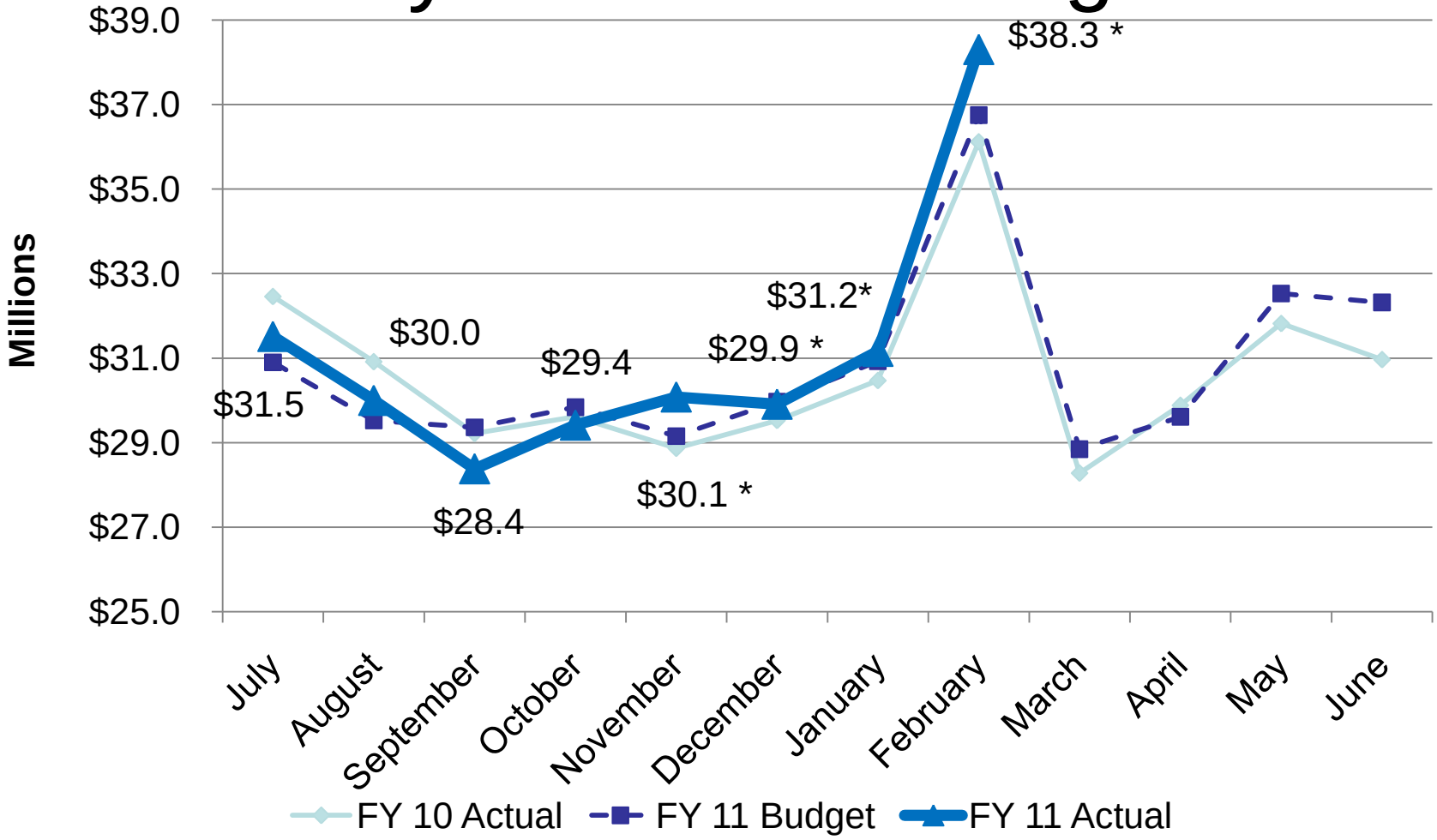
FY 2012 Budget Update

Maricopa County

Office of Management and Budget

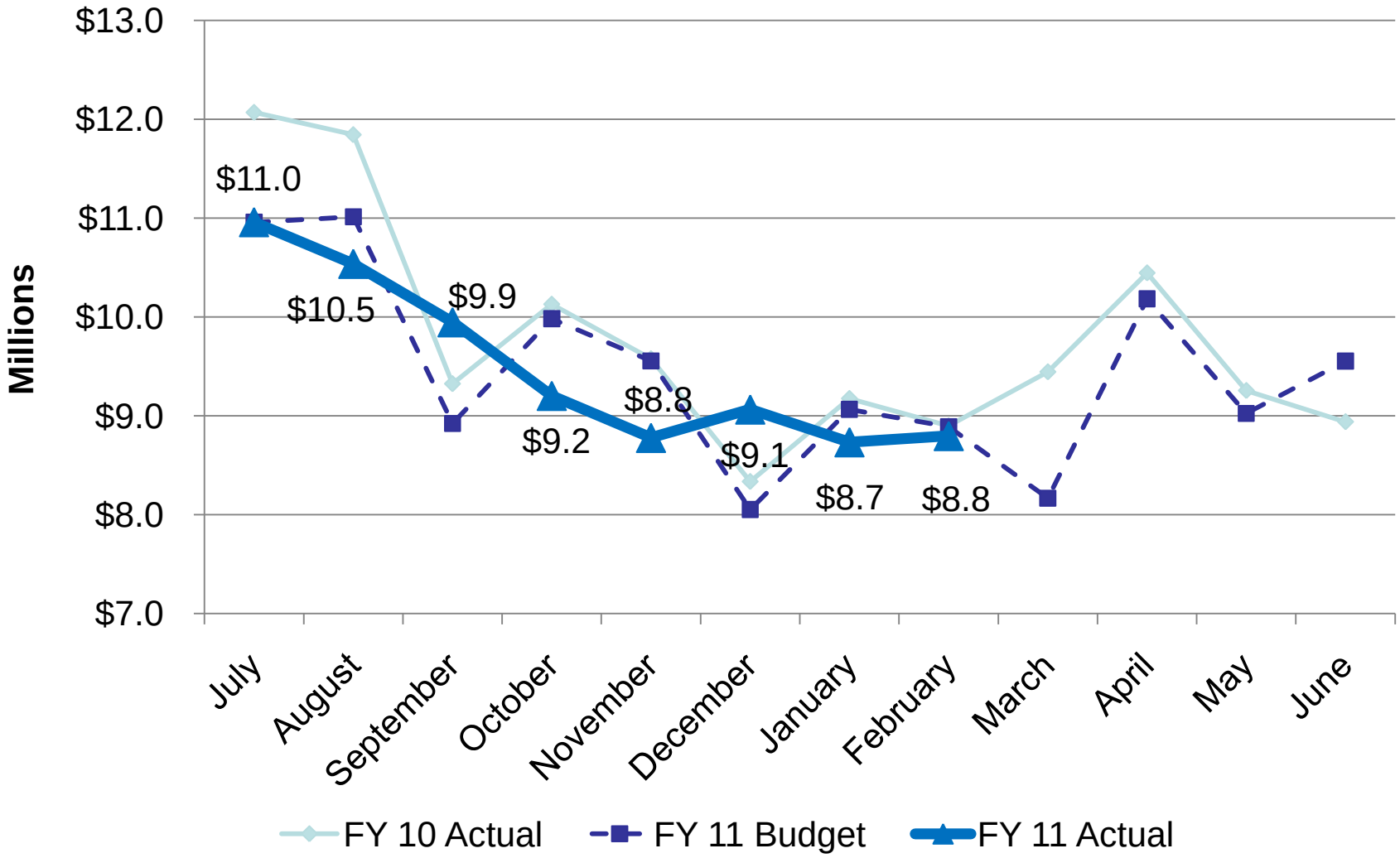
March 28, 2011

Sales Tax: Monthly Actual vs. Budget



