



Public Budget Workshop: Overview of County Budget and Highlighted Departments

December 12, 2024

Amanda Thomas, Chief Fiscal Officer
Chris Wimsatt, Deputy Director Airport Finance & Administration
Timothy Lutz, Director of Health Services
Chad Rinde, Director of Finance

Workshop Overview

Budget Basics

Understanding the County's Budget

County Department Budget Highlights

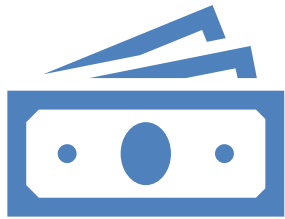
- Airports
- Health Services
- Finance

Poll Question #1

- Why did you join today's webinar?
 - a. To learn more about the County budget
 - b. Interested in County services generally
 - c. Interested in a specific issue or program
 - d. Other

Budget Basics

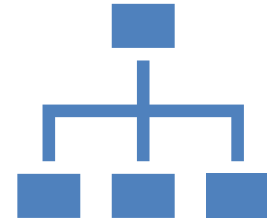
What is a Budget?



Annual Spending Plan



Expenditure Authority & Limitation



Policy Setting & Implementation

Legal & Policy Framework



County Budget Act



State Controller's Budget Guide



State/Federal Laws, Rules and Contract Provisions



County Charter and Code



Board policy direction

Key Terms & Concepts

Appropriations

Revenue

- Departmental
- Semi-discretionary
- Discretionary

Net County Cost



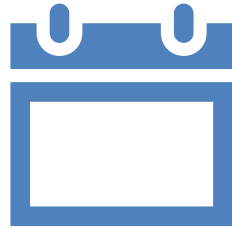
Fund Balance

Reserves

Understanding the County's Budget

Annual Budget Documents, the FY 2024-25 Budget in Brief, and a link to the Budget Explorer Tool can be found on the [Office of Budget and Debt Management webpage](#).

The Budget Document



Annual Budgets

Recommended (June)

Revised Recommended (September)

Adopted



Key Sections

County Executive Budget Message

General Budget Information

State Schedules

Summary of Positions

Budget Unit Detail (organized by Agency)

Glossary of Terms

SACRAMENTO COUNTY FISCAL YEAR 2024-25 BUDGET IN BRIEF

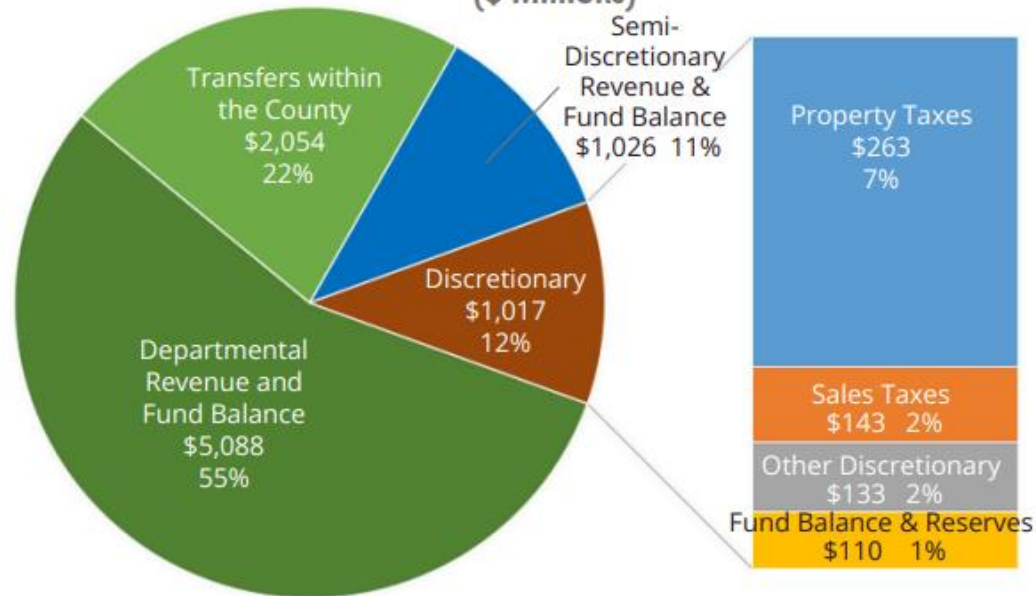
Adopted September 2024

The purpose of this Budget in Brief is to provide an overview of Sacramento County's Fiscal Year (FY) 2024-25 Adopted Budget. This brief shows where the money comes from and how the County plans to spend it. It also explains budget concepts and processes, important budget issues facing the County, and ways to get involved in the County's budget process.

Where the Money Comes From

The \$9.2 billion the County plans to spend during FY 2024-25 comes from the following sources:

WHERE THE MONEY COMES FROM: \$9.2 BILLION ALL FUNDS BUDGET
(\$ Millions)



Budget in Brief

Budget Explorer Tool



Adopted Budget - FY 2024-25

Explore a breakdown of how funds are allocated by Agency, Budget Unit and Object

Sep 30

Adopted Budget - FY 2024-25 | \$9.2B

Budget Year: 2024-25

Total Appropriations: \$9.2B (100% of total)

Total Reimbursements: \$8.2B (100% of total)

Use of Fund Balance/General Fund: \$962.9M (100% of total)

Amount | Percentage | Summary | History

Search Budget

Sort By: Total (High to low)

Broken down by Organization

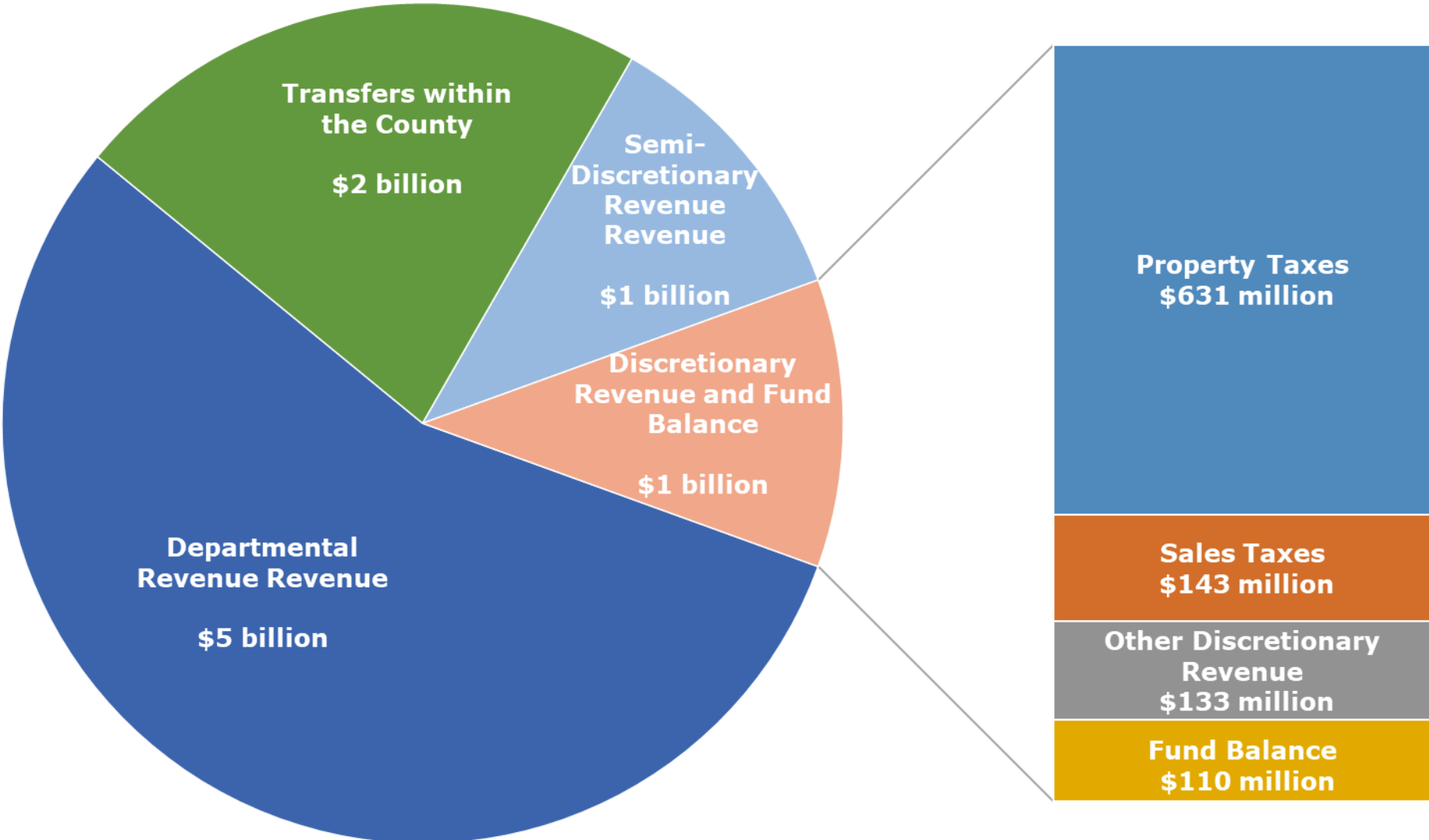
Adopted Budget - FY 2024-25

Organization	Amount
County of Sacramento	\$9.2B

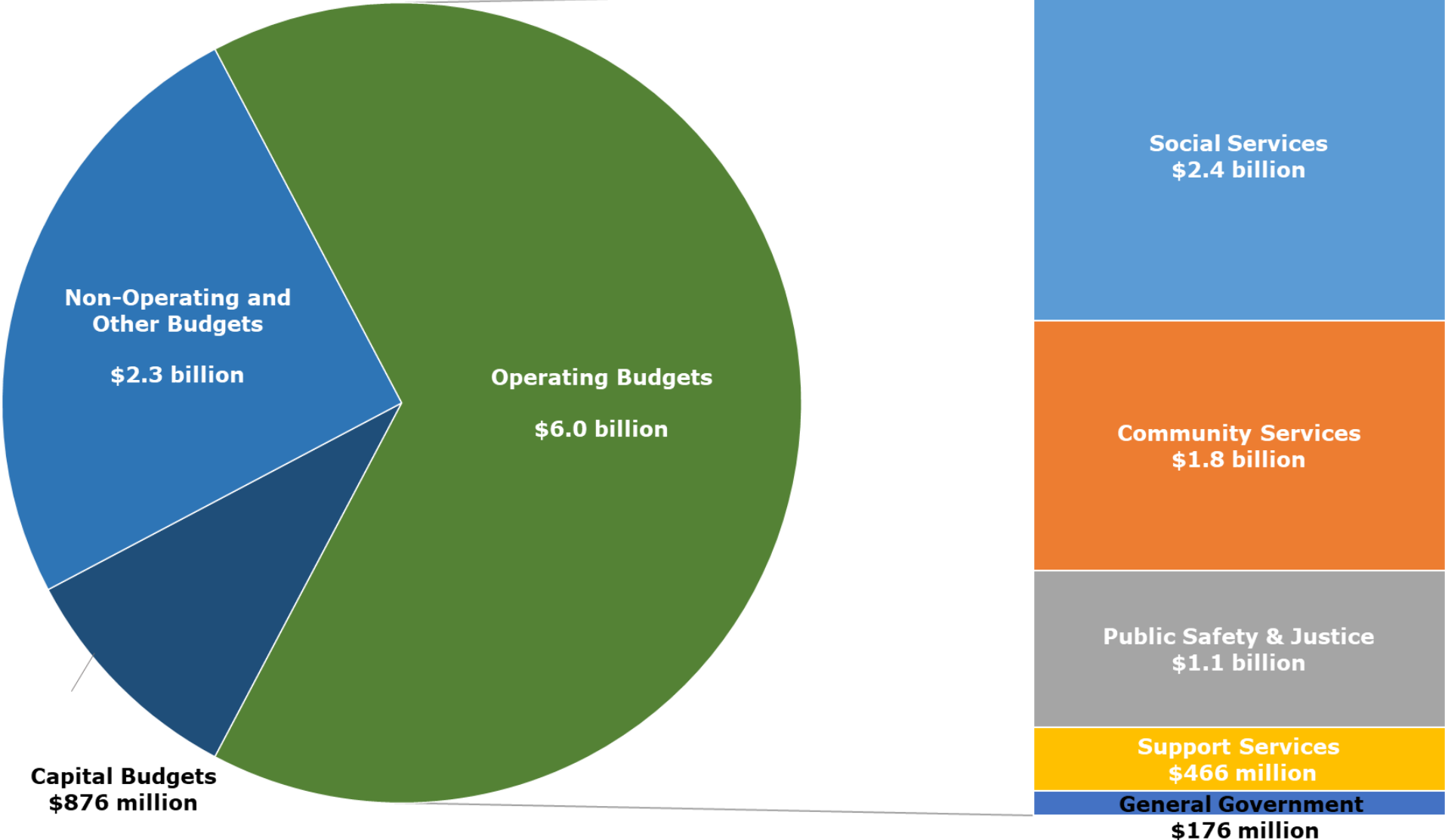
Poll Question #2

- True or False: The County has discretion over most of the money in its budget.
 - a. True
 - b. False

