

Navigating Public Budgets

A Roadmap to Oregon's Budgeting Process

What is Local Government?

Local governments are responsible for providing a variety of services, including education, public safety, transportation, infrastructure, and social services. Elected or appointed officials make up a governing body that makes decisions on how to allocate resources and provide services to their constituents.

Local governments that levy a property tax must follow Oregon budget law and can include counties, cities, schools, and community colleges, as well as regional, fire, and water taxing districts.

Why do Local Governments Have Budgets?

Local governments play a vital role in supporting our communities. Schools, cities, counties, and special districts collect revenues (like taxes) to fund the growth and well-being of their communities. Under Oregon budget law, local governments are accountable for spending these dollars in a transparent way.

A budget is a financial plan that authorizes spending, outlines where money comes from, and sets limits on how much money programs will receive. It estimates expenses and expected revenues. Budgets show community members how their tax dollars are being used.

How does the Budget Process Work?

Oregon's budget process has four phases: preparation, approval, adoption, and execution. After the budget is adopted, property taxes are levied through the county assessor. The budget must be balanced, meaning spending cannot exceed the available funding. Local government projects and programs must maintain fiscal responsibility by staying within their allocated financial resources.

Budget Basics

Balancing Resources and Requirements

Resources

Local governments use funds from property taxes, other taxes, fees, charges, and grants to pay for programs and services that help the community.



Requirements

Typical expenses include personnel, materials, construction, and contracted services, as well as debt service, contingencies and reserves.

Oregon budget law requires local governments to stay within their available resources. They cannot spend more money than they have.

Common Fund Types

General Fund - Accounts for the daily operations of the local government

Special Revenue Fund - Accounts for money designated for a particular purpose

Capital Project Fund - Accounts for the acquisition or construction of major projects

Debt Service Fund - Accounts for the repayment of debt

Terms to Know

Resources

Beginning Fund Balance – remaining money from the previous year now available for the upcoming year

Property Taxes – a major revenue source for many local governments

Charges for Services – charges for services provided to the community, such as water or wastewater treatment

Federal, State, and Local Grants – many local governments receive grants from other governments

Other – franchise fees, interest income, licenses, payments from other governments for services, fees and permits, miscellaneous revenue

Requirements

Personnel Services – employee wages, taxes, and employment benefits

Materials and Services – operating expenditures such as utilities, building maintenance, supplies, training and professional services contracts

Capital Outlay – purchase of capital assets such as furniture, vehicles, buildings, land, software systems and other equipment.

Debt Service – annual principal and interest payments made on loans and bonds

Contingency – money budgeted for unanticipated operating expenditures

Ending Fund Balance - estimated money available for the following year

Budget Timeline

Dates for budget phases are general guidelines and may vary by local government.



- Appoint a budget officer from the local government to supervise the budgeting process
- Develop a budget calendar that maps out the steps to be followed for the legal adoption of the budget
- Set priorities for meeting community needs
- Develop estimates of resources and requirements for the coming year or biennial cycle



- Conduct public meetings to share the budget message and review the budget proposed by the budget officer



- The budget committee, an advisory group comprised of the governing body and an equal number of appointed members, can revise the budget to better serve the community. They consider public feedback while keeping the budget balanced*

- Approve the budget and set legal limit for property taxes



- The governing body must conduct a budget hearing by June 30 to receive the budget committee's approved budget, conduct deliberations, and consider any additional public comments

- The governing body can make necessary adjustments to the approved budget before it is adopted prior to July 1

- On July 1, the budget is implemented



- It is possible to make changes to the budget after the budget is adopted, but only in certain circumstances. Local governments must follow the specific requirements of Oregon budget law.

* In Multnomah County, in lieu of community members serving on the budget committee, districts serving over 200,000 must complete a review and hearing by the Tax Supervising and Conservation Commission (TSCC). TSCC certifies the budget and tax levy before the district adopts the budget.

Common Questions

Where Do Taxes Go?

Property taxes are collected by the County Assessor from individual tax payers, small businesses, and corporations and then are distributed to local governments according to their legal levies. This revenue can then be used by taxing districts to fund projects, programs, and the systems that help their communities.

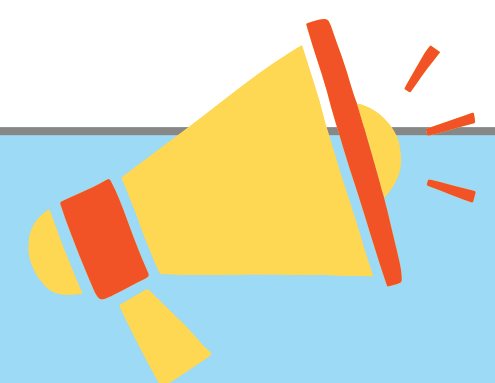
Who Decides What Money Should be Spent?

Many people are involved in the budget process. Local governments receive input from the public during legally required public hearings. The local governing body adopts the final budget.

What is the Budget Message?

The budget message includes a summary of the budget, a description of the budgeting process, and explanations of the changes from the prior year's budget. The budget message is a required part of budgets for local governments and a key tool for the public to use when reviewing and understanding the budget.

How to Get Involved with the Budget Process



- Review the budget to learn what is being proposed for the upcoming year.
- Attend budget hearings to voice your perspective and concerns about the budget.
- Join a budget committee as a citizen representative to provide insights from your local community.
- For Multnomah County residents, read TSCC materials summarizing budgets and attend TSCC hearings to learn more about local budgets: [Multnomah County Tax Supervising and Conservation Commission \(TSCC\) website](#)