

County Executive  
Navdeep S. Gill



## County of Sacramento

Board of Supervisors  
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June 9, 2016

Members of the Board of Supervisors  
County of Sacramento  
700 H Street, Suite 2450  
Sacramento, CA 95814

### **Re: Fiscal Year 2016-17 Recommended Budget**

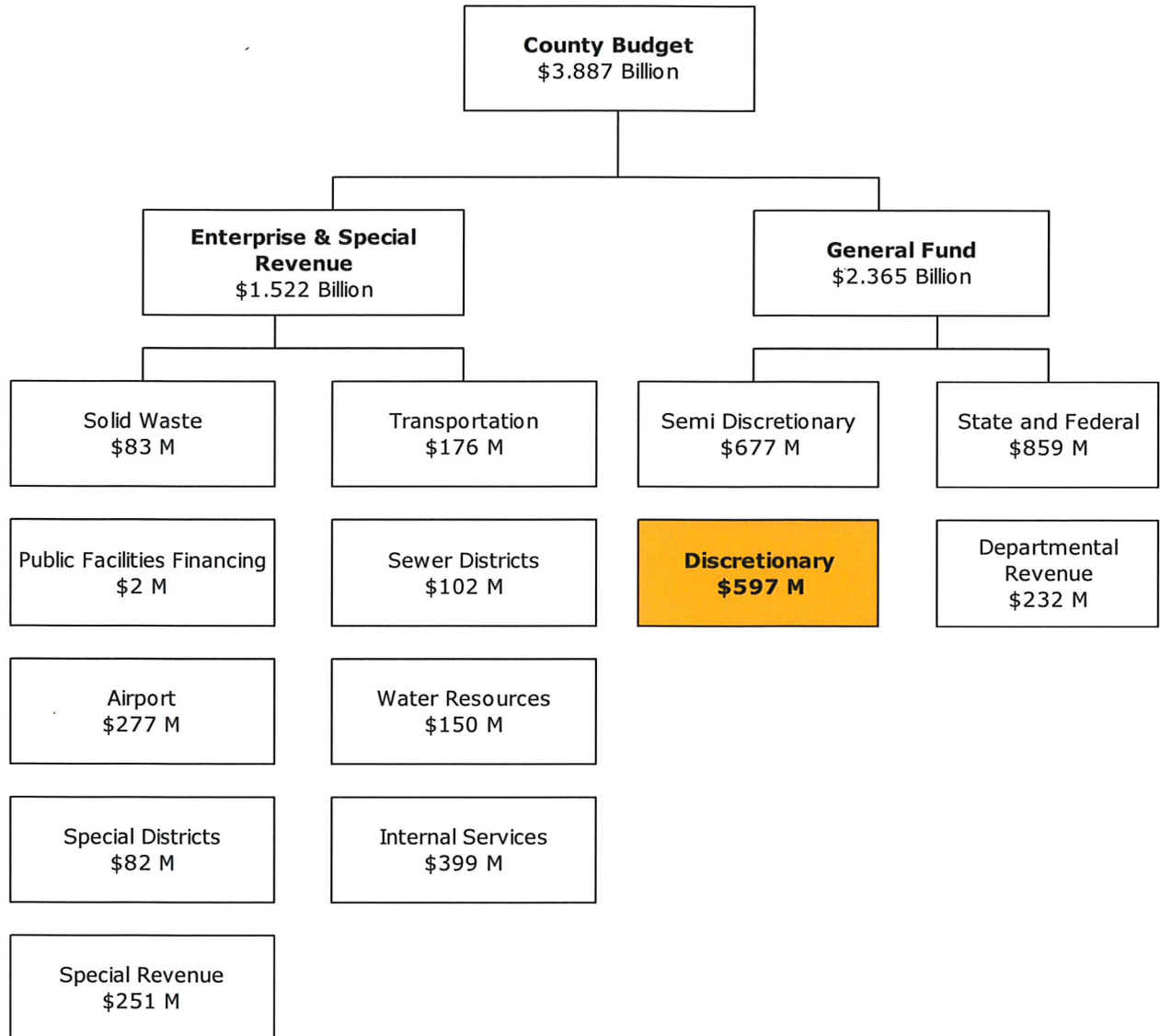
Honorable Members of the Board:

