

General Overview and State Budget

It will come as no surprise that the county's budget plans for the next two years anticipate little help from the economy or the state. The state faces the same massive deficit it has faced for years. The best the county can hope for is a new state budget that shifts a minimal amount of those problems to local government. On the economic front, the news seems to be mixed. Either the county is shaking off the last vestiges of the worst economy in most of our lifetimes, or perhaps the county is getting a breather before the descent resumes.

The May revise is out and represents the Governor's best effort to produce a plan consistent with both his views and those of the majority in the legislature. Though not their final budget, it can be treated as a close draft for planning purposes. Riverside County should be prepared to react to those sections of the May revise that would significantly and negatively have an impact on it. The county need not formally adjust its budget immediately, but will have a plan ready to return to the Board.

The county's Department of Public Social Services (DPSS) serves as a good barometer of each new state budget. DPSS would likely be affected more than any other county department, so the county will look at state budget proposals from the point of view of DPSS as early as possible. That department has done an early assessment of the May revise and concludes that the county needs to be wary of much that is proposed.

On the table for consideration are the elimination of CalWorks, a drastic drop in IHSS services, continuation of this year's cuts to Child Welfare services, and increases to the amount of county match required for various mandated services. At the same time, county staff's experience indicates that the largest service cuts and cost shifts to the counties are unlikely to be ultimately approved. The county's strategy is to leave in place departments' requested budgets, realizing that it might need to react promptly.

Statewide sales-tax revenue can also affect budgets that get state revenue. Realignment revenue, essential for DPSS, Public Health, and Mental Health services rises and falls with sales taxes. All the services supported by this revenue are important and some are mandated by law. In certain cases though the revenue falls, the service must be continued. County general-fund revenue makes up the difference. That analysis will develop as an element of the future review.

DPSS estimates that realignment revenue drops for mandated services could require \$8 million additional general-fund support in FY 10/11.

County Discretionary Revenue

A \$27 million year-to-year decline in discretionary revenue is projected. That drop includes a \$20 million loss in property-related taxes, \$3 million in sales taxes, \$2 million in interest income, and \$2 million in miscellaneous sources. The property tax figure is based on the Assessor's preliminary Proposition 8 analysis; the final number should not deviate significantly. The Auditor-Controller provides the sales tax number and the Treasurer provides the interest income figure. The county projects safety sales-tax

revenue will stabilize at \$110.5 million in FY 10/11. Any additional revenue will be placed in the new fund created for that purpose.

The county's long-term outlook for discretionary revenue is improving. Perhaps it would be more accurate to say that the outlook is not as bad as it was in FYs 08/09 and 09/10. The county is currently projecting a smaller revenue drop than last year. While last year's drop – led by a property value loss exceeding 10 percent – was on the order of \$100 million, this year's loss should be around \$27 million. While encouraging, the county will not grow its way out of its current difficulties any time soon.

Most of Riverside's discretionary revenue is directly related to property values: 45 percent comes from property taxes, 32 percent comes from "motor vehicle in lieu" which is actually property taxes passed through from the state, and 8 percent comes from penalties on delinquent property taxes. The Assessor projects a drop in assessed values for the third year in a row. This expected drop of about five percent is already included in the budget. What remains a matter of active debate is whether Riverside will begin to see a recovery in FY 11/12. The optimistic camp (Fullerton economists) calls for a modest gain, while the more pessimistic view (Beacon Economics) forecasts continued falling property values. By all accounts the growth associated with 85 percent of the county's discretionary revenue will be modest at best.

The next biggest source of discretionary revenue is sales tax at about \$25 million, or four percent of the total. Proposition 172 revenue is not discretionary, but correlates to sales taxes, is estimated at just over \$110 million, and supports county public-safety department services. Three independent sales tax forecasts contain nearly flat or increasing sales-tax revenue in the near term.

Structural Deficit

It has been the Board's choice to moderate the impact on departments of the aforementioned revenue drops by using general-fund reserves. Needed spending cuts have been spread over multiple years. This tactic has allowed department managers additional time to formulate appropriate changes to how they do business with fewer resources. A large gap has developed between ongoing revenues and expenses. This gap, or structural deficit, is projected to top \$130 million in FY 10/11 without Board intervention. A gap that large would wipe out all the county's general reserves in less than two years.

