

<b>2025-26 FISCAL YEAR RECOMENDED BUDGET POLICIES</b>
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These policies are the guidelines for preparing and submitting budget information and required narrative attachments via ClearGov cloud-based budget software. Budget instructions and information will be made available to Department Heads and Fiscal Staff during a meeting tentatively scheduled for March 27, 2025, at 10:00 AM.

Please note the budget timeline is subject to adjustment as needed.

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**GENERAL FUND AND PUBLIC SAFETY BUDGET UNITS ONLY**

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1. For Fiscal Year 2025-26, the adopted FY 2024-25 budget will serve as the baseline for Services and Supplies budgets within the General Fund and Public Safety departments. Recommendations to increase these baseline budgets will primarily be considered for programs fully funded by non-General Fund resources. Departments are expected to develop budgets that align with the availability of resources or revenue specific to their functions and purposes. Any necessary adjustments to revenue or expenditure budget items must adhere to the procedures outlined in sections 3 through 9 of this document. Departments utilizing one-time funds to balance their budgets must provide a detailed narrative. This narrative should clearly identify the source of the one-time funds, their duration, and a concrete plan with timelines and steps to achieve budget balance without relying on these temporary funds in subsequent fiscal years.
2. **BASE BUDGET:** The base budget will be calculated by extracting the FY 2024-25 approved budget from ClearGov and removing all one-time expenditure items, and discretionary/one-time revenue to cover them. Departments seeking to continue any FY 2024-25 ongoing budget adjustments into FY 2025-26, that are not included in the base budget, must submit these adjustments in the new program budget requests and include a detailed narrative justifying the continuing costs.
  - A. Budget Reductions/Increases applied in prior fiscal years are reflected in the base budget. Further reductions or additions should be addressed as follows:
    - 1) Extra Help: May only be increased/decreased through a supplemental budget request.
    - 2) Position Allocation List (PAL): Position allocations that were removed from the PAL to achieve a budget reduction or that are vacant and unfunded will no longer be calculated in the base salary and benefits budget.
    - 3) Services and Supplies: If the total Service and Supplies total will be increased/decreased, you must provide a supplemental budget request. If you are moving budget within Service and Supplies budget to better appropriate existing budget, and the total budget doesn't change, you can do a supplemental request, but it is not required.
    - 4) Revenue Increases/Decreases: Revenue increases from the prior year should be treated as part of your base if they were ongoing. One-time revenue increases used to support one-time expenses in the FY 2025-26 budget should be treated

as NEW and require a supplemental request. Decreases to revenue also require a supplemental request.

B. For any adjustment entered in ClearGov that will be a one-time expenditure or revenue for the FY 2025-26 budget, please select the flag icon on the far-right column of the affected account indicating the one-time entry and explain the expense or revenue in the accompanying narrative.

### 3. SALARY AND BENEFITS:

#### A. Documentation and Entry:

- a. Departments will enter cumulative Salary and Benefits data into the Operational Budgeting platform in ClearGov. Due to technical issues in personnel budgeting functionality within ClearGov, this data will be entered manually by the departments.
- b. In addition to the ClearGov entry, departments are required to complete and submit electronic Excel workbooks for each budget unit. These workbooks must detail the Salary and Benefits calculation for each filled budgeted position, including the specific funding source(s) for each position.
- c. IF the technical issues within Personnel Budgeting are resolved, departments will *not* be required to calculate filled positions.

#### B. Salary calculation:

- a. Budgeted Salary and Benefits shall include ONLY current filled positions on the Position Allocation List (PAL).
- b. Calculation must incorporate only filled salary increases as per the relevant employee bargaining unit Memoranda of Understanding (MOU's) currently in effect, as well as each employee's scheduled salary step increase.