I am pleased to present the Recommended Budget for Fiscal Year 2016-17 (Budget) for your review and consideration. The Budget for All Funds totals \$3,887,838,911 in appropriations. This is a \$76,658,833 (2%) increase compared to the FY 2015-16 Adopted Budget. The County's Recommended General Fund appropriation for FY 2016-17 totals \$2,365,937,792, an increase of \$53,299,811 (2.3%) as compared to the FY 2015-16 Adopted Budget. The increase in General Fund appropriations is funded by:

- A \$4.9 million (17%) increase in available fund balance carry-forward, compared to the available fund balance used to balance the FY 2015-16 Adopted Budget;
- A \$13 million (2.4%) increase in discretionary revenue compared to the FY 2015-16 Adopted Budget. This is the net result of a 5.4% increase in on-going discretionary revenue – driven in part by the improving economy – partly offset by a \$15.8 million reduction due to one-time discretionary revenue that was included in the FY 2015-16 Adopted Budget.
- A \$35.4 million increase federal, state and other revenue, including a \$10.9 million (1.9%) increase in Proposition 172 and Non-CalWORKS Realignment revenue.

Enterprise and Special Revenue funds comprise the remaining \$1.5 billion of the total \$3.9 billion Budget.

The chart below illustrates the distribution of the All Funds Budget.



The Budget is balanced and fully funds current staffing and program needs for all departments (the "Base" budget). It maintains the current capacity to provide services to County residents while implementing strategic initiatives that address the Board's priorities and expands some services by taking advantage of increased federal and state revenues or fees.

In order to balance the General Fund Budget, our approach was to use discretionary and semi-discretionary (Proposition 172 and Realignment) revenue first to fund departments' Base budgets (including increases in the cost of existing staffing and programs). In the case of semi-discretionary revenue, we would also, offset Net County Cost and use the freed-up Net County Cost to fund departments' Base Budgets. Then, to the extent any discretionary resources remained, we recommended targeted investments in new or enhanced programs and services.

### **Recent Board Investments in New Programs and Services**

As proposed, the Budget continues funding for programs and services that were initiated over the last few years with Board approval, including:

- Initiatives to address homelessness, such as Rapid Rehousing, the Winter Shelter program, and the creation of a Director of Homeless Initiatives position;
- The intelligence-led policing model being implemented in the Sheriff's Office;
- Rebalancing the Mental Health Crisis System to reduce reliance on hospital emergency rooms and ensure that individuals experiencing a mental health crisis receive the best treatment possible in the most appropriate setting for their needs;
- The Healthy Partners Program that provides healthcare services to undocumented immigrants;
- A strategic plan to reduce disproportionate African-American child deaths through community-based contracts and targeted staffing in Child Protective Services, Public Health, and Probation;
- The Title IV-E foster care waiver pilot program, providing Child Protective Services and Probation with federal funding and flexibility to reduce cost and improve outcomes for foster care youth over a five-year period. This includes \$1.8 million per year to expand the Child Abuse Prevention Center's Birth and Beyond program;
- A Financial Abuse Unit in DHHS Adult Protective Services;



- Backfilling reduced revenues to maintain Probation service levels and increasing staffing to develop a plan for utilizing the Warren E. Thornton Center.
- Community livability initiatives, such as increasing code enforcement and graffiti abatement activities, enhancing the 311 Call Program for residents to bring livability concerns to the County’s attention, and establishing a Community Prosecution Unit in the District Attorney’s Office;
- Animal care initiatives that focus on improving animal care, increasing spay/neuter services; and increasing the Animal Shelter’s live release rate;
- Efforts to reduce fire danger and illegal camping in the County’s Regional Parks.

