



Budgeting 101

**A brief look at what a budget
is and how to make one**

A budget is a plan



- **Allocates resources**
- **Specifies purchases**
- **Anticipates workload**
- **Relies on prediction and past experience**



Budgets are a year-long process

Estimates

Projections

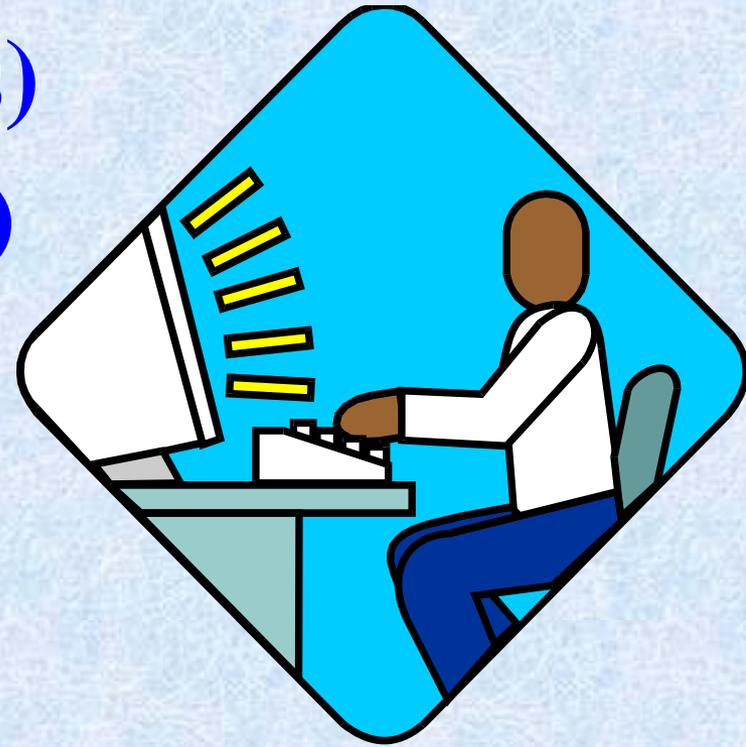
Preparation

Approval

Control/Monitor

Budget Types

- **Line Item**
- **Performance (Goal)**
- **Program (Compares)**
- **Baseline (Increment)**
- **Zero Base**
- **Priority**





Common Terms

Appropriations (Expenses)

