



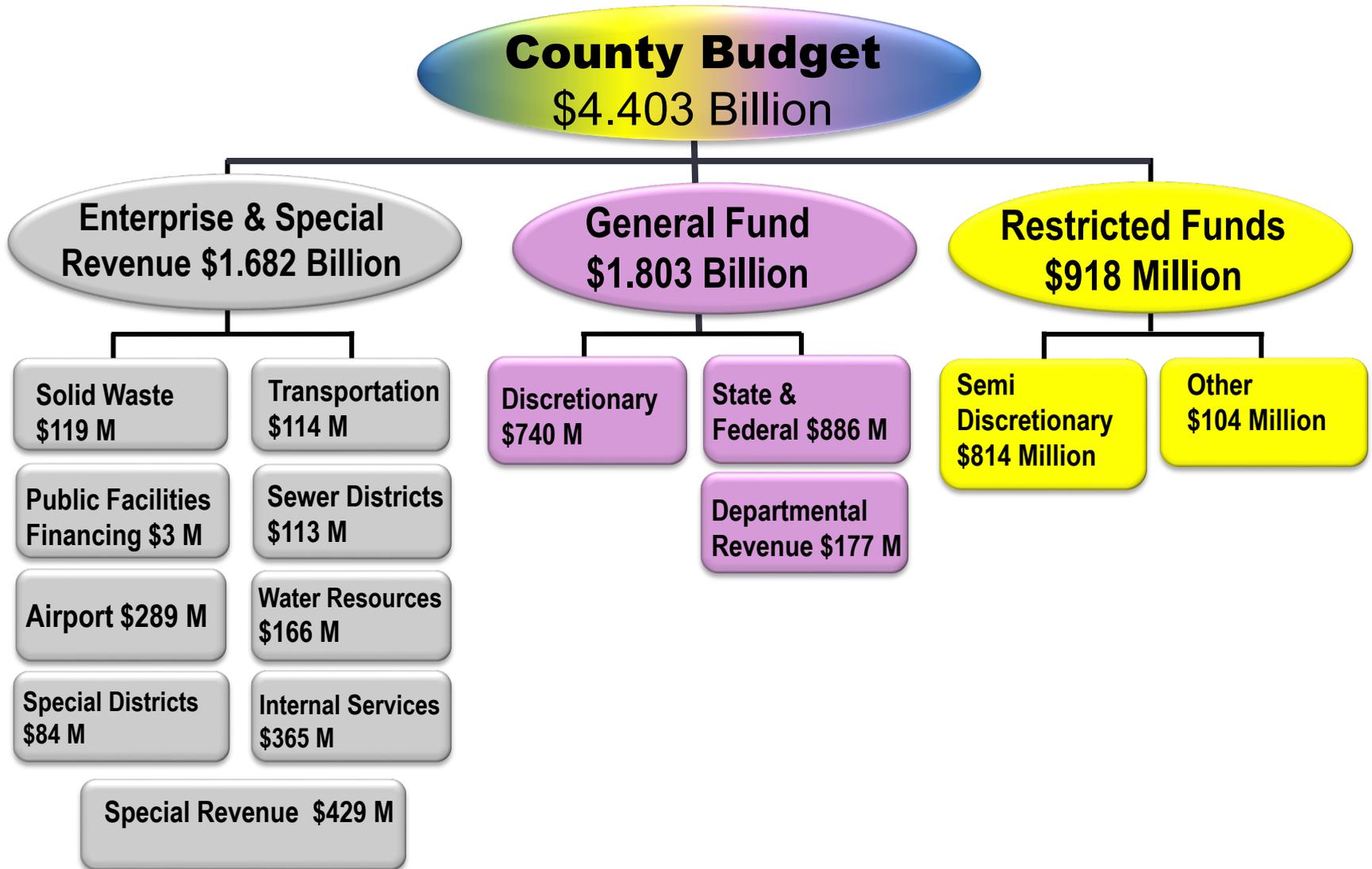
Fiscal Year 2019-20 Recommended Budget

Presented by:
Britt Ferguson, Chief Fiscal Officer

All Funds Budget

- \$4.4 Billion
- \$104.6 Million Increase
- Mainly due to:
 - General Fund/Restricted Fund Increase: \$109.8 million (4.2%)
 - Transportation-Related Funds Increase: \$34.4 million
 - Economic Development Fund Increase: \$28.9 million
 - Airport System Fund Decrease: \$40.2 million

