

Clark County Budget Situation

Clark County is dealing with a sharp drop in revenues and an increase in citizens' need for services that the County is struggling to provide, made more difficult by the rapid 23% population increase that already pushed service capacity to the limits. The County's drop in sales tax revenue and property tax revenue, as well as diminished grant funding, have forced staff cuts and program reductions as outlined below.

For all County funds, the County cut 149.20 FTE (7.8% cut in work force). The 09/10 budgeted biennial revenues are \$133 million less than the 07/08 budgeted revenues, a 12% reduction.

Clark County cut its General Fund biennial budget for 2009/10 by nearly \$13 million, which is a 4.4% reduction, and eliminated 46.15 FTE (a 4% cut in work force). The reductions include 13 FTE in the Sheriff's Office where the Jail will close H Pod.

Also in the General Fund, the Prosecuting Attorney's Office reduced its staff by 5.75 FTE (6.6% reduction), Information Technology reduced staff by 5.00 FTE (10%), Code Enforcement reduced staff by 4.00 FTE (40%), Parks reduced staff by 2.00 FTE (12% reduction), and a total of 10.40 FTE were reduced from Treasurer, Auditor, Assessor, Clerk, District Court and Corrections for a combined reduction of 3.7% in those departments.

Outside the General Fund, revenue reductions led the Community Development Department to cut approximately 57 positions in 2008 and another 5.00 FTE were cut for the 2009/10 budget, for an overall staff reduction of 38%.

The Health Department staff was reduced by 67.55 FTE (45% reduction) as funding sources dropped by \$3 million for the biennium. Operating costs were reduced by outsourcing services.

Cowlitz County Budget Situation

Cowlitz County has not escaped the economic problems experienced by the State, national and international governments. Local unemployment rates have risen to over 14%, housing markets have been affected, and retail sales and construction activity slowed. All of these factors diminished revenues needed to provide basic services. It has become a difficult task to maintain the level of service our citizens expect and it will not get any easier.

Despite conservative 2008 revenue estimates, sales tax receipts were short by 12%; interest earnings were down 42%.

In December 2008, Cowlitz County reduced its previously adopted 2009 General Fund budget by \$2.3 million, or approximately 5.3%.

To achieve this, the County cut 32 FTE's (7.4% of the General Fund work force). Virtually every County office and department was affected by this reduction in staff including the Sheriff, Prosecuting Attorney, Jail, Courts, Juvenile and Administrative Departments.

Still, the County balanced the budget using all its reserves: \$4.4 million. As a result, we are now in the process of cutting an additional 10% from the 2009 General Fund budget.

Cash flow is a serious problem. In February, the Commissioners approved an Interfund loan to ensure our ability to meet payroll and pay vendors pending receipt of first half property taxes – our largest General Fund revenue source (42%).

We have asked for a 5% wage concession from all employees (represented and non-represented), additional employee contributions to employer-paid medical premiums, reduction in VEBA payments, voluntary furloughs and early retirements. Departments have proposed eliminating or reducing all other expenses and we still expect to cut approximately 60 additional positions (17% of the General Fund workforce). At this level, we will be unable to provide even basic mandated services. Program cuts are likely.

GRAYS HARBOR COUNTY GENERAL FUND 2009 BUDGET REVENUE SHORTFALL 3/4/09

Beginning Cash Projection

Budget	\$ 4,074,260	
Actual	<u>\$ 3,399,842</u>	\$ (674,418)

Interest Earnings Projections

Budget	\$ 970,000	
New	<u>\$ 250,000</u>	\$ (720,000)

Forest Harvest Projections

TAV	\$ 50,000	
DNR	<u>\$ 100,000</u>	\$ (150,000)

Total Revenues Shortfall 3/4/09

\$
(1,544,418)

2009 Expenditure Budget

\$ 25,801,751

Revenue Shortfall Percent to Total Budget

6%

General Fund Salaries Attached

\$ 13,589,294

General Fund Benefits

\$ 5,130,083

= 37% of Salaries

General Fund Salaries &

= 72.55% of General

Benefits

\$ 18,719,377

Fund

Revenue Shortfall Percent to total Salaries & Benefits

8.25%

Revenue Shortfall Percent, June 2009

14%

Revenue Shortfall Percent, May 2009

12%

Revenue Shortfall Percent, April 2009

11%

Kitsap County Budget Situation

The global recession has impacted Kitsap County's revenues dramatically.

The County ended 2008 with \$3.4 million less in sales tax revenues than had been budgeted and despite conservative estimates for 2009 revenues, the County has already received \$150,000 less in January alone than what was budgeted.

In adopting the 2008 and 2009 budgets, as well as third quarter reductions in the Department of Community Development – the Board of County Commissioners has eliminated funding for 67.36 positions across this government as well as reduced or eliminated funding to outside agencies. These position reductions have been from all areas in the government and have resulted in fewer deputies on the streets, among some of the more visible cuts.

In addition to position elimination, funding for key services have been cut as well. For example, the County has had to eliminate all funding for recreation programming and to close parks during different months of the years, due to lack of funding. Kitsap County has been forced to close a District Court satellite office in Silverdale.

