FY2018-19 Recommended Budget
SIGNIFICANT ISSUES/CHANGES AND REQUESTS – DEPARTMENTAL BUDGETS

GENERAL FUND

Assessor

The Recommended Budget for the Assessor's Office reflects a $1.2 million (6.7%) increase in appropriations, a $570,000 (7.2%) increase in revenue and a $610,114 (6.2%) increase in Net County Cost. The increase in appropriations and Net County Cost is due primarily to increased salary and benefit costs for existing employees and the increase in costs allocated to the Department from internal services departments. The projected increase in revenue is due primarily to increased supplemental property tax revenue. The Recommended Budget also includes one Growth request: $150,000 in Net County Cost to replace personal computers that have reached the end of their useful life and upgrade all personal computers to Windows 10 and Office 2016.

The Assessor's requested budget included one additional Growth request totaling $440,000 in Net County Cost. This request involves the purchase of a Computer Assisted Mass Appraisal (CAMA) software system that would help generate accurate assessments more efficiently on real property parcels. No funding is recommended for this request at this time because resources are not available.

District Attorney

The Recommended Budget for the District Attorney's Office reflects a $13.04 million (14.7%) decrease in appropriations, a $15.3 million (50%) decrease in revenue and a $2.3 million (3.9%) increase in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment and Proposition 172 revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Budget for the District Attorney's Office reflects an increase in appropriations of $3.4 million (3.8%).

The primary reason for the increase in adjusted appropriations and the increase in Net County Cost is increased salary and benefit costs for existing staff and the increase in allocated costs from internal services departments.

The District Attorney's requested budget included three additional Growth requests totaling $263,543 in Net County Cost. These requests included the reallocation of two Senior Information Technology Analysts to Information Technology Managers, the addition of two Audio Visual Specialists and the addition of one Deputy District Attorney to prosecute elder abuse financial crimes, and are summarized in the Program Information section for this budget unit. No funding is recommended for these requests at this time because resources are not available.

Sheriff

The Recommended Budget for the Sheriff's Department reflects a $136.1 million (28.6%) decrease in appropriations, a $143.8 million (60%) decrease in revenue and a $7.7 million (3.3%) increase in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment and Proposition 172 revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Budget for the Sheriff's Office reflects a $19.08 million (4.01%) increase in appropriations. The increase in adjusted appropriations and Net County Cost is due primarily to increased salary and benefit costs for existing staff.

Excluding Realignment and Proposition 172 revenue/reimbursements, the Recommended Budget reflects a $1.4 million increase in revenue, which is the net result of increases and decreases in revenue from a variety of sources, including a $2 million increase in revenue from the City of Rancho Cordova (partly to fund Growth requests described below) and a $1.2 million increase in revenue from Immigration and Customs Enforcement (ICE) due largely to anticipated higher rates in the contract for housing ICE detainees in the County jail. The Recommended Budget also reflects a $340,000 reduction in Bingo Cost Recovery Fee revenue and a $329,000 reduction in federal COPS Anti-Gang Initiative Grant funding, since that grant has ended. As a result of these revenue reductions, the Recommended Budget reflects the elimination of the Bingo Compliance Unit and a vacant Administrative Officer II and Senior Accountant position, and the elimination of two vacant Deputy Sheriff positions that had been funded by the Anti-Gang Grant.

The Recommended Budget also includes funding for eight Growth Requests, totaling $1.5 million ($100,000 Net County Cost):

- $100,000 in appropriations and Net County Cost to fund a new contract for the towing of heavy duty vehicles (large trucks, boats and recreational vehicles) that are parked illegally along County roads. This will augment the $310,000 included in the Code Enforcement budget to cover the cost of towing abandoned vehicles.

- Funding for a Deputy County Counsel position in the Office of County Counsel to provide specialized legal advice to the Department, with costs offset by the elimination of one vacant Deputy Sheriff position and a $122,000 reduction in services and supplies costs.
- The addition of one FTE Human Resources Manager II and one FTE Sheriff Records Officer I to meet the needs of the Human Resources Unit in the Main Jail. Costs will be offset by the elimination of one FTE Human Resources Manager I position and two FTE Sheriff Records Specialist positions.
- The addition of two FTE Sheriff Records Specialist II positions, two FTE Senior Sheriff Records Specialists and two FTE Account Clerk II positions in the Civil Bureau, to address workload issues and provide timely service in support of the civil law procedural system. Funding will come from Tucker funds.
- $180,000 to purchase six inserts for long haul vans that will allow for appropriate inmate transport. Funding will come from the Inmate Welfare Fund.
- $86,610 to replace two toilet trailers for the Corrections Work Release Division that have reached the end of their useful life.
- The addition of one FTE Deputy Sheriff position and vehicle to provide School Resource Officer services in the City of Rancho Cordova. Full funding of $287,732 will come from the City of Rancho Cordova.
- The addition of one FTE Lieutenant position and vehicle to provide services in the City of Rancho Cordova. Full funding of $396,729 will come from the City of Rancho Cordova.

In addition to the recommended Growth requests discussed above, the Sheriff also requested six additional Growth requests totaling $10.3 million in Net County Cost. These requests are summarized in the Program Information Section for this Budget Unit, but the highest priority is to provide additional staffing at both jails to address conditions of confinement and Americans with Disabilities Act compliance issues. This request would add 51 FTE positions and cost approximately $7.2 million. No funding is recommended for these requests at this time because resources are not available.

Government Code Section 30061(c)(1) requires that the County Board of Supervisors appropriate existing and anticipated Citizens Options for Public Safety (COPS) funding for county frontline law enforcement services each year in response to a written request submitted by the Sheriff. In accordance with this statute, the Sacramento Sheriff's Department (SSD) requests approval for continued use of this funding in Fiscal Year 2018-19 for frontline law enforcement services. It is anticipated that $1,366,772 in COPS frontline law enforcement funding is available during Fiscal Year 2018-19, and this amount has been included in the SSD's Recommended Budget. The SSD intends to use the COPS frontline law enforcement funding during Fiscal Year 2018-19 to fully support approximately 6.0 FTE existing Deputy Sheriff positions, which represents the most effective use of the funding. The SSD has many frontline law enforcement needs, but augmenting the Deputy Sheriff staffing is the most important need. These positions will provide valuable frontline law enforcement services in the unincorporated area of Sacramento County, and otherwise would not have funding available to support them.

<u>Clerk of the Board</u>

The Recommended Budget for the Clerk of the Board reflects a $161,891 (7.9%) reduction in appropriations, an $86,086 (15.6%) reduction in revenue and a $75,805 (5.1%) reduction in Net County Cost. The primary reason for both the reduction in Appropriations and Net County Cost is a budgeted reimbursement (which is reflected as a negative appropriation) from Planning and Environmental Review of $381,000. This reimbursement will offset costs related to the Clerk of the Board's assuming the clerking responsibility for additional legislative hearing bodies, which is a recommended Growth request. This Growth Request will involve the addition of one Deputy Clerk position, the reallocation of one Administrative Services Officer position to an Assistant Clerk position, and additional extra help and services and supplies funding. This will enable the Clerk of the Board to assume responsibility for clerking 17 additional advisory bodies previously clerked by staff in Planning & Environmental Review, including 14 Community Planning Advisory Councils, the Subdivision Review Committee and the Zoning Administrator. The net increase in costs associated with assuming these new responsibilities is approximately $183,000, with the remaining amount of the reimbursement from Planning covering the cost of existing staff that will be reassigned to handle this new responsibility. This will generate Net County Cost savings of approximately $198,000 (which is the same amount as the Net County Cost increase related to this transfer of responsibility in Planning & Environmental Review).

Reductions in appropriations and Net County Cost related to the change in clerking responsibilities described above are partially offset by increased salary and benefit costs for existing staff and the increase in allocated costs from internal services departments. The decrease in revenue is due primarily to a reduction in Public, Education and Government (PEG) grant revenue.

County Counsel

The Recommended Budget for County Counsel reflects a $52,904 (0.9%) increase in appropriations, a $92,248 (2.6%) decrease in revenue and a $145,153 (6.2%) increase in Net County Cost. The increase in Net County Cost is due primarily to increased salary and benefit costs for existing employees (approximately a 3.5% increase) and reduced revenue from non-General Fund departments, offset by increased reimbursements from General Fund departments. The recommended reduction in revenue is due to an anticipated slight reduction in legal services provided to non-General Fund departments due to variations in the number of projects requiring legal services. The Recommended Budget also includes funding for one Growth Request: an additional Deputy County Counsel position to provide specialized legal advice to the Sheriff's Department. The cost of the position will be covered by a $326,910 reimbursement (negative expenditure) from the Sheriff's Department.

