

Budget Balancing Initiatives



Office of Management and Budget

March 30, 2009

Lower Revenue Forecasts

	Actual	Adopted Budget	October Forecast*	January Forecast*	YTD Actual**	March Forecast*
Sales	-4.0%	-2.0%	-8.2%	-9.9%	<u>-11.1%</u>	-14.0%
VLT	-2.9%	-2.0%	-10.0%	-13.0%	-9.1%	-11.5%
Jail	-5.0%	-2.0%	-8.6%	-11.0%	<u>-12.6%</u>	-15.0%
HURF	-4.5%	7.5%***	-12.0%	-12.6%	<u>-14.4%</u>	-14.5%

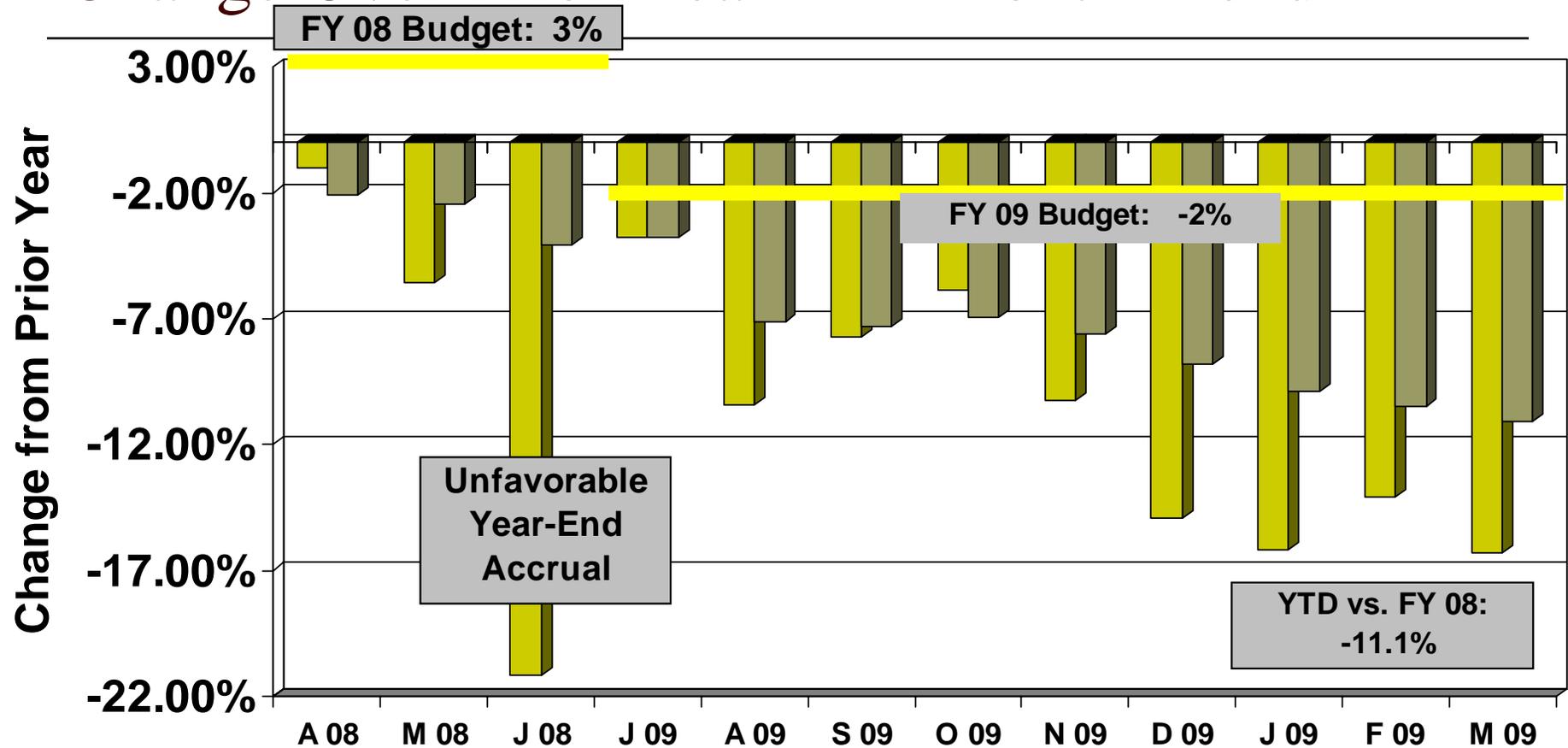
*Quarterly "worst case" by Elliott D. Pollack and Co.

