

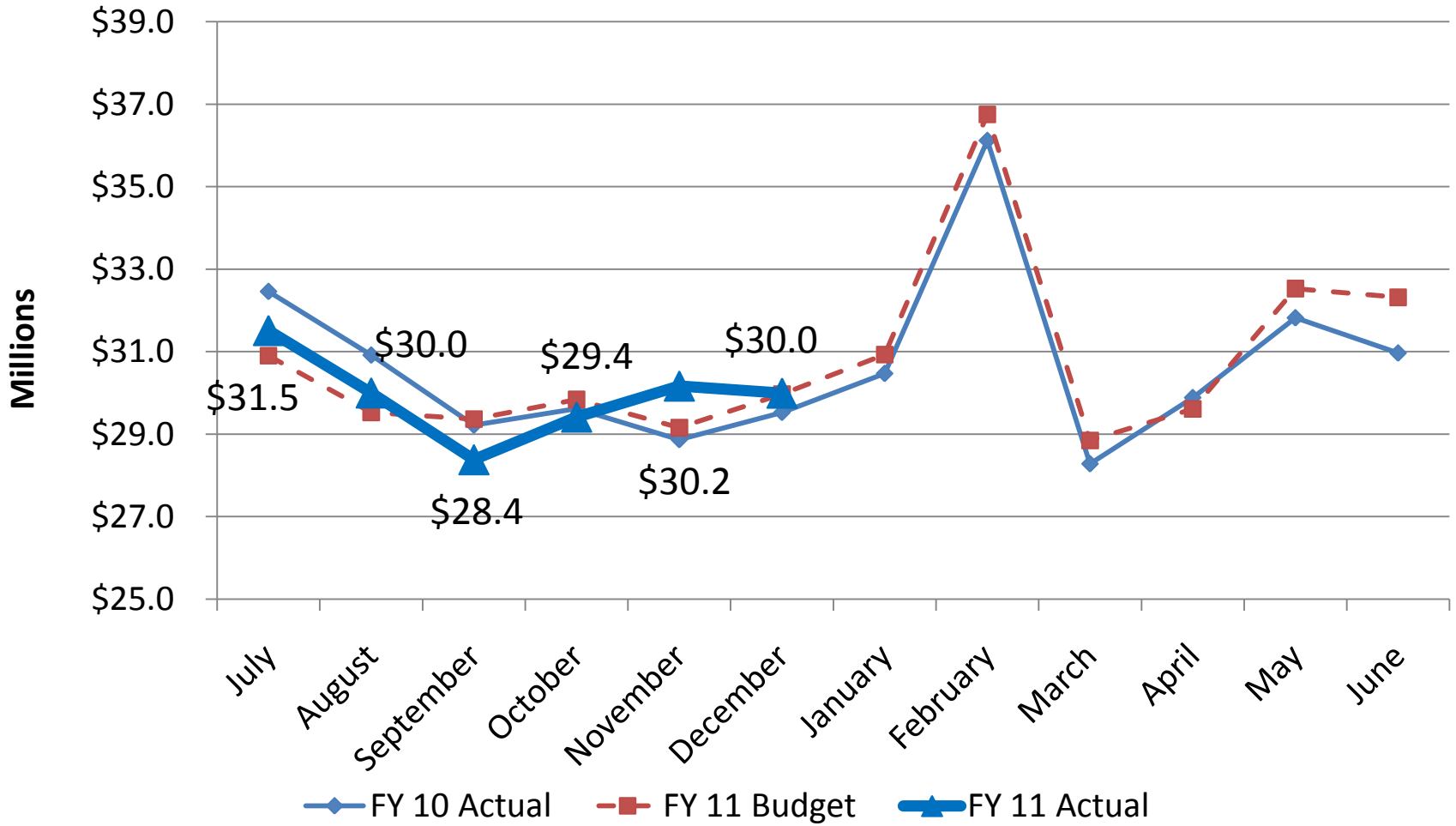
Fiscal Update

Revenues and State Budget

January 13, 2011

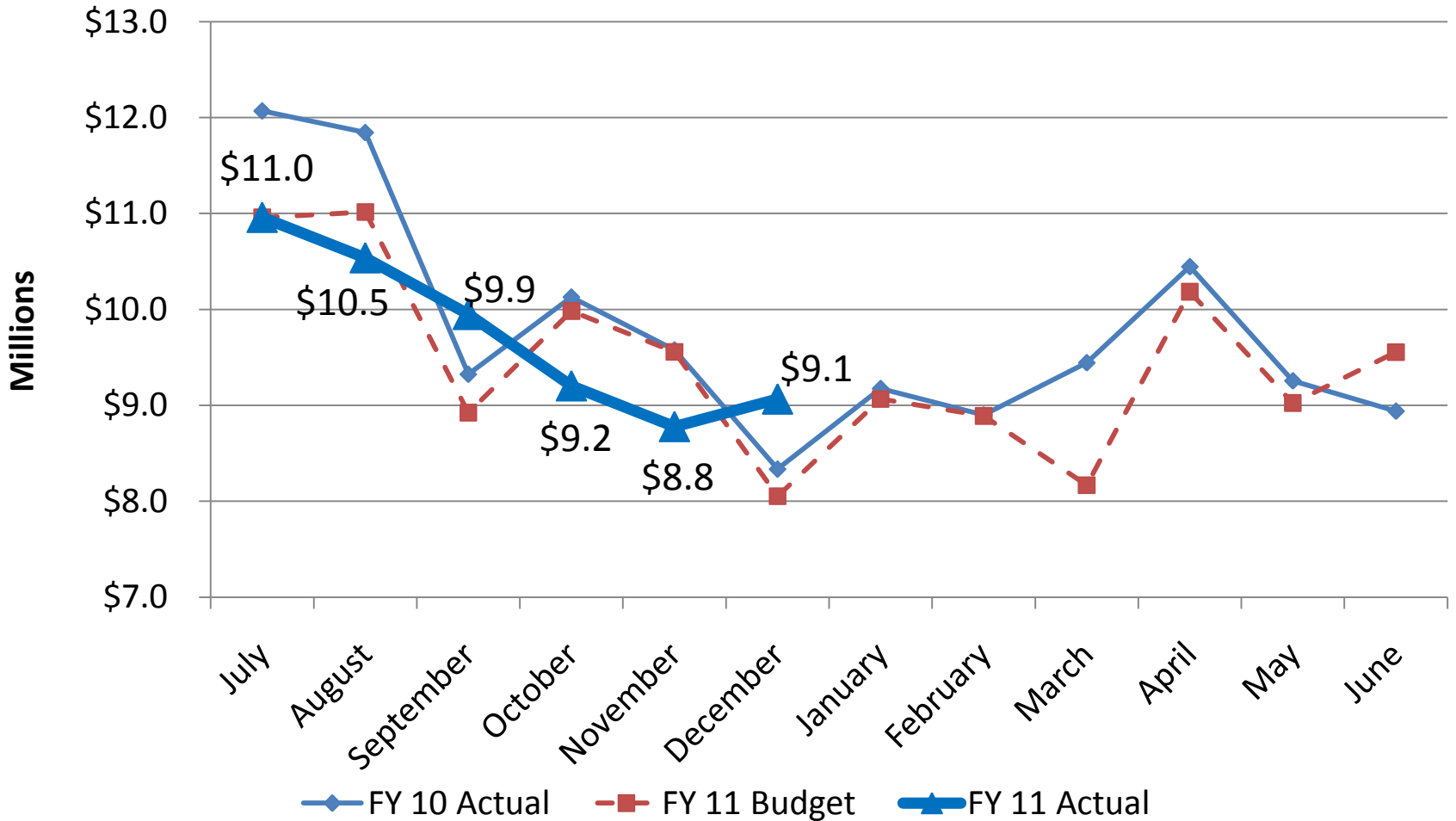
Office of Management and Budget

