



## PLANNING AND BUDGET OFFICE TRAVIS COUNTY, TEXAS

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314 W. 11th Street  
P.O. Box 1748  
Austin, Texas 78767

December 16, 2009

To: Members of the Commissioners Court, Travis County  
Elected Officials, Appointed Officials, Employees and Constituents

From: Rodney D. Rhoades, Executive Manager, Planning and Budget  
Leroy Nellis, Budget Director

Re: Fiscal Year 2010 Adopted Budget

We are pleased to present the Travis County Adopted Budget for Fiscal Year 2010. This document is submitted in accordance with all statutory requirements.

Travis County, like most governmental agencies, has felt the effects of the recent economic downturn. Economic forecasts show that we will remain in a recessionary period through calendar year 2010 which has impacted the county budget for FY 2010 and may continue to do so past 2011. The FY 10 Adopted Budget was developed with three goals in mind: 1) minimize the service level impact of the economic downturn to the citizens of Travis County; 2) seek efficiencies in our current programs to maximize the resources available; and 3) preserve our most valued resource, our employees, through the avoidance of layoffs. These goals, along with a desire to maintain healthy reserves at a level consistent with financial policies, results in a FY 10 Adopted Budget which contains adequate resources and prepares us for what is anticipated to be a more challenging FY 11 budget.

The Adopted Budget meets the county's existing contractual and programmatic commitments. Beyond these areas, the Adopted Budget contains few increases or additional new programs as resources have been extremely limited. In addition, there are a number of revenue related programs that have been shifted from ongoing to one-time funding as a result of reduced revenue receipts for FY 09. These programs will be evaluated as the FY 10 budget year progresses and may be recommended for elimination in FY 11 should revenue continue to decline.

The Adopted Budget is balanced at a tax rate of \$.4215 per \$100 of Appraised Value that is 2.98% above the Effective Tax Rate. The Chief Appraiser for the Travis Central Appraisal District has certified the total property value at \$98.36 billion for FY 10, an increase over the certified FY 09 total property value of \$95.27 billion. This includes \$2.9 billion in new property value that has not before been on the tax rolls. In addition, the average homestead value will increase from \$281,440 in FY 09 to \$287,730 in

FY 10. At the adopted tax rate, the average of all homesteads will see a modest increase in the county tax bill of \$42.26 or \$3.52 per month. This represents a 4.55% annual increase in the average tax bill.

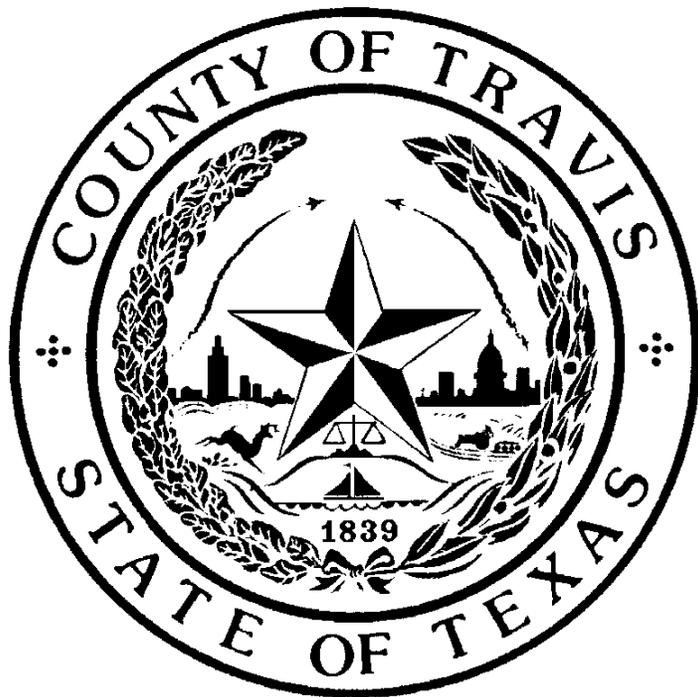
To meet the county's capital needs, a total of \$33,608,009 is included in the Adopted Budget from the following basic sources: the General Fund Capital Acquisition Resources (CAR) account (\$8,208,303), debt from Certificates of Obligation (\$15,200,000), capital projects in Other Funds (\$231,460) and debt from long-term bonds authorized by the voters in 2005 (\$9,900,000).

Due to the prudent financial policies of Travis County, we have once again had our natural AAA/Aaa bond rating reconfirmed by the two primary national credit rating agencies. This bond rating has been awarded by both agencies since 2001. It should be noted that we are one of five out of 254 counties in the State of Texas that has received and been able to maintain this highest financial rating from both agencies. This is a result of historically careful spending, relatively low reliance on fluctuating income sources, and careful adherence to a set of adopted "Financial and Budgeting Guidelines". The Travis County Commissioners Court and other county elected and appointed officials remain committed to control costs, make careful expenditures, and implement improved efficiencies while meeting the public's demand for services.

This Adopted Budget represents a sound financial plan for FY 10 and will help in preparation for continuing challenges in FY 11. The Planning and Budget Office would like to thank all county offices and departments for their understanding and willingness to work with us through this difficult time as well as to the Commissioners Court for their leadership and support.

The budget has been filed with the County Clerk for the public's review. Additional copies are available in the Planning and Budget Office in the Ned Granger Administration Building, 314 W. 11th Street, Suite 540. It is also posted on Travis County's web site, ([www.co.travis.tx.us](http://www.co.travis.tx.us)).

FY 2010 ADOPTED BUDGET  
VOLUME I - OVERVIEW



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**Departments by Name:**

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**PREFACE FOR READERS UNFAMILIAR WITH THE STRUCTURE AND ROLE OF  
TEXAS COUNTY GOVERNMENT**

Texas county government focuses primarily on the judicial system, health and social service delivery, law enforcement and corrections, and upkeep of county maintained roads. In contrast to other parts of the country, Texas counties seldom have responsibility for schools, water and sewer systems, electric utilities, and commercial airports. County governments in Texas have no ordinance-making powers other than those explicitly granted by state legislative action.

The state's 254 counties have similar organizational features: a governing body (the Commissioners Court) consisting of one member elected county-wide (the County Judge), and four Commissioners elected from geographically unique precincts. The County Judge is so named because he or she often has actual judicial responsibility. In urban counties, the County Judge is primarily an executive and administrator, in addition to being the presiding officer of the Commissioners Court. Other elected officials in each county are the County and District Clerks, the County Tax Assessor-Collector, the County Sheriff, a District and/or a County Attorney, the County Treasurer, and one or more Constables. All judges (District Judges, County Court-at-Law Judges, and Justices of the Peace) are also elected. The state District Judges in each county select the County Auditor, who serves as the chief financial officer for the county.

The Commissioners Court serves as both the legislative and executive branch of county government, and exercises budgetary authority over virtually all county departments, including those headed by other elected officials. The high number of elected officials, including many with judicial authority, creates an organizational structure unlike more familiar public sector designs, which usually contain a Chief Executive or Operating Officer and a Board that focus on broad policy matters.

County services in Texas are financed primarily by an ad valorem tax on real property and business inventory and a complex array of fees, fines, service charges and state payments. The County Commissioners Court sets the property tax rate annually, subject to a public hearing. Most of the other revenue sources are established in state law and may be changed only through legislative action.

**THE ORGANIZATIONAL STRUCTURE OF TRAVIS COUNTY**

This Fiscal Year 2010 Adopted Budget is organized around the following four basic program areas:

- Justice and Public Safety
- Health, Human and Veterans Services
- Transportation and Natural Resources
- General Government and Support Services

The next page shows the approved organization chart for Travis County as of the adoption of this budget.

**THE VISION, VALUES AND MISSION OF TRAVIS COUNTY**

The following statements have been developed by the Commissioners Court in an effort to describe Travis County's vision, values and mission.

**The Vision for Travis County**

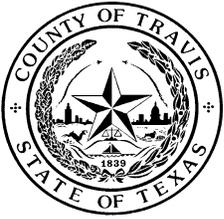
We envision an open, diverse community where all people are safe and healthy and can fulfill their hopes and dreams; one which provides a good quality of life and protects our natural resources for ourselves and future generations.

**The Values that Guide Travis County Government**

Taking responsibility, public trust and accountability, good customer service, excellence in performance, sound fiscal policy, respect for the individual, honesty and openness, caring, collaboration and cooperation.