County Counsel's requested budget included one additional Growth request - $250,000 to install safety barriers, safety glass and other security measures in the Office's front reception area. No funding is recommended for this request at this time because resources are not available.

County Executive Cabinet

The Recommended Budget for the County Executive Cabinet reflects a $76,013 (2.1%) increase in appropriations, a $255,707 (7.8%) increase in revenue and a $179,694 (41.1%) decrease in Net County Cost. The primary reasons for the increase in appropriations include increased salary and benefit costs for existing employees and the increase in costs allocated to the Department from internal services departments. The reduction in Net County Cost is due to the allocation of the cost of a Principal Planner position to other County departments in the Recommended Budget, resulting in increased revenue and reimbursements. This position was funded with Net County Cost in the FY2017-18 Adopted Budget. The Recommended Budget also includes funding for one Growth request:

- Funding for a quarterly mass mailer to the residents of the unincorporated County. This is a method of news delivery to County residents who may not have access to the internet or do not access the County's webpage. The cost of this Growth request is $103,000, funded by charges to other County departments. After taking into account reimbursements, the net increase in appropriations is $26,959.

Emergency Services

The Recommended Budget for Emergency Services reflects a $279,960 (6.6%) increase in appropriations, a $243,614 (7.6%) increase in revenue and a $36,346 (3.6%) increase in Net County Cost. The increase in appropriations is due primarily to increased salary and benefit costs for existing staff, an increase in costs allocated to the budget unit from internal services departments, facility expansion costs, as well as plans, training, exercises and equipment costs related to multi-year grants. The increase in revenue is the net result of increases and decreases in a number of grants, including State Homeland Security Grant Program revenue and a new State Department of Water Resources Delta #2 Grant.

Fair Housing Services

The Recommended Budget for Fair Housing Services reflects a $14,228 (9.2%) increase in appropriations and Net County Cost. This is due primarily to a $10,557 increase in pension costs and the inclusion of funds to cover a required biennial audit. The Fair Housing Services Requested Budget included a $14,900 Growth request to increase the amount of the Sacramento Self-Help Housing contract. No funding is recommended for this request at this time because resources are not available.

Financing Transfers/Reimbursements

The Recommended Budget for Financing Transfers/Reimbursements reflects a $623,864 (11.6%) increase in appropriations and Net County Cost. The primary reasons for the increase in appropriations and Net County Cost include the transfer of an additional $489,000 (for a total of $1,073,000) in General Fund resources to the Roads Fund, representing the third year of funding for the I-80/Buffwood Way Sound Wall/Engle Road Pavement Overlay projects approved by the Board in FY2016-17, and the transfer of an additional $492,000 in Transient Occupancy Tax (TOT) revenue to the TOT and Economic Development Funds, partly offset by a $332,000 reduction in funding for a transfer to the Golf Fund. The latter was included in the FY2017-18 Adopted Budget to backfill a loss of revenue and to keep the fund solvent, but it is not necessary to provide General Fund support to the Golf Fund in FY2018-19.

The Recommended Financing Transfers/Reimbursements budget also includes a $1.4 million transfer of General Fund resources to the Roads Fund for general road maintenance activities, the same amount that was included in the FY2017-18 Adopted Budget.

Non-Departmental Costs

The Recommended Non-Departmental Costs Budget reflects an $11.1 million (56.6%) increase in appropriations and Net County Cost. The primary reasons for the increases include:

- A $7.8 million payment to the University of California, Davis, representing the first year's obligation under a litigation settlement agreement with the University related to the provision of indigent healthcare services. The County is obligated to pay this amount or more annually over the next 15 years.

- A $1.8 million General Fund contribution to debt service on the Certificates of Participation (COPs) issued to establish the Fixed Asset Acquisition Fund (FAAF). The original intent was to loan money from the FAAF to departments to purchase fixed assets, with departments' loan repayments covering the cost of debt service on the COPs. However, in some cases, previous Boards authorized spending FAAF funds on projects without a requirement to repay the money. We have now reached a point where it is necessary for the General Fund to start picking up a share of the FAAF debt service costs, with the amount anticipated to increase in future years.

- A $1.4 million increase in the repayment of money transferred to the General Fund from other funds during the Great Recession. The total amount of the repayment in the Recommended Budget is $6,697,901, which is consistent with the six-year repayment plan presented to the Board in FY2017-18.

Office of Labor Relations

The Recommended Budget for the Office of Labor Relations reflects a $19,830 (5%) increase in appropriations and revenue. The increase in appropriations is due to increased salary and benefit costs for existing employees and an increase in allocated costs from internal services departments. The Recommended Budget includes funding for one Growth request: the reallocation of one Labor Relations Representative to a Labor Relations Officer. The cost of this reallocation is $18,500 and it is funded by a reduction in services and supplies costs.

The Office of Labor Relations' requested budget included one additional Growth request for $172,000. This request is described in the Program Information section for this Budget Unit. No funding is recommended for this request at this time because resources are not available.

Planning & Environmental Review

The Recommended Budget for Planning & Environmental Review reflects a $498,194 (4.2%) increase in appropriations, a $50,453 (0.5%) increase in revenue and a $447,741 (28.3%) increase in Net County Cost. Approximately $198,000 of the increase in appropriations and Net County Cost is due to a recommended Growth request to transfer responsibility for clerking certain legislative bodies (like the Community Planning Advisory Councils) to the Clerk of the Board. To accomplish this, Planning & Environmental Review will transfer approximately $381,000 to the Clerk of the Board budget unit. This will be partially offset by a $183,000 reduction in expenditures, resulting in a $198,000 increase in appropriations and Net County Cost.

If the impact of the transfer in clerking responsibilities is factored out, the Recommended Budget reflects a $300,000 (2.5%) increase in appropriations and a $249,000 (15.7%) increase in Net County Cost. This increase in appropriations is due primarily to increased salary and benefit costs for existing staff, an increase in allocated costs from internal services departments, and the addition of an Assistant Planner position as part of another recommended Growth request. The increase in Net County Cost also reflects a shift in staff from revenue generating activities, such as Master Plans, to non-fee generating activities, such as the State-mandated Environmental Justice and the Climate Action Plan projects and informal and formal pre-application meetings.

The Recommended Budget includes funding for three Growth requests:

- The transfer of responsibility for the clerking function for certain legislative bodies to the Clerk of the Board (COB). As described above, Planning & Environmental Review will transfer $381,000 to the COB to fully cover the cost of providing this service, and partly offset this cost by eliminating two filled positions and reducing services and supplies costs, for a total savings of $183,000, resulting in a Net County Cost increase of approximately $198,000. The COB will use the money it receives to add a position and for other cost increases, and to cover the cost of existing positions that will be reassigned to deal with this responsibility, generating a Net County Cost savings of approximately $198,000.

- The addition of one Assistant Planner in Zoning Administration, to handle an increase in administrative permit and applications workload. The Recommended Budget includes $102,000 in additional fee revenue to cover the cost of this position.

- The reallocation of a Planning Technician position to an Assistant Planner position in Current Planning, to better handle the Design Review workload. The Recommended Budget includes $17,000 in additional fee revenue to cover the cost of this reallocation.

Planning & Environmental Review's Requested Budget included one additional Growth Request – $84,767 in Net County Cost to add an additional Planning Technician in Long Range Planning. No funding is recommended for this request at this time because resources are not available.

<u>County Clerk-Recorder</u>

The Recommended Budget for the County Clerk-Recorder reflects a $1,352,065 (11.1%) reduction in appropriations, a $1,332,167 (11%) reduction in revenue and a $19,898 (100%) reduction in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Micrographics and Modernization fee revenue, which is now being treated as reimbursement (negative appropriation) in this budget unit. If that change is adjusted for, the Recommended Budget for the County Clerk-Recorder reflects a $134,000 (1.1%) reduction in appropriations and $114,000 (1%) reduction in revenue.

The primary reason for the decrease in adjusted appropriations and revenue is a reduction in costs for the Integrated System Project, partly offset by increased salary and benefit costs for existing staff and an increase in allocated costs from internal services departments.

<u>Data Processing - Shared Systems</u>

The Recommended Data Processing – Shared Systems Budget reflects a $419,068 (4%) increase in appropriations, a $12,110 (12.8%) increase in revenue and a $406,958 (4%) increase in Net County Cost. The primary reasons for the increase in appropriations and Net County Cost are increased labor costs related to managing the County's COMPASS (financial management) system, the server that houses the Integrated Justice Information System (IJIS) and the Criminal Justice Information System (CJIS), and the cost of upgrades to the Board of Supervisors' Agenda Management System. The Recommended Budget also includes funding for one Growth Request:

- $100,000 in Net County Cost to hire consultants to assist in identifying the most cost-effective way to replace the AS 400 System that does Medi-Cal claiming and payables for Primary Health, Correctional Health and Juvenile Medical Services. The current system is 33 years old and the vendor has discontinued support. The cost of a replacement system could exceed $3 million.

