COUNTY OF YORK
MEMORANDUM

DATE: January 23, 2026

TO: York County Board of Supervisors

FROM: Mark L. Bellamy, Jr., County Administrator MLB

SUBJECT: Zero-Based Budgeting

In response to questions from the Board and community members regarding zero-based budgeting, this memo provides a brief overview of the concept and explains how the County applies its principles in practice through a more efficient and equally comprehensive budgeting approach.

Zero-based budgeting (ZBB) is a budgeting approach in which departments develop their budgets from the ground up each year, rather than starting with the prior year's budget. Instead of assuming existing funding will continue, departments identify what they do, estimate the cost of different service levels, and explain why those services should be funded. This approach allows decision makers to evaluate costs, service levels and tradeoffs in relation to financial capacity.

Research by the Government Finance Officers Association (GFOA) shows that a fully "pure" version of zero-based budgeting is rarely used in local government. Implementing a true zero-based budget would require extensive documentation and analysis of hundreds or even thousands of individual programs. For most local governments, particularly those with lean budget offices like the County, this level of effort would significantly increase administrative workload without meaningfully improving decision-making outcomes. Because of this, GFOA recommends a more practical, modified approach that captures many of the advantages of ZBB without creating unnecessary workload.

Consistent with this best practice, the County uses a modified form of zero-based budgeting that achieves the same objectives in a more practical and sustainable way. Each year, departments are asked to build their budget requests based on existing levels of service and provide explanations and justifications for all requested funding. Budgets are not approved simply because funding existed in the prior year. If a program, service or expenditure was one-time in nature, is no longer needed, or does not align with current priorities the budget is reduced or eliminated.

Importantly, every budget line item is reviewed and scrutinized by budget staff during the budget development and review process. Budget staff and County Administration closely examine expenditures to assess necessity, efficiency, legal requirements, and alignment with Board priorities. Particular attention is given to major cost drivers, service level changes, new requests, and notable increases or decreases from prior years.

This approach allows the County to apply the core principles of zero-based budgeting, critical evaluation of spending, justification of services, and alignment with available resources, while making responsible use of limited budget staff capacity. It ensures a thorough and thoughtful review of County spending decisions without the disruption, delay, and administrative burden associated with implementing a full zero-based budgeting system.

Through this process, the County maintains fiscal discipline, transparency, and accountability, while ensuring that limited resources are directed to services that best support the Board's priorities and meet the needs of the community.

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