More detailed information related to each of these program and services is included in Attachment 1.

**Departmental Requests for New or Enhanced Programs**

During the preparation of this Budget, County departments submitted approximately \$53 million in requests for new or enhanced programs, including \$32 million in General Fund (Net County Cost) support. To assist in evaluating these requests, departments were asked to prioritize their needs. This prioritization was taken into account, along with Board priorities and other factors, in making Budget recommendations. We used \$952,000 in Net County Cost and \$7.7 million in realignment, state/federal revenues and fees to fund various new or enhanced programs.

**Funded Net County Cost New or Enhanced Programs**

<b>Department</b>	<b>Description</b>	<b>Amount</b>	<b>FTE</b>
Animal Care	Funding for Community Spay-Neuter programs	\$50,000	0
Assessor	Reclassification to a Geographical Information System technician	\$11,000	0
Clerk of the Board	Replacement of the system to track Boards and Commissions	\$65,430	0
Community Development	<ul style="list-style-type: none"> <li>• One-time funding for a PBID Academy</li> <li>• Residential Parking program</li> </ul>	\$62,000	0

	administration	\$50,000	
Community Development/District Attorney	Addition of a Community Prosecutor, half-funded by City of Rancho Cordova	\$124,672	1
DHA/Personnel	Addition of a Personnel Technician to assist DHA. Total cost is \$100,936 of which Net County Cost is \$2,189 due to Federal and state reimbursements	\$2,189	1
Sheriff	<ul style="list-style-type: none"> <li>• Additional staffing for Jail ADA planning/ compliance.</li> <li>• Staffing for Crime &amp; Intelligence Unit</li> </ul>	\$320,000	2
		\$182,000	4
Voter Registration	Organizational consultant	\$85,500	0
<b>Total</b>		<b>\$952,791</b>	<b>8</b>

**Funded – Non Net County Cost** – Table below is a summary of funded new or enhanced requests that don't require Net County Cost.

Department	Description	Amount	Funding Source	FTE
Community Development	A Planning Technician to assist with increased workload for CEQA.	\$77,304	Fees	1
Community Development	Additional Code Enforcement Officer position to provide support to the illegal dumping program.	\$150,000	Solid Waste Authority Fees	1
Community Development	Additional Building Inspection staff due to increased permit activity.	\$663,429	Fees	6
Community Development	Increase in temporary help in Building Inspection to support increased workload during the summer months.	\$86,269	Fees	0
Community Development	Additional staff to assist with the increase in infrastructure district formation.	\$312,471	Special District Revenues	2
Community Development	Additional intern hours to assist with electronic plan review.	\$23,180	Fees	0

Community Development	Staffing changes to assist with the increased workload due to an increase development and permit activity.	\$117,192	Fees	2
County Counsel	Additional Legal Training and miscellaneous needs.	\$77,500	Indirect Charges	0
County Executive Cabinet	Additional CEO Management Analyst position to assist with the increased number of developer inquiries/requests to form community facilities districts and reactivate formed districts that were shelved due to the downturn in the economy.	\$126,828	Special District Revenues	1
District Attorney	Addition of a Community Prosecutor, half-funded by City of Rancho Cordova.	\$124,672	Rancho Cordova	0
Environmental Management	Provide administrative support for Environmental Health and Environmental Compliance.	\$94,560	Fees	1
Finance	Additional Sr. Accounting Manager to manage automation of business processes and evaluation of software systems and division internal controls.	\$148,453	Indirect Charges	1
Finance	Additional Account Clerk for Payment Services Unit to address increased workload in the E-Payables program.	\$57,956	Indirect Charges	1
General Services	Additional Building Maintenance Workers to provide facility maintenance and custodial services.	\$195,530	Indirect Charges	3
General Services	Additional Electrician and Stationary Engineer to provide maintenance and operation services of various Airport facilities including repair work.	\$229,721	Indirect Charges	2
General Services	Operation and maintenance of the heavy equipment rental fleet.	\$448,403	Indirect Charges	0