Department of Finance

The Recommended Budget for the Department of Finance reflects a $77,809 (0.3%) increase in appropriations, a $1,251,657 (5.1%) increase in revenue and a $1,173,848 (44.9%) reduction in Net County Cost. The primary reason for the decrease in appropriations and Net County Cost and the increase in revenue is that additional Finance functions have been included in the Allocated Cost Plan (ACP). Some of the allocated costs are reflected as reimbursements – negative appropriations – and some as revenue to the Finance Department. This is part of a plan to phase-in the inclusion of most Finance costs into the ACP that started in FY2017-18. The Recommended Budget includes funding for one Growth request:

- The reduction of business license fee charges for veterans. Veterans are currently charged the normal fee for obtaining a business license for a service-related business. This growth request would reduce the fee by half, resulting in a loss of revenue (and increase in Net County Cost) of approximately $25,000.

The Department of Finance's Requested Budget also included one additional Growth request – the addition of three positions, at a cost of $203,000 – to assist in preparing the County's Comprehensive Annual Financial Report (CAFR) and achieve other operational goals in a timely manner. No funding is recommended for this request at this time because resources are not available.

Revenue Recovery

The Recommended Budget for the Department of Revenue Recovery reflects a $756,360 (8.9%) decrease in appropriations and revenue. The primary reason for these changes are continuing efforts by the State Courts to reduce or eliminate large penalties assessed on traffic citations. As penalties are reduced, more defendants are able to pay the amounts owed, thus reducing referrals to the Department for collection.

Dispute Resolution Program

The Recommended Budget for the Dispute Resolution Program reflects a $45,000 (6.4%) decrease in appropriations and revenue. The primary reason for this decrease is the lack of applicants for funding in a mediation category during the last request for proposals process.

Grand Jury

The Recommended Budget for the Grand Jury reflects a $21,520 (6.9%) decrease in appropriations and Net County Cost. The primary reasons for this decrease are an anticipated smaller number of investigations in the fiscal year and an increase in jurors' use of Regional Transit instead of County parking.

Personnel Services

The Recommended Budget for the Department of Personnel Services reflects a $592,616 (4.5%) increase in appropriations and revenue. The primary reasons for the increase in appropriations are increased salary and benefit costs for existing employees and the increase in allocated costs from other internal services departments.

Voter Registration and Elections

The Recommended Budget for Voter Registration and Elections reflects a $950,366 (8.2%) increase in appropriations, an $815,539 (53.7%) increase in revenue and a $134,827 (1.3%) increase in Net County Cost. The primary reasons for the increase in appropriations are increases in salary and benefit costs for existing staff and increased costs due to additional contests on the November ballot, including increases in extra help, temporary staffing and mailing costs. These cost increases are partially offset by a $1 million reduction in costs related to the purchase of new voting equipment that occurred in FY2017-18. The projected increase in revenue is due to the consolidation of district races with the General Election in November.

Voter Registration and Elections also submitted three Growth requests totaling $1.15 million in Net County Cost. These requests are summarized in the Program Information Section for this Budget Unit. No funding is recommended at this time because resources are not available.

Agricultural Commissioner/Sealer of Weights and Measures

The Recommended Budget for the Agricultural Commissioner/Sealer of Weights and Measures reflects a $257,778 (5.4%) increase in appropriations, a $382,144 (11.3%) increase in revenue and a $124,366 (9%) reduction in Net County Cost. The primary reason for the increase in appropriations is the increase in salary and benefit costs for existing staff and an increase in extra help hours to address workload issues related to the Light Brown Apple Moth Detection Program. The reduction in Net County Cost is due to the anticipated increase in Unclaimed Gas Tax as a result of the passage of SB 1.

The Agricultural Commissioner/Sealer of Weights and Measures' requested budget also included three additional Growth requests totaling $146,061 in Net County Cost. These requests are summarized in the Program Information section for this Budget Unit. No funding is recommended for these requests at this time because resources are not available.

Animal Care and Regulation

The Recommended Budget for Animal Care and Regulation reflects a $296,759 (2.6%) increase in appropriations, a $161,007 (8.7%) increase in revenue and a $153,752 (1.4%) increase in Net County Cost. The primary reasons for the increase in appropriations are increased salary and benefit costs for existing staff, increase in medical and food costs to achieve 90% live release rate, and the increase in allocated costs from internal services departments. The increases are partially offset by a $286,000 reduction in expenditures due to the purchase of three vehicles in FY2017-18 that will not be made in FY2018-19.

The Recommended Budget also includes funding for the following Growth requests:

- The use of $70,000 in one-time donation revenue to continue the Return to Field program for cats;
- The use of $100,000 in one-time donation revenue to continue the provision of community spay-neuter services at the FY2017-18 level; and
- The use of $33,851 in one-time donation revenue to fund special food for kittens/puppies/medical needs, foster program supplies, training for dogs, training for Animal Control Officers on rabies vector, investigation of neglect and abuse of animals, and safe and humane capture techniques.

The following table shows the total amount of spay-neuter funding included in the FY2018-19 Recommended Budget compared to previous years' Budgets:

<table>
<tr><th rowspan="2">Program</th><th colspan="2">FY 16-17</th><th colspan="3">FY 17-18</th><th>FY 18-19</th></tr>
<tr><th>Budget</th><th>Surgeries</th><th>Budget</th><th>Surgeries As of March 2018</th><th>Estimated Surgeries for year</th><th>Recommended Budget</th></tr>
<tr><td colspan="7">Shelter Animals</td></tr>
<tr><td>County Vets, Relief Vets, Overflow contracts with Animal Spay Neuter A Non Profit (ASN) and Sacramento Society for the Preventions of Cruelty to Animals (SSPCA)</td><td>$554,333</td><td>4,890</td><td>$734,827</td><td>3,785</td><td>5,047</td><td>$778,478</td></tr>
<tr><td>ASN - Return to Field Program - Cats</td><td>$55,000</td><td>1,674</td><td>$69,200</td><td>1,197</td><td>1,596</td><td>$70,000</td></tr>
<tr><td>Subtotal Shelter Animals</td><td>$609,333</td><td>6,564</td><td>$804,027</td><td>4,982</td><td>6,643</td><td>$848,478</td></tr>
<tr><td colspan="7"></td></tr>
<tr><td colspan="7">Community Spay and Neuter:</td></tr>
<tr><td>ASN - Cats*</td><td>$90,000</td><td rowspan="2">2,573</td><td rowspan="2">$45,000</td><td>867</td><td>1,156</td><td rowspan="2">$50,000</td></tr>
<tr><td>ASN - Dogs</td><td>$10,000</td><td>38</td><td>51</td></tr>
<tr><td>SSPCA - Cats</td><td>$20,000</td><td>1,339</td><td rowspan="2">$55,000</td><td>1,560</td><td>2,080</td><td rowspan="2">$50,000</td></tr>
<tr><td>SSPCA - South County Feral Cats</td><td>$15,000</td><td>517</td><td>509</td><td>679</td></tr>
<tr><td>SSPCA - Dogs</td><td>$15,000</td><td>208</td><td>$10,000</td><td>230</td><td>307</td><td>$10,000</td></tr>
<tr><td>County Mobile Clinic</td><td>$148,907</td><td>49</td><td>$165,992</td><td>0</td><td>0</td><td>$269,039</td></tr>
<tr><td>Sterilization Trust - SAAC (FY 15-16 Actual FY 16-17 Estimate – cannot exceed trust fund balance)</td><td>$100,000</td><td>1,480</td><td>$80,000</td><td>1,073</td><td>1,431</td><td>$80,000</td></tr>
<tr><td>Subtotal Total Community Spay and Neuter</td><td>$398,907</td><td>6,166</td><td>$355,992</td><td>4,277</td><td>5,703</td><td>$459,039</td></tr>
<tr><td>Grand Total Spay and Neuter</td><td>$1,008,240</td><td>12,730</td><td>$1,160,019</td><td>9,259</td><td>12,345</td><td>$1,307,517</td></tr>
<tr><td colspan="7">*ASN- FY 16-17 Program redesign, County funds are used for individuals who can't afford to pay for spay/neuter surgeries, funding is lasting longer. Previously ASN used the County funds for everyone, even individual who could afford to pay. In FY17-18 funding was shifted to over-flow contracts with SSPCA and ASN to support the redesign of the spay/neuter program and reduce length of time adoptable animals are waiting for surgery before going to their new home.</td></tr>
</table>

In addition to the recommended Growth requests, Animal Care and Regulation asked for two additional Growth requests totaling $256,445 ($218,735 Net County Cost). These requests are summarized in the Program Information section for this Budget Unit. No funding is recommended for these requests at this time because resources are not available.

