

INTRODUCTION

While the policies that govern the implementation of the budget are detailed each year in the budget resolution, there are specific policies, guidelines and major issues that underlie the development of the budget itself. This section is designed to give the reader a more comprehensive understanding of the thought process behind the preparation of Washtenaw County's 2008/09 biennial budget.

- Budget Process Overview – Beginning on this page, a general overview of the budget is discussed, laying out the major stages, components and timeframe for the completion of the budget.
- Budget Principles – Given the challenging economic situation, principles were developed and followed throughout the budget process to help ensure the appropriate use of limited resources. These principles are outlined on page B-3.
- Business Improvement Process – The Business Improvement Process (BIP) has transformed Washtenaw County into an organization that focuses on accomplishments, improvements and measures. A discussion of how the BIP began and how it informs budget discussions begins on page B-3.
- The 2008/09 Planning Process – An overview on the county's approach to business and strategic planning and how it framed the 2008/09 budget development begins on page B-6. This section outlines the major issues and the strategic initiatives underway within the county to help move the organization towards its vision of Community Impact. There is also information on the major financial constraints that had to be dealt with in the 2008/09 Budget and how they impacted the final budget (page B-14 through B-17).

BUDGET PROCESS OVERVIEW

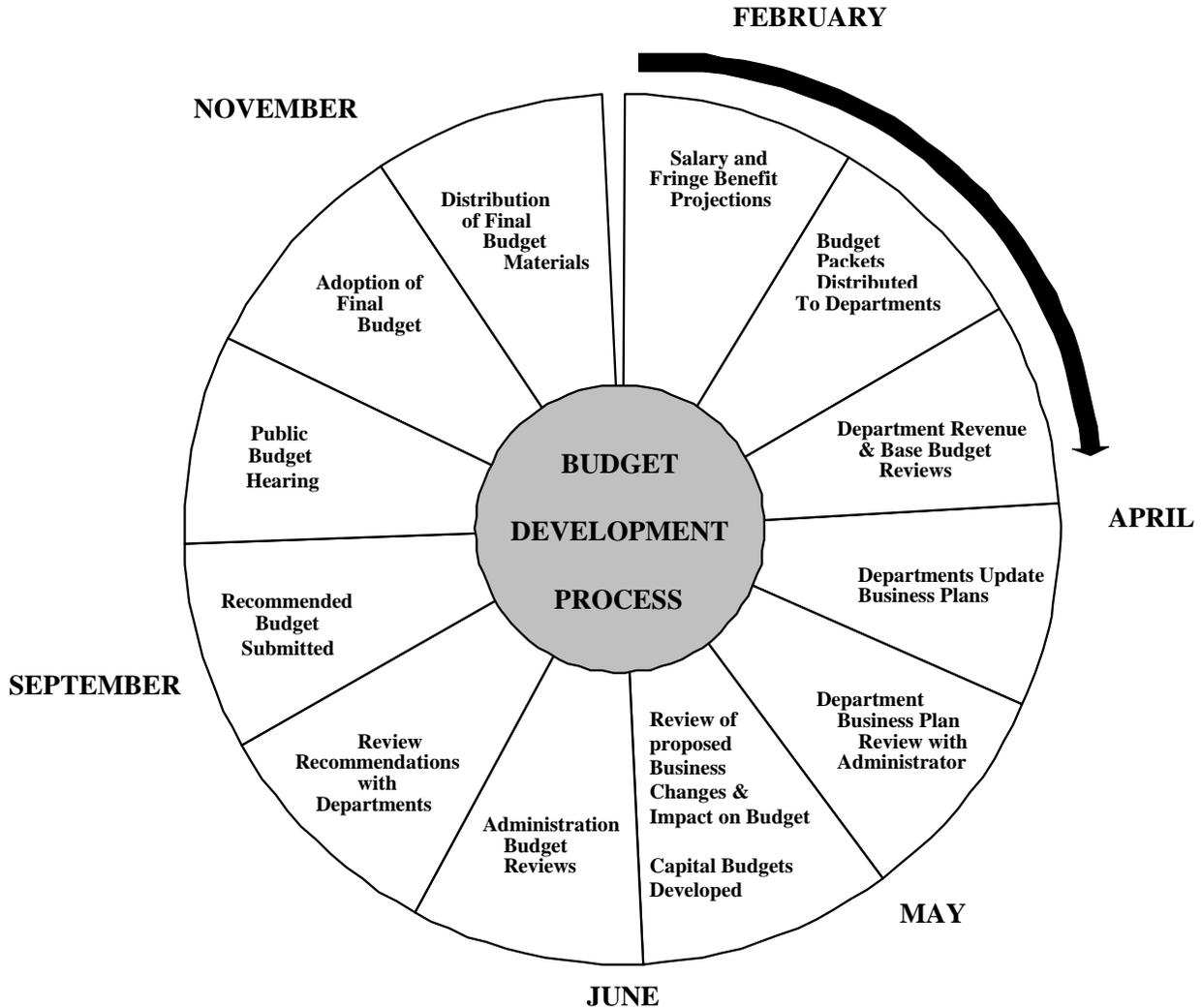
Washtenaw County's fiscal year begins January 1 and ends December 31. Preparation for the County's biennial budget encompasses a period of over ten months every two years, with the majority of work being completed during February through November. Many factors influence the direction of the budget, most notably the economy and outside funding levels, the priorities of the Board of Commissioners, vision of the Administrator and needs of our customers. Each two year budget process is unique given the internal and external influences, but the basic budget process structure remains the same.

The budget process begins with a determination of revenue projections and base budget levels. Reviews are held with departments for a discussion on their current operations and resource needs. The base budget assumes we maintain the current operations into the future without major adjustments or enhancements. Personnel cost projections are calculated and indirect service costs for user departments are developed. The budget manual, forms and instructions are distributed so everyone understands the direction for the organization and what is expected of them throughout this process. Conversations then begin with internal county departments and outside agencies to determine any appropriate adjustments to the base budget levels that are needed to move the organization towards its priorities and to develop a balanced budget. The structure for these discussions varies significantly each cycle depending on the fiscal situation.

A recommended budget is then prepared and presented to the Ways & Means Committee of the Board of Commissioners, and a public hearing is held. Preliminary budget documents are printed, giving fiscal and narrative detail of departmental budget requests and modifications.

BUDGET CALENDAR

The following shows the general timeline for the standard budget process within Washtenaw County:



While this is the standard budget process calendar, the 2008/09 process timeframe and elements were somewhat due to the parallel but aligned process of labor negotiations. However, the basic framework remained intact.

BUDGET ADJUSTMENTS

After adoption of the budget by the Board of Commissioners, the budget resolution becomes a legal guideline for County fiscal operations. The Board adopts the budget both by fund and by fiscal activity within funds, and approves specific position modifications. The Board also sets out specific written policies/procedures/rules for a variety of operating activities such as budget adjustments, position modifications and limitations on certain line items. Adjustments to the budget can be made one of two ways: either through a Board resolution or an inter-departmental transfer. Generally, Board resolutions are necessary when a budget adjustment involves an increase or decrease in revenue or movement between county funds or organizations. The County Administrator is authorized to make adjustments in budgets not to exceed 10% of a total program or \$100,000, whichever is less, with the exception of Unearmarked Reserves which must go to the Board of Commissioners for approval of its use.

BUDGET DOCUMENTS

The Budget Office works to ensure that there is clear and open communication during the entire budget process. The following documents are prepared:

Budget Manual – Including an overview of the process; communication on the vision, detailed timeline specific to each department for all pending tasks, and resources to assist through each step of the process including sample forms and meeting agendas. For 2008/09, this was all done on the county’s internal website so information was available at any time and was updated as needed throughout the process. This information was discussed with our Department Head’s at the beginning of the process so there are clear expectations set between the Budget Office and the rest of the organization. This also served as the repository for all completed products and presentations.

Budget Summary – Includes information about current issues in and priorities of the county, charts and graphs, personnel information, the budget resolution and departmental summaries. Both preliminary and final copies are printed. This is also available online at <http://www.ewashtenaw.org/> for the general public to view.

