

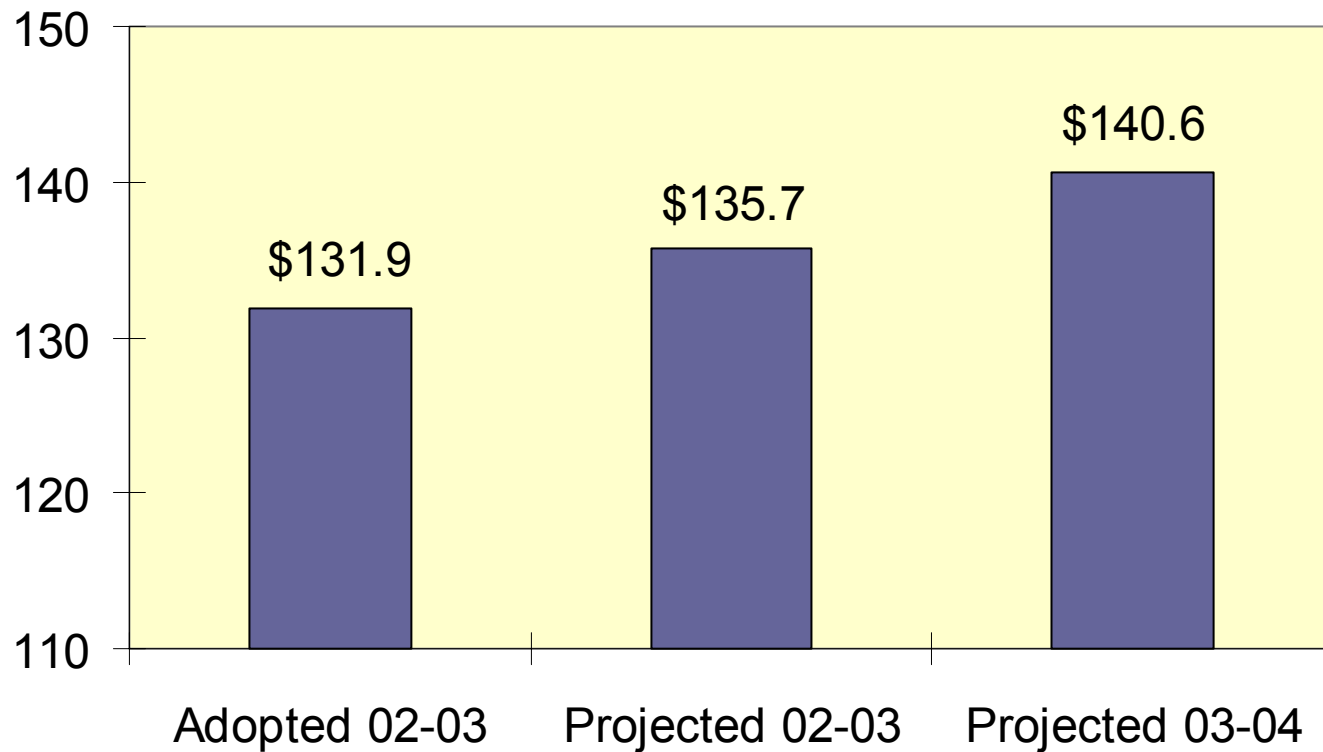
2002-03 Mid-Year
Financial Status Report
and Projection

2002-03 Mid Year Summary

- This year looks good
- Next year, without further State budget cuts, looks difficult but manageable
- Next year, if some of the proposed State budget reductions are enacted, the County will find itself adapting to a new financial world