The Board's stated goal is to eliminate the structural deficit in the next two years. Toward that end, this budget contains about \$68 million in cuts and the use of about \$62 million in reserves. This third year of cuts will put a large strain on the county's managers and staff to preserve essential services. Unfortunately some services will be slowed or eliminated, and some portion of the workforce will be lost to attrition and layoffs.

If the gap can be held to about \$60 million, similar sized cuts in FY 11/12 should close it. What will be very difficult for the Board is to control the size of the deficit in FY 10/11

in the face of calls to restore cut services, the possibility of further revenue erosion, and the likelihood of negative state actions.

Actions Taken in Anticipation of Difficult Budget

This budget is conservative and recognizes difficult economic conditions. Steps taken over the last year to address some of the challenges include:

- Controlling general-fund employment levels with the maximum fill rate (MFR);
- Implementing Board-approved furloughs;
- Implementing cost controls;
- Organizing a long-term initiative to increase efficiency through information technology;
- Reducing the workforce through early retirement;
- Reducing the county's vehicle fleet;
- Delaying or cancelling capital projects to increase reserves.

Workshops and Department Head Testimony

FY 10/11 preparation workshops started in November and led to testimony from department heads beginning in late March. Anticipating a difficult and perhaps controversial budget, the Board began gathering information early. This input and the additional time to consider options allowed the Board to assign measured, targeted cuts to general-fund departments.

Another Board directive that came out of the workshops and hearings was to increase reserves. In the third-quarter report, the Board voted to cancel or delay important projects. This allowed replenishment of reserves that were falling to unsafe levels. This budget meets the Board's objective to maintain the reserve for economic uncertainty above 15 percent of discretionary revenue. High reserves give the Board options for addressing unexpected emergencies. This budget includes a mix of cuts and uses about \$62 million in reserves, leaving the reserve for economic uncertainty at about \$128 million. The Board created a new \$15 million reserve for emergencies. A third reserve, for replacement of the county's aging property tax system, contains \$14 million. Finally, there is a \$3.4 million reserve for community improvements.

With the third-quarter budget report, the Board heard testimony from two independent economists hired by the Executive Office. The pair from Cal State Fullerton provided their view on the present and future economy of Riverside, the state and the country. Theirs was a generally optimistic view predicting a slow, steady recovery. They did cite many risks to the recovery. The second economist, from Beacon Economics, had a much more guarded prognosis for the local economy. He thought an immediate recovery was possible, especially in the short term, but expected risks to likely overcome all else. In his opinion, recovery is likely to stall and a quick return to recession (a "double dip recession") is possible.

Both economists first confirmed what the county has known for some time: that this recession has had an impact on all parts of the local economy, especially the housing industry. What they also agreed to is that recovery, when it comes, will be gradual.

The county will meet its objectives to control costs and balance over two years because all general-fund departments participate in the reductions. Public safety remains the highest priority. On average, cuts in those areas are less than half the cuts to other departments. Public safety departments are cut three to five percent of net county cost (NCC). Other departments are cut an average of 19 percent of NCC. Layoffs are expected, but retirements will offset a portion and displaced employees will be offered similar positions in other divisions, when possible.

Revenue for Fire, the District Attorney, Sheriff and Probation – especially public-safety sales tax – has fallen significantly. The Sheriff also faces increased personnel costs tied to agreements with labor units. The revenue losses and unavoidable cost increases are significant. In fact, for every safety department, the amount of these other items is greater than the cost of the NCC cut.

Challenges Associated With Capital Projects

Many major general-fund capital initiatives began maturing last year. Several new facilities are opening in FYs 09/10 and 10/11, however the strain of the structural deficit will make it impossible to immediately make full use of all of these facilities. In some cases the building will be used essentially as planned. For example, the county was able to use the new downtown law building to full capacity by creatively assigning three departments to share the space.

Construction of three animal shelters will be completed less than a year apart; however opening all three shelters will be a challenge. Full funding for these shelters will cost well over \$5 million in new general funds at a time that discretionary revenue is declining. The county has identified a potential bridge revenue source in RDA pass-through funds. These funds are limited and have been dedicated to paying for capital investments and debt service. Of further concern, this funding source is volatile and could start falling in four years as agreements end. However, in the short term, it could be used for animal control operations to protect the county's investment in these buildings.

The county's new radio system is expected to be operational in FY 11/12. This investment replaces the county's aging equipment and expands service to many dead zones. What remains unknown is the increased cost of operating the expanded system. The Department of Information Technology is in the process of estimating this cost so that it can be incorporated into early planning of the FY 11/12 budget.

