



# Fiscal Year 2024-25 Revised Recommended Budget

Office of the County Executive

September 4, 2024

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Amanda Thomas, Chief Fiscal Officer

# Overview of Budget Changes

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- FY 2024-25 Recommended Budget approved on June 5, 2024
  - Included growth prioritized for funding in the Revised Recommended Budget
- Revised Recommended Budget reflects changes to Approved Budget based on new information available:
  - Re-budgeting of grants, capital projects, and other contractual obligations from FY 2023-24
  - Changes in dedicated funding and associated expenditures
  - Revised estimates of discretionary and semi-discretionary revenues
  - Actual unaudited ending fund balances
  - Growth and reserve changes funded with change in resources

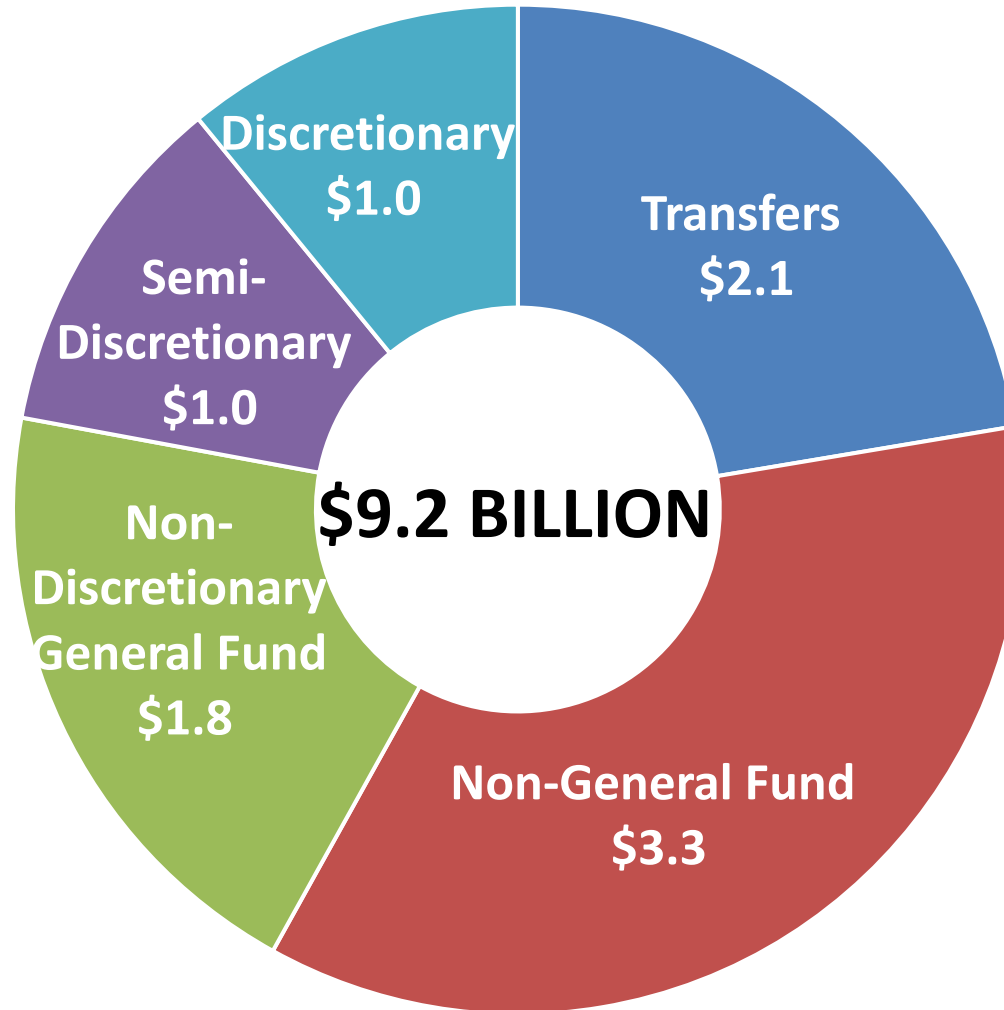
# All Funds Budget

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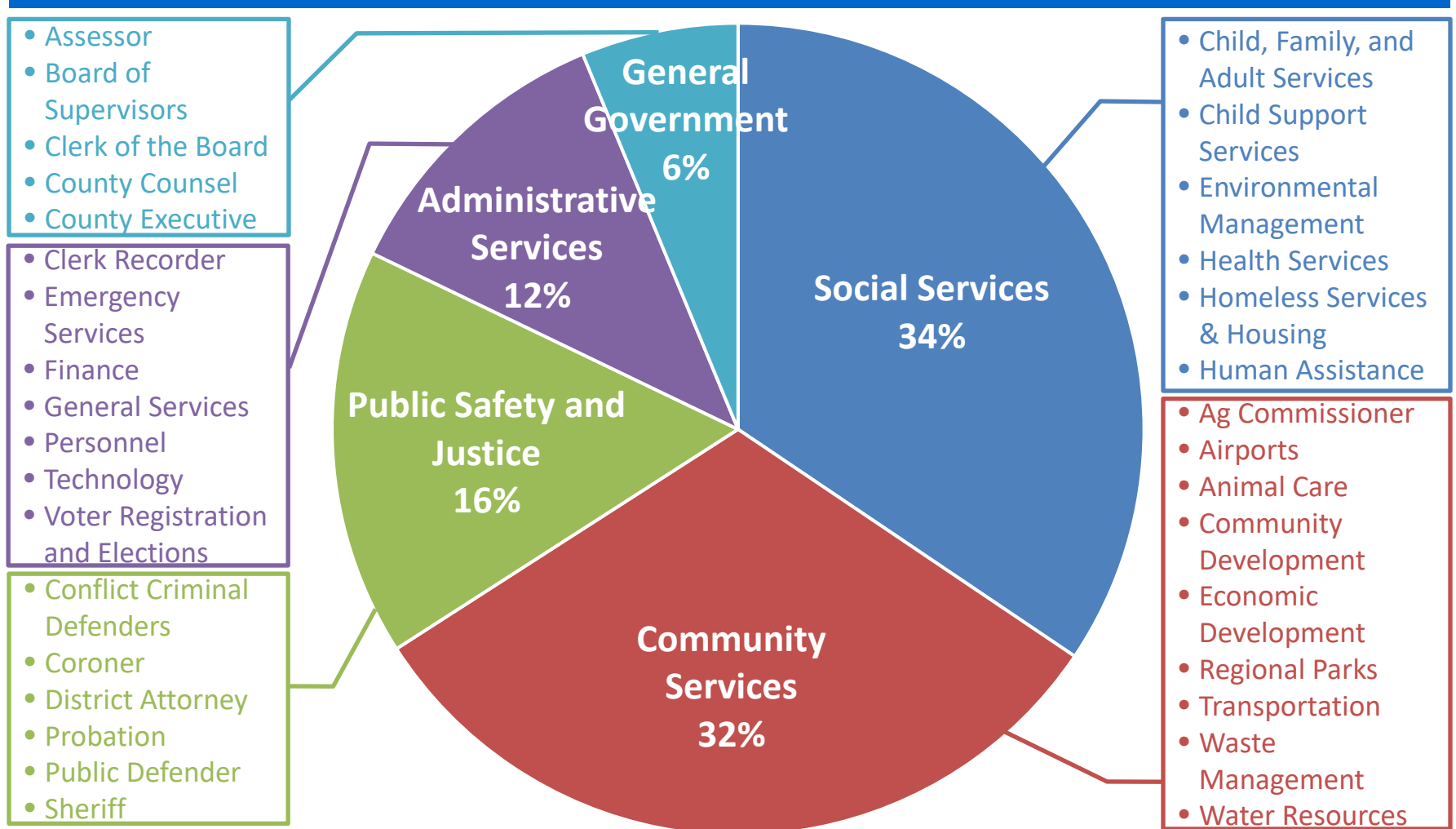
- \$9.2 billion in total appropriations, \$340 million increase compared to Approved Budget
- General Fund: \$68 million appropriation increase
- Other funds: \$272 million appropriation increase
  - Base budget changes: \$249 million
  - Growth: \$23 million
- \$9.2 billion total appropriations include \$2.1 billion of transfers between County funds

# All Funds Appropriations

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# All Funds Net Appropriations: \$7.1B



*Note: Semi-discretionary resources reflected in functional area receiving reimbursements.*

