

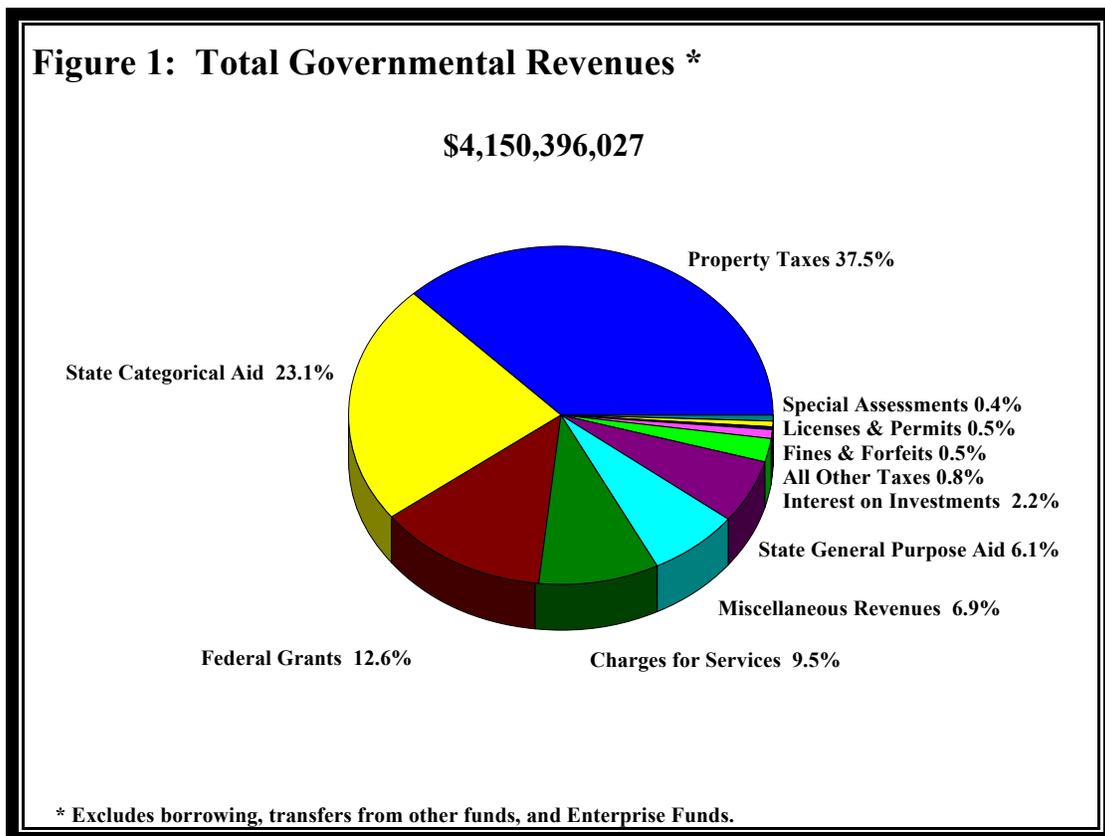
# Overview

## Total Governmental Revenues

Counties budgeted governmental revenues of \$4.15 billion for 2001. This represents an increase of 4.2 percent over the amount in 2000 budgets. The primary sources of county governmental revenues in 2001 budgets are: intergovernmental revenues, which account for 41.8 percent of total revenues; property taxes, which account for 37.5 percent of total revenues; and charges for services, which account for 9.5 percent of total revenues. In comparison to 2000 county budgets, property taxes and charges for services account for a slightly larger share of total revenues, while intergovernmental revenues account for a slightly smaller share of 2001 budgeted revenues.

The category of revenue showing the greatest increase in 2001 budgets is special assessments. While the 12.6 percent budgeted increase for special assessments is large, it represents one-time events in a few counties rather than increases for all counties. Counties budgeted fewer revenues in four categories: fines and forfeits, miscellaneous revenues, state categorical aid, and state general purpose aid. The reduction in fines and forfeits and state categorical aid is primarily the result of a state takeover of the courts in the eighth and ninth judicial districts. The categorical aid provided by the state to administer the courts was reduced to reflect the smaller role of counties in court administration. The decrease in miscellaneous revenues reflects improved classification of revenue sources.

Figure 1 below shows the relative shares of budgeted county revenues. Appendix 1 provides a summary of the two-year trends in county revenues and expenditures.



