

**FY 2009-10  
Proposed Budget**

# **Introductory Remarks**

Terry Schutten  
County Executive

# Overview

Nav Gill

Chief Operations Officer

# Overall County Budget

- Proposed Budget of \$4.3 billion
- All operations impacted
- Overall Decrease of \$960 million or 19%
- General Fund decrease of \$167 million or 8.24%

# What Impacts County Budget?

- State of the Economy
- Personnel Costs
- Debt and Credit Ratings
- State Budget Deficit

# Actions Taken During FY 2008-09

August-December 2008	FY 2010 Overhead Cost Reductions
November 2008	Cost Savings Directive
February 2009	Mid-Year Reductions - Health & Human Services
March 2009	Mid-Year Reductions - General Government
March - May 2009	Public Outreach
April 2009	Management Furlough and Elimination of COLA
May 2009	Budget Workshops

# Likely State Budget Risks

- Reimbursement Deferrals
- Proposition 1A (Protection of Local Government Revenues):
  - \$32 million - direct impact
  - Revenue Neutrality Agreements will increase impact
- Gas Tax: \$20 million
- Proposition 42 (Transportation Congestion Improvement Act):
  - \$5 million

# Likely State Budget Risks

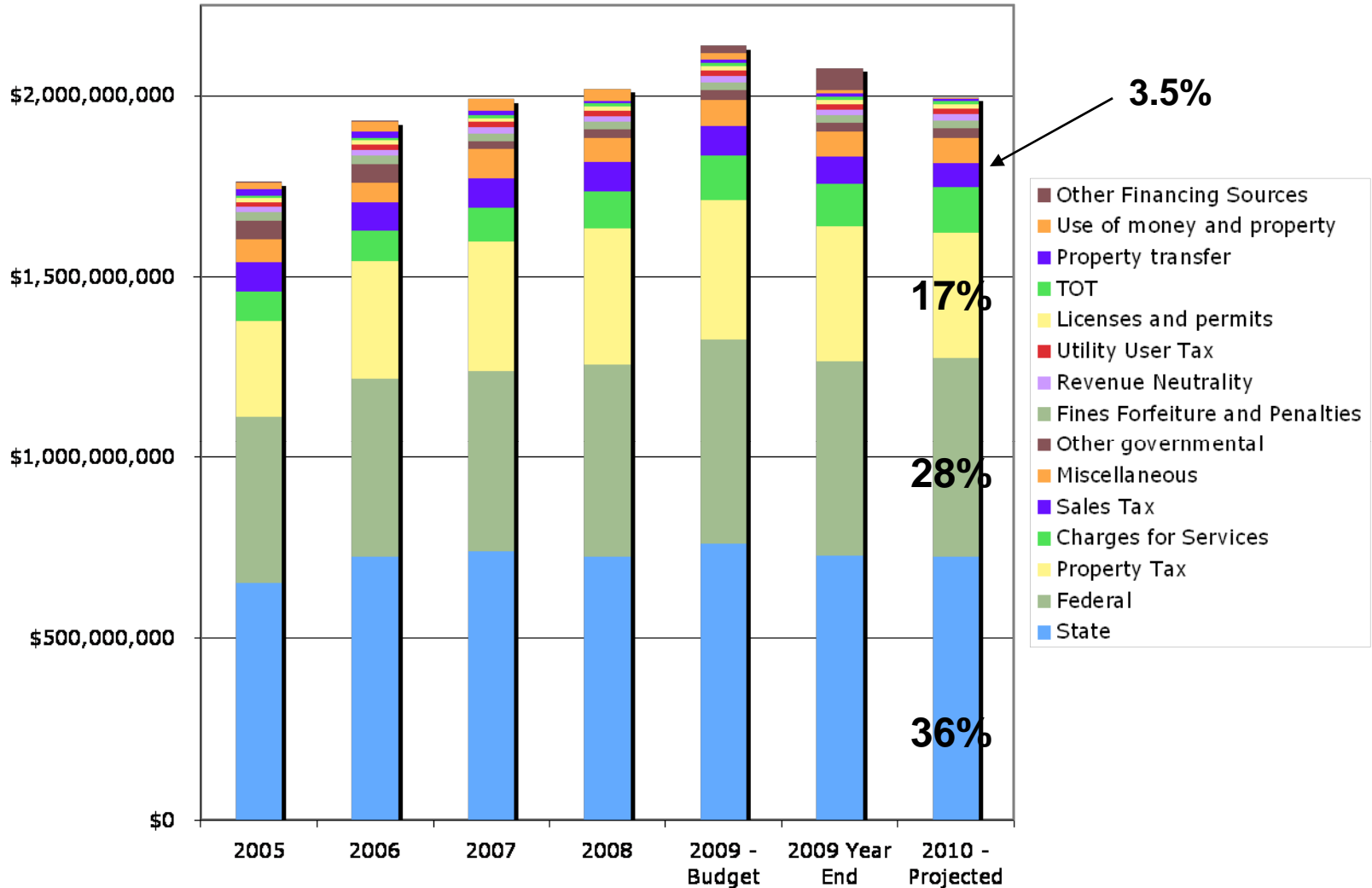
- Health & Human Services Programs
  - Program Reductions
    - Elimination of CalWORKS
  - Transferring responsibility to County
    - Prop 36 (Substance Abuse and Crime Prevention Act) Funding Eliminated; County required to provide services
    - Shift In-Home Support Services Responsibility to County
- Miscellaneous
  - Animal Care – Hayden Bill (SB1785) - Reduction in holding days from 5 to 3
  - Elimination of Williamson Act



