

October 3, 2018

Douglas County residents,

The annual operating budget for any local government articulates the organizational policies and priorities that will be advanced on behalf of its citizens through the provision of public services and facilities in a community. Douglas County's FY 2019 budget has been crafted in a fashion that once again represents a fiscally and socially responsible policy and public service framework that responds to the Board of County Commissioner's desire to balance our core statutory obligations with the desires of our community.

The path to developing the FY 2019 budget presented significant challenges following the failure of the May 15, 2018 ballot initiative to expand and improve the county jail, while also expanding and improving services for individuals with mental illness and substance use disorder in our community. In response to this outcome, the Board of County Commissioners was confronted with the need to respect and respond to citizen opposition to the spring ballot initiative, yet continue to address the financial and human challenges that are imposed by an overcrowded, unsafe jail, and a disconnected and under-resourced safety net for some of our most vulnerable residents. What resulted is a budget that maintains a constant mill levy at 46.008, which continues Douglas County's commitment to addressing a wide array of human needs, made possible through funding reductions in other county service areas.

#### **Budget Reductions and Fee Increases**

Recognizing that additional funding will be required to address immediate needs at the County jail related to overcrowding and safety concerns, the County Commission identified budget reductions of \$2.9 million which will be reallocated to the Capital Improvements Project (CIP) fund for Criminal Justice Capital for FY 2019. The largest portions of this reduction are a \$815,196 cut in transfers to the Public Works Roads and Bridges fund and a one-time \$364,814 transfer cut from the Special Building Fund managed by the Facilities Department. While these reductions will postpone road, bridge and facility improvements slated for the next five years, the County Commission and County Administrator worked closely with the Director of Public Works and Facilities Director to ensure that the remaining \$2.5 million transfer to the [Roads](#) and [Bridges](#) CIP, and \$1.39 million annual transfer to the [Facilities CIP](#) will be sufficient to address the most crucial scheduled improvements to county roads, bridges and facilities.

A complete list of expense reductions budgeted for transfer to the CIP fund for FY 2019 can found [here](#).

In addition, the County Commission authorized fee increases for the following services and departments:

- **Motor Vehicle Operations** – Increase satellite office user fees from \$2 to \$5.
  - *Estimated annual revenues - \$109,500*
- **Zoning and Codes** – Increase building and zoning fees by approximately 20%.
  - *Estimated annual revenues - \$40,000*
- **Fairgrounds** – Increase facility rental fees and/or reduce exemptions
  - *Estimated annual revenues - \$30,000*

#### **Expanded Initiatives**

The FY 2019 budget reflects a continued focus on advancing Douglas County's efforts to address community behavioral health, public safety needs, and workforce development, including:

- \$84,000 to support half of the costs associated with a study advanced by the [Criminal Justice Coordinating Council \(CJCC\)](#) to evaluate the presence racial disparities in local policing, in partnership with the cities of Lawrence, Baldwin and Eudora, as well as the University of Kansas police.
- \$135,625 to support expanded substance use disorder treatment and education to individuals incarcerated at the [Douglas County Jail](#) and transitioning into the community through contracted services with DCCCA.
- \$109,866 for [Criminal Justice Services](#) to add 2.0 FTE to expand staffing for alternatives to incarceration programs including House Arrest, Behavioral Health Court, and Pre-trial Release.
- \$200,000 to [Peaslee Technical Center](#) to support the mortgage principal payment and further Douglas County's support for workforce development.

In addition to these expansions, the County Commission retained more than \$1.9 million added to the County's General Fund in FY 2018 to continue efforts around expanded crisis, treatment, recovery and prevention service partnerships. Of that amount \$400,000 will be dedicated each year in the Behavioral Health Projects budget to funding supportive housing expenses associated with the Tier 2 and Tier 3 projects that are planned in partnership with Bert Nash Community Mental Health Center and the Lawrence Douglas County Housing Authority.

### **Future Outlook**

The 2019 Budget positions Douglas County to be within the State of Kansas' Property Tax Lid for the second year in a row. In addition, sufficient authority is still available under the tax lid to accommodate any future budget increases if needed without requiring an election.

This places Douglas County in a strong position to explore the financial options that are available to ensure the public safety needs of the County and provide a suitable environment to the individuals that are housed in our jail. Due to a lack of space, county taxpayers spend [over \\$1 million](#) each year to send approximately 50-80 inmates per day elsewhere in the state, moving them farther away from their support systems and access to the jail's nationally recognized reentry programs. This is an unsustainable situation that the County Commission remains committed to addressing through the most appropriate and financially feasible options within our means and the means of Douglas County taxpayers.

Douglas County Board of County Commissioners

Nancy Thellman, Chair

Michelle Derusseau, Commissioner

Mike Gaughan, Commissioner