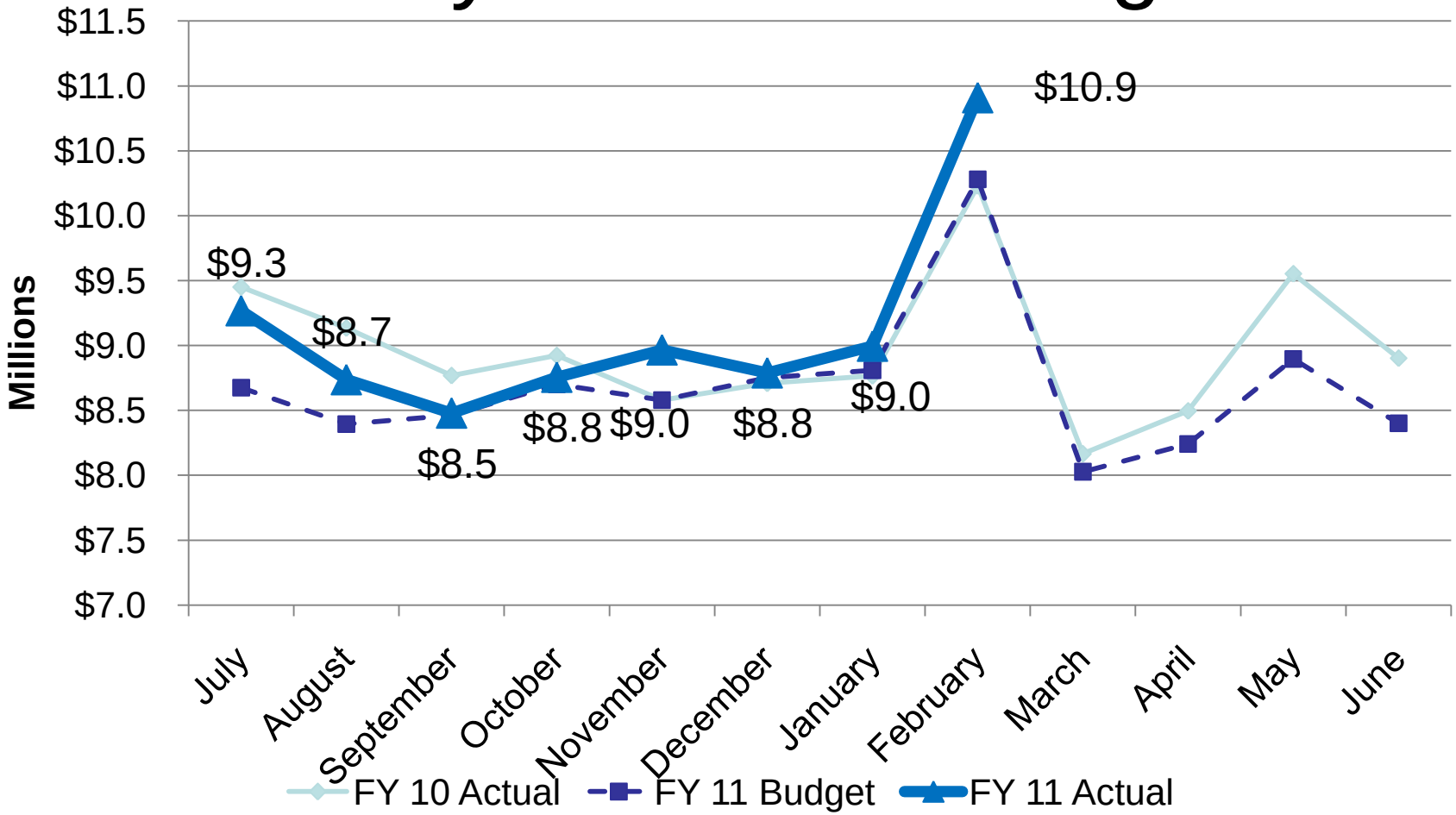
**as adjusted for DOR correction to be applied to March payment; YTD $2,327,815 better than budget (.94%) and for the first month YTD better than last year by $1,567,450 (.63%)*

