

County Executive  
Navdeep S. Gill



## County of Sacramento

### ATTACHMENT 1

**Board of Supervisors**  
Phillip R. Serna, District 1  
Patrick Kennedy, District 2  
Susan Peters, District 3  
Sue Frost, District 4  
Don Nottoli, District 5

June 10, 2020

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

### **Re: Fiscal Year 2020-21 Recommended Budget**

Honorable Members of the Board:

The Coronavirus (COVID-19) Public Health Emergency and resulting economic downturn have drastically changed the fiscal environment for states and local governments throughout the nation, including Sacramento County. At this point, we know that we are facing significant reductions in discretionary and Semi-discretionary (Realignment and Proposition 172) revenue as well as certain other revenue sources and potential increases in costs. However, because the situation we are facing is so new and evolving so quickly it is particularly challenging to assess the full nature of the situation and craft an appropriate response. For that reason, I am proposing a FY2020-21 Recommended Budget that, with limited exceptions, rolls over the appropriations/expenditures, revenues, inter-fund transfers and reserves in the FY2019-20 Adopted Budget. This Recommended Budget will provide appropriation authority to continue County operations until a new FY2020-21 Budget is adopted in September. This will give us 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 budget rollover include revisions to debt service fund budgets required by the terms of the bond indentures and appropriations for the new

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Dental Insurance created during FY2019-20, when the County became self-insured for employee dental insurance.

The FY2019-20 Adopted Budget was adopted by the Board of Supervisors on September 24, 2019 and is available on the web page of the County's Office of Budget & Debt Management.

The budget units in the Recommended Budget with changes from the FY2019-20 Adopted Budget are presented in Exhibit A.

The Recommended Budget's Appropriations, Reimbursements, Net Financing Uses, Revenue and Net County Cost or Use of Fund balance are summarized by budget unit and fund in Exhibit B.

With regard to Exhibits A and B, it should be noted that the Total Appropriation numbers are, for many budget units, a different (higher) number than the appropriations numbers shown in the FY2019-20 Adopted Budget. This is due to a change in way we define appropriations in the new budget system that is being implemented with the FY2020-21 Budget. Previously, appropriations were net of reimbursements from other funds or budget units (negative expenditures). This avoided double counting of appropriations for all funds, but under-counted what appropriations/expenditures were in a particular budget unit. With the new budget system, appropriations for each budget and fund are before reimbursements and reimbursements are shown as a resource. The Net Financing Uses numbers are net of reimbursements, to show what total expenditures would be across all funds without the double counting.

The Summary of Positions for the County (which includes all positions that have been approved as of May 19, 2020), is provided in Exhibit C. The Summary of Positions for dependent districts is provided in Exhibit D.

I look forward to discussing the County's budget situation with you in more detail in September.

Sincerely,

Navdeep S. Gill  
County Executive

Attachments:

Exhibit A: Budget Units with Changes Fiscal Year 2019-20 Adopted Budget

Exhibit B: Fiscal Year 2020-21 Recommended Appropriations

Exhibit C: Permanent Position Summary

Exhibit D: Special Districts Permanent Position Summary