Regional Parks

The Recommended Budget for Regional Parks reflects a $1,924,363 (12.8%) increase in appropriations, a $443,293 (6.3%) increase in revenue and a $1,491,070 (18.4%) increase in Net County Cost. The primary reasons for the increases in appropriations are an increase in salary and benefit costs for existing staff and an increase in costs allocated to the Department from internal services departments. The increase in Net County Cost is also due to a reduction in funding from the Neighborhood Revitalization Fund for the Parkways and Unincorporated Communities Clean-Up and Safety Initiative. One-time funding was provided from this source in FY2017-18, with the understanding that subsequent years would require a backfill with Net County Cost.

The Recommended Budget for Regional Parks includes funding for four Growth requests, totaling $546,633:

- $350,000 to enter into contracts and partnership with an organization to provide debris clean-up on the American River Parkway, with funding from a grant from the Sacramento Area Sewer District.

- $51,977 to purchase motorcycles and necessary safety equipment to patrol open space areas, including the Dry Creek Parkway, Deer Creek Hills and Bufferlands. Funding will come from a State grant, with a local match provided by in-kind services.

- $13,229 in extra help to provide additional support for the Therapeutic Recreational Services Program, funded by reductions in other expenditure accounts.

- A $41,427 transfer to the General Services Department to cover the cost of the portion of the Americans with Disabilities (ADA) transition Plan allocated to the Department. Funding will come from reductions in other expenditure accounts.

In addition to the Recommended Growth requests, Regional Parks submitted 9 additional Growth requests totaling $1.75 million ($2.2 million Net County Cost). These requests are summarized in the Program Information section for this Budget Unit. No funding is recommended for these requests at this time because resources are not available.

Code Enforcement

The Recommended Budget for Code Enforcement reflects a $785,203 (8.2%) increase in appropriations, a $335,269 (8.3%) increase in revenue and a $449,934 (8.2%) increase in Net County Cost. The primary reasons for the increase in appropriations and Net County Cost are increased salary and benefit costs for existing staff, increases in allocated costs from internal services departments, in particular, a $300,000 increase in liability insurance costs due to a large claim, and increases in vehicle towing costs reflecting adjustments made to the Department's budget during FY2017-18. The recommended increase in appropriations and revenue also reflects the cost of two staff added to the Illegal Dumping Team during FY2017-18, funded by the Solid Waste Authority. Other reasons for the increase in revenue include an increase in billing and collection of various fees as new Code Enforcement Officers added in the last year are fully trained and taking on caseloads.

Child, Family and Adult Services/Health Services

During FY2017-18, the Board approved a reorganization that split the Health & Human Services Department into two new departments: Child, Family & Adult Services (DCFAS) - consisting primarily of Child Welfare Services and Senior and Adult Services - and Health Services (DHS), consisting primarily of Public Health, Behavioral Health, Primary Care and Juvenile Medical Services. Correctional Health Services was also transferred from the Sheriff's Department to the new DHS. Correctional Health, Juvenile Medical Services and Health – Medical Treatment Payments, though administratively part of DHS, remain separate budget units. The old Health & Human Services Budget unit was converted to the new Health Services budget unit and includes all programs in the new DHS that were previously budgeted in the Health & Human Services budget unit. In addition, a new Child Family and Adult Services budget unit was created. That budget unit includes all programs in that new DCFAS that were previously budgeted in the Health & Human Services budget unit. In-Home Supportive Services Provider Payments remains a separate budget unit, administered by DCFAS.

The combined Recommended Budgets for the DHS and DCFAS budget units reflect a $244.9 million (43.6%) decrease in appropriations, a $256.7 million (48.1%) decrease in revenue and an $11.8 million (41.4%) increase in Net County Cost compared to the FY2017-18 Adopted Budget for the old Health & Human Services budget unit. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment and Mental Health Services Act revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change in budgeting practices is adjusted for, there is a $56.7 million (10.1%) increase in appropriations, a $44.9 million (8.4%) increase in revenue and an $11.8 million (41.4%) increase in Net County Cost. One of the primary reasons for the increase in appropriations and Net County Cost is the inclusion of funding for 15 Growth requests in DHS totaling $41.9 million in appropriations and two Growth requests totaling $380,000 in appropriations for DCFAS. Excluding the Recommended Growth requests, the combined DHS and DCFAS Recommended Base Budget reflects a $14.3 million (2.6%) increase in appropriations, a $10.5 million (2.0%) increase in revenue and a $3.78 million (13.3%) increase in Net County Cost.

The primary reasons for the increase in Base appropriations are a $12.6 million increase in salaries and benefits for existing staff, including the addition of positions approved by the Board during FY2017-18 - the addition of 2.5 FTE positions for the Healthy Partners expansion and the addition of 3.0 FTE positions related to the creation of the new DCFAS; a $3.38 million increase in inpatient private hospital costs related to increased demand for services; $2.3 million for full-year funding for a psychiatric health facility (the facility was funded for half a year in FY2017-18); and $1.4 million for requirements associated with the additional funding (Richie Funds) for the Maddy Emergency Medical Services Fund. These increases are partially offset by a $1.0 million reduction in Behavioral Health Services support needs for their electronic health system and a $3.4 million reduction in programs due to the loss of funding from the First 5 Sacramento Commission and other state and federal funding. DHS programs impacted by loss of funding include the SB82 Mental Health Navigators ($1.3 million reduction), services which will be provided under the MHA Plan moving forward, WIC breast-feeding services ($552,000 reduction in First 5 funds) and the SmileKeepers program ($215,000 reduction in First 5 funds), though services impacted by the latter reduction will be provided by a local non-profit organization. DFCAS programs impacted by funding losses include Foster Parent Recruitment, Retention and Support (FPRRS) services ($690,252 reduction in State funding) and Hearts for Kids ($624,733 reduction - $366,607 First 5 funds resulting in a loss of $258,126 in federal funds).

As noted, the Recommended Budget also includes funding for 15 Growth requests for DHS totaling $41.2 million and two Growth requests for DCFAS totaling $380,000 in expenditures, which after adjusting for reimbursements (from the Mental Health Services Act), results in a $20.9 million increase in net appropriations, funded by $12.9 million in revenue and $8.0 million in Net County Cost.

DCFAS

- $180,000 for a computer refresh in the Senior Adult Services Division. Half of the funding will come from a release of the General Fund's Reserve for Technology Upgrades (Net County Cost) and half from federal revenue.

- $200,000 to enter into contracts to address placement needs for foster children, including emergency bed holds in foster homes and group homes, while continuing efforts to find longer-term solutions. Funded by Net County Cost.

DHS

- $392,931 to add three positions at the Mental Health Treatment Center to handle increased volume and meet state mandated staffing level ratios. Funded by Net County Cost.

- $463,449 for a computer refresh in the Public Health Division. Funding will come from a release of the General Fund's Reserve for Technology Upgrades (Net County Cost).

- $1,686,284 to provide for a 3% rate increases for the Crestwood psychiatric health facility, a 2% increase in the pooled contract amount for sub-acute residential facilities, and a 2% rate increase for children's mental health Medi-Cal Providers. Funding will come from approximately $794,000 in federal revenue and $893,000 in Net County Cost.

- $5,900,000 for participation in the Drug Medi-Cal Waiver program. This reflects the cost for six months to provide additional staffing and additional alcohol and drug treatment services for current and expanded Drug Medi-Cal beneficiaries required as part of the Drug Medi-Cal Organized Delivery System (DMC-ODS). Half the funding will come from federal revenue and half from Net County Cost. In FY2019-20, this program will be funded for a full year at double the FY2018-19 amount.

- $3,036,022 to provide for a 2.5% bed day rate increase and other contract changes for three contracted inpatient psychiatric hospitals, increasing the adult bed day rate from $950 to $974 and the child bed day rate from $770 to $790. Funding will come from Net County Cost.

- $4,000,000 for development of a Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) program to provide services and supports for foster youth. The program will use mobile teams, peer youth, and other features, making it valuable for responding to youth who run from placements. Costs will be offset by a reimbursement from the MHSA Fund.

