FY2016-17 Recommended Budget
THE GENERAL FUND BUDGET

The County's Recommended General Fund appropriation level for FY2016-17 totals $2,365,937,792. This is an increase of $53,299,811 (2.3%) compared to the FY2015-16 Adopted Budget. A more detailed comparison of the FY2016-17 Recommended General Fund Budget to the FY2015-16 Adopted General Fund Budget is shown below:

General Fund Budget
FY2015-16 Adopted and FY2016-17 Recommended

Resources	FY2015-16 Adopted	FY2016-17 Recommended	Difference
Beginning Balance[1]	30,647,216	33,000,000	2,352,784
Use of Reserves	6,675,175	189,491	(6,485,684)
Discretionary Revenue	551,031,444	564,064,844	13,033,400
Semi-discretionary Revenue	630,143,799	677,841,776	47,697,977
Other Departmental Revenue	1,103,340,347	1,091,031,172	(12,309,175)
Total Revenue	**2,284,515,590**	**2,332,937,792**	**48,422,202**
Total Resources	**2,321,837,981**	**2,366,127,283**	**44,289,302**
Requirements			
Expenditures	2,322,935,879	2,372,544,334	49,618,445
Discretionary Reimbursements	(12,297,898)	(8,466,542)	3,831,356
Contingency	2,000,000	1,850,000	(150,000)
Total Appropriations	**2,312,637,981**	**2,365,937,792**	**53,299,811**
Provision for Reserves	9,200,000	189,491	(9,010,509)
Total Requirements	**2,321,837,981**	**2,366,127,283**	**44,289,302**

Fund Balance and Reserves

The Recommended General Fund Budget assumes a beginning balance of $91 million. The beginning balance includes approximately $57.8 million in reserves, consisting primarily of approximately $11.2 million in Teeter Reserves, a $32.4 million Reserve for Cash Flow and a $9.2 million Reserve for Mental Health Audit Report Payback, and an Available (unobligated) balance of $33 million.

[1] "Available" (unreserved/restricted) fund balance

The estimated FY2016-17 Beginning Balance was calculated using the FY2014-15 actual ending balance and Second Quarter estimates of FY2015-16 General Fund revenues and expenditures, with a positive adjustment to mitigate the generally conservative nature of those estimates.

The Recommended Budget proposes to cancel the $189,491 Reserve for Emergency Operations and re-assign that money to General Reserves. The Reserve for Emergency Operations was originally created in FY2010-11, to account for Net County Cost carryover in the Emergency Operations Budget and it was inadvertently not cancelled when other departmental carry-over funds were eliminated in FY2012-13. The County currently does not have General Reserves, but the Board recently adopted a General Reserves Policy that states that:

1. Any existing discretionary reserves no longer needed for the stated purpose will be reclassified as General Reserves.
2. In any fiscal year, the Budget recommended for Adoption (September Budget Hearings) will include an increase in General Reserves in an amount equal to 10% of the General Fund's actual "Available" Fund Balance carry-forward (as determined following the close of the County's books), until the General Reserve level reaches 10% of Discretionary Revenue and Reimbursements.

Finally, it is important to keep in mind that the above fund balance numbers are only estimates. The Finance Department will determine the actual fund balance number in the first quarter of FY2016-17.

Discretionary Revenue and Reimbursements

The FY2016-17 Recommended Budget includes a combined total of $572,531,386 in discretionary revenue and reimbursements. This represents an increase of approximately $9.2 million (1.6%) compared to the FY2015-16 Adopted Budget and is the net result of increases and decreases in a number of revenue and reimbursements as shown in the following table:

DISCRETIONARY REVENUE AND REIMBURSEMENTS

	FY2015-16 Adopted	**FY2016-17 Recommended**	**Difference**
Property Tax – Secured/VLF In Lieu	349,942,467	370,483,276	20,540,809
Property Tax - Supplemental	5,608,019	6,735,586	1,127,567
Other Property Tax	15,633,051	15,726,124	93,073
Total Property Tax	**371,183,537**	**392,944,986**	**21,761,449**