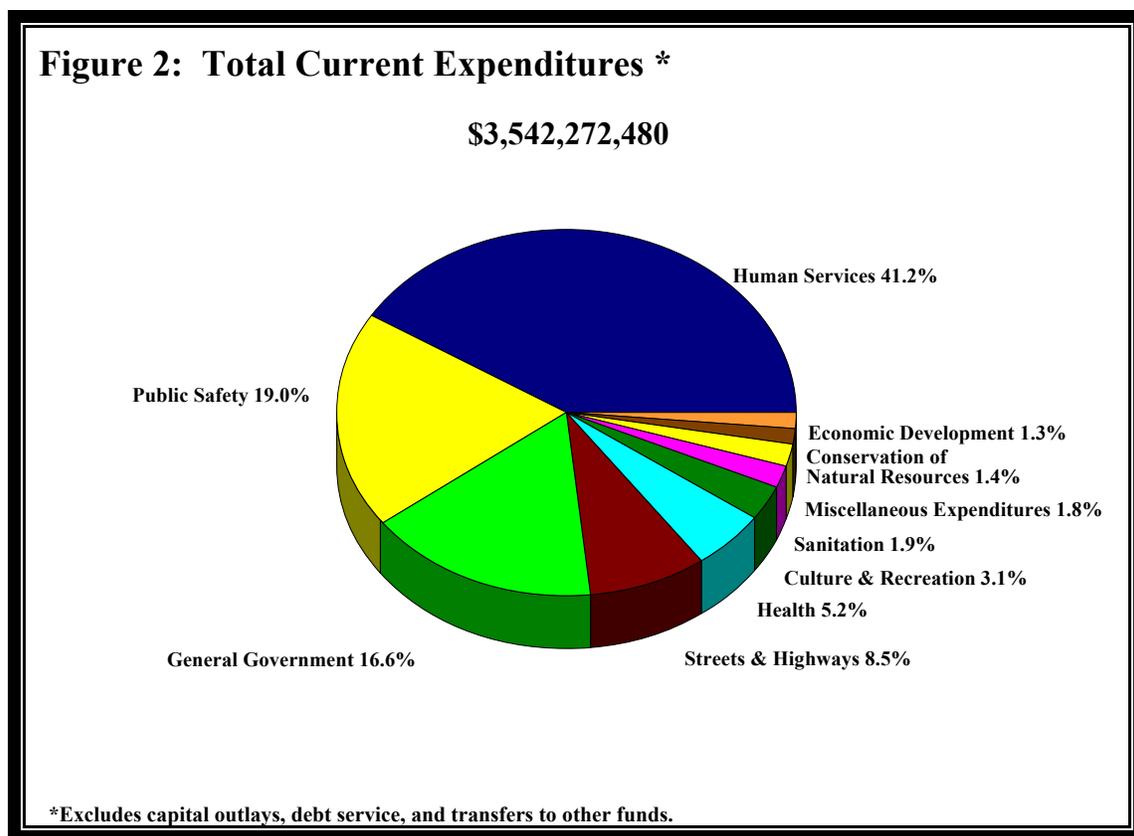
## Total Governmental Expenditures

Counties budgeted \$4.35 billion in total governmental expenditures for 2001.<sup>1</sup> This represents an increase of 4.8 percent over 2000 budgets. A further breakdown of budgeted expenditures reveals increases of 6.0 percent for current expenditures and 3.6 percent for capital outlays, while debt service expenditures decreased 15.2 percent in 2001 budgets.

Counties budgeted increases in all categories of current expenditures. The current expenditures showing the largest growth in 2001 budgets were economic development and sanitation. These two categories grew 70.4 percent and 11.4 percent, respectively. The growth in these expenditures were affected by singular events in a handful of counties rather than widespread events among counties.

The largest current expenditure category in county budgets is human services which accounts for more than twice that of any other category. Most county human services programs are mandated by the state, and many of the costs associated with these programs are fixed due to state and federal rules and eligibility requirements.

Figure 2 shows the relative shares of budgeted 2001 county current expenditures.



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<sup>1</sup> Total governmental expenditures include current expenditures, capital outlays, and debt service.

## **Borrowing and Transfers**

Counties budgeted significant increases in the proceeds from bond issues and transfers from other funds in 2001. Proceeds from bond sales increased 86.2 percent between 2000 and 2001 county budgets. Transfers from other funds increased 131.8 percent. The large increases in these categories indicate plans for capital projects, refinancing of existing debt, and drawing down of fund balances. Counties may only borrow for capital projects or to refinance existing debt. Transfers from other funds such as debt service or proprietary funds are generally used to pay for capital purchases and projects, pay off existing debt, or to reduce the overall tax levy.