

## Response to Questions on the FY 2014 Budget

**Request By:** Supervisor Hudgins

**Question:** For the periods 2000-2008 and 2008-2014, how much of the annual County spending increases were Schools versus County and for the County increases how much were compensation-related (raises, rising costs for medical insurance, retirement, etc.) as opposed to other costs (additional employees, higher utility costs, etc.)? In addition, for the same periods, how much of the increases were for Public Safety, Health and Welfare, and Schools?

**Response:** Utilizing the Adopted budget plans, General Fund disbursements increased \$1.36 billion from FY 2000 to FY 2008, or about 6.8 percent annually, and increased \$271.55 million from FY 2008 to FY 2014 (Advertised), or about 1.3 percent annually. Of the total increase, approximately 55 percent was for Schools in the FY 2000-2008 timeframe, while 57 percent was for Schools in the FY 2008-2014 timeframe. The Schools increase includes transfers to the School Operating Fund as well as Schools Debt Service. The breakout between Schools and County follows.

	FY 2000-2008		FY 2008-2014	
	Increase (in millions)	% of Total Change	Increase (in millions)	% of Total Change
<b>Schools</b>	\$748.79	55%	\$154.90	57%
<b>County</b>	\$607.53	45%	\$116.65	43%
	<b>\$1,356.32</b>	<b>100%</b>	<b>\$271.55</b>	<b>100%</b>

Of the increase in County disbursements (excluding Schools-related increases), the breakout between compensation and benefit categories as opposed to other costs is as follows.

	FY 2000-2008		FY 2008-2014	
	Increase (in millions)	% of Total Change	Increase (in millions)	% of Total Change
<b>Compensation</b>	\$217.79	36%	\$117.11	101%
<b>Retirement</b>	\$15.00	2%	\$57.53	49%
<b>Health Insurance</b>	\$27.76	5%	\$29.05	25%
<b>Retiree Health/OPEB</b>	\$11.97	2%	\$15.19	13%
<b>Other</b>	\$335.01	55%	(\$102.23)	(88%)
	<b>\$607.53</b>	<b>100%</b>	<b>\$116.65</b>	<b>100%</b>

Because of the significant reductions that the County has made over the past several years, the proportion of increases related to compensation and benefits are higher during the most recent timeframe. The large benefits cost increases in FY 2008-2014 are attributable to increased healthcare costs, the impact of the economic downturn on the County's retirement systems, and the implementation of GASB 45, whereby the County

began to prefund Other Post-Employment Benefits (OPEB) during employees' active employment in a manner similar to the treatment of the County's pension funds.

The increase in County disbursements can also be viewed programmatically. The charts below show County increases related to Public Safety, Health and Welfare, and other spending categories.

	<b>FY 2000-2008</b>		<b>FY 2008-2014</b>	
	<b>Increase (in millions)</b>	<b>% of Total Change</b>	<b>Increase (in millions)</b>	<b>% of Total Change</b>
<b>Public Safety</b>	\$231.53	38%	\$69.73	60%
<b>Health &amp; Welfare</b>	\$129.75	21%	\$72.13	62%
<b>Other</b>	\$246.25	41%	(\$25.21)	(22%)
	<b>\$607.53</b>	<b>100%</b>	<b>\$116.65</b>	<b>100%</b>

Again, because of the reductions that the County has made in spending over the past several years, the proportions for FY 2008-2014 are quite different than the previous period. Since FY 2008, while spending for the Public Safety and Health and Welfare categories increased by almost equivalent levels, spending for all other categories decreased.