# General Fund Overview

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- Increase in discretionary resources available results primarily from one-time fund balance carryforward
  - Budget balanced with one-time resources to a greater extent than in Approved Budget
- Consistent with June budget approval, prioritized growth recommended for funding
- Additional growth recommended to meet County obligations
  - Includes backfill of certain categorical reductions
- Reserve contributions as called for in Board's reserve policy
- ARPA reallocation approved in April 2024 results in ARPA-related fund balance and reserves

# General Fund Discretionary Resources

## Discretionary Resources Available

↑ **\$36M | \$112M total**  
Fund balance (non-ARPA)

+

↓ **\$5M | \$5M total**  
Reserve releases

+

↑ **\$3M | \$907M total**  
Discretionary revenue

**\$15M**

ARPA fund balance

=

## Use of Discretionary Resources

↑ **\$27M | \$1.02B total**  
Net County Cost

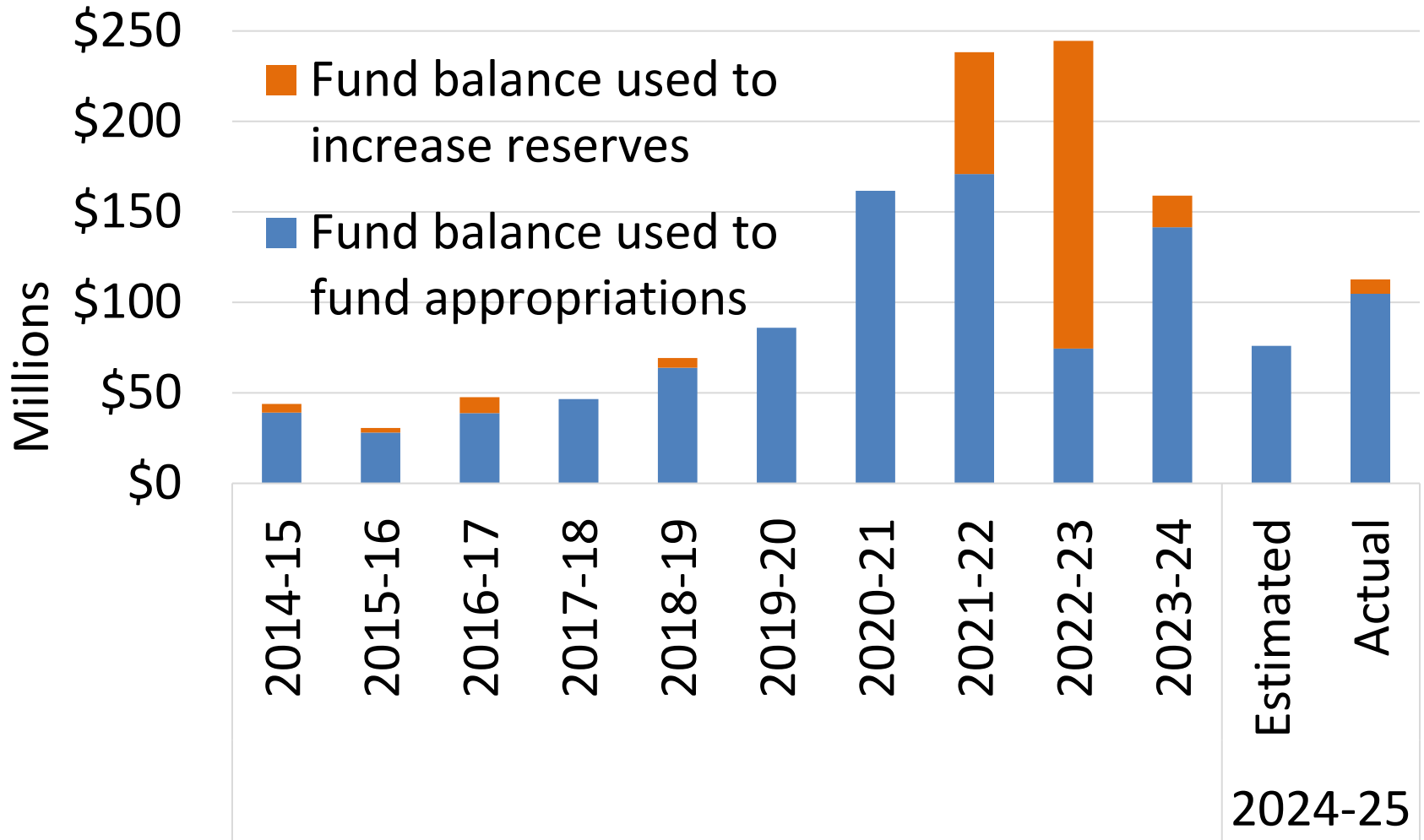
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↑ **\$7M | \$7M total**  
Reserve increases (non-ARPA)