Sales & In-Lieu Sales Tax	82,503,716	79,287,000	(3,216,716)
Utility User Tax	18,082,378	19,058,665	976,287
Transient Occupancy Tax	4,550,000	5,141,000	591,000
Property Transfer Tax	9,488,556	9,962,984	474,428
SB 90 Repayment	4,000,000	0	(4,000,000)
Other One-time Revenue	7,296,892	0	(7,296,892)
Other On-Going Revenue	53,926,365	57,670,209	3,743,844
Total Revenue	**551,031,444**	**564,064,844**	**13,033,400**
Teeter	10,781,958	7,320,686	(3,461,272)
SWA	1,515,940	1,145,856	(370,084)
Other Reimbursements	0	0	0
Total Reimbursements	**12,297,898**	**8,466,542**	**(3,831,356)**
TOTAL	**563,329,342**	**572,531,386**	**9,202,044**

The primary reasons for these increases and decreases in revenue include:

- A $20.5 million (5.9%) increase in Secured Property Tax and Property Tax in Lieu of Vehicle License Fee revenue due to anticipated increases in assessed value on secured property. Some of these increases are due to new construction and the sale of homes with higher values in the current fiscal year, but, as has been the case for the last few years, the bulk of the increase is due to the restoration in value of properties that were in "decline-in-value" (Proposition 8) status. If our FY2016-17 projection holds true, Secured Property Tax and Property Tax in Lieu of VLF will have increased by 25% since FY2012-13 and total revenue from these sources will be approximately 7% higher than the previous high-point, set in FY2008-09.

- A $1.1 million (20%) increase in Supplemental Property Tax revenue, which captures the projected impact of new construction and property sales on assessed value in the budget year. Our FY2016-17 projection is almost $6 million higher than the revenue from this source in FY2011-12, but $25 million lower than the high point for Supplemental Property Tax revenue in FY2005-06.

- A $3.2 million decrease in Sales Tax and In-Lieu Sales Tax revenue compared to the FY2015-16 Adopted Budget. This decrease is due to the fact that the FY2015-16 Adopted Budget included a one-time payment from the State of $4.5 million as part of the "true-up" of In-Lieu Sales Tax revenue owed to local governments from the "Triple-Flip," which ended in FY2014-15. If that one-time revenue is factored out, Sales and Use Tax revenue is projected to increase by $1.3 million, or 1.7%.

- A $4 million decrease in SB 90 repayment revenue. Starting in FY2014-15, the Governor initiated an effort to fully repay counties and cities for pre-2004 SB 90 mandate claims that the State previously withheld to address budget problems. In FY2014-15 the State repaid the County $20.8 million, the full amount owed. The FY2015-16 Adopted Budget included $4 million in one-time revenue, reflecting the estimated interest owed to the County for the SB 90 revenue that the State withheld. The County actually received $4.7 million in interest payments in FY2015-16, which fully satisfies the State's repayment obligation. No revenue from this source is included in the FY2016-17 Recommended Budget.

- A $7.3 million decrease in other one-time discretionary revenue received by the County in FY2015-16. This one-time revenue was related to the liquidation of a debt service reserve on the 2003 Certificates of Participation (COPS) issue and excess debt service fund balances in various Pension Obligation Bond (POB) and COPs issues. No revenue from these sources is included in the FY2016-17 Recommended Budget.

The table on the previous page also shows the reimbursements in the Non-departmental Revenue budget unit. Reimbursements have the effect of reducing expenditures, and discretionary reimbursements effectively make discretionary resources available for other uses (Net County Cost).

Historically, the largest source of discretionary reimbursements has been the transfer-in of Teeter revenue, which comes from penalties and interest paid by property owners who are delinquent in paying their property taxes. The FY2016-17 Recommended Budget reflects a $3.5 million (32%) reduction in Teeter reimbursement due to lower property tax delinquency rates in the last few years.

As noted above, discretionary revenue and reimbursements are projected to increase by only 1.6% compared to the FY2015-16 Adopted level. However, that increase reflects the impact of over $15 million in one-time discretionary revenue in FY2015-16. If that is factored out, on-going discretionary revenue and reimbursements are projected to increase by approximately $25.8 million, or 4.7%.

Semi-discretionary Revenue

"Semi-discretionary" revenue, one component of Departmental Revenue, refers to Proposition 172 and 1991 and 2011 Realignment revenue that the Board generally has the ability to allocate within certain broad parameters.

Proposition 172 revenue comes from a statewide half cent sales tax that is allocated to counties. This resource is generally limited to public safety programs.

1991 Realignment revenue comes from a portion of statewide sales tax and vehicle license fee (VLF) revenue that is allocated to counties to help fund the local share of certain health and human services programs that were "realigned" to the counties from the State. Originally, there were three categories of 1991 Realignment revenue: Public Health (which included indigent healthcare), Mental Health, and Social Services. As part of 2011 Realignment, Realignment funding for Mental Health was shifted to 2011 Realignment revenue (though the program was still considered a 1991 Realignment program) and the counties were given an increased share of cost for CalWORKS.