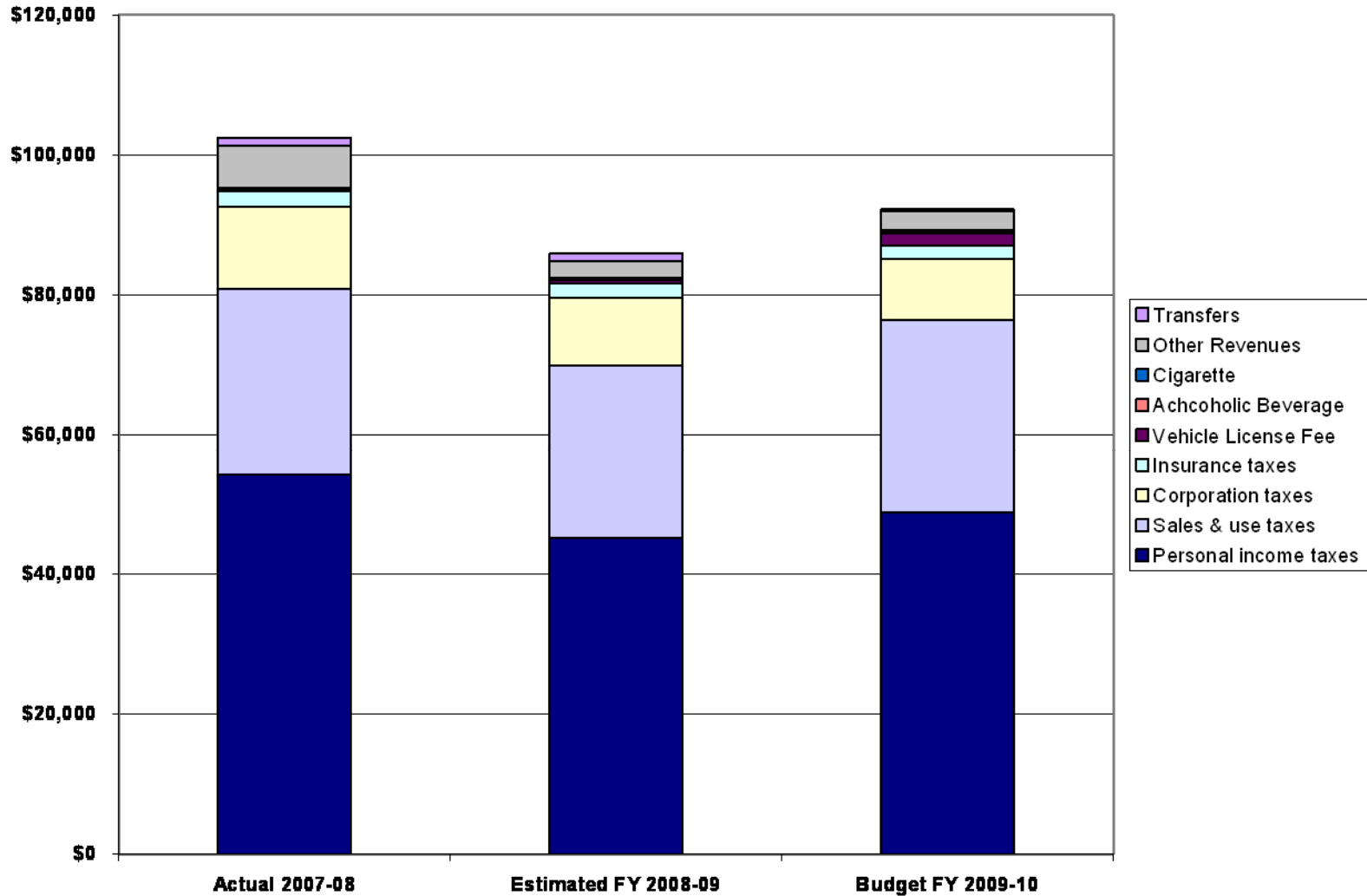
# **General Fund Revenue**

Karen Zazzi  
Principal Analyst

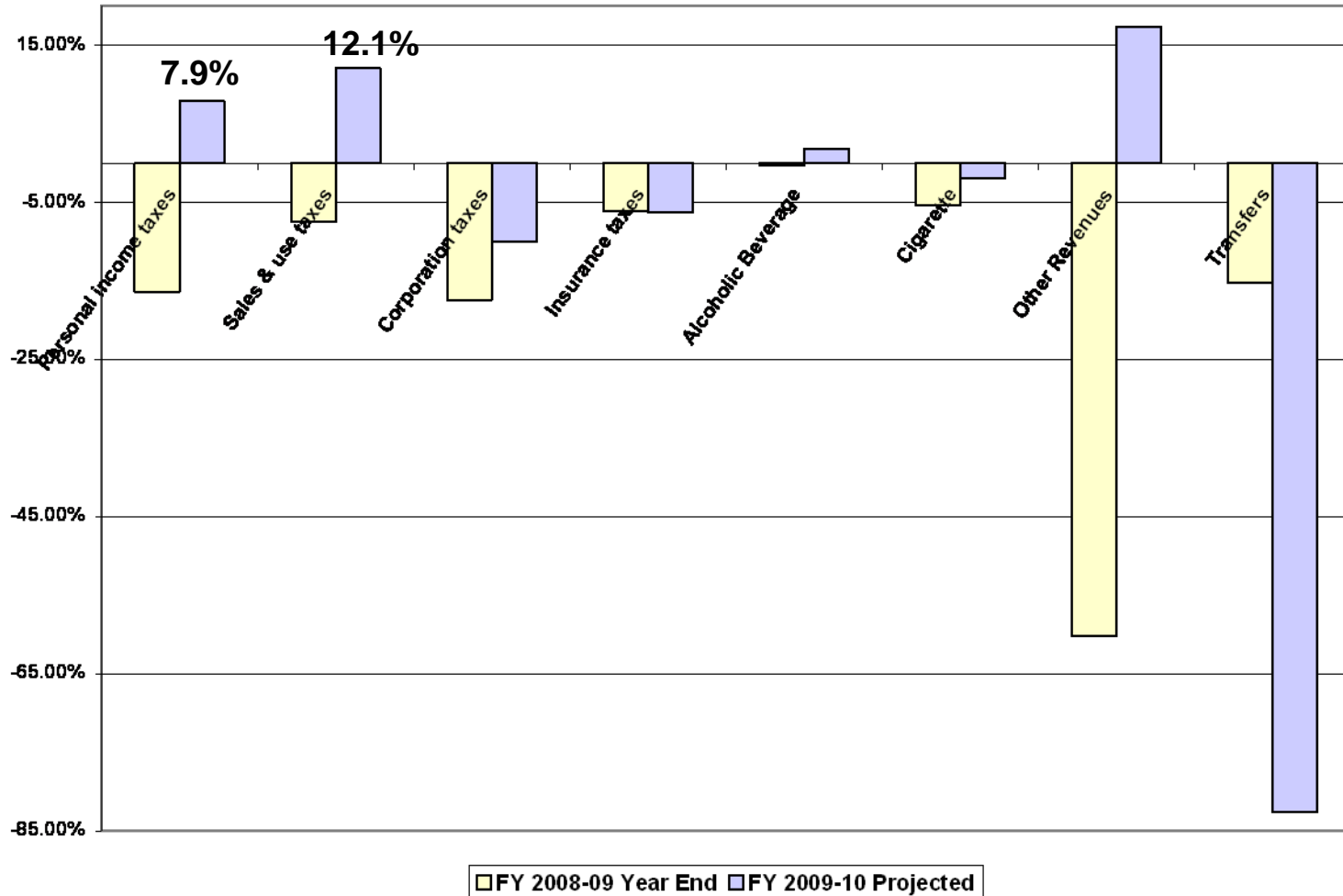
# County General Fund Revenue Sources



# State