The CREST project to replace the aging property tax system has progressed to the stage that a construction bid will soon be brought to the Board for approval. The full cost of creation and installation is not known, but will certainly exceed the amount the Board has reserved for this purpose.

FY 10/11 Budget Highlights

- Extended budget workshops and department testimony allowed the Board to carefully consider general-fund departments' challenges. Falling revenue and a growing structural deficit made cuts inevitable.
- Unlike in previous budgets, Proposition 172 adjustments were not funded.
- The Board established a new fund to hold Proposition 172 revenue that exceeds budget projections. Later, the Board will appropriate and expend the revenue for public safety needs.
- Community improvement funds will be \$3.4 million for FY 10/11.
- General-fund contingency is about 3.5 percent of discretionary revenue (\$20 million), while the Board-approved benchmark is 4.0 percent of discretionary revenue (\$23.7 million.) If Board commitments require additional appropriations, contingency funds may be used.
- Together the reserves for economic uncertainty and disaster relief total about 25 percent of discretionary revenue (\$143 million). The Board-approved benchmark is not less than 15 percent of discretionary revenue (\$89 million.)
- No ongoing funds are appropriated in the recommended budget for new capital projects.
- The state's fiscal situation remains uncertain. The county will address the state's revised budget proposal in its final budget, assuming the state has adopted a budget by that time. Board direction to increase the reserve for economic uncertainty offers a cushion to adjust to the effects of the state's budget plan.
- Layoffs will be necessary. Departments will work to minimize the effect on employees by offering new positions in other divisions, if possible. The first-quarter report will include an update.
- The general-fund carryover at year-end, excluding reserves, was estimated at \$20 million. This assumption envisions that some contingency funds will not be needed and can be carried forward. The estimate includes departments' third-quarter projections for year-end savings and additional discretionary revenue. Late information indicates that the Sheriff, District Attorney, Fire, and DPSS could realize additional savings. If ultimately realized, these savings will be available in the first quarter.

COUNTYWIDE BUDGET SYNOPSIS

The FY 10/11 recommended budget establishes \$4.7 billion in appropriations for Riverside County, almost an 11 percent decrease from FY 09/10. Countywide revenue is expected to decrease about three percent, to about \$4.4 billion. The \$328.5 million gap between appropriations and revenue is funded through the use of reserves. Reserves represent revenue collected in a prior year.

The county’s budget is broken down into three fund groups as shown in Table 1: governmental, proprietary, and special district. Governmental funds account for basic services such as police, fire, roads, social services, health and welfare, and general administration. The unusual drop in governmental-fund spending is linked to the recession and the multiyear loss of countywide revenue. Reduced capital project spending makes up most of the decline in this group, appropriating about half of what was authorized the year before.

Proprietary funds reflect activities financed primarily by revenue generated from the activities themselves, such as the county hospital. Special districts are separate local-governmental agencies created to perform governmental or proprietary functions within limited boundaries. When local taxes are inadequate or competing demands for existing tax dollars make it hard for the county to provide all of the services citizens desire, residents or landowners form special districts to pay for new or higher levels of existing services.

Table 1
Year-to-Year Budget Comparison
(In Millions)

	09/10 Final Budget	10/11 Recommended Budget	Change (\$)	Change (%)
Appropriations				
Governmental Funds	\$3,751.6	\$3,221.4	(\$530.2)	-14.1%
Proprietary Funds	823.9	926.5	102.6	12.5%
Special District Funds	701.9	570.9	(131.0)	-18.7%
All County Funds	\$5,277.4	\$4,718.8	(\$558.6)	-10.6%
Estimated Revenue				
Governmental Funds	\$3,306.5	\$3,044.4	(\$262.1)	-7.9%
Proprietary Funds	717.9	849.2	131.3	18.3%
Special District Funds	599.3	496.7	(102.5)	-17.1%
All County Funds	\$4,623.6	\$4,390.3	(\$130.5)	-2.8%

Chart 1 illustrates countywide spending by category. The county anticipates spending 35 percent of its resources on salaries and benefits. Another 57 percent is spent on supplies and other charges, such as payments on debt and intra-county transactions. About five percent of the county’s appropriation is budgeted for the acquisition of capital assets.

