

# Special Topics in Advanced County Budgeting



# Topics

- Impacts of Public Defense Transition on County Budgets
- Federal Land Payments: What to Expect in a Shifting Congressional Landscape
- Navigating Budget and Levy Caps
- Financial County Facilities

# Public Defense Transition



# Capital Crimes Defense Fund

- No assessments moving forward
- Proceeds left in the CCDF will be distributed to each county based on each county's pro rata share

# Contract Public Defenders

County contracts expire on September 30, 2024  
Contract public defenders will be required to enter into  
contracts with the state public defender effective October  
1, 2024



# Institutional Public Defenders

Will transition to state employment effective October 1, 2024

Counties required to pay out accrued PTO, vacation, and sick leave according to county personnel policies

Employees may choose to transfer up to 40 hours of vacation time and 40 hours of sick time to the state (if available) at county expense

Employees will accrue leave based on PERSI years of service



# Facilities

- Institutional counties will continue to provide facilities for up to five years (2029) at county expense
- State must reimburse counties for office equipment, supplies, IT, etc.

# Child Protection Cases

- State public defender responsible for CPS cases
- Counties responsible for initial guardian ad litem expenses, with state reimbursement to follow
- Counties responsible for guardian ad litem in divorce proceedings



# Court Ordered Evaluations

Counties will continue to pay for court ordered evaluations



# Carry Over Funds

Some counties may have carryover public defense funds

Funds may be used for:

- Public defender office space/rent

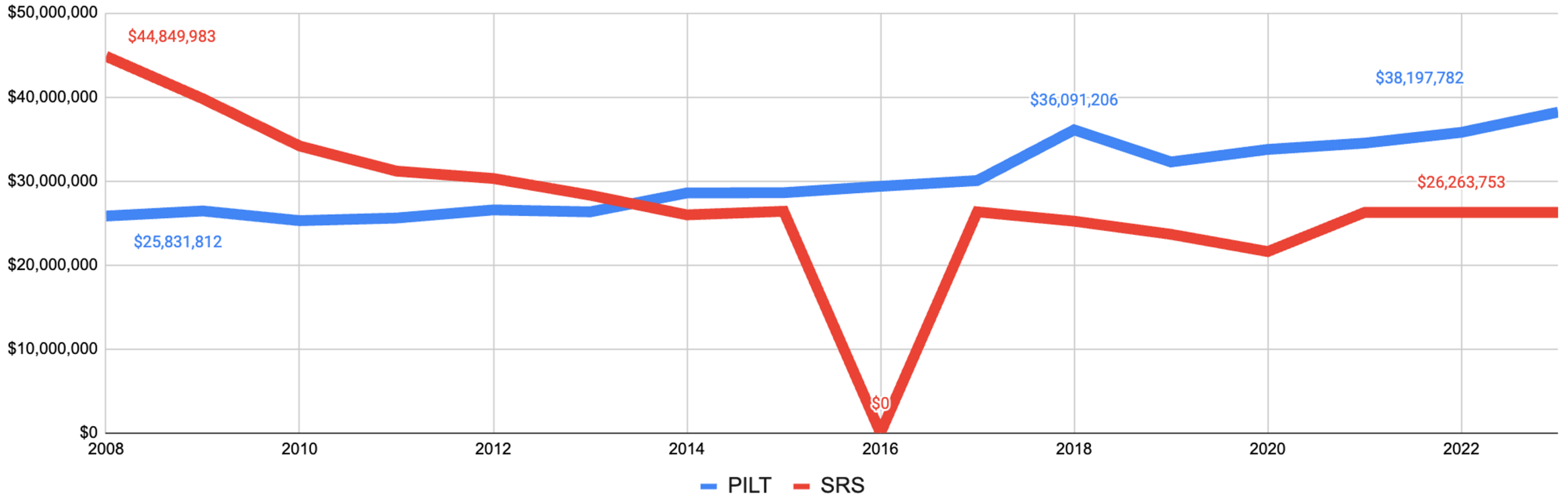
- Court ordered evaluations

- Cash out of PTO, vacation, and sick leave

# Federal Land Payments



# PILT vs SRS, 2008-2023



# SRS

- Secure Rural School and Community Self Determination Act (reauthorized 2006, 2008, 2012, 2017, 2021)
- Funding authorization expired in 2023 (paid spring of 2024)
- Allowable Uses
  - Title 1:
    - 30% to school districts for maintenance and operation
    - 70% to counties and highway districts for road maintenance
  - Title 2: Forest service projects selects by regional RACs
  - Title 3: public safety services on federal land (including fire mitigation)

# PILT

Payment in Lieu of Taxes (established 1976)

Provide compensation to counties for eligible tax exempt federal lands

Can be used for any county purpose

For more information on PILT: <https://www.doi.gov/pilt>

# PILT Formula

Alternative A

$$PILT = (\text{Total eligible federal acres} \times \$2.94) - \text{Prior year federal payments}$$

