

Budget Balancing Initiatives



Office of Management and Budget

April 13, 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
Approved March 30	25.5	3.2	28.7
Pending April 13	5.1	-	5.1
Other Base Adjustments (Net)	1.9	0.5	2.4
Capital Lease Payoff	12.4	0.5	12.8
	\$ 69.7	\$ 12.0	\$ 81.6
FY 2009-10 Remaining Deficit	\$ (40.0)	\$ (16.5)	\$ (56.5)

FY 10 State/Federal Impacts (millions)

	General	Detention	TOTAL
FY 2009-10 Remaining Deficit	\$ (40.0)	\$ (16.5)	\$ (56.5)
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	\$ (55.4)	\$ (76.5)	\$ (131.9)

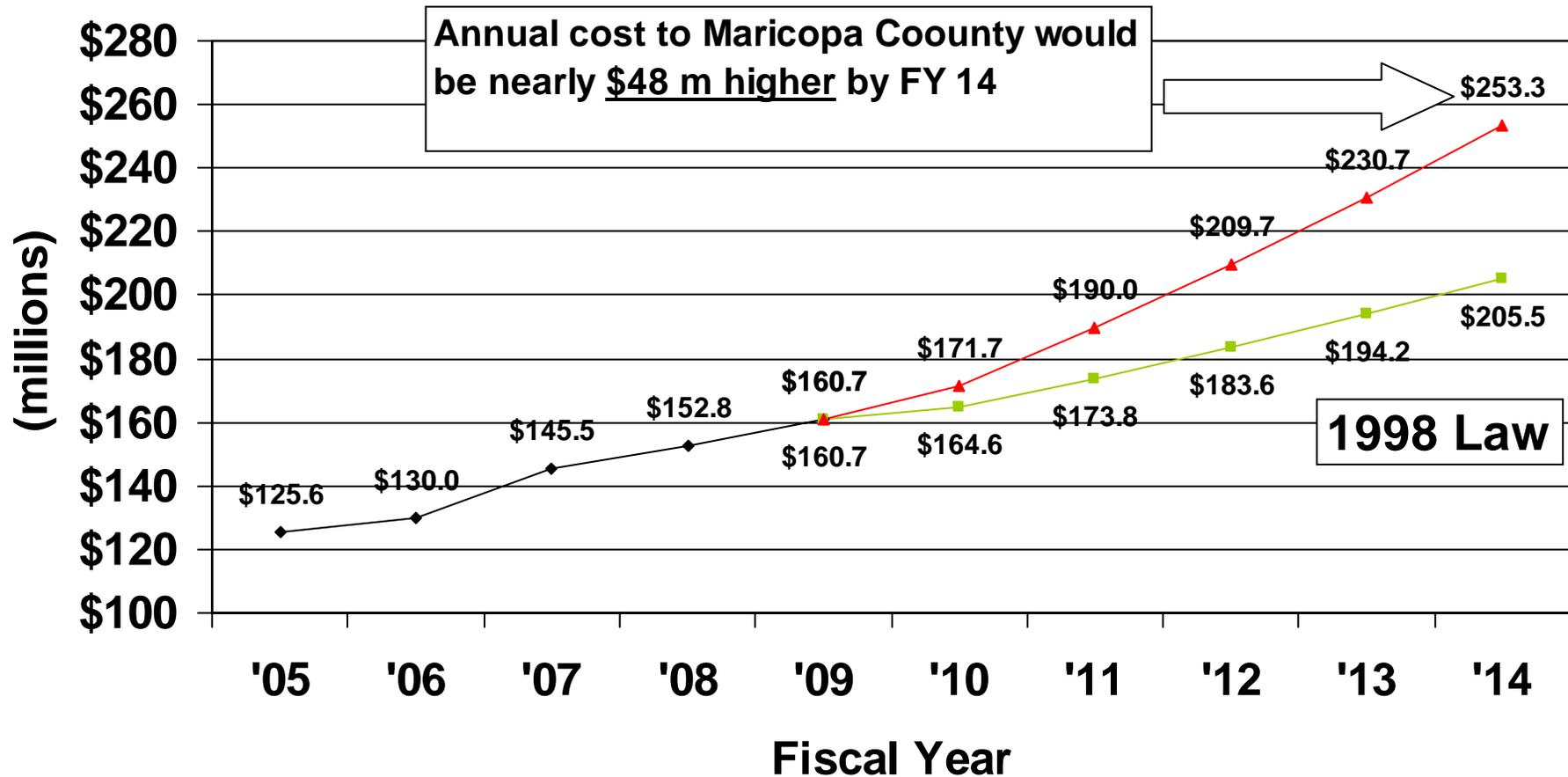
* Does not include \$40 million in one-time costs.