Revenue General Fund Sources

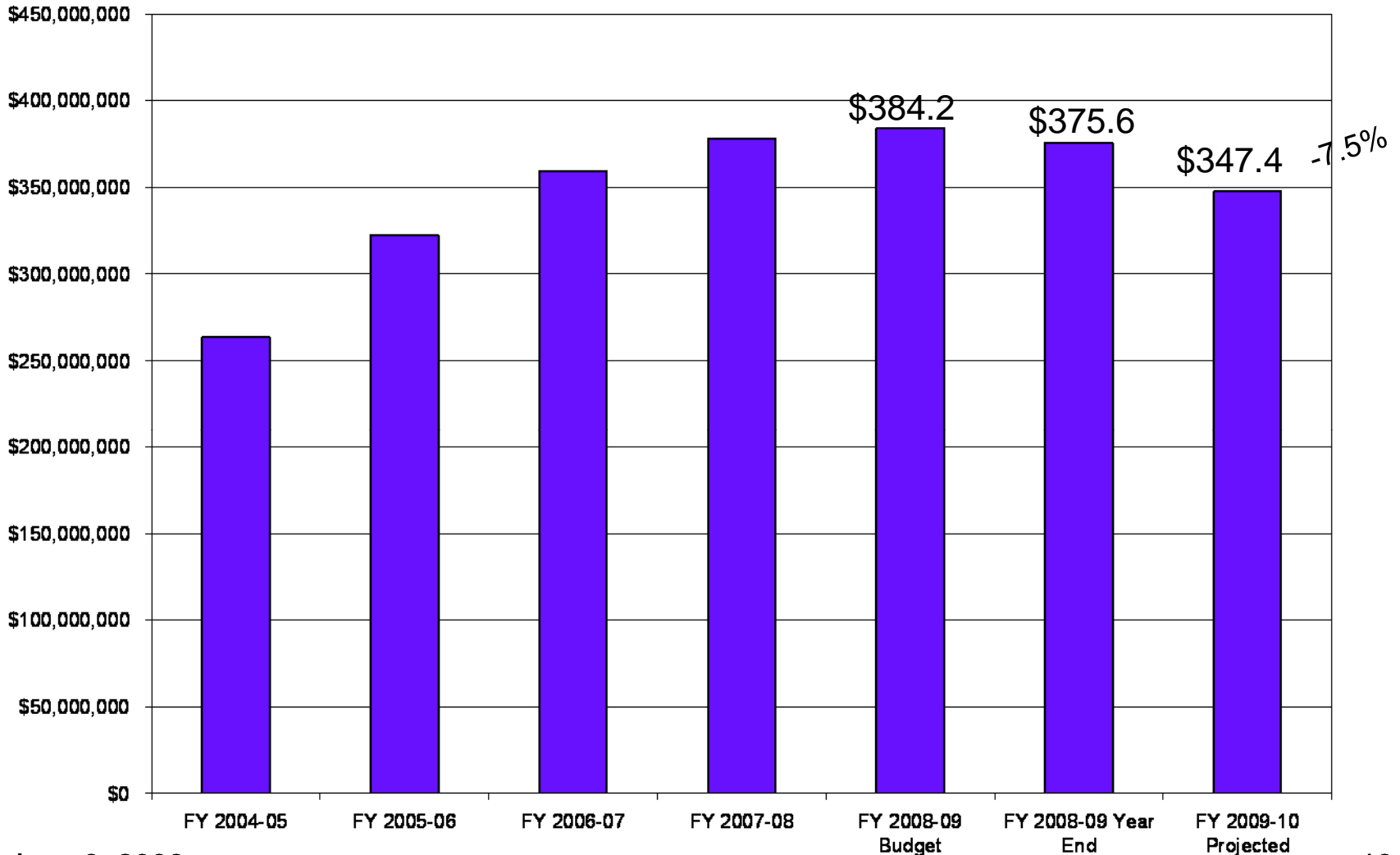


# State Revenue Percent Change



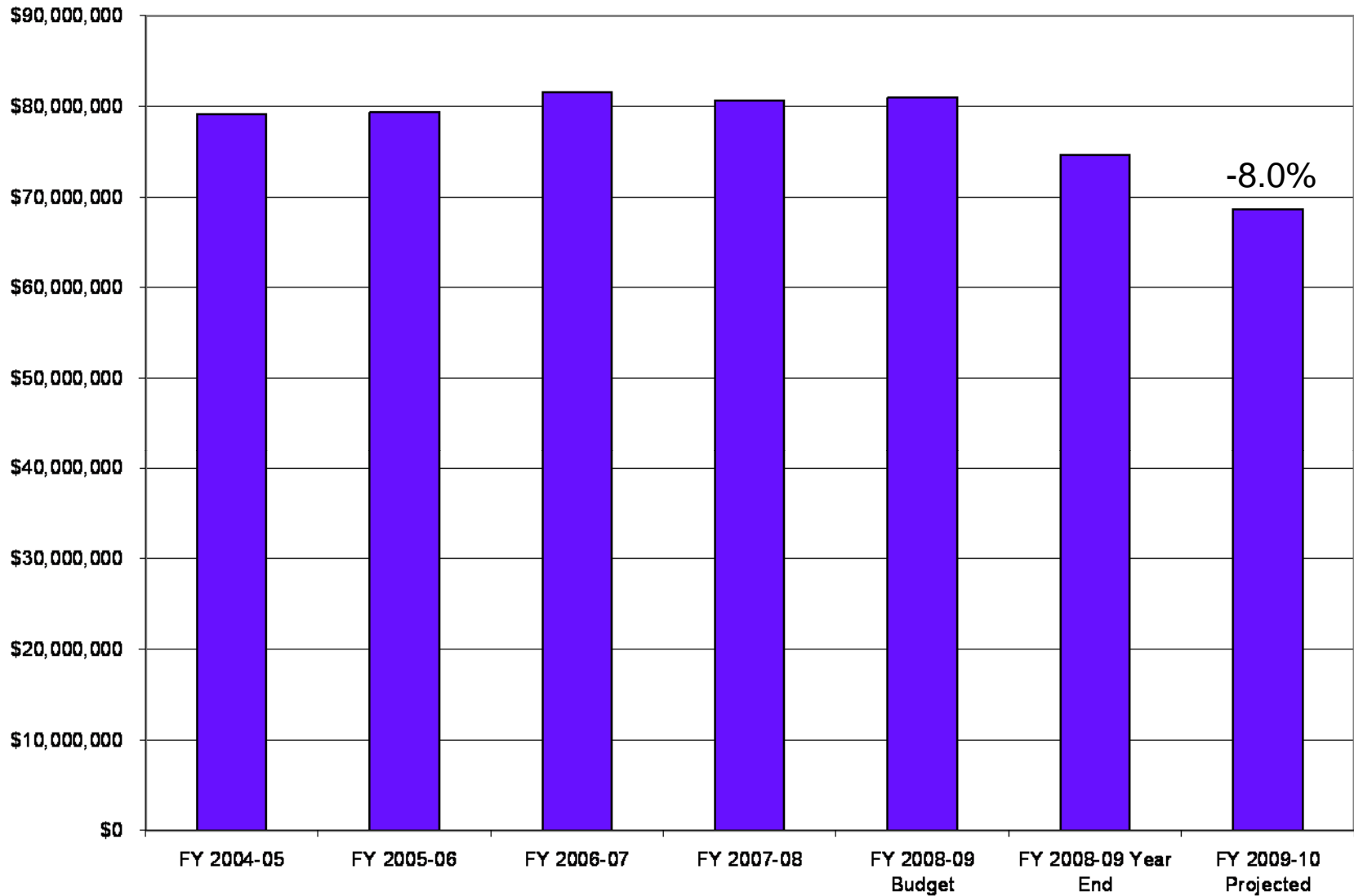
# County Property Tax

including : Secured, Unsecured, Supplemental, Delinquent and Unitary



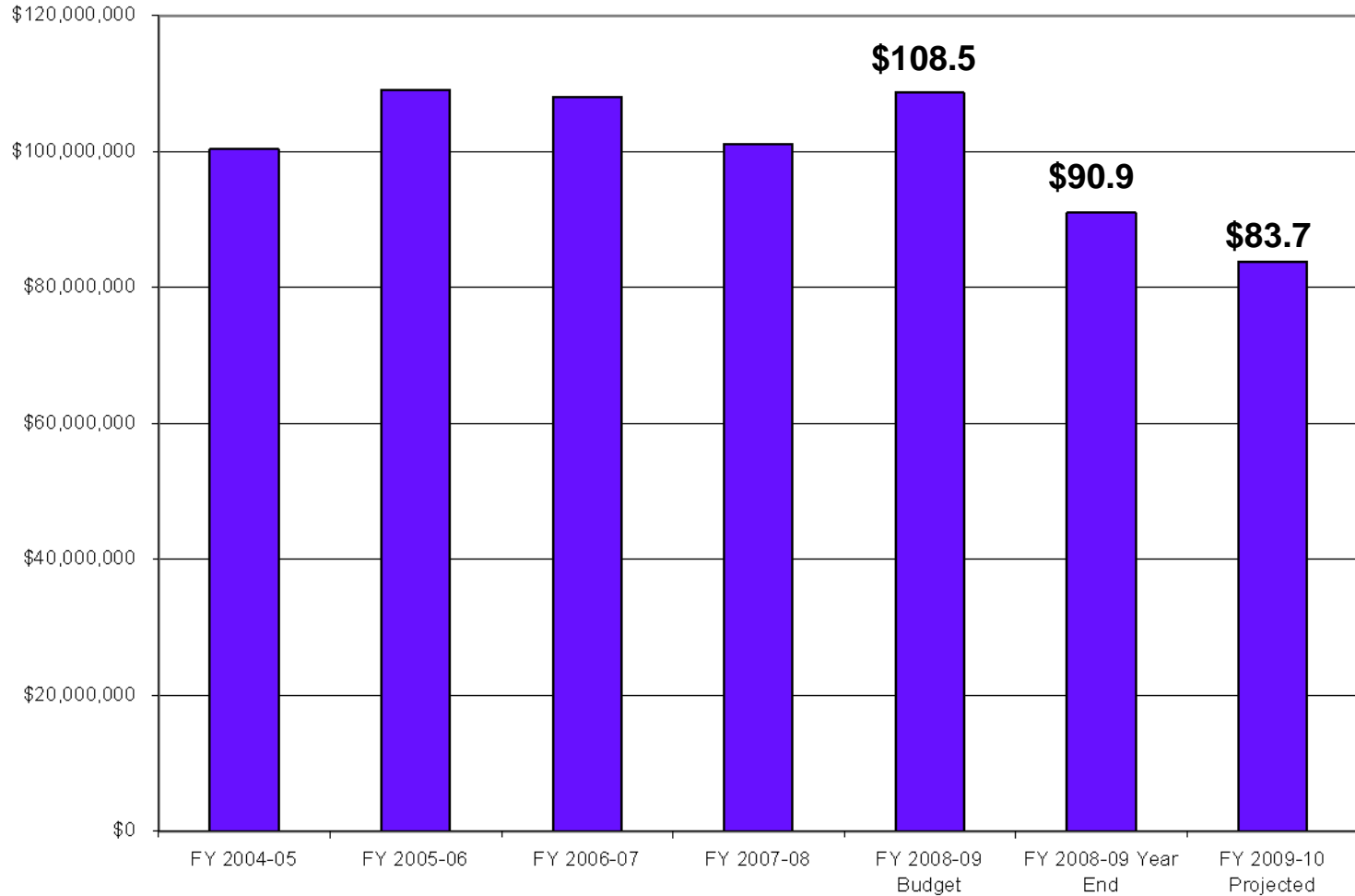
June 9, 2009  
Sacramento County

# County Sales Tax

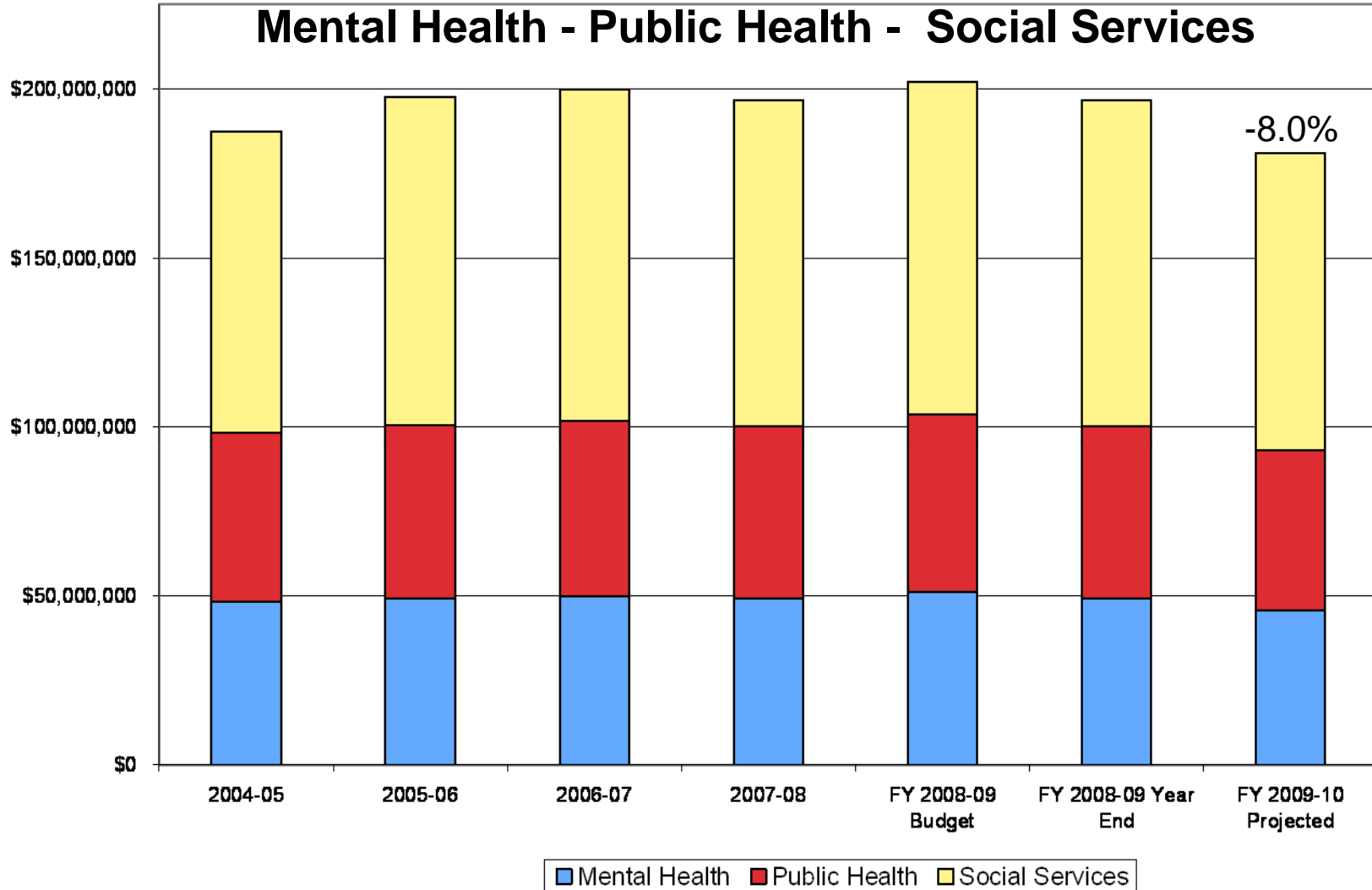