- $24,250,082 for the expansion of mental health programs, included in the Three-Year MHSA Plan, to expedite mental health services for individuals with serious mental illness and/or co-occurring substance abuse disorders and who are homeless or at risk of becoming homeless, including persons being served by the County's various homeless initiatives and the City of Sacramento's Whole Person Care program. Costs will be offset by a $17.2 million reimbursement from the MHSA Fund and approximately $7 million in federal revenue.

- $506,579 to increase the Turning Point Crisis Residential Program contract to support costs associated with staff recruitment and retention. Funding will come from federal revenue.

- $190,847 to add one position to meet the California Department of Public Health scope of work requirements and program objectives for the Tobacco Education Program (TEP). Funding will come from a State grant.

- $14,798 to reallocate an Administrative Services Officer 3 position to a Senior Administrative Analyst position in the Primary Health Division due to changing responsibilities and Division needs. Funding will come from State revenue.

- $15,000 to increase Medical Director hours from 50 to 60 hours/month in the Emergency Medical Services program to assist with increased regulatory oversight requirements, patient care report reviews and investigation reviews. Funding will come from State revenue.

- $1,339,976 for the development of mobile triage services targeting Transition Age Youth (TAY) related to a Senate Bill 82 Round 2 grant award. Funding will come from the State grant.

- $8,000 to increase participation in conferences to stay current on best practice, data reporting changes, and industry updates/changes related to Emergency Medical Services. Funding will come from State revenue.

In addition to the recommended Growth requests, DHS submitted nine additional Growth requests totaling $1.97 million in net appropriations ($1.5 million Net County Cost) and DCFAS submitted 18 additional Growth requests totaling $11.5 million in net appropriations ($10.5 million Net County Cost).

These Growth requests are summarized in the Program Information section for DHS and DCFAS. No funding is recommended for these requests at this time because resources are not available.

One of the Growth requests submitted by DCFAS was for $900,000 to help backfill a loss of $1.35 million in funding to the Family Resource Centers from the First 5 Commission. That funding targeted children 5 years old and under. Although funding for that Growth request is not included in the Recommended Budget, DCFAS is proposing to reallocate $1.35 million of the $2.5 million the County currently provides to the Family Resource Centers for children ages 6 to 17 to backfill the reduction in funding for children 5 and under. This will leave $1.15 million in funding for children 6 years old and up. DCFAS' goal is to provide services to as many younger children as possible. At the recommended funding level, DCFAS believes Family Resource Centers should be able to serve all children through at least age 9 and maybe even through age 11 or 12.

Child Support Services

The Recommended Budget for Child Support Services reflects a $1,210,420 (3.4%) increase in appropriations and a $614,169 (1.7%) increase in revenue. The FY2017-18 Adopted Budget reflected a $596,000 contribution to the General Fund to correct an accounting error made in closing the County's books in FY2016-17, when sufficient revenue to cover expenditures was inadvertently not transferred to the Child Support Services Department from a trust fund, causing the Department to incur an unbudgeted Net County Cost. An additional trust fund transfer was made in FY2017-18 to repay that Net County Cost.

The primary reason for the increase in appropriations is increased salary and benefit costs for existing staff and approximately $300,000 in increased services and supplies costs. The increase in services and supplies costs is largely due to new federal regulations requiring the Department to conduct extensive background checks on all employees and new hires.

Child Support Services is funded by state and federal revenue and trust fund balance. It has typically not received a Net County Cost.

Conflict Criminal Defender

The Recommended Budget for the Conflict Criminal Defender reflects a $238,907 (2.2%) increase in appropriations, an $81,000 (71.1%) increase in revenue and a $157,907 (1.5%) increase in Net County Cost. The primary reasons for the increase in appropriations are increased contracted legal services costs and an increase in salary and benefit costs for existing staff.

Cooperative Extension

The Recommended Budget for the Cooperative Extension reflects a $20,655 (5.6%) increase in appropriations and Net County Cost. The primary reasons for these increases are an increased contribution to the Master Food Preserver Program and increased salary and benefit costs related to the staffing of the Multi-County Partnership by the University of California Extension Service.

Coroner

The Recommended Budget for the Coroner reflects a $386,889 (4.9%) increase in appropriations, a $21,307 (1.4%) increase in revenue and a $365,582 (5.7%) increase in Net County Cost. The primary reasons for the increase in appropriations are increased salary and benefit cost for existing employees, an increase in allocated costs from internal services departments and certain costs related to increased caseloads, including indigent and abandoned body caseloads. The primary reason for the projected increase in revenue is increased sub-lease payments from UC Davis and payments for contracted services provided to other counties.

The Coroner's requested budget included four additional Growth requests totaling $305,000 in Net County Cost. These requests are summarized in the Program Information section for this Budget Unit. No funding is recommended for these requests at this time because resources are not available.

Correctional Health Services

The Recommended Budget for Correctional Health Services reflects a $3,699,882 (7.6%) reduction in appropriations, an $8,366,998 (53.2%) decrease in revenue and a $4,667,116 (14.3%) increase in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment and Proposition 172 revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Correctional Health Services Budget reflects a $4.7 million (9.7%) increase in appropriations.

The primary reasons for the increase in adjusted appropriations and Net County Cost are increased salary and benefit costs for existing staff, a $600,000 increase in pharmaceutical supplies costs, a $900,000 increase in UC Davis contract costs for psychiatric services, and a $1.4 million increase in allocated costs, due to the allocation of Health Services Department overhead to this budget unit now that it is part of the Health Services Department. The Sheriff did not charge overhead to Correctional Health Services. The Recommended Budget also reflects the transfer of 3 FTE positions (two Nurses and a Medical Assistant) from Juvenile Medical Services to Correctional Health Services due to additional demand for services in the jails and a declining Juvenile Hall population, and the transfer of a 0.5 FTE Doctor position from Primary Health. The cost of these positions is offset by an equivalent reduction in medical registry costs.

Excluding Realignment revenue/reimbursements, the Recommended Budget reflects a $390,000 decrease in other revenue. This is the net result of increases and decreases in revenue from a number of sources, including a $240,000 decrease in revenue from the State for the Jail-Based Competency Program and a $345,000 increase in Immigration and Customs Enforcement (ICE) revenue due to anticipated higher rates in the contract for housing ICE inmates in the County jail.

Correctional Health Services' Requested Budget included two Growth requests totaling $3,029,000 in Net County Cost. These requests are summarized in the Program Information Section for this budget unit, but the highest priority is to provide additional staffing and contract authority to address conditions of confinement and ADA compliance issues in the jails. This request would add 12 FTE positions and cost approximately $2.9 million. No funding is recommended for these requests at this time because resources are not available.

Health Medical Treatment Payments

The Recommended Budget for Health – Medical Treatment Payments reflects a $2,626,433 (62.2%) reduction in appropriations, a $2,389,351 (82.7%) decrease in revenue and a $237,082 (17.8%) decrease in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, there is a $237,000 (5.6%) decrease in appropriations and no change in revenue compared to the FY2017-18 Adopted Budget.

The decreases in adjusted appropriations and in Net County Cost are due to a shift of resources to the Health Services budget unit for the Healthy Partners expansion approved by the Board during FY2017-18.

Human Assistance – Administration

The Recommended Budget for Human Assistance – Administration reflects a $21,310,092 (6.7%) reduction in appropriations, a $24,195,787 (8.25%) reduction in revenue and a $2,885,695 (13.8%) increase in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Budget for Human Assistance – Administration reflects a $6,237,804 (1.97%) increase in appropriations.

The primary reasons for the increase in adjusted appropriations are salary and benefit costs for existing positions – partially offset by the elimination of 65.1 vacant positions due to declining caseloads in multiple programs, a $3.5 million increase in Net County Cost due to the full year implementation of the Homeless Initiatives funded for part of a year in FY2017-18, and a $1.3 million increase in CalFresh Employment and Training Snap to Skills contracts to reflect a full year of funding. The increase in Net County Cost also reflects a $500,000 increase in the CalFresh Maintenance of Effort (MOE) match due to a phase-out of a waiver of County match requirements. Excluding the change in budgeting for Realignment, the Recommended Budget reflects a $3.1 million increase in revenue, due to a number of factors, including legislated sharing ratios of federal/State/county contributions to various programs and proposed changes to County allocations in the Governor's January Proposed State Budget.

The Recommended Budget includes funding for one Growth request - $213,000 to add two FTE accounting positions to augment the Department's contract monitoring capabilities and decrease federal and State audit risks. Funding will come from federal and State revenue.

Human Assistance – Administration's requested budget included three additional Growth requests totaling $538,000 in Net County Cost. These requests are summarized in the Program Information section for this budget unit. No funding is recommended for these requests at this time because resources are not available.