General Services	Design, installation, & maintenance of the County's electronic security alarm, surveillance, & access control systems.	\$16,000	Indirect Charges	0
Health and Human Services	Additional staffing for the electronic mental health record system (Avatar).	\$88,632	State	1
Health and Human Services	Contract psychiatrist for court order second opinions and administration of psychotropic medications.	\$350,000	State	0
Health and Human Services	Early Periodic, Screening, Diagnosis and Treatment (EPSDT) Expansion: Increased funding for EPSDT services to meet the needs of Medi-Cal beneficiaries under age 21 who are legally entitled to medically necessary specialty mental health services.	\$2,250,000	Federal and Realignment	0
Health and Human Services	Additional clinical position to support the Mobile Crisis Support Team program is a partnership with the Sacramento Police Department and Sacramento County Sheriff's Department to provide timely crisis intervention and assessment in the field.	\$107,744	State	1
Health and Human Services	Additional IHSS staff to handle 2,000 more cases.	\$959,092	State	12
Health and Human Services	Additional Office Assistant to provide front counter customer service for vital records.	\$82,466	Fees	1
Health and Human Services	Additional Office Assistant to enter HIV/STD surveillance data into State databases.	\$87,467	Federal	1
Human Assistance/Personnel	Addition of a Personnel Technician to assist DHA.	\$98,747	Federal	0
Labor Relations	Funding for consultant to assist with labor relations.	\$40,979	Indirect Charges	0

Personnel Services	Additional staff to assist in the recruitment efforts and process automation. Costs will be absorbed by department wide salary savings	No Additional Appropriation	Department Salary Savings	4
Personnel Services	Additional Office Assistant for the increased workload in the Workers' Compensation program.	\$58,884	Indirect Charges	1
Regional Parks	Therapeutic Recreation Services--Program Support. Funding for additional extra help staff hours.	\$13,211	Fees	0
Sheriff	Additional Deputy for Restoration to Competency Program for misdemeanor inmates.	No Additional Appropriation	Included in DHHS Base	1
Sheriff	Additional Security Officers to provide security to the District Attorney's Office	No Additional Appropriation	D.A. absorbed extra cost	2
Solid Waste Enterprise	Add 3 Intermittent positions to provide additional backup for permanent employees.	\$107,531	Fees	0
Solid Waste Enterprise	Additional Senior Landfill Equipment Operator position to provide more coverage for the weekend crew and additional backup.	\$101,424	Fees	1
Solid Waste Enterprise	Additional Sanitation Worker positions and 2.5 Intermittent Transfer Equipment Operators to support the new mattress disposal and storm water management programs.	\$238,524	Fees	2
Solid Waste Enterprise	Additional Safety Technician position to update and maintain regulatory compliance requirements, and safety and training programs.	\$81,774	Fees	1
Technology	Additional staff to develop, implement and maintain software applications such as law and justice, tax collection and payroll.	\$28,063	Indirect Charges	0.2



Technology	Additional Neighborhood Services Manager to oversee the 311 function and coordinate responses to the Community Livability Issues.	No Additional Appropriation	Department Salary Savings	1
Transportation	Utility trailer to transport a thermo-plastic roadway striping applicator.	\$22,212	Indirect Charges	0
<b>Total</b>		<b>\$7,666,218</b>		<b>50.2</b>

The table below provides information concerning the County's FTEs.

