



Basics of Washington's Local Budget Processes 101

BY RICHARD P. BURKE

INTRODUCTION:

If you are a public official, may one day be a public official, or are an activist who monitors government boards and commissions, you will want to become familiar with Washington's local budget process.

NOTE: This training document is not a legal document, nor is it intended to constitute legal advice. It offers a place to start for those who want to get involved in local budget processes!

1 WHAT ARE THE BASICS OF LOCAL BUDGET LAWS

Almost every local government in Washington, regardless of size, must prepare and adopt a budget. Most are annual, some are biennial. Municipal governments and Special Purpose Districts must all comply. Legal requirements vary according to a community's population: Under 300k, Chapter 35.33 RCW. Over 300k (Seattle), Chapter 35.32a RCW. "Code Cities," 35a.33 RCW.

2 GET APPOINTED TO A CITIZEN ADVISORY BOARD

Citizen Advisory boards tasked with budget work can be an important part of participating meaningfully in the budget process and your community's future. Any citizen who is a resident of a local government or lives within the jurisdiction of a Citizen Advisory Board may apply. These boards are EXCELLENT places for activists to begin direct involvement with local government. Apply by filling out the appropriate forms at your county or city elections office. Members are unpaid. Experience is typically not required.

3 WHAT ARE THE ELEVEN STEPS OF THE BUDGET CYCLE

a. Revenue Assessment is Requested (Call to Budget). The process begins when the clerk requests all department heads and those in charge of municipal offices to prepare detailed estimates of probable revenues from sources other than property taxes. This must happen on or before the second Monday in September or at such time as the city or town may provide for by ordinance or charter. The clerk is responsible for preparing the estimates for interest and debt redemption requirements and all other estimates not prepared by department heads including the amount to be raised by property taxes and unencumbered fund balances estimated to be available at the end of the fiscal year.

b. Estimates Are Filed with Clerk. On or before the fourth Monday in September, or at such time as the city or town may require by ordinance or charter, all department heads and program managers must file their estimates of revenue and expenditures with the clerk.

c. Estimates Presented to the Chief Administrative Officer (CAO). On or before the first business day in October, prior to the beginning of the fiscal year, the clerk must submit the proposed preliminary budget to the mayor, city manager, or city administrator (CAO). The preliminary budget should offer the complete financial program, showing expenditures requested by each department and the proposed sources of revenue by which those programs will be financed. The CAO may make modifications, revisions or additions as he or she sees fit.

d. Revenue Estimates - Property Taxes to be Raised. Once the CAO approves the preliminary budget, it is presented to the legislative body along with updated information on revenues. The legislative body must hold a public hearing on revenue sources for the budget being developed including consideration of possible increases in property taxes.

e. Preliminary Budget Filed with the Clerk. At least 60 days before the ensuing fiscal year, the budget and the budget message the CAO prepares the preliminary budget in detail, making revisions or additions to the reports of department heads as deemed advisable. Once filed with the clerk, it is regarded to be the recommended final budget.

f. Preliminary Budget Filed with Legislative Body. Once the proposed budget is approved by the Budget Committee, a budget hearing must be held by the governing body. Notice of the hearing, and a summary of the budget must be published thirty days or more before the hearing.

3 WHAT ARE THE NINE STEPS OF THE BUDGE CYCLE (CONT)

g. Public Notice of Budget Hearings. No later than the first two weeks of November, the clerk publishes notice at least once a week for two consecutive weeks that the preliminary budget has been filed. Public notice is required for each hearing. A public hearing with notice will be required for the setting of property taxes and preliminary hearing requirements as found in statute.

h. Preliminary Budget is Made Available to the Public. The clerk of the governing body makes the preliminary budget available no later than six weeks before January 1st. Full budget documents are available, but many municipal governments provide summary or abbreviated documents, commonly referred to as “Budgets-At-A-Glance.”

Abbreviated or summary budget documents can be good starting points for people beginning to learn about budgets but be careful - it is possible that they can omit or obscure important budget features and details. Recommendation: Get both budget documents. Go through the summary document first, then drill down into the full budget document for details. It is perfectly acceptable for you to ask questions of members of the governing body and/or staff.

i. Public Hearings on the Budget. Hearings on all revenue sources, including proposed property taxes must be held by Nov.30, before any such taxes can be adopted. After the hearing, even at the same meeting, a board may pass an ordinance authorizing the tax. A preliminary hearing must be scheduled on or before the first Monday in December. This hearing is on the budget, or parts of the budget. The board may require department heads to be present.

j. Budget is Adopted. The budget is adopted for the coming fiscal year after public hearings and before the end of the calendar year. The budget is adopted as part of a budget ordinance. The ordinance can take many forms. These may depend on whether the budget is adopted at the fund or department level and whether it includes the ending fund balance or displays appropriations separately from the ending fund balance.

k. Budget is Filed and Any Levies are Certified. This takes place immediately after adoption. Budgets must be filed with the Association of Washington Cities and “code cities” must also transmit them to the state auditor’s office.

4 HERE’S HOW TO HAVE AN IMPACT ON THE LOCAL BUDGE PROCESS

a. Get Involved EARLY IN THE PROCESS! The earlier in the process you engage, the better your chances will be of affecting the outcome. Be aggressive, but always very polite – find out when budget information will be available and when hearings will be scheduled. All too often, people show up at the final budget meeting where budgets are adopted. While it is technically possible to lobby for changes at this point, in reality the die is cast. Get involved EARLY!

b. Do Your Homework! Go to the governing body you are interested in. Ask for past budgets in addition to budgets under development (if available). Ask for the minutes of recent budget hearings. Study the materials. If you find items you are interested or have questions about, make appointments to see members of the governing board and any advisory boards. You might also be able to meet with staff. It is your right to contact local officials and ask questions!

c. Find the Timelines and Make Your Plan. Go to your governing body and find the exact dates upon which the steps outlined will happen. Based on the timeline, make your plan. Include fellow activists. Plan Letters to the Editor in your local newspaper. Plan phone campaigns. Take advantage of your social networks. Call into talk radio shows. Testify before public boards. Meet with public officials. You CAN have an impact, particularly if you start early!

d. Get More Training! Go to the WLN website and get companion training documents on How to Lobby Public Officials, Testify Before Public Boards, Write Letters to the Editor, and more. Learning these skills will not guarantee success, but they will make success much more likely! Even if you fail the first time, acquiring and sharpening these skills will help you and your friends build reputations as competent activists and equip you for future battles and projects!

CONCLUSION:

This offers a basic introduction and some rules of thumb relating to Washington’s local budget processes. Speak to an attorney or contact the Washington Department of Revenue if you have questions. You can learn more by visiting the website of the Washington Department of Revenue and reading “Budgeting in Washington Manual” and “Local Budgeting Manual.”