Sales Tax: Monthly Actual vs. Budget



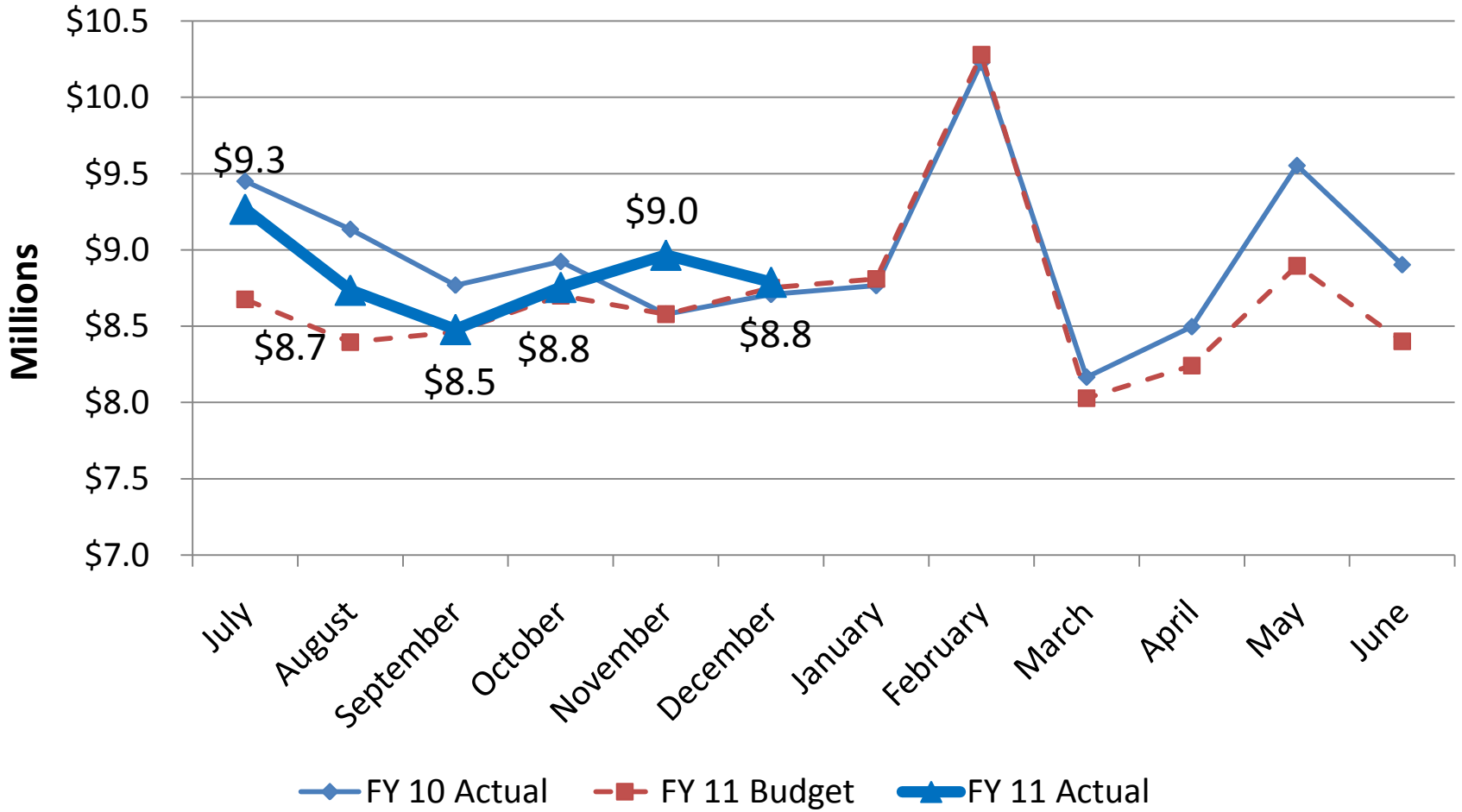
\$712,650 (0.4%) over budget year-to-date; however, \$1.1 million under last year at this time (0.6% less)

