

2008-09 ADOPTED BUDGET

FINANCIAL SUMMARY

The Proposed Budget was adopted with minimal changes. The changes are summarized in Exhibit A on page ii of this document. Due to the limited scope of these changes, the charts, graphs, and financial summary analysis that follow, continue to reference amounts from the Proposed Budget. The Approved and Adopted columns for each organization unit and the Schedule of Appropriations fully reflect the budget as adopted by the Board of Commissioners. Changes from the Proposed to Adopted budget include encumbrances, carry-forwards and salary adjustments.

Budget Overview

Washington County's proposed budget for the fiscal year beginning July 1, 2008 totals \$666,722,586, a decrease of \$19,319,687 (2.8%) compared to the 2007-08 adopted budget. Resources for the proposed budget include a \$6,111,830 (3.1%) decrease in beginning fund balances and a \$14,926,754 (3.1%) decrease in revenues.

2008-09 Adopted Budget vs. 2007-08 Adopted Budget

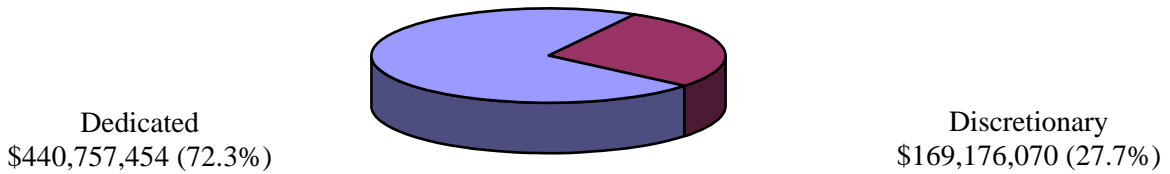
Resources:	2007-08 Adopted	2008-09 Adopted
Beginning Balance	\$199,082,643	\$194,458,922
Revenues	<u>486,864,630</u>	<u>472,263,664</u>
Total Budget	\$685,947,273	\$666,722,586
<i>Less discretionary transfers</i>	<u>-54,958,045</u>	<u>-56,789,062</u>
Total Resources	\$630,989,228	\$609,933,524
Expenditures:		
Operating	\$364,457,551	\$379,564,897
Capital	129,757,733	124,885,171
Non-Operating	<u>191,731,989</u>	<u>162,272,518</u>
Total Budget	\$685,947,273	\$666,722,586
<i>Less discretionary transfers</i>	<u>-54,958,045</u>	<u>-56,789,062</u>
Total Expenditures	\$630,989,228	\$609,933,524

Note: In the above table, the total budget has been reduced for discretionary transfers to avoid double counting of these amounts. These amounts are budgeted first as a revenue and expenditure in the General fund to accommodate the transfer of discretionary resources to special funds. The same amounts are then also budgeted as a revenue and expenditure in the special fund that receives the transfer. These transfers do not represent a payment for service, but rather a subsidy to the special fund.

The summary is organized into the three budget groups: **operating, capital and non-operating**. The **operating** budget accounts for the direct delivery of services to the public, including personnel costs and related expenses. The **Capital** budgets include facilities, technology and transportation. The **non-operating** budget includes Debt and Other Financing, Risk Management/Insurance, Reserves/Replacement, and Miscellaneous.

2008-09 Adopted Budget - Total Resources \$609,933,524

(Net of discretionary transfers)



Total resources include the beginning fund balances and revenues attributable to the various funds (General fund and Special funds). For the purpose of analysis, resources are further categorized as discretionary or dedicated. Discretionary resources may be directed at the discretion of the Budget Committee and Board of Commissioners; dedicated resources are restricted to defined purposes and use. Roughly 72% of total resources are dedicated and 28% discretionary.

Discretionary Resources

Discretionary resources are composed of general-purpose taxes, grants or fees, and the beginning fund balances for the General fund and the Revenue Stabilization Reserve fund. These resources can be used to fund programs or services at the “discretion” of the Budget Committee and Board of County Commissioners. Property tax proceeds from the County’s tax base account for approximately 70% of all discretionary revenues, making this the largest single source.

Some discretionary resources are transferred from the General fund to certain special funds. Discretionary resources that are spent on General fund programs or transferred to help pay for programs in other funds are commonly referred to as the General Fund subsidy. The County’s business plan establishes priorities for the use of discretionary resources.

**Sources and Uses of Discretionary Resources
2008-09 Adopted vs. 2007-08 Adopted**

	2007-08 Adopted	2008-09 Adopted	Increase/ (Decrease)
Resources:			
Beginning Balance	\$ 36,644,525	\$ 38,258,567	\$ 1,614,042
Revenues	125,355,839	130,917,503	5,561,664
Total	\$162,000,364	\$169,176,070	\$7,175,706
Expenditures:			
Operating	\$116,861,619	\$123,080,017	\$6,218,398
Capital	28,395,899	30,170,779	1,774,880
Non-Operating	16,742,846	15,925,274	817,562
Total	\$162,000,364	\$169,176,070	\$7,175,706

For fiscal year 2008-09, discretionary resources are projected to total \$169,176,070, an increase of \$7,175,706 (4.4%) over the 2007-08 adopted budget.

Discretionary Revenues

The County’s fixed property tax rate of \$2.2484 per \$1,000 of assessed value (AV) is projected to generate \$92.11 million in revenue for the 2008-09 fiscal year. This amount is based on a projected 4.25% increase in AV. The projected AV growth generates approximately \$4.25 million in additional discretionary property tax revenues compared to the 2007-08 adopted budget.

