

Slide 1

# El Paso County Budget

FY 2011

**What happened?**

Sales Taxes ↓  
Dropped 15% since 2009

Property Taxes  
No tax increase in 5 years

Fees ↓  
Fines and forfeitures down an average of 25% annually since 2008

El Paso County's challenging budget – what our veteran auditor has called the worst he's seen – is a result of flat property tax revenue (no increase in 5 years), and a serious drop in other revenues (like sales tax and fees) as a result of the bad economy.

## Budgetary Additions since FY2007

- 448<sup>th</sup> District Court
- County Criminal Courts 1, 3 and 4
- Juvenile Justice referee 2 (added in 2008; cut in 2011)
- Justice of the Peace 6-2
- Probate Court #2
- Associate Court (added in 2008; cut in 2011)
- Staff in District Attorney, Public Defender, County Clerk, District Clerk and Court Administration offices to support new courts
- Constable Deputies
- Passports Office
- MHMR
- Steps/COLAs
- Law enforcement

In addition to drops in revenues, we have experienced growth in our budget, due largely to increases in the courts and law enforcement.

### Additional Burdens in FY2011

+ \$ 5 million for law enforcement

+ \$ 5.5 million for healthcare

+ \$ 1 million for retirement

**\$11.5 million added to 2011 budget**

On top of the growth in justice and law enforcement, we see other areas where our budget grows – things we have no choice but to fund.

### Budget Cuts

- 2009: 5%.....\$ 4 million
- 2010: 2%.....\$ 2 million
- 2011: 5%.....\$ 4.4 million
- 2011 additional.....\$10 million

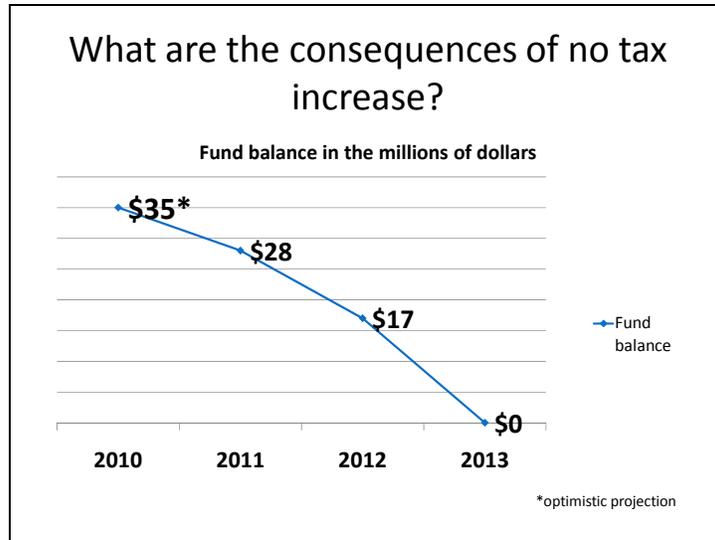
TOTAL CUTS:      **\$20.4 million**

So instead of increase taxes the last three years, we chose to cut. But our cuts – as deep and as difficult as they are – do not offset the tremendous loss in revenues that have been coupled with community growth.

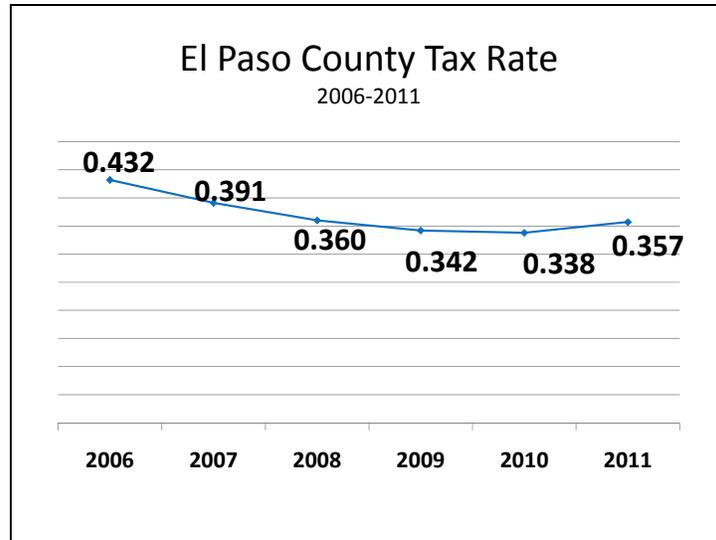
## What will stabilize the County?

- 4 cents = \$11.4 million
- \$41 per year for average El Paso home (\$122,000)

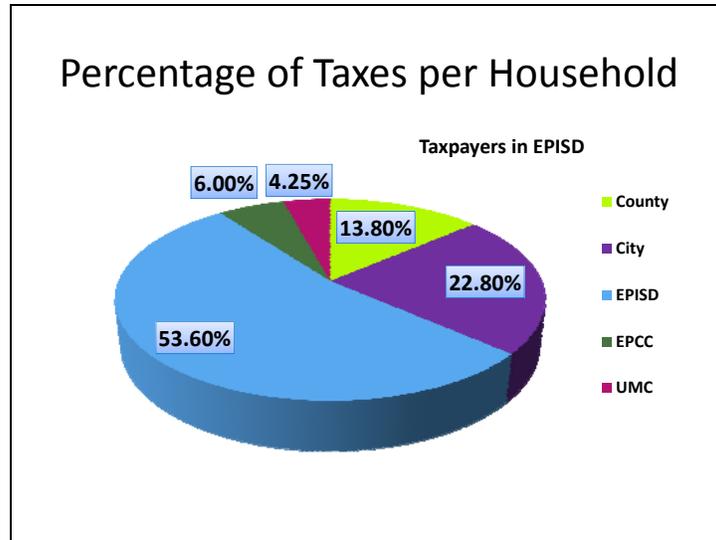
Although the auditor was advocating a 4 cent increase, the court approved a 2 cent increase, bringing in \$6 million and costing an added \$23 a year for an average El Paso home worth \$122,000. That's less than \$2 per month.



