

Maricopa County Fiscal Update



Office of Management and Budget

February 9, 2009

The Free Fall Continues . . .



Lower Revenue Forecasts

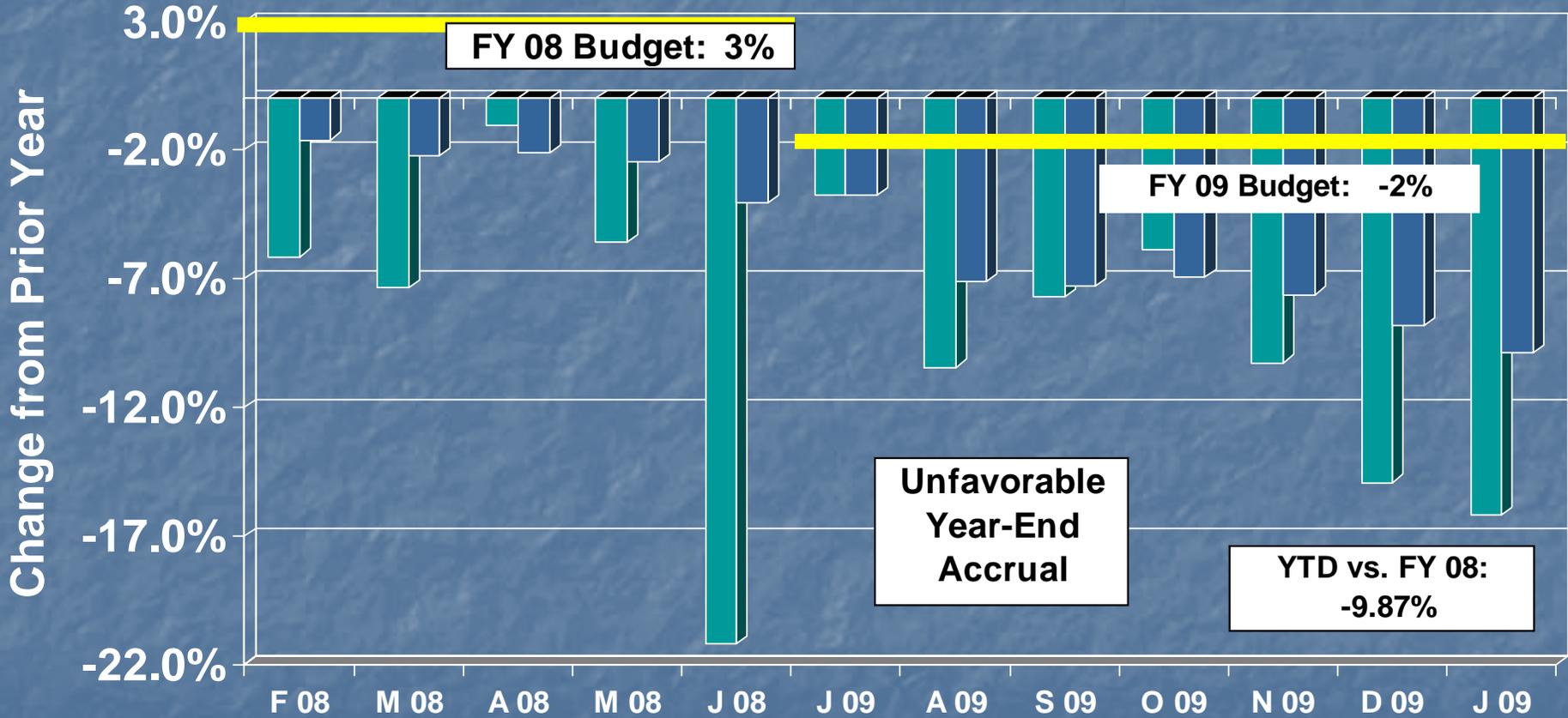
	FY 08	FY 09			
	Actual	Adopted Budget	Oct. Forecast*	YTD Actual**	Jan. Forecast*
Sales	-4.0%	-2.0%	-8.2%	-9.9%	-9.9%
VLT	-2.9%	-2.0%	-10.0%	-7.6%	-13.0%
Jail	-5.0%	-2.0%	-8.6%	-11.6%	-11.0%

