

County Executive

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June 17, 2014

Members of the Board of Supervisors
County of Sacramento
700 H Street, Suite 1450
Sacramento, CA 95814

Re: Fiscal Year 2014-15 Recommended Budget

Honorable Members of the Board:

It is my privilege to present for your review and direction the Recommended Budget for Fiscal Year 2014-15. The recommended spending plan represents a continuation of the fiscal circumstances faced by local governments over the last several years that continues a pattern of increasing costs, modest discretionary revenue growth, the imposition of new mandates, and targeted funding increases and reductions from the state and federal governments. The Board will once again be required to make difficult choices in order to align financial resources with desired program and service objectives. Many of our past budgetary decisions have required significant participation from our County workforce, and I once again recognize our employees for their willingness to collaborate in solving our fiscal challenges, and in approaching this new local government reality with a spirit of creativity and accomplishment that has allowed us to address the Board's public service priorities.

Your County employees continue to provide high quality public programs and services despite several years of fiscal stress and workforce reductions. In many areas, department managers and employees are improving customer experience through innovative approaches to service delivery and the implementation of new technology initiatives. Attachment "A" presents several examples of our organization's accomplishments and initiatives for the last year.

The Recommended Budget for 2014-15 has been thoughtfully developed to emphasize your public policy priorities and to minimize impacts to the County workforce. The budget plan is balanced and generally maintains existing service levels; however, a number of challenges remain. As is usual this time of year, public safety budgets contain unfunded amounts that each department will address during budget hearings. Correctional realignment continues to vex local authorities as crime increases and state funding for this experiment proves inadequate. Funding reductions and fundamental program changes are juxtaposed with increased funding for certain program areas such as mental health. New mandates and related costs will challenge us to seek innovative solutions that deliver improved outcomes at lower costs. Our continued opposition to the Bay Delta Conservation Plan will require significant effort and resources for environmental,

legal and public information efforts to protect our county's economic, agricultural and community resources. The challenges we face are significant, however I am quite confident that the Board's thoughtful direction, and the efforts of our managers and employees, will allow us to confront the coming year with positive momentum towards the new opportunities that are before us while continuing to provide outstanding public service to residents and communities.

ECONOMIC AND FISCAL CONTEXT

Last year at this time, I noted that we were starting to see signs that the anemic economic recovery from the Great Recession was gaining momentum at both the national and local levels. Since then, the economy has continued to improve, though that improvement has been somewhat erratic. Nationally, almost all of the jobs lost in the Great Recession have now been restored and unemployment has dropped to 6.3%, down 1.2% from a year ago, and 3.7% from its recession peak. Unemployment still remains almost 2 percentage points higher than its pre-recession low and job growth continues to lag population growth.

After struggling to maintain momentum since last summer, the national housing market improved in April when housing starts rose 13.25% above the March level to 1.07 million, which is 26.4% higher than the level in April 2013. Most of the April 2014 growth was in the volatile multi-family housing market, with single-family housing starts continuing at a rather tepid pace.

Overall, the U.S Gross Domestic Product (GDP) declined by 1% in the first quarter of 2014 compared to the last quarter of 2013 according to the federal Bureau of Economic Analysis. This is significantly below the 2.6% growth in the fourth quarter of 2013, and the almost 4% growth that occurred in the first quarter of 2012.

Locally, the unemployment rate has declined to 7.1%, down from 8.3% a year ago and 12.7% at its recession-high. Home prices have increased almost 20% over the last year, though the total sales volume in April of 2014 was about 15% lower than in April of 2013. The number of new residential building permits issued in Sacramento County increased by 23% in calendar year 2013 compared to 2012, however for the first three months of 2014, countywide residential building permit activity decreased by 28% compared to the same three-month period in 2013. The number of new residential permits issued during the most recent three month period represents less than 10% of the number of new residential building permits issued in the same three months of 2004 at the height of the housing bubble.