VLT: Monthly Actual vs. Budget



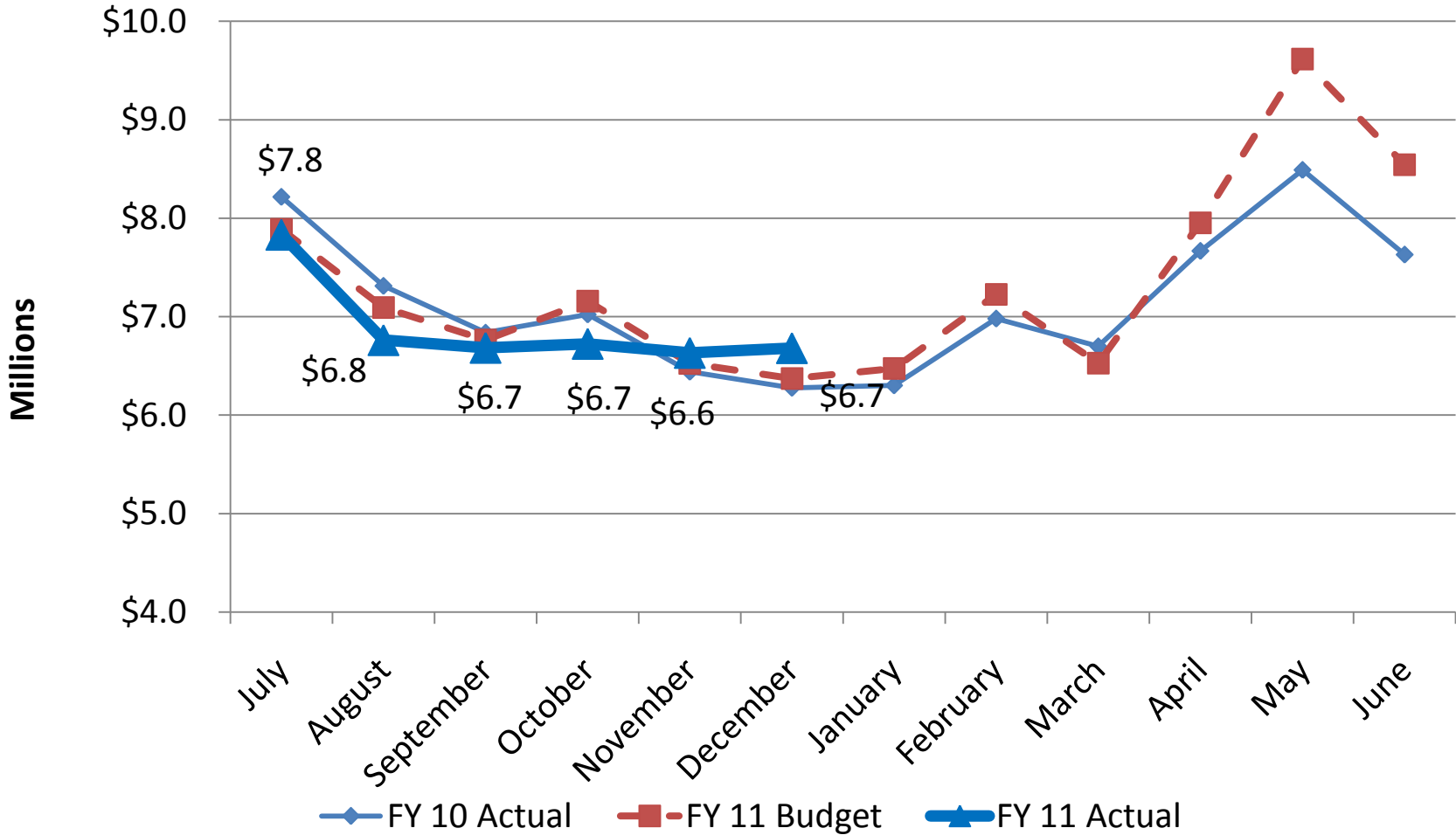
Year-to-date at budget but \$2.8 million under last year at this time (4.5% less)