Expenditures

Revenue/Reimbursement

Fixed Asset

Capital Improvement

Encumbrance/Accrual



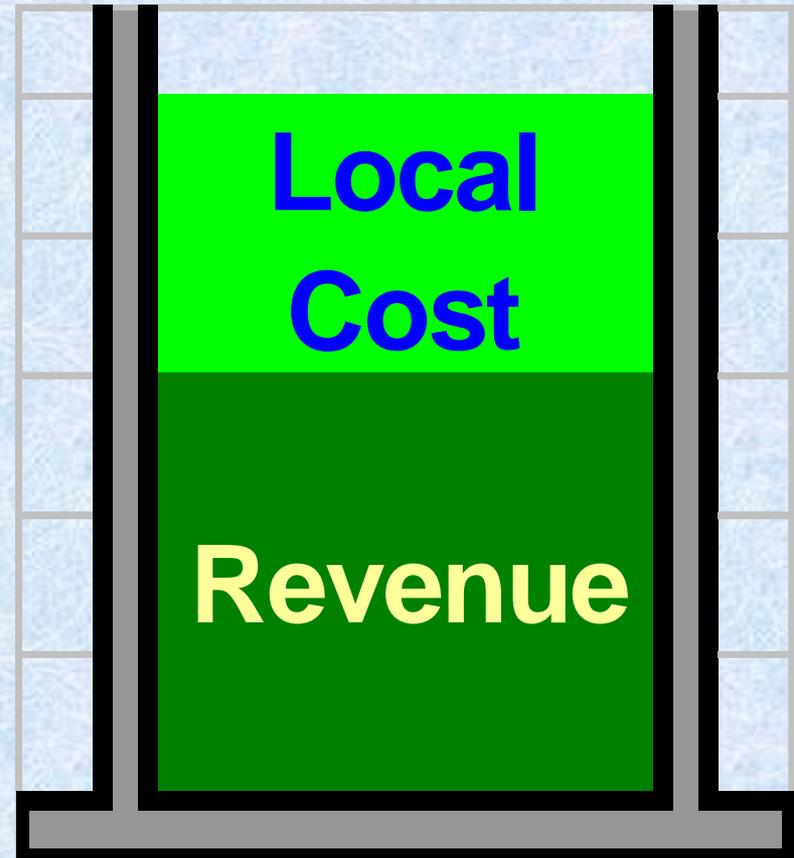
More Terms

- **A-87 Costs (2 CFR 225)**
- **Overhead**
- **Budget Change Proposal (BCP)**
- **Local Cost (Net County Cost)**
- **General Fund**



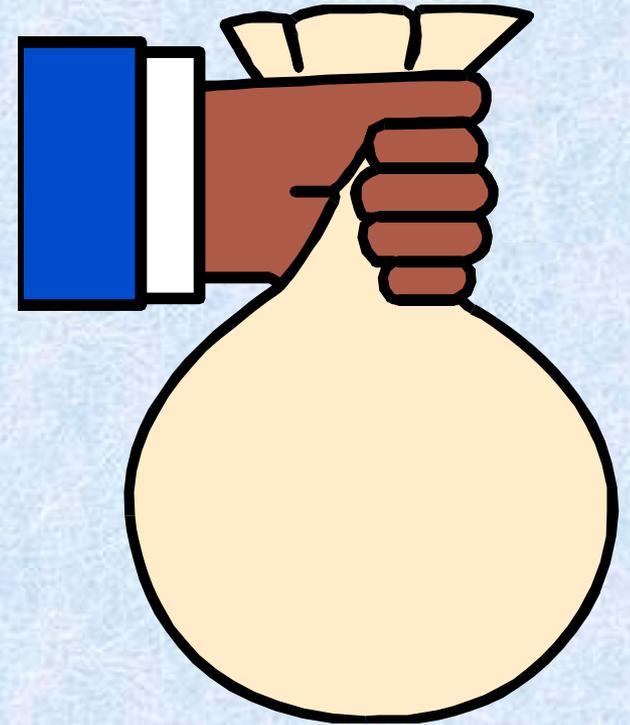
Total Appropriations

Total appropriations are the sum of your revenue and the local cost allocated to the department. All appropriations are general fund dollars.



Appropriations/Expenditures

- **Salaries and Benefits**
- **Supplies and Services**
- **Equipment**
- **Interest**
- **Intra-fund**
- **Inter-fund**