BUDGET REDUCTION PRINCIPLES

It became clear early in the development phase of the 2004/05 budget process that the external factors influencing the county fiscally were bleak. The world had experienced the effects of September 11th, layoffs were occurring regularly throughout the job market and the State began using its reserves and operating with a deficit. In anticipation of a reductionary budget, cost reduction principles were developed. These principles were used heavily during the 2004/05 budget, and have remained as a guideline for conversation during both the 2006/07 and the 2008/09 budget development processes as we continue to make difficult decisions on how to make the most effective use of limited resources. The principles include:

- Maintain core/mandated services
- Minimize community impact
- Attempt to find alternative funding for State or Federal cuts
- Identify and implement administrative efficiencies
- Distribute reductions across populations and providers
- Maintain commitment to infrastructure
- Support the County Guiding Principles.

A NEED FOR TRANSFORMATION

The Business Improvement Process originated during the development of the 1996/97 Budget and grew out of the need for transformation in Washtenaw County government. Three major factors created the sense of urgency to make changes.

1. **Lack of confidence in government:** Although it is sometimes anecdotal in nature, it is well known at most levels of government that citizens want better, more accessible service and they want it at a lower cost.
2. **State and federal cutbacks:** An issue for many local governments. Through “devolution” an increasing number of programs that were previously state and federally run have been handed down to local government. While local governments may be better suited to provide these programs because they are closer to people being served, the dollars rarely follow the mandates.
3. **Organizational culture of Washtenaw County:** The workforce felt stifled by the entrenched bureaucracy and lack of meaningful work. The county was operating in a financial “crisis mode” because few reserves had been set aside to meet unanticipated financial situations. By operating in this manner, the county leadership spent their time and energy dealing with the next crisis rather than on long-term planning and “creating the future.”

When translating those three factors into financial terms, the situation was bleak:

- In fiscal year 1993 the County was confronting a \$1,000,000 shortfall
- A property tax freeze was enacted in 1993
- With the 1994/95 Budget process, there were projected shortfalls of \$1,000,000+ in each year, and 20 General Fund supported positions were eliminated.

In preparing the 1996/97 Budget, the County leadership took a longer-range perspective and developed a budget that was balanced for a five-year time frame. A new voter referendum (Proposal A) enacted in 1995 was expected to greatly limit property tax growth. Initial projections indicated a \$3,000,000 shortfall in the year 2000 and \$7,800,000 cumulative shortfall for the five year period. To meet the commitment to balance the budget, 19 General Fund supported positions were eliminated in the 1996/97 Budget, with 20 more eliminated in the 1998/99 Budget.

The County could not go on eliminating positions and operating at status quo. It became increasingly apparent that the County needed to transform the way it conducted business in order to remain a viable organization into the 21st century. The Business Improvement Process was created to transform the way the County does business.

OVERVIEW OF THE BUSINESS IMPROVEMENT PROCESS

The purpose of the Business Improvement Process is to ensure the maximum level of efficiency and effectiveness in the provision of services to Washtenaw County residents. This is accomplished through the comprehensive alignment of resource allocation, collaborative program efforts, efficient processes, and a well-trained, well-equipped and motivated workforce.

The goals of the Business Improvement Process are to:

- Develop a budget process that ensures resource allocation based on outcomes
- Ensure county-wide alignment through the use of business plans with performance measures
- Equip the workforce by providing resources, training, direction and employee involvement
- Develop measures that support the County Guiding Principles
- Focus on customer satisfaction
- Become a learning organization that focuses on using data to drive decisions.

To accomplish these goals, to better serve customers, and to improve internal operations, the county established an alignment model. This alignment model includes all aspects of the business improvement process and ensures that any new improvement projects are supported by the direction given by the Board of Commissioners, the State of Michigan, and direct interaction with the citizens of Washtenaw County. This alignment model also helps to show how individual efforts at the employee level will advance the goals and operations at the department level and how departmental goals support organization-wide initiatives.

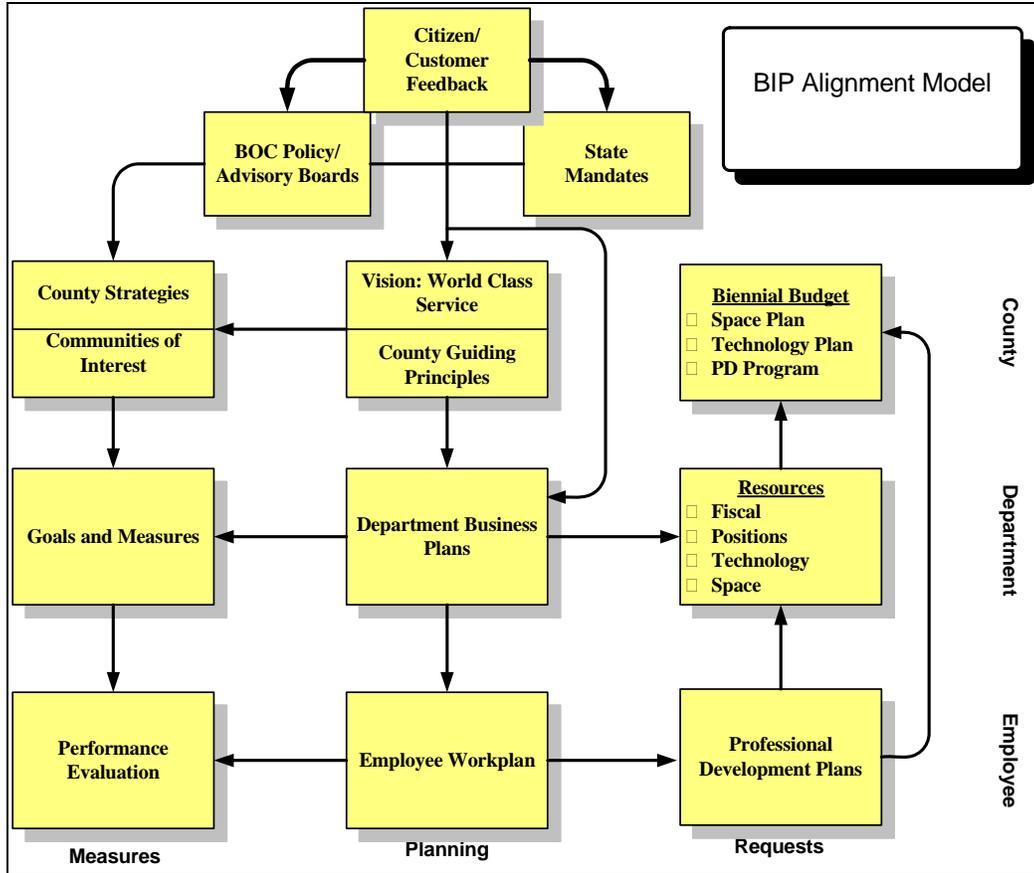


Diagram A – Washtenaw County Alignment Model

This is the model used in the development of the 2008/09 budget. The Planning Process walked the organization through these steps by breaking it down into the following stages:

- I. Identify What We Need to Do – this first stage represents the top three boxes of the alignment model by evaluating the needs of our customers, the mandates imposed on us by other governmental entities and the priorities/direction from the County Board of Commissioners;
- II. Set a Future of What We Want to Achieve – the County Administrator sets a vision to challenge the organization to think about how we can operate differently and to realize the potential we all have to make a difference to our customers and to the community;
- III. Define How to Reach Our Desired Future – a desired state and action steps for how to move towards that future were set at multiple levels throughout the organization, ensuring that there was alignment at each level so the common vision was being advanced;
- IV. Define Business Operations and Assign Resources Needed to be Successful – each department updated their business plan to reflect their current operations and the need for resources including space, technology, professional development and operational dollars was assessed;
- V. Assemble Recommended Budget and Present to Board for Review, Revision and Adoption.

The concept that distinguishes Washtenaw County’s alignment model from others is the departmental business plan, which serves as the cornerstone of the alignment model and the budget process. Departments must engage their customers, improve the provision of state mandates, and implement Board policies prior to discussions about resources.

These business plans include all of our operations and detail what is being accomplished for the customer as a result of our operations. Administration advises the Board to invest more heavily in those departments that articulate and measure this customer impact and have proven success in the past. Without this alignment, community resources would not meet their highest value and Washtenaw County would revisit the difficult times faced in the early 1990's.