Jail Tax: Monthly Actual vs. Budget



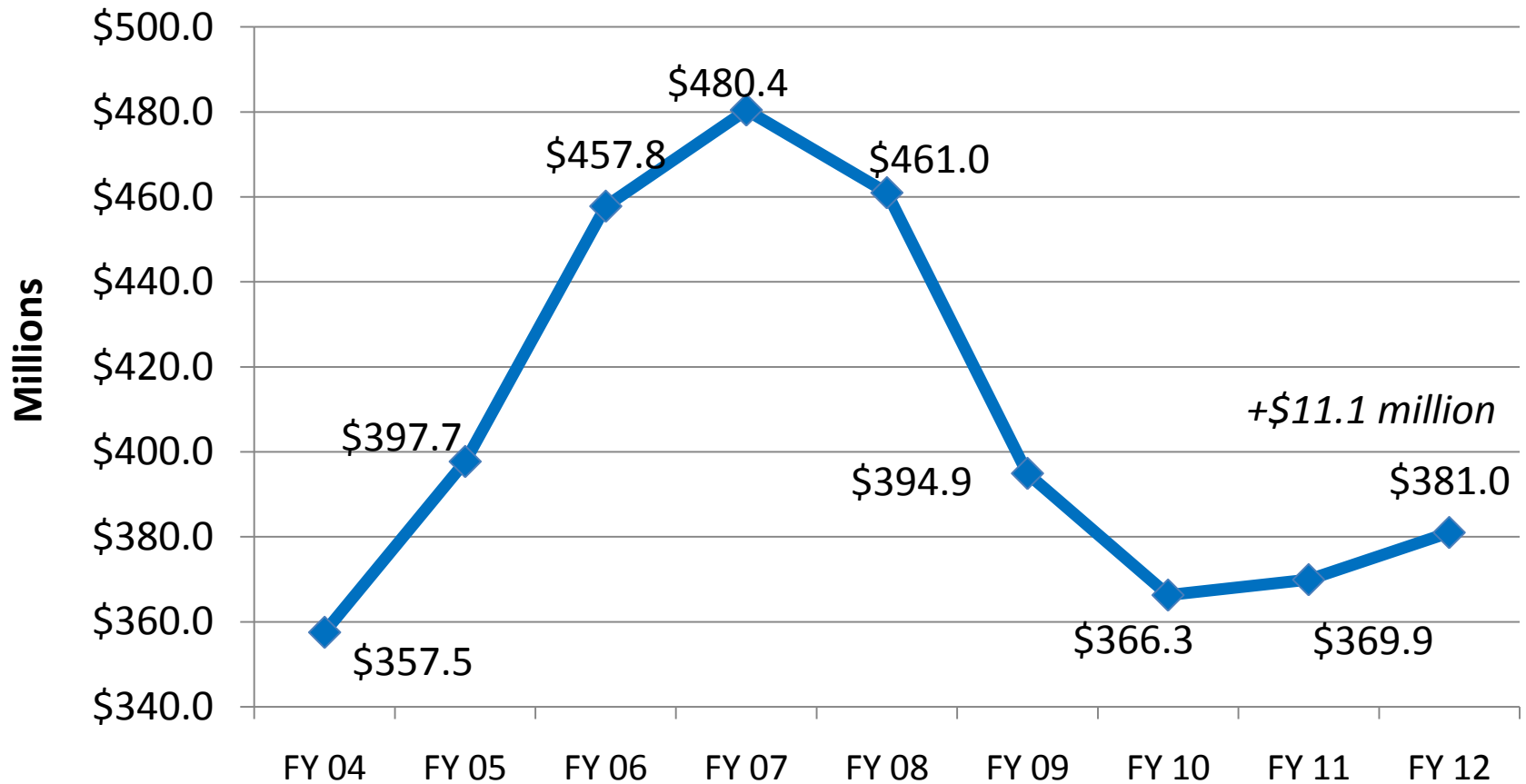
\$1.4 million (2.8%) over budget year-to-date, but \$569,450 under last year at this time (1.1% less)