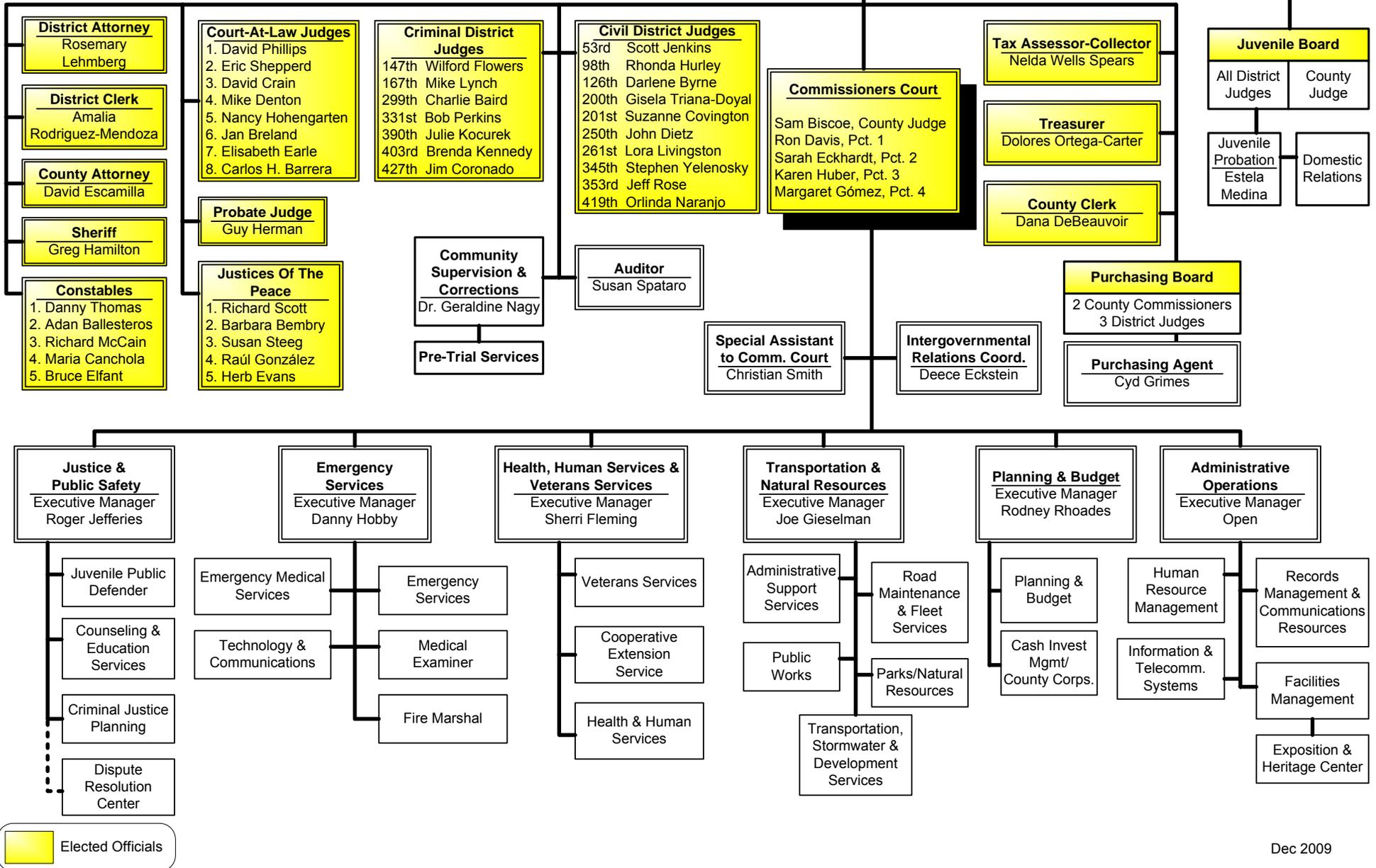
**The Mission of Travis County**

For the people of Travis County, our mission is to preserve health, provide a safety net for the needy, ensure the public safety, facilitate the resolution of disputes, foster an efficient transportation system, promote recreational opportunities, and manage county resources in order to meet the changing needs of the community in an effective manner.

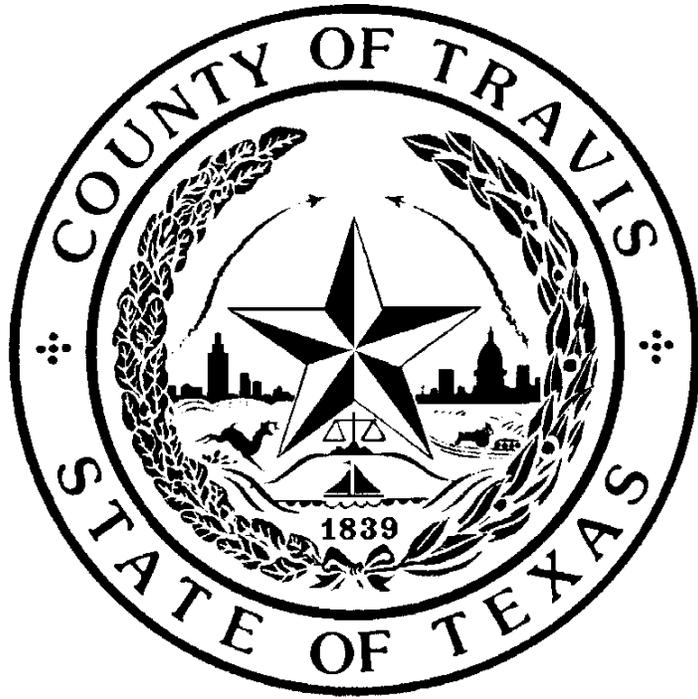


# TRAVIS COUNTY

## Travis County Voters



Elected Officials



**FY 2010 ADOPTED BUDGET  
SECTION I - EXECUTIVE SUMMARY**

**SHAPING THE FY 10 ADOPTED BUDGET**

The FY 10 Adopted Budget represents the sound financial position of Travis County. The development of this year’s budget included working closely with elected and appointed officials as departments presented the Commissioners Court with potential 5% programmatic reductions should they have been needed to support a balanced budget given the financial challenges faced by local governments across the country. Travis County reviewed these proposals and has prudently reduced expenditures where appropriate while still providing the services expected by Travis County citizens. In addition, the FY 10 Adopted Budget includes increases related to the expansion of the jail facility at Del Valle and general maintenance requirements, along with maintaining current programs in HHS and other departments.

On the revenue side of the equation, the continued plunge of interest rates has resulted in interest income dropping by almost half, or \$3.7 million, from the FY 09 Adopted Budget to the Auditor’s Amended Fifth Revenue Estimate for FY 10. A recapitulation of the FY 10 Adopted Budget is found in Section II. The FY 10 Adopted Budget total for all funds is \$655,140,525, compared to the FY 09 Adopted Budget for all funds of \$661,330,320. This is a 0.94% decrease from the FY 09 Adopted Budget. Key changes are summarized below.

**FY 10 Adopted Budget – All Funds**

	<b>FY 09 Adopted Budget</b>	<b>FY 10 Adopted Budget</b>	<b>\$ Change</b>	<b>% Change</b>
General Fund	\$450,754,725	\$455,661,280	\$4,906,555	1.09%
Road and Bridge Fund	24,565,251	19,782,540	-4,782,711	-19.47%
Debt Service Fund	81,828,429	78,091,204	-3,737,225	-4.57%
Internal Service Funds:				
Risk Management Fund	18,678,472	20,368,450	1,689,978	9.05%
Health Benefit Fund	68,982,664	64,299,767	-4,682,897	-6.79%
Other Funds (1)	30,990,215	33,450,138	2,459,923	7.94%
Less Transfers	-14,469,436	-16,512,854	-2,043,418	14.12%
<b>Total</b>	<b>\$661,330,320</b>	<b>\$655,140,525</b>	<b>-\$6,189,795</b>	<b>-0.94%</b>

(1) Excludes the two internal service funds (Risk Management Fund and Employee's Insurance Fund) but includes Other Funds Not Approved by Commissioners Court.

**PROPERTY TAX RATE**

The total taxable value for all Travis County property has seen an increase from \$95.27 billion in the FY 09 Adopted Budget to \$98.36 billion for FY 10. This is the final amount certified by the Travis Central Appraisal District (TCAD). The following data, as well as the overall Adopted Budget, is based on TCAD certified values.

The new property value totals \$2.9 billion compared to new property value of \$3.9 billion in FY 09. The table below depicts the impact of the tax rate of \$0.4215 per \$100 of taxable value on the average residential homeowner declaring his or her house as a homestead. This rate is \$0.0093 above the FY 09 tax rate of \$0.4122 and is 2.98% above the Effective Tax Rate. This results in an increase in the county tax bill of the average homestead owner of \$42.26.

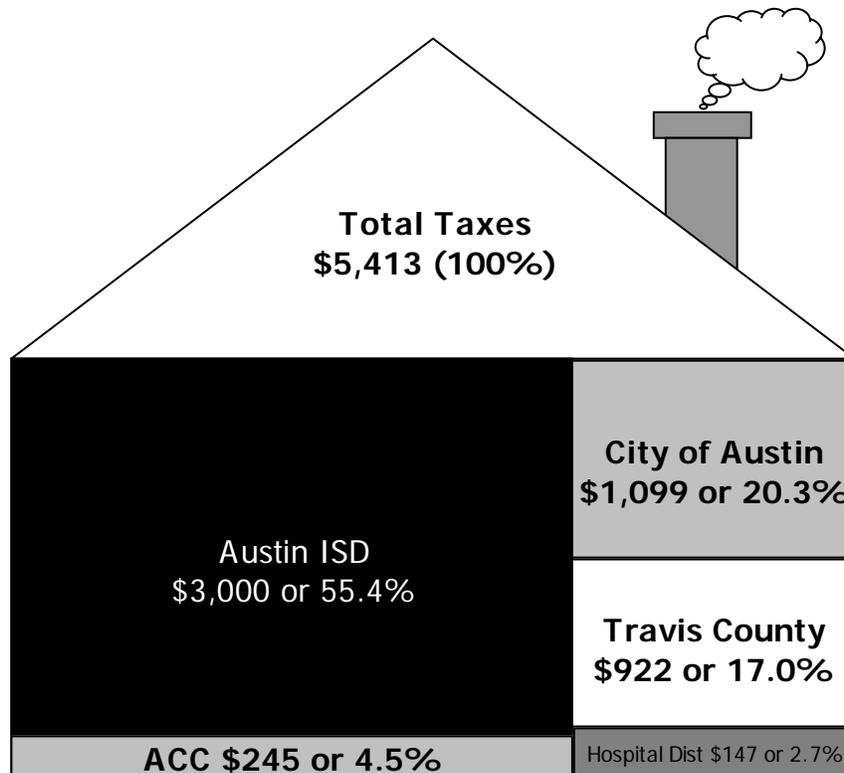
**Impact on Average Homestead**

(All homestead values per Travis Central Appraisal District as of August 12, 2009)

	FY 09	FY 10	Change
<b>Average Appraised Value of All Homesteads</b>	\$281,409	\$287,732	\$6,323
<b>Taxable Value of Average Homestead after Only 20% Exemption</b>	\$225,127	\$230,186	\$5,059
<b>Tax Rate</b>	\$0.4122	\$0.4215	\$0.0093
<b>Average Tax</b>	\$927.97	\$970.23	\$42.26

The following graphic representation shows the relative impact of the various local taxing jurisdictions on the average homestead owner in FY 10.

**FY 10 Property Tax for Average Travis County Homestead Valued at \$287,732**  
**(with \$218,761 Taxable Value after All Exemptions)**



The following is the breakdown in the tax rate between the operating portion and the debt service portion, which must be separately calculated and approved.

**Adopted Budget Tax Rates for Travis County**  
**(Per \$100 of Appraised Value)**

	<b>Adopted FY 09 Rate</b>	<b>Adopted FY 10 Rate</b>	<b>Difference</b>	<b>% Change</b>
<b>Operating Rate</b>	\$0.3394	\$0.3517	\$0.0123	3.62%
<b>Debt Service Rate</b>	\$0.0728	\$0.0698	(\$0.0030)	(4.12%)
<b>Total Tax Rate</b>	\$0.4122	\$0.4215	\$0.0093	2.26%

**DEPARTMENTAL BUDGETS IN THE ADOPTED BUDGET**

Section II contains a comparison of Adopted General Fund departmental budgets from FY 08 and FY 09 to the FY 10 Adopted Budget. The Adopted Budgets for all departments, excluding capital amounts, increased from \$367,130,970 in FY 08 to \$390,257,335 in FY 10, excluding capital. The following table summarizes the revenue, reserves and major expenditure items in the FY 10 General Fund Adopted Budget.