Overall County Budget



General Fund/Restricted Funds - \$2.732 Billion

\$109.8 Million (4.2%) increase in expenditures

Budget Units with the Largest Expenditure Increases:

- The Sheriff's Department, with a \$39.5 million (7.9%) increase in expenditures.
- Human Assistance – Aid Payments, with a \$24.2 million (6.3%) increase in expenditures.
- Health Services, with a \$14 million (3.3%) increase in expenditures.
- Human Assistance – Administration, with a \$9.7 million (3%) increase in expenditures.
- Correctional Health Services, with a \$9.5 million (17.4%) increase in expenditures.

General Fund/Restricted Funds - \$2.732 Billion

- \$109.8 million increase is funded by:
 - \$17.4 million (2.7%) increase in discretionary revenue and reimbursements;
 - A \$29.9 million (3.8%) net increase in semi-discretionary reimbursements;
 - An \$11.8 million (12.8%) increase in reimbursements from other restricted funds;
 - A net \$27.3 million (2.6%) increase in Federal, State and local revenue from various sources;
 - A \$9.6 million increase in the use of reserves compared to the use of reserve amount in the FY 2018-19 Adopted Budget; and
 - A \$5.7 million increase in the use of fund balance.
- Despite revenue growth, some reductions in current staffing and programs (the “Base” budget) are necessary to produce a balanced budget.

Balancing the General Fund Budget/ Program Reductions

Some of the Factors Driving Need for program reductions:

- UC Davis Health System Lawsuit Settlement: \$7.8 million
- Jail Lawsuit – Operating and Capital Improvements: \$21.7 million
- Human Assistance – Aids Payment Increases: \$24.2 million (partly revenue-funded)
- IHSS Provider Payments Increases: \$9.3 million (including \$7.5 million in the IHSS MOE Requirement)
- Growth in Discretionary Revenue (at 2.7%) and Non-CalWORKS Semi-Discretionary reimbursements (at 2.6%) lagging growth in expenditures

Balancing the General Fund Budget/ Program Reductions

- Reduction in Federal and State Revenue for certain programs
- Salary and Benefit Increases for existing employees as agreed to in various labor agreements - 6% increase in Base
- Hardesty Schneider Lawsuit: \$1 million
- March 20, 2020 Primary Election – Postcards and Postage: \$668,000

Balancing the General Fund Budget/ Program Reductions

Budget is balanced by:

- the use of General Fund Reserves; and
- \$43,050,903 in Expenditure Reductions (1.4% of Requested Base Expenditures).

Balancing the General Fund Budget/ Program Reductions

Considerations in Making Reduction Recommendations:

- Limit the impact on Board priority programs or initiatives.
- Avoid eliminating whole programs or services; instead, make targeted reductions in various programs.
- Avoid backfilling reductions in Federal, State or other revenue, while recognizing there may be circumstances where backfilling or using Net County Cost to cover cost increases is warranted to avoid negative consequences.
- Avoid employee layoffs to the extent possible.

