgets for General Fund budgets. All departments then submit their requested budgets for the upcoming fiscal year. County Executive staff review budget requests, which are balanced against the County's overall priorities and fiscal resources. A Proposed Budget document with narratives and accompanying schedules is prepared and submitted to the Board of Supervisors by June 30 of each year.

The Board adopts the County's Proposed Budget, which consists of a balanced budget for operating, enterprise and internal service funds. Reserves and estimated carryover fund balance / retained earnings may be added to estimated revenues to fund the estimated budget expenditures and other uses in each fund. Budget workshops and public hearings are conducted on the Proposed Budget to review all appropriations, the sources of financing and to make any adjustments necessitated by county needs and expenditure and revenue changes for the Final

County Structure & Legal Requirements

Budget. Because the budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations. Encumbrances outstanding at year-end are reported as reservations of fund balances for the subsequent year expenditures. The Board of Supervisors must adopt the Final Budget by October 2 of each year.

The Board may make supplemental appropriations through budget revisions during the year, upon a four-fifths vote. Management cannot amend the budget without the Board's approval, unless the adjustments are between accounts that do not change object or appropriation totals. Amendments and transfers of appropriations between budget units, that increase an appropriation, or that involve the addition of and augmentation to a capital / road project and / or fixed assets must have Board approval. In addition to budget revisions during the fiscal year, the Board of Supervisors also approves budget adjustments at fiscal year end. Budgetary control is exercised at the appropriation or budget unit level, except for fixed asset equipment and capital / road projects which are separately appropriated and for allocated positions, which must be approved by the Board.