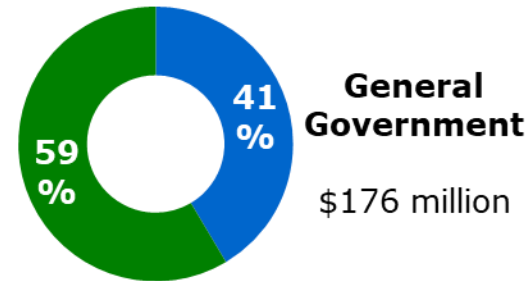
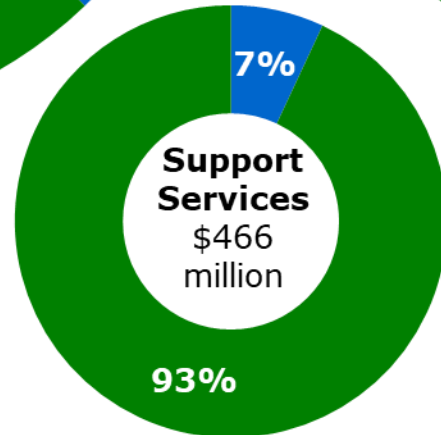
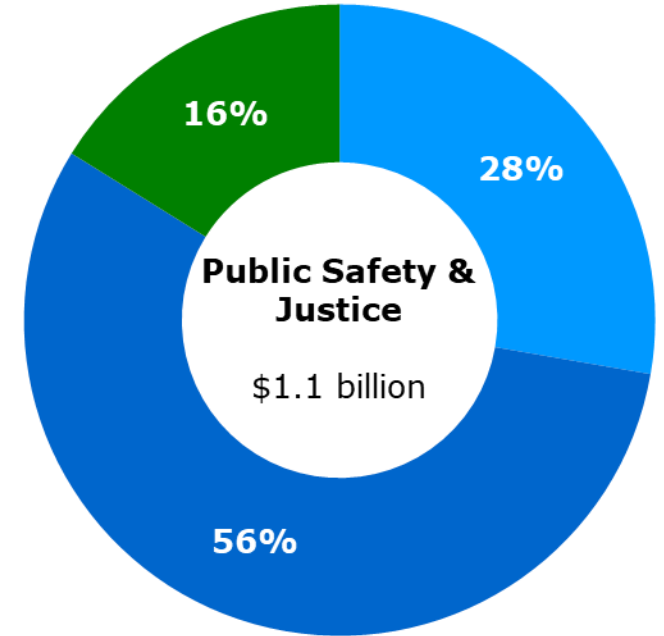
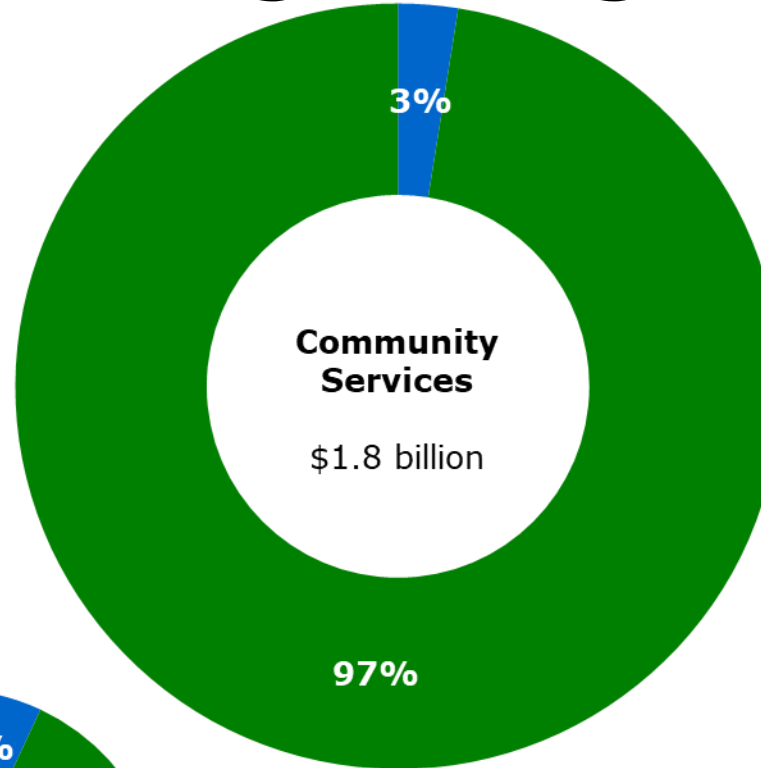
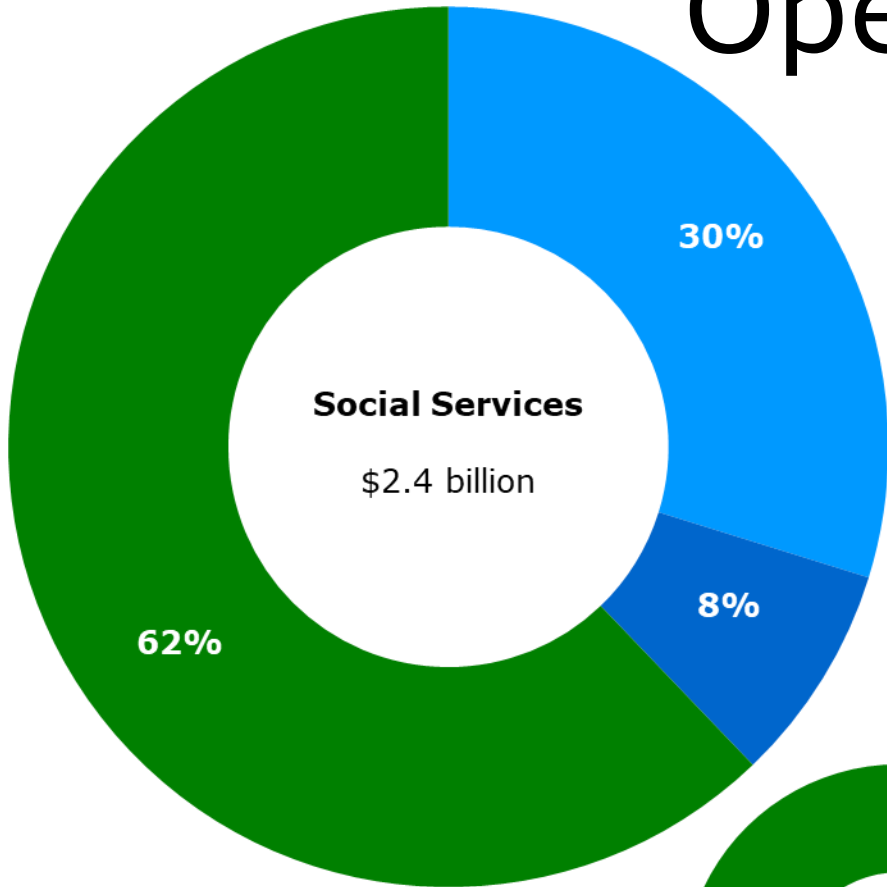
All Funds Budget - \$9.2 Billion



All Funds Budget - \$9.2 Billion



Operating Budgets



- Semi-Discretionary Funding
- General Fund Discretionary Funding
- Departmental Funding

Fiscal Environment & Outlook

USE OF ONE-TIME
REVENUE AND
FUND BALANCE

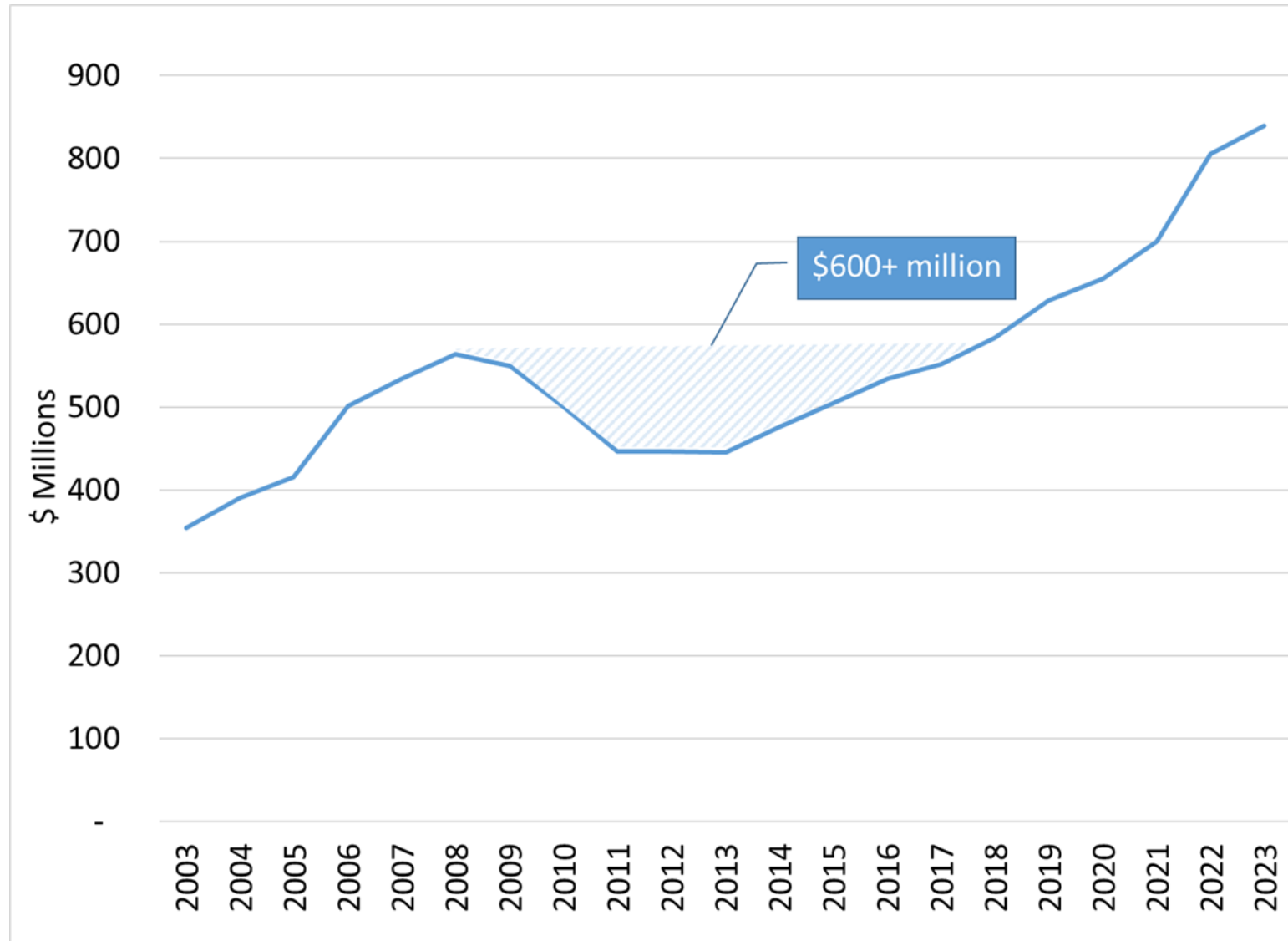
LEGAL
OBLIGATIONS

CAPITAL AND
MAINTENANCE
NEEDS

ECONOMIC
UNCERTAINTY

RESERVES

Historical Tax Revenues



Budget Priorities and Community Input



2021

Surveyed advisory boards
and commissions



2021 and 2023

Professional public
opinion survey of County
residents



2022 and 2024

Focus groups of County
residents



2021-2023

Board of Supervisors
adopted and reaffirmed
budget priorities



January 7, 2024

Board considers
FY 2025-26 budget
priorities

FY 2024-25 Budget Priorities

1

Complying with the County's legal, financial, regulatory and policy obligations

2

Optimizing the use of County resources, with budgeted service levels for County programs informed by community priorities