**\$15M**

ARPA-related reserves

# Available Fund Balance Carry-Forward





# Semi-Discretionary Resources

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- Semi-discretionary revenue/reimbursements = 1991 and 2011 Realignment and Proposition 172 Public Safety Sales Tax
- Reimbursements to the General Fund: \$3 million increase
  - \$8 million Mental Health Realignment reserve funding for additional behavioral health expenditures
  - \$7 million reduction in Public Safety Sales Tax revenue, requiring equivalent increase in Net County Cost
  - \$3 million increase in other categories, including recommended growth

# General Fund Appropriations

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- Base appropriation increase of \$48 million:
  - Re-budgeting of projects, grants, and other obligations from prior fiscal year
  - Additional State and federally funded programs and other costs already approved by the Board but not yet reflected in the budget
  - Maintains contingency at \$15 million, consistent with Board's contingency policy
- \$4 million categorical reductions due to revenue loss
- \$23 million recommended growth

# Categorical Revenue Reductions

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- **Child Support Services** - \$1.1 million State funding reduction results in elimination of 11 vacant positions
- **Probation:**
  - Treatment Courts - \$0.2 million federal funding for one position *recommended for backfill*
  - Juvenile Justice Realignment - \$1.4 million for three Probation positions and one Public Defender position *recommended for backfill*
  - Post Release Community Supervision - \$0.5 million State funding for two vacant positions *not recommended for backfill*
  - Community Corrections Performance Incentives Act - \$0.7 million State funding for three vacant positions *not recommended for backfill*

# New or Enhanced Programs (Growth)

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- Approved Budget included over \$103 million in growth, including \$51 million in the General Fund
- Approved Budget also prioritized additional \$20 million of General Fund growth
- Revised Recommended Budget includes all prioritized growth plus additional General Fund growth of \$3 million
- Non-General Fund Growth of \$23 million primarily linked to General Fund growth

# Prioritized Growth

Department/Budget Unit	Total Appropriations	Net County Cost
Animal Care Services	\$ 16,709	\$ 16,709
Emergency Services	330,220	330,220
Financing-Transfers/Reimbursements	20,000,000	20,000,000
<b>Total General Fund</b>	<b>\$20,346,929</b>	<b>\$20,346,929</b>
Roads	\$20,000,000	
<b>Total Non-General Fund</b>	<b>\$20,000,000</b>	<b>\$ -</b>
<b>Total All Funds</b>	<b>\$40,346,929</b>	<b>\$20,346,929</b>