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

***January 2009*

State Shared Sales Tax

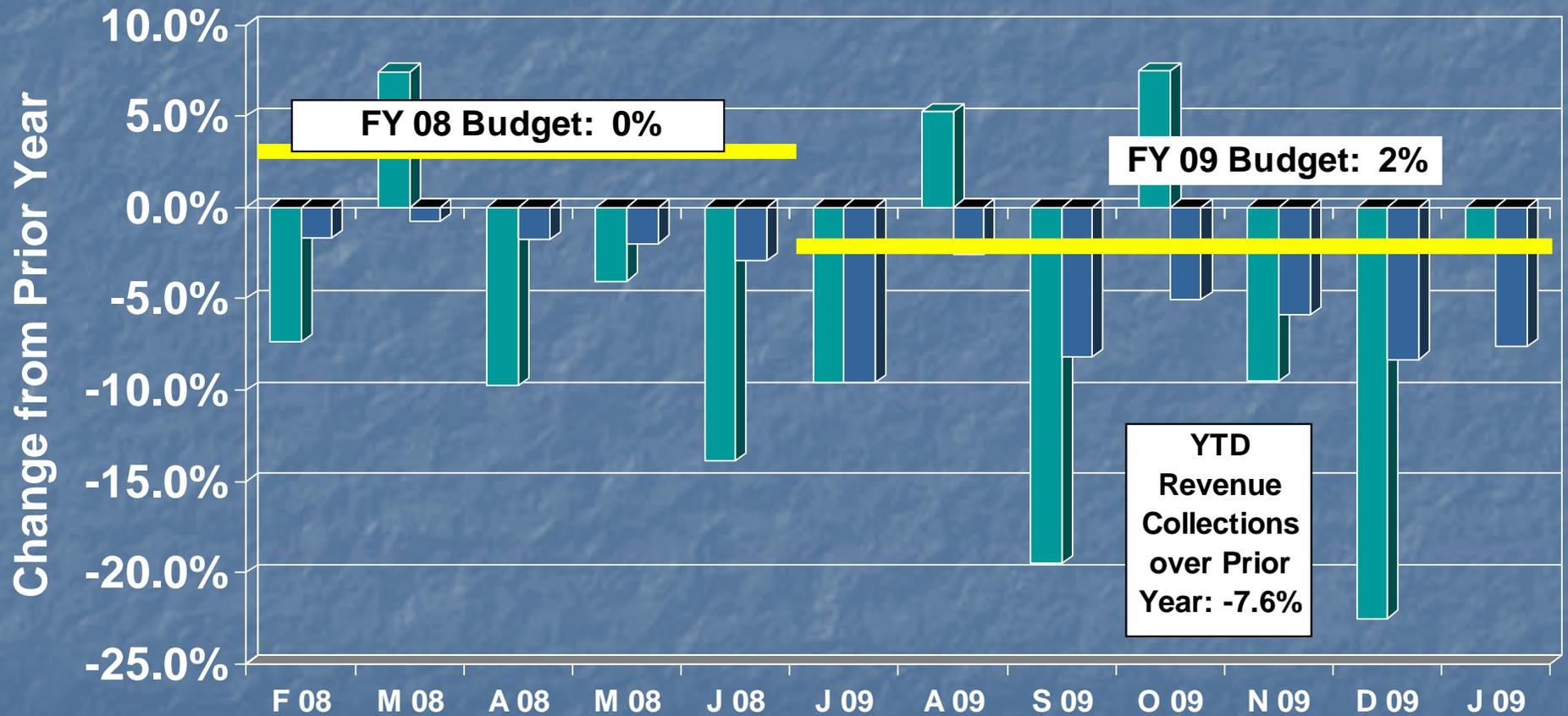
Change Over Prior Year – 12 Month Trend



*Revenues under budget
\$20.7 million YTD
through January 2009*

■ Month ■ YTD

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