2011 Realignment revenue comes initially from increased sales tax and vehicle license fee rates and is allocated to counties to help fund the share of cost for a number of realigned health and human services programs, to replace State categorical funding for certain health and human services programs and law and justice programs, and to provide funding to help counties deal with the impact of the transfer of responsibility for certain "low level" offenders from the State prison system to counties (referred to as AB109 revenue).

The following table summarizes the amount of Proposition 172 and Realignment revenue included in the FY2016-17 Recommended Budget compared to the amount included in the FY2015-16 Adopted Budget.

SEMI-DISCRETIONARY REVENUE
FY2015-16 Adopted Compared to FY2016-17 Recommended Budget

	FY2015-16 Adopted	FY2016-17 Recommended	Difference
Proposition 172	107,415,000	110,502,738	3,087,738
1991 Realignment – Non CalWORKS	167,011,834	174,752,286	7,740,452
CalWORKS Realignment	64,587,809	101,431,811	36,844,002
2011 Realignment – Non AB 109	247,334,226	242,578,439	(4,755,787)
AB 109 Realignment	43,794,930	48,576,502	4,781,572

Total	**630,143,799**	**677,841,776**	**47,697,977**

As can be seen, the Recommended Budget reflects a total increase in Semi-discretionary revenue of approximately $47.8 million (4.8%). However, the bulk of that increase is due to a $36.8 million increase in CalWORKS Realignment revenue, caused mainly by the shift in the State's share of CalWORKS costs from the State General Fund to sales tax-funded Realignment. The County's FY2015-16 Adopted Budget partially reflected the impact of that shift and the Recommended Budget reflects the full impact. This increase in CalWORKS Realignment revenue is offset by an equivalent reduction in other State revenue. If this shift in CalWORKS costs is factored out, the Recommended Budget reflects a $10.9 million (1.9%) increase in Semi-discretionary revenue compared to the FY2015-16 Adopted Budget.

The Recommended Budget includes $110.5 million in Proposition 172 revenue, which is a $3.1 million (2.9%) increase over the FY2015-16 Adopted Budget. This is based on information provided by the County's sales tax consultants and actual revenue trends to-date.

Realignment revenue funding received from the State is first deposited in a trust fund and isn't recognized as General Fund revenue until it is transferred to the appropriate department to cover the cost of eligible expenditures. The Realignment revenue allocated to departments and reflected in the Budget is actually comprised of both new revenues received (Realignment Base and Growth) – or anticipated to be received - in the Realignment Trust Fund in the budget year, and, in some cases, carry-over Realignment Trust Fund balances or estimated balances.

The Recommended Budget includes $174.8 million in non-CalWORKS 1991 Realignment revenue, which is a $7.7 million (4.6%) increase compared to the FY2015-16 Adopted Budget level. Approximately $5.9 million of that $174.8 million reflects estimated Realignment Trust Fund balance carry-forward and $168.8 million reflects estimated new revenue (Base and Growth) that will be initially received in the Trust Fund. The Recommended General Fund Budget reflects a $7.6 million increase in Social Services Realignment revenue, a $602,000 increase in Mental Health Realignment revenue and a $442,000 reduction in Public Health Realignment revenue. The budgeted revenue also reflects the retention of an estimated $2.1 million of Mental Health Realignment in the Realignment Trust Fund balance to address potential Mental Health Audit cost or other revenue shortfalls.
The Recommended Budget includes $242.6 million in non-AB109 2011 Realignment revenue, which is a $4.8 million (1.9%) decrease compared to the FY2015-16 Adopted Budget level. Approximately $5 million of that $242.6 million reflects estimated Realignment Trust Fund balance carry-forward. The

projected decrease in Realignment revenue is the net result of a number of factors, including:

- A $3.2 million (18%) increase in Enhancing Law Enforcement Activities Realignment revenue compared to the FY2015-16 Adopted level (for Booking Fees, Juvenile Probation Activities, Cal EMA, COPS grants), due to estimated Growth Revenue and a net $1.5 million increase in estimated Trust Fund balance carry-forward. Approximately $2.5 million of the increase in this Realignment category is in the COPS-Probation program, which funds services in the Probation Department.

