

Onondaga County Budget Process

Agenda

- How the budget is built
- What drives our expenses and revenues
- How we arrive at the final spending plan that comes before you
- Overview of budget presentations

Baseline Budget – Where We Start

- The baseline represents the cost of continuing all current services into the next year—at next year's prices.
- Even if we make no new decisions, the County's budget still grows.
- That's because we have built-in cost drivers, including
 - Contractual wage increases
 - Associated fringe benefit costs
 - Growth in mandated programs
 - Inflation in supplies, utilities, and contracts

Comparing Baseline to Revenue

- Once baseline expenditures are established, they are compared against projected revenues to assess the County's fiscal position.
- The majority of County revenue sources are either formula-driven or fixed reimbursements tied to expenditures, limiting the County's direct control over revenue growth
 - Even major revenue streams, such as sales tax, are largely influenced by broader economic conditions rather than local policy decisions

Comparing Baseline to Revenue

- In recent years structural surpluses have been driven by several post-pandemic factors that temporarily elevated revenues while suppressing baseline costs, including:
 - Historic growth in sales tax collections
 - Federal fiscal relief to local governments, including funding under the American Rescue Plan Act (ARPA) and enhanced Federal Medicaid assistance
- As we developed the 2026 budget, however, these conditions began to shift and the County faced a structural deficit with baseline expenditures exceeding anticipated revenue

Financial Strategy and Discipline

- During those prior years of surplus, we made a very deliberate effort to be disciplined. Where possible, we avoided adding ongoing, recurring costs to the budget.
- Instead, we focused on:
 - One-time investments in infrastructure, vehicles and technology
 - Strategic investments in initiatives that would result in increased sales and property taxes in future years
- That approach positioned us to better manage the structural gap we encountered in the 2026 Budget.

Department Review Process (July & August)

- In July, we provide departments with their baseline budgets. Departments are asked to:
 - Review their budgets for accuracy
 - Submit any necessary technical adjustments
 - Staffing changes
 - Propose decision packages that can include
 - New initiatives or programs
 - One-time expenses
 - Increased staffing
- Requests are reviewed by Chief Fiscal Officer, and the County Executive and are evaluated against available resources and County priorities

Executive Budget Submission

- That budget is submitted to the Legislature on or before September 15th, in accordance with County requirements
- The County Executive will present:
 - The policy direction
 - Strategic priorities
 - And a high-level overview of the spending plan

CFO Financial Presentation

- My presentation focuses on:
 - What is driving our expenditures
 - What is driving our revenues
 - And how those have changed from the prior year
- The presentation is variance-driven, meaning we focus on:
 - What changed, and why it changed

CFO Financial Presentation

Providing Financial Context

- In addition to the proposed budget itself, I will also walk you through:
 - How we closed out the prior fiscal year
 - Our updated current year forecast
 - Multiyear forecast
- This is important because it provides context on:
 - The County's overall financial position
 - Emerging pressures
 - And the environment in which this budget was developed

Departmental Budget Presentations and Legislative Review

- Historically, we have worked collaboratively with the Legislature to incorporate departmental budget presentations as part of the review process.
- These presentations are typically focused on:
 - Departments with significant new expenditures
 - Major policy or programmatic changes
 - The County's largest cost centers

Departmental Budget Presentations and Legislative Review

- Ways and Means Committee submits its amendments to the County Executive's Executive Budget
- A Public Hearing is held between October 1st and 10th for constituent feedback on the budget
- The County legislature adopts the budget no later than October 15th
- County Executive may veto any increases or additions by October 20th
- Legislature to consider County Executive's veto by October 25th
- Budget is required to be adopted by the Legislature by the first Monday in November. If it is not adopted by the first Monday, then the budget submitted by the County Executive plus all additions and increases to which he fails to object, becomes the adopted budget for the ensuing year

Thank you