**March 2009.

***Estimate did not factor in State revenue diversions.

State Shared Sales Tax

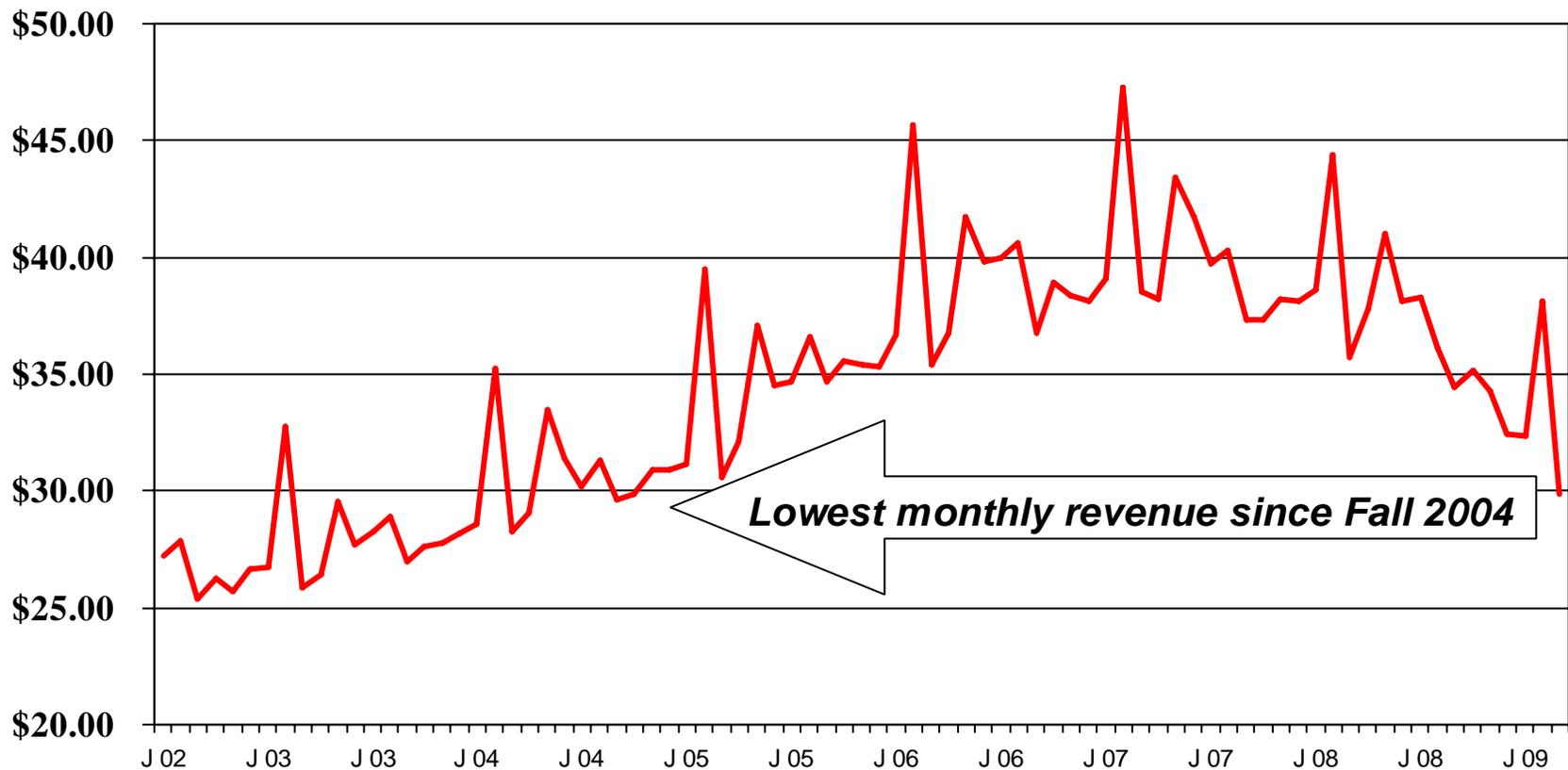
