



MEMORANDUM

Date: September 24, 2009

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Suspension of Zero Base Budgeting**

Typically, each year at about this time for the past 10 years, I have recommended to the Board a list of departments for zero-base budget (ZBB) development for the next fiscal year. This year, I will not be making such a recommendation.

Since its inception in fiscal year 2000/01, every department has gone through the ZBB process at least twice, with some having gone through it three times. The overriding goal of ZBB is to facilitate a thorough review of budget needs, and it has succeeded remarkably well in this regard. However, the ZBB process became a vehicle whereby departments invariably came to expect increases in their base budgets, in order to deal with inflationary pressures and increased mandated program requirements. Millions of dollars have been added to base budgets as a result of this process.

We can no longer lead departments to expect increases to their base budgets when in all probability, they will have to labor under even further budget reductions next year. For this reason, I am suspending the ZBB process for next fiscal year and possible future years.

CHH/mjk

c: Martin Willett, Chief Deputy County Administrator
Tom Burke, Director, Finance and Risk Management Department
Tom House, Budget Division Manager, Finance and Risk Management Department