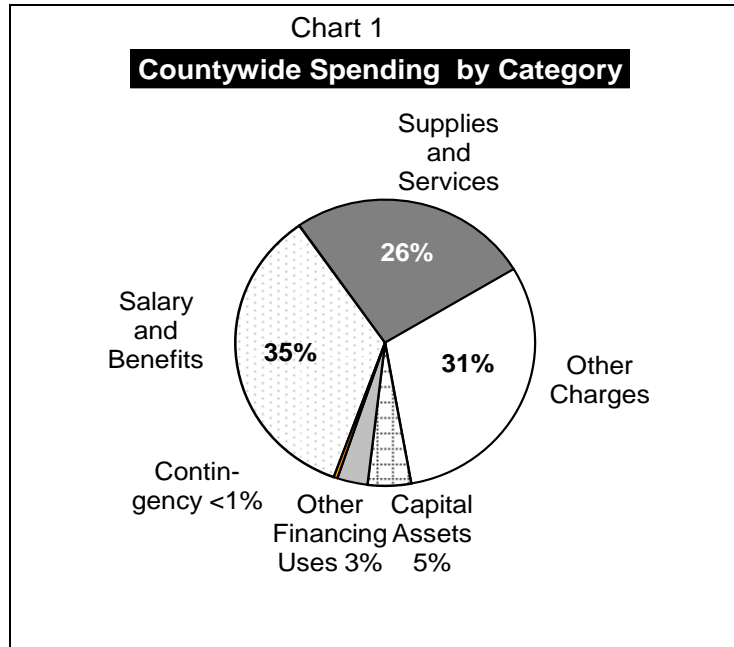


Chart 2 reflects countywide revenue by its source. The county's largest source of revenue is derived from charges for services. The smallest sources of revenue are from licenses, permits, and franchises; use of money and property; and fines, penalties, and forfeitures; together these sources comprise less than four percent of the county's revenue.

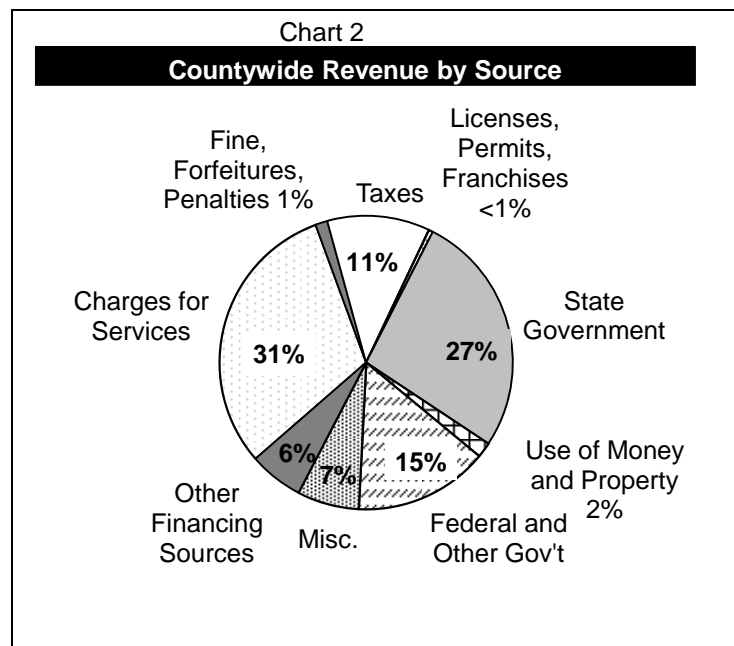


Table 2 compares the FY 09/10 budget to the FY 10/11 recommended budget and summarizes spending by fund type. Governmental fund types include: 1) the general fund, the county’s basic operating fund, which accounts for everything not in another fund, 2) special revenue funds, used to report specific revenue sources that are restricted to a particular purpose, 3) capital projects funds, that account for the construction, rehabilitation, and acquisition of capital assets, such as buildings, equipment, and roads, and 4) debt service funds, which account for the repayment of debt. Proprietary fund types include internal service funds, which are used by the county to account for the financing of goods and services provided by one county department to another on a cost-reimbursement basis; and enterprise funds, which are established to account for county functions that operate similar to private business enterprise, where operational costs are recovered primarily through user charges.