3

Funding new or enhanced programs that focus on the most critical and urgent needs

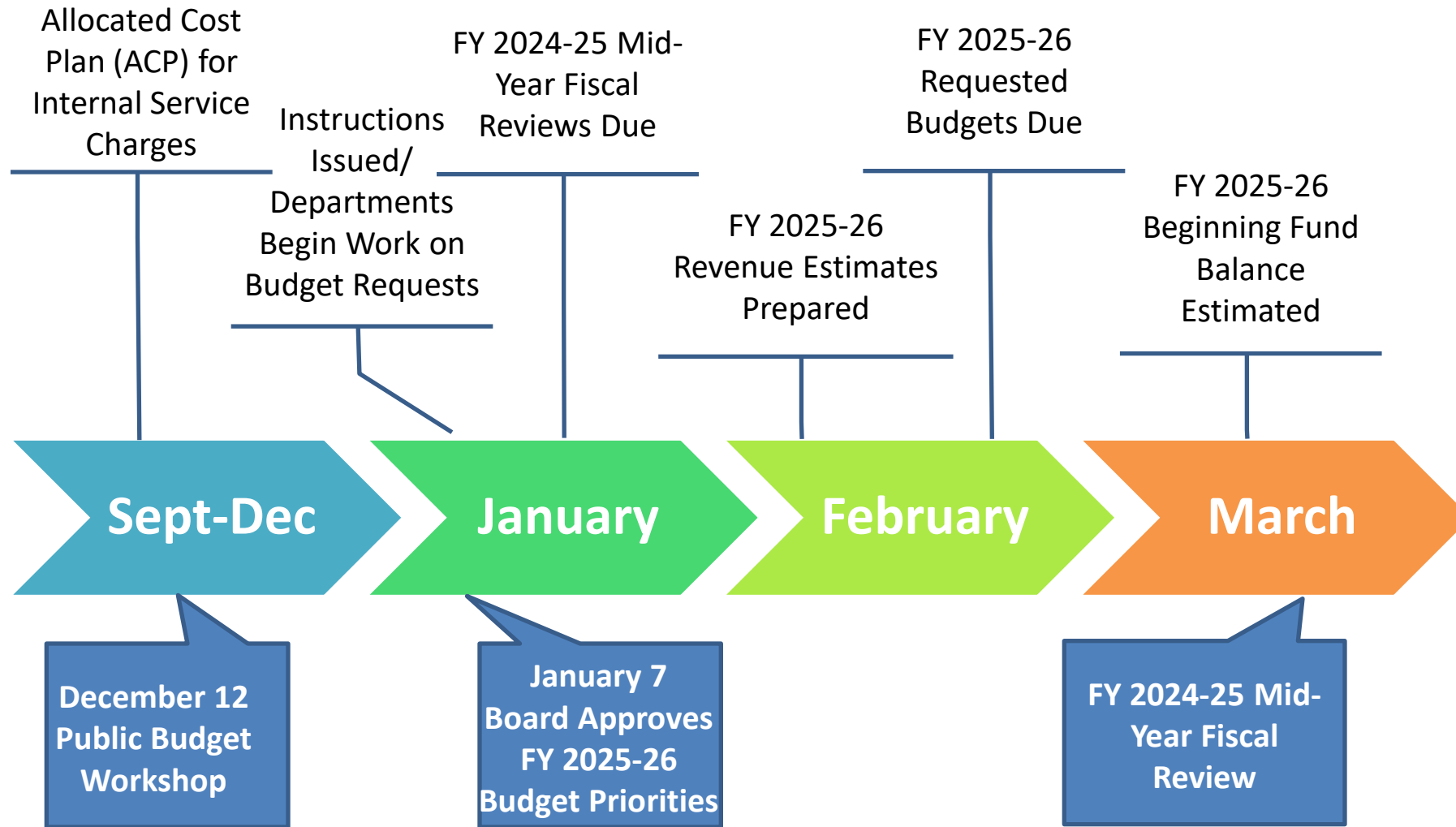
A countywide focus area of addressing homelessness, its impacts, and contributing factors, including the cost and availability of housing, mental health services and substance use treatment

An unincorporated focus area of improving the condition of roads

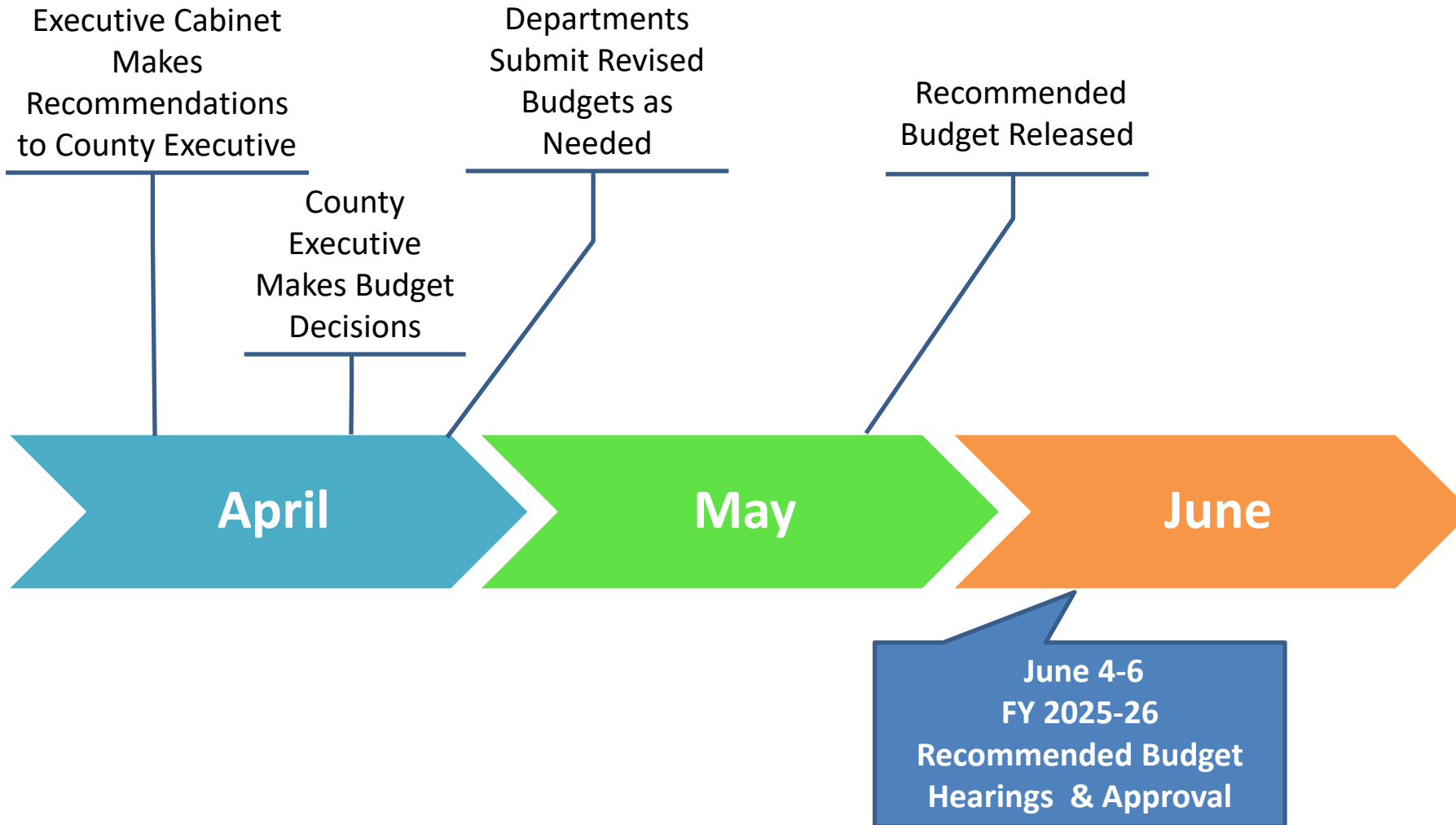
Poll Question #3

- When are budget requests submitted for the fiscal year that begins July 1?
 - a. February
 - b. April
 - c. June
 - d. September (of the prior year)

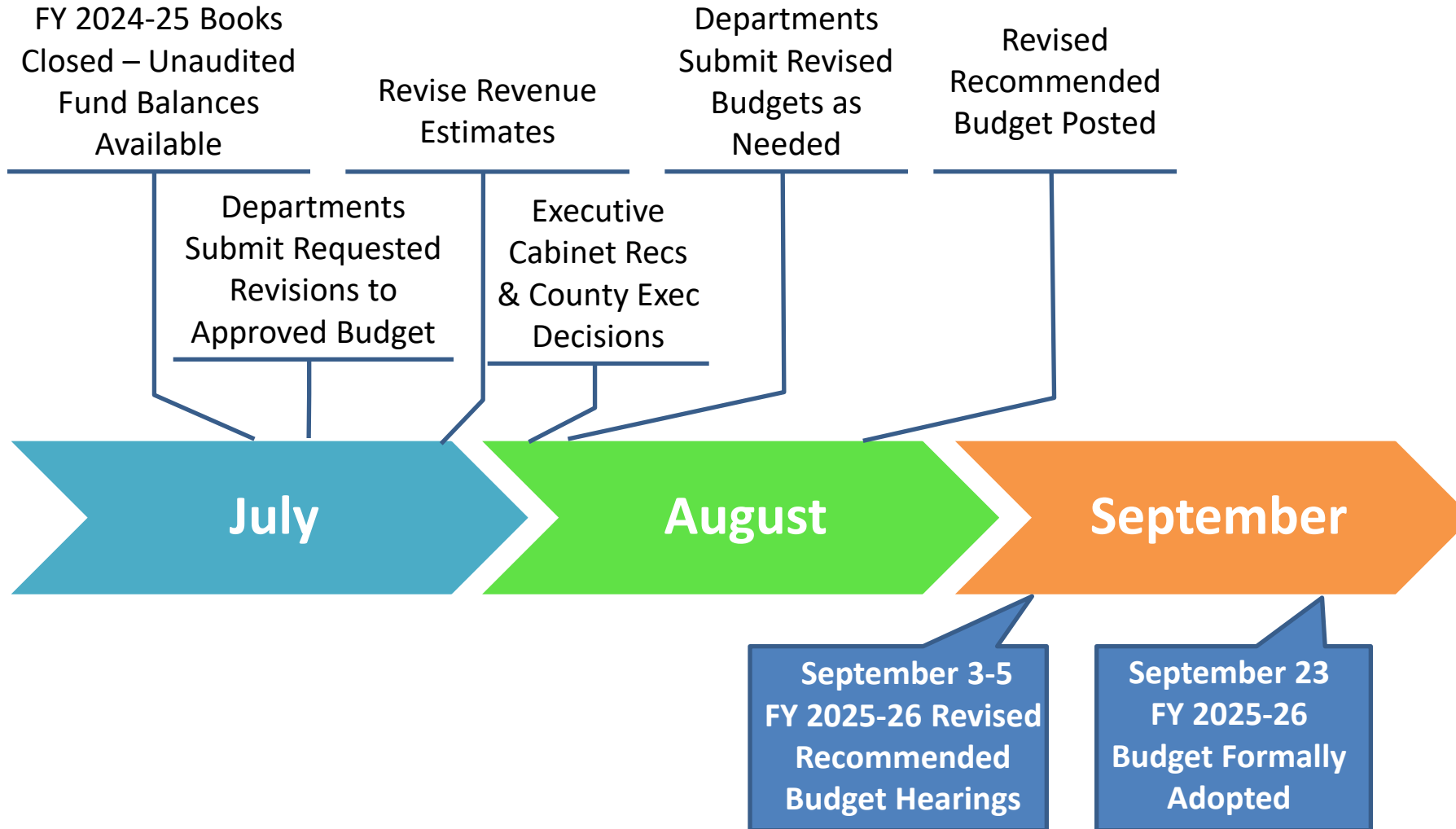
FY 2025-26 Budget Timeline



FY 2025-26 Budget Timeline



FY 2025-26 Budget Timeline



How You Can Get Involved

- Recorded Presentation will be available on [County's YouTube page](#)
- Submit questions and comments by email to budget@saccounty.gov
- View budget documents and use the Budget Explorer Tool on the [Office of Budget and Debt Management webpage](#)
- Apply to serve on a [County advisory board](#)
- Write, email, or phone your [County Supervisor](#)
- [Sign up](#) to receive information about the County's budget