FY 10 Adopted Budget - General Fund				
Revenue and Reserves				
	FY 09 Adopted Budget	FY 10 Adopted Budget		
		One-Time Expenses	Ongoing Expenses	Total
Beginning Fund Balance	\$ 57,653,212	\$ 61,938,184	\$ -	\$ 61,938,184
Current Property Taxes	313,728,852	-	322,347,490	\$ 322,347,490
Other Revenue	79,372,661	-	71,375,606	\$ 71,375,606
<b>3rd Revenue Estimate</b>	<b>\$450,754,725</b>	<b>\$ 61,938,184</b>	<b>\$ 393,723,096</b>	<b>\$ 455,661,280</b>
<b>Reserves:</b>				
Unallocated Reserve	\$ 41,384,029	\$ 43,812,685	\$ -	\$ 43,812,685
Capital Acquisition Resources	2,865,553	454,223	-	454,223
Regular - Allocated Reserve	6,532,457	3,624,136	3,015,729	6,639,865
Annualization Reserve	2,347,947	-	-	0
Fuel & Utilities Reserve	1,108,121	1,000,000	-	1,000,000
HHS Reserve	400,000	-	-	0
New Financial System (BEFIT)	1,000,000	-	-	0
Central Campus Redevelopment Planning Reserve	700,000	-	-	0
Waller Creek TIF Reserve	100,000	-	-	0
Economic Downtum Reserve	-	4,950,000	-	4,950,000
Future Grant Requirements	-	500,000	-	500,000
Juvenile Justice TYC Reserve	-	250,000	-	250,000
Smart Bldg. Facility Maint. Reserve	-	43,092	-	43,092
Compensation Reserve	\$ 5,980	\$ -	\$ -	\$ -
<b>Subtotal Reserves</b>	<b>\$ 56,444,087</b>	<b>\$ 54,634,136</b>	<b>\$ 3,015,729</b>	<b>\$ 57,649,865</b>
<b>Departmental Base Budgets</b>	<b>\$365,256,049</b>	<b>\$ -</b>	<b>\$ 391,422,900</b>	<b>\$ 391,422,900</b>
Conversion of Revenue Supported Constable 3 Deputies to one-time funding		\$ 300,249	\$ (300,249)	\$ -
Ongoing FY 11 Target Reduction for Elections		431,853	(431,853)	0
Ongoing FY 11 Target Reduction for Starflight Business Plan		911,935	(911,935)	0
Project Recovery(Jail Diversion program) changed from on-going to one time funding.		150,527	(150,527)	0
Other ongoing programs converted to one-time funding		24,200	(24,200)	0
<b>Subtotal Base Budgets</b>	<b>\$365,256,049</b>	<b>\$ 1,818,764</b>	<b>\$ 389,604,136</b>	<b>\$ 391,422,900</b>
<b>Wages &amp; Benefits:</b>				
Retirement Contribution Rate Increase from 10.71% to 11.44%	-	-	1,584,541	1,584,541
Life Insurance rate increase	-	-	34,421	34,421
Hospitalization Savings Reduction	477,358	-	452,704	452,704
Elected officials' salaries - Judicial Longevity	54,893	-	193	193
Compensation – Rank and File and POPS anniversary step and other compensation changes	7,427,031	-	-	-
Career Ladders	312,322	-	-	0

FY 10 Adopted Budget - General Fund (continued)				
	FY 09 Adopted Budget	FY 10 Adopted Budget		
		One-Time Expenses	Ongoing Expenses	Total
\$2/Hour Raise for Lower paid employees	849,370			0
One- Time Savings from Risk Fund	(1,000,000)	(1,200,000)		(1,200,000)
One-Time Savings from Employee Health Fund absorbing county contribution toward retiree health coverage	(4,892,724)	(4,892,724)		(4,892,724)
Retiree COLA	-			0
<b>Subtotal Wages &amp; Benefits</b>	<b>\$ 3,228,250</b>	<b>\$ (6,092,724)</b>	<b>\$ 2,071,859</b>	<b>\$ (4,020,865)</b>
<b>Additions:</b>				
BCP increase (Note 1)	\$ 1,275,285			\$ -
Maintenance of Current Effort	3,806,775	817,051	828,388	1,645,439
County Court at Law #8	1,226,646			0
Countywide Fuel	930,724			0
Utilities	809,141			0
New Facilities	1,056,980	5,287	643,658	648,945
Revenue Related Packages	1,779,186	1,229,221	80,372	1,309,593
Current pilot programs that are continued in FY 10 funded with one-time resources.	1,841,790	1,963,487		1,963,487
Interlocal Agreements	911,256	20,000	255,222	275,222
New Social Service Funding	450,000			0
Office of Parental Representation & Child Representation	500,640			0
Felony Mental Health Prosecution Team	104,498			0
Other Additions	1,112,592	11,815	185,210	197,025
Security	330,665		238,489	238,489
PBO Changes	(933,955)		(53,488)	(53,488)
Waller Creek TIF Payment (actual = \$66,213 from Reserve above)	-		250,000	250,000
New Financial System(BEFIT)	-	299,919		299,919
Juvenile Justice Pharmacy Costs	-		217,982	217,982
TCSO Adjustment for ADP	-	-	430,966	430,966
Capital Acquisition Resources (CAR)	10,624,116	7,754,080	-	7,754,080
<b>Subtotal Additions</b>	<b>\$ 25,826,339</b>	<b>\$ 12,100,860</b>	<b>\$ 3,076,799</b>	<b>\$ 15,177,659</b>
<b>Reductions:</b>				
FY10 Budget Reductions Accepted in Budget	-	(522,852)	(4,045,427)	(4,568,279)
<b>Subtotal Reductions</b>	<b>\$ -</b>	<b>\$ (522,852)</b>	<b>\$ (4,045,427)</b>	<b>\$ (4,568,279)</b>
<b>Total All Expenses</b>	<b>\$450,754,725</b>	<b>\$ 61,938,184</b>	<b>\$ 393,723,096</b>	<b>\$ 455,661,280</b>
<b>Available Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**PERSONNEL CHANGES**

There is a net total 6.77 FTE decrease in the FY 10 Adopted General Fund Budget compared to the FY 09 General Fund Budget. This includes 9.5 FTE added with new resources. Nine of these FTE are for staffing in the Sheriff’s Office for the opening of Building 12 at the Travis County Correctional Complex and the remaining 0.5 FTE is an existing county position moving from a Special Revenue Fund to the General Fund. There are also 23.08 FTE added that are supported by new revenue, approved by the Commissioners Court during FY 09, or internally funded with existing departmental resources.

These net changes include reductions of 38.35 FTE. This amount includes 16.35 vacant FTE that were removed, a reduction of 21 FTE in the Sherriff’s Office related to the projected FY 10 Inmate Average Daily Population (ADP), one FTE moved from the General Fund to state funding, and one FTE moved from the General Fund to a Special Revenue Fund. In addition, there are 15 Revenue Related FTE noted below that have shifted from ongoing funding to one-time and will be reviewed as part of the FY 11 Budget Process.

<b>General Fund Position Changes</b>	
<b>Department/Description</b>	<b>Change</b>
Building 12 Staffing (Sheriff’s Office)	9.00
Fund Switch from Special Revenue Fund to General Fund (Probate Court)	0.50
<b>Subtotal - FTE Funded with New Resources</b>	<b>9.50</b>
Revenue Related (Constable, Pcts. 1, 2, & 5, District Attorney’s Office, & Planning and Budget Office)	7.50
FY 09 Changes Approved Mid-year (HHS, Constable, Pct. 2, ITS, District Clerk & Facilities Mgt)	5.84
Internally Funded by Departments (EMS, HHS, Med Examiner, District Clerk, Sheriff’s Office, TNR, Civil Courts, Facilities Mgt)	9.74
<b>Subtotal - Revenue Related, Midyear Changes, or Internally Funded</b>	<b>23.08</b>
Reduction Proposals Accepted - Vacant Positions (County Attorney’s Office, Sheriff’s Office, ITS & TNR)	(16.35)
Reductions Based on FY 10 Inmate Average Daily Population (ADP) Projection (Sheriff’s Office)	(21.00)
Position moved to State Funding (CSCD)	(1.00)
<b>Subtotal - On-going Reductions</b>	<b>(38.35)</b>
Fund Switch from General Fund to Special Revenue Fund (District Clerk)	(1.00)
<b>Subtotal - One-time Reductions</b>	<b>(1.00)</b>
<b>Total FTE Change</b>	<b>(6.77)</b>

<b>Other General Fund Position Changes</b>	
<b>Department/Description</b>	<b>Change</b>
Revenue Related FTE Changed from On-going funding to One-time Funding for FY 10. Changes do not impact FTE totals for FY 10.	
Emergency Medical Services (Star Flight Business Plan)	9.00
Constable, Precinct 3 (Criminal Division & DPS Court Clerks)	6.00
<b>Subtotal - Other General Fund Position Changes</b>	<b>15.00</b>

*Note: If on-going revenue for these position does not become available in FY 11, some of these positions may be eliminated.*

## **MAJOR DEPARTMENTAL REDUCTIONS**

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Due to the current economic uncertainties, departments were asked to supplement their budget submissions with a list of proposed long-term programmatic cuts in the event that up to 5% of their Target Budget was unable to be funded, along with explanations of the implications of such cuts. PBO reviewed these reduction proposals and has made recommendations based on a number of factors including:

- Departmental priorities
- Budget balances left for the past three years
- Programmatic impact of the proposed reduction(s)

The major reductions included in the FY 10 Adopted Budget include the following:

### **1. General Administration – (\$81,653)**

The FY 10 Adopted Budget includes \$81,653 in reductions to the General Administration budget. These reductions include a \$77,653 decrease in interest expenses and a \$4,000 decrease in arbitrage related fees. These reductions are based on a 5-year trend analysis of these expenses.

### **2. Information and Telecommunications Systems (ITS) – (\$256,579)**

The ITS Department budget includes a \$256,579 reduction related to various cuts in department travel, training, other purchased services, software and consulting operating line items and moving the maintenance agreements for the Dorado System to the JP Technology Fund.