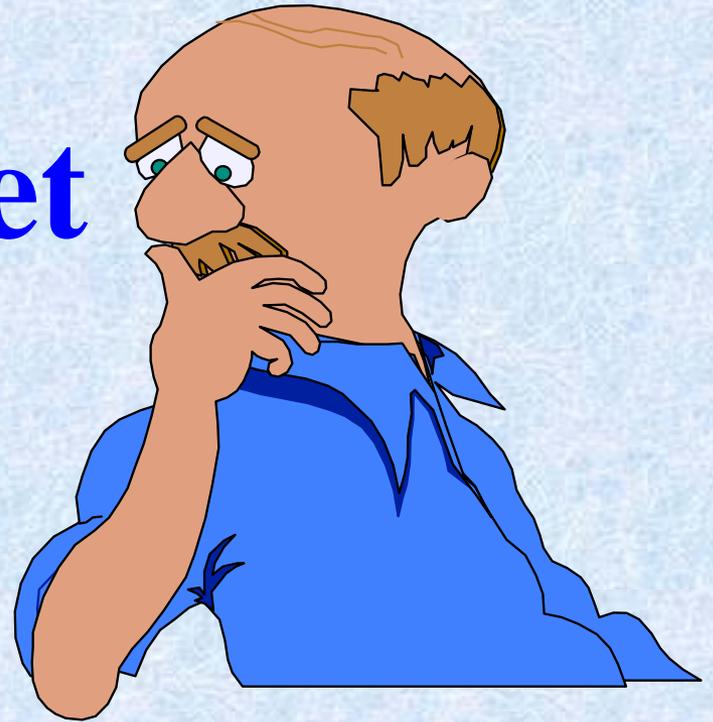
Making a Budget

- Staffing level
- Pay level of staff
- Step increases
- Benefits
- Worker's Comp.
- Long/Short Term Disability
- Retirement
- Termination Payments
- Survivor Benefits
- Life Insurance
- Etc.





Making a Budget



- **Communications**
- **Postage**
- **Insurance**
- **Non-Inventoriable Equipment**
- **Fleet Expenses**
- **Travel**
- **Training**
- **Office Supplies**
- **Printing Postage**
- **Fixed Assets**
- **Rent**
- **Interest Payments**



Revenue

- **Contracts**
- **Permit Fees**
- **Services**
- **Sales**
- **Penalties**
- **Taxes**
- **Grants**
- **Rent**





Agricultural Revenue from the State

- **Pesticide Data Entry**
- **Trapping**
- **High Risk Exclusion**
- **Navel/Valencia Inspection**
- **Organic Program**
- **Nursery Inspection**
- **Shell Egg Surveillance**
- **Glassy-winged Sharpshooter**
- **Produce Inspection**
- **Seed Subvention**
- **Sudden Oak Death**