Table 2
Year-to-Year Comparison of Total County Appropriations
(In Millions)

	09/10 Final Budget	10/11 Recommended Budget	Change (\$)	Change (%)
Governmental Funds				
General fund	\$2,525.1	\$2,436.1	(\$89.0)	-3.5%
Special revenue funds	514.2	448.4	(65.8)	-12.8%
Capital project funds	666.6	290.3	(376.4)	-56.5%
Debt service funds	45.6	46.6	1.0	2.1%
Total governmental funds	3,751.6	3,221.4	(530.2)	-14.1%
Proprietary Funds				
Internal service funds	295.8	369.1	73.3	24.8%
Enterprise funds	528.1	557.4	29.3	5.5%
Total proprietary funds	823.9	926.5	102.6	12.5%
Special District Budgets				
Community redevelopment	380.4	248.1	(132.3)	-34.8%
IHSS Public Authority	3.5	2.7	(0.8)	-24.1%
Parks and Open Space District	37.0	33.7	(3.3)	-8.8%
County service areas	20.7	21.5	0.8	3.8%
Flood Control District	149.5	139.4	(10.1)	-6.8%
Waste Management District	5.5	4.5	(1.0)	-18.5%
Capital finance	64.8	72.1	7.3	11.3%
Cemetery District	0.7	0.5	(0.2)	-28.3%
Children and Families Comm.	39.9	48.6	8.7	21.7%
Total special districts	701.9	570.9	(131.0)	-18.7%
Total gross appropriations	\$5,277.4	\$4,718.8	(\$558.6)	-10.6%

For the general fund, the recommended budget establishes over \$2.4 billion in appropriations, a year-to-year reduction of 3.5 percent, primarily due to the multiyear loss of discretionary revenue. Additionally, facility services such as housekeeping,

equipment maintenance, building design, and real estate, are all new proprietary funds in the coming fiscal year, transitioning about \$30 million in appropriations out of the governmental and into the proprietary group.

In Table 3, the FY 10/11 recommended spending plan is summarized by sources and uses. By law, sources and uses in the county’s recommended and adopted budgets must equal. “Sources” includes all new revenue, any released reserves, or fund balance carried over from the previous year. “Uses” include all new appropriations and new or increased reserves. The table reflects how much of each fund type is supported by current-year revenue and how much is supported by revenue received in a prior period.

In total, \$382 million in reserves will be needed to support planned spending. In the general fund, \$62 million in discretionary reserves, \$20 million in unreserved fund balance, and \$11 million in restricted reserves are being drawn upon to support recommended spending. The additional \$15 million reallocation in the general fund is being used to establish a new discretionary reserve for disaster relief.

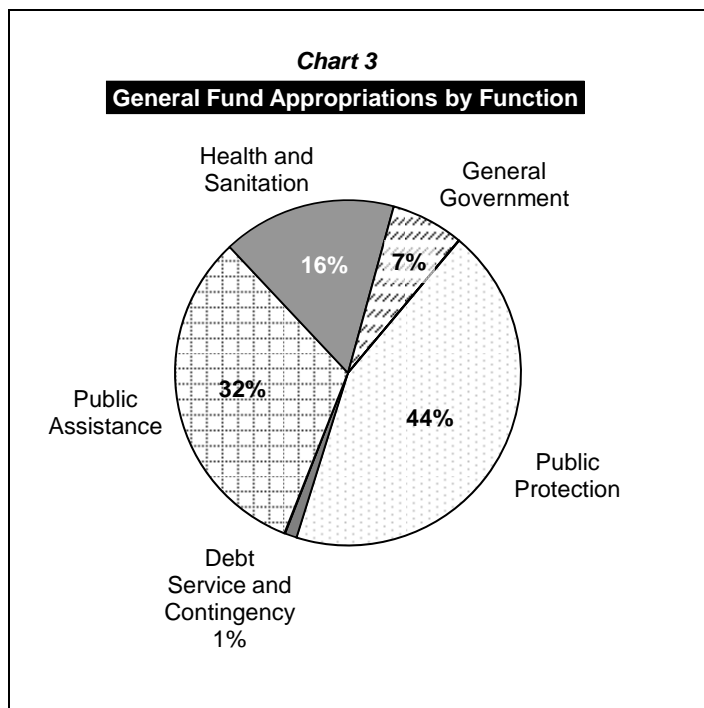
	Fund Balance and Reserve Cancelations	Financing Sources	Total Available Financing
Total Sources			
General fund	\$107.9	\$2,345.8	\$2,453.6
Special revenue funds	36.7	412.0	448.7
Capital project funds	75.7	240.0	315.7
Debt service funds	0.0	46.6	46.6
Internal service funds	37.9	331.2	369.1
Enterprise funds	39.4	518.0	557.4
Special district funds	84.5	496.7	581.3
	\$382.2	\$4,390.3	\$4,772.5
	Provisions for Reserves	Operating Expenditures	Total Available Requirements
Total Uses			
General fund	\$17.5	\$2,436.1	\$2,453.6
Special revenue funds	0.4	448.4	448.8
Capital project funds	25.4	290.3	315.7
Debt service funds	0.0	46.6	46.6
Internal service funds	0.0	369.1	369.1
Enterprise funds	0.0	557.4	557.4
Special district funds	10.4	570.9	581.3
	\$53.7	\$4,718.7	\$4,772.5