June 9, 2009  
Sacramento County

# Proposition 172 – Local Public Safety 1/2 Cent Sales Tax



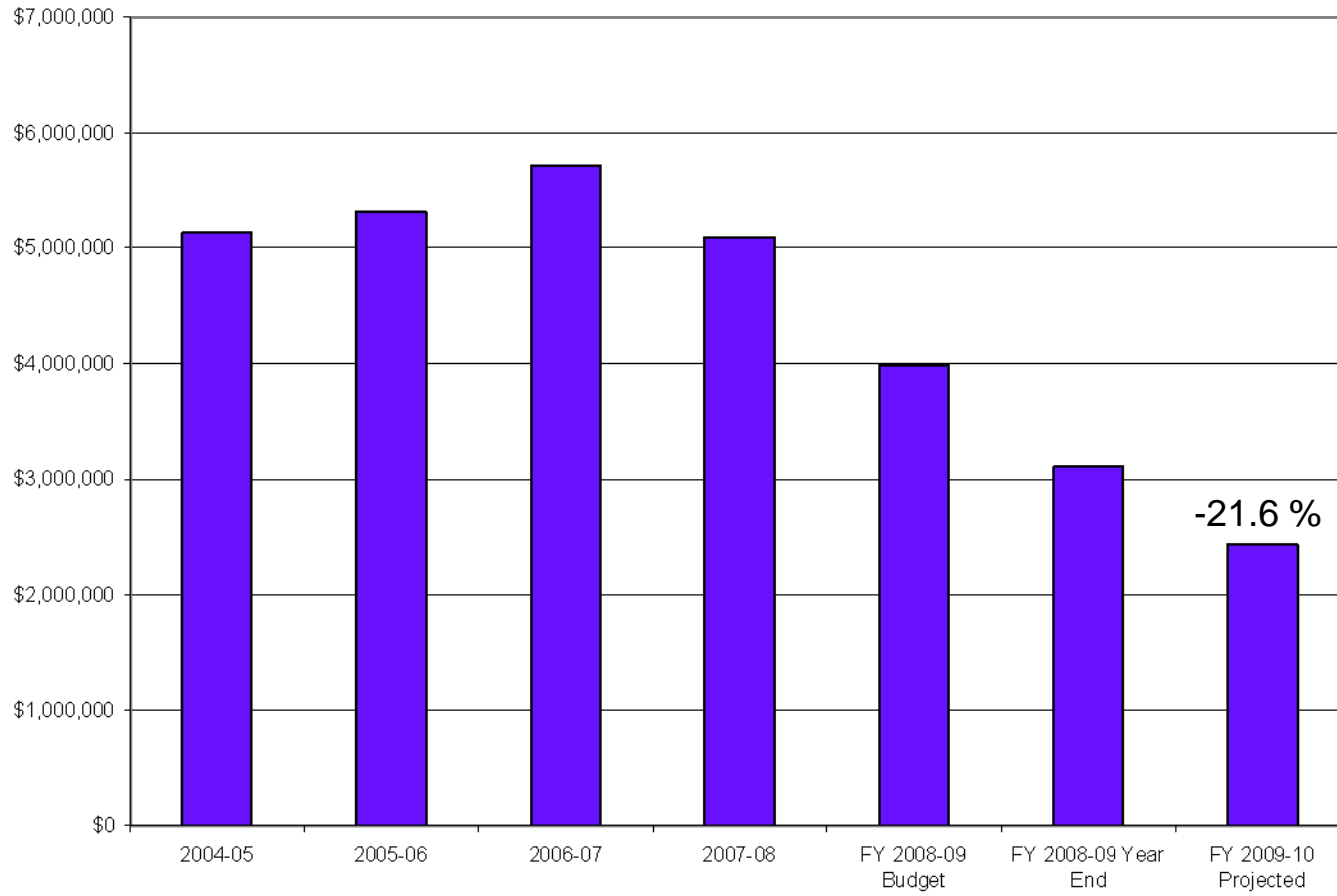
# State Sales Tax & Vehicle License Fee Realignment