VLT: Monthly Actual vs. Budget



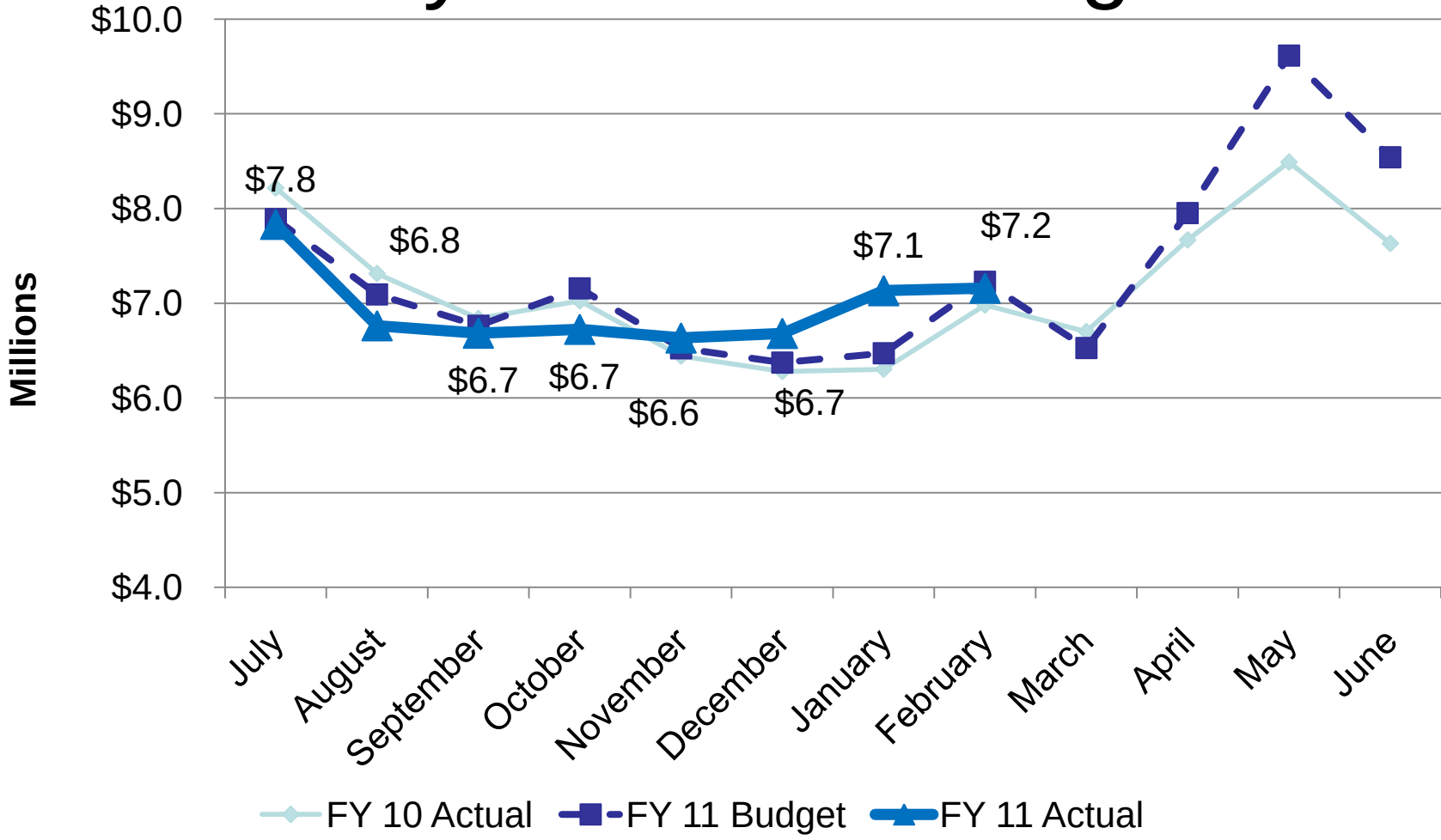
Year-to-date below budget by $420,314 (-.5%) and significantly lower than last year-to-date by -$3.3m (-4.2%)