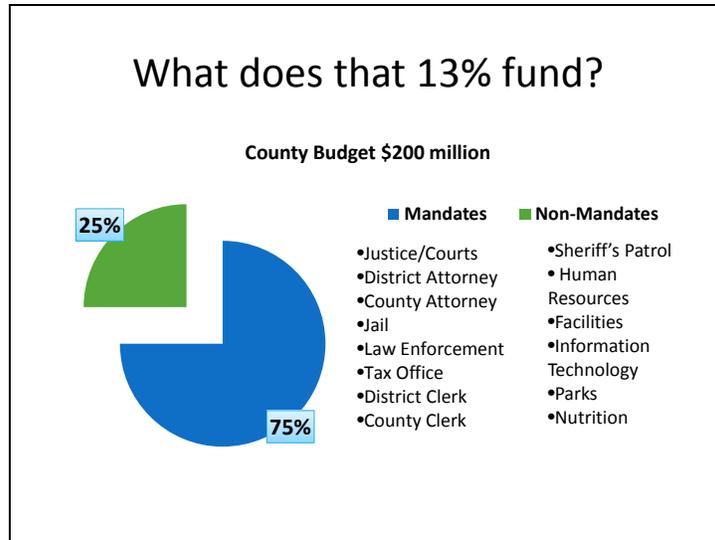
Without an increase, our fund balance would have been completely drained in 2013. We would have had to borrow money in FY 2012 (tax anticipation notes) and thereafter to pay bills in our first quarter, and by 2013 we'd be unable to meet many of our mandates – mandates that keep this community healthy, safe and keep prisoners behind bars.



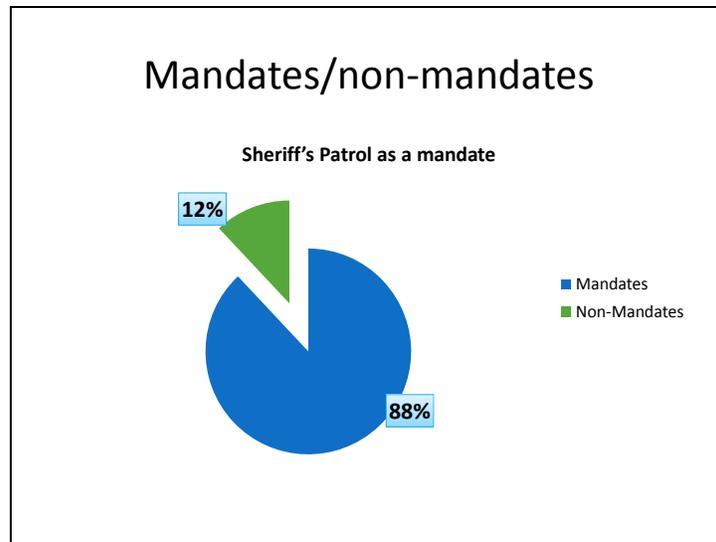
The truth of the El Paso County tax rate is that it has decreased in the last five years. Even with the 2 cent tax increase, our tax rate is not at 2006 levels.



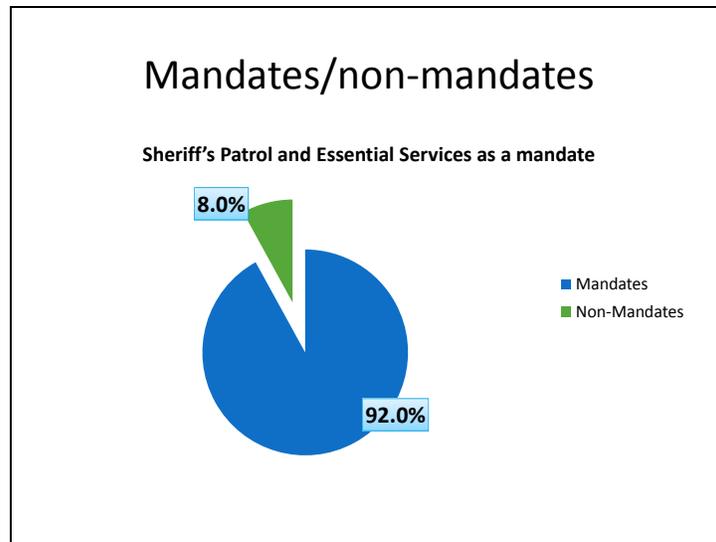
When you get your tax bill in the mail, El Paso County represents 13% of it. The biggest portion of your tax bill is the school district.



That 13% funds important mandates like your access to justice, keeping prisoners in jail, access to your birth certificates, marriage certificates, etc. The non-mandates fund Sheriff's Patrol in the outlying areas of the county (the unincorporated areas), facilities, IT, Human Resources, our few parks, and the nutrition program.



The Sheriff and many of us at the County believe sheriff's patrol is a mandate, and if it were moved from the "non-mandated" list to the "mandated" list, our non-mandated piece of the pie shrinks.



And if we move essential services (like Information Technology, Facilities and Human Resources) to the mandated section, our “non-mandates” continue to shrink. Those non-mandates have been further reduced in this budget.

### What was approved?

- 2 cents = \$6 million
- \$23 per year for average El Paso home (\$122,000)

Although this increase was not what the auditor advocated for, it will help prevent financial catastrophe next year.