- A $1.5 million increase in Youth Offender Block Grant Realignment revenue, due to a higher Base allocation, projected Growth revenue and a $950,000 increase in estimated Trust Fund balance carry-forward. This Realignment revenue funds juvenile probation programs.

- A $3.3 million decrease in Behavioral Health Realignment revenue, due to a $4.5 million decrease in the estimated Trust balance carry-forward and the retention of a $980,000 in the Trust fund balance as a reserve against future audit repayment costs or revenue shortfalls, offset by the estimated receipt of additional Realignment Growth revenue.

- A $6.4 million decrease in Protective Services Realignment revenue, due to the estimated receipt of less Realignment Growth revenue, a lower estimated Realignment Trust Fund balance carry-forward and the retention of approximately $234,000 in estimated Trust Fund balance carry-forward as a reserve against possible revenue shortfalls.

The Recommended Budget includes $48.6 million in AB109 Realignment revenue, which represents a $4.8 million increase over the FY2015-16 Adopted Budget level. The projected increase is the result of a number of factors, including a higher Base allocation due to Base Restoration funding, an estimated increase in Growth revenue and a $480,000 increase in the amount of unspent funds carried over in the Realignment Trust Fund balance from FY2015-16.

Other Departmental Revenue

When Semi-discretionary revenue is factored out, the Recommended General Fund Budget reflects a $12.3 million (1.1%) decrease in departmental revenue. This is the net result of increases and decreases in different revenue sources in various departments, including a net $27 million reduction in federal and State welfare revenue due, in part, to reduced CalWORKS caseloads and in part to the shift of what was the State General Fund's share of CalWORKS costs to Realignment.

Expenditures

The primary reasons for the $49.6 million (2.1%) increase in expenditures in the Recommended General Fund Budget compared to the FY2015-16 Adopted Budget include:

- A $37.2 million (3.3%) increase in Base (current staffing and program level) salary and benefit costs, due in part to the 4% Cost of Living Adjustment (COLA) granted to most County employees under terms of agreements with various unions, increased employee health insurance costs and the cost of certain positions added during FY2015-16, most significantly approximately $4 million in costs associated with the mid-year addition of 32.5 positions in the Sheriff's Department. These increases are partially offset by a decrease in the employer's contribution to the County's retirement system.

- A $10.7 million (3.4%) increase in the internal service costs (e.g., Technology, Personnel Services, General Services, etc.) allocated to General Fund departments. This increase is due primarily to increased salary and benefit costs in the internal service departments.

- A $9.3 million (11.9%) increase in In-Home Supportive Services (IHSS) provider payment costs, due to the annual 3.5% increase in the County's Maintenance of Effort (MOE) requirement and increased provider health insurance costs. The County pays 80 cents per hour toward provider health insurance, and the number of provider hours worked is estimated to increase by approximately 16%.

- A net $6.6 million increase in costs to provide a full year of funding for additional beds in Psychiatric Health Facilities (PHFs), Crisis Residential Facilities and the misdemeanor psychiatric program at the Rio Consumes Correctional Center (RCCC) that were approved during the 2015-16 fiscal year, partially offset by an estimated decrease in private hospital costs,

- A $1 million increase in the cost of Homeless programs in the Human Assistance- Administration budget, reflecting program enhancements approved during the 2015-16 fiscal year.

- Over $8 million in recommended Growth (new or enhanced programs), mostly funded with categorical revenue, including $2.25 million to implement an expansion of mental health services to Medi-Cal beneficiaries under the age of 21 who are legally entitled to medically necessary mental health services, a $959,000 increase in IHSS administrative costs to fund the addition of 12 positions to accommodate program growth, a $700,000 increase in contract psychiatrist costs, and $663,000 to fund the addition of six Building Inspection positions due to increased workload.

These and other expenditure increases are partially offset by recommended expenditure decreases in a number of areas, including a $20.1 million reduction in the Human Assistance-Aid Payments budget and a $3.7 million reduction in the Non-departmental Costs budget. The recommended reduction in the Human Assistance- Aid Payments budget is due primarily to an $11.6 million reduction in CalWORKS costs, reflecting a projected reduction in caseloads and a $9 million reduction in Foster Care costs, reflecting a reduction in caseload compared to the FY2015-16 budgeted level, though actual caseloads are essentially holding steady at the FY2014-15 level.

