

Date of Hearing: June 15, 2016

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Susan Talamantes Eggman, Chair

SB 1315 (Bates) – As Amended April 7, 2016

SENATE VOTE: 37-0

SUBJECT: Counties: budgets.

SUMMARY: Authorizes an alternative budget process for counties that adopt a final budget by June 30. Specifically, **this bill:**

- 1) Allows a county board of supervisors (BOS) to direct the publication of a recommended budget for the purpose of conducting a budget hearing without authorizing spending, pursuant to the recommended budget until the budget is adopted, subject to the following conditions:
 - a) On or before May 30, the BOS shall make the recommended budget available to the public;
 - b) On or before May 30, the BOS shall publish a notice stating that the recommended budget is available to members of the public, and that the BOS will conduct a public hearing on the recommended budget, including the time and place of that hearing;
 - c) On or before June 20, but not fewer than 10 days after the recommended budget is made available to the public, the BOS shall conduct the public hearing on the recommended budget; and,
 - d) After the conclusion of the hearing on the recommended budget, and not later than June 30, the BOS shall adopt the budget by resolution, pursuant to the requirements of the County Budget Act that govern the adoption of a final budget, as specified.
- 2) Requires, on or before May 30 of each year in which a BOS utilizes the alternative budget procedures outlined above, the BOS to set forth a proposed budget adoption schedule that complies with the requirements of 1), above.

EXISTING LAW requires counties to use a two-step process when adopting an annual budget: a BOS must annually approve a recommended budget on or before June 30, which provides interim authority for county government spending during the period of time after the fiscal year begins July 1 and before the BOS adopts a final budget, which must occur by October 2.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill provides an alternative procedure counties may use in their budget process. It allows counties to direct the publication of a recommended budget in order to hold a budget hearing without authorizing spending pursuant to the recommended budget

until a final budget is adopted. Counties that elect this procedure must meet the following conditions:

- a) Make the recommended budget available to the public by May 30;
- b) Publish a notice by May 30 stating that the recommended budget is available to members of the public, and that the BOS will conduct a public hearing on the recommended budget, including the time and place of that hearing;
- c) Conduct a public hearing on the recommended budget by June 20, but not fewer than 10 days after the recommended budget is made available to the public; and,
- d) Adopt the budget by resolution, pursuant to the County Budget Act, after the public hearing on the recommended budget and no later than June 30.

Counties that elect this procedure must also set forth a proposed budget adoption schedule that complies with the requirements outlined above.

This bill is sponsored by the County of Orange.

- 2) **Author's Statement.** According to the author, "As a result of existing law, the Board of Supervisors must adopt the CEO's recommended budget before the budget hearing, hold the budget hearing, and then adopt the final budget. While this process may work for some counties who do not adopt their budget until after June 30th, the current state process places the Board in jeopardy of voting for items they may later oppose. Additionally, the Board is left with no option to direct publication of a recommended budget before initial review rather than a required vote. Streamlining the county budget procedures is needed, while not removing a Board's authority or responsibility to consider and approve a county's budget as required under the County Budget Act.
- 3) **Background.** Current law, the County Budget Act, requires counties to approve a recommended budget by June 30 to govern county spending until a final budget is approved no later than October 2. This process works for most counties. However, some counties approve their final budget before June 30. In these cases, the requirement to formally approve a recommended budget can be redundant and confusing. This bill offers an optional, alternative procedure for counties that adopt their final budget no later than June 30.
- 4) **Arguments in Support.** The County of Orange, sponsor of this bill, writes, "Government Code Section 29064 of the County Budget Act requires a board of supervisors to first approve by majority vote a recommended budget in order to set a 'baseline' before considering, revising and approving a final budget. This bill gives a board the option to direct publication of a recommended budget before initial review rather than a required vote, which may provide counties with the flexibility to ultimately streamline county budget procedures. Nothing in this bill removes a board's authority or responsibility to consider and approve a county's budget as required under the County Budget Act."
- 5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

County of Orange [SPONSOR]
California State Association of Counties
Urban Counties of California

Opposition

None on file

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