Change Over Prior Year – 12 Month Trend



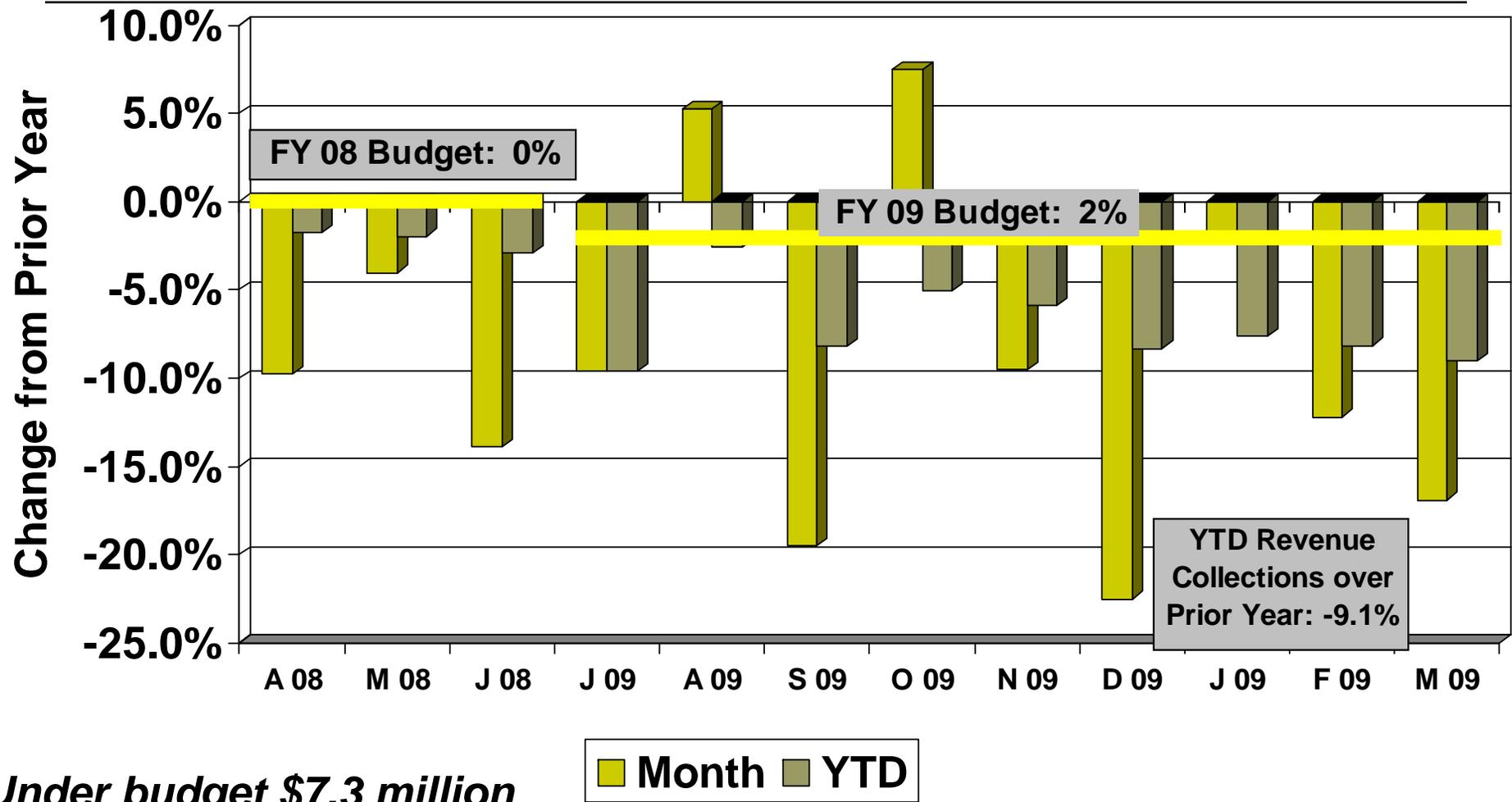
**Revenues under budget
\$31.9 million YTD
through March 2009**