### **3. Facilities Management – (\$126,584)**

The Facilities Management Department budget includes a reduction to its personnel budget of \$40,704 due to permanent salary savings within that department. In addition, the Adopted Budget includes reductions in the carpet replacement program of \$44,454 and the paint program of \$28,662 or 33% of the total budget for those programs.

There is also a net reduction of \$12,764 in the FMD budget related to the addition of four Custodian positions. The department internally funded two Custodians for the East Service Center as well as two Floor Care Custodians for all county buildings at a total cost of \$150,372. This proposal was funded through an additional 33% cut in the Carpet Replacement Program and Paint Program of \$75,936 and through the cancellation of the carpet cleaning contract of \$87,200 that will no longer be needed due to the funding of the Floor Care Custodians.

**4. County Attorney – (\$164,418)**

The Adopted Budget includes a reduction of two FTE (four part-time law clerk positions) in the County Attorney's Office. There have been long-term law clerk vacancies and this reduction will save \$139,004. In addition, operating reductions totaling \$25,414 are included that will affect the department's travel, training and office supplies budget.

**5. County Clerk – (\$187,061)**

A total of \$187,061 was removed from the County Clerk's budget due to a reduction in the number of Early Voting Locations funded by Travis County from 24 to 16.

**6. District Clerk – (\$185,400)**

Due to significant savings resulting from using the I-Jury system (a Web-based jury impanelment process), the budget for jury pay has been reduced by \$177,000. An additional \$8,400 reduction was made due to off-site evidence storage being moved to Airport Boulevard, making outside rental fees unnecessary.

**7. District Attorney – (\$68,845)**

The District Attorney's Office includes a \$46,345 budget reduction due to permanent salary savings realized in the office. An additional reduction of \$22,500 was made in the rent, court transcripts, witness expense and travel and training operating line items.

**8. Sheriff's Office – (\$1,844,621)**

The FY 10 Budget includes a total of \$1,844,621 in reductions to the Target Budget submission of the Sheriff's Office, which includes the elimination of 29.0 FTE positions. These reductions are made up of two categories consisting of Inmate ADP Reductions with a reduction of \$1,370,137 and 21.0 FTE positions, and Other Vacant Position Reductions with a reduction of \$474,484 and 8.0 FTE positions. More detailed information on these two categories of reductions follows.

**a. Inmate ADP Reductions**

Because of the Inmate Average Daily Population (ADP) decrease and the 2,903 bed capacity assumption, the custody staffing level for Corrections is recommended to be reduced by 20 FTEs using the current Corrections Relief Factor of 1.72X, along with 1 building maintenance position. These positions were vacant and are as follows.

<b>Position</b>	<b>FTEs</b>
Corrections Lieutenant	(1.0)
Corrections Sergeant	(1.0)
Corrections Officer	(18.0)
Building Maintenance Worker Sr	(1.0)
<b>TOTALS</b>	<b>(21.0)</b>

These reductions along with related operating line item savings of \$203,606 result in a total reduction of \$1,370,137 due to Inmate ADP.

**b. Other Vacant Position Reductions**

An additional eight vacant positions in other program areas of the Sheriff’s Office are eliminated for a budget reduction of \$474,484. These positions are as follows.

<b>Position</b>	<b>Reduction</b>	<b>FTEs</b>	<b>Program Area</b>
Deputy Sheriff (Training Positions)	\$(186,820)	(3.0)	Law Enforcement Patrol
Certified Nursing Assistant	(36,651)	(1.0)	Inmate Medical Services
Telecommunications 9-1-1 Specialist	(136,204)	(2.0)	Law Enforcement Dispatch
Social Services Program Coordinator & Sr Counselor	(114,809)	(2.0)	Inmate Services Programs
<b>TOTALS</b>	<b>\$(474,484)</b>	<b>(8.0)</b>	

These reductions are not likely to have an immediate impact on these program areas with the exception that available Inmate Services programs would return to the limited levels available before January 2006.

**9. Juvenile Probation – (\$516,000)**

The Adopted Budget includes a shifting of the Family Preservation contract from the General Fund to the Title IV-E grant funds under the Juvenile Probation Department for FY 10. The contract provides in-home therapy and case management to juveniles and family members of juveniles in the Juvenile Justice System. This will result in \$516,000 in one-time savings for the General Fund and will not result in any decrease in service levels since the funding source is the only change. The contract will be moved back to the General Fund once Title IV-E grant funds are no longer available. This action was based on the information available at the time that the Preliminary Budget was filed. This reduction was restored after filing of the Adopted Budget due to an anticipated reduction in the amount of Title IV-E funds that will be received by the department in the future.

**10. TNR Flood Plain Reorganization – (\$166,272)**

This reorganization eliminates the vacant Flood Plain Administrator position (0.95 FTE in the General Fund). The duties of that position will be combined with the job duties that are currently assigned to the On-Site Sewage Facility (OSSF) Program Manager. The reorganization involves combining the Development Services permitting staff with the OSSF program staff into a new Permits program. In addition, the reorganization eliminates one vacant Engineering Inspector Senior (1 FTE) since that position has mainly been supervisory and the supervisor responsibilities would be transferred to the Engineering Associate Senior position which has previously supervised the Engineering Inspector Senior position and one enforcement staff member. This reorganization results in a budget reduction of \$166,272.

**11. TNR Survey Crew Specialist Reduction – (\$21,909)**

The FY 10 Budget includes the elimination of a split funded Survey Crew Specialist (0.4 FTE) in TNR that has been vacant since 2006. TNR will continue to utilize another Survey Crew Specialist along with annual contracts with private firms to address peaks in workload. In 2006, TNR worked with Purchasing to establish a list of pre-qualified survey firms to help reduce work request response time during periods of heavy workload. In addition, the department has revised some of its internal processing so operations may continue without the eliminated Survey Crew Specialist slot. This FTE cut results in a budget reduction of \$21,909.

**12. Various TNR Operating Reductions – (\$166,287)**

TNR has reduced its General Fund operating line items by \$166,287 in a variety of divisions. More than half of the recommended total reduction is in the park utilities line item. The impact of this reduction should be minimal since savings will be achieved by Travis County providing its own raw irrigation water rather than purchasing the water from outside sources, notwithstanding possible increased demand of lighting for sports fields. Also included is a reduction to the vehicle maintenance budget based on the department's ability to extend oil change intervals by 2,000 miles on patrol vehicles and 2,500 miles on all other county vehicles with no loss of service or performance.

**13. Records Management – (\$54,764)**

The FY 10 Budget includes a reduction in the Records Management and Communication Resources Department budget due to the cost of printing business cards being made the responsibility of individual departments. This expense will now be internally funded by the requesting department on an as needed basis. In addition, the copier rental expenses for the Justice Courts were transferred from the General Fund to the Justice Court Technology Fund. A final budget reduction includes the removal of funding for a TNR imaging project to be completed in late FY 09.

**14. Project Recovery Changed from Ongoing to One--Time**

The Criminal Justice Planning Adopted Budget includes shifting the Travis County portion of Project Recovery, \$150,527, from ongoing to one-time funding. Project Recovery is a jail diversion program to assist mentally ill offenders with alcohol addictions who repeatedly go to jail on public intoxication offenses. The program is jointly funded by Travis County, the City of Austin, the Downtown Alliance and MHMR. Funding beyond FY 10 will be contingent upon the program improving the aftercare program to reduce the recidivism rates of program participants.

**15. Keep Austin Beautiful Contribution from Ongoing to One--Time**

The TNR Adopted Budget includes shifting \$24,200 (51%) of the county's contribution to Keep Austin Beautiful from ongoing to one-time resources. The implications of

reducing this contribution in the future could include additional noticeable litter in the unincorporated areas of Travis County. This program will be reviewed in FY 11 for continued funding based on the program’s performance measures and program goals.

**16. Constable Precinct 3 – Criminal Personnel from Ongoing to One-time**

The Constable, Pct. 3 Adopted Budget includes a shift of \$162,110 in funding for two Deputies and one Court Clerk in the office’s Criminal Division responsible for serving warrants from ongoing to one-time resources. In addition, \$138,139 in funding for three Department of Public Safety (DPS) Court Clerks in the office’s Criminal Division, responsible for referring DPS tickets to the appropriate Travis County Justice of the Peace, was moved from ongoing to one-time resources. These packages have been shifted to one-time funding due to office’s inability to meet revenue targets. Funding for these positions will be re-examined for continuation during the FY 11 budget process.

**17. County Clerk Elections from Ongoing to One-time**

A total of \$431,853 has been moved from ongoing resources to one-time resources, as each election cycle is budgeted according to its particular requirements.

**18. Emergency Medical Services Star Flight Business Plan from Ongoing to One-time**

The FY 10 Adopted Budget includes shifting \$911,935 for the Star Flight Business Plan Pilot Project from ongoing to one-time resources. These resources support three Pilots, one Mechanic, two Flight Nurses, two Flight Paramedics and one Accountant Associate along with funding fuel and other associated operating expenses. This funding was shifted to one-time due to a failure to meet revenue targets. Funding for the Star Flight Business Plan will be re-examined for continuation during the FY 11 budget process.

**19. Other Reductions**

In addition, there were a variety of other reductions that totaled less than \$50,000 per department as summarized on the following table:

<b>Department</b>	<b>Description</b>	<b>Personnel</b>	<b>Operating</b>	<b>Total</b>
Emergency Services	Radio Repairs	-	(34,779)	(34,779)
HRMD	Adjustment to ergonomic budget based on projected FY 10 needs and past expenditures.		(15,000)	(15,000)
JP 3	Permanent & Temporary Salaries	(13,829)	-	(13,829)
PBO	Various Operating and Temp. Salaries	(\$3,713)	(\$1,756)	(\$5,469)
Pretrial Services	Various Operating Supplies	-	(5,367)	(5,367)
CSCD	Various Operating Supplies	-	(1,389)	(1,389)
Various Other Depts.	Miscellaneous Reductions	-	(31)	(31)
<b>Total Reductions &lt; \$50,000</b>		<b>(\$17,542)</b>	<b>(\$58,322)</b>	<b>(\$75,864)</b>

## **MAJOR FUNDING ISSUES**

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### **A. Maintenance of Current Effort (MCE)**

#### **1. General Administration – \$142,278**

The FY 10 General Administration budget includes \$142,278 in additional resources to maintain current service levels. This amount includes a \$138,774 increase for the Travis Central Appraisal District (TCAD), a \$2,450 increase for the county's outside Annual Audit, a \$562 increase for professional memberships, and a \$492 increase for the Capital Area Planning Council of Governments (CAPCOG).