Alternative B

$$PILT = (\text{Total eligible federal acres} \times \$0.42)$$

Both methods subject to population based payment ceilings

# Navigating Budget & Levy Caps





# Property Tax Budget Caps

## Pre H0389

3% base budget cap

No cap on new construction

No cap on budgeted forgone

## Post H0389

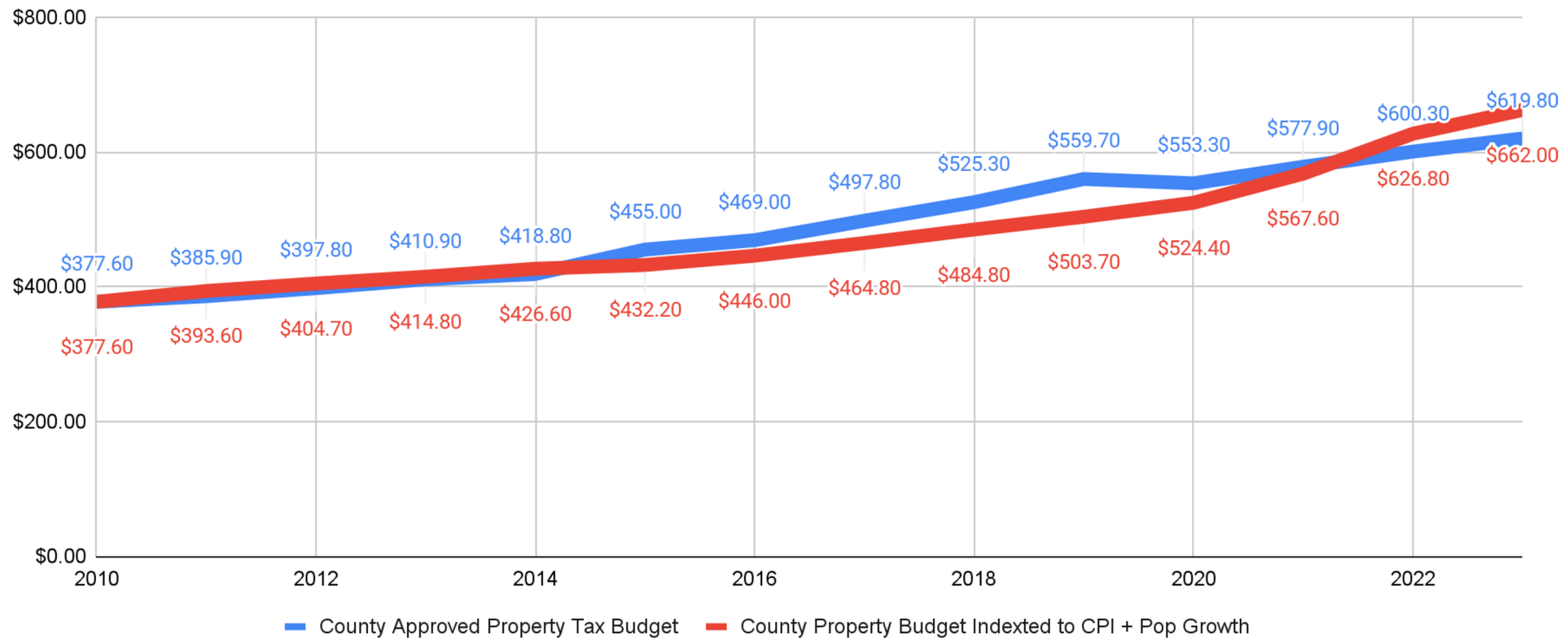
3% base budget cap

90% of new construction

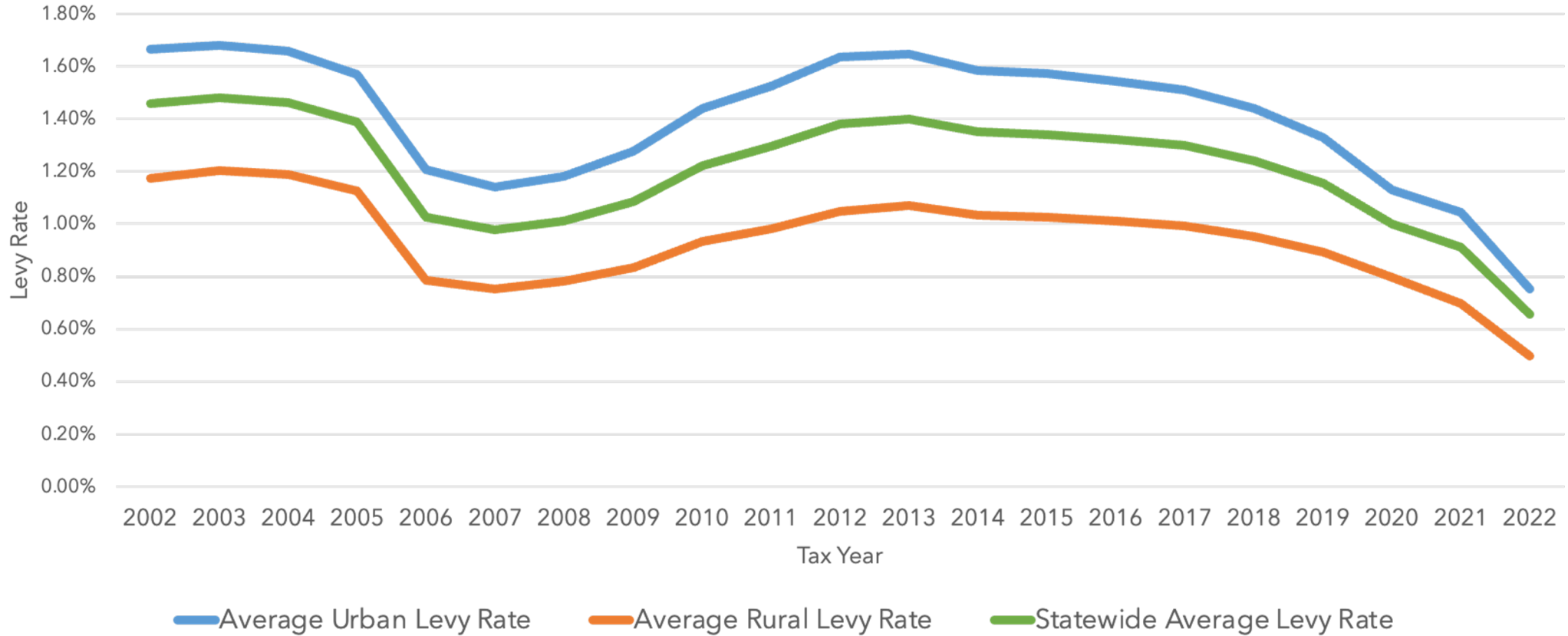
Base budget increase + new construction  $\leq$  8% of base budget