HURF: Monthly Actual vs. Budget



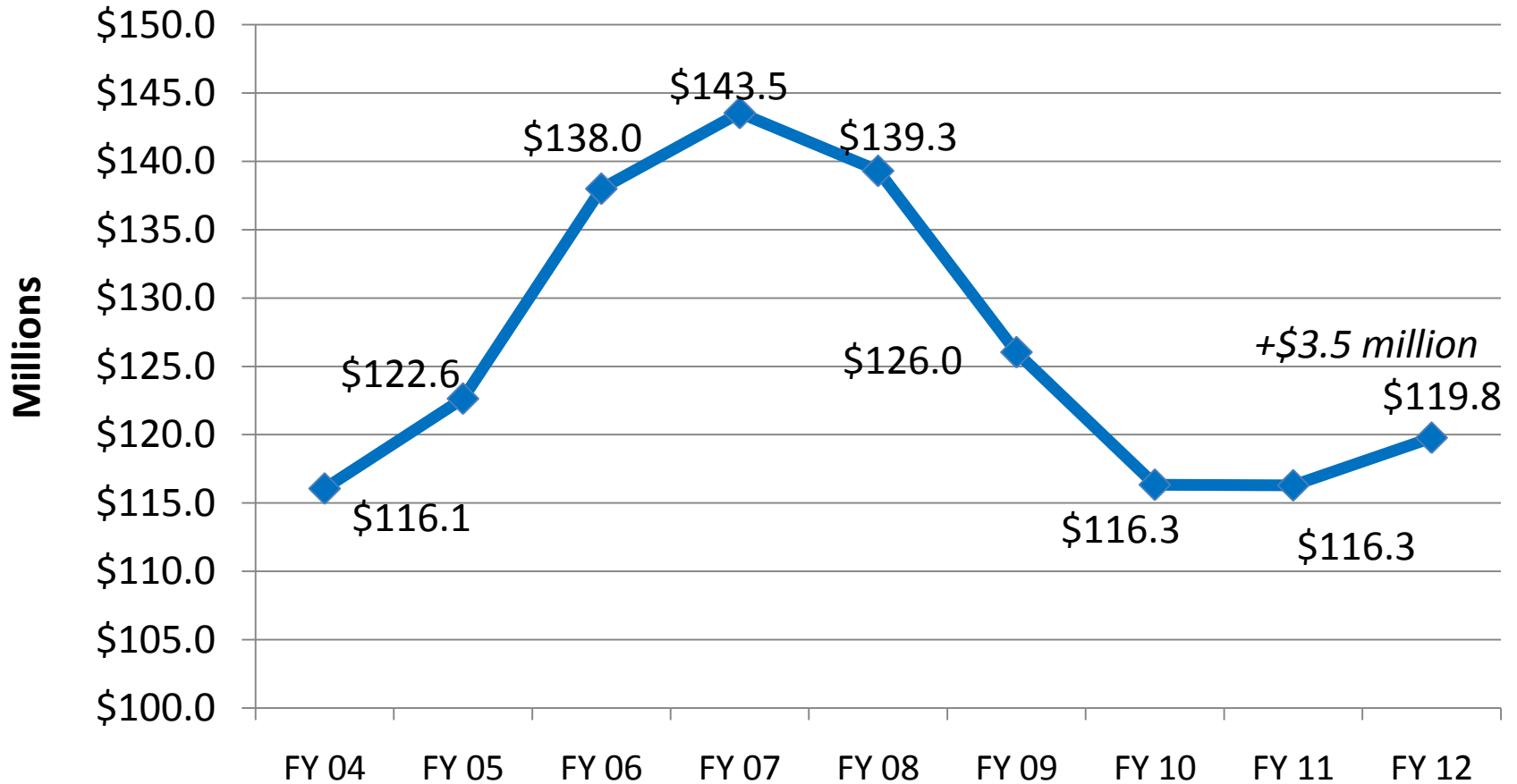
\$478,690 (1.1%) under budget year-to-date and \$790,642 under last year at this time (1.9% less)