Despite these funding cuts, given Kitsap County's revenue projections, more is going to be needed. The County has already had word of cuts from state funding, resulting in the closure of our Secured Crisis Residential Center which has served to keep thousands of runaway youth safe since opening in 1999. Also at risk, is funding for Substance Abuse Treatment effective this July, this may force the closure of the Kitsap Recover Center, thereby eliminating the only Detox/Crisis services available on the Kitsap Peninsula. The only option will be to force those patients on to hospital emergency rooms.

Pierce County Budget Situation

Counties are suffering fiscally from the current economic climate just as is the state.

In Pierce County:

The 2009 Total County Budget is \$50 million less than the 2007 County Budget

The County is being forced to look at an additional \$12 million cut in its General Fund below the no growth budget it passed for 2009 back in November.

That will bring the County General Fund back to a level close to that of 2007. This is in spite of continued population growth (equivalent to that of the city of Puyallup every two years).

While final decisions have not yet been made for the next round of cutbacks, further cuts will go beyond the bone and no agency will be exempt.

76% of the County's General Fund is for Law Enforcement and Justice.

The Sheriff Department is being forced to cut its budget again, which may include reducing the number of deputies. Despite being in a County where the ratio of deputies to unincorporated population is already one of the lowest in the state.

Non-supplanting language in a local option revenue is not practical when core functions are been cut.

Snohomish County Budget Situation

Snohomish County's 2009 budgeted Revenue is less than the 2008 budget by almost 2% in spite of inflation and increasing workloads.

2008's General Fund had 6% more FTEs than the 2009 budget.

Few programs were eliminated, but all programs were impacted because these reductions come after years of tightening up and cutting back.

2008 REET revenue was 36% of the amount received in 2006 and the lowest level since 1998. It is anticipated that 2009 will be worse.

Snohomish County taxpayers are also under significant pressure, so adding taxes is not the preferred option. Rather, the County needs flexibility with the revenues sources that exist currently.

Spokane County Budget Situation

Spokane County cut its General Fund budget for 2009 by \$4 million, approximately a 2% cut. In addition to the cuts, the County drew down the General Fund balance by \$3 million to balance the budget and mitigate further cuts. The County cut 27 positions in January of 2009.

Because sales tax revenues continue to fall (down 5.4% since 2007), the County is considering midyear budget cuts. This would result in the elimination of additional positions. Because 72% of the County's General Fund budget is devoted to mandated law and justice functions, additional cuts will severely impact the County's law and justice offices and departments.

We anticipate a \$6 million shortfall in 2010. This will result in a 6% across the board cut. The Sheriff's Office alone will have to sustain a \$2 million cut, significantly affecting the department's ability to respond to calls for assistance.

In-custody programs in the jail will have to be stopped due to inadequate security in the County jail.

The County Prosecutor will have to sustain a \$700,000 cut in 2010.

In addition, Spokane County is considering closing certain programs of the County Parks Department in 2010.

Thurston County Budget Situation

Thurston County cut its General Fund budget for 2009 by \$4 million, approximately a 5% cut.

The County cut 80 positions (6.5% cut in work force) in January of 2009. Virtually every County office and department was affected by this reduction in staff.

Because sales tax revenues continue to fall precipitously (down 22% since 2007), the County needs to cut another \$5.7 million (7.5%) from its 2009 General Fund budget. It is estimated that this equates to at least 50 additional FTEs being cut from the County's work force, probably more.

Because 75% of the County's General Fund budget is devoted to mandated law and justice functions, \$3.8 million of these cuts must come from the County's law and justice offices and departments.

The Sheriff's Office alone will have to sustain a \$1.9 million cut, significantly affecting the department's ability to respond to calls for assistance.

County probation and pre-trial services are being eliminated.

In-custody programs in the jail will have to be stopped due to inadequate security in the County jail.

The County Prosecutor will lose at least 5 criminal attorneys on top of a loss of 4 positions in the original budget.

In addition, Thurston County is closing its County Parks and eliminating its Parks and Recreation Department

A number of personal public health services in the community, including WIC (Women, Infants & Children) have now been cut.

Whatcom County Budget Situation

Whatcom County cut ongoing General Fund expenditures in 2009 by \$4,452,583 or approximately 7%. We have eliminated 9 positions and have been holding 46 positions vacant as of July of 2008.

Revenues have deteriorated since the budget was adopted. We now project sales tax revenues to be down in excess of 10% resulting in an additional \$762,000 reduction in General Fund revenues. Declining investment interest rates are now projected to decrease General fund revenues by an additional \$750,000. We believe 2009 expenditures will need to be reduced by an additional \$2.5 to \$3 million dollars.

2008 REET revenue was 72% of the amount received in 2007 and the lowest level since 2003. Other fund balances are decreasing as sales tax revenue has dropped significantly. It is anticipated that 2009 will be worse.

Whatcom County with the legal advice of the Prosecuting Attorney uses earned interest income to enhance the County's General Fund. The recent State Auditors Interest Income opinion has the potential to further reduce the County's revenues at a time when County's are facing significant cuts, causing more harm than good.