Human Assistance – Aid Payments

The Recommended Human Assistance – Aid Payments Budget reflects a $223,862,935 (56.6%) reduction in appropriations, a $222,598,677 (58.9%) reduction in revenue and a $1,264,258 (7.1%) reduction in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Human Assistance – Aid Payments budget reflects a $9.8 million (2.5%) reduction in appropriations.

The reduction in adjusted appropriations is driven primarily by caseload and cost trends and certain policy changes. Caseloads are anticipated to decline or continue at lower levels in CalWORKS, Foster Care and Adoptions programs and to increase in the KinGAP and FedGAP programs. At the same time, the implementation of Continuum of Care Reform Phase 2 is anticipated to increase Foster Care costs by $900,000 and the Foster Care, Adoptions Assistance, Kinship and Approved Relative Caregivers (ARC) program estimates include a total $6.6 million increase due to the 4.04% California Necessities Index (CNI) increase identified in the Governor's January Proposed State Budget. In the General Assistance Program, the Board recently approved a grant increase beginning January 2018, with additional grant increases continuing through FY2019-20. The cost impact of these grant increases is partially impacted by declining caseloads. However, the Recommended Budget reflects a $1.1 million increase in this program compared to the FY2017-18 Adopted Budget level.

The decrease in Net County Cost is the net result of a number of factors, including the $1.1 million increase in General Assistance costs mentioned above and the ability to cover the cost of certain Realignment programs entirely with Realignment revenue in FY2018-19 due to caseload reductions. In FY2017-18 some of the cost of these programs was funded with Net County Cost.

The following table summarizes the budgeted expenditures by aid type in this budget unit. For the purposes of comparing the FY2017-18 Adopted Budget to the FY2018-19 Recommended Budget, the following table removes the impact of the change in how Realignment revenue is budgeted starting in FY2018-19:

Aid Payment Type	FY 2017-18 Adopted Budget	FY 2018-19 Recommended Budget	Increase / (Reduction)
CalWORKs	$186,430,719	$178,617,152	($7,813,567)
CalWORKs Homeless Vouchers	$58,935	$38,565	($20,370)
Foster Care Assistance	$93,251,718	$89,088,570	($4,163,148)
Kin-GAP / Fed-GAP	$8,096,163	$8,978,273	$882,110
Adoption Assistance Program	$67,895,628	$69,102,728	$1,207,100
Cash Assistance Program for Immigrants	$19,696,236	$20,468,230	$771,994
Refugee Cash Assistance	$2,099,902	$1,331,207	($768,695)
General Assistance	$11,849,302	$12,922,344	$1,073,042
Regional Transit Bus Pass/Tickets	$2,215,136	$2,215,136	0
WINS / SUAS / TCVAP	$2,056,761	$1,882,206	($174,555)
Approve Relative Caregiver	$1,854,141	$1,052,054	($802,087)
Total Expenditures	$**395,504,641**	$**385,696,465**	**(**$**9,808,176)**

<u>IHSS Provider Payments</u>

The Recommended Budget for IHSS Provider Payments reflects a $57.5 million (64.9%) decrease in appropriations, a $55.6 million (64.1%) decrease in revenue and a $1.9 million (100%) decrease in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If this change in budgeting and accounting practices is factored out, there is a $15.1 million (17%) increase in appropriations, a $17.0 million (19.7%) increase in revenue and a $1.9 million (100%) decrease in Net County Cost. The primary reason for the increase in appropriations and revenue is the increase in the County's IHSS Maintenance of Effort (MOE) requirement, consistent with the phase-in of a new, higher MOE, as approved by the Legislature in the FY2017-18 State Budget. The reduction in Net County Cost reflects the allocation of additional Social Services Realignment revenue to this Budget Unit.

<u>Juvenile Medical Services</u>

The Recommended Budget for Juvenile Medical Services reflects a $3.5 million (29.8%) decrease in appropriations, a $1.8 million (28.0%) decrease in revenue and a $1.7 million (31.9%) decrease in Net County Cost. The decrease in appropriations and revenue is partly due to the change in budgeting and accounting practices for Realignment revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change in budgeting and accounting practices is factored out, there is a $2.3 million (19.9%) decrease in appropriations, a $650,000 (10.0%) decrease in revenue and a $1.7 million (31.9%) decrease in Net County Cost. The primary reason for the decrease in appropriations and revenue is the timing of Medi-Cal Managed Care intergovernmental transfer (IGT) rate year expenditures and receipt of revenues. In addition, 3.0 FTE positions (two Nurses and a Medical Assistant) are being transferred to Correctional Health Services due to an increased demand for services in the jails and a decrease in the Juvenile Hall population.

The requested budget for Juvenile Medical Services includes one additional Growth requests for $20,366 in Net County Cost. This request is summarized in the Program Information section for this Budget Unit. No funding is recommended for this request at this time because resources are not available.

Probation

The Recommended Budget for Probation reflects a $57,049,617 (37.2%) reduction in appropriations, a $56,310,426 (65.3%) reduction in revenue and a $739,191 (1.1%) reduction in Net County Cost. The primary reason for the decrease in appropriations and revenue is the change in budgeting and accounting practices for Realignment and Proposition 172 revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Budget for Probation reflects a $3,038,574 (2%) increase in appropriations.

The primary reason for the adjusted increase in appropriations is increased salary and benefit costs for existing staff, particularly 16% increase in retirement costs, due in part to the reduction in the Sacramento County Retirement System's (SCERS) discount rate. Salary costs are higher in the Recommended Budget, but only by approximately $800,000, due to an over-budgeting of a salary differential in FY2017-18. The Recommended Budget also reflects a number of shifts in staffing, with no net impact on appropriations. Specifically, with the continuing decline in the Juvenile Hall population, the Probation Department anticipates closing one housing unit and reassigning 12 FTE Deputy Probation Officer (DPO) positions currently assigned to the Hall to other duties, including: two DPOs will be assigned to the Professional Standards and Training Division to assist with curriculum development and provide additional support to critical training components;

six DPOs will be assigned to the Adult Field Division in accordance with the Adult Supervision Model to provide further resources to supervise high-risk probationers; and 4 DPOs will perform activities related to Proposition 63, which mandates that probation departments investigate whether any felons and specified misdemeanants have custody or control over any firearms.

The reduction in Net County Cost is due to the receipt of additional Realignment and Proposition 172 reimbursements (formerly revenue).

The Probation Department's Recommended Budget includes funding for two Growth requests:

- Approximately $76,000 to add one Office Assistant position to support the Adult Supervision Model, funded with SB678 revenue.

- Approximately $77,000 to add one Senior Office Assistant position to assist with research and court document processing related to the passage of Proposition 63, funded by a reduction in other departmental expenditures.

The Probation Department's Requested Budget also included two additional Growth requests totaling approximately $534,000 ($396,000 Net County Cost). These requests are summarized in the Program Information section for this budget unit. No funding is recommended for these requests at this time because resources are not available.

<u>Public Defender</u>

The Recommended Budget for the Public Defender reflects an $894,249 (2.7%) increase in appropriations, a $289,405 (20.6%) decrease in revenue and a $1,183,654 (3.7%) increase in Net County Cost. The change in appropriations and revenue is partly due to the change in budgeting and accounting practices for Realignment and Proposition 172 revenue, which is now being treated as a reimbursement (negative appropriation) in the relevant General Fund budget units. If that change is adjusted for, the Recommended Budget for the Public Defender reflects a $1,718,830 (5.15%) increase in appropriations.

The primary reason for the increase in appropriations is increased salary and benefit costs for existing employees and an increase in costs allocated to the Department from internal services departments. The Recommended Budget also includes funding for three Growth requests, totaling approximately $404,000 ($40,000 Net County Cost):

- $117,600 to upgrade personal computers to Windows 10 and Office 2016, funded with Net County Cost (made available through the cancelation of part of the General Fund's Reserve for Technology Upgrades).

- $185,853 to add one FTE Attorney position to provide legal services in the Department's Prison Unit, funded by State Penal Code (PC) 4750 revenue.

- $100,313 to add one Social Worker position, also in the Prison Unit and also funded with PC 4750 revenue.

The Public Defender's requested budget included three additional Growth requests for attorneys totaling $395,000 in Net County Cost. These requests are summarized in the Program Information section for this Budget Unit. No funding is recommended for these requests at this time because resources are not available.

OTHER FUNDS

Community Investment Fund

The Recommended Budget for the Community Investment Fund reflects a $432,317 (42%) reduction in appropriations and Net County Cost. The primary reason for this decrease is the use of funding for the Board of Supervisors' District projects. The Community Investment Fund was established in FY2014-15 with a one-time transfer of $2 million from the General Fund. Each supervisorial district was allocated $400,000 to be used for District projects.