Balancing the General Fund Budget/ Program Reductions

FY2019-20 Requested/Recommended General Fund Budget

Program Reductions to Base Budget				
Budget Unit	FY2019-20 Base Expenditures (1)	Recommended Reductions	Percent of Base	FTE Reductions
Sheriff - Corrections	\$ 188,641,266		0.0%	
Sheriff - Non-Corrections	\$ 347,414,295	\$ 3,796,935	1.1%	12
SHERIFF - Total	\$ 536,055,561	\$ 3,796,935	0.7%	12
DISTRICT ATTORNEY	\$ 98,972,226	\$ 3,965,517	4.0%	
CLERK OF THE BOARD	\$ 4,499,874	\$ 94,516	2.1%	
COUNTY COUNSEL	\$ 6,167,273	\$ 127,323	2.1%	3
EMERGENCY SERVICES	\$ 4,619,289	\$ 50,735	1.1%	
FINANCING-TRANSFERS/REIMBURSEMENT	\$ 4,843,957	\$ 400,000	8.3%	
PLANNING AND ENVIRONMENTAL REVIEW	\$ 11,666,344	\$ 615,879	5.3%	4.2
ANIMAL CARE AND REGULATION	\$ 12,072,309	\$ 587,673	4.9%	2
REGIONAL PARKS	\$ 17,492,874	\$ 173,436	1.0%	
CODE ENFORCEMENT	\$ 10,581,419	\$ 301,253	2.8%	2
CHILD, FAMILY AND ADULT SERVICES	\$ 209,253,443	\$ 7,658,122	3.7%	55
HEALTH SERVICES	\$ 435,829,546	\$ 1,041,568	0.2%	4.6
HEALTH-MEDICAL TREATMENT PAYMENTS	\$ 2,597,918	\$ 500,000	19.2%	
HUMAN ASSISTANCE-ADMIN	\$ 351,230,019	\$ 16,485,597	4.7%	93.5
JUVENILE MEDICAL SERVICES	\$ 9,812,054	\$ 225,284	2.3%	
PROBATION	\$ 161,525,230	\$ 5,528,010	3.4%	14
PUBLIC DEFENDER	\$ 37,396,333	\$ 1,499,055	4.0%	2
TOTAL	\$ 1,914,615,669	\$43,050,903	2.2%	192.3

(1) Before reduction due to restricted reimbursements

RECOMMENDED NEW OR ENHANCED PROGRAMS (GROWTH)

Funded - Net County Cost New or Enhance Programs

Department	Cost	Net County Cost	Revenue/ Reimbursement	FTE
Cooperative Extension	\$ 4,000	\$ 4,000	\$ -	0.0
Correctional Health	\$ 5,332,663	\$ 5,332,663	\$ -	12.0
Financing - Transfers/Reimbursements	\$ 8,335,000	\$ 8,335,000	\$ -	0.0
Non-Departmental Costs - General Fund	\$ 1,300,000	\$ 1,300,000	\$ -	0.0
Sheriff	\$ 8,648,895	\$ 6,648,895	\$ 2,000,000	56.0
Voter Registration Elections	\$ 668,600	\$ 668,600	\$ -	0.0
TOTAL	\$ 24,289,158	\$ 22,289,158	\$ 2,000,000	68.0

RECOMMENDED NEW OR ENHANCED PROGRAMS (GROWTH)

Funded - Non Net County Cost New or Enhanced Programs

Budget Unit	Cost	FTE
GENERAL FUND:		
Child Support Services	\$ 2,306,121	25.0
District Attorney	\$ 103,058	1.0
Finance	\$ 64,580	0.0
Health Services	\$ 548,335	4.9
Probation	\$ 1,198,984	7.0
Sheriff	\$ 896,818	2.0
TOTAL GENERAL FUND	\$ 5,117,896	39.9

RECOMMENDED NEW OR ENHANCED PROGRAMS (GROWTH)

NON GENERAL FUND:

2011 Realignment	\$ 3,198,984	0.0
Airport System	\$ 3,479,909	29.0
Capital Construction	\$ 8,000,000	0.0
Development and Code Services	\$ 194,207	0.0
Mental Health Services Act	\$ 317,244	0.0
Neighborhood Revitalization Fund	\$ 335,000	0.0
Parking Enterprise	\$ 250,000	0.0
Rural Transit	\$ 640,000	0.0
Solid Waste Enterprise/ Capital Outlay	\$ 1,311,703	4.0
Technology	\$ 388,497	3.0
Transportation	\$ 10,000	0.0
Water Agency Enterprise	\$ 950,999	4.0
TOTAL - NON GENERAL FUND	\$ 19,076,543	40.0