Month YTD

Sales Tax Historical Monthly Collections



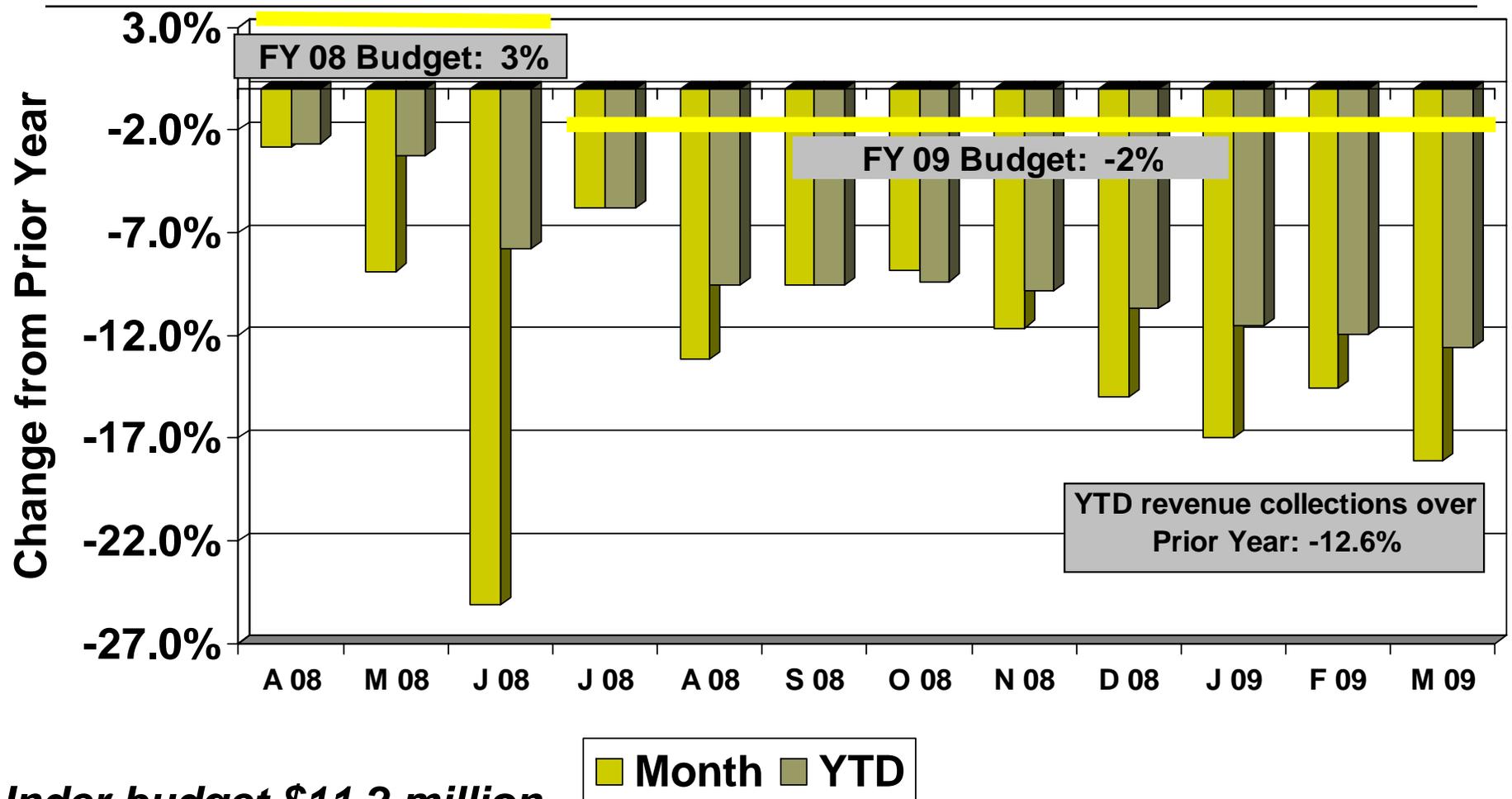
State Shared Vehicle License Tax Change Over Prior Year – 12 Month Trend