Department of Airports

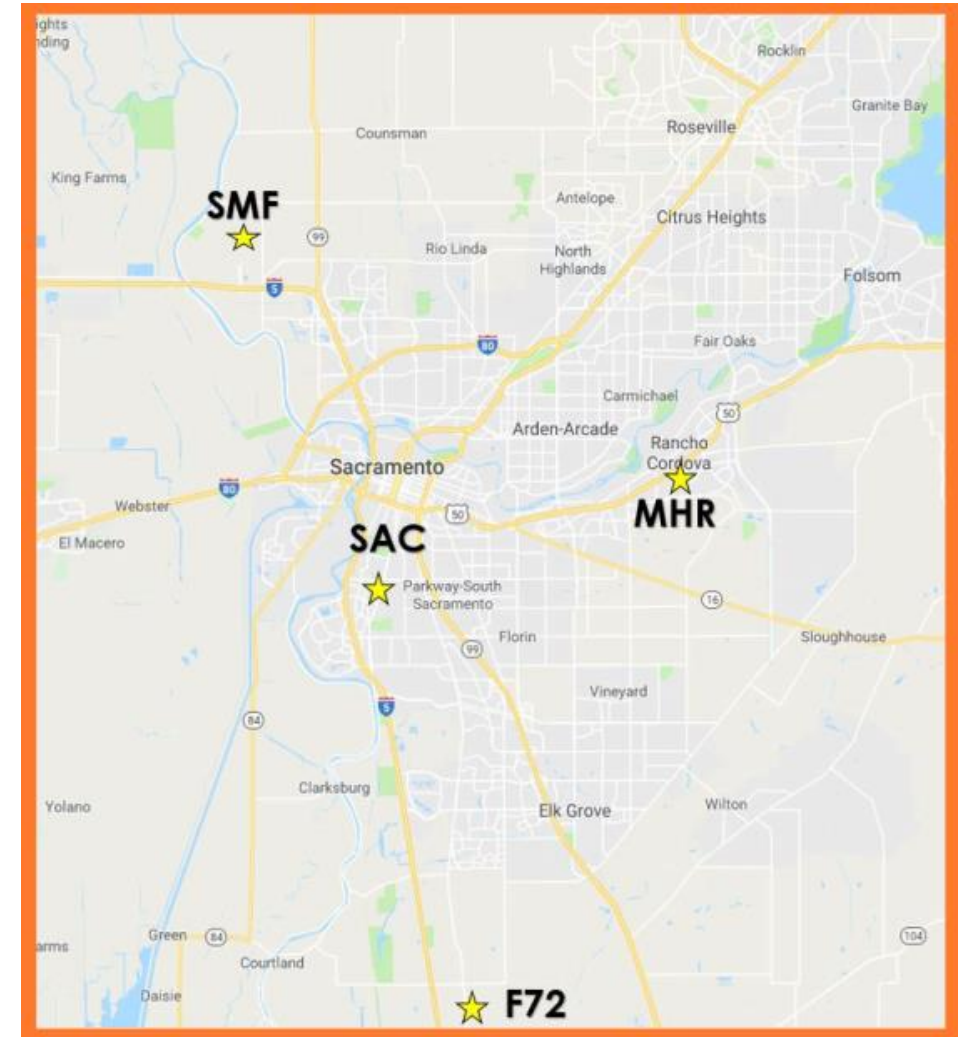
County Budget Workshop
December 12, 2024

Chris Wimsatt, Deputy Director – Finance &
Administration

Sacramento County Department of Airports

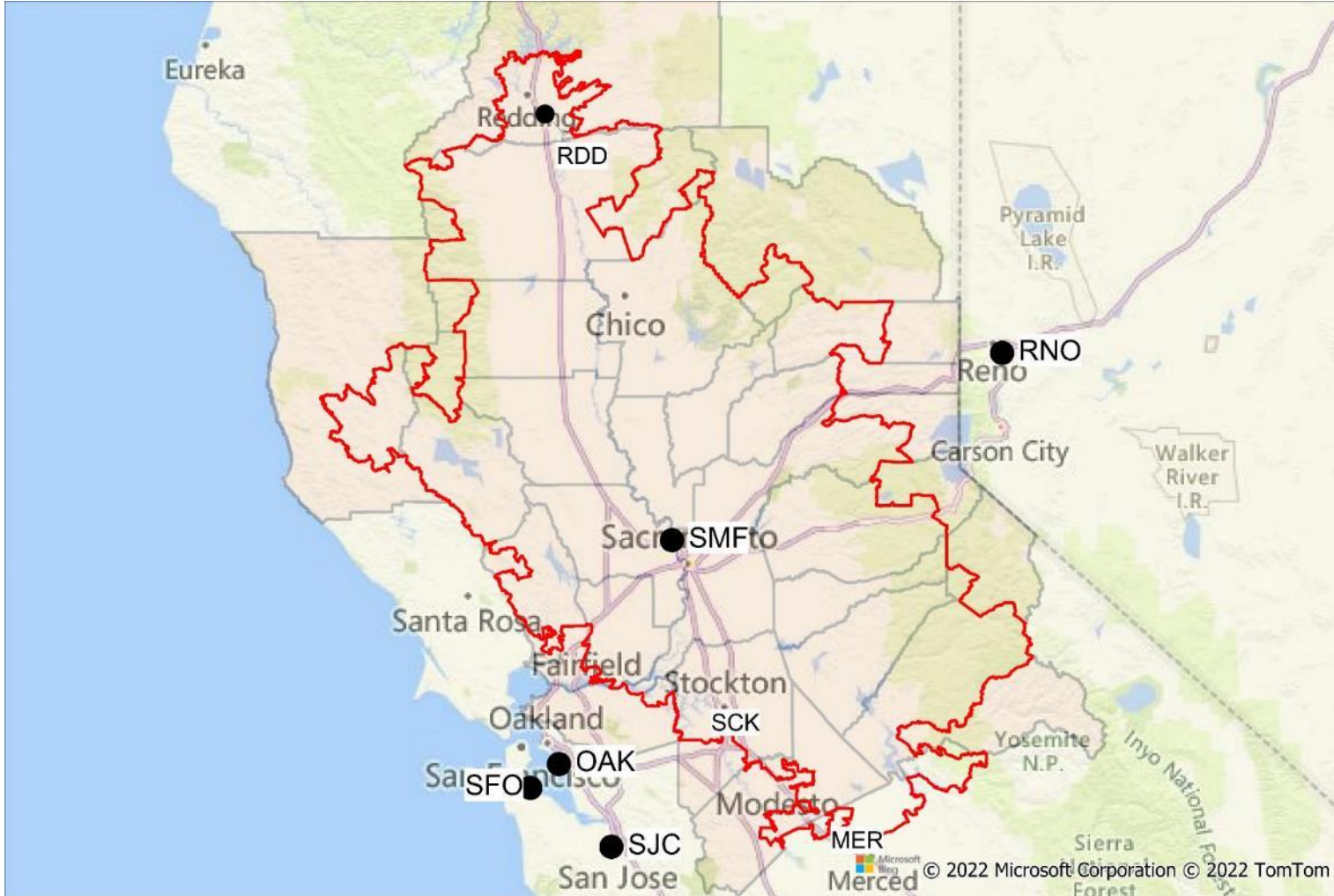
Operates and maintains four public-use airports:

- ***Sacramento International (SMF)***
Medium-Hub Commercial Service Airport, opened in 1967
- ***Mather Airport (MHR)***
National, Reliever Airport inherited from the Air Force in 1995
Serves all-cargo carriers and General Aviation
- ***Sacramento Executive Airport (SAC)***
Regional, Reliever Airport owned by the City
Serves General Aviation
- ***Franklin Field (F72)***
Basic, General Aviation Airport



Sacramento International Airport – Primary Service Area

Total FY 2024 Passengers of 12.9 million



Primary Service Area	
Sacramento County	San Joaquin County
El Dorado County	Placer County
Sutter County	Yolo County
Yuba County	

Air Service at SMF

As of July 2024, 12 scheduled passenger airlines offer 176 daily flights to 42 nonstop destinations

- American added nonstop to Miami in December
- Southwest adding nonstop to Eugene in May and Nashville in June; Hawaiian adding nonstop to Kona and Lihue in May; Delta adding nonstop to Detroit in July



SMF Air Carrier Mix

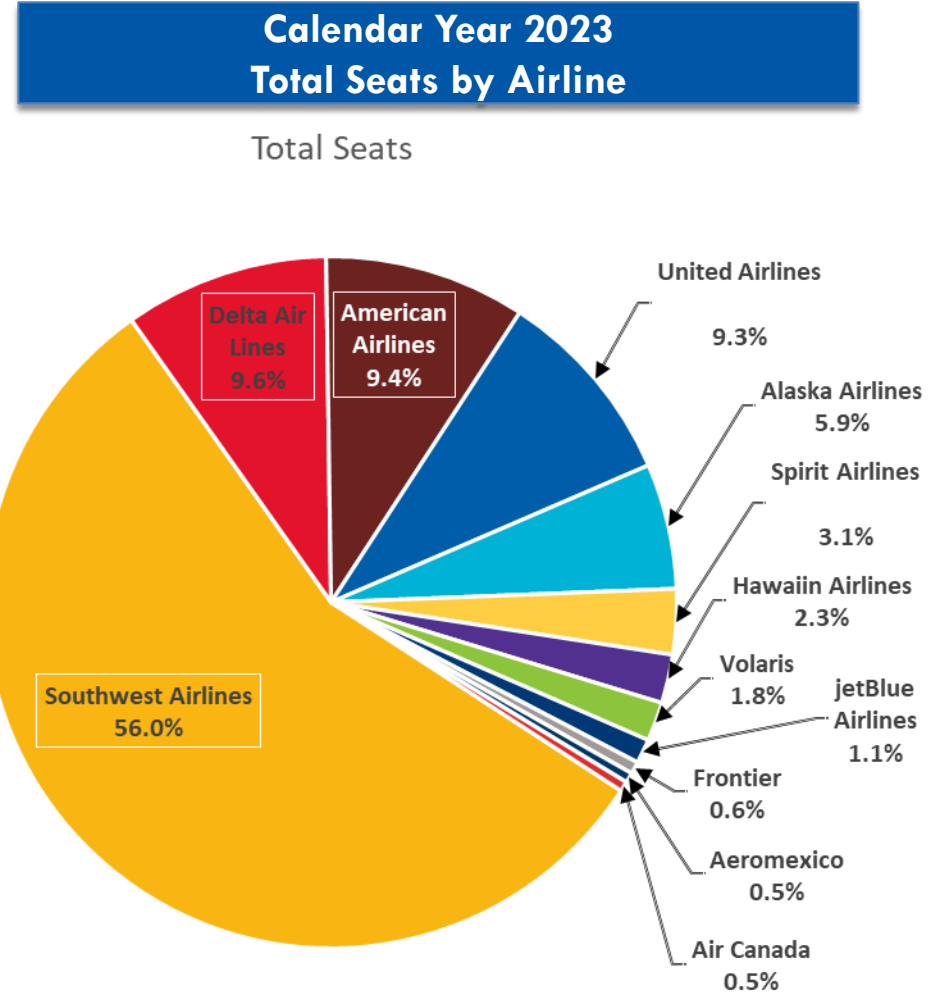
SMF is served by a mix of low cost, foreign flag, mainline, regional, and all-cargo carriers.