Existing FTEs	11,976.2
Recommended Net County Cost FTEs	8.0
Recommended Non Net County Cost FTEs	50.2
Total	12,034.4

Many of the unfunded requests would address community and department needs or imminent mandates:

- Board members have expressed an interest in providing a General Fund contribution to the Roads Fund to address road maintenance needs. Additional funding has yet to be identified for this contribution. However, staff is working on a Road Maintenance Funding Plan to bring all County roads up to a Pavement Condition Index (PCI) of 70 over a 15 to 20-year period. The Plan will take into account a number of potential funding sources, including Measure B, various State legislative proposals and the General Fund. Our intent is to bring the Plan to the Board for consideration early in the 2016-17 fiscal year.
- In the Human Services area, growth requests include expansion of the Early Intervention Drug Court, increased residential drug treatment capacity, interpreter services for the Healthy Partners program, and increased services in Foster Care, Child Protective Services and Adult Protective Services. The Child Abuse Prevention Center is also requesting \$500,000 to cover shortfalls in the Birth and Beyond programs.
- The Probation Department requested staffing to supervise additional high risk felony offenders, funding to renovate and re-open the Neighborhood Alternative Center to provide alternative residential and non-residential services to youth on probation, and funding to renovate and re-open the Warren E. Thornton Youth Center to serve commercially exploited, crossover foster youth and foster children in

need of short-term mental health placements under Child Welfare Continuum of Care Reform. The Department will present a detailed plan to the Board at a workshop in July.

- Probation requests for additional information technology (IT) staffing to enhance infrastructure and data management capacity. Probation and the Department of Technology are collaborating to find efficiencies in IT operations to create cost savings and meet department needs.
- Voter Registration and Elections needs new voting equipment prior to the 2018 election season.

Although resources are not available to address these and other unfunded needs at this time, our intent is to return to the Board to provide long term strategies and recommendations that will help guide future budget decisions.

**FY2016-17 Recommended Budget – One-time Revenue**

The General Fund Budget is balanced using the following one time sources:

<b>Description</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
One time discretionary	\$15.8 million	\$0
Fund Balance/Carryover	\$28.1 million	\$33.0 million
Realignment revenue carryover	\$17.4 million	\$12.9 million
<b>Total</b>	<b>\$61.3 million</b>	<b>\$45.9 million</b>

**Contingency**

The General Fund Budget includes a contingency of \$1,850,000.

**Interfund Transfers repayment**

The Budget includes a repayment of \$2,070,000 for Interfund Transfer. Table below summarizes status of the Interfund transfers.

Original amount	\$77.65 million
Amount paid	\$33.62 million
Outstanding Balance as of 6/30/16	\$44.03 million <sup>1</sup>

<sup>1</sup> Amount due to the Workers Compensation fund is \$35.7 million and to the Clerk Recorder’s fund is \$8.3 million.

## **Attachments to Budget Transmittal Letter**

There are several attachments included with this transmittal letter that provide in-depth information concerning the Budget:

- Attachment 1 summarizes Recent Board Investments
- Attachment 2 presents the All Funds Budget
- Attachments 3 provide more information on the General Fund Budget
- Attachment 4 provides a summary of significant issues by department, including requests for new or enhanced programs and funding
- Attachment 5 addresses the allocation of Transient Occupancy Tax (TOT) revenue
- Attachment 6 provides Economic and Fiscal Context


## **Conclusion/Acknowledgement**

The Budget is the culmination of a process involving County employees, members of the community and advisory boards and commissions. The employees and Department Heads dedication through the FY 2016-17 budget process facilitated the balanced Budget I am proposing, which once again could not have been achieved without their assistance. I wish to acknowledge Chief Financial Officer Britt Ferguson, the staff of the Office of Financial Management, County Executive's Office and the Chief Deputy County Executives for their perseverance and dedication in preparing this document. I also want to thank the Board for your support of our workforce.

The Budget will be presented to the Board on June 14, 2016, at 2 o'clock, with deliberations on that date and June 15<sup>th</sup> and June 16<sup>th</sup> as needed.

We look forward to working with you as you review the recommended budget. During your review, please contact me with any questions that you may have concerning the Budget.

Respectfully submitted,

  
Navdeep S. Gill  
County Executive