***Under budget \$7.3 million
YTD through March 2009***

Jail Excise Tax

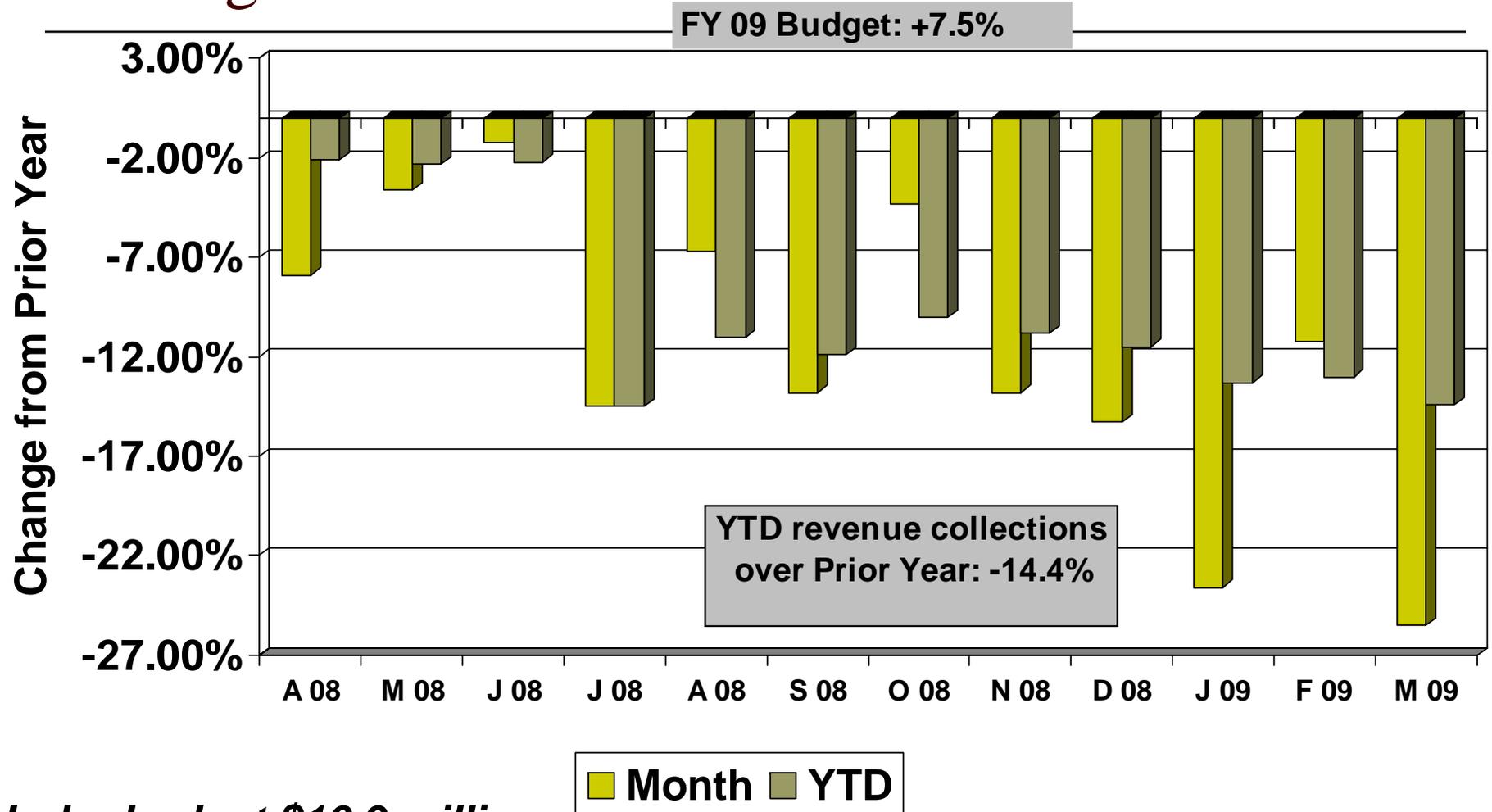
Change Over Prior Year – 12 Month Trend



***Under budget \$11.2 million
YTD through March 2009***

Highway User Revenue

Change Over Prior Year – 12 Month Trend



***Under budget \$16.9 million
YTD through March 2009***

FY 10 Structural Deficits (millions)