State Shared Sales Tax



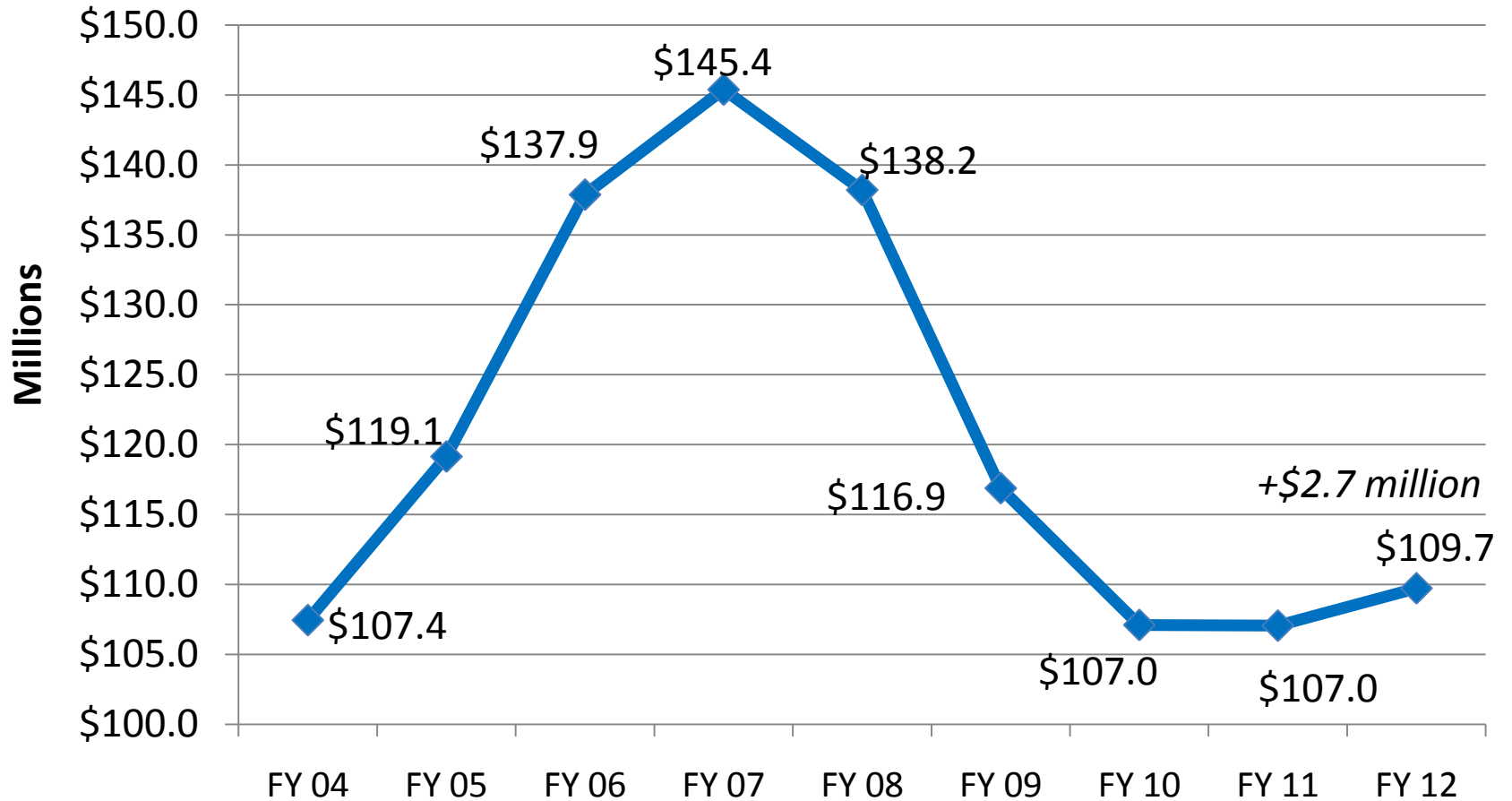
October 2010 pessimistic forecast, Elliott D. Pollack and Co.