Jail Tax: Monthly Actual vs. Budget



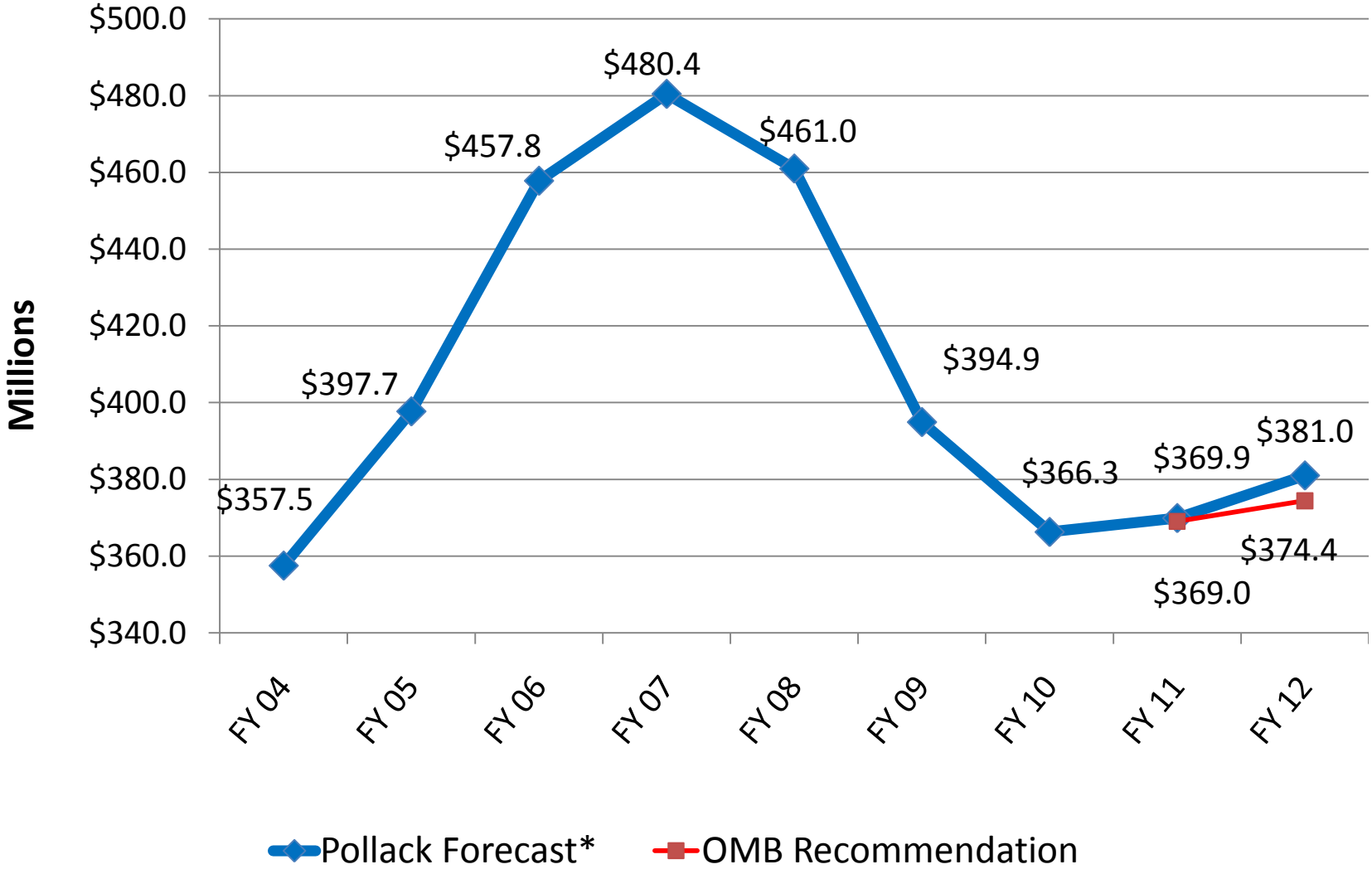
$2.2 million (3.2%) over budget year-to-date, but only $340,859 more than last year at this time (.5% move)

