



**FISCAL YEAR 2021-22
REVISED RECOMMENDED
BUDGET**

Presented By:

COUNTY EXECUTIVE OFFICE

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HOLISTIC APPROACH TO FY2021-22 BUDGET

- ▶ **FY2021-22 Approved Budget included significant new investment in priorities identified by Board:**
 - Addressing impact of homelessness
 - Providing alternative to law enforcement response to persons experiencing mental health issues
 - Addressing critical capital needs in Regional Parks and at Mather Community Campus
 - Improving the condition of the County's roads

- ▶ **The Revised Recommended Budget:**
 - Prioritizes additional investments identified in Approved Budget and enhancing General Fund reserves, as directed in Approved Budget
 - Provides additional funding for certain other critical needs

FY2022-23 BUDGET COMMUNITY ENGAGEMENT

- ▶ **Engagement process for FY2022-23 budget already underway:**
 - Budget in Brief summary of FY2021-22 County budget
 - Departments engaging with advisory boards on priorities
 - Enhanced budget website under development
 - Polling firm selection underway

- ▶ **Ongoing/next steps:**
 - Gather additional input on budget priorities
 - Conduct budget workshops
 - Recommend questions to include in polling
 - Recommend budget priorities based on polling results and other input received

BUDGET OVERVIEW

- ▶ Revised Recommended Budget reflects changes based on new information available
- ▶ Changes from Approved Recommended Budget include:
 - Re-budgeting of grants, capital projects, and other contractual obligations from FY2020-21
 - Additional State and federal funding and associated expenditures
 - Cost of Living Adjustments (COLA) for County employees
 - Revised estimates of discretionary and Semi-discretionary revenues
 - Actual unaudited ending fund balance
- ▶ Does not reflect use of American Rescue Plan Act State and Local Fiscal Recovery allocation

BUDGET OVERVIEW

- ▶ As directed in June, General Fund budget prioritizes identified Growth and increasing General Fund reserves
- ▶ Additional critical enhancements also recommended for funding
- ▶ General Fund Budget continues to be balanced with significant reliance on one-time resources