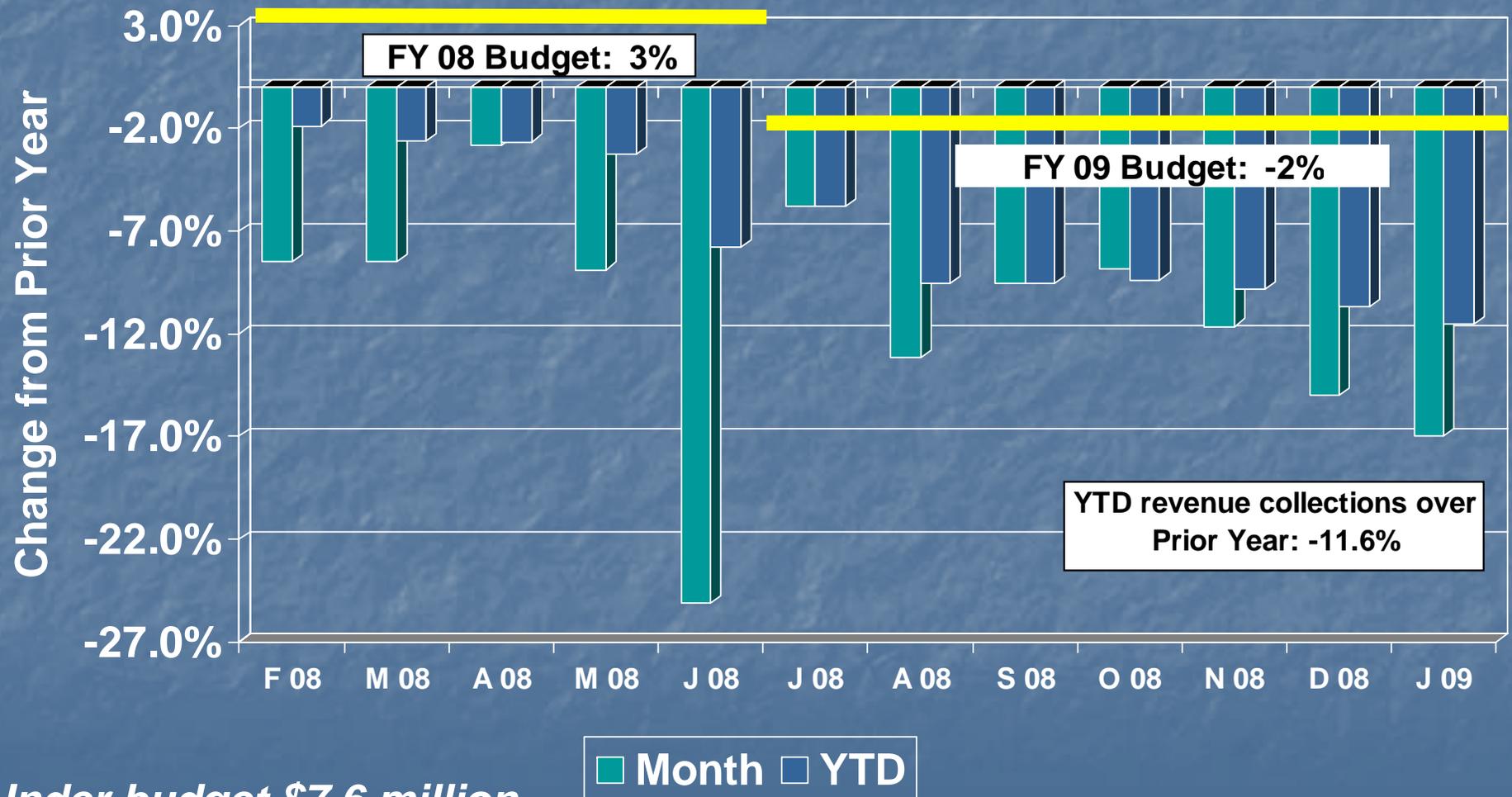


*Under budget \$4.5 million
YTD through January 2009*

■ Month ■ YTD

Jail Excise Tax

Change Over Prior Year – 12 Month Trend



*Under budget \$7.6 million
YTD through January 2009*

FY 10 Structural Deficits (millions)