# Additional Recommended Growth

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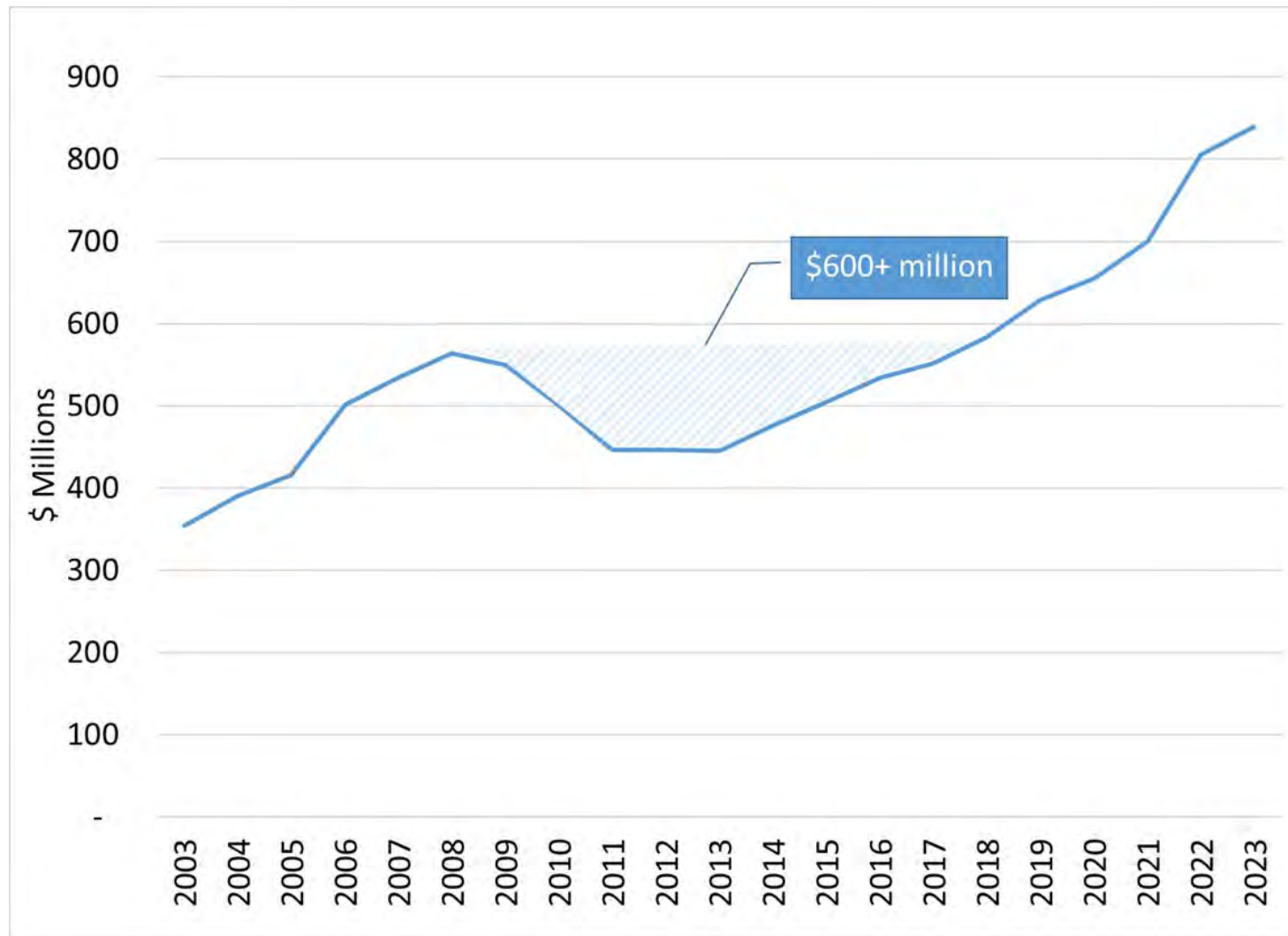
- **Probation – Backfill of Categorical Reductions:**
  - \$0.2 million Net County Cost for Treatment Courts
  - \$1.4 million for Juvenile Justice Realignment (\$0.8 million semi-discretionary and \$0.5 million Net County Cost)
- **Sheriff – Jail Medical Escorts:** \$0.9 million Net County Cost for four positions to facilitate medical appointments to comply with Mays consent decree
- **Human Assistance -** \$4.7 million of combined restored State funding for CalWORKs programs
- **Human Assistance -** \$0.4 million Net County Cost for County's share of statewide automated welfare system

# General Fund Reserves

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- \$27 million net reserve increase from Approved Budget
  - \$15 million for ARPA-related reserves
  - \$5 million reduction in release from Property Tax System Reserve
  - \$5 million contribution to General Reserves, bringing balance to 10% of discretionary revenue
  - \$2 million contribution to Service Stability Reserve
- Recommended discretionary, non-dedicated reserves total \$214 million
  - 5.7% of total revenue compared to policy target of 17%

# Historical Tax Revenues





# Community Engagement and Priorities

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- Community Engagement Plan framework includes:
  - Budget summary and online budget tool
  - Advisory board and commission outreach
  - Public budget workshops
  - Budget priority surveys and focus groups in alternating years
- Supports development of Board budget priorities
- Recommended plan for FY 2025-26 budget process includes budget priority focus groups

# Recommended Actions

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1. Approve the FY 2024-25 Revised Recommended Budget
2. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA)
3. Direct the Department of Finance to prepare the FY 2024-25 Budget Resolutions
4. Approve project changes and new projects for inclusion in the County's Capital Improvement Plan (CIP)
5. Approve the Community Engagement Plan for the FY 2025-26 budget process