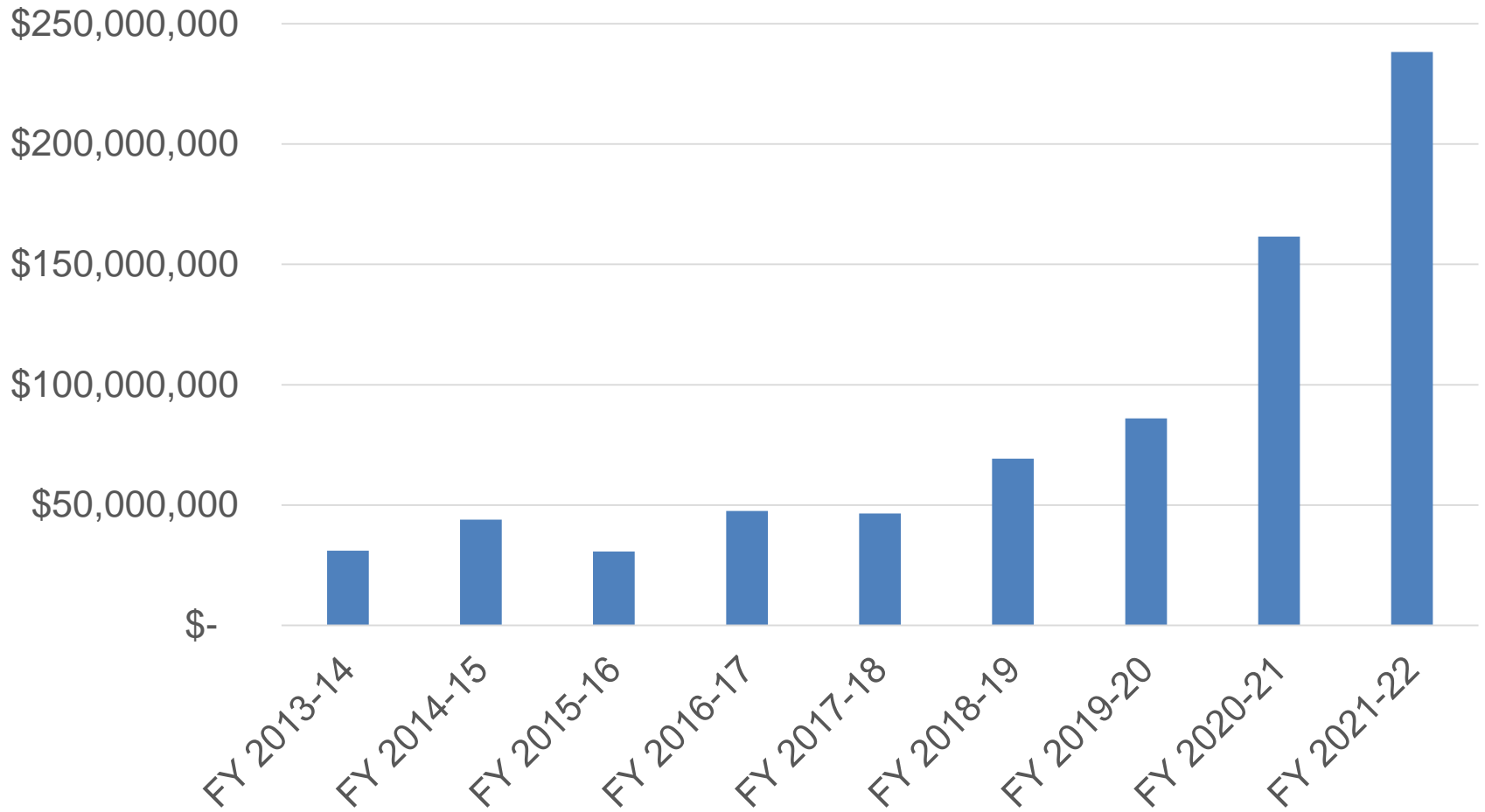
ALL FUNDS - \$6.942 BILLION

- ▶ \$400 million (6.1%) appropriation increase compared to Approved Budget
- ▶ \$211 million General Fund increase
- ▶ \$190 million non-General Fund increase
 - Semi-discretionary Revenue Restricted Funds: \$42 million
 - Base Budget changes in other funds: \$141 million
 - Non-General Fund Growth: \$7 million

GENERAL FUND RESOURCE ADJUSTMENTS

- ▶ \$273 million (8.6%) increase in total General Fund resources
- ▶ **Departmental Revenue and Reimbursements:** \$150 million (10.2%) increase
- ▶ **Semi-discretionary Reimbursements:** \$42 million (5.2%) increase
- ▶ **Discretionary Revenues:** \$14 million (1.9%) increase
 - Property Taxes: \$5.7 million (1.1%) increase
 - Sales Taxes: \$3.5 million (3.6%) increase
- ▶ **Available Fund Balance Carry-forward:** \$66 million (38.5%) increase (\$238 million total)

GENERAL FUND AVAILABLE FUND BALANCE



GENERAL FUND APPROPRIATIONS

- ▶ \$211 million increase in General Fund appropriations to \$3.365 billion
- ▶ Base Budget Changes: \$176 million increase
 - \$140 million re-budgeting and other changes primarily related to additional State/federal funding
 - \$14 million COLA adjustment
 - \$10 million re-budgeted for public health response to COVID-19
 - \$7 million to fully pay off Interfund Transfer
 - \$6 million contingency increase to be available for critical homelessness needs
- ▶ New/Enhanced Programs: \$35 million increase (\$26 million Net County Cost)

NEW OR ENHANCED PROGRAMS (GROWTH)

- ▶ \$64.4 million in Net County Cost Growth funded in Approved Budget
- ▶ \$22.5 million Growth prioritized in June, including:
 - **New Property Tax System** – \$15.0 million
 - **Mather Community Campus** – \$4.0 million in addition to \$1.0 million in Approved Budget
 - **Homeless Encampment Initiative** – \$1.5 million increase, for total Net County Cost of \$7.0 million
 - **911 Dispatchers** – \$1.4 million in addition to \$0.4 million in Approved Budget
- ▶ \$3.5 million additional Net County Cost Growth recommended
- ▶ \$90.4 million total FY2021-22 Net County Cost Growth