In addition to current property tax revenues, other significant increases in discretionary revenue include: transient lodging tax (\$256,735), cable franchise fees (\$341,274), video lottery (\$954,289), and the transfer from the Strategic Investment Program (\$379,935). These increases are partially offset by reductions in the real estate transfer tax (\$180,635) due to a decline in housing sales activity, state timber receipts (\$466,977), interest income (\$142,317), transfer from the indirect cost plan (\$112,590) and transfer from the Law Enforcement Local Option Levy (\$150,000). There are less significant changes in discretionary revenue detailed in the *Supplemental Information* section of this document.

Discretionary - Beginning Fund Balance

The discretionary fund balance includes the General fund (\$26,642,979) and the Revenue Stabilization Reserve fund (\$11,615,588), for a total of \$38,258,567. The General fund's anticipated beginning balance for the 2008-09 fiscal year is \$1.6 million greater than the 2007-08 adopted budget. The balance in the Revenue Stabilization Reserve fund remains unchanged from the 2007-08 adopted level.

The Board of Commissioners has established the goal for the discretionary balance (General fund and Revenue Stabilization Reserve fund) to be equal to or greater than 20% of annual General fund revenues, but no less than 15%. This reserve is necessary to meet several important objectives including covering cash flow requirements, adjusting to cyclical changes in revenues and expenditures, responding to emergencies, maintaining the County's debt rating and preserving long-term financial stability.

Fund Balance Forecast

Each spring a forecast of the discretionary fund balance is prepared for the purpose of evaluating the County's long-term financial position. ***The fund balance forecast below is based on departmental mid-year projections for the 2007-08 fiscal year and the 2008-09 proposed budget.*** The forecast incorporates the following assumptions:

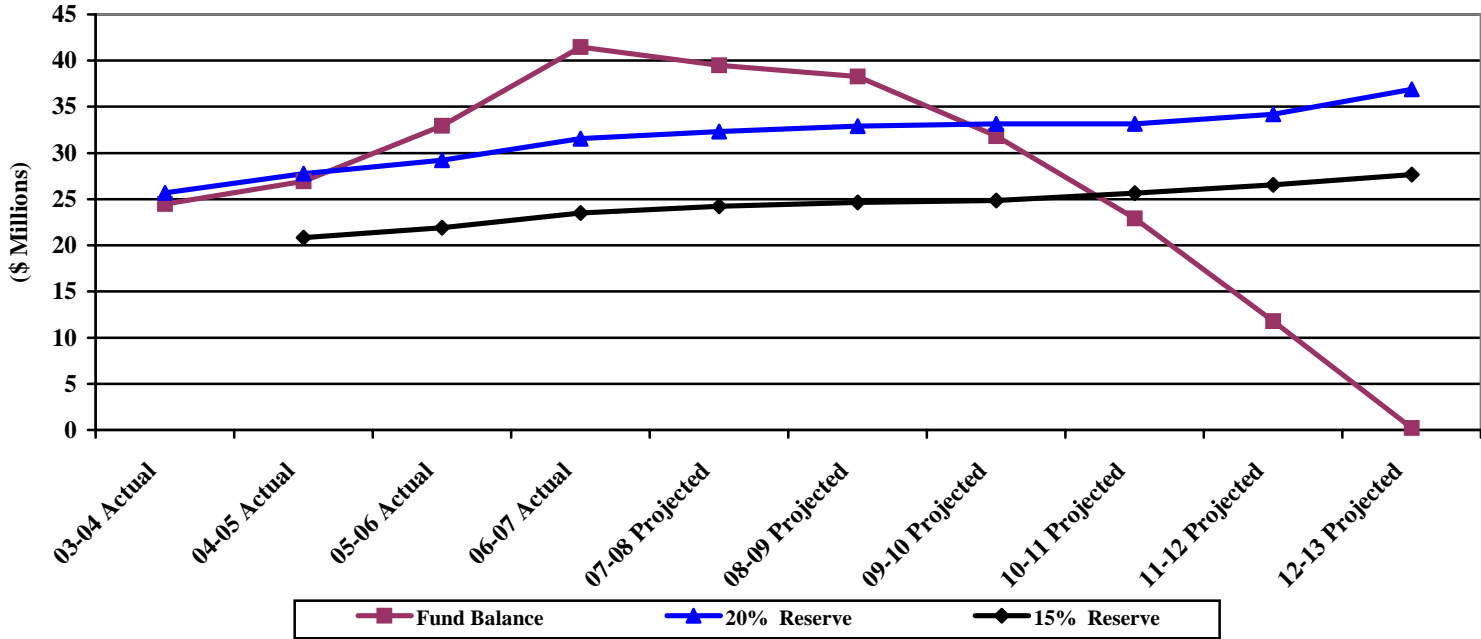
The 2008-09 projections

- Property tax revenues are based on a 4.25% increase in assessed value and 95.5% collection rate.
- The other discretionary revenues and departmental revenues are based on projections. These vary depending on the revenue source.
- A 3.10% cost-of-living adjustment is applied to all wage and wage based benefits. The projection then assumes 95% of this amount will be expended.
- Medical and dental benefit costs are projected at 95% of the proposed budget.
- All other expenditures, except General fund transfers, are projected at 95% of the proposed budget.
- General fund transfers are projected at, or close to, 100% of budget.