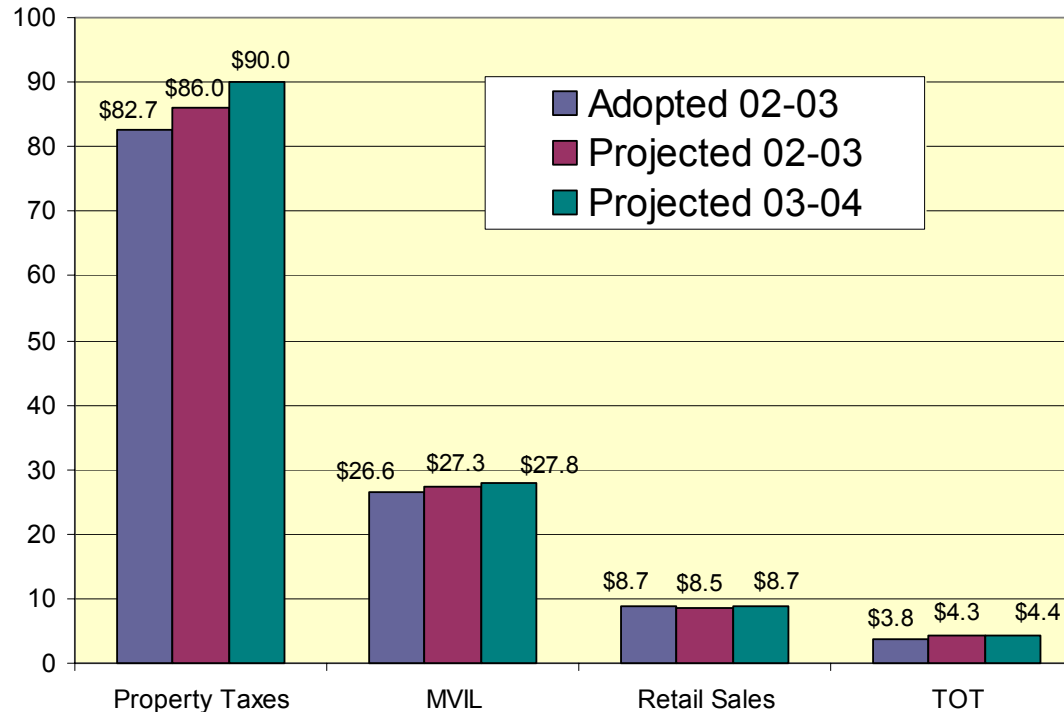
Growth In Discretionary General Fund Revenue

(in millions)



Discretionary Revenue: Major Components

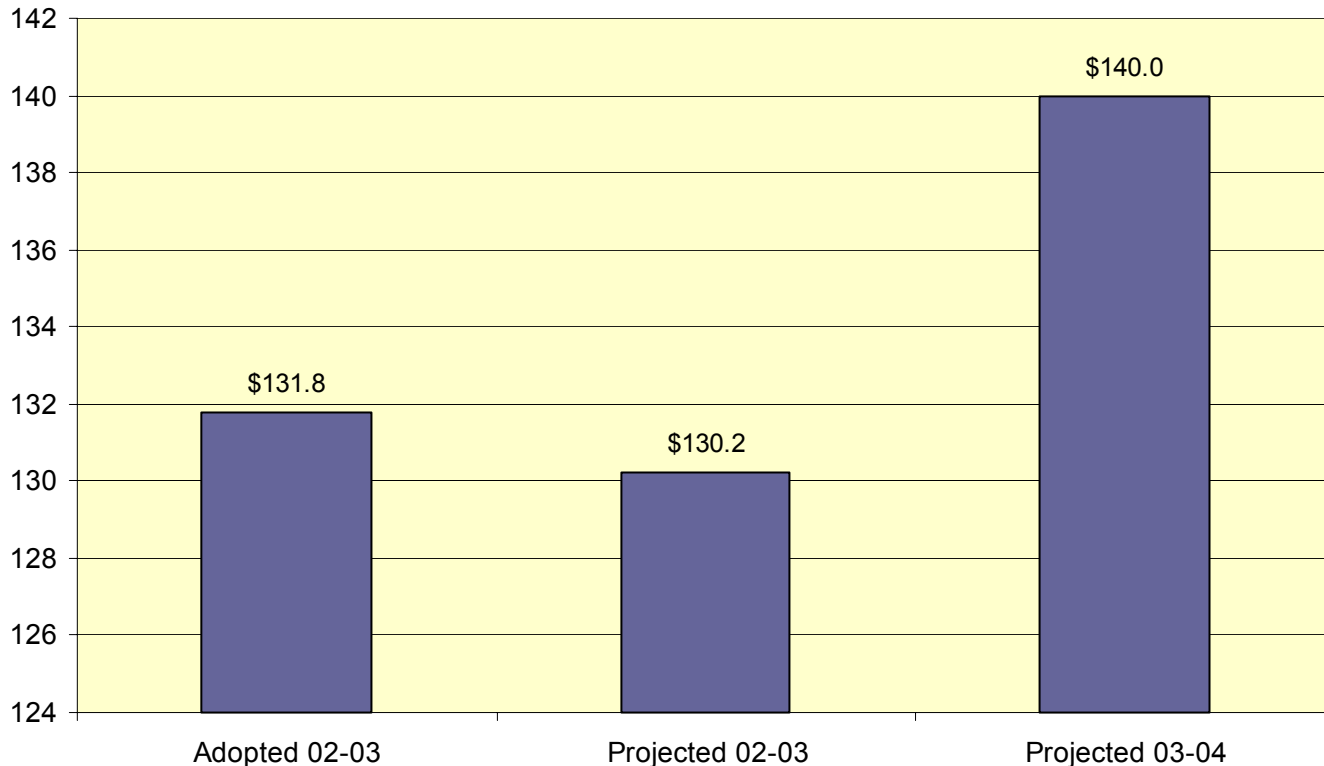
(in millions)