	General	Detention	TOTAL
Revenue:			
FY 2008-09 Revised Budget	\$ 1,166.2	\$ 369.2	\$ 1,535.5
FY 2009-10 Base Adjustments	(65.6)	(21.7)	(87.3)
FY 2009-10 Base	\$ 1,100.6	\$ 347.5	\$ 1,448.1
Expenditures:			
FY 2008-09 Revised Budget	\$ 1,166.3	\$ 369.2	\$ 1,535.5
FY 2009-10 Base Adjustments	20.0	6.8	26.7
FY 2009-10 Base	\$ 1,186.3	\$ 376.0	\$ 1,562.3
Budget Issues	\$ (24.0)	\$ -	\$ (24.0)
FY 2009-10 Structural Deficit	\$ (109.7)	\$ (28.5)	\$ (138.2)
Budget Balancing Initiatives			
Approved March 16	\$ 24.8	\$ 7.8	\$ 32.6
Pending March 30	25.5	3.2	28.7
Other Base Adjustments (Net)	1.9	0.5	2.4
Capital Lease Payoff	11.9	0.5	12.4
	\$ 64.1	\$ 12.0	\$ 76.1
FY 2009-10 Remaining Deficit	\$ (45.5)	\$ (16.5)	\$ (62.0)

FY 10 State/Federal Impacts (millions)

	General	Detention	TOTAL
FY 2009-10 Remaining Deficit	\$ (45.5)	\$ (16.5)	\$ (62.0)
State/Federal Issues:			
Replacement for FY 09 Contribution	\$ (4.7)	\$ -	\$ (4.7)
FY 2009-10 ALTCS Growth	(7.0)	-	(7.0)
DOC Inmate Shift*	-	(60.0)	(60.0)
Trip Reduction Program	(0.9)	-	(0.9)
Superior Court Risk Management	(1.0)	-	(1.0)
Tourism Fund Contribution	(1.7)	-	(1.7)
Federal Medicaid Assistance	TBD	-	-
	\$ (15.4)	\$ (60.0)	\$ (75.4)
Surplus/(Deficit) with State/Federal Issues	\$ (60.9)	\$ (76.5)	\$ (137.4)

* Does not include \$40 million in one-time costs.



Departmental Budget Reductions

- Tentative recommendations/agreements with over two-thirds of departments
- Savings primarily achieved by:
 - Eliminating vacant positions
 - Reducing administration
 - Identifying operating efficiencies



Target Adjustments

- Increase funding to reduce budgeted personnel savings to 3%
- Annualization of Board-approved adjustments
 - Agenda items which adjusted the budget mid-year
 - Elected Official salary increases
 - New precincts (JP's/Constables)
- Percentages shown on following slide are based on target amounts



Clerk of the Superior Court

- Revenue: \$1.2 million or 10.9%
- Expenditure Change from Target: (12.5%)
 - Administrative: -\$258k
 - Efficiencies resulting from automation, restructuring and consolidation of functions: -\$2.6m
 - Other Vacancies: -\$104k
 - Fund Shifts: -\$289k
 - Other Adjustments: -\$1.1m



Superior Court

- Expenditure Change from Target: (11.8%)
 - Administrative: -\$3.1m
 - Efficiencies resulting from automation and restructuring: -\$4.2m
 - Other Adjustments: -\$420k
 - Customer Service Reductions
 - Eliminate Night Courts: -\$164k
 - Reduce Self-Services and Law Library Services: -\$609k



Adult Probation

- Expenditure Change from Target:
(11.7%)
 - Administrative: -\$150k
 - Efficiencies resulting from differentiated case management and restructuring: -\$6.6m
 - Other Vacancies: -\$704k
 - Other Adjustments: -\$385k



Juvenile Probation (General Fund)

- Expenditure Change from Target: (12.7%)
 - Administrative: -\$127k
 - Efficiencies resulting from differentiated case management and restructuring: -\$1.1m
 - Other Vacancies: -\$1.8m
 - Other Adjustments: +\$868k
 - Service Reductions
 - Truancy & Delinquency Prevention: -\$156k
 - Early Intervention: -\$127k



