

**MARICOPA COUNTY**  
**FY 2008-09 BUDGETING FOR RESULTS GUIDELINES AND PRIORITIES**  
**Approved by the Board of Supervisors on December 3, 2007**

The purpose of these guidelines and priorities is to provide direction from the Board of Supervisors to the Office of Management and Budget and all departments so that they can develop a sustainable, structurally-balanced budget that achieves, within available resources, the County's mission and strategic goals as set forth in the 2005-10 Strategic Plan.

**Employee Compensation:**

Employee compensation increases will depend on the availability of funding, and will be decided upon later in the budget process. In the meantime, the Office of Management and Budget and departments will address compensation funding in the following manner:

1. Department budget requests will include supplemental requests for performance-based salary adjustments that will average **no more than 2.5%** for current eligible employees, which will be decided upon at a later date subject to availability of funding.
2. Funding for performance-based salary adjustments will not be allocated without direction from the Board of Supervisors.
3. Market salary adjustments will be prioritized to address only the most critical turnover, retention and recruitment issues that have a significant impact on critical public services. Departments will be expected to offset the cost of market salary adjustments with other budget reductions in addition to any other reductions otherwise necessary to balance the budget. Departments may not include requests for new market compensation funding in their budget requests.

**Base Budget Targets:**

Base budgets for all departments and funds will be prepared within target amounts equal to their current budgets plus authorized adjustments. The Office of Management and Budget is directed to adjust budget targets for the following:

1. Annualized cost of FY 2007-08 approved Results Initiatives;
2. Annualized impact of FY 2007-08 mid-year appropriation adjustments, including FY 2007-08 administrative service reductions;
3. Annualized impact of other items (including intergovernmental agreements) that were approved by the Board of Supervisors, so long as the impact was disclosed at the time of Board approval.
4. Items required by State law, such as judges' and elected officials' salary increases and mandated contributions to AHCCCS, ALTCS and other programs.
5. Other technical adjustments as required.

All departments must submit their base expenditure budget requests within their budget targets. If justified by revenue projections, base revenue budget requests may exceed

revenue targets. Revenue targets for non-General Fund budgets will include an adjustment as necessary to maintain structural balance (recurring revenues equal to or greater than recurring expenditures) within the fund. If the revenue target cannot be met, departments must reduce base expenditures and base revenue by an amount sufficient to restore structural balance.

### **Base Budget Reductions**

Lower growth and declines in revenue will challenge Maricopa County to continue to provide results for the people it serves. In order to meet this challenge, all departments are urged to collaborate with the Office of Management and Budget to identify budget improvements through greater efficiency and reduction or elimination of services that have little or no impact on results. All elected, judicial and appointed departments are requested to present options for reductions of 5%, 10% and 15% from their base targets.

### **Requests for Additional Funding:**

It is anticipated that base expenditure reductions will need to be made to balance the FY 2008-09 budget. Any supplemental funding will therefore need to be offset by further budget reductions. All elected officials, presiding judges, and department directors, as well as all department managers will be challenged to find innovative ways to maintain service levels as much as possible while finding opportunities for budget enhancement (reduced expenditures or increased revenue). Consequently, Results Initiative Requests will not be considered except to address critical or emergency issues or to implement opportunities for expenditure reduction or revenue enhancement, and only as directed by the Board of Supervisors.

### **Capital Improvement Program**

No new capital projects or increases in budgets for current projects can be funded unless a new funding source is identified that can support both the project itself and future operating costs. In order to restore a structurally-balanced budget, existing or planned debt payments from operating revenues will be eliminated or funded through use of reserve funds.

### **Information Technology**

The Office of Management and Budget, the Office of Enterprise Technology and departments will explore opportunities for more efficient and effective information technology (including telecommunications) through consolidation of resources. New information technology projects will be considered if they have a return on investment with direct benefits of three years or less.

### **Use of Budget Stabilization Reserves and Fund Balances**

The FY 2008-09 budget may provide for use of fund balances designated for budget stabilization so long as such uses are consistent with the *Reserve and Tax Reduction Policy*. The priority for use of fund balance reserves is to retire or fund outstanding debt in order to relieve operating budgets from supporting ongoing debt service payments. Fund balances in the Detention Fund now designated for capital projects may be used to offset a portion of the operating deficit, so long as there is a reasonable expectation that expenditure adjustments and future revenue growth will restore structural balance in the Detention Operations Fund.