Projections for 2009-10 through 2012-13

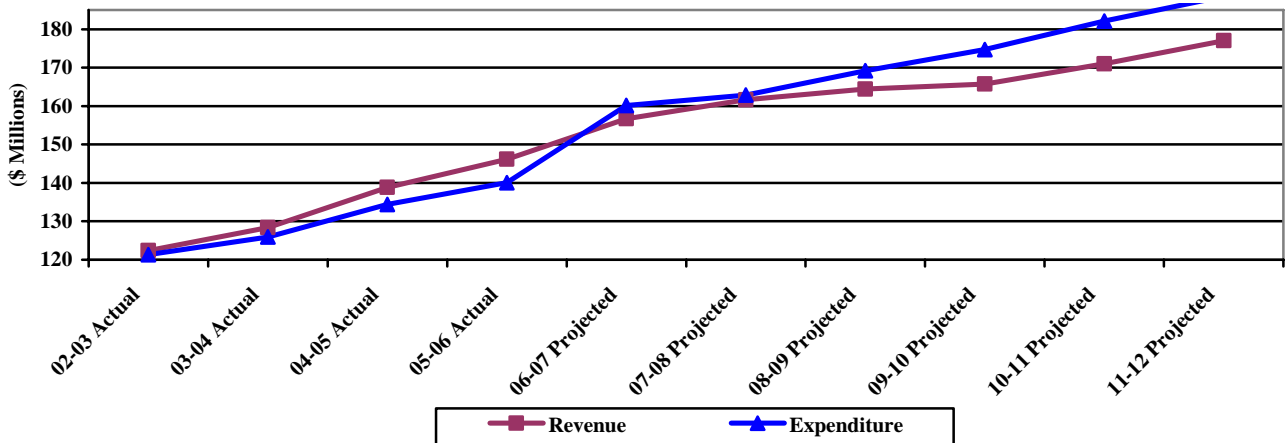
- Property tax revenues assume an annual increase in assessed value from 4.25 to 5.00 percent and a collection rate of 95.5%
- The other discretionary revenues and departmental revenues are based on projections. These vary depending on the revenue source.
- Expenditure projections are based on the 2008-09 estimates.
- Wage and wage based benefits assume a 3.0% annual increase.
- Medical and dental benefit costs are projected to increase at 10% per year. Other non-wage based benefits are projected to increase between 1 and 5% annually.
- The PERS rate remains the same throughout the forecast period. It is anticipated that the PERS Rate Stabilization fund will be drawn down to maintain rates at this level.
- The remaining expenditures increase 3% annually.
- Most transfers are held constant throughout the forecast. The exceptions are the transfers to MSTIP 3 and the Cooperative Library, which reflect annual increases of 4 to 5%.

Beginning Fund Balance General Fund + Stabilization Reserve



As depicted in the graph above and below, expenditures are projected to exceed revenues in the 2008-09 fiscal year due primarily to inflationary cost increases and select General Fund investments in critical service areas. Discretionary revenue projections are influenced by the recent economic downturn. The primary impacts are seen in property tax collections, as the growth in assessed value is anticipated to slow down; and real property transfer tax and recording fees, both tied to sales activity (transactions), are trending downward based on current market conditions. Over time, this trend could reduce the General Fund beginning fund balance to a level below the Board approved reserve goal of 20% of discretionary revenues (and 15% minimum threshold).

General Fund Revenues vs. Expenditures



Dedicated Resources

Approximately three-quarters of all resources in the proposed budget are “dedicated”, meaning that they are earmarked for specific programs or services. The Budget Committee and Board of Commissioners cannot reallocate these funds to other programs or services. Much of the County’s dedicated resources come from the state or federal government, from fees charged to cover the cost of particular activities, and from internal charges for services provided by one County department to another. Most dedicated resources are accounted for in special revenue and internal service funds, although some are received in the General fund. Dedicated revenues are also referred to as “departmental revenues”.

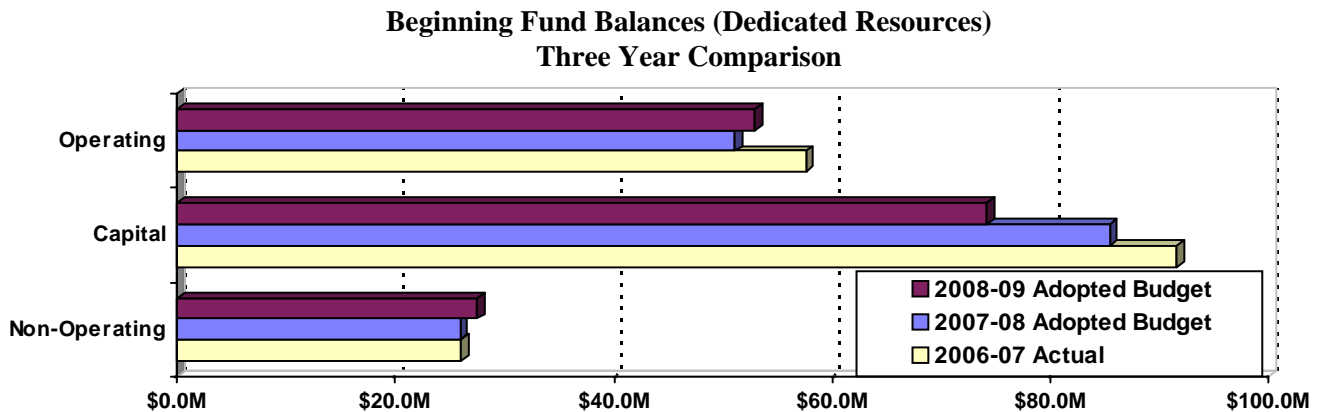
**Sources and Uses of Dedicated Resources
2008-09 Adopted Budget vs. 2007-08 Adopted Budget**

Resources	2007-08 Adopted	2008-09 Adopted	Increase/ (Decrease)
Beginning Balance	\$162,438,118	\$156,200,355	(\$7,725,872)
Revenues	306,550,746	284,231,311	(22,319,435)
Total	\$468,988,864	\$438,943,557	(\$30,045,307)
Expenditures			
Operating	\$247,595,932	\$256,517,935	\$8,922,003
Capital	101,361,834	93,990,232	(7,371,602)
Non-Operating	120,031,098	88,435,390	(31,595,708)
Total	\$468,988,864	\$438,943,557	(\$30,045,307)

Dedicated resources for the 2008-09 adopted budget total \$438,943,557, a decrease of \$30,045,307 (6.4%) from the 2007-08 adopted budget. This decrease includes a \$7,725,872 (4.8%) decrease in beginning fund balances and a \$22,319,435 (7.3%) decrease in revenues.