HURF: Monthly Actual vs. Budget



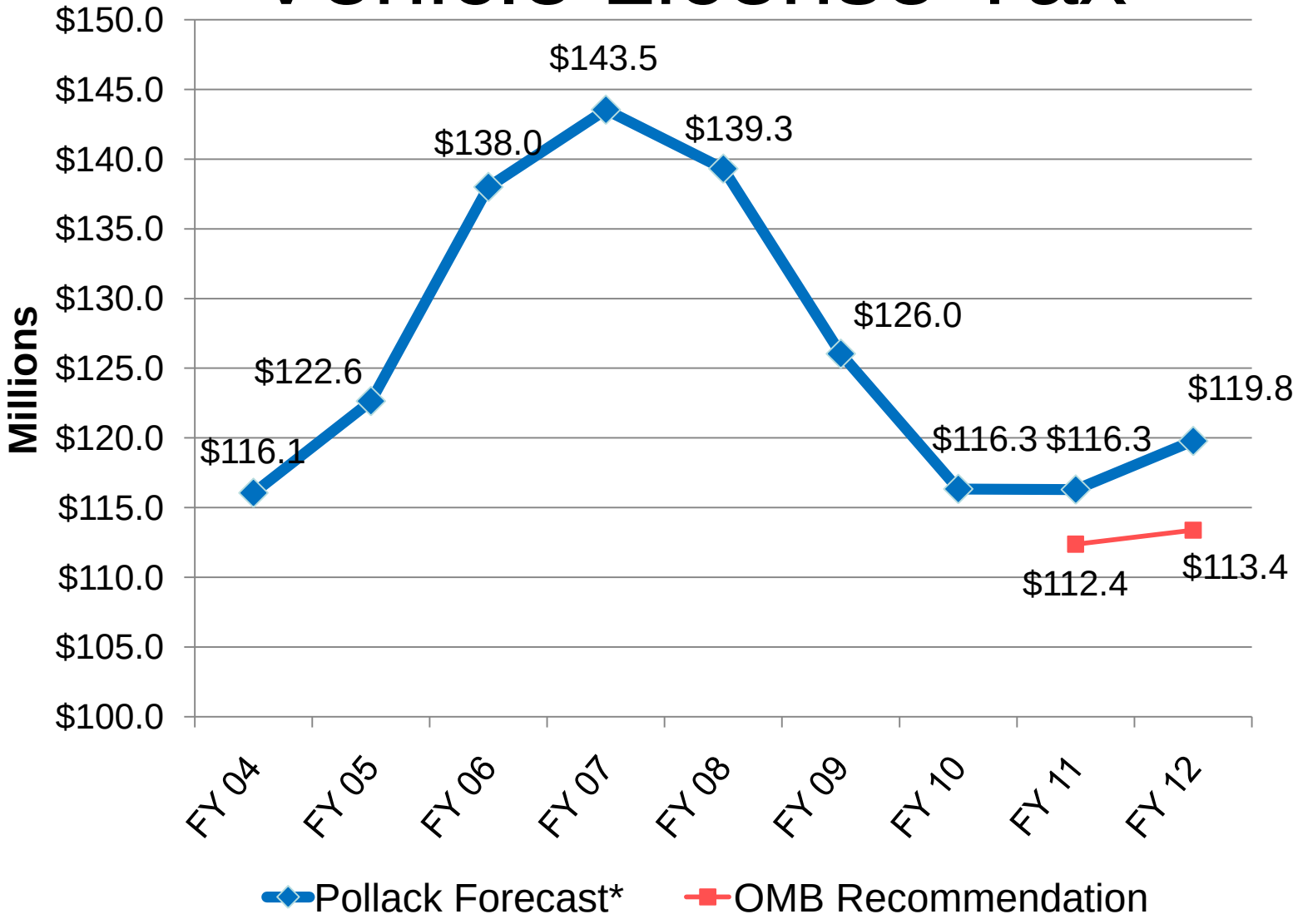
$114,672 (.2%) over budget year-to-date and $217,229 over last year at this time (.4% more)

State Shared Sales Tax



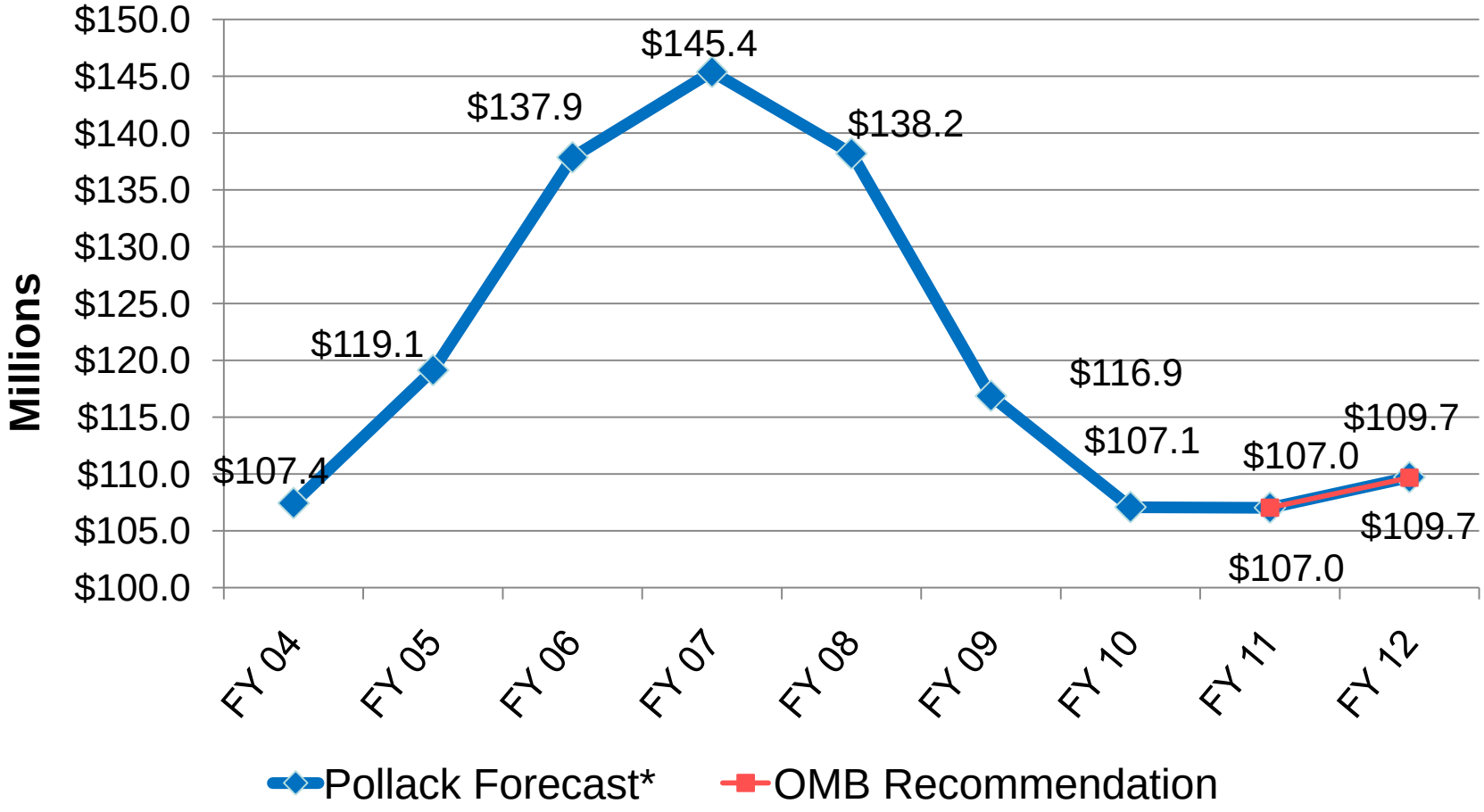
* Source: January 2011 pessimistic forecast, Elliott D. Pollack and Co.

