

Summary: County Approaches to Budget Reductions

Approach Several counties were researched to explore the approaches that they may be taking for budget reductions. Little action has been taken at this time, so the foregoing is speculative.

Common Themes The following have been utilized by several counties as budget balancing efforts:

- Targeted reorganizations
- Across the board reductions
- Use of fund balance or budget stabilization dollars
- Reduction or limitation of employee compensation and benefits
- Structural position eliminations through hiring freeze and early retirements
- Operating millage increase or new special millage proposals

Kent County, Michigan



- **Population:** 604,330
- **General Fund:** \$165 Million for 2009
- **Budget Situation:** 2010 base budget deficit is projected in excess of \$15 million. “Goal” budgets were requested of departments, based on revenues and expenses. Capital improvements were reduced by \$1 million and \$2 million was set aside to “restore” a portion of department reductions. Departments have submitted but information has not been compiled and published at this time. Kent is also considering a tax increase of .0397 mills. Across the board solutions (e.g., hiring freeze, employee concessions, etc.) were not mentioned by their fiscal services director as approaches Kent is entertaining at this time.

Ottawa County, Michigan



- Population: 238,314
- General Fund: \$72 million
- Budget Situation: Anticipating a \$4.4 million deficit in 2010. Commissioners ranked services in a facilitated retreat and are using that to make their decisions. Services under review include juvenile detention, drug enforcement team, emergency management, maternal infant health, and parks.

Kalamazoo County, Michigan



- **Population:** 238,603
- **General Fund:** \$63 million (2009)
- **Budget Situation:** Deficit is estimated at \$1.8 million. Retirees now will be required to pay a portion of health care premiums. Also eliminated is a salary scheduled increase (1 percent). Commissioner retreat on other 2010 budget items was not scheduled until August and information has not been published.

Ingham County, Michigan



- **Population:** 279,000
- **General Fund:** \$82 million (2009)
- **Budget Situation:** Originally anticipating a \$5 million deficit for 2010 but it has grown to \$8 million. An estimated 30 positions would need to be eliminated. Considering cash anticipation notes due to timing of property tax collection. Across the board cuts are proposed which would include the elimination of road patrol. A proposed .65 millage to fund public safety is in the works, although it was voted against in Finance Committee.

Macomb County, Michigan



- Population: 825,000
- General Fund: \$230,774,113 (2008)
- Budget Situation: Facing a projected \$15.7 Million dollar deficit in 2010. This is after imposing \$10 million in pay and benefit decreases and eliminating 134 positions. They have done several things to address the deficit, some of the main areas being discussed are:
 - 5% across the board department budget decreases
 - Additional employee cuts through lay off
 - Employee concessions
 - Cutting services
 - Sheriff shutting down a portion of the jail (200 minimum security jail beds)

Oakland County, Michigan



- Population: 1,214,255
- General Fund: \$409 million in 2010; \$381 million in 2011 (triennial budget)
- Budget Situation: County executive has proposed 2.5% across the board pay cuts for all employees in 2010 and again in 2011; they are also considering furlough days. Other means include \$2 million reduction in capital improvements, \$2.25 million reduction in support to Road Commission, targeted reductions, hiring freeze. Sheriff estimates losing 120 staff and jail space for hundreds by 2012.

Lenawee County, Michigan

- **Population: 100,968**
- **General Fund: \$28.6 million (2010 general fund)**
- **Budget Situation: Looking to cut \$1.3 million to balance the 2010 budget. Revenues include grant utilization and district court fines and costs. Commissioners may ask department heads for 10 percent across-the-board spending cuts yet in 2009 in order to limit fund balance use. All capital spending items, including building repairs, now require commissioner approval.**

Livingston County, Michigan



- **Population:** 156,951
- **General Fund:** 2009 budget \$46,118,643
- **Budget Situation:** 2010 budget is now projected to be \$4 million short (in July, it was estimated at \$3 million). In addition to targeted layoffs (13 in road patrol) and restructuring, union negotiations have begun to charge employees a share of health and retirement costs. Should unions not participate, an additional 35-50 positions would be cut. User fees have also increased. Other options under consideration are elimination of up to one day per pay period for non-exempt positions and fill vacant positions with part time staff receiving no benefits.

Muskegon County, Michigan



- **Population: 175,231**
- **General Fund: \$45.4 million in 2010 (Oct 1 is new fiscal year)**
- **Budget Situation: Approximately \$3.8 million in cuts has been proposed to commissioners, including no pay increases, hiring freeze, use of reserves, increase in co-pays, increase in fees, and a retirement incentive program. Targeted reorganizations are also included in the recommendation.**

Genesee County, Michigan



- **Population: 434,715**
- **General Fund: \$92.3 million in 2010 (Oct 1 is new fiscal year)**
- **Budget Situation: \$15 million deficit estimated. Controller delivered a deficit reduction plan that included elimination of 59 positions including 19 in the Health Department, the elimination of MSU Extension, and unspecified cuts in other departments and elected offices. Use of fund balance is also possible, depending upon degree of cuts. Unions have also discussed with the County the potential for unpaid days off but formal negotiations have not occurred yet.**

Saginaw County, Michigan



- **Population:** 210,000
- **General Fund:** \$44,600,000
- **Budget Situation:** Unclear total deficit they are planning to address but it appears to be around \$4.5 million. Saginaw has developed a worst case scenario, which would require \$7 million in cuts. Across the board wage freeze, elimination of vacant positions and \$1.3 million in fund balance use are the primary methods of addressing the deficits. Elimination of MSU Extension is one program targeted for elimination. Eliminating subsidy of \$2 million to road patrol, animal control, and district court probation are included in the worst case scenario.

Jackson County, Michigan



- **Population: 163,006**
- **General Fund: \$43 million in 2010**
- **Budget Situation: Facing \$3.4 – 4.1 Million deficit in 2010. Made \$1 million more in cuts above what was estimated earlier this year. Only program eliminated was Juvenile Community Corrections. Using \$1 million from reserve, \$250,000 from Budget Stabilization Fund. Most FTE Reductions handled through attrition. Cuts focused on Jackson's strategic areas:**
 - **Safe Community (4% reduction)**
 - **Economic Development (8% reduction)**
 - **Healthy Community (5% reduction)**
 - **Recreational & Cultural Opportunities (11% reduction)**