

Clark County's Budget Process

A successful budget system is the one which best matches the needs of the organization. Clark County's system of budgeting is a version of the incremental budgeting approach.

Incremental budgeting assumes that, for most functions, the base budget of the prior year is representative of base needs in the current budget year. Incremental budgeting treats enhancements to the base much the same as zero based budgeting treats the entire budget. Zero based budgeting assumes that every year is an independent event and rebuilds budgets from "scratch." Simply put, zero based budgeting takes a fresh look at all programs and activities each year rather than relying upon last year's budget as a basis for budget allocations. Even though incremental budgeting assumes that the carry forward of the base is generally appropriate, Clark County makes changes to the base as a result of shifts in organizational priorities.

One of the advantages associated with the use of an incremental budgeting approach is that the process recognizes the probability that mandated functions will remain unchanged from year to year. The system assumes that new programs, or increments, should compete for funding, if funding is available. Clark County uses historical, line-item, program and performance budgeting principles to achieve its final product. Incremental budgeting is best suited for an environment like Clark County where revenues and demand for services are growing from year to year.

As a part of the annual budget process, three separate budget requests are prepared by each department or agency. First, each department prepares a "base budget" request, which represents the cost of providing the same level of service in the budget year as was provided in the current year. No new positions, position reclassifications, programs or capital outlay are included in the "base budget" request. The cost of existing staffing and program levels is adjusted for all employee contract requirements and general inflationary impacts. At this level of funding, each department will be capable of maintaining operations in the budget year; however, changing priorities and demands are not represented.

Second, each department prepares a "supplemental budget" request, which includes requests for new positions and/or programs. This request represents the optimal level of staffing and programs that each department feels it needs to fully meet all of its goals and objectives. The "supplemental budget" may also include requests for existing position reclassifications or departmental reorganizations.

Third, each department prepares its "capital budget" request. This included all requests for new capital equipment, facility improvements and enhancements to existing capital assets. This request is considered separately from the "base budget" and "supplemental budget" requests, and is the foundation of the separately formulated Capital Improvement Program.