Budgeted forgone  $\leq$  1% of base budget

# Property Tax Budget Growth vs Inflation + Population Growth, 2010-2023



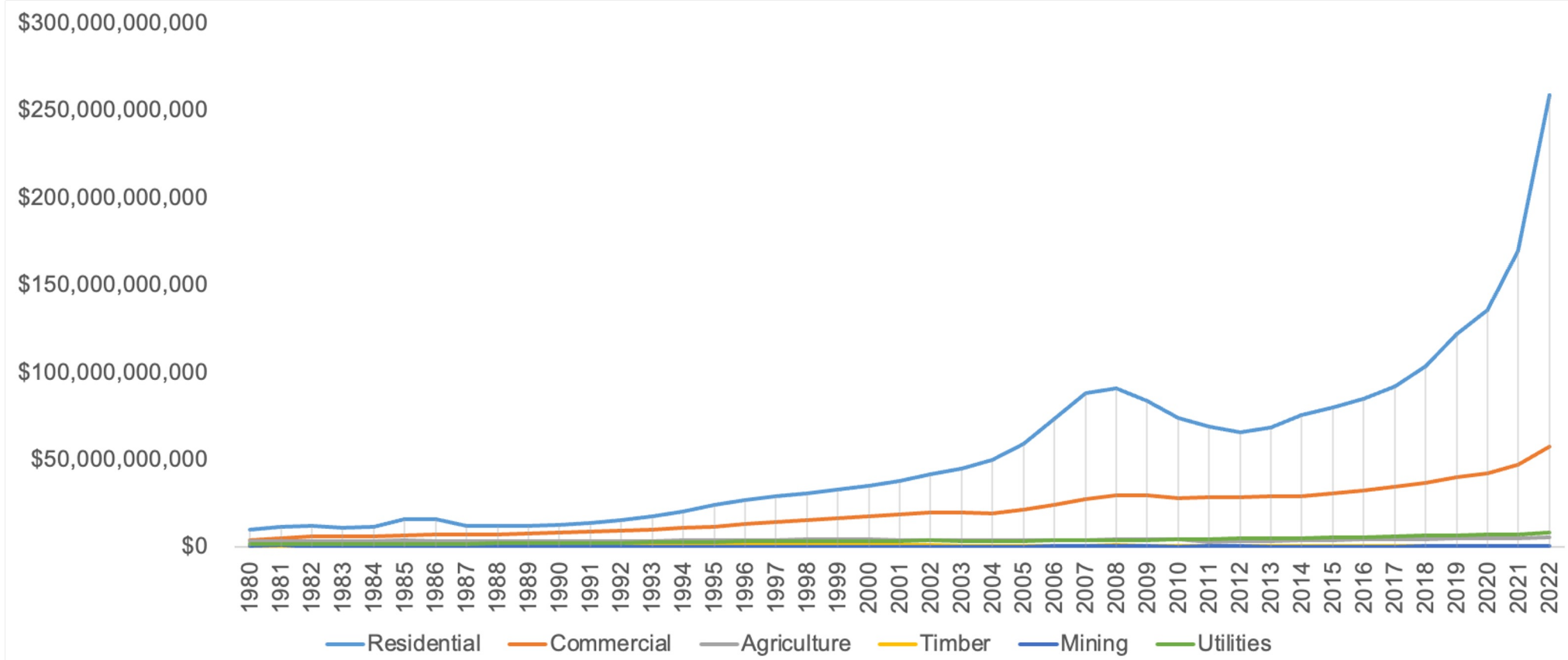
# Historical Levy Rates, 2002-2022