Neighborhood Revitalization Fund

The Recommended Budget for the Neighborhood Revitalization Fund reflects a $1,030,505 (52%) reduction in appropriations, a $441,703 (60%) reduction in revenue and a $588,802 (48%) reduction in the use of fund balance. The primary reason for the decrease in appropriations is that the FY2017-18 Adopted Budget included a one-time $1 million transfer to the Regional Parks Department for the Parkways and Unincorporated Area Clean Up and Safety Initiative.

Public Safety Sales Tax Fund

This is a new fund, created to account for the receipt and allocation of Proposition 172 revenue. Prior to FY2018-19, Proposition 172 revenue was received by the County in an unbudgeted fund and then transferred to General Fund departments where it was recognized as revenue. Due to changes in accounting rules, this revenue will now be received, budgeted for and recognized as revenue in this new restricted fund. Resources will be transferred from this Fund to relevant General Fund departments, where it will be budgeted as a reimbursement (negative appropriation).

The Recommended Budget for the Public Safety Sales Tax Fund reflects appropriations and revenue of $123,583,038. The Recommended transfer of $123,583,038 to the various public safety departments is approximately $8.9 million (7.8%) more than the amount of Proposition 172 revenue transferred to General Fund departments in the FY2017-18 Adopted Budget.

1991 Realignment Funds

These are new funds, created to account for the receipt and allocation of 1991 Realignment revenue. Prior to FY2018-19, 1991 Realignment revenue was received by the County in unbudgeted funds and then transferred to General Fund departments where it was recognized as revenue. Due to changes in accounting rules, this revenue will now be received, budgeted for, and recognized as, revenue in these new restricted funds. Resources will be transferred from this Fund to relevant departments or agencies, where they will be budgeted as a reimbursement (negative appropriation).

The Recommended Budget for the 1991 Realignment Funds reflect a beginning available balance of $12.8 million, the receipt of approximately $329.9 million in revenue, appropriations of $337.8 million and the creation of a $4.96 million Reserve for Future Social Services Costs. Appropriations include $337.2 million in allocations to General Fund departments, a $34.9 million increase over the amount allocated to General Fund departments in the FY2017-18 Adopted Budget, and a $559,000 allocation to the IHSS Public Authority, to cover a funding shortfall resulting from the change in the In Home Supportive Services (IHSS) Maintenance of Effort (MOE) requirement.

The recommended $4.96 million Reserve for Future Social Services Costs, reflects Social Services Realignment Revenue reserved to cover the cost of potential increases in IHSS costs, either due to negotiated supplemental pay for IHSS providers or to future increases in the IHSS MOE that are scheduled to take effect in FY2019-20 and subsequent years.

2011 Realignment Funds

These are new funds, created to account for the receipt and allocation of 2011Realignment revenue. Prior to FY2018-19, 2011 Realignment revenue was received by the County in unbudgeted funds and then transferred to General Fund departments where it was recognized as revenue. Due to changes in accounting rules, this revenue will now be received, budgeted for, and recognized as revenue in, these new restricted funds. Resources will be transferred from this Fund to relevant departments or agencies, where they will be budgeted as a reimbursement (negative appropriation).

The Recommended Budget for the 2011 Realignment Funds reflect a beginning available balance of approximately $5.4 million, approximately $304.3 million in revenue, appropriations of $308.6 million, and the creation of two Reserves totaling $1.1 million:

- A $167,184 Reserve for Youth Offender Block Grant Future Costs, to set aside funds to cover future potential reductions in Youth Offender Block Grant revenue; and
- $945,106 Reserve for Local Innovation Future Costs. Since FY2016-17, counties have been required by State law to aside 10% of the annual Growth in 2011 Public Safety Realignment revenue into a Local Innovation account. These Local Innovation funds must be used for innovative projects related to the realigned offender population. For the last two years the County has placed approximately $300,000 a year in this account. This money is being reserved for future pilot projects related to the Adult Correctional System Review that would focus on reducing the jail population and offender recidivism.

<u>Transient Occupancy Tax Fund</u>

The Recommended Budget for the Transient Occupancy Tax (TOT) Fund reflects a $947,000 reduction in appropriations and use of fund balance. The primary reason for these decreases is that the FY2017-18 Adopted Budget use of fund balance reflected the carry-over of unspent Board District and Community funds. The Recommended Budget assumes that all District and Community funds will be spent by the end of the current (2017-18) fiscal year. Any unspent funds will be appropriated in the September Adopted Budget, once the County’s books are closed and we know how much remains unspent.

<u>Economic Development Fund</u>

The Recommended Budget for the Economic Development Fund reflects a $27.4 million (52%) reduction in appropriations, a $23.8 million (56%) reduction in revenue and a $3.7 million (35%) reduction in the use of fund balance. The primary reasons for these decreases are the timing of projects at the former Mather and McClellan Air Force Bases and the turning over of the McClellan Field operations to McClellan Business Park, LLC. Project reductions include:

- A $22 million reduction in payments for Environmental Services Cooperative Agreement (ESCA) project milestones for environmental clean-up at McClellan; and
- A $3.6 million reduction in construction costs on the Zinfandel sewer project. Project timing has been pushed out until late 2018, with all costs funded by bond proceeds.

The Recommended Budget also includes funding for two growth requests, totaling $146,662: the reclassification of a Permitting and Environmental Regulatory Consultant (PERC) II to a PERC III at the Business Environmental Resource Center (BERC), and the addition of an Administrative Services Officer position to assist with the administration of the TOT program (funded with existing TOT revenue).

The Recommended Budget also reflects the creation of a new $2.9 million Reserve, to set aside funds now to cover future potential revenue reductions.

<u>Airport System Fund</u>

The Recommended Budget for the Airport System Fund reflects a $73.9 million (28%) increase in appropriations, a $3.9 million (2%) increase in revenue and a $70 million (121%) increase in the use of fund balance. The primary reason for the increase in appropriations and use of fund balance is an increase in expenditures on capital and maintenance projects, including:

- The rehabilitation of Runway 16R-34L ($41.8 million);
- The replacement of Jet Bridges at Terminal A ($11.3 million);
- The first phase of a project to replace shuttlebuses with electric vehicles ($7.6 million); and
- The Terminal A security checkpoint expansion ($7 million).

The Airports Department also submitted three growth requests totaling approximately $1 million. These requests are summarized in the Program Information section for this budget unit. No funding is recommended at this time, pending a review of organizational and operational systems at the Airports Department following the appointment of a new Airports Director.

<u>Metro Airpark CFD Fund</u>

The Recommended Budget for the Metro Airpark CFD Fund reflects a $15.7 million (120%) increase in appropriations, a $14.8 million (635%) increase in revenue and a $953,000 (9%) increase in use of fund balance. The primary reason for these increases is the inclusion of costs for the Interstate 5 and Metro Air Parkway Interchange Project that will begin in FY2018-19.

McClellan Park CFD Fund

The Recommended Budget for the McClellan Park CFD Fund reflects a $12.1 million (94%) reduction in appropriations, a $12.1 million (97%) reduction in revenue and a $22,000 (6%) increase in use of fund balance. The primary reason for the reductions in appropriations and revenue is that the FY2017-18 Adopted Budget included costs and revenue related to the issuance of debt that is not included in the FY2018-19 Recommended Budget.

Clerk/Recorder Fees Fund

This is a new fund, created to account for the receipt and allocation of certain Clerk-Recorder fee revenue – initially Micrographics and Modernization fee revenue. Prior to FY2018-19, this revenue was received by the County in an unbudgeted fund and then transferred to Clerk-Recorder's Budget in the General Fund where it was recognized as revenue. Due to changes in accounting rules, this revenue will now be received, budgeted for and recognized as revenue in this new restricted fund. Resources will be transferred from this Fund to Clerk-Recorder's Department, where it will be budgeted as a reimbursement (negative appropriation).

The Recommended Budget for the Clerk/Recorder Fees Fund reflects a $12.7 million beginning available balance, $1.2 million in appropriations, $1.9 million in revenue and the creation of two reserves totaling $13.3 million:

- A $1.2 million Reserve for Conversion of Documents Storage System to Micrographics; and
- A $12.1 million Reserve for Modernization of Documents and Systems.

These reserves are proposed to provide resources to meet ongoing and future document storage and system development needs and to offset potential reductions in fee revenue.

Capital Construction Fund

The Capital Construction Fund (CCF) provides for major construction projects as well as minor alterations, improvements and major equipment replacement in County-owned facilities. In recent years, the CCF has also become a source of payment for various debt service obligations.