THE 2008/09 PLANNING PROCESS

I. IDENTIFYING WHAT WE NEED TO DO

GATHERING CUSTOMER FEEDBACK

During the past decade, Washtenaw County has transformed the way it conducts business to focus on customers. This is evident in the county's adoption of the philosophy of the balanced scorecard approach. Details on the balanced scorecard can be found on page B-10 of this section. The basic premise is that there are multiple tiers of cause and effect relationships that lead to our desired outcomes. When used in the private sector, making a profit is generally the desired result. In its role as a public service provider, it is quality customer service that is the driving force for Washtenaw County. The following major initiatives to enhance customer service have recently been undertaken: customer needs assessment through Communities of Interest, customer engagement, local unit outreach, and internal employee surveys.

Customer Needs – Communities of Interest

The 2008/09 planning process was framed around the continued development of Communities of Interest. One of the chief components of this planning process is to take a very comprehensive and systematic look at our common customers and the services that we provide throughout the County. Success with this requires active and established partnerships with other local units of government, the not-for-profit sector, as well as for-profit enterprises that share common customers. These efforts help to shape service delivery within the organization and to strategically re-think and nurture Washtenaw County's relationships externally. The following Communities of Interest include several departments internally as well as external partners. For the purpose of the planning process, the question for Washtenaw County was how to best improve County government to achieve community impact externally. So while the term "Community of Interest" includes community partners, for the purpose of this document, the term refers primarily to the departments within Washtenaw County who share similar customers and/ or similar processes. The following nine Communities of Interest have been established:

- Children's Well-being
- Civic Infrastructure
- Economic Development – *created during the 2008/09 process so is not represented in all materials*
- Emergency Preparedness & Response
- Health
- Housing & Homelessness
- Land Use & Environment
- Public Safety & Justice
- Support Services

The Communities of Interest should not be thought of as discrete enterprises, as they overlap in many cases. Nor should they be thought of as collectively exhaustive. Many departments have a significant customer base that is mandated in many cases but does not fit neatly in one of the above categories. These customers are just as important to the Board of Commissioners. However, Communities of Interest serve as a useful framework to strategically re-think how County government operates.

Each of the Communities of Interest has established meetings throughout the process. The first of these meetings was done using an Abundance Model approach by learning from past successes. A discussion took place to tell the story of what has been accomplished to date for that Community of Interest, looking at the successes from the perspectives of our customers, internal operations, impact on employees and financials. From this the discussion identified how customer needs could be improved, using all of the customer data gathered by all members of the Community of Interest. While most of these meetings during the Planning Process involve only internal staff, all of the conversations are done in alignment with the numerous collaborations with our external partners. The goals created are intended to be community goals which may result in an external agency taking the lead role for advancing the goals established. The

outcome of these discussions may also frame future conversations internal to county staff to determine how to begin working as a system to enhance service while reducing costs.

Customer Engagement

One goal of the Business Improvement Process is to focus on customer satisfaction. Toward this end, Washtenaw County has committed to have all departments involve customers in identifying ways in which services can be improved upon. To assist departments in this effort, and with the assistance from Eastern Michigan University's Institute for Community and Regional Development, County Administration sponsored the development of a *Customer Service Toolkit*. This toolkit is designed to help department heads and program managers select the best techniques for securing customer feedback for their programs and services. Washtenaw County provides a diverse range of services to varied customers so there is not a unified approach to involving customers in the evaluation of our processes. What may be appropriate for one department may not be appropriate for another, so a variety of customizable tools have been developed by county employees. Examples included in the toolkit are customer surveys, interviews, focus groups, comment cards, advisory committees, and secret shoppers. Each department rose to the challenge to do a customer assessment in the most appropriate manner for their services, or to gather data from previous customer assessments already completed so this information on customer needs could be used to assist in the strategic planning efforts for 2008/09 and beyond. Those who relied on quantitative data gathering techniques will have satisfaction measures and targets reflected in their Community of Interest and business plans.

Local Unit Outreach

All citizens of Washtenaw County are also citizens of the various townships, cities and villages that are contained within the county. In many cases, these citizens may not be aware of whether certain public services are offered by the county or by one of these other local units of government. The goal of the Local Unit Outreach project is to partner with these local units to enhance the quality of life of county residents. This currently is done by sharing County infrastructure with Local Units (LU) of government in Washtenaw County so Cities, Villages, and Townships have free access to the Internet, an informational website that is consistent with other LU sites in Washtenaw County, email accounts specifically branded for the LU, and access to Washtenaw County's Professional Development program.

The primary focus of the Local Unit Outreach team is on educating the locally elected officials and their staff, assuring they receive world class service when interacting with the County. This is achieved by working with the Local Units to develop, maintain, and expand an informational website that serves the business needs of the LU and the information needs of their constituents.

Internal Employee Surveys

Many county functions are centralized for the purpose of providing efficient, high quality services to employees of Washtenaw County Government. Toward that end, a survey of Support Services was conducted in 2002 to gauge whether employees are satisfied with centralized services including facilities, technology, payroll and professional development. The questionnaire was again distributed in 2003 and 2005. The responses were analyzed and served as the basis for restructuring the way in which Support Services are delivered. Those departments who participated in this survey will have employee satisfaction measures and targets included in their business plans.

A second survey that has been used to help shape how Washtenaw County is structured and how services are provided has been our Organizational Capability Survey (OCS). This survey, which is conducted every other year, is distributed to all employees. Nearly 100 questions are asked of employees. These questions fall into general categories including customer service, communication, teamwork, and supervision.

The internal surveys have also served the purpose of demonstrating to employees the importance and value of asking others for feedback. When employees are asked to help shape the future of Washtenaw County, departments are more likely to ask their customers to help shape their individual operations. Although the answers we receive from customers may not always be complimentary, customer engagement has proven to be the most effective way of identifying how operations can be changed to enhance customer service. It is also very consistent with the underlying principles of a democratic society.

STATE MANDATES

Like all counties in Michigan, Washtenaw County's primary responsibility is to provide services to its citizens – many of which are mandated by the State and Federal levels of government. Over 70 percent of county functions are mandated through a variety of State statutes and case laws. Changes in State policies and legislation can have significant impacts on county operations. Included in these mandated services are the elected offices of Clerk/ Register of Deeds, Drain Commissioner, Prosecuting Attorney, Sheriff and Treasurer. All Court functions are also mandated and managed as a separate branch of government determined by popular election of judges. Various state statutes also mandate several human service and environmental functions, including mental health services, communicable disease control, restaurant inspection and others.

But while the State mandates what services are provided, they normally do not mandate the way in which those services are provided. So the above elected officials and department heads usually have discretion over the processes that enable the provision of mandated services. Washtenaw County has been in the fortunate position of having several elected officials recognized as leaders in their field.

One state mandate that has resulted in many discussions among the Board of Commissioners over the past four years has been the Jail Overcrowding Act, which mandates that a County jail cannot have more inmates than its rated capacity. Washtenaw County's jail has a rated capacity of 332 and has not kept pace with the population increase of the County. The practical result of this act is that when the jail is overcrowded, judges and other public safety officials are forced to release inmates from jail prior to the completion of their sentencing dates. A capital project is currently underway to add over 100 beds in the county jail as an attempt to bring the jail back into normal operations. This continues to be one of the most challenging mandates statewide as well as one of the most critical fiscal constraints impacting the county's budget.

Changes in State Government

State government has experienced significant revenue shortfalls for the past several years. In efforts to control the State budget, the revenue that has traditionally been received by counties in Michigan in the form of revenue sharing has been reduced and the commitment to certain human service programs, including those provided through our departments of Public Health and Community Support and Treatment Services, has also been reduced.

As a means to save State funding, legislation (Public Act 357 of 2004) was passed providing the State a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involved a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and additionally, the establishment of a restricted fund to be known as the Revenue Sharing Reserve Fund. The county governments then use the Revenue Sharing Reserve Fund to withdraw annual revenue sharing payments. It is estimated that the Reserve Funds will provide county governments enough funding to save the State approximately 10 years of revenue sharing payments. It is uncertain whether the State will reinstate county revenue sharing payments after the time that the Reserve Fund is depleted, which currently is scheduled to take place in 2013 for Washtenaw County.

It is anticipated that the financial constraints at the State level will continue for the foreseeable future. Our ability to adapt to state mandates and cutbacks will in large part dictate our ability to be successful. It is also critical that local governments continue to put pressure on the State legislative and executive branches to understand the impact of their decisions on the lives of all citizens. Constitutionally set term limits of statewide executive and legislative positions ensure that there will continue to be changes in the statewide offices, making shifting priorities likely.