Beginning Fund Balance

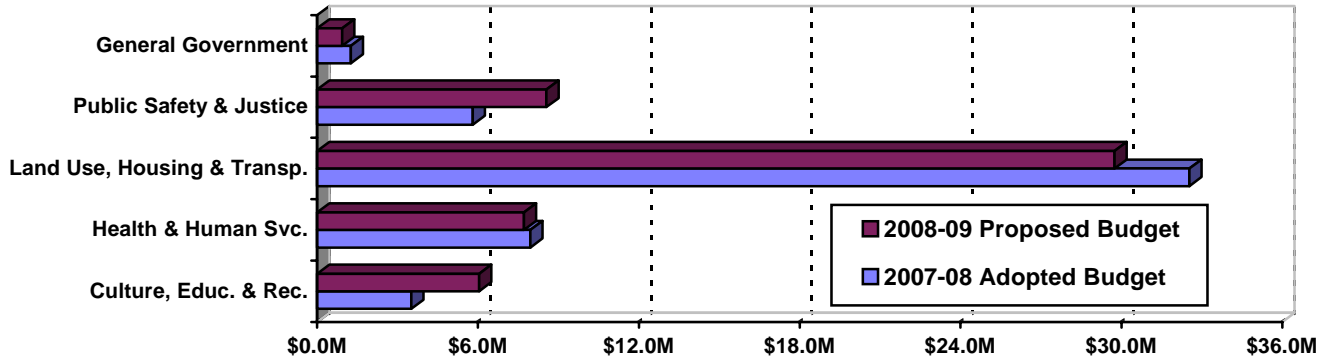
The total beginning fund balance for all dedicated funds is \$156.2 million. The graphic below provides a three-year comparison of the total dedicated fund balance for each of the budget areas.



Typically the County budgets all of the resources available, therefore no specific ending fund balance is projected. However, within the operating funds and some of the non-operating funds, a contingency amount is budgeted which is not expected to be expended. In addition it is generally assumed that there will be some under expenditure of appropriations resulting in savings. The combination of this savings and resources allocated to contingency will provide a beginning fund balance for ensuing fiscal years. All resources in the capital funds are appropriated and expended as projects progress. Unexpended project resources are carried forward to the next year.

The *operating* budget reflects an increase of \$1.9 million in the total dedicated beginning fund balance. This includes decreases in General Government (\$.324 million), Land Use, Housing & Transportation (\$2.8 million), and Health and Human Services (\$.241 million). Dedicated fund balances increase for Public Safety & Justice (\$2.74 million), and Culture, Education & Recreation (\$2.5 million). The graphic below provides a two-year comparison for each service area in the operating budget.

**Beginning Fund Balance (Dedicated) by Operating Service Area
Two Year Comparison**



The beginning fund balance in the *capital* budget decreases from \$85.4 million in the 2007-08 adopted budget to \$74.2 million for the 2008-09 proposed budget. This decrease of \$11.2 million includes a reduction of \$.52 million in the fund balances for Facilities & Technology and a \$10.7 million reduction for Transportation.

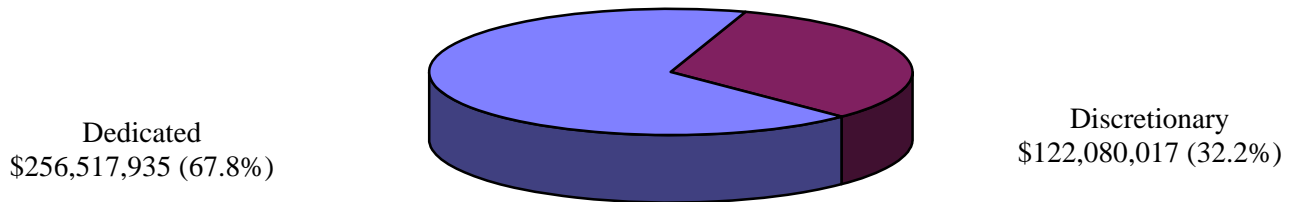
An increase of \$3.20 million in the *non-operating* budget primarily reflects higher balances in the Risk & Insurance (\$.94 million), Replacement & Reserves (\$.58 million), Debt Service (\$.125 million) and Miscellaneous (1.6 million).