Net County Cost/Discretionary and Semi-Discretionary Revenue Allocations

"Net County Cost" or "General Fund Allocation," refers to the discretionary resources allocated to different County departments or programs. Discretionary resources come from the General Fund's discretionary (Non-departmental) revenues, Non-departmental reimbursements and the General Fund beginning balance. For FY2016-17, the total recommended Net County Cost is approximately $605.5 million, a $14.1 million (2.4%) increase compared to the FY2015-16 Adopted Budget level.

The recommended allocations are summarized in the following table:

FY2016-17 Recommended General Fund Allocations As Compared to FY2015-16 Adopted Allocations

DEPARTMENT	FY 2015-16 Adopted Allocation	FY 2016-17 Recommended Allocation	Year to Year Variance
ELECTED OFFICIALS			
Assessor	9,830,948	9,337,234	(493,714)
Board of Supervisors	3,325,760	3,408,068	82,308
District Attorney	53,188,931	55,945,385	2,756,454
Sheriff	205,470,853	221,517,215	16,046,362
Correctional Health	31,257,856	31,340,561	82,705
Subtotal	**303,074,348**	**321,548,463**	**18,474,115**
COUNTYWIDE SERVICES			0
Human Assistance-Aid Payments	29,715,408	19,729,964	(9,985,444)
DHA Administration	10,979,564	13,807,255	2,827,691
Health & Human Services	15,790,746	22,249,580	6,458,834
Probation	64,663,767	62,336,405	(2,327,362)
Courts	33,583,842	33,598,564	14,722
Public Defender and Conflict Defenders	39,548,623	41,729,426	2,180,803
Medical Treatment Payments	1,500,000	1,518,720	18,720
In-Home Supportive Services (IHSS)	4,068,543	3,618,645	(449,898)
Voter Registration and Elections	8,688,960	8,245,602	(443,358)
Other Countywide Services	15,076,822	15,817,582	740,760
Subtotal	**223,616,275**	**222,651,743**	**(964,532)**
MUNICIPAL SERVICES			0
Animal Care & Regulation	7,761,300	7,632,399	(128,901)
Community Development	6,503,659	7,075,914	572,255
Regional Parks	6,620,282	5,952,654	(667,628)
Subtotal	**20,885,241**	**20,660,967**	**(224,274)**
INTERNAL SERVICES			0
Finance Department	3,129,751	3,132,146	2,395
Other Internal Services	100,230	130,000	29,770
Subtotal	**3,229,981**	**3,262,146**	**32,165**
GENERAL GOVERNMENT	**40,645,888**	**37,408,067**	**(3,237,821)**
TOTAL	**591,451,733**	**605,531,386**	**14,079,653**

As can be seen, the budget units with the largest increases in Net County Cost are:

- The Sheriff, with a $16 million (7.8%) increase;
- Health & Human Services, with a $6.5 million (40.9%) increase; and
- The District Attorney, with a $2.8 million (5.2%) increase.

In some cases, decreases in Net County Cost reflect increases in revenue rather than reductions in expenditures. This is the case, for example, with Probation, Animal Care and Regulation, Voter Registration and Elections and IHHS Provider Payments. In other cases, expenditures are actually decreasing, as is the case, for example, in Human Assistance – Aid Payments and Regional Parks (due to one-time costs in the FY2015-16 Budget). The $3.2 million reduction in Net County Cost in General Government is due primarily to the reduction in the amount of the Interfund Transfer repayment.

Looking at Net County Cost alone, however, does not give a complete picture of levels of investment of local resources in programs or services because increases or decreases in Net County Cost are sometimes offset by increases or decreases in the use of Semi-discretionary revenue. To give a better picture of the change in centrally-allocated resources provided to the different departments, the following table compares the allocation of all discretionary and semi-discretionary revenues in the FY2015-16 Adopted and the FY2016-17 Recommended Budget.