Southwest

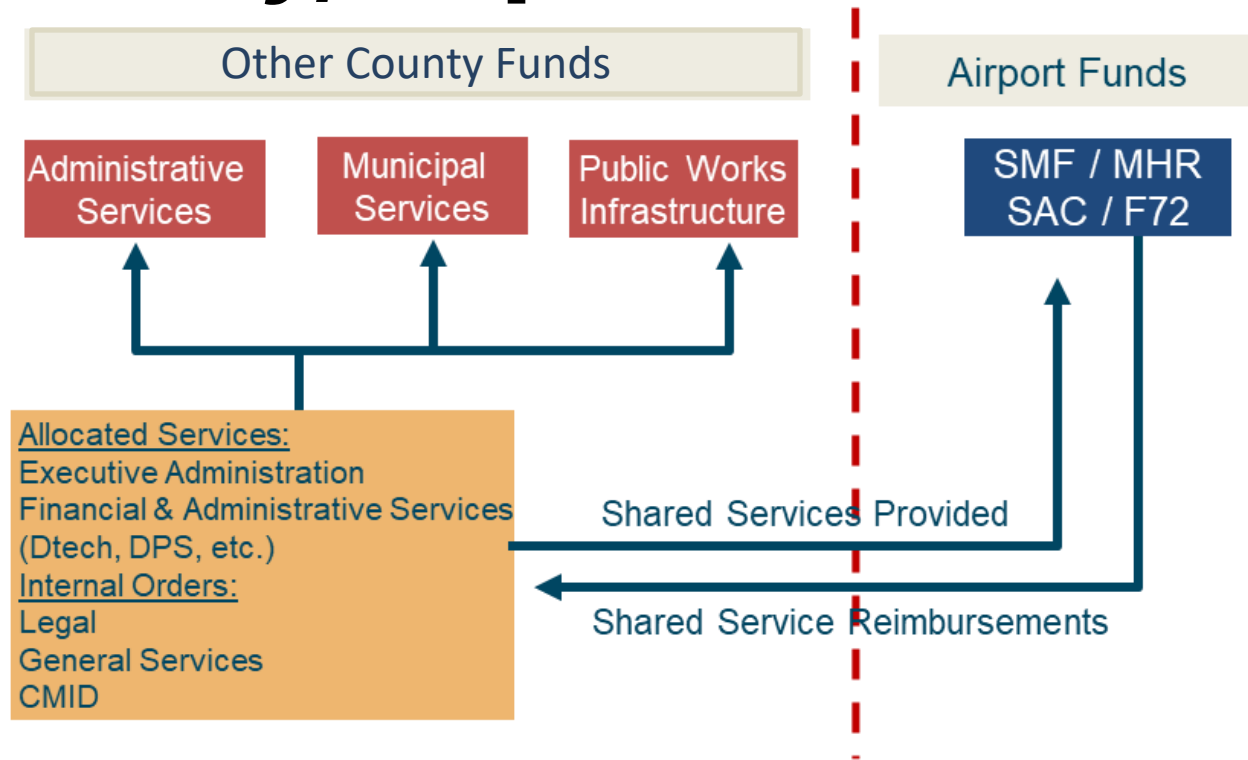
Is the largest carrier at SMF, accounting for approximately 58% of the Capacity (number of seats offered) as of March 2024

Low Cost Carriers

63.2% of SMF passengers flew on Low Cost Carriers (LCCs) in CYTD203 (Southwest, Frontier, JetBlue and Spirit).



County/ Airport Governance and Financial Structure



The Airport is operated as an independent enterprise

Airport Cost Centers

- Airline Cost Centers
- Nonairline Cost Centers

Airport Funding Sources

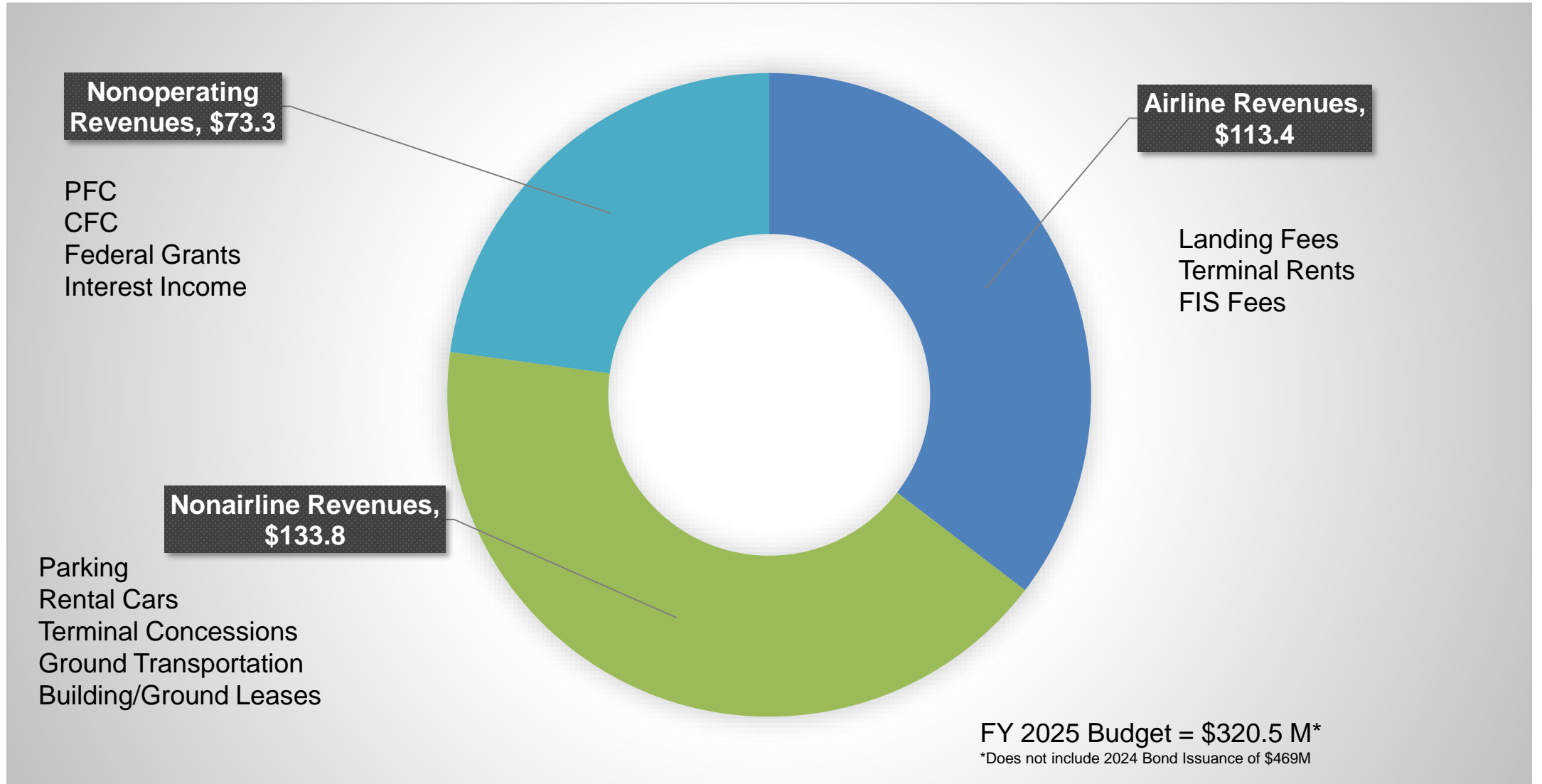
- Airport Revenues
- Customer Facility Charges (CFC)
- Passenger Facility Charges (PFC)
- AIP / TSA Grants
- State Grants
- Debt Financing

Poll Question #4

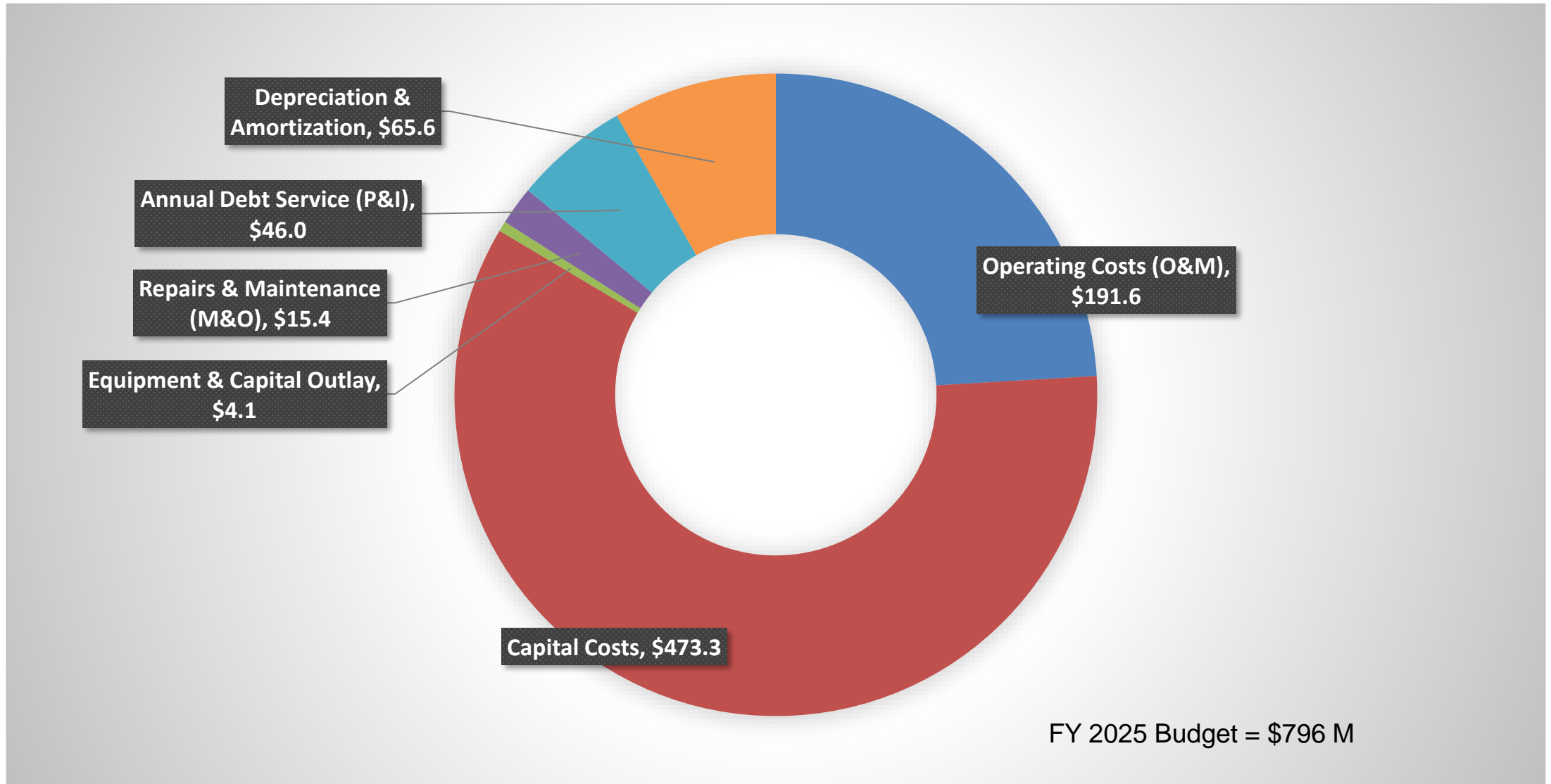
Which airline serves the most passengers at Sacramento International Airport?

1. Delta
2. United
3. Alaska
4. Southwest

What are the Airport Sources of Revenue?

