FY 2012 Budget Forecast Overview

October 23, 2010

Overview – FY 2012 Revenue

- Revenue Outlook is Cautiously Optimistic
  - Property values have stabilized
  - 1% assessment base increase projected
    - Residential Assessments – flat
    - Commercial Assessments – slightly positive
  - Other non-tax and local County revenue slightly positive
  - State & federal revenue slightly negative

Overview – FY 2012 Revenue

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- Updates to Revenue Forecasts
  - Early November – personal property tax update (from October 5 tax bill)
  - November – re-evaluate other non-real estate tax revenue sources
  - December – Governor’s budget presented
  - Early January – real estate assessments finalized

Fiscal Outlook – FY 2011 vs. FY 2012

- FY 2011 County/Schools Gap – $80 to $100 million
  - Real Estate Assessment Projections for FY 2011 Planning (this time last year)
    - Worst case – Negative 12 percent
    - Best case – Negative 5 percent
    - **Actual – Negative 7.2 percent**
- FY 2012 County/Schools Gap – $25 to $35 million

County Expense Pressures in FY 2012

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CURRENT COUNTY "GAP" = $14.2 million

- $13.8 million in incremental revenue above FY11

- $28.0 million in expense pressures
  - Schools Transfer Increase for Tax Revenues - $5.5 million
  - New Facilities - $2.5 million
  - Employee Compensation and Benefits – $12.7 million
  - Other Post Employment Benefits (OPEB) - $2.1 million
  - Inflation Increase on Existing Current Services - $5.2 million

Additional Pressures

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- Additional pressures NOT included in overall County/School gap:
  - County capital commitments not in base funding
  - Restoration of previous program reductions
  - Maintaining competitive salaries
  - New student enrollment
  - New initiatives