W&M Revenue from the State

- **Weighmaster Inspection**
- **Petroleum Inspection**
- **Device Repairman**



Other State Support

- **Commissioner Subvention**
 - **Unclaimed Gas Tax**
 - **Pesticide Mill Fee**

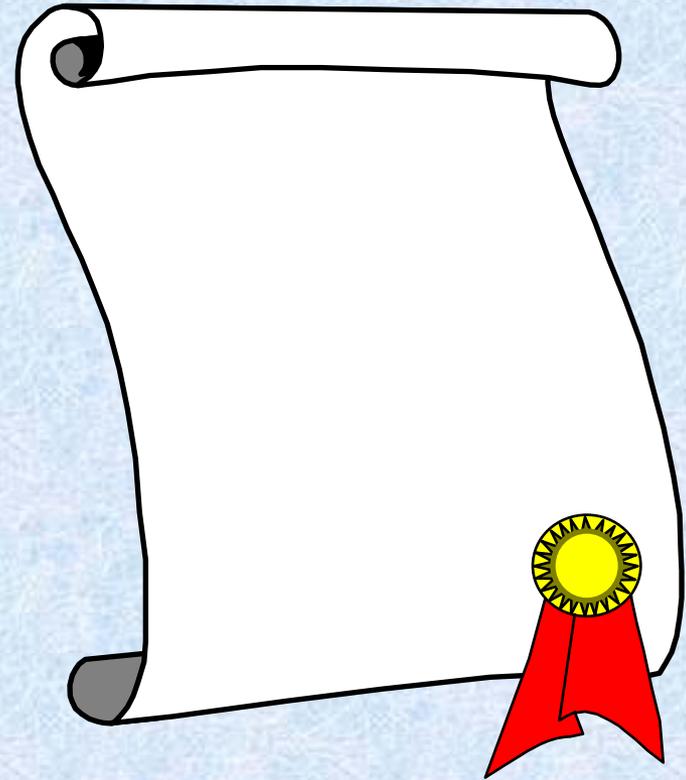


Service/Sale Revenue

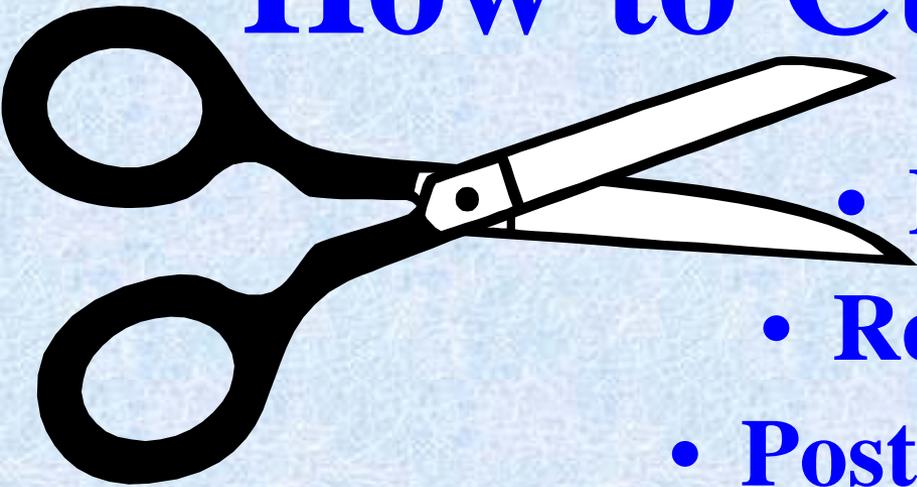
- **Phytosanitary Certs**
- **PUE Training**
- **Produce Certification**
- **Requested Inspections**
- **Rodent Baits**
- **Pest Control**
- **SPCO Applicator Exam**
- **Non-commercial device inspection**
- **Reinspection Fees**
- **Information Sales**
- **Service Agent Exam**

License/Permits

- Pest Control Operators
- Pest Control Advisors
- Pest Control Pilots
- Maintenance Gardener
- Beekeepers
- Farmer's Market
- Certified Producer
- Device Registration
- **Packer Registration**
- Scanner Registration



How to Cut a Budget

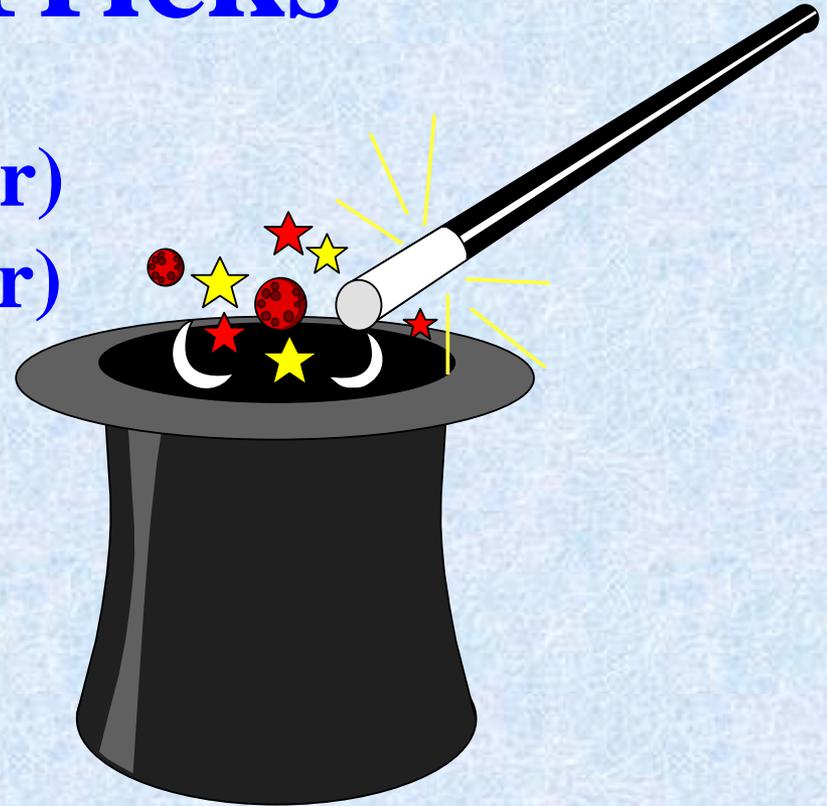


- Reduce Staff
- Reduce Supplies
- Postpone Equipment
- Increase Fees
- Add new revenue sources

WATCH YOUR AG CODE
LOCAL COST!