Vehicle License Tax



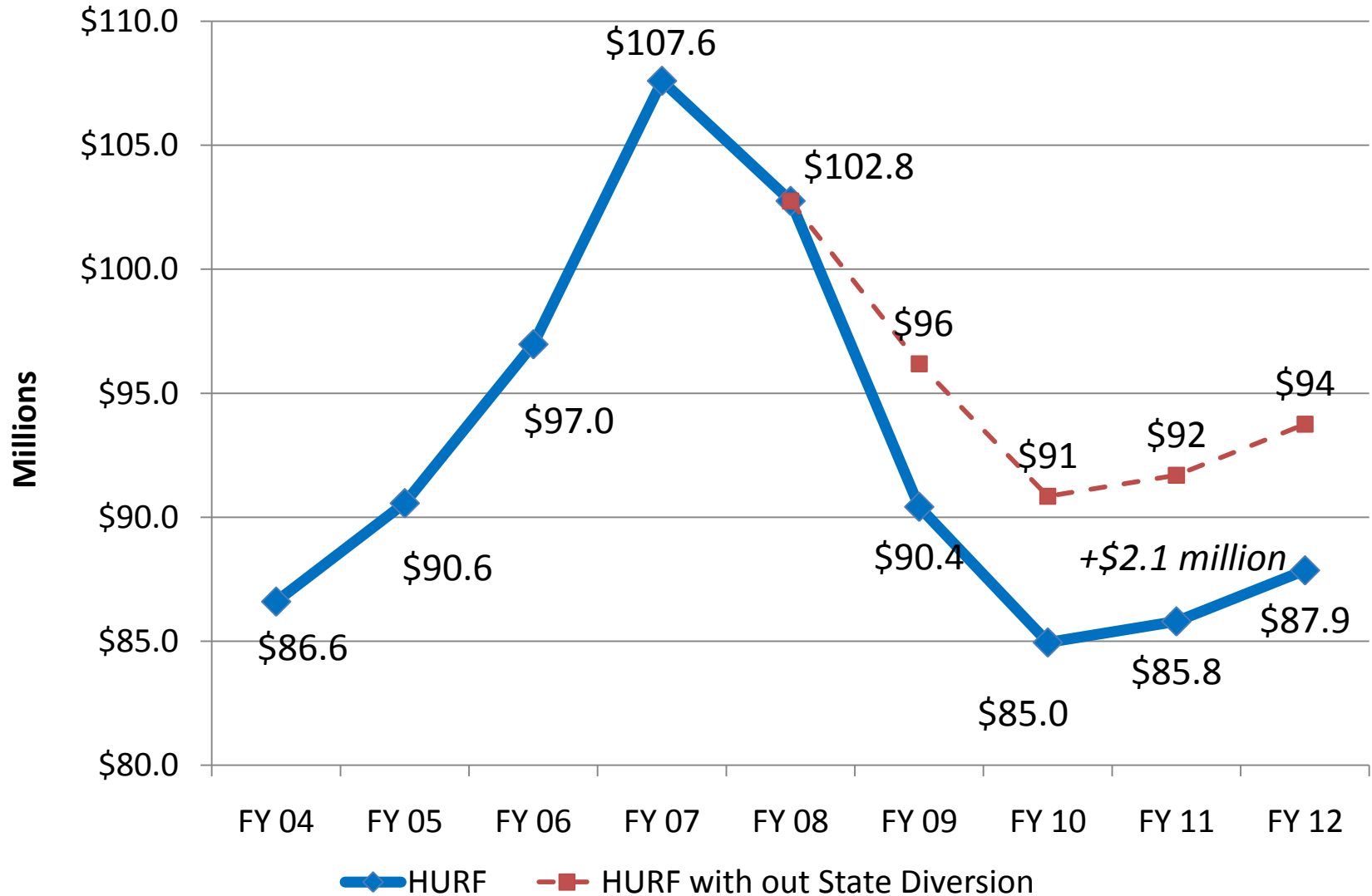
October 2010 pessimistic forecast, Elliott D. Pollack and Co.

Jail Excise Tax



October 2010 pessimistic forecast, Elliott D. Pollack and Co.