GENERAL FUND APPROPRIATIONS

The general fund is the primary operating fund of the county and accounts for all financial resources except those required to be accounted for in other more specialized funds. It represents many of the commonly thought of activities supporting governmental operations; some of these activities include sheriff, fire, social services, and general administration. An example of a specialized fund is a capital projects fund, which accounts for financial resources used for the acquisition or construction of capital assets like buildings or roads.

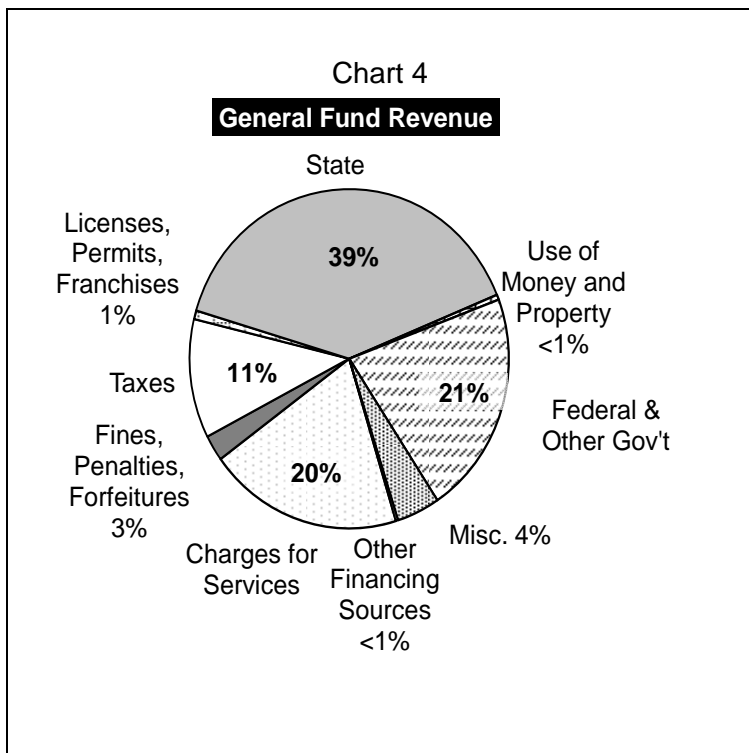
The FY 10/11 general-fund budget establishes \$89 million less in spending authority than in FY 09/10, a reduction of 3.5 percent. Appropriations have been reduced in concert with a loss of discretionary revenue. Another factor influencing the reduction in appropriations and revenue is the conversion of several activities into specialized funds (internal service funds) for housekeeping, equipment maintenance, building design, and real estate services.

General fund appropriations are broken down by function and are illustrated in Chart 3. Public Protection accounts for the largest portion of general fund appropriations totaling slightly more than \$1 billion. About \$780 million is appropriated for public assistance. Another \$396 million is appropriated in support of health and sanitation services. General government services account for almost \$166 million. The functions not shown are education, recreation, and culture; and public ways and facilities, which combined represent less than one percent of total appropriations.



GENERAL FUND REVENUE

In the county general fund, about \$2.3 billion in revenue is expected to support general fund operations. Chart 4 reflects all sources of general fund anticipated revenue. The lion’s share of general-fund revenue is received from the state and totals \$921 million. Revenue received from the federal and other governments totals \$501 million. The county expects to receive \$461 million from charges for services.



GENERAL FUND DISCRETIONARY REVENUE

The bulk (75 percent) of general-fund revenue is restricted and can only be used for the purpose it was collected. What is not restricted (25 percent) is at the County Board of Supervisors’ discretion to spend on critical and core services. For FY 10/11 general-fund discretionary revenue is estimated to be \$592 million, a three percent decrease from last year’s budget estimate. Overall, this discretionary revenue is expected to decrease about \$27 million. The only significant increase is due to the reclassification of \$10 million in existing tobacco tax revenue that was previously recognized by the county hospital. An accounting change requires this revenue to be recognized in the general fund before it can be transferred to support county hospital operations.