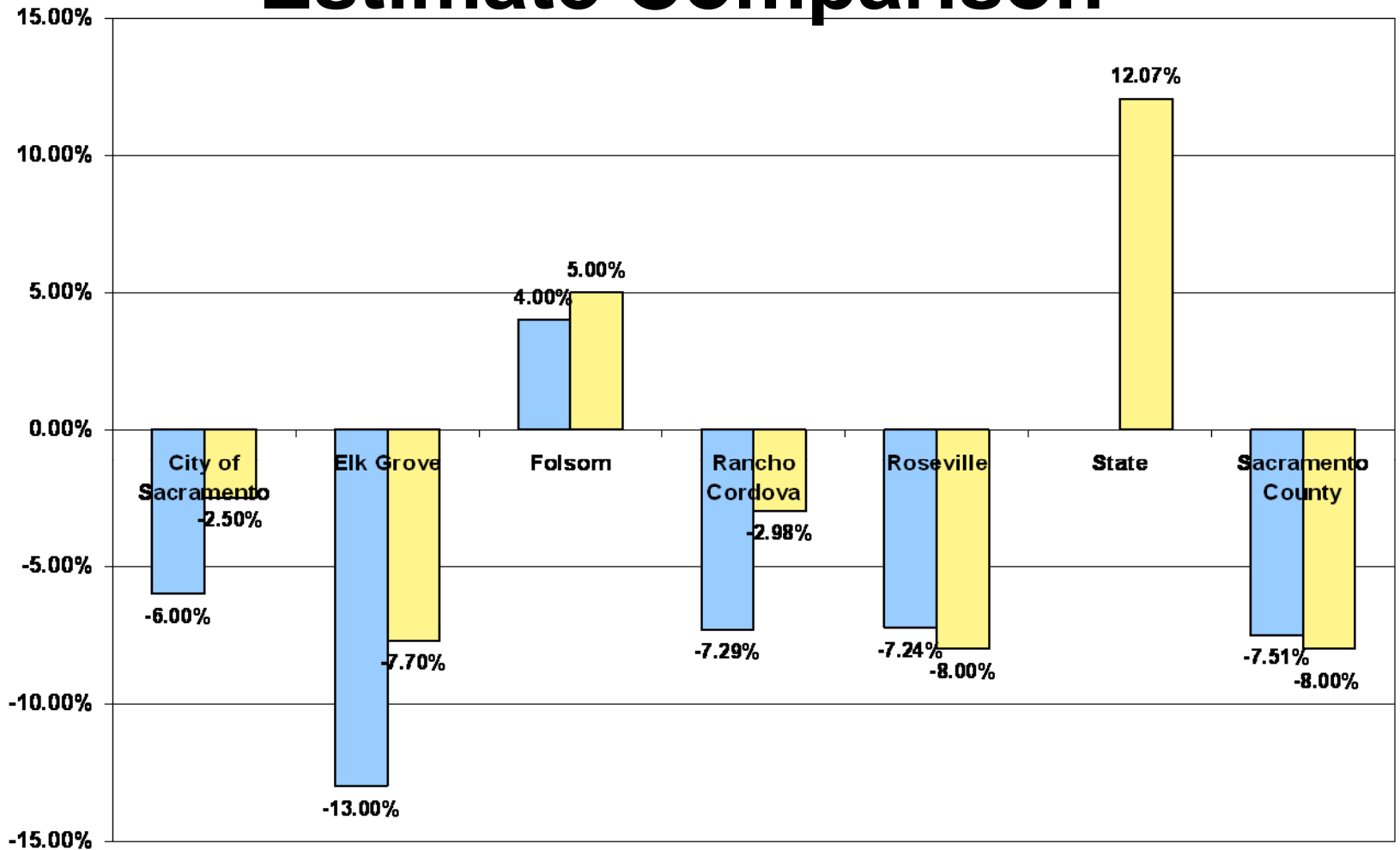


# Proposition 36

## Alcohol & Other Drug Programs



# Property & Sales Tax Estimate Comparison



# **Budget Allocations & Restorations**

**Linda Foster-Hall  
Budget Officer**

# Overall Budget Principles

- Enterprise funds are self sufficient
- Reductions in Federal/State funding not replaced
- Internal Services departments absorbed operations increases
- Use of Reserves only used to offset incremental increase in Pension Obligation Debt Service
- Department revenues will offset expenditures at historical average of 70%
  - As included in Recommended Proposed Budget
    - 74%

# General Fund Overview

- General Fund is the largest fund in the County
  - \$2.03 billion
  - Broad range of public services
    - Law Enforcement
    - Health and Human Services
    - General Government
    - Municipal Services
- Financing
  - Department revenues \$1.50 billion
  - General Purpose financing \$528.4 million

# Expenditure Summary:

## General Fund Total Expenditures

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Total Expenditures</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>	<b>Recom.</b>
Assessor, District Attorney, Sheriff	\$ 426.22	\$ 439.43	\$ 468.00	\$ 493.95	\$ 423.72
Board of Supervisors	3.90	4.41	4.78	4.59	4.42
General Government (1)	20.95	21.64	18.54	46.07	29.45
Internal Services	79.08	100.11	85.28	54.26	49.50
Countywide Services	1,388.20	1,529.48	1,575.36	1,577.07	1,495.67
Municipal Services	34.70	40.66	41.06	35.41	33.61
Contingency, Reserves	51.53	61.26	15.14	-	6.66
Non-Depart/Countywide Costs	10.15	9.01	(5.17)	(15.18)	(11.82)
<b>Total</b>	<b>\$ 2,014.72</b>	<b>\$ 2,205.99</b>	<b>\$ 2,203.01</b>	<b>\$ 2,196.17</b>	<b>\$ 2,031.22</b>