Property Taxes are the main driver of the increase in discretionary revenues. Both the vehicle license fee and the transient occupancy tax show small positive increases. The only negative is a decrease in projected 02-03 retail sales, as compared to the adopted 02-03.

General Fund Contribution Targets

(in millions)



The general fund contribution targets for each Department are determined based upon the budget principles adopted each year. Even with an increase in this allocation, some Departments may need to reduce spending or request a budget restoration to meet certain mandates or to continue programs at a similar level of service.

Increases Not Covered By the Target

❖ Categorical Revenue Losses

Proposition 172

Terminating Grants

❖ Extraordinary Local Cost Increases

Workers Compensation

Liability Insurance

❖ Federal and State Mandate Issues

SB-90

Federal Election Mandates

In Home Supportive Services

Can Also Result in Program & Staffing Reductions

Examples: Sheriff and Probation Staff
Reductions in FY 2002-03

Budget Service Level Restoration Requests

Budget Balancing Scenarios



Hypothetical General Fund Contribution Reductions

(in millions)

All Departments	\$ 140.0	\$ 21.0	15%

A 15% reduction, across all Departments, would result in a decreased general fund contribution allocation of \$21 m.

Hypothetical General Fund Contribution Reductions (Option 1) (in millions)

Social Safety Net	\$ 23.5	\$ 0.8	3%
Non-Social Safety Net Depart.s	\$ 116.5	\$ 20.2	17%

If the social safety net services were held primarily harmless their reduction would fall to \$.8 m (3% percent vs. 15%) and non-safety net department reductions would amount to 20.2 m (17%).

Hypothetical General Fund Contribution Reductions (Option 2)

(in millions)

Public Safety	\$ 61.5	\$ 0.3	0.005%
Non-Public Safety Departments	\$ 78.5	\$ 20.7	26%

If public safety related services were held harmless their reduction would fall to \$.3 m (half a percent vs. 15%) and non-public safety department reductions would increase to 20.7 m (26%).