Table 4 shows a breakdown of discretionary revenue by source. A discussion of key revenue sources follows.

Table 4
Year-to-Year Comparison of General Fund Discretionary Revenue
(In Millions)

	09/10 Final Budget	10/11 Recommended Budget	Change (\$)	Change (%)	Percent of Revenue
Property Taxes	\$274.5	\$263.8	(10.7)	-4%	45%
Motor Vehicle In-lieu	197.9	188.8	(9.1)	-5%	32%
Teeter Overflow	46.0	46.0	0.0	0%	8%
Fines & Penalties	26.1	25.7	(0.4)	-1%	4%
Sales Tax*	25.6	23.0	(2.6)	-10%	4%
Tobacco Tax	0.0	10.0	10.0	100%	2%
Property Transfer Tax	9.2	9.3	0.1	1%	2%
Franchise Fees	8.0	7.0	(1.0)	-13%	1%
Interest Earnings	8.5	6.3	(2.2)	-25%	1%
Misc. Fed and State	6.0	5.9	(0.1)	-2%	<1%
Other Miscellaneous	7.2	6.3	(0.9)	-13%	<1%
Total:	\$609.0	\$592.1	-\$16.9	-3%	

*Does not include Public Safety Sales Tax

Property Taxes

Property tax revenue is estimated at \$263.8 million for FY 10/11. This revenue represents 45 percent of the county’s discretionary revenue and includes \$87.3 million in redevelopment tax increment pass-through funds. As property values in the county decline, this revenue falls.

Motor Vehicle In-lieu Fees

Motor vehicle in-lieu revenue is estimated at \$188.8 million and represents 32 percent of the county’s discretionary revenue. The state converted this revenue source to property tax revenue several years ago. This revenue is now tied to county assessed property values, just like property tax revenue.

Teeter Overflow

In 1993, the county adopted the Teeter Plan, which provides an alternate procedure to distribute property taxes. The Teeter Plan is financed, and debt service paid, as delinquent properties are redeemed. State law requires that a tax-loss reserve fund be established with a balance equal to one percent of the Teeter roll. Any delinquent collections exceeding the one percent may be transferred to the general fund. This excess is called the Teeter overflow. The recommended budget estimates this overflow at \$46 million, based on estimates of property values and delinquency rates.

Court Fines and Penalties

Fines and penalties are estimated at \$25.7 million. Comprising four percent of the county’s revenue, fines and penalties are mostly dedicated to funding the county’s

obligation to the trial courts and are subject to state maintenance-of-effort requirements. The county continues to shift fines and fees resulting from trial-court reform to the state.

Sales Taxes

Sales and use taxes are estimated by the Auditor-Controller at \$23 million and represent four percent of the county’s discretionary revenue.

Tobacco Taxes

In 1998, when the Master Tobacco Litigation Settlement was finalized, tobacco companies agreed to pay compensation for causing tobacco-related problems across the nation. Riverside County along with other cities and counties entered into an agreement with the state regarding how California’s share of the settlement was to be allocated. In 2007, the county sold bonds backed by the future stream of tobacco-tax settlement income for one lump-sum amount, reducing what it would have otherwise received to \$10 million per year. These funds are passed on to the county hospital.

GENERAL FUND RESERVES AND DESIGNATIONS

The recommended budget incorporates the use of about \$70 million in general fund reserves to fund one-time and ongoing expenditures in support of general fund operations. The use of \$10.6 million in restricted reserves is proposed along with about \$60 million in general-fund discretionary reserves. An additional \$2.5 million is being set aside for community improvements, making that total \$3.4 million. A new discretionary reserve titled Disaster Relief is being established with \$15 million moved from the economic uncertainty reserve. Table 5 below depicts proposed changes to general fund reserves and expected year-end balances.

Name	09/10 Expected Ending Balance	Recommended Changes	10/11 Reserves and Designations
Discretionary:			
Economic uncertainty	\$205.4	(\$77.3)	\$128.1
Disaster relief	0.0	15.0	15.0
Property tax system replacement	13.6	0.0	13.6
Community improvement	0.9	2.5	3.4
Sub total	220.0	(59.8)	160.1
Restricted:	83.5	(10.6)	73.0
Total:	\$303.5	(\$70.4)	\$233.1

Upon approval of the recommended budget, general-fund reserves will total about \$233 million, \$160 of which is earmarked for specific purposes, but at the Board’s discretion to spend for any purpose. Of that amount, the Board has set aside \$128 for economic uncertainty, \$15 million for disaster relief, \$13.6 for a new property tax system, and \$3.4 for community improvement.