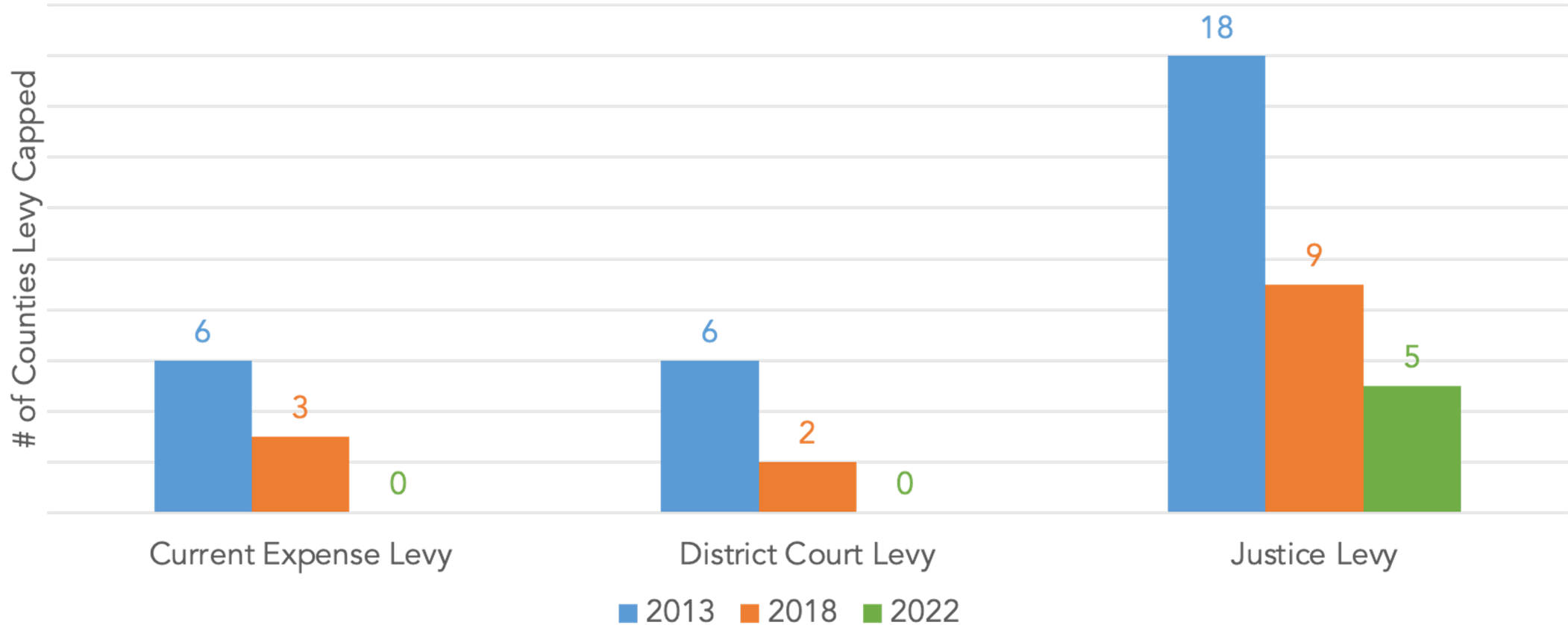
# Levy Rate Caps

County levy rates have statutory levy rate caps  
Levy rate caps work in conjunction with property tax  
budget caps  
A county may not exceed levy rate caps

