

## **Alternate Service Levels**

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Each year during the budget process, the staff of the Office of Budget and Management develops the spending proposals and policy discussion format for County services by placing them in one of two categories: continuation or alternative service level.

The continuation category has been explained in detail in the main budget document, but essentially is the aggregate cost to continue operations of County departments and agencies for the new budget year at approximately the same level of service. The continuation funding levels may be more or less than the prior year depending upon a variety of factors. Efficiency enhancements and staff turnover (especially of long-tenured staff) generally result in cost reductions while pay adjustments, fuel cost increases, and increased insurance costs are examples of drivers that increase the cost of operations from year to year. Both are considered examples of impacts on the continuation budget. Staff strives to develop a continuation budget that, if adopted, results in citizen's expectations of Forsyth County government services to be constant into the new budget year.

Initiatives that fall into the Alternative Service Level category reflect changes to service levels that either improve the level of service provided to citizens or reduce (or eliminate) services. Examples that increase the level of service include increased hours of operation at parks or library facilities. Ceasing to provide a non-mandated service is an example of a service level reduction that fits into this category. In a few instances staff has categorized cost-saving measures as Alternative Service levels, such as the furlough plan or reductions in benefits paid to employees. The presumption is that these are likely to impact service level and thus are appropriately presented for policy-level discussion in this section of the budget.

The County Manager's recommended budget is often a combination of the continuation budget and selected items from the alternative service level section. Developing a balanced budget during the difficult economic periods of the last few years have required implementing alternative service levels that reduce service levels in order to meet the Commissioner's collective expectations for no tax increases. For the FY 2011-2012 budget, this is also the case.

This binder includes three sections:

The first section includes just a few policy proposals for the Board's discussion during the budget process that do not directly affect service levels, but are nonetheless important and deserve consideration during the budget deliberations.

The second section includes the alternative service level proposals that reduce the level of service and the associated costs. The County Manager's recommendation for reductions in the proposed FY 2011-2012 budget is noted in the summary section.

The final section includes the alternative service level proposals that enhance services and that generally increase costs. Any recommendation for funding by the County Manager is noted in the summary section. Given the weak economy few enhancements are recommended.