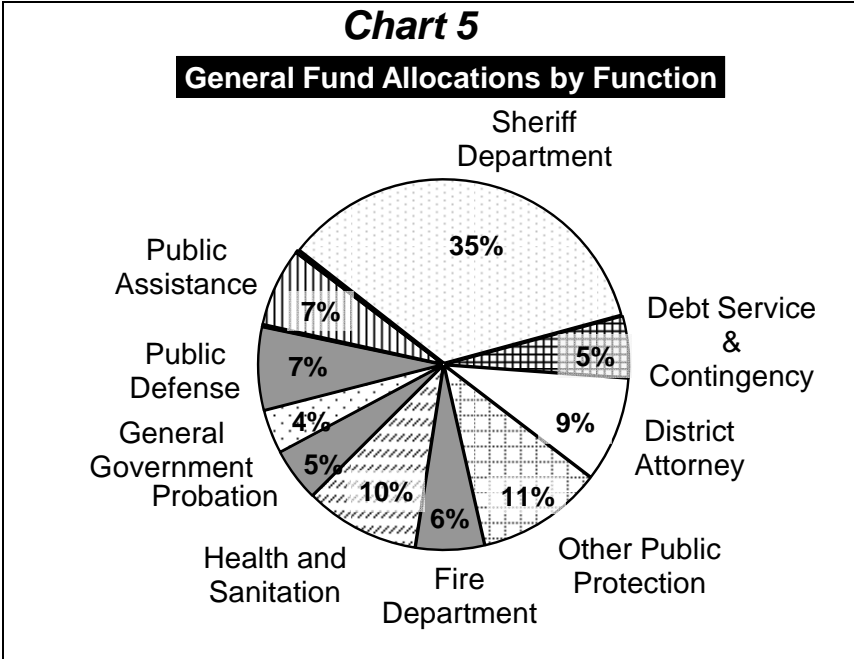
**GENERAL FUND DISCRETIONARY ALLOCATIONS
NET COUNTY COSTS (NCC)**

In accordance with Board policy, general fund support authorized by the Board in the previous year’s final budget and ongoing commitments approved by the Board during the year form the basis for the general fund’s net county cost (NCC) allocated in the subsequent year’s recommended budget. NCC represents the allocation of discretionary revenue and reserves in support of various county services. In an effort to move toward structural balance, net county costs were reduced disproportionately between departments, but overall by 10 percent. For FY 10/11, NCC allocations are expected to exceed discretionary revenue by about \$62 million.

Table 6
Changes in Ongoing Net County Costs
(In Millions)

	09/10 Final Budget	10/11 Recommended Budget	Change (\$)	Change (%)
Public Protection	\$501.2	\$494.3	(\$6.9)	-1%
General Government	48.6	25.8	(22.8)	-47%
Health and Sanitation	95.2	67.7	(27.5)	-29%
Public Way and Facilities	1.5	1.3	(0.3)	-17%
Public Assistance	55.8	46.2	(9.6)	-17%
Education, Recreation & Culture	1.7	1.5	(0.3)	-15%
Debt Service and Contingency	39.5	36.2	(3.3)	-8%
Total Net County Cost	\$743.6	\$672.9	(\$70.8)	-10%

Chart 5 illustrates ongoing general-fund allocations by function, with detail added for the primary public safety departments. The largest share of discretionary resources (73 percent) is allocated to public protection (\$494 million). The Sheriff’s Department receives \$237 million. The District Attorney’s Office receives about \$62 million. The Fire Department, which also receives structural fire-tax revenue, gets about \$40 million in general-fund support. As required by state law, the county plans on spending almost \$49 million for people who are charged with a crime and need legal representation but cannot afford to hire a privately retained attorney. Those funds are allocated to the Public Defender’s Office, the Alternate Public Defender, confidential court orders, and indigent defense. The Probation Department will receive about \$31 million. Public ways and facilities, along with education, recreation and culture, make up less than one percent of general-fund net county cost allocations combined (\$2.8 million).





(This Page Intentionally Left Blank)