ATTACHMENT 3
REVISED

Net County Cost, Semi-Discretionary Resources Allocation

FY 2015-16 Adopted - FY 2016-17 Recommended

	FY 2015-16 Adopted	FY 2016-17 Recommended	Difference
AG COMM-SEALER OF WTS & MEASURES	1,204,527	1,315,569	111,042
ANIMAL CARE AND REGULATION	7,761,300	7,632,399	(128,901)
APPROPRIATION FOR CONTINGENCY	2,000,000	1,850,000	(150,000)
ASSESSOR	9,830,948	9,337,234	(493,714)
BOARD OF SUPERVISORS	3,325,760	3,408,068	82,308
CARE IN HOMES AND INSTITUTIONS	462,650	716,750	254,100
CHILD SUPPORT SERVICES	15,000	-	(15,000)
CIVIL SERVICE COMMISSION	330,573	343,221	12,648
CLERK OF THE BOARD	1,335,052	1,548,793	213,741
COMMUNITY DEVELOPMENT	6,503,659	7,075,914	572,255
CONFLICT CRIMINAL DEFENDERS	9,972,360	10,256,016	283,656
CONTRIBUTION TO LAFCO	228,833	239,500	10,667
CONTRIBUTION TO LAW LIBRARY	9,405	9,975	570
COOPERATIVE EXTENSION	320,009	331,612	11,603
CORONER	6,242,797	6,453,374	210,577
CORRECTIONAL HEALTH SERVICES	39,819,582	39,313,447	(506,135)
COUNTY COUNSEL	2,251,012	2,326,957	75,945
COUNTY EXECUTIVE	1,081,865	1,108,642	26,777
COUNTY EXECUTIVE CABINET	270,000	227,978	(42,022)
COURT / COUNTY CONTRIBUTION	24,761,756	24,761,756	-
COURT / NON-TRIAL COURT FUNDING	8,822,086	8,836,808	14,722
DATA PROCESSING-SHARED SYSTEMS	9,845,904	9,622,277	(223,627)
DEPARTMENT OF FINANCE	3,129,751	3,132,146	2,395
DISTRICT ATTORNEY	67,182,146	70,575,804	3,393,658
EMERGENCY OPERATIONS	837,292	876,022	38,730
FAIR HOUSING SERVICES	157,255	144,000	(13,255)
FINANCING-TRANSFERS/REIMB	2,329,466	2,250,208	(79,258)
GRAND JURY	300,933	308,262	7,329
HEALTH AND HUMAN SERVICES	213,339,013	219,677,220	6,338,207
HEALTH-MEDICAL TREATMENT PAYMENTS	3,469,665	3,400,000	(69,665)
HUMAN ASSISTANCE-ADMIN	18,514,664	21,636,533	3,121,869
HUMAN ASSISTANCE-AID PAYMENTS	189,944,573	213,496,105	23,551,532
IHSS PROVIDER PAYMENTS	55,120,826	57,050,055	1,929,229
JUVENILE MEDICAL SERVICES	7,649,916	7,793,625	143,709
NON-DEPARTMENTAL COSTS/GF	20,024,814	16,870,469	(3,154,345)
OFFICE OF INSPECTOR GENERAL	100,230	130,000	29,770

OFFICE OF LABOR RELATIONS	203,822	-	(203,822)
PROBATION	114,466,913	118,911,192	4,444,279
PUBLIC DEFENDER	30,153,081	32,144,826	1,991,745
REGIONAL PARKS	6,620,282	5,952,654	(667,628)
SHERIFF	342,895,631	363,985,511	21,089,880
VETERAN'S FACILITY	15,952	15,952	
VOTER REGISTRATION/ ELECTIONS	8,688,960	8,245,602	(443,358)
WILDLIFE SERVICES	55,633	60,689	5,056
	1,221,595,896	**1,283,373,165**	**61,777,269**

As can be seen, overall the amount of discretionary and semi-discretionary resources allocated to departments and programs is recommended to increase by approximately $61.8 million, or 5%, compared to the FY2015-16 Adopted level. The departments with the largest increase include:

- Human Assistance – Aid Payments with a $23.6 million (12.4%) increase, due primarily to the shifting of the State General Fund’s share of CalWORKS costs to Realignment.

- The Sheriff’s Department with a $21.1 million (6.2%) increase, mostly comprised of Net County Cost. The primary reasons for the increase is higher salary and benefit costs for existing employees, including approximately $4 million to cover the cost of the 32.5 additional positions approved by the Board during FY2015-16 and thus not included in the FY2015-16 Adopted Budget, and an increase in costs allocated to this department by internal services departments.

- Health & Human Services with a $6.3 million (3%) increase, virtually all Net County Cost (the Realignment allocation is actually decreasing). The primary reasons for the increase are higher salary and benefit cost for existing employees, an increase in County Counsel services costs and the cost of the increased number of psychiatric inpatient beds approved during FY2015-16.

- The Probation Department with a $4.4 million (3.9%) increase, virtually all Realignment and Proposition 172 revenue. The primary reason for the increase is higher salary and benefit costs for existing employees and an increase in allocated costs from internal services departments.