#### **2. ITS Maintenance Agreements – \$453,778**

The ITS budget includes an additional \$453,778 for contract increases relating to maintenance coverage for existing software and hardware, including existing systems upon expiration of warranty.

#### **3. Juvenile Probation Pharmaceutical Costs – \$217,982**

Travis County Juvenile Probation Department partners with the Travis County Sheriff's Office to provide prescription medication for the youth in their care. This partnership is beneficial for both departments as it allows for enhanced cost savings by combining the smaller needs of Juvenile Probation with the larger Sheriff's Office needs. The Adopted Budget includes a \$217,982 increase for pharmaceuticals for youth served by Juvenile Probation based on projected FY 10 needs for the program. These costs have been internally funded by the Sheriff's department in recent years with temporary one-time savings. The increase is intended to right size the ongoing budget for the program in the Juvenile Probation Department.

#### **4. Records Management and Communications Resources – \$280,807**

Additional resources of \$280,807 were added for voter registration mailings, imaging supplies, copiers, copy and print shop paper, secure shredding services and bandwidth costs for live video streaming of Commissioners Court sessions.

#### **5. Family Support Services Basic Needs – \$320,000**

The Commissioners Court approved revisions to County Civil Code (Chapter 72) that outlines the county's emergency assistance for rent/mortgage, utilities, prescription/medical supplies, transportation, and food vouchers for eligible residents. The approved changes increased the benefit amounts for the program based on an extensive review that found that assistance levels were below national standards and that the income requirements were out of sync with other programs. The changes have been effective since January 2009. As the likely result of the downturn in the economy

and other factors, Health and Human Services & Veterans Services Family Support Services has experienced a 76% weekly increase in the number of clients who are determined eligible for Travis County emergency assistance. The FY 10 Budget includes an additional \$320,000 in one-time funds for the additional projected need for the year.

**6. Increases in Leases for Parking – \$56,345**

The Central Utilities & Leases budget increased by \$56,345 to accommodate Commissioners Court's decisions to enter into additional parking leases.

**7. Other MCE Requests**

There are a variety of other Maintenance of Current Effort increases throughout county departments in the FY 10 Adopted Budget that are less than \$50,000 each and are summarized in the following chart:

<b>Department</b>	<b>Purpose</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>Total</b>
Tax Office	Data Tech FTE - Voter Registration	\$0	\$47,657	\$47,657
Medical Examiner	Cadaver Contract	34,000	-	34,000
Sheriff's Office	Includes Position Changes, Inpection Fee Increases and Motorcycle Helmets.	6,500	25,304	31,804
Emergency Medical Services	Helicopter Maintenance	27,226	-	27,226
Treasurer's Office	Armored Car Services	-	24,372	24,372
Legally Mandated Fees (Civil)	Increase in Mediation Pay Rate	-	24,000	24,000
Constable Pct. 2	Bullet Proof Vests	15,364	-	15,364
Various Departments	Longevity Adjustments and Corrections for Judges	-	11,962	11,962
Constable Pct. 1	Various Operating Increases	-	6,698	6,698
Constable Pct. 1, 2, & 4	Civil Proficiency Pay	-	14,368	14,368
<b>Total Other MCE</b>		<b>\$83,090</b>	<b>\$154,361</b>	<b>\$237,451</b>

**B. Revenue Related Packages**

A small number of budget requests are included in the FY 10 Budget because they are expected to result in additional revenue to support the added expense. These packages total \$1,309,593. In certain cases, the projected revenue increase is sufficiently documented that the expense is added on an ongoing basis. In other cases, the projected revenue is not sufficiently documented so those requests are funded with one-time resources and will be re-evaluated for FY 11.

**1. Healthcare Division Director Promotion – \$12,993**

The County Attorney's Office is promoting an Attorney VI to be the Healthcare Division Director. The salary increase of \$12,993 will be funded with ongoing resources by increasing the billing rate to the Healthcare District. The County Attorney handles the legal needs of the Healthcare District.

**2. District Attorney White Collar Crime Unit – \$99,530**

The District Attorney's Office has increased its one-time white collar fine revenue. This revenue pays for two part-time Attorney IV positions (on a one-time basis) to help with workload in the White Collar Crime Unit. The office is also adding staff to the Grand Jury division to expand the Arrest/Warrant Review and Expedited Case Track for Non-Violent Felonies Plan beyond traditional work hours that is expected to reduce the jail population and reduce the amount of time between an arrest and a disposition. The program, totaling \$99,530, will be evaluated next year and will continue if revenue/savings are generated through the use of this additional staff.

**3. Prosecutor Longevity Pay - \$318,500**

The State of Texas funds a portion of longevity pay for Travis County prosecutors. \$118,500 was added to the County Attorney's Budget and \$200,000 was added to the District Attorney's Office for this longevity pay. In years past, the Auditor's Office has certified this revenue on a quarterly basis; however, the entire amount was certified for both offices for this fiscal year and the full expenditures were budgeted.

**4. District Attorney's Workers Compensation Fraud Unit – \$392,847**

The District Attorney's Office is continuing its interlocal agreement with Texas Mutual Insurance to fund a Worker's Compensation Fraud Unit. The FY 10 revenue for the interlocal agreement is \$392,847 and funds the salaries and operating expenses for two attorneys and two support staff.

**5. Constable Precinct One (Criminal Division) – \$121,903**

The Adopted Budget includes one-time funding totaling \$121,903 for two Deputy Constables for the department's Criminal Division. These positions will be re-evaluated during the FY 11 budget process to determine whether ongoing resources are justified based on performance measures showing the impact of the new positions.

**6. Constable Precinct Two – Criminal Division – \$164,768**

Additional one-time funding was added to Constable Precinct Two's budget for two Warrant Deputy FTE and one Court Clerk FTE for the office's Criminal Division at a cost of \$164,768. These positions will be re-evaluated during the FY 11 Budget Process.

**7. Constable Precinct Five – Warrant Deputies – \$131,673**

The Adopted Budget includes the continuation of two Warrant Deputies funded in FY 09, totaling \$131,673. These FTE will be re-evaluated during the FY 11 budget process to determine whether ongoing resources are justified based on performance measures showing the impact of the positions.

**8. Planning and Budget Office – Financial Analyst position - \$67,379**

A Senior Financial Analyst FTE was added to PBO's budget to implement the Neighborhood Stabilization Programs through a grant awarded by the Texas Department of Housing and Community Affairs.

**C. Pilot Programs**

The FY 10 Budget includes funding for various programs that have been funded on a year by year basis. These programs are re-evaluated each year during the budget process for continued funding. These programs total \$1,963,487.

The Commissioners Court has continued its support of three priority program areas for Travis County: (1) reducing adult jail and juvenile detention populations, with special attention toward inmates with mental illness, (2) substance abuse, and (3) workforce development (adult training and new jobs). Many of the programs listed below address one or more of these three program areas.

**1. Health & Human Services (HHS) –The Children's Partnership/TRIAD – \$215,000**

The continuation of one-time funding is included in the FY 10 Budget to support youth with significant mental health challenges and their families. The recommended amount for FY 10 is \$215,000. This is a \$50,000 increase over the previous year funding of \$165,000 and is based on the projected need for FY 10. The Children's Partnership/TRIAD programs have been funded with one-time resources since FY 05. These services include residential services, traditional mental health services such as assessments/evaluations, therapy, medication and non-traditional services such as respite, parent coaching, mentoring, enrichment and basic needs. These programs serve as the payer of last resort and are used when no other funding source can be identified and/or accessed. Travis County continues to see an increase in the number of youth served by these programs.

**2. HHS – Workforce Investment Programs – \$100,000**

The FY 10 Adopted Budget includes the continuation of \$100,000 in one-time funding for pilot projects first begun in FY 07. This pilot has been an expansion of the existing County Workforce Development (WFD) programs.

**3. HHS – Mobile Crisis Outreach Team – \$400,000**

The Mobile Crisis Outreach Team (MCOT) provides emergency and urgent psychiatric crisis outreach and follow-up by traveling to locations and evaluating adults and youth who cannot or will not access traditional psychiatric emergency room care. The program, first funded as a pilot project in FY 07, works with this targeted population as well as those for whom detention is not warranted or for whom emergency detention has not become necessary. The FY 10 Adopted Budget includes the continuation of

\$400,000 in one-time funding for another year of operation. Other Texas Counties have implemented similar programs and have found that this type of mental health outreach has reduced psychiatric hospitalization and detention of the targeted population. This program is part of a larger plan currently being implemented by key mental health stakeholders to address emergency mental health services in the Austin-Travis County area. The program was originally solely funded by Travis County to operate 10 hours per day, four days per week. The state has awarded the Mental Health and Mental Retardation (MHMR) Department funding so the program can now operate 24 hours a day, seven days a week.

#### **4. HHS – Travis County After-School Program – \$220,000**

The Adopted Budget includes \$220,000 in one-time funds to continue the pilot After School programs at Gus Garcia Middle School and the Ann Richards School for Young Women Leaders. These two pilot programs have been added to the Travis County Collaborative After-School Project (TCCAP) that also provides ongoing after-school education opportunities at Webb and Pierce Middle Schools. The program serves students that are considered low income and high need. There have been recent mandated changes from the state regarding Pierce Middle School. The exact resolution that will be implemented by AISD will be developed in the near term and those changes could impact the ongoing funding for county funded after school programs. The Austin Independent School District is the lead agency for these after school programs.

#### **5. HHS – Early Education & Care: Quality Improvement – \$200,000**

A total of \$200,000 in one-time resources for quality improvement efforts in early education and care is included in the FY 10 Adopted Budget. The program seeks to improve the quality of education available in early childhood settings including environmental quality improvements through the Child Care Quality Mentoring Consortium (CCQMC) and teacher retention through the Jeanette Watson Fellowship. This is a continuation of FY 08 and FY 09 funding levels that expanded a pilot project first funded in FY 07 with \$118,000 of one-time funding. The \$200,000 budget includes \$40,000 to supplement the salaries of day care teachers.

#### **6. Cash Match for Parenting in Recovery (PIR) Program – \$80,000**

Travis County was first awarded a federal grant by the US Department of Health and Human Services - Administration for Family and Children in FY 08. The grant award is \$500,000 per year for five years, totaling \$2.5 million. The PIR grant project will provide a flexible, comprehensive continuum of services for children and parents who are involved in the child welfare system as a result of parental substance dependence.

