



MEMORANDUM

Date: March 25, 2014

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator *CHH*

Re: **Budget is Constrained by Mandated Expenditure Requirements**

I have often indicated to the Board of Supervisors that our budget is severely constrained by mandated service obligations that are primarily focused on justice and law enforcement. For Fiscal Year (FY) 2013/14, the two primary sources of revenue for the General Fund were property taxes at \$285.5 million, or 61 percent, of the General Fund and State-shared Revenues equal to \$122.6 million, or 26 percent. The balance of the General Fund is made up of other miscellaneous revenues and grants.

To illustrate just how constrained the Board's choices are regarding funding General Fund programs, the top five mandated services consume over 100 percent of the Fiscal Year 2013/14 property tax levy of \$277.2 million. Please note that this levy is most of the total property tax revenue that also includes personal property tax.

The attached chart shows that 45 percent of the total primary property tax levy for this fiscal year was consumed by the Sheriff's Department, followed by State mandated payments for indigent health services, which consumed 30 percent of the property tax levy. This means that approximately one-third of the total primary property tax levy of the County is sent to the State to satisfy their mandated transfer payments from County taxpayers. Superior and Juvenile Courts consume another 20 percent of the primary property tax levy, and the County Attorney consumes eight percent.

In just these four mandated services, the entire primary property tax levy of Pima County is consumed, which illustrates just how constrained the County budget is, primarily by justice and law enforcement programs and State-mandated transfer payments.

CHH/anc
Attachment

c: Presiding Judge of the Superior Court
Elected Officials
Appointing Authorities

Pima County
 Fiscal Year 2013-14 Adopted Budget
 Departments With Highest Use of General Fund Dollars
 Net Fund Impact As A Percent of Tax Levy
Tax Levy for Fiscal Year 2013-14 \$ 277,155,468

Department	Expenditures	Revenue	Net Impact To General Fund	% of Total Tax Levy	Cumulative Amount	Cumulative %
Sheriff	135,355,031	8,988,500	126,366,531	45.6%	126,366,531	45.6%
Mandated Payments - AHCCCS, ALTCS, State Psych Payments and Jail Medical Costs	84,420,531	0	84,420,531	30.5%	210,787,062	76.1%
Superior Court	31,648,341	543,050	31,105,291	11.2%	241,892,353	87.3%
Juvenile Court	23,259,977	107,300	23,152,677	8.4%	265,045,030	95.6%
County Attorney	22,508,352	40,000	22,468,352	8.1%	287,513,382	103.7%