Expenditures

Operating Budget Summary

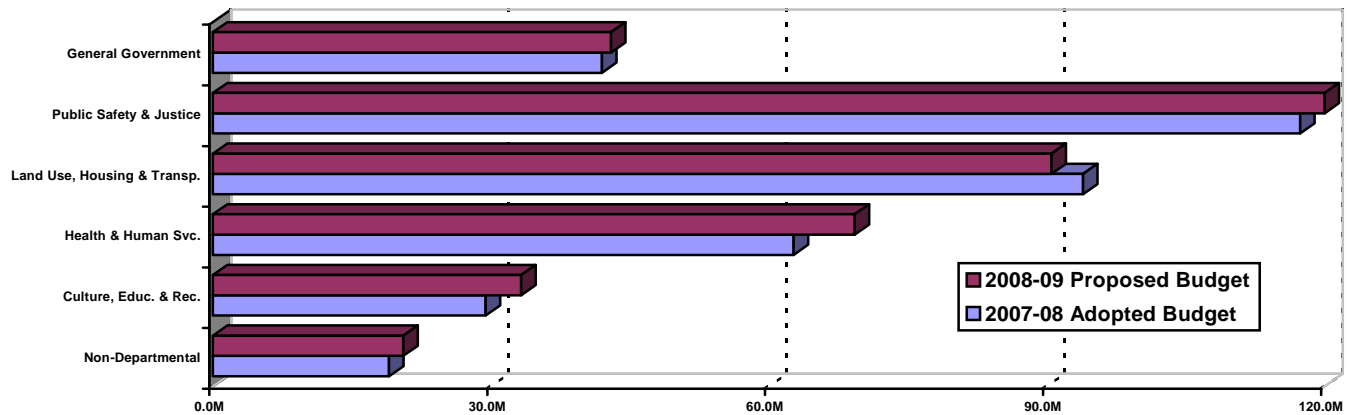
The 2008-09 Proposed *operating* budget totals \$378,597,952 and is split between discretionary and dedicated expenditures as follows:

**2008-09 Operating Budget (Proposed)
Dedicated vs. Discretionary Expenditures**



The proposed budget represents a \$14,140,401 (3.9%) increase in expenditures compared to the 2007-08 adopted budget of \$364,457,551. Expenditures funded with dedicated resources increase by \$8,922,003 (3.6%) and expenditures funded with discretionary resources increase \$5,218,398 (5.3%). The following graph illustrates the changes in 2008-09 proposed budget expenditures versus the 2007-08 adopted budget by service area.

**Operating Expenditures by Service Areas
2008-09 Proposed Budget vs. 2007-08 Adopted Budget**



The operating expenditures for General Government, Public Safety & Justice, Health & Human Services, Culture Education & Recreation and Non-Departmental service areas all increase compared to the 2007-08 adopted budget. The Land Use, Housing & Transportation area reflects a decrease in total expenditures. Specific changes by service area include:

An increase of \$980,158 (2.3%) in **General Government** includes costs associated with operations of the County’s governance and support functions. Increases are reflected primarily in the County Administrative Office (\$296,154), Financial Management (\$136,359), Information Technology Services (\$305,261) and Facilities (\$353,629). Areas experiencing a decrease include Assessment and Taxation (\$34,168), Human Resources (\$29,320), Fleet Management (\$124,411) and Internal Services (\$91,776).

The proposed budget for **Public Safety & Justice** reflects an increase in expenditures of \$5,646,024 (4.8%). The increase is due partially to the Public Safety Local Option Levy fund where expenditures are budgeted to increase by \$1,764,784. General fund organization unit expenses increase \$1,426,035, including County Law Enforcement (\$395,585), County Jail (\$160,574), Jail Health Care (\$329,822), District Attorney (\$238,462), Juvenile Administration (\$7,004), Juvenile (\$93,184), and Justice Court (\$29,262).

Special fund organization unit expenses increase \$2,455,205, primarily related to District Patrol (\$1,386,152), Community Corrections (\$448,402), Sheriff’s Office Contract Services (\$68,962), Emergency Medical Services (\$241,375), Law Library (\$100,395), Child Abuse Intervention (\$129,833) and Forfeitures (\$14,944). These expenditure levels reflect a combination of routine adjustments necessary to maintain service levels, the use of additional state funding for enhancement of certain services and the carry forward of unspent resources.

The proposed budget in the **Land Use, Housing & Transportation** area reflects a decrease of \$3,391,911 (3.6%) compared to the 2007-08 adopted budget. The Road fund is experiencing expenditure reductions in Administration (\$2,153,917) and Engineering Services (\$75,774) due primarily to reduced capital project work and lower contingency. These adjustments are partially offset by increases in Capital Project Management (\$183,016) and Operation and Maintenance (\$1,762,569) due to costs associated with maintaining service levels.

Reductions in other areas such as Building Services (\$1,365,643) and Development Services (\$528,873) reflect reduced contingencies due to fee adjustments last year and a slow down in activity. In addition, there are reductions in Survey (\$18,181), Community Development (\$156,887), Public Land Corners (\$312,039) and HOME (\$1.6 million) and an increase in Housing Services (\$356,180).

The proposed budget for the **Health and Human Services** area increases by \$6,560,169 (10.5%) due primarily to a \$2,879,573 increase in Public Health related to non-cash assistance to account for the value of vaccine provided by the State and other State Public Health revenue adjustments; \$2,880,786 increase in Human Services related to additional state monies for alcohol and drug treatment and the developmental disability program, and a \$609,553 increase in Children and Family Services.