TOTAL - ALL FUNDS (Unduplicated): \$ 33,092,460

RECENT BOARD INVESTMENTS IN NEW PROGRAMS AND SERVICES

- **Homelessness Initiatives:** Overall \$7.6 million increase in funding, but \$700,000 reduction in Net County Cost funding for rental subsidies; total funding for subsidies is up slightly.
- **Parkways and Unincorporated Communities Clean-up and Safety Initiative:** Full funding for Initiative except: HOT Team Deputies reduced from 10 to 5; Animal Control Officer Eliminated.
- **Increased American River Parkway/Regional Parks Maintenance:** Funding continues, except for 50% reductions in hours for seasonal staff that provide increased visibility in active use areas in the Parkway.
- **Community Livability Initiatives:** Full funding continues for 311 call program and District Attorney's Community Prosecution Unit.
- **Intelligence-Led Policing:** Full funding continues.
- **Behavioral Health Services:** Increased funding for this Initiative.

RECENT BOARD INVESTMENTS IN NEW PROGRAMS AND SERVICES (cont.)

- **Mental Health Services Act:** Full funding for MHSA Plan to expedite services for individuals with serious mental illness and/or co-occurring substance abuse disorders and are homeless or at risk of becoming homeless.
- **Healthy Partners Program:** Full funding for program that provides healthcare to undocumented immigrants, except for \$500,000 reduction in funding for specialty care (actual expenditures for specialty care in FY2018-19 are \$1 million less than budgeted).
- **The Black Child Legacy Campaign:** Full funding continues.
- **Title IV-E Foster Care Waiver:** Full funding except for \$1.2 million reduction in Probation (6 FTE positions) due to workload decrease
- **Probation Adult Supervision Initiative:** Full funding continues
- **Animal Care:** Funding level supports goal of 90% live release rate, but reflects reductions in expenditures for various contracts and the elimination of 2 positions, due to loss of revenue.
- Funding for the Shotspotter Initiative has been eliminated.

ONE-TIME REVENUE, CONTINGENCY, INTERFUND TRANSFERS

General Fund Contingency: \$986,199

One-Time Resources

Description	FY2018-19	FY2019-20
One-Time Discretionary	\$ 14,080,000	\$ 422,110
Fund Balance Carry-Over	\$ 69,303,395	\$ 75,000,000
Reserve Cancellation	\$ 2,798,781	\$ 12,350,981
Realignment Carryover	\$ 21,993,420	\$ 20,776,375
Total	\$ 108,175,596	\$ 108,549,466