Objectives of the PIR are to: (1) provide cross-systems training for child welfare and substance abuse counselors to promote more effective collaboration and treatment planning and increase ability to serve families with substance dependency and child

welfare involvement; (2) preclude/decrease the number of out-of-home placements for children of mothers with substance dependency; and (3) increase the safety and well-being of children of substance dependent mothers by reducing risks factors and increasing protective factors for child maltreatment.

FY 10 is the third year of the grant and required a cash grant match of \$80,000.

**7. HHS – African American Men and Boys Conference – \$25,000**

A total of \$25,000 in one-time resources is included in the Adopted Budget to continue funding the African American Men and Boys Conference. The program was first approved by the Commissioners Court in FY 09. The African American Men and Boys Conference is a partnership with the Harvest Foundation and the Austin Independent School District to provide a monthly forum for youth to interact with successful role models and other community stakeholders to address impediments to academic and life success.

**8. Pretrial Services Electronic Monitoring Programs – \$100,904**

The Electronic Monitoring pilot program in Pretrial Services has been extended for one more year. The program includes 2 FTE at a cost of \$100,904. The electronic monitoring caseload grew from 332 in FY 06 to 638 in FY 09. This significant increase in cases made it difficult for the department to maintain proper client-to-officer ratios. Additional cases also created more violations. Pretrial officers must prepare motions to revoke bond when there is a violation and collect a significant amount of paperwork, all of which is a time consuming process. Since this program started in February 2009, it would be prudent to allow the pilot to continue for one more year and review it again in FY 11. Preliminary data show that the two new FTE are helping reduce the workload to a more manageable pace for the pretrial officers. A more comprehensive review of the program would be needed next fiscal year to fund these positions with ongoing funds.

**9. Criminal Justice Planning APD Drug lab chemist – \$69,600**

Criminal Judge Planning's FY 10 Adopted Budget includes \$69,600 to continue funding a chemist at the APD Drug Lab. This is projected to keep the Magistrate Docket cases moving through the justice system. In May of 2007, the Commissioners Court approved funding for outside laboratories to take over some of the drug testing for cases on the Rocket Docket. At that time, a significant backlog had occurred which led to defendants (mostly misdemeanants) spending an inordinate amount of time in jail. The Court also approved funding for a full time chemist at the APD Drug Lab to assist in the Magistrate Docket cases. The chemist has been hired and the turnaround time has been reduced to less than fourteen days. The department reports the shorter turnaround time has led to fewer jail bed days used and has been a factor in reducing the average daily population.

**10. Council on At-Risk Youth (CARY) – \$100,000**

A total of \$100,000 in one-time funding is included in the Criminal Justice Planning FY 10 Adopted Budget for a contract with the Council on At-Risk Youth. The funding allows 113 additional youth to join the Youth Violence Prevention Program at the Alternative Learning Center and Bedichek, Dobie and Webb Middle Schools. Funding for this program was previously budgeted in the HHS&VS budget.

**11. Re-Entry Roundtable – \$30,000**

Criminal Justice Planning's FY 10 Adopted Budget includes \$30,000 in one-time funding for the Re-Entry Roundtable. The group is a collaboration of local and state policy leaders, correctional leaders, service providers, former offenders, and others with the mission of enhancing public safety and improving the success rate of offenders returning to Travis County from prison and jail.

**12. Collections Clerks for JP1, JP4, JP5 – \$132,997**

The FY 10 Adopted Budget includes continued funding of \$132,997 for one collection clerk (Court Clerk I) in each of these three Justice Courts to continue their work in preparing cases for referral to the Travis County Central Collections Office. The clerks are funded for one year with an end date of September 30, 2010. The budget for the collections clerks is as follows: \$43,669 for JP1 and JP4 each, and \$45,659 for JP5.

**13. Fully Automated Court Tracking System (FACTS) Support – \$247,382**

The FY 10 Adopted Budget includes continued funding of \$247,382 for two FACTS clerks each in Justice of the Peace Offices, Precincts 1, 4, and 5 (JP1, JP4, JP5) to continue working to clean up case data in the legacy system to ensure a smooth migration of the data to the new FACTS system. JP4 is currently scheduled to be the first Justice Court to "go live" on FACTS in September 2009, with the other Justice Courts following soon thereafter. The six positions are Special Project Temporaries which means that the positions receive all benefits but have an end date of September 30, 2010. The Adopted Budget includes \$85,808 for JP1, \$76,366 for JP4, and \$85,208 for JP5.

**14. Civil Clerk for JP5 – \$42,604**

Another year of funding for a civil clerk in JP5 is included in the FY 10 Adopted Budget. This position works on an increased civil caseload that has many statutorily mandated deadlines for action. If this position were not funded for another year, JP5 would have to internally reallocate a clerk from the Criminal Division which would result in delays in processing criminal cases.

## **D. Security**

### **1. Security Guard: Granger Building – \$37,853**

As part of a security review of the Ned Granger Administrative Building, Commissioners Court funded one Building Security Guard FTE mid-year in FY 09. The FY 10 Budget includes funding the ongoing, annualized cost of this FTE totaling \$37,853.

### **2. Security Camera Maintenance – \$17,400**

The Adopted Budget includes \$17,400 for the maintenance and repairs of all security cameras in Travis County.

### **3. Constable Security Personnel – \$183,236**

The FY 10 Budget includes the continuation of three Security personnel (Deputy Constables located in the Precinct Two Office Building) approved by Commissioners Court mid-year FY 09. This includes \$178,056 for the annualized personnel costs and \$5,180 for operating costs.

## **E. Transfers between Departments and/or Funds**

The FY 10 Budget includes several programmatic transfers between departments and/or funds as discussed below.

### **1. Business Analyst for District Clerk – (\$88,245)**

The FY 10 Adopted General Fund Budget includes a reduction of \$88,245 as the result of shifting a Business Analyst FTE from the District Clerk's General Fund budget to the District Clerk's Records Management Fund (Fund 055). The position will be re-evaluated during the FY 11 budget process to determine whether it remains budgeted in the special revenue fund or returns to the General Fund budget.

### **2. Transfer of Personnel from Domestic Relations Office to Civil Courts – \$0**

Midyear in FY 09, Commissioners Court approved the transfer of two FTE from the Domestic Relations Office (DRO) in Juvenile Probation to the Civil Courts. The two FTE are positions that serve in the courtroom that handles family drug cases. The transfer of the positions allows for a clearer employee reporting structure. The annualized budget for the two FTE totals \$131,715. The net result to the General Fund is \$0.

### **3. Probate Court Associate Judge Transfer – \$67,922**

An additional \$67,922 is budgeted in the Probate Court's General Fund budget to cover the transfer of 0.5 FTE from the Judiciary Fee Fund (Fund 049).

**4. Truancy Court Fund Increase – \$15,800**

The FY 10 Adopted Budget includes a \$15,800 increase in the General Fund's contribution to the Truancy Court Fund to support FY 10 estimated expenditures for the program.

**5. Employee Health Benefits and Risk Management Fund Transfers – (\$6,220,040)**

The FY 10 Adopted Budget for Human Resources Management Department includes reductions of \$6,220,040 from the department's budget. The reductions include a \$4,892,724 one-time reduction in the transfer to the Employee Health Benefits Fund for the county's contribution for retiree health care. This is part of a strategy to gradually reduce the fund's Allocated Reserve to a more reasonable level. It is unclear at this time if this action can be continued for FY 11, but it will be evaluated during FY 10 as a part of the process to budget employee and retiree health care for the next fiscal year.

In addition, there are \$1,327,316 in reductions to the General Fund contribution to the Risk Management Fund. This includes a reduction of \$1,200,000 for the final year of a four year plan to reduce the General Fund contribution to the Risk Management Fund(as compared to the FY 06 base) to reduce the Allocated Reserve of the fund. The General Fund contribution to the Risk Fund was also reduced by an additional \$127,316 on an ongoing basis due to a reduction proposal submitted by the Human Resource Management Department.

**6. Courthouse Security Fund Transfer – \$185,599**

There is an increase of \$185,599 in the Courthouse Security (CHS) Fund transfer to the General Fund that includes \$115,385 for the planned drawdown of the CHS Fund Balance in FY 09; \$55,411 due to a decrease in FY 10 revenue for the CHS Fund; \$14,803 to fund the FY 10 budget increases for Retirement and Life Insurance for the 35 FTE in the CHS Fund.

**7. Transfer to County Judge's Office and Criminal Justice Planning for Intern Program – \$0**

The FY 10 Adopted Budget includes a one-time transfer of funds from the Commissioner Precinct 2's budget to the County Judge's Office (\$628) and Criminal Justice Planning (\$4,659) related to an internship programs with Austin Community College. The interns will work on criminal justice issues.

**F. PBO Changes**

The Adopted Budget includes various changes recommended by PBO that include the following and result in a net increase of \$676,153.

**1. County-wide Hospitalization Savings – \$452,704**

The Adopted Budget includes an adjustment to the county-wide hospitalization savings budget. The hospitalization savings budget for the county includes a number of negative (contra) accounts established in the Hospitalization Contra Account Department to allow the county to capture the hospitalization (employee health care) savings related to vacancies that occur throughout the year and savings from employees that decline county paid health care. The county currently budgets \$629 per month per employee for the county's contribution toward employee health care premiums. For FY 10, the contra savings budget has been decreased by \$452,704 based on projected savings that are expected to be below the previously budgeted amount.

**2. Transfer to the Balcones Canyonlands Preserve (BCP) Fund – (36,028)**

The FY 10 Adopted Budget includes a decrease of \$36,028 to the transfer assumed in Transportation and Natural Resources' Target Budget. The net increase to the BCP transfer for FY 10 will be \$963,972. The overall transfer is budgeted at \$8,919,442.

**3. Waller Creek TIF Payment – \$250,000**

The City of Austin and Travis County entered into an agreement on March 4, 2008 to participate in the Waller Creek Tax Increment Reinvestment Zone in which Travis County agreed to pay into the TIF 50% of the increased tax revenue generated by the increased appraised value of the parcels located in the Waller Creek District.

The creation of the TIF District was intended to encourage the development of property in and around the TIF District that would not occur otherwise in the foreseeable future. The City will contribute 100% of its Tax Increment revenue and construct a major drainage project and related facilities within the TIF District. As a result, it is anticipated that complementary development in the TIF District will follow. This overall development is expected to result in increased tax revenues and other public benefits for both the city and the county.