Vehicle License Tax



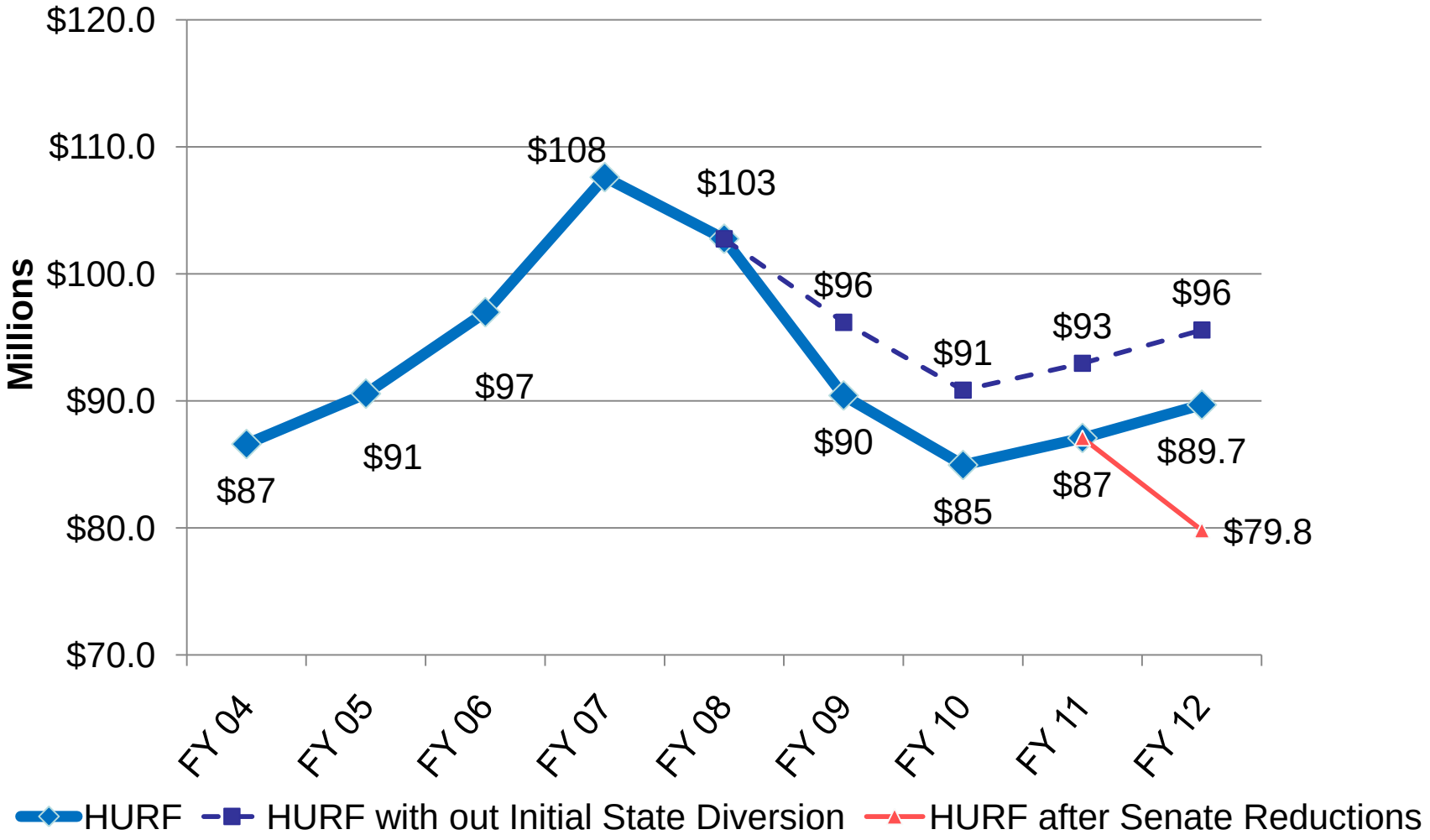
* Source: January 2011 pessimistic forecast, Elliott D. Pollack and Co.