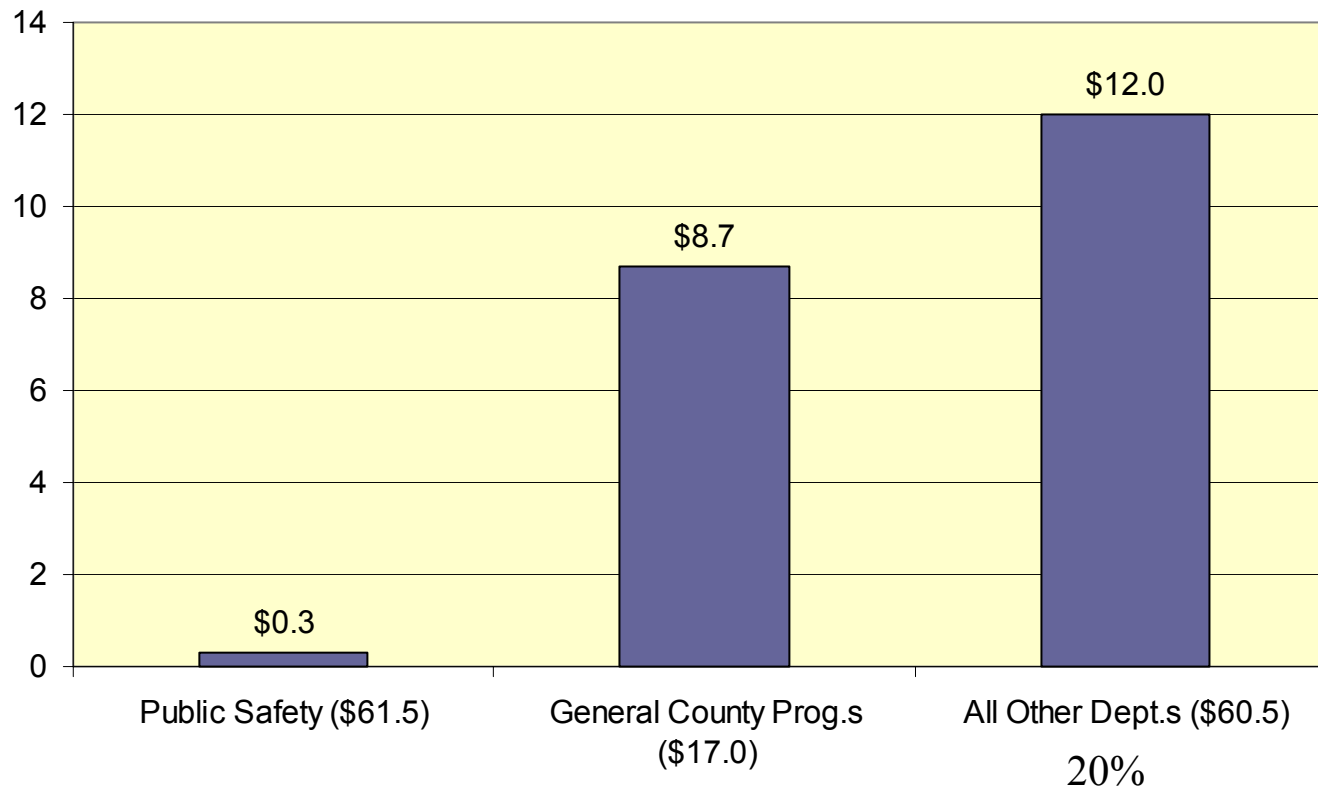
Hypothetical General Fund Contribution Reductions (Option 3) (in millions)

Public Safety & Social Safety Net	\$ 77.8	\$ 1.1	1.4%
Non-Public Safety/Social Safety Net Dept.s	\$ 62.2	\$ 19.9	32.0%

If the public safety and social safety net services were held primarily harmless their combined reductions would amount to \$1.1 m and non-public safety and social safety net reductions would amount to \$19.9 m (36%).

Hypothetical General Fund Contribution Reductions (Option 4)

(in millions)



Strategic Res.	1.5
Capital	.5
Roads	.5
Maintenance	<u>2.0</u>
Subtotal	4.5
990 Programs	1.0
Other	<u>3.2</u>
Total	\$8.7