Juvenile Probation (Detention Fund)

- Expenditure Change from Target: (9.9%)
 - Administrative: -\$229k
 - Efficiencies resulting from closing a secure care unit: -\$1.0m
 - Other Vacancies: -\$1.7m
 - Other Adjustments: -\$482k
 - Service Reductions
 - Truancy & Delinquency Prevention: -\$78k
 - Detention Alternative Program: -\$191k



Budget Reductions Achieved

- Clerk of the Board Supervisors -
General Fund: -\$78,455
- Air Quality – Air Quality Fees Fund:
-\$3,176,707
- Emergency Management - General
Fund: additional -\$13,156
- Emergency Management – Emergency
Management Fund: additional -\$13,156



Budget Reductions Achieved

- Environmental Services – General Fund: -\$490,786
- Enterprise Technology – General Fund: -\$1,795,021
- Enterprise Technology – Telecommunications Fund: -\$228,966
- Parks and Recreation – Spur Cross Ranch Fund: -\$147,500



General Fund Reductions (FY 2008 Adopted-FY 2010 Rec.)

ENVIRONMENTAL SERVICES	-52.5%
PARKS AND RECREATION	-45.6%
ENTERPRISE TECHNOLOGY	-37.2%
EMERGENCY MANAGEMENT	-34.9%
ANIMAL CARE AND CONTROL	-28.6%
MANAGEMENT AND BUDGET	-27.0%
COUNTY MANAGER	-22.9%
CLERK OF THE BOARD	-22.3%
JUVENILE PROBATION	-21.9%
ELECTIONS	-21.3%
RECORDER	-20.6%
INTERNAL AUDIT	-19.8%
CALL CENTER	-19.7%



General Fund Reductions (FY 2008 Adopted-FY 2010 Rec.)

FACILITIES MANAGEMENT	-19.3%
FINANCE	-18.1%
WORKFORCE MGT AND DEVELOPMENT	-16.8%
MEDICAL EXAMINER	-16.4%
PUBLIC HEALTH	-16.2%
CORRECTIONAL HEALTH	-14.5%
SUPERIOR COURT	-13.1%
CLERK OF THE SUPERIOR COURT	-11.0%
ADULT PROBATION	-10.1%
ASSESSOR	-9.0%
PUBLIC FIDUCIARY	-7.3%
MATERIALS MANAGEMENT	-6.0%
RESEARCH AND REPORTING	4.9%



*Two-Year Average
Reduction for Departments
Presented to Date:*
20.3%



Special Thanks

- ❑ Presiding Judge Barbara Mundell
- ❑ Michael Jeanes, Clerk of the Superior Court
- ❑ Marcus Reinkensmeyer, Superior Court Administrator
- ❑ Barbara Broderick, Chief Adult Probation Officer
- ❑ Carol Boone, Chief Juvenile Probation Officer



Special Thanks

- Lawrence Odle, Air Quality
- Warren Leek, Emergency Management
- John Power, Environmental Services
- John Cantu, Equipment Services
- R.J. Cardin, Parks & Recreation
- Stephen Wetzel, Enterprise Technology
- Fran McCarroll, Clerk of the Board



Debt Service Pay Off

- Payoff 10 Equipment Loans using Reserves
 - \$23.2M – General Fund
 - 1.5M – Detention Fund
- Annual Savings:
 - \$11.9M – General Fund
 - \$0.5M – Detention Fund
- Equipment will need to be replaced beginning in FY 2013



Next Steps

- Finalize and approve additional budget balancing initiatives
- Determine impact of the Post Employment Health Plan Enhancement Program (PEHPEP)
- Identify other Non-Departmental reductions
- Update five-year forecast



Budget Calendar – Remaining Dates

April 13	Budget Balancing Initiatives – Part III (potentially more to follow)
May 18	Recommended Budget Presentation
May 20	Tentative Budget Adoption
June 22	Final Budget Adoption
August 17	Property Tax Levy Adoption

Dates are subject to change due to uncertainty about the State budget.



Office of Management & Budget