



COUNTY OF MARIN

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Proposed Budget for FY 2011-12 to be Presented to Board of Supervisors *Reflects Continued Economic Downturn While Preserving Key Services*

San Rafael, CA – Tomorrow, County Administrator Matthew Hymel will present to the Board of Supervisors the County's Proposed FY 2011-12 Budget. Given the ongoing slowdown in revenues, the County expects a relatively flat operating budget next year totaling \$440.6 million - a decrease of 0.7% from FY 2010-11. The County's General Fund budget, which funds most County services, totals \$372.4 million – a decrease of 0.4%.

“Our goal in preparing this budget has been to make recommendations consistent with our long-term priorities and to be fiscally responsible to the residents we serve,” said Hymel. “The proposed budget reflects our fourth consecutive year of budget reductions to adapt to our new economic reality.”

The Proposed Budget will be available for public review for two weeks, after which the Board of Supervisors will hold public hearings on the Final Budget on Monday, June 20th at 1 p.m. and on Wednesday, June 22nd at 1 p.m. Both hearings will take place in the Board Chambers, located in Room 330 at the Marin County Civic Center in San Rafael, and will be webcast from the County's website at www.co.marin.ca.us. Copies of the proposed budget materials are available online at the County's website, along with other information about the County. A copy of the Proposed Budget will also be available for review at the Civic Center library.

“The recession has certainly impacted us, but we are relatively better off than most counties due to many years of prudent fiscal management,” said Board of Supervisors President Susan Adams. “The proposed budget plan continues this practice of efficiently managing our limited resources and living within our means – illustrated only a few weeks ago when Fitch Ratings affirmed the highest possible credit rating for the County because of our ability to respond early and appropriately to the economic downturn that has affected our community and the entire nation.”

The County continues to feel the effects of the economic downturn and is facing reduced property tax growth and sales tax revenue. To balance its budget, the County has taken a multi-year approach, including the provision of incentives for departments to make future-year reductions early.

The Board of Supervisors has already adopted \$4.3 million in reductions to balance the FY 2011-12 budget gap. As part of the Proposed Budget, the County Administrator is proposing an additional \$1.3 million in reductions to close the gap - which includes layoffs of 24.37 FTE General Fund positions, as well as 3.0 FTE positions within the Child Support Services special fund. Because of the number of partial positions and bumping impacts, it is anticipated that 40-50 employees will be impacted by this last round of reductions.

The majority of potential layoffs will occur because of the closing of the County's obstetrical (OB) clinical services program at the Health & Wellness Campus in San Rafael. When the County opened this clinic 18 years ago, no other local agency provided women's health services. Today, community providers such as Marin Community Clinics provide comprehensive primary care and OB services, and they are able to receive significantly higher federal reimbursements than the County.

The County has also maintained a targeted hiring freeze since 2007, which has assisted in the elimination of over 200 positions, 85% of which were reduced through attrition. All together, these actions will have reduced spending by approximately \$30 million over the past four years.

Although the Proposed Budget closes the budget gap for FY 2011-12, given that the County receives approximately 30 percent of its funding from the State, the County's budget is significantly impacted by continuing State budget uncertainties. The State faces a structural deficit exceeding \$25 billion for FY 2011-12, which has been only partially resolved. The County has set aside approximately \$5 million for State budget uncertainties to allow time to adapt to the expected loss of program revenues. In addition, departments will be developing contingency plans to reduce spending once State budget impacts are known.

"Given that we project future shortfalls, we want to engage the public and County staff to help us think creatively about our budget challenges and how we can continue to provide effective services to our residents," said County Administrator Matthew Hymel. "I have confidence that our community and County organization can identify and implement sustainable strategies to continue our long-standing tradition of living within our means while providing quality services."

The Proposed County Budget for FY 2011-12 is available online at:

<http://www.co.marin.ca.us/depts/AD/Main/bgt11/index.cfm>

The Proposed Budget for Special Districts is available online at:

<http://www.co.marin.ca.us/depts/AC/Main/finance/docs/2011%202012%20Special%20District%20 Prelim%20Budget.pdf>