BOARD OF COMMISSIONERS

Members of the County Board of Commissioners are elected every two years and represent members of a district. The eleven commissioners collectively represent the interests of Washtenaw County's 340,000 citizens. Board members are elected to establish policies for the county, oversee the appropriate provision of mandated services, and represent the needs and concerns of their districts.

Washtenaw County also has a variety of advisory boards and commissions that are either established by statute or are created by the Board of Commissioners to handle specific areas of expertise or are established by other elected officials or departments to advise on policy and customer service. In total, there are over 70 such boards, commissions, committees, and advisory councils that meet to either advise the Board on policies, advise departments on service

delivery, or otherwise manage operations and resource allocation. A comprehensive list of these boards and commissions can be found on our website, www.eWashtenaw.org.

One of the Board’s mandated responsibilities is to adopt a balanced budget every year and its development is time consuming and detailed – a major commitment for the Board and the Administrator’s staff. Since 1994, Washtenaw County has produced a biennial budget that includes funding decisions and priorities for a two-year period. The benefits of this are that it encourages a long-range approach to funding decisions and it allows for greater focus in implementing Board priorities in off-cycle years. A balanced budget is proposed in the off-budget years as well, but this is usually a less intensive undertaking.

II. SETTING A FUTURE OF WHAT WE WANT TO ACHIEVE

COUNTY VISION AND GUIDING PRINCIPLES

Among the most important functions for the Board of Commissioners is to provide leadership and direction to Washtenaw County’s 1300+ employees. The Board sets the future by identifying what the County will achieve and establish the priorities of the community. The County Administrator then takes this direction back to the organization and works to build it into the culture of the organization. This leadership is captured in the county’s vision and guiding principles. The county vision states that:

Washtenaw County will be a world-class service provider.

This vision for Washtenaw County was established in 1998 as a challenge for what excellent public service could be. A part of this vision is driven by a need to shape our organization around our customers. That vision is a picture of any citizen walking into any County building for any reason and getting excellent service while increasing our capacity to provide services to our customers through the Internet and other modern tools.

Since 1998, this vision has evolved into a vision that goes beyond our capacity to provide services in a courteous way and being prompt and efficient in our transactions with the public, to a vision that inspires each employee to identify opportunities to change the way we do business to positively impact the community. It is a shift in a vision representing “World Class Service” to a belief that the county can create a “World Class Community”. This is a vision that understands the complexity of the issues facing our customers. And this is a vision that seeks solutions and finds them in this diverse and resource-rich community and seeks to impact the overall quality of life for all county citizens. Departments have been challenged to adjust their visions to express how they will impact quality of life for county residents.

The County Guiding Principles were extracted from this vision and provide the framework for the day-to-day operations of the County. All program outcomes in the departmental business plans must contribute to one or more of the following Guiding Principles.

County Guiding Principles

- 1. Ensure long term fiscal stability for the County.**
- 2. Reduce the cost of conducting the County's business.**
- 3. Enhance customer service.**
- 4. Provide the necessary knowledge, skills and resources to County employees to carry out these principles.**
- 5. Ensure adequate provision of mandated services.**
- 6. Focus on the root causes of problems that affect the quality of life of County citizens by aggressively pursuing prevention strategies.**
- 7. Provide leadership on intragovernmental, intergovernmental and intersectoral cooperation and collaboration aimed at improving services to County citizens.**

Diagram B (following page) illustrates how the Guiding Principles and the vision have been adapted into a balanced scorecard approach, as shown in the context of four key business perspectives. The customer perspective on the top tier reminds us the only reason we are in business is to serve the citizens of Washtenaw County and everything we do should enhance the service we provide our customers. The middle tier identifies our operations, or what we do on a day-

to-day basis in order to provide customer service as well as ensure fiscal stability. The foundation of the vision, as pictured in the diagram, is to ensure the long term fiscal stability of the County and to equip employees with the necessary knowledge, skills and resources to do their jobs well.

The Guiding Principles are placed in a format consistent with the Balanced Scorecard model, developed by Robert S. Kaplan of Harvard University. This format helps identify cause and effect relationships. The arrows on the diagram represent the cause and effect relationships that exist between all of the business perspectives and, therefore, the Guiding Principles and vision. Having employees who are properly equipped leads to more efficient operations and, in turn, facilitates the County's ability to provide world-class service to our customers.

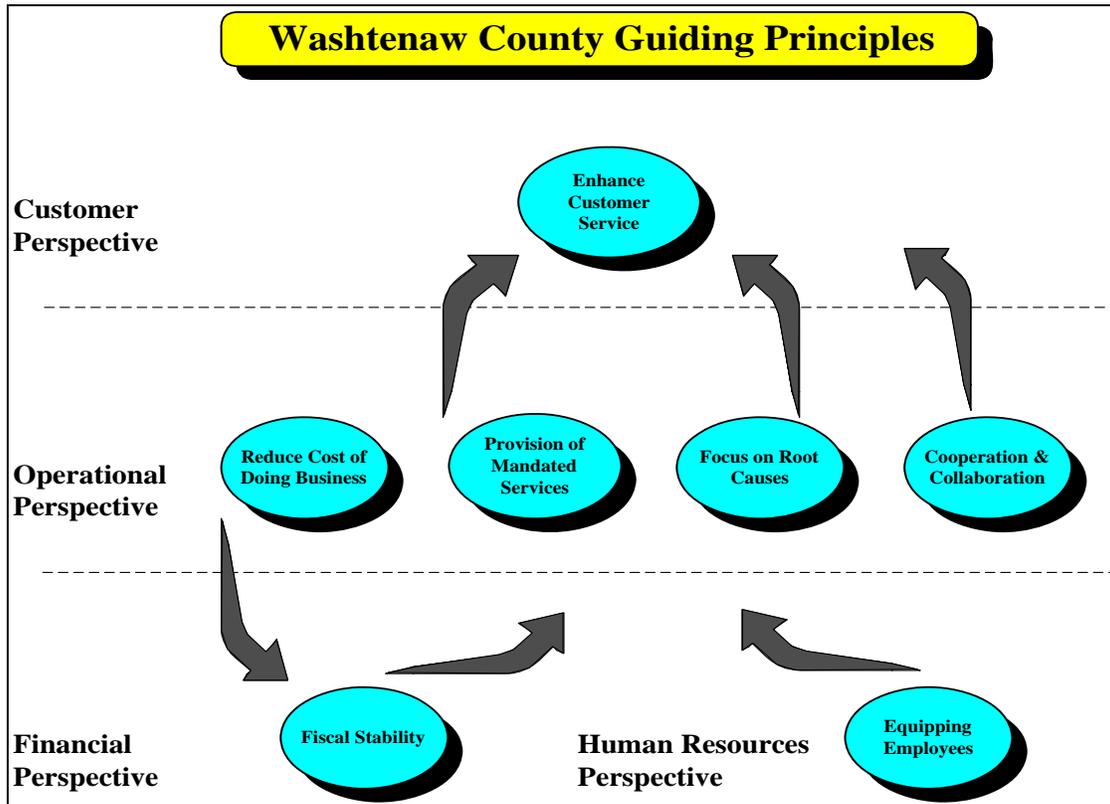


Diagram B - County Guiding Principles in the context of the Balanced Scorecard

III. DEFINING HOW TO REACH OUR DESIRED FUTURE

Strategic planning occurs at two levels at Washtenaw County – the Community of Interest level and at the department level. Each department participates in at least one of the Communities of Interest and several departments participate in more than one. The discussions at this level tend to be directed around systems – common customers, common services, common processes – and identifying efforts to improve those systems. These discussions are crucial to realize true community impact. In addition, departments have business plans that document their own improvement efforts. These business plans are designed to compliment the community impact plans when feasible but there are many services for which a system discussion could be inappropriate yet documenting and improving those services are still important for the overall wellness of County government.

COMMUNITY OF INTEREST “COMMUNITY IMPACT PLANS”

Each Community of Interest was challenged with developing community needs assessments, develop long term goals and identify accountability for the implementation of those goals. For 2008/09, a focus was made as to the appropriate role for the county in carrying out the goal or specific action steps. In many cases, the county should simply be involved or provide the necessary leadership to get an initiative up and running in the community. In other cases, the

county should retain control of the initiative and bring others in as appropriate. Having a clear implementation plan is critical to maximize the rate of success. Presentations were made to the Board of Commissioners throughout April, May and June highlighting the vision, customer assessment, proposed goals and action plans for 2008/09 to move us in the right direction to make this all a reality and better meet the needs of our customers. These presentations were critical as it was the Board of Commissioners opportunity to ensure these plans were aligned with their priorities and the future direction of the organization and community as a whole.

