

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
September 4, 2024  
9:30 A.M.

To: Board of Supervisors

Through: David Villanueva, County Executive

From: Amanda Thomas, Chief Fiscal Officer  
Office of Budget & Debt Management

Subject: Public Hearing On, And Consideration Of Possible Revisions  
To, The Fiscal Year 2024-25 Approved Recommended  
Budget And Capital Improvement Plan

District(s): All

**RECOMMENDED ACTION**

1. Approve the Fiscal Year (FY) 2024-25 Revised Recommended Budget.
2. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA) to reflect the positions approved in the FY 2024-25 Adopted Budget, including any deletion of positions and recognizing any class name changes approved by the Board but not yet reflected in the FY 2024-25 Summary of Positions.
3. Direct the Department of Finance to prepare the FY 2024-25 Budget Resolutions for Board of Supervisors (Board) consideration on September 24, 2024.
4. Approve the project changes and new projects for inclusion in the County's Capital Improvement Plan (CIP) as shown on Attachment 1.
5. Approve the Community Engagement Plan for the FY 2025-26 budget process.

**BACKGROUND**

The County Budget Act requires that boards of supervisors in every county approve a Recommended Budget by June 30<sup>th</sup> for the fiscal year that begins on the upcoming July 1<sup>st</sup>. This Approved Recommended Budget provides appropriation (expenditure) authority from July 1, until the budget is adopted, which must occur no later than October 2<sup>nd</sup>. Prior to October 2<sup>nd</sup>, the Budget Act requires that boards of supervisors hold a public hearing on the Approved Budget, including any recommended revisions, make any changes desired and, ultimately, approve resolutions adopting the budget.

In Sacramento County, the annual budget process begins in October and involves departments preparing their requested budgets, which are reviewed and analyzed by staff in the Office of the County Executive (OCE). OCE staff also prepare estimates of the amount of discretionary and semi-discretionary (Proposition 172 and Realignment) revenue the County will receive. After review, the County Executive provides a Recommended Budget to the Board of Supervisors for consideration, and the Board hears public comment, makes any desired revisions and approves the Recommended Budget (the "Approved Budget").

Following closing of the County's books for the prior fiscal year in late July, departments prepare requests for revision to the Approved Budget based on updated fund balance and other information. OCE staff reviews those requests and updates discretionary and semi-discretionary revenue estimates. After review, the County Executive then recommends revisions to the Approved Budget (the "Revised Recommended Budget").

The purpose of this meeting is for the Board to hold a public hearing on, and approve revisions to, the FY 2024-25 Approved Budget. In addition to approving the Revised Recommended Budget, staff is requesting that the Board take several related actions. These include:

- Directing the Department of Personnel Services to prepare an administrative SRA to reflect the positions approved in the FY 2024-25 Adopted Budget, including the deletion of positions.
- Directing the Department of Finance to prepare the FY 2024-25 Budget resolutions for Board consideration on Tuesday, September 24, 2024.
- Approving the new or revised projects for inclusion in the County's CIP as shown on Attachment 1. These are projects that are included in the Revised Recommended Budget.

#### Prioritized Growth and Reserves

The Approved Budget identified certain new or enhanced programs (growth) funded with General Fund discretionary resources that were not included in the Recommended Budget but were a priority for funding in the Revised Recommended Budget.

Under the Board's General Fund Reserve Policy, the funding approach for the Revised Recommended Budget is to use additional discretionary resources in the following order of priority:

1. Fund any changes in base budget requirements and any new required County obligations.
2. Adjust the contribution to the General Reserve as needed to maintain a balance of 10% of discretionary revenue.
3. With any remaining discretionary resources, fund growth identified in the Approved Budget for consideration in the Revised Recommended Budget, with a goal of aligning ongoing expenditure growth with ongoing resources.
4. Deposit any remaining net increase in discretionary resources to the Service Stability Reserve until the Reserve Target is reached, and then to other reserves as needed.

The recommendations included in the Revised Recommended Budget are consistent with the Reserve Policy funding approach.

#### Community Engagement Plan

On June 10, 2021, the Board approved a community engagement plan for preparation of the FY 2022-23 budget, which was implemented by staff and served as the basis for the budget priorities adopted by the Board on December 8, 2021. Under the community engagement plan framework approved in 2021, subsequent budget processes have also included extensive public outreach and engagement resulting in the development of Board budget priorities.

For the FY 2025-26 budget, staff recommends a community engagement plan that continues to build on elements implemented in prior years. Specifically, the following community engagement and outreach elements are recommended to support development of the FY 2025-26 budget:

- Easy-to-understand information about the County's budget, including a "Budget in Brief" budget summary to be published for the FY 2024-25 Adopted Budget and updates to the "Budget Explorer Tool," that allows users to drill down into the County's budget will continue to be provided on the County's website.
- Continuing our practice of conducting budget priority surveys every other year and focus groups in the intervening years, focus groups of County residents will build on earlier survey results and provide additional

qualitative data to support or refine the budget priorities. Information gleaned from these focus groups would also support development of an updated budget priorities survey to be conducted in 2025, in support of the FY 2026-27 budget process.

- County departments will continue to engage with the County's advisory boards and commissions to both share information about the County's budget and seek input from board and commission members about their priorities for departmental budget requests.
- One or more budget workshops open to the public and with participation from department representatives will be conducted to share information about the County's budget and provide an opportunity for the public to ask questions.

Based on information gathered through these efforts, staff will recommend to the Board any updates or refinements to the budget priorities in advance of the development of the FY 2025-26 budget.

### **FINANCIAL ANALYSIS**

As proposed, the County's Budget is balanced.

Attachment:

ATT 1 - Adjustments to the Capital Improvement Plan (CIP) and List of New Projects by Department