	General	Detention	COMBINED
Revenue:			
FY 2008-09 Budget	\$ 1,166.2	\$ 369.2	\$ 1,535.5
Base Adjustments (Forecast)	(57.6)	(20.5)	(78.1)
FY 2009-10 Base Revenue	\$ 1,108.6	\$ 348.8	\$ 1,457.4
Expenditures:			
FY 2008-09 Budget	\$ 1,166.3	\$ 369.2	\$ 1,535.5
Base Adjustments	(24.7)	(10.9)	(35.5)
FY 2009-10 Base Expenditures	\$ 1,141.6	\$ 358.4	\$ 1,500.0
Estimated Base Deficits	\$ (33.0)	\$ (9.6)	\$ (42.6)
Budget Issues	(20.0)	-	(20.0)
Estimated Deficit with Issues:	\$ (53.0)	\$ (9.6)	\$ (62.6)

FY 10 State Impacts (millions)

	General	Detention	COMBINED
Estimated Deficit with Issues:	\$ (53.0)	\$ (9.6)	\$ (62.6)
State Issues:			
FY 2009-10 ALTCS Growth	\$ 7.0	\$ -	\$ 7.0
DOC Inmate Shift*	-	60.0	60.0
Co. Assistance Fund (Lottery) - 10%	0.0	-	0.0
Trip Reduction Program	0.9	-	0.9
Superior Court Risk Management	1.0	-	1.0
Tourism Fund Contribution	1.7	-	1.7
Total State Issues:	\$ 10.7	\$ 60.0	\$ 70.7
Estimated Deficit with State Issues:	\$ (63.7)	\$ (69.6)	\$ (133.3)

State FY 09 Budget Balancing

- Governor signed budget amendment package January 31
- Impacts to Maricopa County:
 - Elimination of Trip Reduction Program funding - \$948,575
 - Charge probation fees funds for superior court risk management costs - \$415,260
 - 5% reduction in County Assistance Fund (Lottery) - \$12,849
 - Various special fund sweeps and reductions, including Criminal Justice Enhancement Fund, Judicial Collection Enhancement Fund, State Aid to the Courts, County Attorney and Public Defender Funds, LTAF II, State Lake Improvement Fund, etc.

Cross-Departmental Meetings

- County Attorney and Sheriff submitted proposals that might generate savings in other departments
- Two meetings held last week to allow all departments to comment on the feasibility of various options
- Departments were able to identify and implement realistic options in coordination with other agencies

Meeting on County Attorney Proposals

- Productive discussion; agreement to pilot or implement several process improvements
 - Fast-Track Plea Process
 - Changes in Probation Sentences
 - Probation Revocation Fast-Track
- Task groups created in order to identify potential cost savings
- Several other proposals require further research
 - Elimination of Initial Pre-Trial Conference (IPTC)
 - Juvenile Diversion Revisions

Meeting on Sheriff's Office Proposal

- MCSO staff did not attend OMB's Meeting to provide details of proposals
- Take-over of Parks & Rec; proposal would eliminate nearly all of General Fund appropriation – conclusion is that services would need to be completely eliminated; mission of organization is unrelated to MCSO mission
- Take-over of Emergency Management; industry standard is for EM to be independent from law enforcement; would likely result in significant loss of IGA funds

Meeting on Sheriff's Office Proposal

- Take-over of Protective Services; consultant reports have specifically recommended that this function continue to report to appointed agency. Can not determine how saving would be achieved
- Take-over of Court Security; cost savings does not appear achievable. Presiding judge would have to agree to the function
- Outsource of Equipment Service; no other provider able to meet Maricopa County's volume; over 63% of budget is fixed (fuel, parts)
- Take-over of Juvenile Detention not supported; mission and vision of this organization are different than MCSO. Presiding judge would have to agree to the function

Next Steps: Budget Balancing

- Meet with departments (February)
 - Which of budget reduction proposals submitted are feasible
 - Can any proposals can be implemented early in order to begin savings in FY 2009
- Bring recommendations to Board (February – March)
- Continue to assess revenues and State impacts; may have to consider additional reductions



Office of Management & Budget