Jail Excise Tax



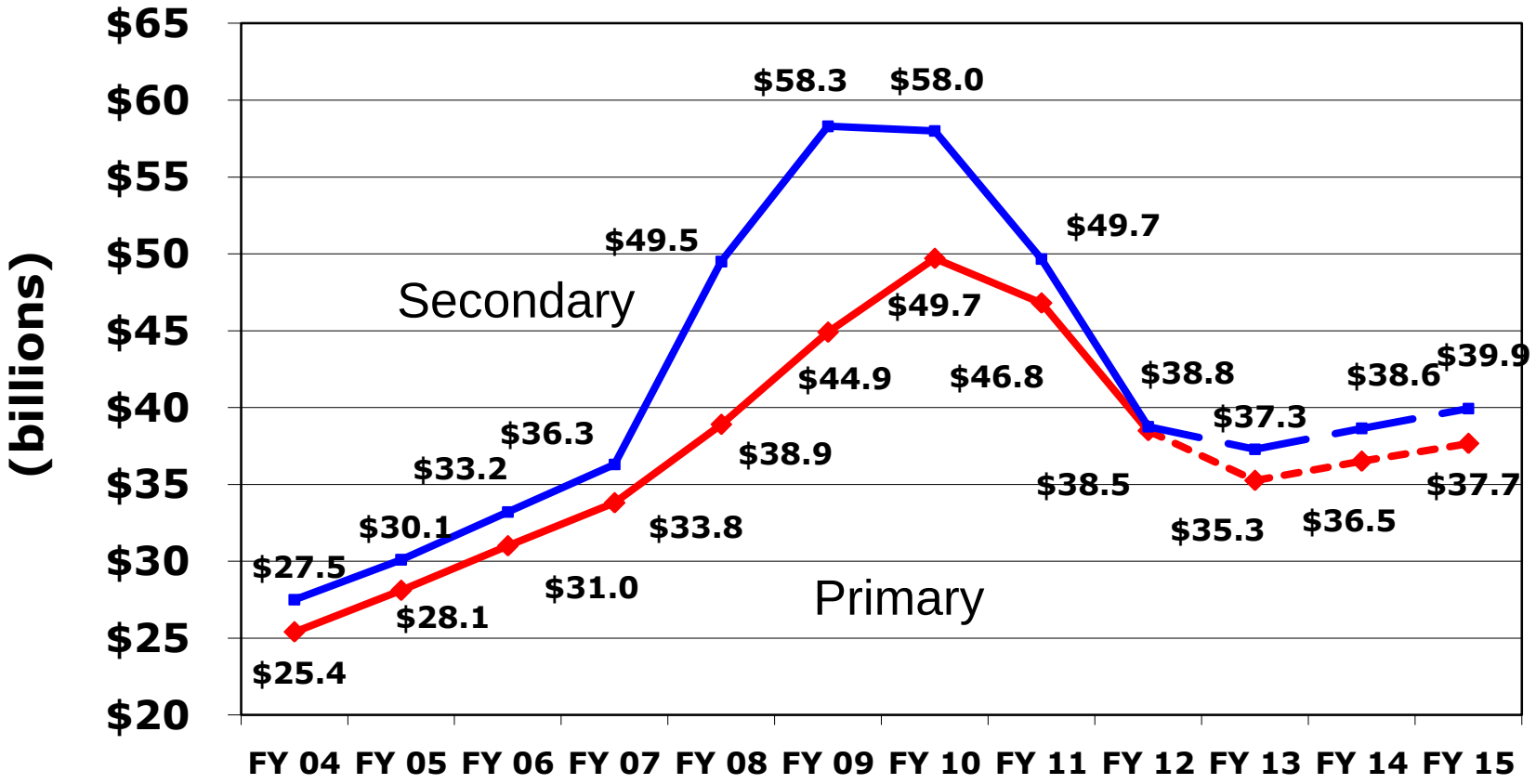
* Source: January 2011 pessimistic forecast, Elliott D. Pollack and Co.

Highway User Revenues



Source: January 2011 pessimistic forecast, Elliott D. Pollack and Co.

Total Net Assessed Value



Source: January 2011 pessimistic forecast, Elliott D. Pollack and Co.

FY 2012 General Fund Revenue

Source	Y-T-D FY 11	Budget FY 11	Forecast FY 11	Recommended Budget FY 12	Change from FY 11 Budget
Sales Tax	+.94%	$369,740,752	$369,031,550	$374,409,152*	$4,668,400*
VLT	-.5%	$113,380,026	$112,380,026	$113,380,026	$ 0
Property Tax Levy	Collections at + .2%	$499,095,477	$499,095,477	$485,649,933	-$13,445,544
Other Revenue Adjustments					$741,196

*Further downward adjustment may be necessary

FY 2012 General Fund New Operating Expenditures

Use	Amount
Retirement	$2.9 million
Health and Dental	$1.9 million
International Genomics	$1.0 million
Infrastructure	$1.2 million
New Mandates	$2.0 million
Vehicles	$1.0 million
Court Tower	$2.0 million
Solid Waste	$3.3 million
Reallocation between funds	$3.1 million

TOTAL $ 18.4 million and counting

General Fund Structural Balance

New Revenue:	- $ 8.0 M
New Expenditures:	$18.4 M
Net Impact of New Items:	- $26.4 M
Target and Other Reductions:	$22.0 M
Structural Balance Issue:	- $ 4.2 M

Before New State Impacts

FY 2012 Detention Fund Operating Expenditures

Use	Amount
Retirement	$ .5 million
Health and Dental	$ .5 million
Vehicles	$ 1.0 million
Reallocation between funds	-$ 4.4 million
Other Adjustments	-$ .8 million

TOTAL -$3.2 million

Detention Fund Structural Balance

New Revenue:	- $ 3.5 M
Expenditure Reductions:	- $ 3.2 M
Structural Balance Issue:	- $ .3 M

Before New State Impacts

State Budget Threats

Brookings Report:

"As county leaders continue to try to balance dwindling resources with needed local service delivery, they face the unsettling fact that the fate of their operations may largely be determined by how state lawmakers choose to deal with Arizona's fiscal deficit - and the extent to which they will continue to off-load major expenses to the county taxpayer."