Highway User Revenues

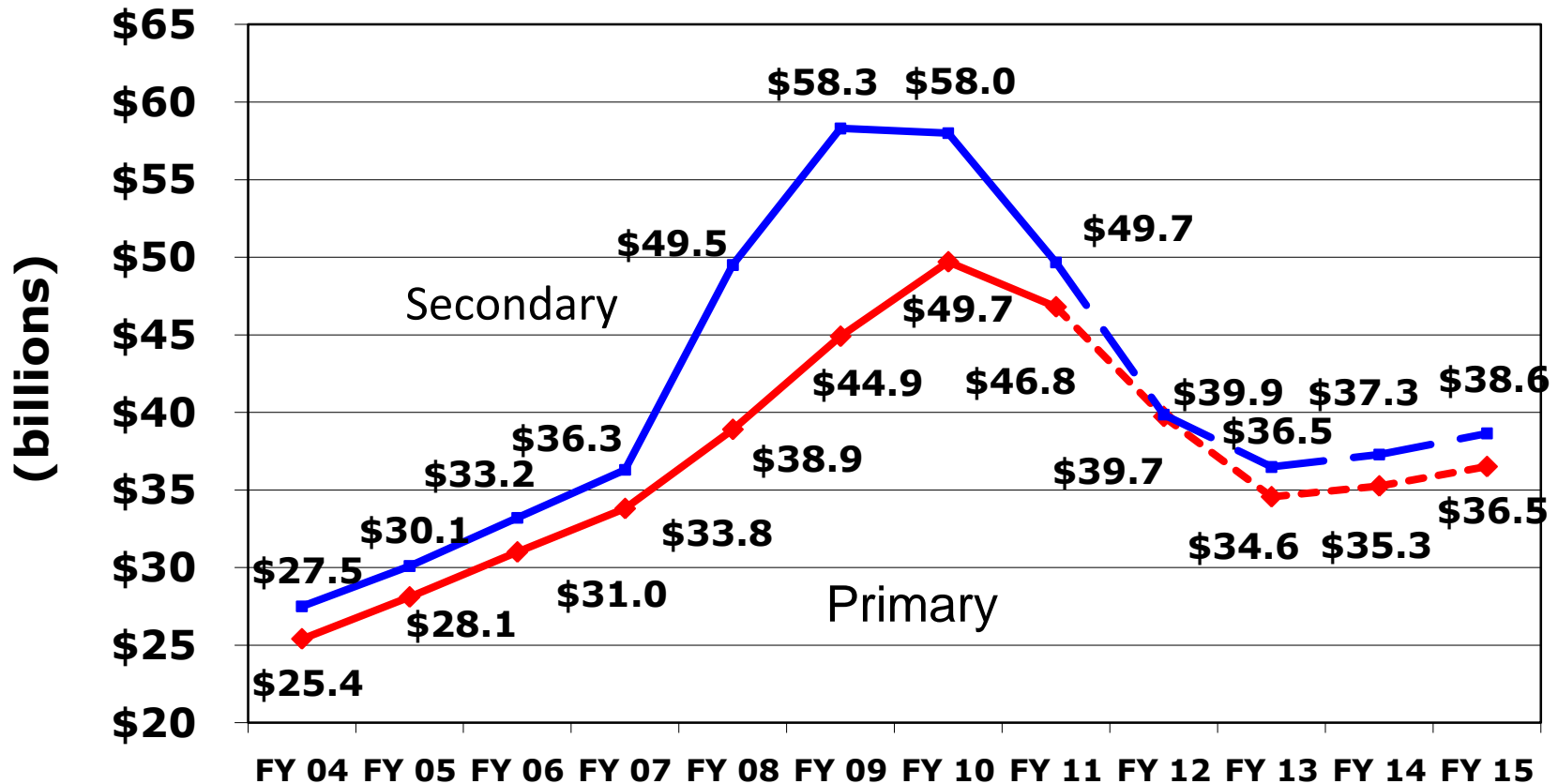


October 2010 pessimistic forecast, Elliott D. Pollack and Co.

Property Taxes

- Budget Guidelines call for the property tax levy to be no greater than the FY 2011 levy
- “Flat Levy” - no revenue increase, including new construction; by Arizona law, this constitutes a tax decrease

Total Net Assessed Value



Forecasts – Elliott D. Pollack pessimistic scenario, October 2010

State Budget Threats

- Brookings Report

“Cyclical Deficit on par with California”

“Structural Deficit largest among states in their region”

Fiscal Year	Surplus or Deficit in Millions			Surplus or Deficit as a Percentage of Stable Expenditures		
	Total	Cyclical	Structural	Total	Cyclical	Structural
2007	\$ - 83	\$ 1,669	\$-1,752	-1%	17%	-18%
2008	- 1,381	664	-2,045	-14%	7%	-20%
2009	- 3,126	-1,057	-2,070	-31%	-11%	-21%
2010	-3,764	-1,663	-2,101	-38%	-17%	-21%
2011	-3,374	-1,240	-2,134	-33%	-12%	-21%

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

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's Budget to be released on Friday January 14, 2011
- Change the Prop. 204/AHCCCS contributions and structures
- Cash contributions to the state general fund
- Sweeps of transportation funds, including HURF and VLT
- Alterations to the shared revenue formulas
- Super Majority Overrides

State Budget Threats

- Increased fees for agency permits, or perhaps an outright shift of agency funding
- Shift the state Department of Juvenile Corrections to counties
- Require county jails to take prisoners who
 - are sentenced to one year or less OR
 - who have less than one year on their sentence

Other Budget Issues

- Increase in retirement rates between .54% to 5.14%
 - ASRS increasing 9.6% to 10.5%
- ALTCS and AHCCCS increases

Detention Fund

- Working cooperatively with MCSO, Internal Audit, Finance and Auditor General to determine extent of misspent Detention Fund
- Will require repayment, probably over multiple years, from General Fund
- Will likely require right-sizing of MCSO General Fund budget
- OMB will consider moving legally allowable programs from General Fund to Detention Fund

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
April	OMB Consolidates Budget, Prepares Budget Document
May 23	Recommended Budget Presentation
	Tentative Budget Adoption
May-June	Publication of Tentative Budget and Truth in Taxation Notice
June 20	Final Budget Adoption
Aug 15	Property Tax Levy Adoption

Some dates are subject to change.



Office of Management and Budget