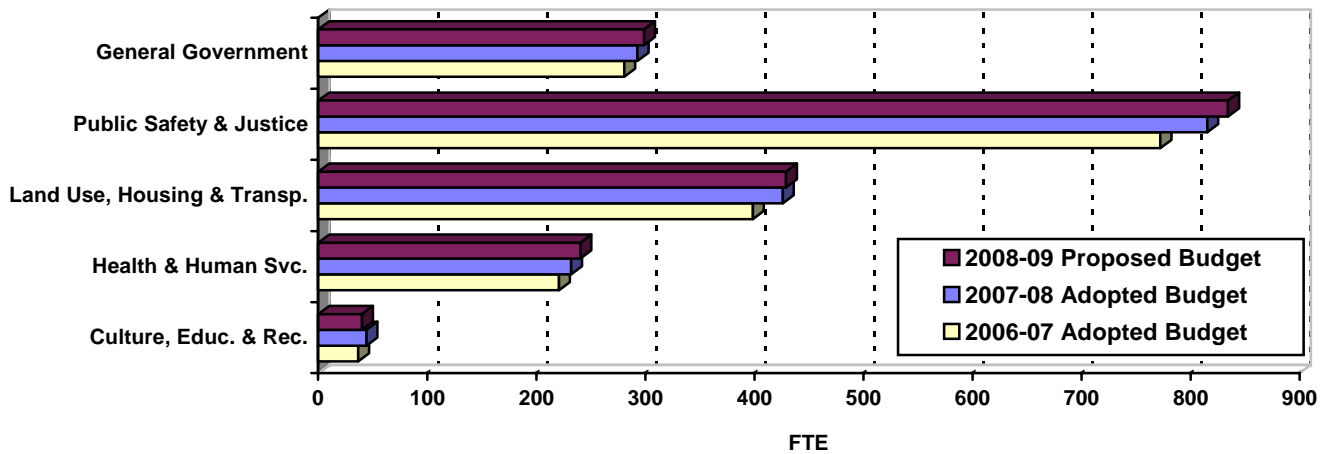
Expenditures for the ***Culture, Education & Recreation*** area increases by \$3,810,714 (12.9%) compared to the 2007-08 adopted budget. The primary increase is in the Cooperative Library (\$2,569,139) reflecting the additional resources received through the dedicated property tax levy and the General fund transfer. Other increases include Tourism Dedicated Lodging (\$693,177), County Fairgrounds (\$421,952), Metzger Park (\$15,097), Extension Service (\$23,405), and West Slope Library (\$91,442). These increases are partially offset by lower expenditures for the Parks –Hagg Lake (-\$3,498).

Expenditures for ***Non-Departmental*** increase \$535,247 (2.8%) compared to the 2007-08 adopted budget. This is due primarily to an increase in the General Fund Contingency (\$472,483), Community Network (\$15,000) and Non-Departmental (\$47,764).

Staffing Levels

All positions are included in the operating budget. Total permanent staffing for the 2008-09 proposed budget is 1,842.41 full time equivalents (FTE). This reflects an increase of 36.61 FTE as compared to the 2007-08 adopted budget. Staffing changes by functional area are summarized below.

**Staffing Levels by Functional Area
Three Year Comparison – Proposed Budgets**



The proposed budget includes the following staffing increases: General Government (6.02 FTE), Public Safety & Justice (19.01 FTE), Land Use, Housing & Transportation (-2.06 FTE), Health & Human Services (8.39 FTE), and Culture, Education & Recreation (4.25 FTE). Of these increases 19.30 FTE are in the General fund, 4.75 FTE are associated with the local option levies, and 12.56 FTE are in other special funds.

The additions in ***General Government*** include General fund adjustments in the County Administrative Office (1.82 FTE), Assessment & Taxation (1.0 FTE), Information Technology Services (2.0 FTE), Support Services (.44 FTE), Financial Management (.88 FTE), and Facilities Management (1.0 FTE). There is also an increase in the special fund organization unit Fleet Management (1.0 FTE) and a decrease in Internal Services (-1.12 FTE). These adjustments are intended to meet workload requirements.

The additions in ***Public Safety & Justice*** include General fund adjustments in Sheriff’s Office Administration (1.5 FTE), Countywide Law Enforcement (.75 FTE), County Jail (.50 FTE) and Juvenile Administration (.50 FTE). The increases in special fund organization units including District Patrol (9.5 FTE), Sheriff’s Contracts (.25 FTE), Law Library (.13 FTE), Juvenile Grants (1.0 FTE), and EMS (.75 FTE). The Public Safety Local Option Levy fund includes adjustment for LOL Countywide Law Enforcement (3.0 FTE) and LOL District Attorney (1.75 FTE). These additions are offset by minor downward adjustments in the General Fund District Attorney (.12 FTE) and special fund Community Corrections (.50 FTE).

The adjustments in Land Use and Transportation include a General Fund increase in Planning (4.0 FTE) and decrease in Watermaster (-2.06 FTE). Special Fund adjustments include increases in Community Development (.25 FTE), Operations and Maintenance (4.0 FTE) and decreases in Engineering Services (-1.0 FTE), Capital Project Management (-1.0 FTE), Development Services (-2.0 FTE), Building Services (-4.0 FTE) and HOME Program (-.25 FTE).

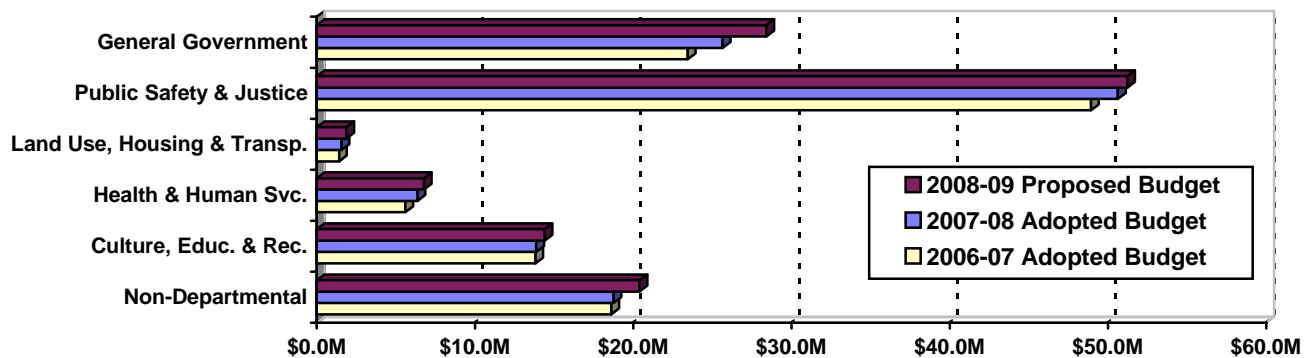
Staffing levels in Health & Human Services reflect an increase of 7.24 FTE in the General fund including increases in Public Health (6.48 FTE), Veterans Services (.85 FTE) and a decrease in HHS Administration (-.09 FTE). The special fund adjustments include Aging Services (1.15 FTE) and OHP Mental Health (.31 FTE). These increases are partially offset by a reduction in Human Services (-.31 FTE).