Budget Tricks

- **Vacancy Factor (Major)**
- **Lease-Purchase (Major)**
- **Zero Cost Equipment Order (Major then minor)**
- **Delayed Distribution (Minor)**
- **Delayed Deposit (Minor)**



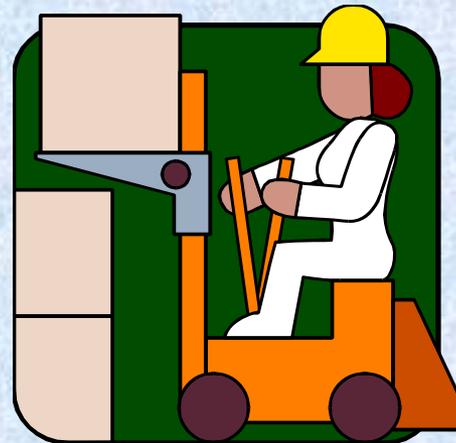
How to Grow Your Budget

- **Know your Administrative Office Policies**
 - **Diversify Revenues**
 - **New Programs?**
 - **Keep Fees Current**
 - **Justify Staff Increases**
- **Public Relations – Internal & External**



Unclaimed Gas Tax

- **Motor Vehicle Fuel**
 - **Used off-road**
- **Net amount after tax claims**
 - **Distributed by Controller**
- **Based on prior year local cost**



Unclaimed Gas Tax

- **\$9,000,000 to CDPR for County PUE**
- **\$1,500,000 to CDFPA for overhead**
- **\$3,000,000 for Pest Detection**
- **\$250,000 for CDFPA Liaison**

Unclaimed Gas Tax Disbursement To Counties

- **CDPR distributes entire \$9 million (FAC 224(a))**
- **CDFA distributes FAC 224 (g) General support for agricultural programs**
- **CDFA distributes FAC 224 (d) 7 % of the amount in excess of UGT distributed in 2006-07; to promote uniformity.**

Unclaimed Gas Tax & FAC 224.5

- Must employ a licensed agricultural commissioner
- Submit timely annual financial statements
- General fund support must equal or exceed previous five year average

IF YOU DON'T MEET THESE CRITERIA
YOU MAY GET **NO** GAS TAX!

Exemption Criteria

- **Reduction in county revenues such as sales tax revenue, property tax revenue, or other revenue**
- **Work reduction directed by a Board of Supervisors in the form of furloughs, workweek reductions, or other cost saving measures**
- **Board imposed hiring freezes**
- **Board imposed budgeted position reductions including layoffs**
- **Inability to hire qualified staff**
- **Staffing changes that maintain FAC 224 qualifying program levels but reduce general fund expenditures.**
- **The receipt of unanticipated revenues or revenues in excess of the budgeted amount**
- **Unreported A-87 (CFR 225) charges discovered after submission of the annual financial report, or errors in reporting later corrected by the County Auditor.**

**In general, the qualifying reason
for the exemption should have
affected most if not all
departments in a county.**

**The Agricultural Commissioner's
programs should not be singled
out!**

Impacts of FAC 224.5

- **Provides justification to maintain local support**
- **May lead to budget crisis**
- **May shift program resources**
- **Encourages filling Ag Commissioner position**
- **Could lead to abandonment of local ag program**

FEE DEVELOPMENT

- **Legal authority**
- **State Set, limited by Gov. Code 54685**
- **Locally set, limited to cost**

BUT WHAT IS COST?

COSTS

- **Salary & Benefits**
- **Supplies & Services**
 - **Administration**
 - **County-wide Costs**
- **May involve equipment costs**

Chargeable Hours

- 2080 hrs in a work year
- Less holidays
- Less average vacation time
- Less average sick leave used
- Less other leaves allowed

Average chargeable hours in San Bernardino is **1763**, 317 hours less than a work year!

Fee Amount

- **Total cost of activity divided by total units**
 $\$300,000/3000 \text{ certs} = \$100/\text{cert}$
- **Time per unit divided by hourly charge rate**
 $30 \text{ minutes per cert}/\$120/\text{hr} = \$60/\text{cert}$
- **Statutory limits to fees**