ADDITIONAL GROWTH RECOMMENDED

- ▶ Enhancements to Homeless Encampment Initiative:
 - American River Parkway Encampment Team - \$540,000
 - Encampment Debris Removal - \$500,000
 - Encampment Coordinator and Homeless Analytics Staffing - \$291,000
 - \$6 million increase to appropriation for contingency to be available for critical homelessness needs

- ▶ Most Significant Other Critical Needs:
 - Project Roomkey Extension - \$6.2 million (\$865,000 NCC)
 - Regional Parks Wildfire Fuel Reduction - \$573,000
 - FY2022-23 Budget Community Engagement - \$250,000
 - Diversity, Equity, and Inclusion Consulting Services - \$200,000
 - Animal Care Program Coordinators - \$125,000

NEW GENERAL FUND GROWTH

Department/Budget Unit	Total Appropriations	Revenue/ Reimbursement	Net County Cost	FTE
Assessor	\$125,000	\$0	\$125,000	0.0
District Attorney	\$219,176	\$219,176	\$0	1.0
Sheriff	\$1,758,401	\$0	\$1,758,401	15.0
County Executive Cabinet	\$490,981	\$0	\$490,981	2.0
Financing-Transfers/Reimbursement	\$4,500,000	\$0	\$4,500,000	0.0
Non-Departmental Costs/General Fund	\$250,000	\$0	\$250,000	0.0
Planning and Environmental Review	\$15,000	(\$60,000)	\$75,000	0.0
Data Processing-Shared Systems	\$14,926,094	\$0	\$14,926,094	0.0
Department Of Finance	\$492,692	\$418,786	\$73,906	4.0
Animal Care And Regulation	\$124,668	\$0	\$124,668	0.0
Regional Parks	\$601,022	\$27,994	\$573,028	5.0
Child, Family and Adult Services	\$127,731	\$127,731	\$0	1.0
Child Support Services	\$2,534,354	\$2,534,354	\$0	25.0
Correctional Health Services	\$18,415	\$0	\$18,415	0.0
Health Services	\$317,124	\$126,173	\$190,951	1.0
Human Assistance-Administration	\$8,244,843	\$5,339,524	\$2,905,319	0.0
Juvenile Medical Services	\$2,853	\$0	\$2,853	0.0
Probation	\$356,000	\$356,000	\$0	0.0
Total General Fund	\$35,104,354	\$9,089,738	\$26,014,616	54.0

NEW NON-GENERAL FUND GROWTH

Department/Budget Unit	Total Appropriations	FTE
Airport System	\$1,500,000	0.0
Airport-Cap Outlay	\$425,000	0.0
Capital Construction	\$4,000,000	0.0
Department of Technology	\$125,996	1.0
General Services	\$199,762	3.0
Solid Waste Authority	\$500,000	0.0
Total Non-General Fund	\$6,750,758	4.0

GENERAL FUND DISCRETIONARY RESERVES

- ▶ 2016 General Reserves Policy
 - Calls for increasing General Reserves each year by 10% of prior year ending fund balance
 - General Reserves target balance of 10% of discretionary revenues/reimbursements (\$74 million in FY2021-22)
- ▶ \$23.8 million increase to General Reserves, for a balance of \$45.0 million (6%)
- ▶ Other General Fund Reserves:
 - \$19.0 million to a new Property Tax System reserve
 - \$19.0 to the Reserve for Audit Report Payback/Future Litigation Settlement Costs, for balance of \$25.1 million

BUDGET UNCERTAINTIES AND RISKS

- ▶ Future impact of COVID-19 pandemic
- ▶ Hardesty-Schneider lawsuit
- ▶ Reliance on one-time resources

RECOMMENDED ACTION

- ▶ Approve the FY2021-22 Revised Recommended Budget
- ▶ Direct the Department of Personnel Services to prepare an administrative salary resolution amendment (SRA) to reflect the positions approved by the FY2021-22 Adopted Budget, including any deletion of positions
- ▶ Direct the Department of Finance to prepare the FY2021-22 Budget Resolutions for Board consideration on September 28, 2021
- ▶ Approve the new or revised projects for inclusion in the County's Capital Improvement Plan (CIP)