The increased staffing in Culture, Educations & Recreation is related to the Cooperative Library system (2.75 FTE), West Slope Library (1.0 FTE), Metzger Park (.65 FTE) and a decrease in Parks (-.15 FTE).

Discretionary Funding

In many cases the expenditure changes previously discussed are the result of adjustments in dedicated resources. However, some of the changes represent increases or decreases in the discretionary resources allocated to each functional area. The following graph illustrates the use of discretionary resources by functional area for the 2008-09 proposed budget.

**Discretionary Operating Expenditures by Functional Area
2008-09 Proposed Budget vs. 2007-08 Adopted Budget**



In total, discretionary expenditures for the proposed *operating* budget increase \$5.2 million (4.5%) compared to the 2007-08 adopted budget.

General Government increases \$2,758,565 (10.75%), including Assessment and Taxation (\$1,415,257), County Administrative Office (\$288,853), Elections (\$101,208), Support Services (\$72,706), Financial Management (\$127,459), Information Technology Services (\$308,915) and Facilities Management (\$410,889). Costs associated with General Fund support-related functions (i.e. Human Resources, Information Technology Services and Facilities) are allocated to operating departments through the County-wide cost plan.

Overall discretionary funding for Public Safety & Justice increases \$596,746 (1.2%), which includes a \$2.0 million decrease in the loan of General fund resources (from \$4.0 million in 2007-08 adopted budget to \$2.0 in the 2008-09 proposed budget) to the Public Safety Local Option Levy fund to meet cash flow requirements.

Increases in discretionary funding include County Law Enforcement Services (\$377,535), Sheriff’s Office Administration (\$183,279), Jail (\$293,306), Jail Health Care (\$339,822), Sheriff’s Office Contract Services (\$75,293), Juvenile Administration (\$14,472), Juvenile (\$91,184), Justice Court (\$79,112) and Community Corrections (\$1.21 million). These increases maintain base level operations and/or reflect variations in revenues. In addition, the District Attorney decreases \$70,317.

Discretionary funding in Land Use, Housing & Transportation increases \$301,638 (19.25%) reflecting an increase in Planning (\$355,531) and reductions in Housing Services (\$34,000) and Watermaster (\$19,893).

The proposed budget for Health & Human Services reflects an increase of \$391,462 (6.14%) in discretionary funding, including Veterans' Services (\$47,097), Human Services (\$78,277), Public Health (\$238,175), HHS Administration (\$20,313) and Animal Services (\$7,600).

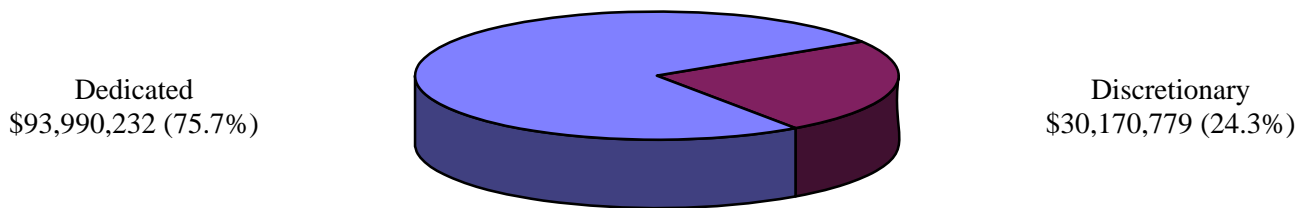
Discretionary funding in Culture, Education & Recreation increases \$539,740 (3.9%), reflecting an adjustment to the General fund transfer for the Cooperative Library (\$541,079) and funding for Extension Services (\$23,405).

The Non-Departmental area increases by \$630,247 (3.4%) due mainly to the General fund contingency (\$472,483) and Non-Departmental (\$142,764).

Capital Budget Summary

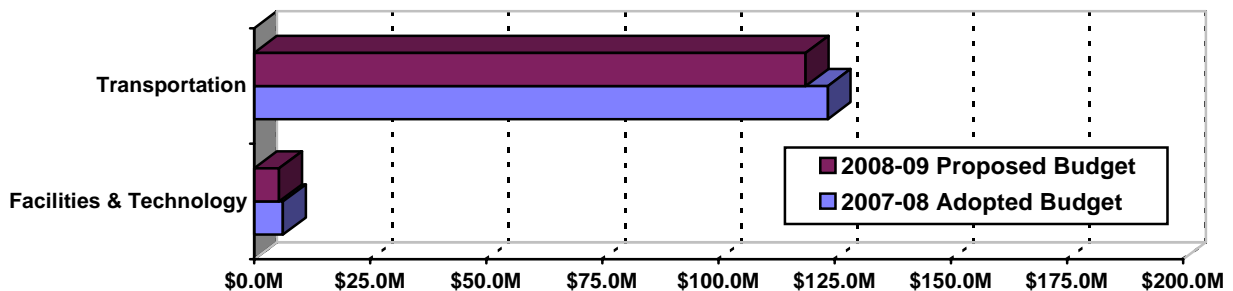
The 2008-09 proposed *capital* budget totals \$124,161,011 and is funded with discretionary and dedicated resources as follows:

**2008-09 Capital Budget (Proposed)
Dedicated vs. Discretionary Expenditures**



The proposed budget represents a \$5,596,722 (4.3%) decrease in expenditures compared to the 2007-08 adopted *capital* budget. As shown in the graphic below, expenditures decrease for Transportation and Facilities & Technology in the 2008-09 proposed budget.