DEPARTMENTAL BUSINESS AND ACTION PLANS

The cornerstone of the County alignment model is the business plan. Each department has a business plan that includes the information in Diagram C shown below.

The County defines strategic planning at the service or program level on the top of the graph and flowing left to right. Strategic planning in our terms is long-range in nature, defines what each department is going to do in the next five years, and defines the purpose behind the services provided by that department. Strategic planning requires the identification of specific outcome(s), measure(s) and data source(s) for each of the customer outcomes.

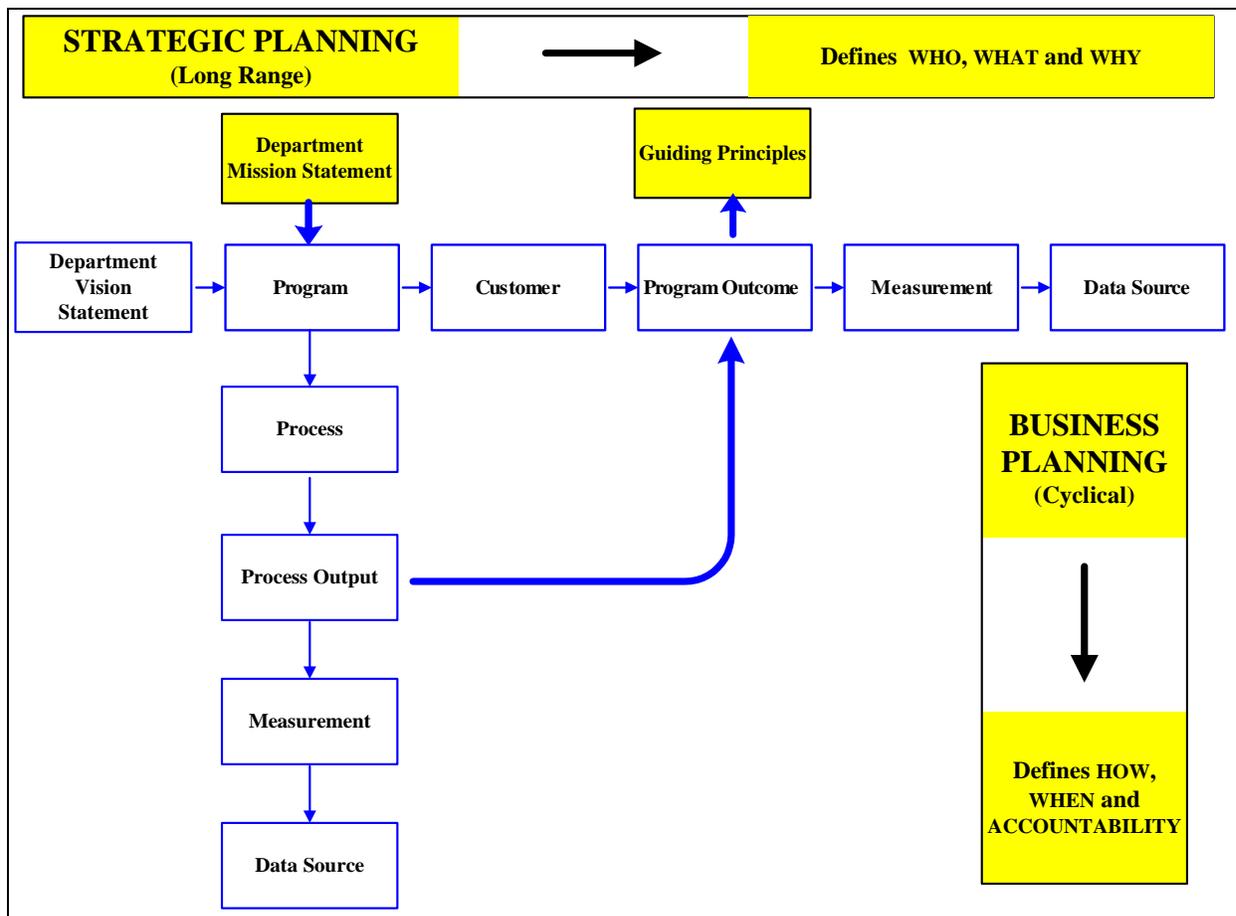


Diagram C - Washtenaw County Department Business Plan

Business planning is on the lower half of the chart flowing vertically. It includes the processes and activities that are in place in order to accomplish the strategic plan, it is cyclical in nature by including things that get produced on a regular basis, and it defines the “how, when and accountability” of the work that gets done. Specifically, business planning involves identifying the processes, outcomes, measures and data sources, timing and accountability for each program.

The County's business plans successfully:

- Integrate strategic planning with day-to-day operations
- Help us become more customer oriented: the first question at the program level is “who are your customers?”
- Help us become results-oriented
- Ensure alignment at three levels of the organization: process, program and policy
- Provide a powerful database to manage the organization

Each element of a department’s business plan answers questions about that department’s services. The departmental business plans that appear in the Departmental Summaries section are a brief synopsis of each department’s business plan. Due to the size of the information included in business plans, only an abridged version could be provided for most departments. But each department is challenged with answering a series of questions that correspond with the terminology included:

Department Mission: Why does our department exist?

Department Vision: What does world class service look like?

Program: What are the major services we provide?

Customer: Whom is this program designed to serve? Who else benefits from this program?

Outcome: What do we hope to accomplish for our customers?

Outcome Measurement: How can we measure whether the outcomes we desire are being reached?

Outcome Target: By what standard will we measure success?

Process: What key activities do we perform to achieve our program?

Collaboration: What other departments or outside agencies are essential to meeting our outcomes?

Process Output: What is the product or result of this process?

Output Measurement: How will we measure this production?

Output Target: How much of this output do we plan to produce?

Customer outcomes, state mandates, and Board priorities are all reflected in departmental business plans. Together, these plans detail all operations within the County, estimates of what each department will produce in the foreseeable future, and how success will be measured. Departments are challenged to always keep their business plan up to date but administrative and Board review of business plans happens once every other year, as aligned with the planning cycle. As part of the 2008/09 Planning Process, each department was asked to participate in half day offsite sessions to focus on the following questions with their management team and determine how changes in their operations and strategic direction should best be reflected in their business plan:

Department Contribution to Community of Interest Goals

- What will we do to contribute to these goals?
- What alignments are there between the Community of Interest Goals and the operations of your Department?
- What department goals are appropriate to advance the Community of Interest goals?

Changes in Business Environment

- What accomplishments were made towards our 2006/07 goals?
- How do we want to stretch these goals for 2008/09?
- What changes in our business environment suggest additional department goals are necessary? *Potential resources include staff engagement discussions on assessing community needs, general awareness of changes in customer needs or mandates, prior measurement data, OCS results*
- Are these goals that require the active involvement of our partners?
- For each goal, how will we know if we are successful?
- How will we track our accomplishments?
- How does our business plan need to be modified based on the business and community changes that have occurred over the past couple of years?

EMPLOYEE WORKPLANS

The next step is for management to assign accountability at the individual level to ensure that tasks get implemented. The employee workplan serves this function. Washtenaw County has combined professional development planning with individual workplans to enhance the identification of development needs and to heighten the relationship between the employee and supervisor into a partnership for developing the knowledge and skills necessary to achieve the outcomes of the department. Employees in all departments will have the opportunity to create a new individual

workplan annually that highlights key objectives of the job, focuses on the critical target measures and provides a basis for development of knowledge and skills for the year ahead.

At the beginning of each year, supervisors meet with their employees to discuss their department’s business plan. The two come to agreement about how the employee will contribute to the success of the department’s outcomes and outputs and these objectives are developed for the operation section. In addition to the department’s operations, there are major projects and goals that the department wishes to accomplish over the course of the following year. Finally, the accomplishment of some objectives may require professional development in order to be successful. These requests feed into the development of the countywide professional development program.

The workplan process is designed to foster an ongoing dialogue about work activities, priorities and desired results. This is a dialogue between the employee and his or her supervisor – the key relationship of every organization.