Travis County's contribution to the Waller Creek TIF in FY 09 totaled \$66,213. It is estimated that the Travis County contribution for FY 2010 will be approximately \$250,000.

**4. Smaller Changes - \$9,477**

The FY 10 Adopted Budget includes a small adjustment to the General Administration budget totaling \$7,710 and a PBO correction to Constable Precinct One totaling \$1,767.

## **G. Other Changes**

### **1. Grant Match for Underage Drinking Prevention Program – \$18,351**

The Underage Drinking Prevention Program Grant in the County Attorney's Office has a cash match that is split funded by the General Fund and a direct transfer from the County Attorney Processing Site Order Fees (CAPSO) Fund. The transfer of \$18,351 is included in the County Auditor's Revenue Estimate therefore the expenditure is included in the FY 10 Adopted Budget.

### **2. Downtown Austin Alliance Inter-Local Agreement – \$20,000**

A total of \$20,000 has been included in the District Attorney's FY 10 Adopted Budget for the Downtown District Attorney Program funded by the Downtown Austin Alliance and City of Austin. These funds pay for temporary interns to assist a full time assistant District Attorney working on downtown crime issues. This is the second year of a two year interlocal agreement with the City of Austin.

### **3. Emergency Medical Services Interlocal – \$255,222**

An increase of \$255,222 in the annual program budget for the Ground EMS Interlocal is included in the FY 10 Adopted Budget. This is an ongoing contractual obligation for Travis County as defined by an interlocal agreement between the county and the City of Austin. The request for funding relates to increases in health insurance and Meet and Confer contractual obligations.

### **4. New Financial System – \$244,919**

The FY 09 Adopted Budget included resources for expenses related to the Request for Proposal (RFP) process for a new financial system. The RFP was issued on July 1, 2009 with proposals due back on September 30, 2009. In addition, a special reserve was created in FY 09 by the Commissioners Court to allow for the hiring of a team of 12 FTE to work on the new financial system during FY 09. These 12 FTE have been added to the respective departments' target budgets for FY 10.

The FY 10 Adopted Budget includes \$140,800 for one-time expenses related to the RFP process. There was a change in the RFP issuance date that made it impossible to complete the majority of the work in the original request during FY 09, resulting in this re-budgeting of a majority of the FY 09 one-time funding in FY 10.

In addition, a total of \$104,119 in one-time funding is included to continue a previously approved FTE for Identity and Access Management (IAM) infrastructure initiative for this continuing project.

**5. Building 12 at Travis County Del Valle Corrections Complex Staff Completion – \$648,945**

The FY 10 Adopted Budget includes nine positions related to completing Building 12 staff requirements at a cost of \$648,945.

<b>Position</b>	<b>FTEs</b>
Captain	1.0
Corrections Lieutenant	1.0
Corrections Sergeant	3.0
Security Coordinator	3.0
Building Maintenance Worker Sr.	1.0
<b>TOTALS</b>	<b>9.0</b>

These are the bulk of the management positions necessary to operate this 1,336 inmate bed facility, along with the remaining Security Coordinators and Building Maintenance staff for this large facility. Building 12 will constitute 46% of the 2,903 inmate bed capacity in the Travis County Jail System (TCJS) assumed in the FY 10 budget.

**WORKFORCE INVESTMENT**

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**A. Compensation**

As the budget process unfolded in the summer and fall of 2009, it became apparent that no salary increases could be included in FY 10. However, Travis County was able to protect its workforce by avoiding layoffs and compensation decreases, and by maintaining benefit levels. This will be only the third year since FY 97 when there have been no compensation increases.

At the direction of the Commissioners Court, the Compensation Committee is meeting regularly to develop recommendations for a revised compensation system that addresses the concerns raised by our workforce of the existing system. It is hoped that these recommendations can be developed and adopted during FY 10 with implementation once the economy recovers.

**B. Retirement Contributions, Life Insurance, and Judicial Longevity Pay**

In order to maintain the same benefit levels, the FY 10 Adopted Budget includes \$1,619,155 for additional retirement, life insurance, and judicial longevity pay contributions. This includes \$1,584,541 to maintain the county’s retirement benefit level for employees. According to the Texas County and District Retirement System (TCDRS), Travis County’s contribution rate per employee for retirement benefits will increase from 10.71% of salary to 11.44% of salary to maintain the same level of retirement benefits, which is a 6.82% increase. Due to the downturn in financial markets, TCDRS projects cost increases will be required for each of the next several

years unless investments greatly exceed expected returns. In addition, the FY 10 contribution for county-provided life insurance for employees required an increase. The county provides \$50,000 of life insurance coverage per employee. The life insurance rate paid by the county increased from \$78.60 per employee per year to \$87 per employee per year and maintains the same level of coverage at a cost of \$34,421. There was also \$193 increase based on Judicial Longevity Pay calculations.

### **C. Health Benefits**

Travis County continues to have success with wellness initiatives that have allowed Travis County to maintain employee, retiree, and dependent healthcare coverage costs at the same level for four years in a row. While other companies and public sector organizations have either increased rates or decreased benefits, Travis County continues to be committed to our workforce by providing affordable health insurance coverage.

Travis County began a self-insured health benefits plan in FY 02. Under a self-insured program, the actual insurance claims made by employees are paid directly from county resources with an insurance carrier hired to administer claims processing. The primary benefits from being self-insured are that the plan can provide a better level of benefits for employees and provide more control over increasing health premiums for the county. Despite this control, self-insurance does not necessarily reduce overall health care expenses. The Commissioners Court determines the benefit plan funding and benefit structure on an annual basis.

During spring 2009, an Employee Benefits Committee, in close coordination with the county's external actuary, reviewed various options, costs, and affordability of different plans for FY 10. Travis County's health costs have begun to stabilize, although health costs for retirees under 65 years of age continue to be a concern. The Commissioners Court voted to continue the current three-option plan, which allows employees to choose medical benefits in accordance with their medical needs, financial means, and family situations. The basic benefits level of the various health plans was not modified.

The Commissioners Court approved the health insurance rates for FY 10 on May 12, 2009. The rates for regular employees and retirees are unchanged from FY 09. For FY 10, the county composite contribution rate will again be \$629 per month per regular employee, \$1,170 per month per retiree under age 65, and \$339 per month per retiree 65 years of age and older. As in recent years, the county's retiree contribution will be funded from the Allocated Reserve of the Employee Health Fund.

PBO has worked with HRMD and the Auditor's Office concerning the size of the Allocated Reserve of the Employee Health Fund. The outside auditor and the county's actuary have both expressed that the reserve is larger than needed. Two actions that have been implemented to reduce the size of the Employee Health Benefits Fund Allocated Reserve include stopping the transfer of savings from General Fund vacant positions to the Employee Health Benefits Fund in FY 06 and the deferral of further

General Fund transfers for the full county contribution for retiree health for the majority of FY 07 and all FY 08, FY 09, and FY 10. The \$4,892,724 budgeted for the county’s contribution for retirees in the HRMD General Fund Budget will not be needed in FY 10 and will be used for one-time needs as the Allocated Reserve for the Employee Health Benefits Fund will cover this contribution.

As summarized on the following page, the Employee Health Benefits Fund was established in FY 02 at \$18.3 million and has grown to \$64.3 million for the FY 10 Adopted Budget. The Auditor’s Fifth Revenue Estimate includes a beginning balance of \$25,000,000, plus \$38,624,334 in premium income, and \$675,433 in interest and rebate income for a total of \$64,299,767. The Allocated Reserve for the fund is \$19,449,097, which is \$6,368,663 less than the FY 09 Allocated Reserve, primarily the result of actions to reduce the Reserve in the planned manner discussed earlier.

**Employee Health Benefits Fund – FY 02 to FY 10**

Fiscal Year	Size of Employee Health Benefits Fund
FY 02	\$18,334,435
FY 03	\$22,162,255
FY 04	\$31,585,857
FY 05	\$38,342,713
FY 06	\$48,807,721
FY 07	\$64,424,670
FY 08	\$70,683,196
FY 09	\$68,982,664
FY 10	\$64,299,767

**D. Additional Risk Management Fund Reductions**

HRMD, the County Auditor’s Office, and PBO have also met over the last several years to discuss the size of the Allocated Reserve of the Risk Management Fund. These discussions resulted in several strategies including reducing the county’s annual General Fund contribution to the Risk Management Fund by \$1.2 million per year for four years compared to past levels. FY 10 will be the fourth year of this four-year planned reduction. The FY 10 Adopted Budget also includes an ongoing reduction of \$127,316 to the General Fund contribution to this special revenue fund. The total planned reduction is \$1,327,316 million for FY 10. The Allocated Reserve for the fund is \$14,314,403, which is \$1,700,570 more than the FY 09 Allocated Reserve and primarily the result of an additional \$1,000,000 reduction in FY 09 that was not continued into FY 10. Since the Allocated Reserve increased for FY 10 it suggests that continuing the same contribution levels as in FY 10 or making additional reductions to the General Fund contribution to the Risk Management Fund may be possible in FY 11.

## DEBT POLICY

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The Commissioners Court has established a debt limitation policy that is intended to maintain a prudent approach toward the issuance of debt. Among other things, this policy indicates that the Commissioners Court will not issue long-term debt (i.e., with a repayment period in excess of five years) without the approval of such a bond issue by the voters through an election, except under the following circumstances:

1. The expenditure is legally required of the county, where penalties or fines could be imposed on the county if the expenditure is not made. Or,
2. When a financial analysis demonstrates that during a stipulated term Travis County would spend significantly less. Or,
3. The voters have previously approved the issuance of general obligation bonds but, for valid reasons, certificates of obligation must be substituted for such bonds in order to carry out the voters' authorization. Or,
4. When the expense is for necessary planning services or acquiring options for a future capital project that will be submitted to the voters.