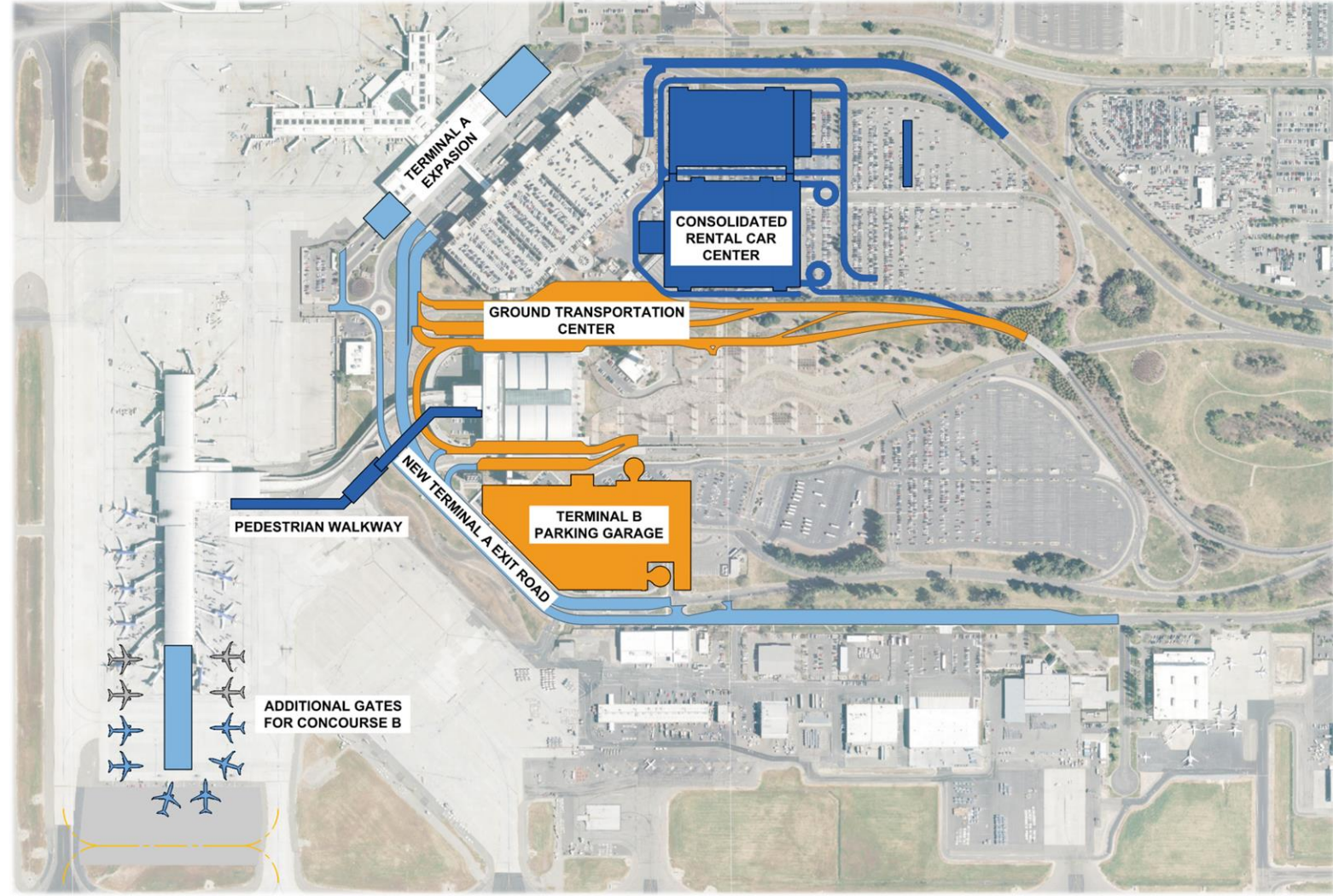


How do the Airports Spend Money?



What's all the Construction at SMF?

SMForward Projects



What's all the Construction at SMF?

Terminal-Concourse B Pedestrian Walkway



Overhead View of Walkway from Terminal B



South Walkway at Vertical Circulation



Central Space of Vertical Circulation Hub

Poll Question #5

What percent of the airport budget is funded by your property taxes?

1. 0%
2. 10%
3. 18%
4. 25%

Capital Improvement Program - Sources of Funds

- Airport Improvement Program grants from FAA
 - Mostly airfield projects
- Transportation Security Administration (TSA) funding
 - Baggage Handling System
- State/local government grants
- Passenger facility charges (PFCs)
 - LOCAL money with federal approval
- Customer facility charges (CFCs)
 - LOCAL money with oversight by State
- Airport revenue bonds
 - Tax exempt and non-tax exempt “private activity“
- Special facility bonds and tenant-financed improvements
- Airport “equity” (cash)
- Private Investment

Glossary of Airport Acronyms

ACC – Airline Cost Center
AIP – Airport Improvement Program (grants by FAA)
ALP – Airport Layout Plan
BHS – Baggage Handling System
CAFR – Comprehensive Annual Financial Report
CFC – Customer Facility Charges
CIP – Capital Improvement Plan
COE – Corps of Engineers
ConRAC – Consolidated Rent-a-Car Center
CPE – Cost Per Enplanement
CUTE – Common Use Terminal Equipment
DOT – Department of Transportation
DSC – Debt Service Coverage
EPA – Environmental Protection Agency
EPAX – Enplaned Passenger
F72 – Franklin Field
FAA – Federal Aviation Administration
FIS – Federal Inspection Area
FY – Fiscal Year (FYE - ending June 30)
GA – General Aviation
GARB – General Airport Revenue Bonds
MAG – Minimum Annual Guarantee (Concessions)
M&O – Extraordinary Maintenance Costs

MHR – Mather Field
MII – Majority-in-interest
NPIAS - National Plan of Integrated Airport Systems
NTSB – National Transportation Safety Board
O&D – Origin & Destination
O&M – Operating and Maintenance Costs
OS – Official Statement (for Bonds)
PAYGO – Pay As You Go (i.e. not leveraged)
PFC – Passenger Facility Charges
PPO – Project Portfolio Office
QTA – Quick Turn-Around (rent-a-car fuel and wash)
R&C – Airline Rates and Charges
RAC – Rent-a-Car
RFP – Request for Proposal
ROG - Remain Overnight @ Gate (Aircraft Parking)
RON – Remain Overnight (Aircraft Parking)
SAC – Sacramento Executive Airport
SMF – Sacramento Metropolitan Airport
TNC – Transportation Network Companies (e.g. Uber/Lyft)
TSA – Transportation Security Administration (US Department of Homeland Security)
YOY – Year Over Year
YTD – Year to Date



Department of Health Services

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December 12, 2024

Timothy Lutz, Director

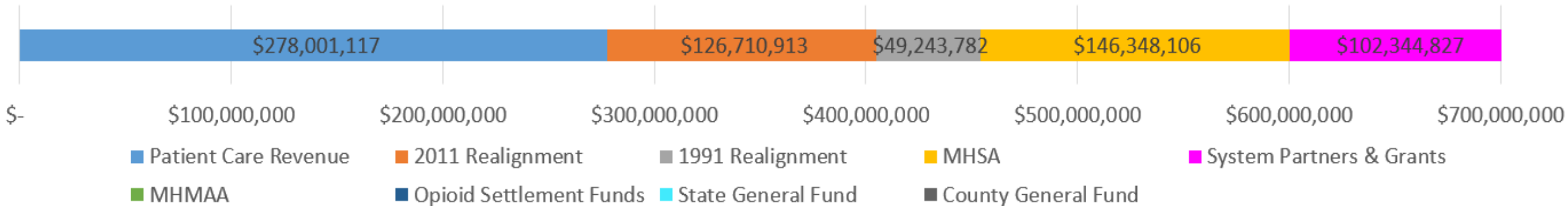
Behavioral Health Services Overview

- Oversees Programs and Services For:
 - Specialty Mental Health Services for individuals with the most severe mental health challenges and youth with serious mental disturbance.
 - Full range of Substance Use Prevention and Treatment (SUPT)
- Serves Medi-Cal members
- FY 2024-25 Annual Budget \$724.8 M
- 661.4 full-time equivalent (FTE) County positions
 - Total workforce across the entire Behavioral Health system is well over 3,500
- Extensive Care Network: 161 Provider Agencies with 238 Programs
- Client Statistics:
 - 34,035 consumers served (FY 23/24)
 - Over 400,000 served in Prevention and Early Intervention (PEI)

Behavioral Health Funding Sources

Overall Budget for FY 2024/25 is \$724.8 Million:

- Funding Components:
 - 39% by Federal Medi-Cal revenue, now known as Patient Care Revenue
 - 24% by 1991 or 2011 Realignment
 - 20% by the Mental Health Services Act (MHSA)
- Local funds (primarily Realignment, MHSA, County General Fund) are required as match to draw down Federal Medicaid funds.
- 1991 and 2011 Realignment is derived from sales tax and vehicle license fees and can be used flexibility across the Behavioral Health care continuum



Poll Question #6

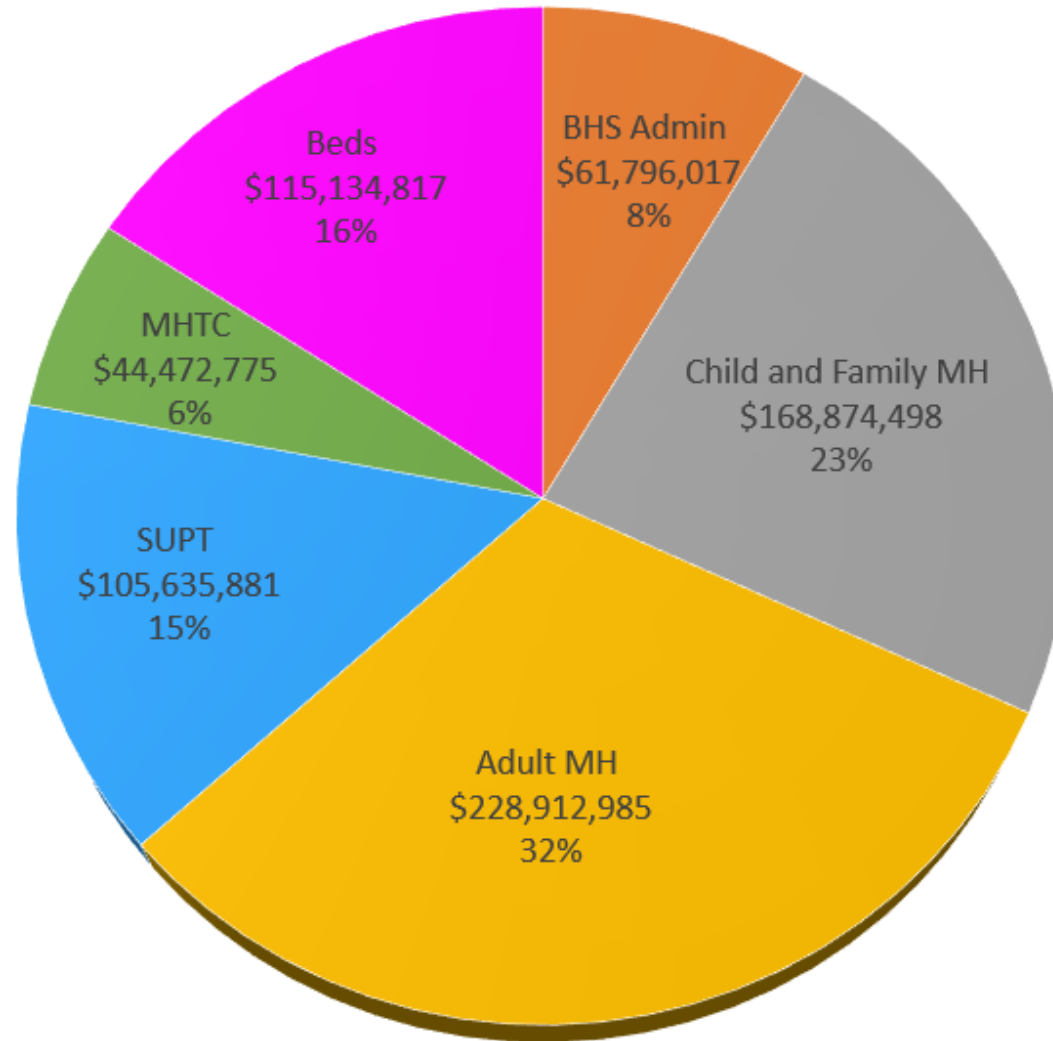
What percentage of Behavioral Health revenue comes from Federal sources?

