

Public Safety Costs Identified As Primary Driver for Minnehaha County Budget by Working Group of Area Accountants and Business Professionals

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Sioux Falls, SD – Public safety costs including law enforcement, courts, and legal expenses comprise sixty-six percent of the Minnehaha County General Fund budget and continue to drive budget increases according to findings of the Financial Action Network (FAN), a Minnehaha County working group of area business and accounting professionals. FAN findings indicate growth of public safety costs significantly outpaces growth of other County-wide operating expenses. The FAN group conducted an analysis of current and past financial documents to create a finding of facts, conclusions, and recommendations presented to the County Commission at a recent 2018 Commission meeting.

A breakdown of public safety costs in the 2018 General Fund Budget includes the following:

Public Safety Budget Category	Percentage of General Fund Budget
Law Enforcement	47%
Courts	3%
Legal	16%
Public Safety Total	66%
Other Non-Public Safety Expenses	34%

Between 2012 and 2018 costs for law enforcement, courts, and legal expenses (prosecution, public defender, and other legal expenses) absorbed the majority of revenue growth each year. County-wide operating expenses for all categories have increased an average of 3.7% annually from 2012-2018 while public safety costs are driving budget increases:

Public Safety Category	Percentage of Annual Increase from 2012-2018
Law Enforcement	5.55%
Courts	8.20%
Legal	9.70%

The FAN group found that while Minnehaha County has a relatively low debt burden compared to other similar counties and a high quality credit rating, Minnehaha County will have a projected shortfall of \$7.9 million by 2023. Given that 94% of County General Fund expenditures are required by State statute and options to raise revenue are also limited by statute, the FAN group recommends the County Commission use the opt-out as needed to fill current and projected funding gaps. The FAN was assembled in the fall of 2017 to assist the County in maintaining organizational readiness and a stable financial position for the future.