Trend in State Contributions

- Inflation and Population Increases since FY 98:
 - County population: 1.2 m or 44%, average of 3.4% per year
 - Consumer Price Index (CPI) increased 34% (2.5% per year)
 - GDP Price Deflator increased 28.8% (2.2% per year)
 - Medical CPI increased 53.9% (3.9% per year)
- ALTCS Contribution:
 - Since FY 98, contribution has increased 96%, from \$84.3 m to \$160.7 m; annual increases have averaged 7.2%
 - Baseline increase for FY 10 is \$3.9 m (2.4%)
 - With proposed shift of State growth, contribution would increase an additional \$7.1 m, total growth of 6.8%
- AHCCCS Contribution:
 - FY 10 baseline contribution is \$21.0 m
 - Contribution has been held flat, except for increases with Prop 204 (which eliminated County residual costs) and Maricopa County assumption of Adult Probation funding.
- Arnold v. Sarn IGA:
 - Total contribution of \$40.7 m will increase 4.4% to \$42.5 m
 - SMI portion of contribution (\$37.6 m) increases 5% per year
 - Non-SMI contributions are for flat amounts

Impact of ALTCS Growth Shift





Departmental Budget Reductions

- Tentative recommendations/agreements with nearly all 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



Constables

- Expenditure Change from Target:
(2.1%)
 - Efficiencies resulting from stepped salaries: - \$31k
 - Other Adjustments: -\$21k
 - 67.5% of budget target was statutorily mandated Constable salaries and benefits



Justice Courts

- Revenue: \$3.4 million or 20.1% increase
- Expenditure Change from Target: (11.9%)
 - Fund Shift: -\$430k
 - Other Adjustments: -\$1.5m
 - 20.9% of budget target was statutorily mandated Justice of the Peace salaries and benefits



Human Services

- Expenditure Reduction: **-\$503,403**
 - Non Mandated Services
 - Olive Branch: **-\$10,000**
 - Community Action Programs: **-\$62,954**
 - Special Needs Transportation: **-\$282,000**
 - Senior Adult Independent Living: **-\$17,686**
 - CASS Emergency Homeless Shelter:
-\$112,599
 - Fund Shift: **-\$18,164**
 - Ease Case Management Service



Employee Health Initiatives

- Expenditure Budget Reduction: (-.37%)
 - Reduction in Administration: -\$590,304
 - Increase in claims expenses offset by reduced enrollment (-11%)
- Employer Rates held flat
 - \$12.3 million in savings to department budgets through a planned spend-down of reserves



Budget Reductions Achieved

- Board of Supervisors – General Fund:
-\$35,847 (13% Reduction)
- Environmental Services – Fee Fund:
-\$2,159,563 (11% Reduction)
- Environmental Services – Grant Fund:
-\$6,000 (0.5% Reduction)
- Planning and Development – Fee
Fund: -\$6,664,243 (44.9% Reduction)



Budget Reductions Achieved

- Superintendent of Schools – General Fund: -\$361,857 (15.7% Reduction)
- Transportation – Operations Fund: -\$4,000,000 (6.17% Reduction)
- Transportation – Capital Project Fund: -\$18,948,963 (17.9% Reduction)



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

BOARD OF SUPERVISORS DIST 1	-11.6%
BOARD OF SUPERVISORS DIST 2	-11.6%
BOARD OF SUPERVISORS DIST 3	-11.6%
BOARD OF SUPERVISORS DIST 4	-11.6%
BOARD OF SUPERVISORS DIST 5	-11.6%
CLERK OF THE BOARD OF SUPERVISORS	-22.3%
ADULT PROBATION	-10.2%
ASSESSOR	-9.0%
CALL CENTER	-19.7%
EMERGENCY MANAGEMENT	-34.9%
CLERK OF THE SUPERIOR COURT	-12.0%
FINANCE	-18.1%
COUNTY MANAGER**	-22.9%
ELECTIONS	-21.3%
HUMAN SERVICES	-23.6%
INTERNAL AUDIT	-19.8%
JUSTICE COURTS	7.7%
CONSTABLES	1.1%



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

CORRECTIONAL HEALTH	-14.5%
JUVENILE PROBATION	-22.5%
MEDICAL EXAMINER	-16.4%
PARKS AND RECREATION	-45.6%
WORKFORCE MGT AND DEVELOPMENT	-16.8%
PUBLIC FIDUCIARY	-7.9%
RECORDER	-20.6%
SUPERINTENDENT OF SCHOOLS	-16.6%
ENTERPRISE TECHNOLOGY	-37.2%
RESEARCH AND REPORTING	4.9%
MANAGEMENT AND BUDGET	-27.0%
FACILITIES MANAGEMENT	-19.3%
MATERIALS MANAGEMENT	-6.0%
ANIMAL CARE AND CONTROL	-28.6%
SUPERIOR COURT	-13.6%
PUBLIC HEALTH	-16.2%
ENVIRONMENTAL SERVICES	-52.5%



*Two-Year Average
Reduction for Departments
Presented to Date:*
17.7%



Pending Departments

- Sheriff's Office
- County Attorney
- County Attorney – Civil
- General Litigation
- Indigent Defense
- Treasurer



Special Thanks

- ❑ Don Covey, Superintendent of Schools
- ❑ Justices of the Peace
- ❑ Constables
- ❑ Trish Georgeff, Human Services
- ❑ John Power, Environmental Services
- ❑ John Hauskins, Public Works
Transportation
- ❑ Joy Rich, Planning and Development



Budget Calendar – Remaining Dates

TBD	Budget Balancing Initiatives – Part IV
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.



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