1. 12%
2. 55%
3. 39%
4. 70%

Behavioral Health Services Overview

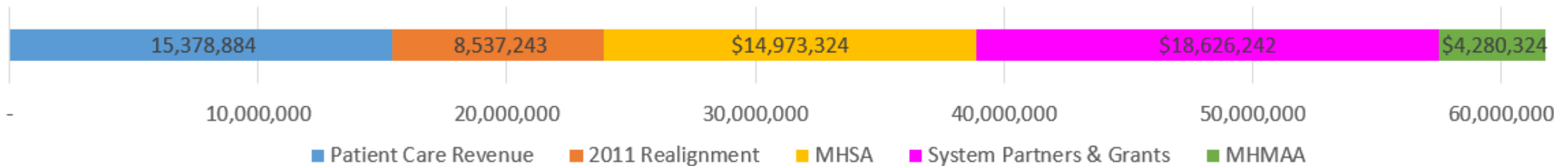
Program Categories:

- Adult MH
- Child and Family MH
- Substance Use Prevention and Treatment (SUPT)
- Treatment Beds – County Contracted
- Mental Health Treatment Center (MHTC)
- Administration



Administration Funding

- Administration costs are tracked separately through state regulations – approx. \$62 million
- Administration costs make up about 8.5% of the budget, which is quite low compared to other counties
- Allowed Medi-Cal reimbursement for qualifying expenses for up to 15% of direct expenditures





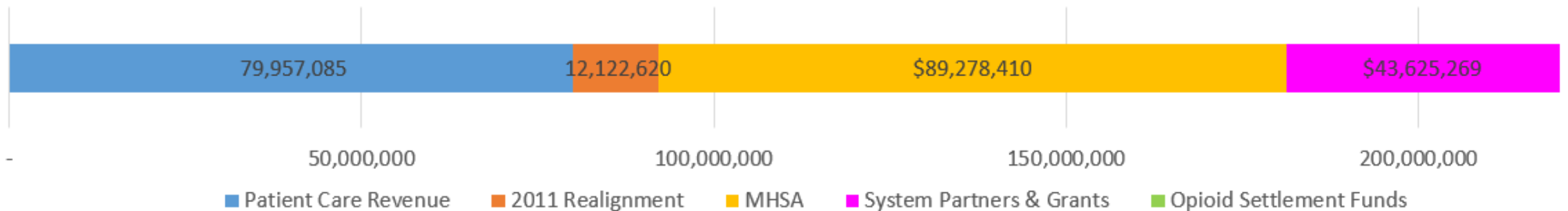
Behavioral Health Services

Outpatient Services

- **Outpatient Community-Based Services Provided to Children and Adults, both Mental Health and Substance Use Treatment**
-

Adult Mental Health Services

- Approximately \$229 Million Budget
- 18,330 Clients Served Annually
- Community Outreach Recovery Empowerment (CORE) Programs:
 - 11 Community-based sites
- Additional Services:
 - Full-Service Partnerships
 - Mental Health Urgent Care
 - Crisis Stabilization
 - Crisis Residential
 - Mobile Crisis Support Teams
 - Justice-Involved (THRIVE) Programs – Outpatient Clinics and FSP Program



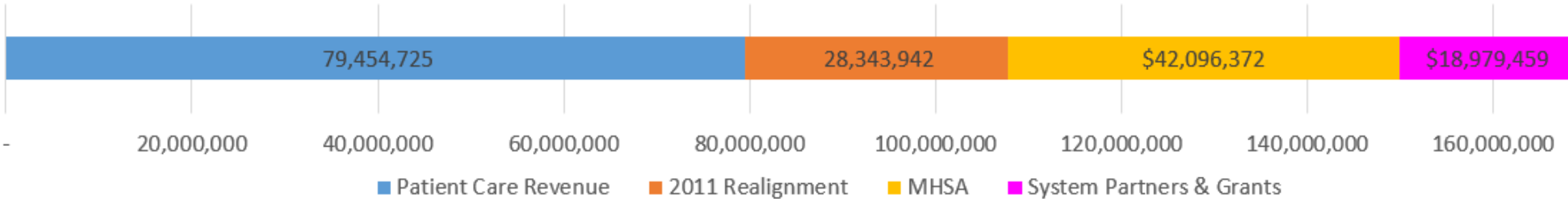
Poll Question #7

How many adult outpatient (CORE) centers does Behavioral Health have in Sacramento County?

- 1. 11
- 2. 20
- 3. 1
- 4. 6

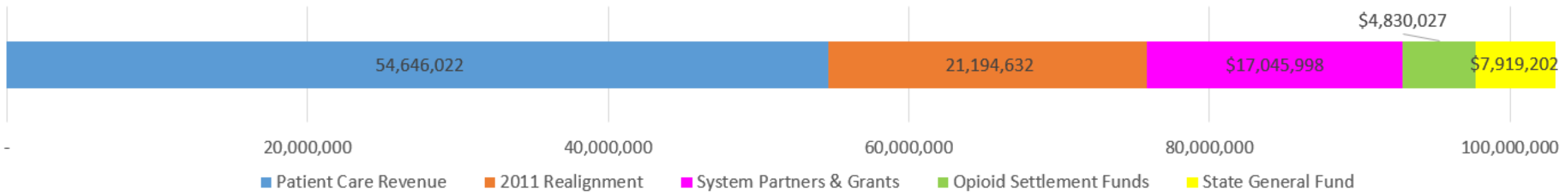
Child and Family Mental Health Services

- Approximately \$169 Million Budget
- 9,006 Clients Served Annually
- Primary Outpatient Program: Flexible Integrated Treatment (FIT) Program
 - 16 sites operated by 10 provider agencies
- Additional Services:
 - Wraparound
 - Therapeutic Behavioral Services
 - Juvenile Justice Diversion and Treatment
 - Group Homes / Short Term Residential Treatment Programs
 - Transition Age Youth Full-Service Partnership



Substance Use Prevention and Treatment (SUPT)

- Approximately \$106 Million Budget
- 6,026 Clients Served Annually
- In 2019, SUPT Implemented the Drug Medi-Cal Organized Delivery System (DMC-ODS)
 - Increased funding from State General Funds
- Increased Array of Services Through DMC-ODS:
 - Case Management
 - Residential
 - Recovery Services (aka Aftercare)
 - Detox and Withdrawal Management
 - Prevention Services
- Wait times for residential services and building out Medi-Cal provider network are key goals



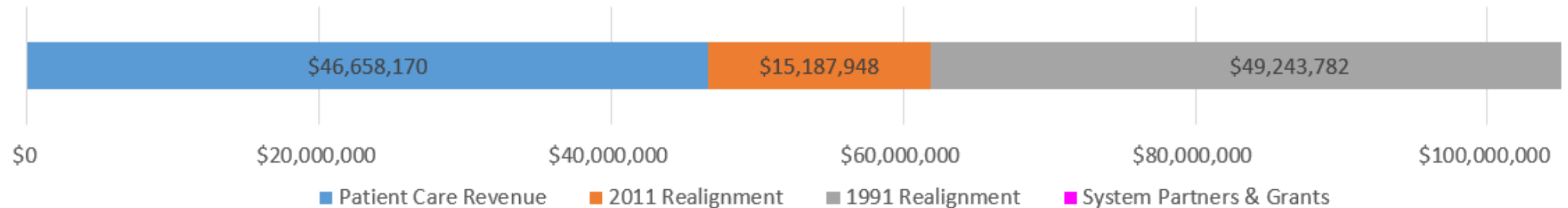
The Big Picture: Crisis Continuum

- Four Large Standalone Psychiatric Hospitals & Mental Health Treatment Center (MHTC)
 - Cannot use Federal Funds due to Institution for Mental Disease (IMD) Exclusion
 - Applies to any facility with more than 16 beds, unless combined with physical health hospital
 - Result is that inpatient budget is spent twice as fast as it would if we could bill Medi-Cal
- Three 16 Bed County-Dedicated Psychiatric Health Facilities (PHF)
 - Able to bill Medi-Cal by being below the 16 bed IMD Exclusion
- Psychiatric Hospital Front Door:
 - Mental Health Urgent Care (MHUC) and Crisis Stabilization Unit (CSU)
 - Crisis Receiving Behavioral Health (CRBH)
 - Community Wellness Response Teams (CWRT)
 - 4 Crisis Residential Programs
 - 11 Mobile Crisis Support Teams
- Psychiatric Hospital Back Door:
 - Statewide shortage of Mental Health Rehabilitation Centers (MHRC)
 - 32 bed County Mental Health Rehabilitation Centers on the way



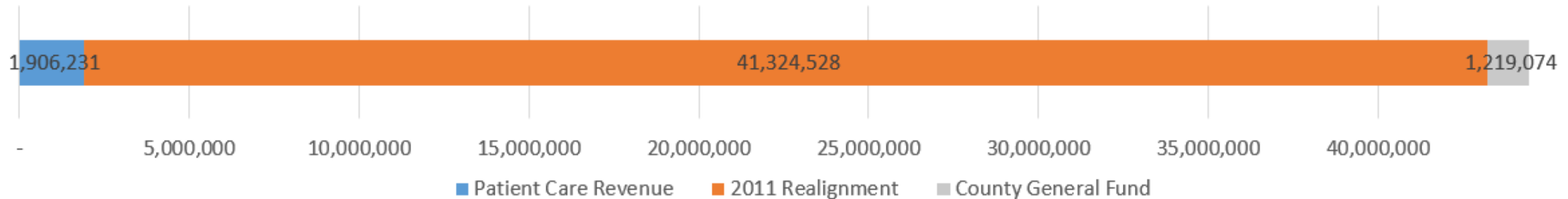
Treatment Beds – County Contracted

- Inpatient treatment (acute and subacute) provided to the clients experiencing the most severe mental health challenges.
 - Became County responsibility via 1991 Realignment
- 3,061 Clients Served Annually
- Treatment Beds – Budget approximately \$115 Million
 - State Hospital
 - Freestanding Psychiatric Hospitals
 - Mental Health Rehabilitation Centers
 - Skilled Nursing Facilities
 - Adult Residential Treatment



Treatment Beds – Mental Health Treatment Center

- The Mental Health Treatment Center includes Psychiatric Health Facility (PHF) beds and Intake Stabilization Unit (ISU) – Budget approximately \$44 Million
- 50 Beds
- Receives Drop-Offs from Law Enforcement
- New in January 2025:
 - Receive EMS Drop-Offs for the Triage to Alternate Destination Program
 - Receive Law Enforcement Drop-Offs Under SB 43



Poll Question #8

What is the Federal regulation that restricts being able to bill the Federal government for a portion of psychiatric treatment beds in facilities larger than 16 beds?

1. Federal Waiver Rule
2. IMD Exclusion Rule
3. Treatment Bed Rule
4. Treatment Waiver Rule

Homeless Behavioral Health Services

- Over the last six years Behavioral Health has been increasing investments to support individuals with Behavioral Health challenges and either experiencing homelessness or at risk for homelessness.
- These investments include:
 - Housing
 - Flexible housing supports
 - On-site housing case management supports
 - Field-based outreach, engagement, and assessment teams – Homeless Engagement and Response Team (HEART)

Six Years of BHS Homeless Services Investments

FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
\$28,334,731	\$40,370,956	\$46,796,416	\$58,904,503	\$54,552,715	\$88,539,486

Highlight of New BHS Initiatives

- Behavioral Health Services Act (BHSA) Transformation (Proposition 1) – **July 2026**
- Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) – **Early 2025**
- Community Wellness Response Team (CWRT) – **February 2023**
- CalAIM/PATH Justice-Involved Initiatives – **Early 2025**
- Department of State Hospitals Incompetent to Stand Trial (IST) Diversion Program - **Ongoing**
- Community Assistance, Recovery, and Empowerment (CARE) Act – December 2024
- Payment Reform – **July 2023**
- Behavioral Health Capital Infrastructure Program (BHCIP) Infrastructure projects - **Ongoing**
- Expansion of LPS Grave Disability to include Severe Substance Use Disorders (SB 43) – **January 2025**
- **All of these are in addition to the base programming which has expanded**
- **All require significant and often ongoing effort from administrative staff**



Department of Finance

County Budget Workshop
December 12, 2024

Chad Rinde, Director

Department of Finance (DOF)

- Provides critical Countywide financial functions that support departments and agencies in the efficient collection and effective use of resources to deliver responsive services and transparency to the public.
- Finance functions generally fall in three categories:
 - *Accounting, Financial Reporting, and Auditing*
 - *Collections and Disbursements of Funds*
 - *Custody and Investment of Funds*

