

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
June 16, 2020
Timed: 10:45 AM

To: Board of Supervisors

Through: Navdeep S. Gill, County Executive

From: Britt E. Ferguson, Chief Fiscal Officer
Office of Budget & Debt Management

Subject: Approval of the FY2020-21 Recommended County Budget

District(s): All

RECOMMENDED ACTION

Adopt the attached Resolution approving the FY2020-21 Recommended Budget.

BACKGROUND

In accordance with the provisions of the County Budget Act, the Board is being asked to approve the FY2020-21 Recommended County Budget.

The County Budget Act requires that Boards of Supervisors in every county in the State approve a Recommended Budget by June 30th for the fiscal year that begins on the upcoming July 1st. This Approved Budget provides appropriation (expenditure) authority from July 1 until the budget is adopted, which must occur no later than October 2nd.

In Sacramento County the annual budget process typically begins in October and involves departments preparing their requested budgets which are reviewed and analyzed by staff in the Office of Budget & Debt Management (BDM). BDM staff also prepares estimates of the amount of discretionary and Semi-discretionary (Proposition 172 and Realignment) revenue the County will receive. After review by the County Executive Cabinet, the County Executive provides a Recommended Budget to the Board for consideration, and your Board makes any desired revisions and approves the Recommended Budget.

This year, the County's budget process began in the normal fashion, with County departments submitting their requested budgets to BDM for analysis, BDM preparing discretionary and Semi-discretionary revenue estimates, and

members of the County Executive Cabinet reviewing Growth and Reduction requests. Then, in mid-March, the Coronavirus (COVID-19) Public Health Emergency hit and it became clear that the County was facing an unknown, but clearly significant, reduction in discretionary, Semi-discretionary and other revenues in FY2019-20 and FY2020-21.

Given this, the decision was made to ask the Board to approve a placeholder Recommended budget in June, by rolling over FY2019-20 Adopted appropriations, revenues and use of fund balances, with limited exceptions, as the FY2020-21 Approved Recommended Budget. This will provide additional time to:

- Further refine our estimates of the impact of the Coronavirus Emergency and resulting economic downturn on the County's discretionary, Semi-discretionary and other revenues, as well as on expenditures; and
- Work with department heads to develop carefully thought out plans to make whatever reductions in expenditures may be needed as a result of anticipated revenue reductions.

The limited exceptions to the roll-over budget include revisions to debt service fund budgets required by the terms of the bond indentures and appropriations for the new Dental Insurance Fund created during FY2019-20, when the County became self-insured for employee dental insurance.

The FY2020-21 Recommended Budget is attached. Also attached is a resolution approving the Recommended Budget.

FINANCIAL ANALYSIS

As proposed, the Recommended Budget is balanced. Approval of the Recommended Budget will provide appropriation authority for the first three months of Fiscal Year 2020-21.

Attachment(s):

Resolution

ATT 1 – FY2020-21 Recommended Budget Letter