"For Arizona counties, then, the worst may be yet to come."

*Source: Brookings Mountain West/Morrison Institute, January 2011

State Budget Threats

	Governor		Senate
Mandated Contribution	$ 21,000,000	*	$ 28,600,000
ALTCS Increase from Initial FY11 Budget	35,945,700		35,945,700
AHCCCS Acute Care	(186,900)		(186,900)
HURF Diversion to DPS	8,491,425		8,551,343
HURF Diversion to MVD	-		6,662,102
Reduce, Eliminate Lottery Revenue	524,521		249,772
SVP Payments	5,000,000		5,000,000
100% Superior Court Judges Salaries	9,012,759		9,012,759
Inmate Transfer	-		32,650,592
County Attorney Grants	672,000		672,000
Indigent Representation Grants	639,000		639,000
Grand Jury Proceeding Reimbursements	-		40,000
TOTAL	$ 81,098,505		$ 127,836,368

* Governor's budget included a $21 million County Contribution, but did not specify Maricopa County's portion.

State Budget Threats

	FY 12 - Continuing from Prior Year	FY 12 New	FY 12 Total
Mandated Contribution	$ 28,600,000	$ -	$ 28,600,000
HURF Diversion to DPS	5,344,986	3,206,357	8,551,343
HURF Diversion to MVD		6,662,102	6,662,102
Reduce, Eliminate Lottery Revenue	249,772		249,772
SVP Payments	2,500,000	2,500,000	5,000,000
100% Superior Court Judges Salaries	9,012,759		9,012,759
Inmate Transfer		32,650,592	32,650,592
County Attorney Grants		672,000	672,000
Indigent Representation Grants		639,000	639,000
Grand Jury Proceeding Reimbursements		40,000	40,000
	$ 45,707,517	$ 46,370,051	$ 92,077,568

State Budget Impacts
FY 08-FY 12

	FY 08	FY 09	FY 10	FY 11	FY 12 Total	TOTALS
Mandated Contribution	$ 5,500,800	$ 24,168,400	$ 19,014,600	$ 28,600,000	$ 28,600,000	$ 105,883,800
Sweep ALTCS Refunds		11,078,831				11,078,831
HURF Diversion to DPS		5,889,525	5,299,463	5,344,986	8,551,343	25,085,316
HURF Diversion to MVD					6,662,102	6,662,102
Reduce, Eliminate Lottery Revenue			24,977	249,772	249,772	524,521
SVP Payments			2,000,000	2,500,000	5,000,000	9,500,000
100% Superior Court Judges Salaries				9,012,759	9,012,759	18,025,518
Inmate Transfer					32,650,592	32,650,592
County Attorney Grants					672,000	672,000
Indigent Representation Grants					639,000	639,000
Grand Jury Proceeding Reimbursements					40,000	40,000
	$ 5,500,800	$ 41,136,756	$ 26,339,040	$ 45,707,517	$ 92,077,568	$ 210,761,680

Other Outstanding Budget Issues

- Retirement rates
  - Pension reform could result in higher County contribution rates for certain classes of employees (return to work retirees)
  - Initial increases to employer contributions between .54% to 5.14%
  - Initial increases to employee contributions between 0% to .9%; pension reform bill would increase current employees' contributions from .5% to 2% depending on the plan

    (ASRS employee and employer contribution increasing from 9.6% to 10.5%)

General Fund /Detention Fund True-up

- Working cooperatively with MCSO, Internal Audit, Finance and Auditor General to determine the adjustment amount
- Will require repayment from General Fund
- Will require right-sizing of MCSO General Fund budget
- OMB will consider moving legally allowable programs from General Fund to Detention Fund

Next Steps

- Finalize General and Detention Fund True-up analysis
- Refine revenue forecast
- Achieve structural balance
- Monitor State impacts
- Tentative adoption May 23, 2011

FY 2012 Budget Calendar

Dec 13	**Board Approves FY 2012 Budgeting for Results Guidelines and Priorities**
Week of Dec 13	OMB Issues Department Budget Targets, Internal Charges, Forms and Instructions
Early Jan - Late Feb	Departments Submit Budget Requests
Feb 10	Assessed Values and Levy Limits Reported by Assessor
Mar 11	Departments Submit Final CIP Budgets
Late Jan - Early Mar	OMB Analyzes Department Budgets, Develops Recommendations
March	OMB and Departments Review Budget Recommendations
March 14, 28, 29 and April 11	Elected and Judicial Branch Budget Presentations to the Board of Supervisors
April	OMB Consolidates Budget, Prepares Budget Document
May 23	Recommended Budget Presentation
May 23	**Tentative Budget Adoption**
May-June	Publication of Tentative Budget and Truth in Taxation Notice
June 20	**Final Budget Adoption**

Some dates are subject to change.

Office of Management and Budget