#### C. Budgeting for filled and vacant positions:

- a. Departments are asked to only budget for current filled PAL allocations. Departments must notify the Administration Office of any positions and the anticipated number of vacant PAL allocations and number of pending offers of employment in process.
- b. Any hiring changes or modifications to the PAL occurring between the recommended and adopted budget phases will be submitted as part of the departments adopted budget request.
- c. PAL allocations held vacant due to budget reduction or revenue losses will not be included in the department's budget.
- d. PAL allocations which are vacant at the time of budget submission will not be included in the department's budget (except as outlined above). These allocations will be accounted for in *NEW* Salary and Benefits contingency accounts within the General Fund Contingency Budget and the Public Safety General Budget.
- e. In order to request to fill vacant PAL allocations, departments will continue to submit a requisition via NeoGov to the Personnel Department for approval, following the current established process. Upon successful recruitment and the generation of the appointment Personnel Action Form (PAF), Personnel will forward the PAF to Administration Office

for review and budget calculations. Administration will then initiate a budget transfer request to the Auditor's Office for the allocation of necessary Salary and Benefits funds to the appropriate department budget unit. These transfers will begin after the adopted budget has been approved.

- f. The approval of these instructions serves as the authority for the Auditor-Controller to move/appropriate to budget unit as needed per the above process.
  - g. The Auditor-Controller will establish a percentage-based contingency budget using historical expenditure trends for Salary and Benefits. If additional contingency funds are required for Salary and Benefits, the Auditor-Controller will submit a request to the Board of Supervisors for approval.
  - h. This new contingency process is being implemented to provide a more accurate, transparent, and controlled accounting of Salary and Benefits expenditures.
  - i. The Auditor-Controller will report any transactions from the Salary and Benefits Contingencies to the Board of Supervisors on a quarterly basis.
4. **PAY IN LIEU OF VACATION AND SICK LEAVE BUY-OUT:** Appropriations for payment in lieu of vacations, sick leave and comp time pay-outs, and retirement pay-outs are not to be appropriated in the department's budget. These costs are to be submitted separately on the form provided by the Auditor-Controller to budget this expense.
  5. **EXTRA HELP AND OVERTIME:** Budgets may not exceed the FY 2024-25 Adopted Budget appropriations except for approved, increases per the various employee bargaining unit MOU's currently in effect. Increases in extra help and/or overtime must be requested and accompanied by a narrative attachment with a detailed analysis of the proposed use and any offsetting revenue, in the ClearGov software.
  6. **SERVICES & SUPPLIES ACCOUNTS:** Departments are expected to manage their Services and Supplies budgets within the established base budget amount. This encourages departments to align their spending with actual needs and historical trends, allowing for adjustments within individual Services and Supplies line items as long as the total base budget allocation is not exceeded. If additional funds are needed, departments may submit a request for additional funding through ClearGov. This request must be accompanied by detailed narrative justification using the provided template. Please be specific and detailed in the narrative to give the Board a clear picture of the request. Departments are encouraged to proactively adjust their Services and Supplies accounts throughout the budget cycle to reflect actual spending patterns, ensuring efficient resource utilization, while remaining within their overall base budget.
  7. **REVENUE ACCOUNTS:** Departments are permitted to propose adjustments to their Base Revenue budget within ClearGov. Any proposed increase in revenue must be accompanied by a detailed narrative justification using the provided template. . Please be specific and detailed in the narrative to give the Board a clear picture of the request. Departments are strongly encouraged to actively seek and generate revenue to offset any proposed or anticipated increase in departmental expenditure. This proactive approach to revenue generation is essential for maintaining fiscal responsibility and supporting department's increasing operational needs.

8. **OTHER CHARGES:** List any amount budgeted that exceeds the FY 24-25 Adopted Budget in ClearGov accompanied by a narrative attachment using the template provided justifying any new program increases. Identify by program any amounts budgeted based on specific program revenues.
  