**2008-09 Proposed Budget vs. 2007-08 Adopted Budget
Capital Expenditures by Category**



The proposed budget for Transportation totals \$118.76 million, a decrease of \$4.76 million (3.9%) compared to the 2007-08 adopted budget. Dedicated expenditure reductions include OTIA 3 (\$2.57 million), MSTIP 3 (\$5.6 million) and Major Street Capital Project (\$1.94 million). Countywide Traffic Impact Fee increases (\$5.36 million). The increase in discretionary expenditures reflects the increase in the annual General fund transfer amount to the MSTIP 3 fund (\$1.45 million).

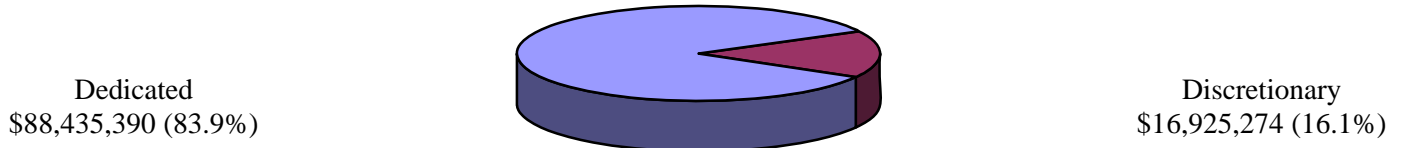
Proposed expenditures for Facilities & Technology total \$5.41 million, a decrease of \$840,079 (13.5%) compared to the 2007-08 adopted budget. The proposed budget includes increases in General Capital Projects (\$224,001), and Parks and Open Space Opportunity (\$26,617) and reductions in ITS Capital (\$992,690) and Facilities Park SDC

(\$98,007). The change in discretionary spending reflects an increase in the General fund transfer amounts for General Capital Projects (\$372,991) and a decrease in ITS Capital (\$45,060).

Non-Operating Budget Summary

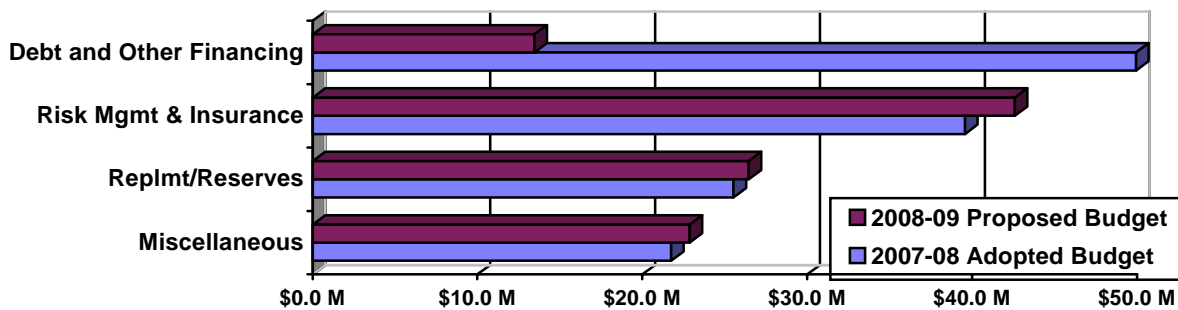
The 2008-09 proposed *non-operating* budget totals \$162,149,726 including \$56,789,062 for transfers of discretionary resources to other funds. As explained previously, these transfers are excluded from the following discussion to avoid double counting. Exclusive of the transfers, the proposed *non-operating* budget is \$105,360,664. These expenditures are funded with discretionary and dedicated resources as follows:

**2008-09 Non-Operating Budget (Proposed)
Dedicated vs. Discretionary Expenditures**



This proposed budget reflects a \$29.68 million (15.4%) decrease in expenditures compared to the 2007-08 adopted budget. The following graph compares the proposed expenditures for each area to the 2007-08 adopted budget.

**Non-Operating Expenditures by Service Areas
2008-09 Proposed Budget vs. 2007-08 Adopted Budget**



Expenditures in the Risk Management and Insurance area reflect the largest increase, an additional \$3,009,643 (7.6%). The majority of this increase is in Medical Insurance (\$1.51 million) due to increased premium costs. In addition there is an increase in PERS Employer Rate Stabilization (\$494,304) reflecting the carry forward of unspent resources. Other increases in this area include Liability/Casualty (\$865,920) and Unemployment Insurance (\$204,420). There are also partially offsetting reductions in Life Insurance (\$58,198) and Workers Compensation Insurance (\$6,129).

The proposed budget for Replacement/Reserves reflects an increase of \$830,774 (3.2%) as compared to the 2007-08 adopted budget. Expenditure adjustments include increases in ITS System Replacement fund (\$528,065) and Fleet Replacement (\$442,115). These are offset by reductions in Animal Services Gifts/Donations (\$2,100) and Building Equipment Replacement (\$42,306).

The Debt and Other Financing area decreases \$36.475 million (73.1%) due primarily to the final payment for the Courthouse Improvement Bond in FY 07-08 (\$1.17 million) and one-time refinancing of the Criminal Justice Bond Funds in October 2007 (\$35.38 million).

The remaining service area, Miscellaneous, increases \$2.96 million (3.9%) due primarily to an increase in General Fund Transfers (\$1.83 million), SIP (\$150,845), SIP 1999 (\$579,318) and Indirect Cost Recovery (\$455,714). In addition, there is a reduction in OAC Title III (\$59,459).