IV. ASSIGNING RESOURCES TO BUSINESS OPERATIONS

The entire Planning Process leads to the development of the county biennial budget. As stated above, the planning components are critical to align the strategic direction with the county’s limited resources. From the very beginning of the process, there is a strong focus on the fiscal capacity of the organization. While it is not desired for fiscal constraints to limit the strategic planning discussions, it is critical to understand the available resources when prioritizing these plans for inclusion in the budget. The fiscal capacity is updated throughout the process as new information becomes available.

The county undertakes a layering approach to its budget development, with the departmental business plan serving as the basis for all budget discussions. These various budget development discussions are outlined below.

Base Budget

The first stage of assigning resources is a base budget discussion at which departments meet with staff from the budget office to determine what level of funding is needed to maintain current operations. The base budget hearings are approached as a partnership between the service departments and the Administrator’s office. Each department meets with representatives from Support Service departments to review the department’s business plan, project the needs and costs associated with those operations, and recommend improvements in service delivery. The product of these meetings is a joint memo from the service department and Support Services to the administrator that details the base budget agreement.

The base budget hearings are more comprehensive than just a conversation around positions and dollars needed to fund current operations. The hearings included an assessment of all resources needed to carry out operations including hardware, software, capital and space. A result of this comprehensive approach is to ensure that allocated resources are fully utilized or to determine if they could be replaced by lower cost, higher value tools. By conducting this assessment, the partnership of the base budget hearings helps to reduce or contain the cost of doing business.

Budget Enhancements

Following the base budget conversations, the second round of discussions took place with each department to identify how they thought their resource allocation had to change to allow them to successfully carry out the Community of Interest Plans and Department Business Plans, including all goals for 2008/09. Each department and internal agency had the opportunity to submit requests for new positions, operating budget increases and infrastructure enhancements (all infrastructure requests can be viewed in the Capital Improvement section of the book starting on page H-1). Most departments understood the fiscal constraints at hand and limited their requests to only those that they felt were critical to meet increased demands of their citizens or as a focus on root cause that would result in a good investment into the future.

Budget Decision Making and Balancing the Budget

The decision making parameters of the budget development process started with a premise of a status quo budget. Adjustments were only made if the request identified outside funding or strongly demonstrated it was a critical investment into the future of the organization and community. In addition, some adjustments were necessary to resolve

issues that have been ongoing based on recent trends that do not appear to be ending without an additional commitment of funding. These major adjustments and a brief explanation are provided below.

Major Modifications of the Budget

- ❑ **Property Taxes and other Housing Market Adjustments** – There are several issues impacting the county when it comes to property tax revenue collections, which is the largest revenue source in the General Fund. First, the State of Michigan passed legislation shifting the county operating tax levy from December to July. This was done gradually over the past three years. The impact of this was a positive one at first, with the county realizing the increased taxable value a fiscal year early. The downside for the 2008/09 budget is that the county depended on this higher revenue collection in 2006/07 knowing that it was a one time increase in revenue and that revenues would go back to normal levels starting in 2008. This started the 2008/09 budget discussions with a projected deficit of approximately \$3 million. Next, the housing market as a whole continues to decline. The preliminary 10 year budget projections shown to the Board of Commissioners in March of 2007 demonstrated a projected 6% property tax revenue growth for 2008 and then declining to 5.5% starting in 2009. This was in alignment with the 2007 Equalization Report as well. However, new data suggests that the county will see a much smaller growth due to declining property taxable values in many cases. The 2008/09 budget is based on an assumption of 3.5% growth, which is a decrease of over \$1.7 million from the original 6% projections. It will not be known until April of 2008 if the 3.5% estimated property tax growth will materialize. This is another impact of the shift in the property tax levy from December to July. Starting in 2008 and going forward annually the county will not know the level of property tax revenue to be expected in the fiscal year until the middle of the year itself. In the past, this information was known early in the budget development process offering a greater sense of fiscal stability. The remaining impact to the budget from the declining housing market is in seen in the Clerk’s Office, Building Services and Environmental Health through declining fee revenue. Personnel modifications and other cost containing measures are recommended for all three of these programs.
- ❑ **State Funding** – The State of Michigan continues to struggle with a budget crisis. At time of this publication, the State has yet to adopt its 2007-08 budget. As a result, the county’s budget is based on assumptions of revenue levels from the State. For the General Fund, most of the major revenues from the State are fairly stable. The largest variable that has been discussed for possible loss is the Substance Abuse funding. The county budget contains this revenue pending further notification from the State that it has been cut. This has a total potential impact on the General Fund of approximately \$1million. In addition to the General Fund revenues, the county Health programs are heavily dependent on State funding. Based on preliminary discussions with the State, it is assumed at this time that these revenues remain relatively flat. This requires the General Fund to continue the policy of supporting personnel cost increases through increased General Fund appropriations to these departments if it is desired to maintain programs at current levels. If the county receives notification of funding reductions from the State, it will need to be decided as to reduce program levels in these agencies, or to identify additional General Fund dollars to once again preserve programs.
- ❑ **District Court Programming and Revenue Collections** – The District Court continues to do a great job at maximizing revenue collections, as has been seen over the past several years with continued revenue growth. The budget includes an increase in revenue amounts to bring the budget in line with recent collection levels. In addition, the court has requested new positions to increase efforts around jail diversion that will primarily be supported through increased revenues. The budget also includes the continuation of the Pre-Trial program within the District Court that had been previously funded through the use of part time temporary staff and will now move into a permanent employee status.
- ❑ **Police Services Methodology Change** – The 2008 budget includes the implementation of the revised methodology for the Police Services contracts. The largest budget impact, besides an increase in the expected revenue, is with anticipated overtime. In the past, the county guaranteed a certain number of service hours and held the liability for all necessary overtime to meet this contractual obligation. Starting in 2008 the contracting entities receive a deputy for service plus supervision, with the opportunity to choose to backfill for deputy time off. If they do choose to backfill it now is the responsibility of the contracting entity to pay the county for this overtime coverage. As this is a new protocol and decisions on whether or not to backfill will vary by entity, it is not known how much overtime as well as the offsetting reimbursement will be incurred. In addition, there are some areas of overtime that continue to be the responsibility of the county. A budget of \$500K has been retained in the Police Services overtime budget in anticipation of these non-billable overtime hours. The

budget also continues the commitment as outlined in the contracts for the provision of countywide services, such as the Detective Bureau, SWAT, etc.

- ❑ **Jail Overcrowding and Expansion Initiative** – This continues to be a significant impact on the county’s budget. The jail is chronically overcrowded resulting in a public safety and justice crisis, but also a major budget constraint. The space plan project underway to add an additional 100+ beds in the jail should help alleviate overcrowding in the future. This project provided funding of \$1.2 million in 2008 (up from \$800K in 2007) for jail operations that are included in the Sheriff’s budget. The intent is for this available budget to be directed to cover associated costs with managing jail overcrowding pending the completion of the project, at which time new staff will be created using these dollars as is outlined in the adopted space plan.
- ❑ **Juvenile Placements** – The county continues to see an increase in costs associated with our institutional placement of juveniles through our Child Care Fund. According to the Washtenaw County Trial Court, this is in alignment with a national trend as well as from a local reality of seeing increased sex offender treatment needs. The 2008/09 budget includes an increased General Fund appropriation to the Child Care Fund of \$200K for juvenile placements, with a budgeted reserve of \$120K to bring the budget in line with recent cost levels. In addition, the budget includes the creation of a new position in the Trial Court for a Probation Agent focused on sex offender cases as a means to improve treatment and reduce costs. This is a pilot program with required semi-annual evaluation to be completed to determine the success of this initiative.
- ❑ **Public Safety & Justice Statutory Line Items** – The county also continues to see an increase in the demands of the Public Safety & Justice system in regards to statutory line items, including attorney fees, jury fees, witness fees and extraditions. The Board of Commissioners adopted a policy in the 2007 budget that demonstrates the General Fund obligation to cover these required expenses if budget overages occur. The 2008/09 budget includes increasing these line items by a total of \$167K.
- ❑ **Fringe Benefits** (health insurance, pension rates, and liability insurance) – Many of the costs associated with labor are driven by market forces. Health insurance rates have dramatically outpaced inflation for many years and continue to grow despite cost containing strategies. At the same time, the economy entered into a recession and stock markets experienced significant declines. Since many of the County’s pension funds are invested in equities, the decline in this market had a serious impact on our ability to fund retiree obligations. In addition, the Government Accounting Standards Board (GASB) passed new requirements for reporting retiree health care through the county’s VEBA system. This created a liability of over \$2.7 million which will grow over time if not funded immediately. Each of these factors resulted in increased fringe benefit costs that are expected to continue in the foreseeable future. As will be discussed below in the budget balancing strategies, the county is looking at options to revise its benefit package with limited impact on employees and with real cost savings to the county budget.
- ❑ **Increased Appropriations/New Initiatives** –