Interfund Transfer Repayments - \$6.7 million

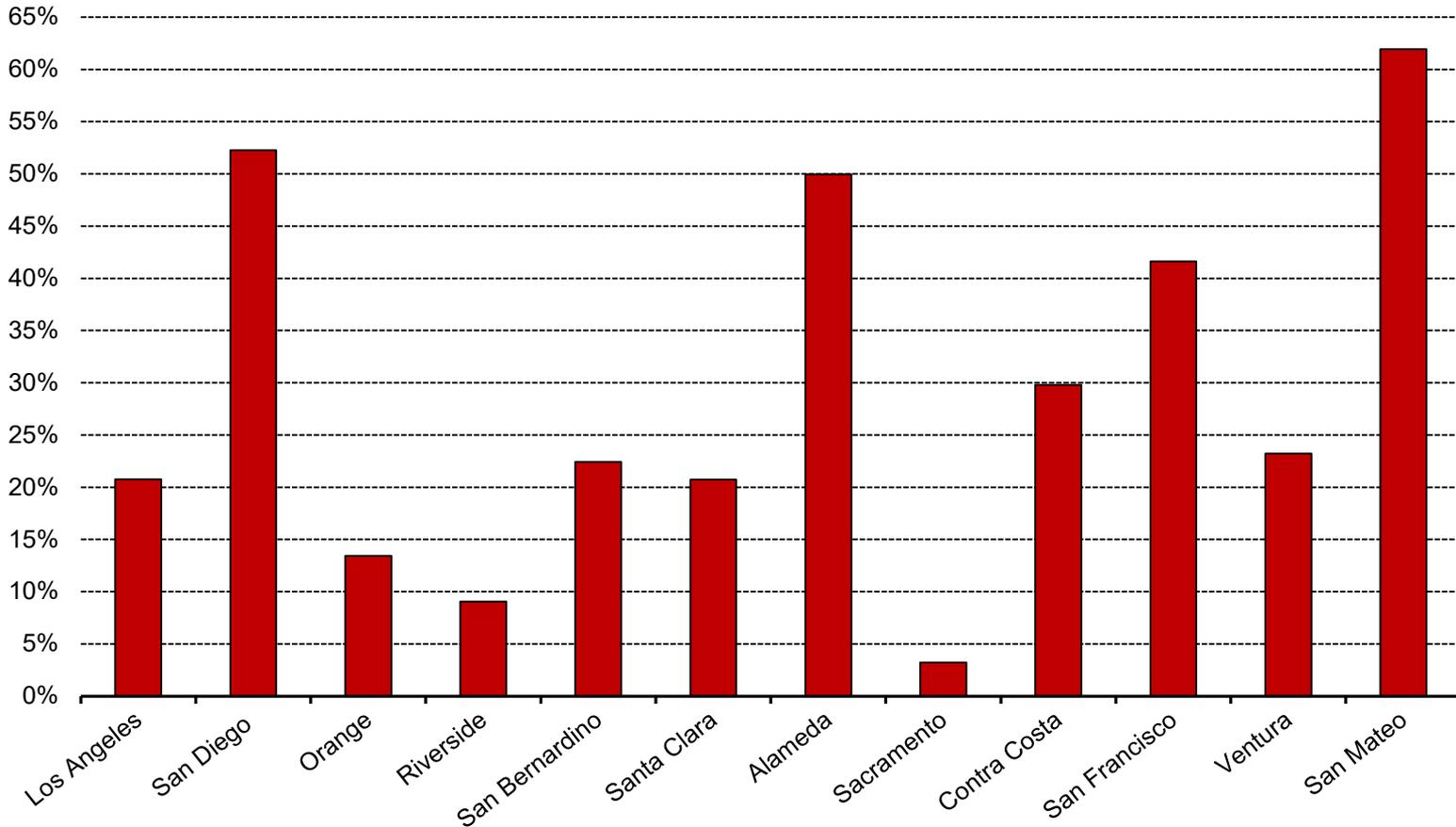
Original Amount	\$77.65 million
Amount Paid	\$50.9 million
Outstanding Balance as of 6/30/19	\$26.75 million

Transient Occupancy Tax: \$6.8 Million

- Legacy Organization Support
- \$1 Million Community Grant Program
- Board District Funds
- PBID Support
- Economic Development
- General Net County Cost

Large County Discretionary Reserves

Discretionary fund balance as a percent of revenue, general fund, selected large counties.
Data from CAFRs for Fiscal Year ending June 30, 2018.



■ Committed + assigned + unassigned fund balance as a percent of revenue -- general fund

May 21, 2019

BUDGET UNCERTAINTIES

- Expiration of Title IV-E Foster Care Waiver
- Jail Lawsuits
- Hardesty Schneider Lawsuit
- One-time Resources

Conclusion

- Balanced Budget
- \$43 million in General Fund Program Reductions.
- Limited New or Enhanced Programs.
- Given Budget Uncertainties – Additional Program Reductions will Likely be Needed in Future.

Recommended Action

1. Approve recommended Budget Resolution.
2. Direct Department of Personnel Services to prepare an Administrative SRA to reflect the positions approved by the FY2019-20 Recommended Budget, including any deletion of positions.