The Team

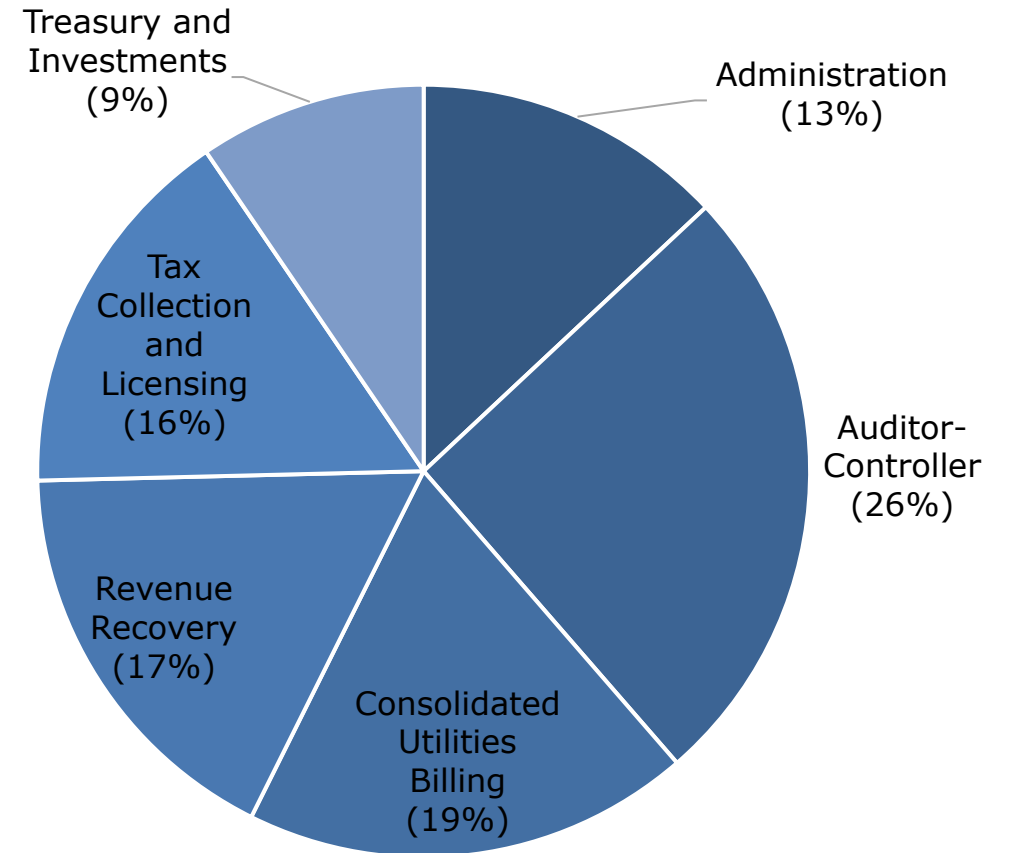
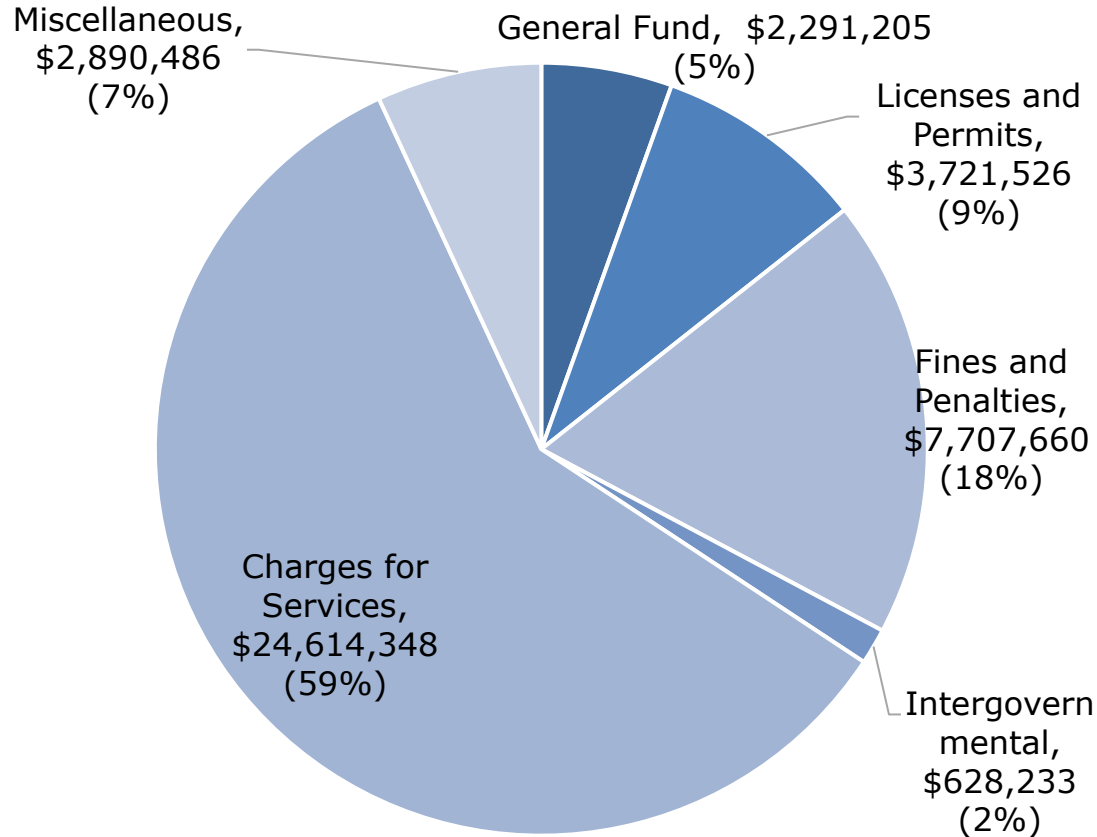
Positions: 248 FTE

Locations: 2 (700 H St., 10481 Armstrong Ave.)

Divisions: 7

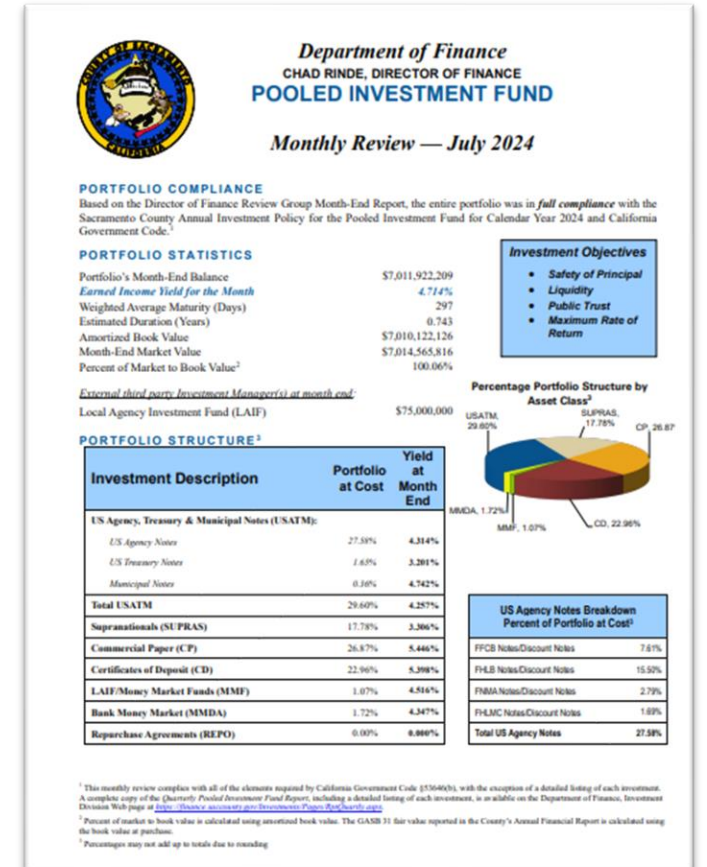
- Administration
- Auditor-Controller
- Consolidated Utilities Billing and Service
- Investments
- Revenue Recovery
- Tax Collection and Business Licensing
- Treasury

Fiscal Year 2024-25 Budget



Treasury and Investments Divisions

- Manages and invest funds of approximately \$7.0 billion in pooled funds and \$1 billion in non-pooled funds for:
 - County
 - School Districts
 - Special Districts
 - Joint Powers Agencies
- Portfolio focuses on safety, liquidity and then yield. (pool earned 4.624% last quarter)
- Treasury oversight committee oversees activities quarterly.



Auditor-Controller Division

- Provides financial support to County departments, special districts, and other government agencies
- Performs financial reporting for the County and performs financial and operational audits County-wide including investigating possible wrongful acts
- Tax Accounting services to general taxpayers, County Departments, and other government agencies



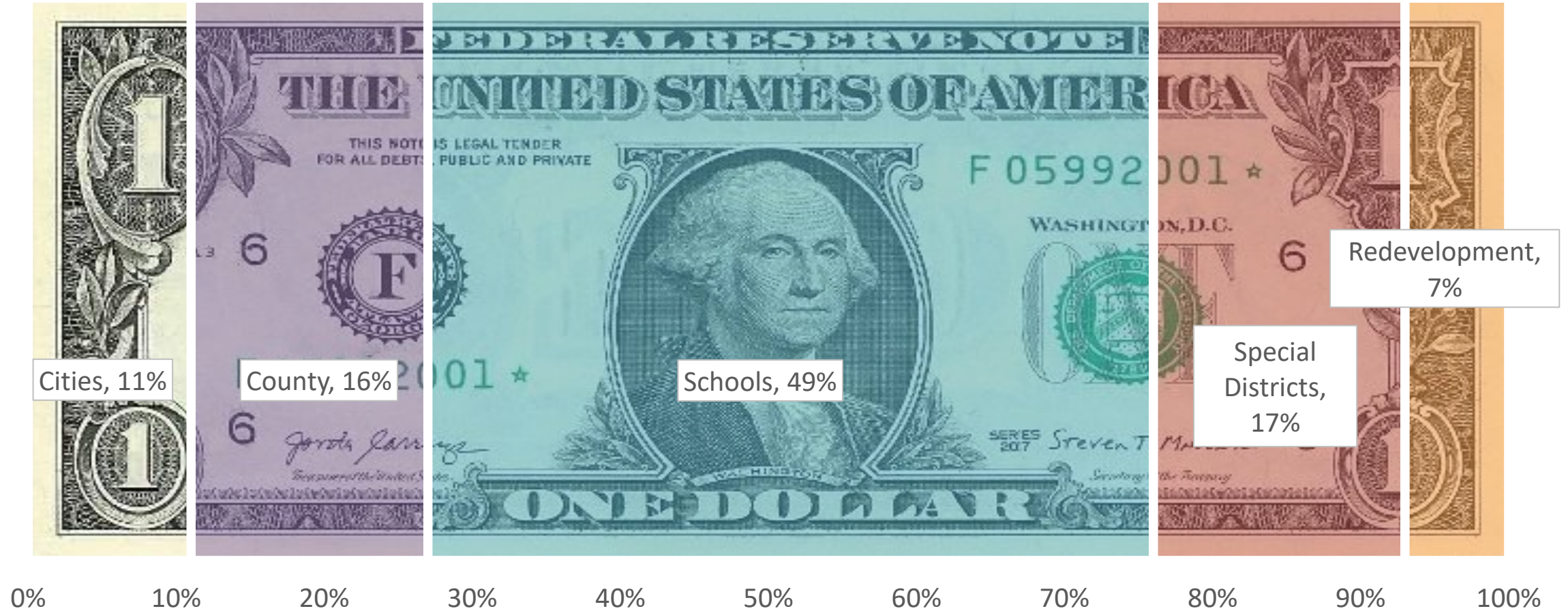
Collection Divisions

- **Consolidated Utilities Billing and Service**
 - Provides billing and collection services for over 334,000 utility customer accounts (collected \$493 million for garbage, water, sewer, storm water and drainage services)
- **Revenue Recovery**
 - Ensures collection of delinquent accounts (\$25M collected in 2023-24)
 - Disburses restitution to victims of crime (distributed \$4 million to victims of crime in 2023-24)
- **Tax Collector and Licensing**
 - Performs the collection of County property taxes, utility user taxes, and transient occupancy taxes. (\$2.8B collected in 2023-24)
 - Issue business licenses for the unincorporated areas of the County

Poll Question #9

- What property tax function is not performed by the Department of Finance?
 - a. Calculates tax Rates and adds direct Levies
 - b. Bills and collects property taxes
 - c. Value taxable property
 - d. Apportions and distributes taxes to public agencies

Local Property Tax Dollar Distribution



Goals for Fiscal Year 2024-25



Complete Development and Testing of New Property Tax System to go-live in summer of 2025 (3 Year, \$49 million project).



Implement PaymentWorks to ease vendor onboarding and increase use of electronic payments.



Assist SacSewer in separation of their finances from the County of Sacramento.

Poll Question #10

- What type of local government receives the most property taxes in Sacramento County?
 - a. Cities
 - b. County
 - c. Schools
 - d. Special Districts

How You Can Get Involved

- Recorded Presentation will be available on [County's YouTube page](#)
- Submit questions and comments by email to budget@saccounty.gov
- View budget documents and use the Budget Explorer Tool on the [Office of Budget and Debt Management webpage](#)
- Apply to serve on a [County advisory board](#)
- Write, email, or phone your [County Supervisor](#)
- [Sign up](#) to receive information about the County's budget