 - a. **Outside Agency Allocations:** As stated in the Administrator’s Transmittal Memorandum, the demands of the community due to the loss of funding and economic realities continue to grow at an alarming pace. The county is in a challenging position of determining the appropriate balance between funding internal initiatives and community agencies. These agencies do necessary work for the citizens of the county who would turn to the county for services, very often at a higher cost, if these other support units did not exist. In addition, many of these agencies take the leadership role for new critical community initiatives for which the county should support as an investment into the future. Strategic decisions were made as part of the budget to include allocations to root cause initiatives including child abuse prevention, economic development in the eastern county, affordable housing, transportation, domestic violence and literacy. A detailed listing of the 2008/09 budget allocations to outside agencies is shown at the end of this section.
 - b. **Countywide Communications Office:** In such challenging economic times, it is even more critical to stay in touch with the needs of the community and to make them realize that local government is here to help. In collaboration with the Board of Commissioners, the county underwent a review in 2007 to develop an updated communication strategic plan. Best practices were researched and input was gathered from various stakeholders. While a new Communication Officer position cannot be

supported at this time, the county is committed to the enhanced communication effort within available resources. The county continues to strive for transparency and input from all sources.

- c. **Successful Communities Initiative:** During the 2008/09 Planning Process the Board of Commissioners added a ninth Community of Interest, Economic Development. A presentation was given to the Ways & Means Committee on June 20, 2007 that outlined the current realities and desired future of this focus area. Much of this community of interest falls to leadership by outside agencies, with some direct services being done internally in our Planning & Environment, MSU Extension and Employment Training & Community Services (ETCS) departments. It is believed that this initiative is the future of economic growth and stability within Washtenaw County, and beyond. The 2008/09 budget includes the creation of a new position to help manage this initiative and the county's role within it.

- d. **Prosecuting Attorney Victim Witness Services:** As demonstrated above through the discussion on jail overcrowding and the statutory line items, the entire Public Safety & Justice system is strained. One critical component of the system is the support provided to victims and witnesses. This program through the Prosecuting Attorney's Office is over capacity and unable to meet demand levels as is desired. As a result, the 2008/09 budget includes the creation of a new position to increase available resources in this program area.

- e. **Drains Equipment:** The Drain Commissioner's Office currently contracts out for much of its equipment use. A long-term strategic plan is being developed to clearly outline the need for internal equipment including the impact on staff, operations and customers. Many of the costs associated with this are reimbursable through drain assessment projects for local units. The 2008/09 budget includes the planned purchase of some equipment, with the request for an additional position for operations of the equipment. This first phase will focus on moving to a more proactive approach to service delivery with an expectation of greater citizen satisfaction.

- f. **Solid Waste Home Hazardous Waste Community Collections:** On an annual basis, the Planning & Environment department through the county's Solid Waste program offers a number of collection events in which citizens can bring home hazardous waste products for proper disposal. These events are extremely important to help the environment and are well attended by the community. As outside funding has declined, it was requested that the General Fund support some of these events to preserve the programming and meet the demands of the community. The 2008/09 budget includes a General Fund appropriation of \$40K annually to support two events, with an estimated additional 2 events being supported through other Solid Waste revenue sources.

- g. **Medical Examiner:** The medical examiner program is a General Fund statutory obligation. Over the years, this has been managed by our Public Health department with General Fund Support through their appropriation. Beginning in 2008, the appropriations will be separated with a commitment to increase the medical examiner program by a cost of living adjustment annually. In addition, infrastructure enhancements are required to bring a short-term solution to both space and technology needs. The technology enhancements are incorporated into the county's technology plan. The 2008/09 budget includes a one time allocation of \$150K for space renovations at the University of Michigan program site which houses the county's program.

Budget Balancing Recommendations for Board Consideration

The issues outlined above demonstrate significant revenue and expenditure modifications proposed for 2008/09. Over the past five years, the organization has scaled back operations and administrative support in an attempt to preserve programs. Cost containing efforts have been realized where possible and continue to be a focus of this organization as reflected in guiding principle #2 but the fiscal challenges will continue in 2008/09 and beyond for many years to come. During the 2006/07 budget process, it was clear that a shortfall would exist for 2008/09. As personnel costs consist of the largest expenditure of the budget, the strategy was developed to use labor negotiations as a means of bringing the budget back into balance. While specifics cannot be discussed as negotiations are ongoing, it is the county's interest to provide a reasonable and comparable compensation package to employees while bringing the budget into balance.

In addition to the savings from labor negotiations, the 2009 budget was balanced using a negative expenditure of \$1.38 million with the intention of identifying General Fund cost saving opportunities throughout fiscal year 2008 for inclusion in the 2009 reaffirmed budget. This is necessary due to the revised property tax revenue projections. In the past the organization sustained expenditure growth through 5-6% property tax revenue growth annually. As this is no longer projected to be the reality, the organization must respond with a reduction in expenditures. It continues to be the county's desire to preserve programming resulting in more time being needed to identify opportunities for such strategic expenditure reductions.

OUTSIDE AGENCIES

As stated above, the county has seen an increased demand for contributions to outside agencies, both due to loss of funding and a large number of strategic initiatives to help move this community into the future. For purposes of this section, outside agencies are defined as those non-profit entities outside the County Government with which the County contracts for the provision of services. Various departments within the County also contract with non-profit organizations to provide or subsidize services; however, the particular services listed here are those which the Board of Commissioners chooses to fund directly with General Fund dollars to address their priorities. Contracts for provision of services are executed with each agency, and each agency's performance is overseen by a County department.

The outside agencies applying for funding are handled in three groups. The Human Services Oversight includes the application process for three Human Services priorities (Homelessness & Housing, Health and Children's Well-Being), and recommends small awards totaling approximately \$300,000 each year (starting in 2008; the previous annual funding was \$250K) to meet the needs in these areas. The Board allocates an additional \$700,000 (previously \$550K) for larger awards specifically to meet needs in the area of Children's Well-Being. Agencies can submit proposals for either or both of these priority areas. The approved allocations for 2008/09 for both the Human Services Oversight and the Children's Well-Being are provided on the following page.

The third group of agencies falls under the oversight of several other County departments or County Administration. Each oversight department reviews applications for agencies within its jurisdiction and makes funding recommendations to County Administration. The application process for all three groups is integrated to align with the Business Improvement Process. Outside agencies were required to outline programs and expected service outcomes or products, define customer value and delineate measures that would demonstrate the attainment of expected outcomes.

A history of funding for each agency receiving funding is shown on the following tables. In addition to these agencies, some other agencies who applied for the limited funds but were not awarded allocations are not shown.

Outside Agencies: Human Services Oversight

AGENCY NAME	PROGRAM	2006	2007	2008	2009
		ACTUAL	BUDGET	ADOPTED	ADOPTED
Avalon Housing	Enhanced Property Management	\$25,000	\$25,000	\$25,000	\$25,000
Catholic Social Services	Father Patrick Jackson House	\$19,000	\$19,000	\$0	\$0
Catholic Social Services	Grandparents as Parents	\$25,000	\$25,000	\$31,000	\$31,000
Food Gatherers	Gathering Food for Washtenaw County	\$30,000	\$30,000	\$35,000	\$35,000
Interfaith Hospitality Network	Shelter Svcs, Home Based Support & Transportation	\$26,000	\$26,000	\$35,000	\$35,000
HelpSource	Healthy Young Moms	\$15,000	\$15,000	\$0	\$0
Home of New Vision	Transitional Housing	\$30,000	\$25,000	\$0	\$0
HOPE Medical Center	Low-Income Medical Services	\$25,000	\$25,000	\$0	\$0
Neighborhood Senior Services	Medical Access Program	\$25,000	\$25,000	\$25,000	\$25,000
Northfield Human Services	Washtenaw Transit Resource	\$30,000	\$30,000	\$30,000	\$30,000
Packard Community Clinic	Hikone Community Health Improvement Program	\$0	\$0	\$19,000	\$19,000
Shelter Association of Washtenaw	Shelter Association Health Clinic	\$0	\$0	\$25,000	\$25,000
SOS Community Services	SOS Housing First	\$0	\$0	\$35,000	\$35,000
Univ. of Mich. - Community Dental Center	Comprehensive dental care for low-income	\$0	\$0	\$25,000	\$25,000
Ypsilanti Meals on Wheels	Meals on Wheels	\$0	\$0	\$15,000	\$15,000
SUBTOTAL:		\$250,000	\$245,000	\$300,000	\$300,000