9. **FIXED ASSETS:** Departments are required to input cumulative Fixed Asset information directly into the Operational Budgeting Platform in ClearGov. To support these entries, departments must also provide comprehensive documentation, submitted as attachments within ClearGov, as follows:
  - A. For each budget unit, submit a detailed narrative using the provided template, itemizing all fixed asset requests. This narrative must include the type, quantity, and cost per item, and provide a clear explanation for each request.
  - B. A separate Excel document containing a complete itemized list of all proposed fixed assets or facility improvements must also be submitted as an attachment.
  - C. **It is critical to note** that any fixed asset request that is not directly supported by identified revenue sources will be prioritized for reduction or elimination if necessary to balance the overall budget. Departments are therefore strongly encouraged to link fixed asset requests to specific revenue projections whenever possible.
  
10. General Fund Department Heads should prepare preliminary ideas at this time to address budget cuts should the County find the revenue and carryover projections fall short of budget requirements and expenditures increase beyond the base budget.

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### **NON-GENERAL FUND BUDGET UNITS**

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**1. ALL NON-GENERAL FUND BUDGET UNITS:** After applying the policy regarding Regular Salary & Benefits (Item #3 above), these Funds may budget based upon the availability of resources for their respective purpose. A separate Excel document with an itemized list of all proposed fixed assets or facility improvements must also be completed and submitted as an attachment in ClearGov.

- a. **HEALTH INSURANCE RATES:** Rate estimates for Health premiums for calendar year 2026 will be available in early April 2025 and will be forwarded to non-General Fund departments by Personnel. Final rates are expected in June 2025.

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### **ALL BUDGET UNITS**

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1. **BUDGET EVALUATION:** Evaluate each expenditure and revenue account based on actuals for the past three (3) years, and adjust among line items within categories as needed.
2. **POSITION ALLOCATION LIST:** Submit completed electronic Excel Blank PAL Worksheets to Personnel.

### 3. REQUESTS AND OTHER REQUIREMENTS

- A. The existing budget policy that provides revenue shortfalls within State or Federal funded grant programs are not backfilled with General Fund monies will be upheld.
- B. Do not submit reclassification requests during the budget process or request funds for that purpose. Such requests may be initiated outside of the budget process and will require substantial independent justification.
- C. The standing policy of not processing changes to the Position Allocation List between July 1<sup>st</sup> and adoption of the Budget (tentatively scheduled for September 19, 2025) remains in effect. Review your allocation list with specific attention to any sunset dates and plan accordingly, to ensure all necessary changes are submitted timely to Personnel for placement on the Board agenda.
- D. Between July 1<sup>st</sup> and adoption of the Budget in late September, fixed asset purchases will be severely restricted and considered on a case-by-case basis upon a special finding of the Board of Supervisors **only** if an urgent need is demonstrated. Internal Assets approved by the Board of Supervisors during the Recommended budget hearing are available without delay.
- E. Budget narratives should be clear and understandable by someone who is unfamiliar with the County budget process. Documents may be returned to departments for revision if they appear unclear or difficult to understand. Do not use undefined acronyms, including abbreviations for classification titles. Please feel free to email your draft narratives to Orepa for review [omamea@tehama.gov](mailto:omamea@tehama.gov) before submitting the attachment in ClearGov.
- F. **All County departments will be scheduled for a Recommended Budget meeting with the Chief Administrator, the Auditor's team, and Administration fiscal staff irrespective of whether changes to base budgets are requested.** Meetings will be held during the third week of April 2025.

#### **DUE BY APRIL 18, 2025**

- Submit base budgets and adjustment requests, along with PDF narratives and electronic Excel itemized lists of fixed assets (no PDFs for this list) as attachments in ClearGov;
- Submit electronic Excel workbooks showing Salary and Benefit calculations for each budget unit, showing each budgeted position (filled and vacant) via email to the Auditor-Controller, [KPeterson@tehama.gov](mailto:KPeterson@tehama.gov) and Administration, [omamea@tehama.gov](mailto:omamea@tehama.gov);
- Submit Position Allocation List (PAL) Worksheets via email to Personnel [JMadrigal@tehama.gov](mailto:JMadrigal@tehama.gov) with a cc to [CFerrin@tehama.gov](mailto:CFerrin@tehama.gov).