The CCF Recommended Budget includes appropriations of $80,771,966 million, a $9.55 million (13.4%) increase from the FY2017-18 Adopted Budget level. The increase in appropriations is due to increases and decreases in funding for different capital projects. Major projects in the Recommended Budget include: the Rio Cosumnes Correctional Center (RCCC) Campus Expansion and Infrastructure (SB1022) project, installing safety screening and cell noise monitoring at the Main Jail, replacing the roof and fire alarm at Coroner Crime Laboratory, and the Galt Library addition.

The Recommended Budget also includes a Growth Request of $1,897,212 to address ADA issues in County buildings and Libraries.

General Services Fund

The Recommended Budget for General Services reflects a $1.8 million (1.2%) increase in appropriations, a $3.1 million (2%) increase in revenue and a $1.35 million (43.9%) decrease in use of fund balance. The primary reasons for the increase in appropriations are increased salary and benefit costs for existing staff.

The Recommended Budget also includes three Growth Requests, totaling $591,257:

- $162,065 for ADA Transition Plan costs for leased facilities allocated to departments.

- $300,000 to upgrade and replace fuel dispensers, install tank-monitoring equipment on propane tanks, and connect current Veeder Root tank monitoring system to Fleet Management System to perform fuel reconciliation. Funded with Retained Earnings in Heavy Fleet.

- $129,192 in funding from Waste Management and Recycling to fund a Senior Contract Services Officer that will be assigned to the department.

Liability Property Insurance Fund

The Recommended Budget for the Liability Property Insurance Fund reflects a $1.2 million increase in appropriations, a $1.3 million increase in revenue and a $1 million reduction in the use of fund balance. The primary reasons for the increase in appropriations are increased claims costs and one Growth request for $2 million: $1 million for claims payments, which was included in the prior years' budget as well; and an additional $1 million to reduce the unfunded liability. All costs are charged to departments in the Allocated Cost package.

Parking Enterprise Fund

The Recommended Budget for the Parking Enterprise Fund reflects a $1.5 million (33.5%) reduction in appropriations, a $69,624 (2.5%) reduction in revenue and a $547,435 reduction in the use of fund balance. The primary reasons for the reduction in appropriations is the decision to postpone maintenance/repair projects for the downtown public and employee parking garages until FY2019-20. The primary reason for the projected reduction in revenue is a revised estimate of the amount of event parking revenue the County will receive.

Roads Fund

The Recommended Budget for the Roads Fund reflects an $8.5 million (11%) increase in appropriations, a $12.6 million (18%) increase in revenue and a $4.3 million (194%) reduction in the use of fund balance. The primary reasons for the increase in appropriations are shifts in construction project timelines, additional road overlay work related to increased SB 1 funding and various projects beginning construction. In summary, 18 projects are being completed, 10 projects will be continuing from last fiscal year and 22 projects will be beginning in FY2018-19.

The increase in revenue is due primarily to increased revenue from SB 1.

Development and Code Services Fund

The Recommended Budget for the Development and Code Services Fund reflects a $2.6 million (6%) increase in appropriations and revenue. The primary reason for the increase in appropriations is salary and benefit cost increases for existing staff, the cost of the 10 positions added during FY2017-18 and three recommended Growth requests, totaling $562,000:

- The Reallocation of a Survey Technician II position to a Survey Party Chief position;

- The addition of a Senior Accountant position to provide Department-wide support; and

- The addition of two additional Building Inspectors and one additional Associate Civil Engineer to address workload needs.

Transportation Sales Tax Fund

The Recommended Budget for the Transportation Sales Tax Fund reflects a $3.5 million (10%) reduction in appropriations, a $2.1 million (7%) reduction in revenue and a $1.4 million (43%) reduction in use of fund balance. The primary reason for the reduction in appropriations and revenue is the completion of several large projects that were managed through this Fund, such as the Madison Avenue ADA improvements and the Howe Avenue Safe Routes to School project.

Solid Waste Enterprise Fund

The Recommended Budget for the Solid Waste Enterprise Fund reflects an $8.9 million (10%) increase in appropriations, a $6.9 million (8.8%) increase in revenue and a $2 million increase in the use of fund balance. The primary reasons for the increase in appropriations are increased salary and benefit costs for existing staff, increased single stream recycling and green waste contract costs, higher equipment maintenance costs and higher fuel costs. The increase in revenue is due to higher tonnage at disposal sites and increased electricity sales. The increase in the use of fund balance reflects the fact that costs are increasing faster than revenues.

The Recommended Budget also includes funding for three Growth requests, totaling $409,000:

- The addition of two Sanitation Workers at the North Station to assist with the reduction of contamination in single-stream recycling;

- The addition of two Sanitation Workers at the South Station to assist with the reduction of contamination in single-stream recycling; and

- The payment of $129,000 to General Services to cover the cost of one Senior Contract Services Officer.

Solid Waste Enterprise Capital Outlay

The Recommended Budget for Solid Waste Enterprise Capital Outlay reflects a $5.2 million increase in appropriations and use of fund balance. This increase is the net result of increases and decreases in costs for a number of capital projects, including:

- A $6.1 million increase for the Kiefer Liner Project that is moving from the planning stage in FY2017-18 to construction in FY2018-19.

- A $462,000 increase in costs for the purchase of additional tractors.
- A $350,000 increase in cost for the Radio Frequency Identification Project that was re-budgeted in FY2018-19 due to a change in the scope of work.
- A $325,000 increase in costs due to a new project for storm water improvements.
- A $2 million reduction in costs for the North Area Recover Station Equipment Maintenance Facility Project.

Water Agency – Zone 11 Drainage Infrastructure

The Recommended Budget for Water Agency – Zone 11 Drainage Infrastructure reflects a $10.8 million (34%) reduction in appropriations, a $6.1 million (44%) reduction in revenue and a $4.8 million (27%) reduction in use of fund balance. The primary reason for the reduction in appropriations is less credits applied against development fees due to continued slow development, and a lack of homeowners applying for Board-authorized mitigation measures. The reduction in revenue is due to lower development fees that are also related to slower than anticipated development activity.

The Recommended Budget also includes funding for one Growth request, the transfer of $388,000 to the Water Resources budget to cover the cost of two additional positions in the Stormwater Utility program.

Water Agency Enterprise Fund

The Recommended Budget for the Water Agency Enterprise Fund reflects a $7.5 million (8%) increase in appropriations, a $5.4 million (7.2%) increase in revenue and a $2.1 million increase in the use of fund balance. The primary reasons for the increase in appropriations are increased salary and benefit costs for existing staff, an increase in maintenance expenses, a number of large capital purchases and several large capital projects scheduled to begin in FY2018-19. The primary reason for the revenue increase is higher Zone 40 water use fees revenue due to an increase in the number of accounts.

Water Resources Fund

The Recommended Budget for the Water Resources Fund reflects a $7.3 million (16%) decrease in appropriations, a $9.5 million (23%) decrease in revenue and a $2.1 million increase in the use of fund balance. The primary reason for the reduction in appropriations is the completion of the Mather Dam

Project. The decrease in revenue is the net result of decreases and increases in a number of revenue sources, including a decrease in revenue from the Sacramento Area Flood Control Agency and Waste Management for storm water labor reimbursement.

The Recommended Budget includes funding for two growth requests totaling $554,840 to add two Associate Civil Engineer positions and two new light vehicles and three heavy vehicles.

Mental Health Services Act Fund

This is a new fund, created to account for the receipt and allocation of Mental Health Services Act (MHSA) revenue. Prior to FY2018-19, MHSA revenue was received by the County in an unbudgeted fund and then transferred to General Fund departments where it was recognized as revenue. Due to changes in accounting rules, this revenue will now be received, budgeted for and recognized as revenue in this new restricted fund. Resources will be transferred from this Fund to relevant General Fund departments, where it will be budgeted as a reimbursement (negative appropriation).

The Recommended Budget for the MHSA Fund reflects a beginning available balance of $133.5 million, revenue of $88.5 million, appropriations of approximately $91 million and the creation of six Reserves totaling $131.4 million:

- A $78.7 million Reserve for Future Services – Community Services and Support;
- A $19.6 million Reserve for Future Services – Prevention & Early Intervention;
- A $13.1 million Reserve for Projects – Innovation;
- A $393,154 Reserve for Activities – Workforce & Training;
- A $187,375 Reserve for Projects – Technological Needs; and
- A $19.4 million Prudent Reserve.

The Prudent Reserve is required by the Welfare and Institutions Code to avoid significant service reductions when revenues come in below prior year average amounts. The five other Reserves are being established to provide and/or sustain funding for MHSA programs and activities.