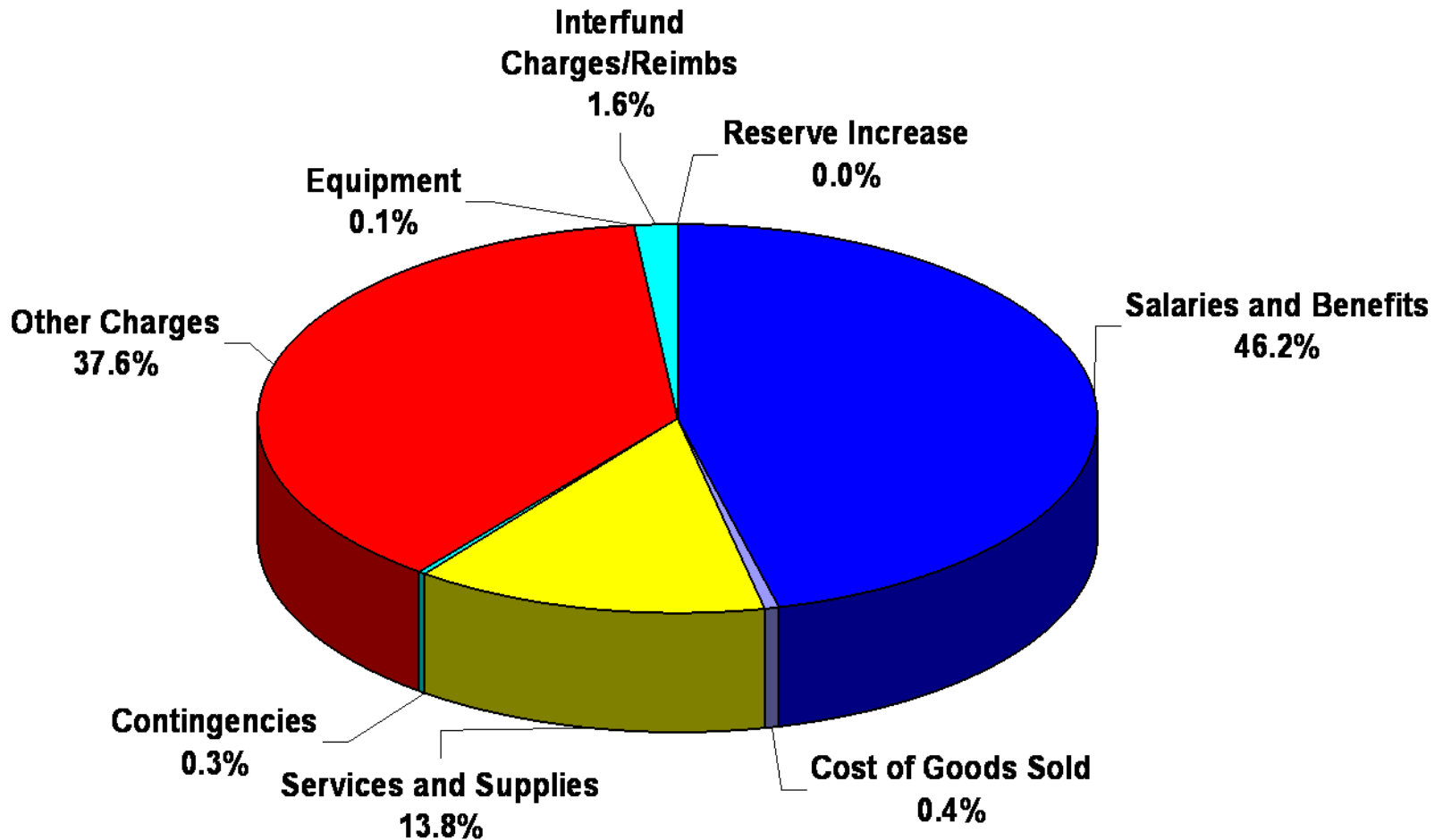
(1) Reallocation of services between General Government and Internal Services in Fiscal Year 2008-09

# Expenditure Summary: General Fund Net Allocation

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
<b>Net Allocation</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>	<b>Recom.</b>
Assessor, District Attorney, Sheriff	\$ 183.00	\$ 223.82	\$ 236.60	\$ 254.29	205.07
Board of Supervisors	2.74	3.38	3.71	3.52	3.75
General Government (1)	4.53	5.57	4.88	31.06	13.13
Internal Services	47.23	56.13	41.59	2.62	2.03
Countywide Services	251.58	279.22	314.99	332.41	293.30
Municipal Services	13.84	16.43	14.79	12.48	11.16
Contingency, Reserves	51.53	70.26	15.14	(32.24)	(0.85)
Non-Depart/Countywide Costs	10.15	-	(5.17)	20.89	0.84
<b>Net Allocation</b>	<b>\$ 564.60</b>	<b>\$ 654.81</b>	<b>\$ 626.53</b>	<b>\$ 625.03</b>	<b>\$ 528.43</b>

(1) Reallocation of services between General Government and Internal Services in Fiscal Year 2008-09

# General Fund by Category





# General Fund Allocation Summary

<u>Uses of Allocations</u>	<b>2009-10 Recom. Proposed</b>	<b>Percent of Total</b>
Assessor, District Attorney & Sheriff	\$ 205.07	38.81%
Board of Supervisors/Clerk of the Board	3.75	0.71%
General Government	13.13	2.48%
Internal Services	2.03	0.38%
Countywide Services	293.30	55.50%
Municipal Services	11.16	2.11%
Contingency, Reserves and Central Labor	(0.85)	-0.16%
Non-Departmental/Countywide Costs	0.84	0.16%
<b>TOTAL</b>	<b>\$ 528.43</b>	<b>100.00%</b>

# General Purpose Financing

<b>(Amounts Expressed In Millions)</b>			
	<b>2008-09 Adopted Final</b>	<b>2008-09 Estimated Year-End</b>	<b>2009-10 Recom. Proposed</b>
General Revenues	\$579.10	\$563.00	\$511.80
General Fund Balance	13.60	13.60	15.80
Reserve Releases	32.20	32.20	6.80
<b>TOTAL</b>	<b>\$624.90</b>	<b>\$608.80</b>	<b>\$534.40</b>