## CAPITAL RECOMMENDATIONS

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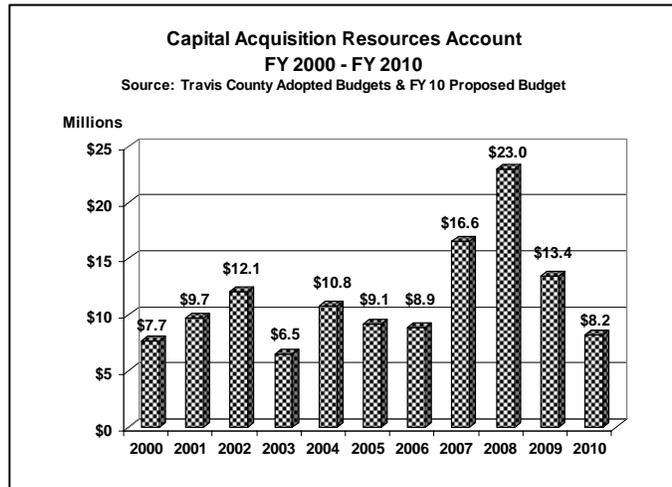
A total of \$34,959,881 in capital funding is included in the FY 10 Budget from the following basic sources - the General Fund Capital Acquisition Resources (CAR) account totals \$8,208,303 (including a \$454,223 Reserve amount and \$1,431,754 for rebudgeted projects), debt from new Certificates of Obligation of \$15,200,000 (including issuance costs of \$103,818), other funds capital of \$231,460, existing Certificates of Obligation of \$1,420,118 and debt from long-term bonds authorized by the voters in 2005 of \$9,900,000.

As is the case with ongoing expenditures, the county is facing financial constraints on the availability of resources for capital expenditures. The Adopted Budget addresses these limitations by including those capital projects and equipment for funding that meet the following criteria:

- Projects either in the middle or end of their multi-year phased implementation;
- Projects where there is little choice but to fund them for health and safety purposes or to avoid future expenses that would be greater;
- Equipment that continues the maintenance of county-wide information systems infrastructure;
- Projects which have already been partially funded by the Commissioners Court or have a contractual obligation to implement;
- Projects which have revenue certified to cover their cost; or
- Projects that the Court has already provided directions to include for funding.

**A. General Fund Capital Acquisition Resources (CAR) Account**

The General Fund Capital Acquisition Resources (CAR) account is used to fund capital equipment and facilities. This account has been quite variable over the years, driven by economic circumstances, capital needs, and other sources and constraints on debt financing. In the last 10 years, it has ranged from a low of \$6.5 million in FY 03 to a high of \$23.0 million in FY 08.



The FY 10 Budget establishes the CAR account at \$8,208,303. This amount includes a Reserve of \$454,223 and expenditures of \$7,754,080 (including \$1,431,754 in rebudgeted projects). Rebudgeted CAR projects represent capital that was approved and funded in FY 09 but was not encumbered or expended prior to the end of the fiscal year and will still be needed in FY 10.

The list of CAR-funded items or facility projects included in the FY 10 Adopted Budget is located in Section II.

**B. Other Funds**

In addition to the resources provided through the General Fund Capital Acquisition Resources (CAR) account, other special funds have a total of \$231,460 for various capital needs. These funds include the Justice Court Technology Fund and the LCRA Fund. The list of projects and equipment budgeted in these funds is located in Section II.

**C. Debt Financing**

The last of the three funding sources for capital equipment and projects is debt, either issued in the form of Bonds or Certificates of Obligation.

**1. Previous Bond Authorizations**

Since 2000, there have been three separate bond authorizations that voters have approved, as outlined below.

**a. November 2000 Bond Authorization**

In November 2000, voters authorized the Commissioners Court to issue \$28 million in General Obligation bonds. Only \$2 million of authorization remains. The remaining authorization for the US Highway 290 West road project is not scheduled to be issued in

FY 10. The county’s Transportation and Natural Resources Department continues to closely coordinate with the state on this project.

**b. November 2001 Bond Authorization**

In November 2001, voters authorized the Commissioners Court to issue \$184,955,000 in General Obligation bonds. Through FY 09, \$181,840,000 of the authorization has been issued for approved projects. Of the \$3,115,000 in remaining authorization:

- \$2,190,000 (Proposition 1: Local roads, drainage, bridges and pedestrian access) – this amount is considered projected savings due to the issuance of a Certificate of Obligation in 2006 in lieu of the road bonds for the implementation of the Flint Rock road project.
- \$200,000 (Proposition 2: County park projects) – this amount will not be issued as savings from an existing Certificate of Obligation were used instead of this authorization.
- \$725,000 (Proposition 3: SH 45 N and FM 1826 Right of Way)

**c. November 2005 Bond Authorization**

A citizens committee was established during FY 05 by the Commissioners Court to provide advice and counsel on a bond election in November, 2005. A total of \$150,875,000 in roads, parks, and jail projects was submitted to the voters in three separate propositions, with all three passing. The table below shows the amount of the original authorization and how much is scheduled to be issued in FY 10.

Project	Original Authorization	Issued Through 09	Proposed Issuance in 10	Remaining Authorization
Prop. 1: Roads, road-related drainage, right-of-way	\$65,225,000	\$57,850,000	\$3,555,000	\$3,820,000
Prop. 2: Parks and open space parkland	62,150,000	48,980,000	6,345,000	\$6,825,000
Prop. 3: Jail facility replacement beds and renovations	23,500,000	23,500,000	0	0
<b>Total - November 2005 Bonds</b>	<b>\$150,875,000</b>	<b>\$130,330,000</b>	<b>\$9,900,000</b>	<b>\$10,645,000</b>

**2. FY 10 Certificates of Obligation**

The amount of total debt proposed to be issued through Certificates of Obligation (COs) in FY 10 is \$15,200,000. Issuance costs are also included in the total at an estimated amount of \$103,818. The currently proposed projects and equipment funded from Certificates of Obligation are listed in Appendix I. These numbers may change during discussions to finalize the CO issuance. Such discussions frequently occur through December of a given fiscal year.

## RESERVES

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There are three types of regularly budgeted reserves: (A) Unallocated Reserve, (B) Allocated Reserve, and (C) Capital Acquisition Resources (CAR) Account Reserve. There are also special departmental and countywide reserves established for a special purpose that do not necessarily remain in the budget from year-to-year.

### A. Unallocated Reserve

The Unallocated Reserve is established as a buffer in case of a disaster or dire emergency. It is not dedicated for any specific expenditure and is sometimes called “the untouchable reserve.” The level of this reserve demonstrates the county’s fiscal soundness and influences the county’s bond rating.

The county’s bond and financial advisors have recommended that the county maintain an Unallocated Reserve level of between 8% and 12% for sound financial management. The Commissioners Court’s Financial and Budgeting Guidelines state the county’s goal for this reserve as between 10% and 12%. Since 1989 the Commissioners Court has maintained the Unallocated Reserve ratio at 11.0%. The total FY 10 General Fund Unallocated Reserve is \$43,812,685.

The Unallocated Reserve ratio calculation is based on budgeted expenditures (excluding transfers) in three funds: the General Fund, Debt Service Fund, and Road and Bridge Fund. Since FY 00, the General Fund Unallocated Reserve has carried the majority of the unallocated reserve requirements for the Road and Bridge Fund.

The historical reserve ratios (per Standard and Poor’s formula) showing the relationship between the Unallocated Reserve for the General Fund, Road and Bridge Fund, and Debt Service Fund and the adjusted expenses for these funds are contained in a table in Appendix I.

### B. Allocated Reserve

The Allocated Reserve is dedicated to known or potential expenditures, and some or all of the reserve is likely to be spent during the year. There are potential claims against this Allocated Reserve. These potential claims are called “Earmarks” and are signals to the Commissioners Court that a department may have a justified need for a mid-year transfer of resources to their budget for a specific purpose. The Earmarks are not appropriations and departments should not consider them as departmental resources. These Earmarks total \$1,981,688. A listing and summary of these Earmarks against the Allocated Reserve is provided in Appendix I. The FY 10 Adopted Budget includes an Allocated Reserve of \$6,639,865.

## **C. Capital Acquisition Resources (CAR) Account Reserve**

The Capital Acquisition Resources (CAR) Account Reserve is similar to the Allocated Reserve, but is instead used for one-time expenditures for capital items. It funds additional capital purchases or projects that are developed during the year or pays for cost increases in already approved capital projects. The Adopted Budget includes a CAR reserve of \$454,223. The Earmarks against this reserve total \$95,500, as outlined in Appendix I.

## **D. Special Purpose Reserves**

### **1. Economic Downturn Reserve**

The Economic Downturn Reserve is established at \$4,950,000 to lessen the impact of decreasing revenues expected for FY 11.

### **2. Fuel and Utilities Reserve**

A Reserve for expected fuel and utilities increases in the amount of \$1,000,000 in resources is included in the Adopted Budget. The countywide fuel budget is driven by changes in the cost of fuel as well as changes in fuel usage. The countywide fuel budget was reduced by \$930,724; however, given projections by the Energy Information Agency, conditions merit a reserve for possible changes in fuel prices in FY 10.

### **3. Future Grant Requirements Reserve**

A Reserve, totaling \$500,000, has been established for future grant match requirements. The county has been active in applying for American Recovery and Reinvestment Act (ARR) funds and many of these grants require contributions of additional administrative support from Travis County.

### **4. Juvenile Justice Texas Youth Commission (TYC) Reserve**

The FY 10 Adopted Budget includes \$250,000 in a Juvenile Justice TYC (Texas Youth Commission) Reserve to provide the Juvenile Probation department resources to address some of the challenges from the unsettled issues within the TYC. The State of Texas will provide a total of \$2,257,700 in new resources for Travis County to serve youth that have traditionally been served by the state before the unsettled challenges within the TYC system. This includes \$357,700 for the county to commit to send no more than twenty-five youth to TYC facilities in FY 10 and \$1,900,000 in maintenance of current effort resources. The Juvenile Justice TYC Reserve recognizes that additional resources beyond those provided by the state will likely be needed to serve these Travis County youth. The reserve was established based on one-time end of year savings generated from the Juvenile Probation Department's FY 09 General Fund Budget in a pro-active measure to assist with FY 10 issues. The actual amount of resources available to the department from this reserve will be based on the actual end of year

savings from the department's General Fund Budget since the amount of the reserve was based on an estimate provided by the department before the end of the last fiscal year.

**5. Smart Building Facility Maintenance Reserve**

A small reserve, totaling \$43,092, is included in the FY 10 Adopted Budget to cover future maintenance costs for the Smart Building purchased in FY 09. As part of the lease agreement between Travis County and Community Supervision and Corrections Department (CSCD), CSCD's lease payment includes payment of ongoing building maintenance. Budgeting these maintenance funds in their own reserve will allow the funds to build over time and be available for budgeting in the Facilities Management Department when needed.