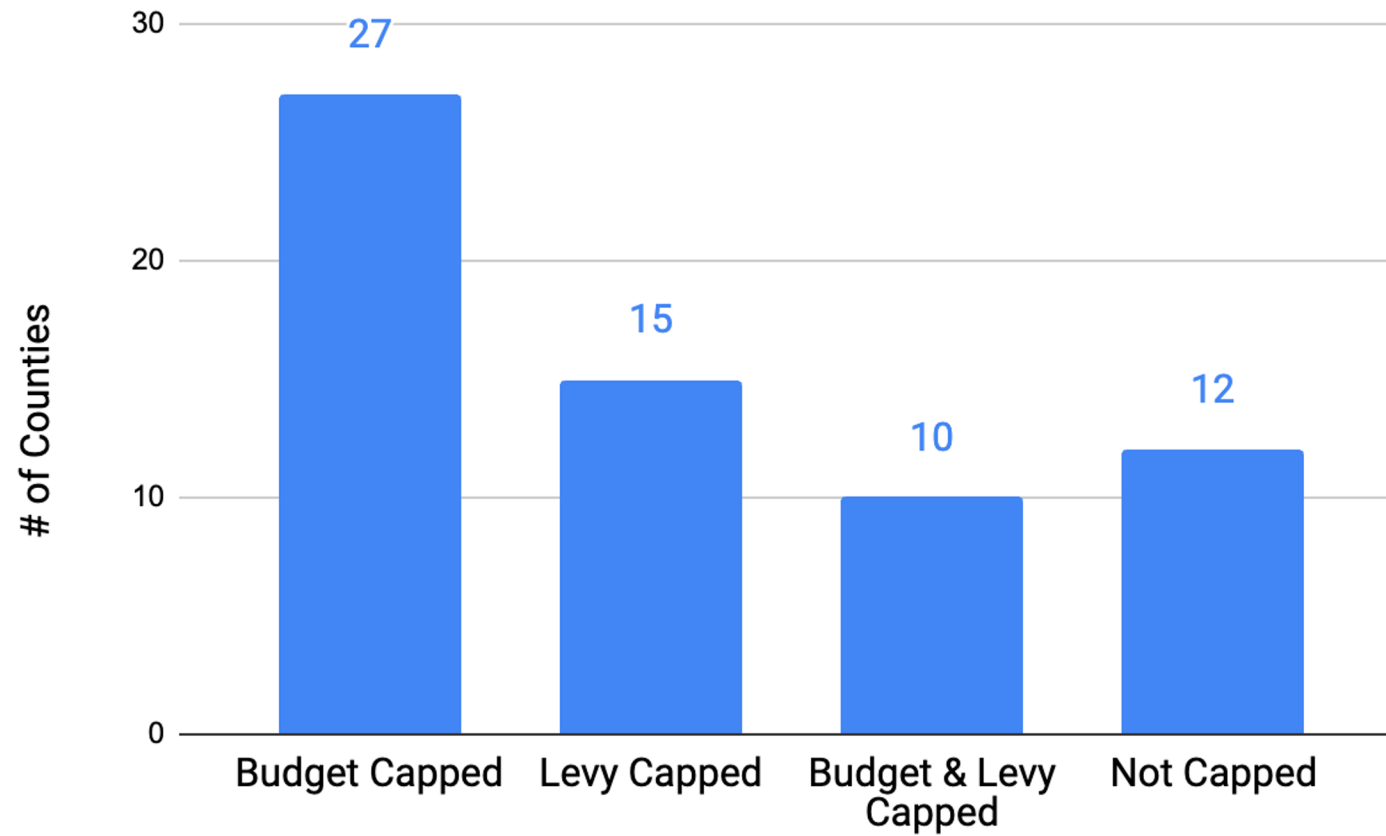
# Taxable Market Value, 1980-2022



# Impact of Levy Caps



# Budget & Levy Caps



# Financing County Facilities





# Pay As You Go Financing

- Common practice of financing county facilities by paying for a facility up front or within a twelve month period

# Lease Purchase Agreements

Process through which a county enters into a certificate of participation (known as COP) to erect and purchase a courthouse or jail through an annual non appropriation lease

If the duration of the COP is less than five years, no vote is required

If the duration of the COP is more than five years (not to exceed 30 years), a simple majority vote is required

Limitations only apply to courthouses and jails

# General Obligation Bonds

- Election required to build courthouse or jail if county cannot pay for facility outright
  - Election must be held in during general election
  - Article VIII, Sec. 3 requires  $\frac{2}{3}$  vote (66  $\frac{2}{3}$ %)

# Questions?