# Summary of Restorations

<b>Sources of Funding</b>	
Department	Revenue/ Savings
<b>Additional Revenues</b>	
Property Taxes	\$ (4,756,114.00)
Franchise Fees	553,878
Senate Bill 90 (SB90) revenues	6,160,313
Additional Fund Balance	7,998,698
Storm Water Utilities	207,000
Assessor	1,250,000
SHRA	350,000
Water Quality	40,000
County Engineering	57,000
<b>Subtotal</b>	<b>\$ 11,860,775</b>

# Summary of Restorations

<b>Sources of Funding</b>	
<b>Department</b>	<b>Revenue/ Savings</b>
<b>Appropriation Reductions</b>	
Appropriation for Contingencies	\$ 680,580
Debt Service fund balances	928,001
Retiree Health	1,379,085
Computer Operations	100,000
Interest Expense	4,000,000
Health Maintenance	155,485
Dept. of Personnel	412,464
Dept. of Finance	294,873
Real Estate	42,392
Dept. General Services	448,921
Workers Compensation	4,070,046
Liability Insurance	1,430,757
Dept. Health & Human Services	1,000,000
In-Home Supportive Services	6,000,000
Tobacco Litigation Settlement Funds	3,968,600
Tobacco Litigation Settlement Funds	2,628,349
10% Overhead Reduction	1,808,200
Capital Construction Fund	5,000,000
Communication, Information & Tech.	1,168,056
<b>Subtotal</b>	<b>\$ 35,515,809</b>
<b>Total</b>	<b>\$ 47,376,584</b>

# Summary of Restorations

<b>Board Priority</b>	<b>Additional Funding</b>	<b>Percentage</b>
Priority 0 - Mandated Programs	\$ 33.2	70.0%
Priority 1 - Discretionary Law Enforcement	11.0	23.2%
Priority 2 - Safety Net Programs	0.4	0.8%
Priority 3 - Sustainable and Livable Community	1.1	2.3%
Priority 4 - General Government	1.8	3.7%
<b>Total</b>	<b>\$ 47.4</b>	<b>100%</b>

# Summary of Restorations

Uses of Funding		
Department	Description	Restoration
<b>Criminal Justice System Programs</b>		
<b>Priority 0 - Mandated Programs</b>		
Conflict Criminal Defender	Provide indigent defense services	\$ 3,429,241
Coroner	Provide additional fund for death investigations	332,119
Probation	Additional staffing for Internal Affairs	492,510
Probation	Keep Boys Ranch open	2,301,331
Juvenile Medical Systems	Required medical costs to keep Boys Ranch open	573,280
Public Defender	Provide indigent defense services	6,802,493
		\$ 13,930,974
<b>Priority 1 - Discretionary Law Enforcement</b>		
District Attorney	Prosecution of all public offenses.	\$ 6,000,000
Sheriff	Reduction in debt service for the Main Jail	5,000,000
		\$ 11,000,000
	<b>Total for Criminal Justice System Programs</b>	<b>\$ 24,930,974</b>

# Summary of Restorations

<b>Uses of Funding</b>		
<b>Department</b>	<b>Description</b>	<b>Restoration</b>
<b>Health and Human Service Programs</b>		
<b>Priority 0 - Mandated Programs</b>		
Dept. of Behavioral Health	Additional funding for mental health	\$ 1,792,383
Care in Homes & Institutions	Reinstate funding Yolo County Beds	919,964
Dept of Health and Human Services	Child Protective Services (CPS)	7,241,580
Dept. of Human Assistance	Assistance Payments	1,253,063
		\$ 11,206,990
<b>Priority 2 - Safety Net Programs</b>		
Community Services	Homeless Programs	\$ 350,000
	<b>Total for Health and Human Service Programs</b>	<b>\$ 11,556,990</b>

# Summary of Restorations

Uses of Funding		
Department	Description	Restoration
<b>General Government</b>		
<b>Priority 0 - Mandated Programs</b>		
Assessor	Staff to properly assess parcels - increase revenue collections to all entities.	\$ 2,500,000
Board of Supervisors/Clerk	Provide electorate with responsible government at a minimal level of service.	1,137,788
County Counsel	Restore services to general fund departments	700,000
Emergency Operations	Adequately staffing Emergency Operations	207,000
Contribution to Law Library	County obligation for Law Library for facility costs	72,770
Voter Registration & Elections	Provide adequate funding to conduct elections	3,405,485
		\$ 8,023,043
<b>Priority 2 - Safety Net Programs</b>		
Wildlife Services	Provides adequate funding for 2 USDA employees (one each north and south of river)	\$ 25,741



# Summary of Restorations

Uses of Funding		
Department	Description	Restoration
<b>General Government</b>		
<b>Priority 3 - Sustainable and Livable Community</b>		
Veteran's Facility	Provides meeting space for local veteran's organizations	\$ 16,476
Community Councils	Reinstate four community commissions	680,580
Regional Parks	Restore funding for 90-95% of Therapeutic Recreational Services	97,817
Regional Parks	Restore partial funding for programs at the Effie Yeaw Nature Center	294,963
		\$ 1,089,836
<b>Priority 4 - General Government</b>		
	Terminal Pay	\$ 1,750,000
	<b>Total for General Government Programs</b>	<b>\$ 10,888,620</b>
	<b>Total Restorations</b>	<b>\$ 47,376,584</b>

# Remaining Funding Issues

- In-Home supportive Services
  - \$8.5 million
- Human Assistance Aid Payments
  - \$9.8 million
- Depending on State's actions programs could change significantly
- Recommend no action until State adopts budget
- Additional reductions would be necessary

# General Fund Staffing Impacts

- As of June 30
  - 10,236.6 positions
- Currently recommended
  - 9,608.0 positions
- Total number of deletions
  - 628.6 positions
    - Vacant: 196
    - Filled: 432.6

# Transient Occupancy Tax (TOT) Fund

- Available financing is \$1.6 less than prior year
  - Collections are down
  - Reduction in Fund Balance
- Transfer of \$3.6 to the General Fund is recommended
  - \$0.4 million less than last year
- Reductions in traditionally funded entities
  - Sports/Tourism - \$275,095
  - Arts - \$632,979

# **Conclusion**

**Nav Gill**

# Planning for the Future

- Adopt a significantly reduced spending plan
- Authorize reduction in workforce
- Implement the FY 2009-10 budget
- FY 2010-11 --- **Work Begins Now**
  - Budget development
  - Operational review

# Questions/Comments