Outside Agencies: Children's Well-Being

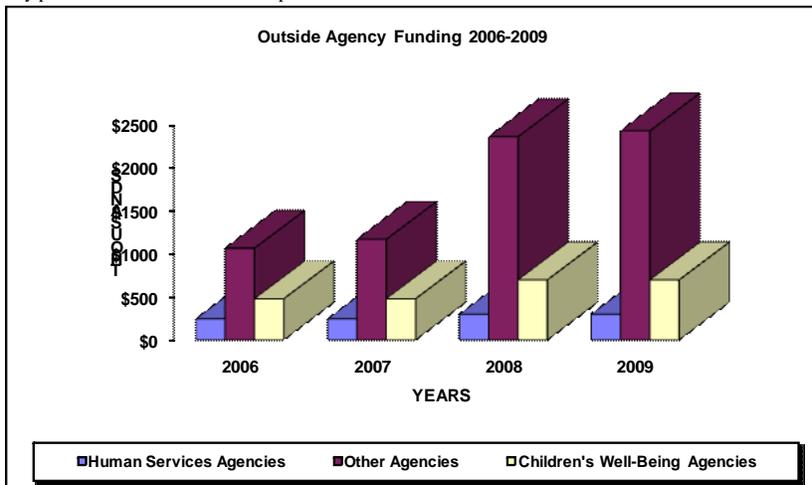
AGENCY NAME	PROGRAM	2006	2007	2008	2009
		ACTUAL	BUDGET	ADOPTED	ADOPTED
Allen Creek Preschool	Early Childhood Training	\$0	\$0	\$25,000	\$25,000
Ann Arbor Center for Independent Living	Washtenaw Mentoring Partnership	\$50,000	\$50,000	\$0	\$0
Ann Arbor Teen Center/Neutral Zone	After School Drop-In Program	\$50,000	\$50,000	\$30,000	\$30,000
Ann Arbor YMCA	Youth Volunteer Corps	\$35,000	\$35,000	\$40,000	\$40,000
Big Brothers Big Sisters of Washtenaw County	Mentoring Services	\$0	\$0	\$45,000	\$45,000
Catholic Social Services	Healthy Families Program	\$50,000	\$50,000	\$50,000	\$50,000
Catholic Social Services	Washtenaw Child Advocacy Center (WCAC)	\$25,000	\$25,000	\$50,000	\$50,000
Child Care Network	Family Support Program	\$89,914	\$90,000	\$95,000	\$95,000
Family Learning Institute	Life Success Through Literacy	\$0	\$0	\$30,000	\$30,000
Home of New Vision	Children of Addicted Parents (C.O.A.P.)	\$0	\$0	\$20,000	\$20,000
Interfaith Hospitality Network	Alpha House Children's Services	\$20,000	\$20,000	\$20,000	\$20,000
Ozone House	Family Support for Runaway & Homeless Youth	\$55,000	\$55,000	\$55,000	\$55,000
Parents as Teachers - W. Washtenaw County	First Steps - Parents as Teachers	\$35,000	\$35,000	\$35,000	\$35,000
Perry Nursery School of Ann Arbor	Growing Lifelong Learners	\$20,060	\$20,000	\$50,000	\$50,000
Planned Parenthood Mid-Michigan Alliance	Comprehensive Prenatal Program	\$50,000	\$50,000	\$65,000	\$65,000
The Corner Health Center	Preventing Teen Pregnancies	\$0	\$0	\$55,000	\$55,000
The Corner Health Center	A Healthy Start for Infants	\$0	\$0	\$20,000	\$20,000
U of M - Regional Alliance for Healthy Schools	Nutrition & Physical Activity Program	\$0	\$0	\$15,000	\$15,000
SUBTOTAL:		\$479,974	\$480,000	\$700,000	\$700,000

Outside Agencies:

AGENCY NAME	2006 ACTUAL	2007 BUDGET	2008 REQUESTED	2008 ADOPTED	2009 ADOPTED
Sheriff Oversight					
Humane Society of Huron Valley	\$214,119	\$200,000	\$300,000	\$300,000	\$400,000
Public Defender Oversight					
Legal Services of South Central Michigan (LSSCM)	\$60,000	\$65,000	\$70,000	\$70,000	\$75,000
Employment Training & Community Services Oversight					
Retired and Senior Volunteer Program (RSVP)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Drain Commissioner Oversight					
Huron River Watershed Council	\$11,892	\$11,892	\$11,892	\$11,892	\$11,892
River Raisin Watershed Council	\$7,265	\$7,749	\$7,749	\$7,749	\$8,233
SEMCOG - (Water Quality)	\$9,025	\$9,025	\$10,000	\$10,000	\$10,000
Washtenaw County Conservation District	\$26,000	\$26,000	\$30,000	\$30,000	\$30,000
Community Development Oversight					
Fair Housing Center of Southeastern Michigan	\$35,050	\$35,050	\$50,000	\$50,000	\$50,000
LSSCM - Michigan Tenant Counseling Program	\$15,000	\$15,000	\$15,000	\$15,000	\$17,250
Administrator Oversight					
Aerotropolis	\$0	\$5,000	\$55,000	\$55,000	\$5,000
Area Agency on Aging I-B	\$21,732	\$22,320	\$22,992	\$22,992	\$23,712
Blueprint for Aging	\$0	\$0	\$25,000	\$25,000	\$25,000
Child Abuse Prevention through DHS	\$0	\$0	\$38,000	\$38,000	\$38,000
Community Housing Initiative *	\$0	\$0	\$500,000	\$250,000	\$250,000
Dispute Resolution Center	\$25,000	\$25,000	\$30,000	\$30,000	\$30,000
Eastern County Incubator	\$0	\$0	\$50,000	\$50,000	\$50,000
Eastern County Economic Development	\$0	\$0	\$300,000	\$300,000	\$300,000
Eviction Prevention	\$0	\$50,000	\$50,000	\$50,000	\$50,000
Family Learning Institute	\$25,000	\$0	\$15,000	\$15,000	\$15,000
Food Systems Economic Partners	\$0	\$0	\$15,000	\$15,000	\$15,000
MI Small Business & Tech. Development Center	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
NAAPID	\$10,000	\$10,000	\$12,000	\$10,000	\$10,000
NEW Center	\$35,000	\$10,000	\$35,000	\$35,000	\$35,000
North South Commuter Rail	\$0	\$0	\$150,000	\$150,000	\$150,000
Safehouse	\$75,000	\$75,000	\$120,000	\$120,000	\$120,000
SEMCOG (Dues)	\$133,202	\$140,000	\$165,000	\$165,000	\$175,000
Shelter Association	\$150,000	\$150,000	\$225,000	\$200,000	\$200,000
SPARK**	\$125,000	\$150,000	\$200,000	\$200,000	\$200,000
Success by Six	\$0	\$50,000	\$50,000	\$50,000	\$50,000
United Way 211	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Washtenaw Area Transportation Study	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Washtenaw County/EMU Legal Resource Center	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
County MSU Extension Oversight					
Project Grow	\$3,000	\$3,000	\$4,500	\$4,500	\$4,500
SUBTOTAL:	\$1,068,285	\$1,147,036	\$2,644,133	\$2,367,133	\$2,435,587

* Budgeted in Reserves pending strategic plan development and community support

**Includes allocations previously provided to Washtenaw Development Council



2010 and Beyond

The challenge will continue into the future as the county is projecting deficits in 2010. While this is a concern, it is important to realize that the deficit is projected at approximately 1.5% of the total budget, and is dependent on many variables that are difficult to project at this time. The county will continue to monitor these key economic variables regularly and meet with all county departments to discuss ways to reduce the cost of doing business while attempting to preserve programming. The housing market and impact on property tax revenues is the most immediate variable that could greatly impact the county's fiscal stability as it represents over 70% of the General Fund revenues. Also a big uncertainty on the horizon is with the projected depletion of our Revenue Sharing Reserve Fund in fiscal year 2012.