At this point, most economists agree that the national economy will continue to improve and unemployment will fall at a moderate pace for the next two to three years. In February, the Federal Reserve Bank of Philadelphia released a survey of 45 economic forecasters that projected real GDP growth of 2.8% for 2014, 3.1% for 2015 and 2016, and 2.4% for 2017. For point of reference, national GDP grew by a total of 1.9% in 2013, 2.8% in 2012 and 1.8% in 2011. Those same forecasters projected that the national unemployment rate would decline to 5.5% by 2017. In January, the Business Forecasting Center at the University of the Pacific projected that the unemployment rate in the Sacramento Metropolitan Area would decline from 8.7% in 2013 to 5.7% by 2018.

This Recommended Budget reflects some of the positive impacts of the improving economy as follows:

- Secured Property Tax and Property Tax in Lieu of Vehicle License Fee (VLF) revenue, which constitute over 65% of the County's discretionary revenue, is projected to grow by 5.5% compared to FY2013-14 estimated actual collections. This will be the second year in a row of increasing property tax revenue from these sources. FY2013-14 is on-track to be the first year of Secured/VLF in Lieu property tax revenue increases since FY2008-09, and we are now estimating that FY2013-14 revenue from these sources will increase by 4.4% compared to FY2012-13 actual revenue.
- Sales and Use Tax revenue is projected to grow by 3.7% compared to FY2013-14 estimated actual collections. This will be the fourth consecutive year of growth in Sales and Use Tax revenue following an increase of 0.8% in FY2011-12, an increase of 4.3% in FY2012-13 and an estimated 2% increase in FY2013-14.
- Although we are projecting that FY2014-15 Supplemental Property Tax revenue will decline by 11% compared to estimated FY2013-14 revenue from this source, we are projecting that FY2013-14 Supplemental Property Tax revenue will come in over 400% higher than FY2012-13 actual revenue.

Collectively, we are projecting that **on-going** discretionary revenue and reimbursements (after adjusting for the change in how we budget for Transient Occupancy Tax [TOT] and Solid Waste Authority [SWA] revenue) will grow by approximately \$19.8 million, or 4.1%, in FY2014-15 compared to estimated actual FY2013-14 ongoing discretionary revenue. This represents the second annual increase in on-going discretionary revenue and reimbursements since FY2007-08, and will be a significant improvement over the estimated FY2013-14 increase in on-going discretionary revenue and reimbursements of 1.3%.

Unfortunately, the impact of this and other good news on the County's General Fund is offset by a number of factors that include:

- Recent State audits of prior-year Mental Health expenditures (2008 and 2009) identified a potential need to repay to the State between \$4 million and \$18 million; however, the Recommended Budget only includes a \$2 million reserve for this purpose;
- The projected increase in discretionary resources is not sufficient to fully cover the impact of departmental revenue reductions and increased costs: as a result, the Recommended Budget does not include any funding to repay the remaining balance of money previously transferred to the General Fund from other funds (approximately \$61 million);
- In order to balance the General Fund budget with the available discretionary resources, a number of departments were funded below their "Base" level (that is, the level identified as necessary to maintain current staffing levels). These reductions totaled approximately \$16.4 million, or 3% of departmental Net County Cost. In most cases, the impact of these reductions is identified in the relevant budgets: however, as is typically the case, certain

public safety department budgets contain unfunded amounts that those departments will address during budget hearings;

- Approximately \$13 million in increased Foster Care and General Assistance Costs have been included due to changes in State law that expanded eligibility to cover people between the ages of 18 and 21. The increase in General Assistance costs is due primarily to the \$40 a month increase in benefit level caused by the implementation of the Affordable Care Act;
- The FY2013-14 Adopted General Fund Budget was balanced using approximately \$21 million in one-time or limited duration resources, while approximately \$17.8 million in one-time or limited duration resources could be identified to help balance the FY2014-15 budget leaving a \$3.2 million gap;
- FY2014-15 General Fund employee salary and benefit costs will increase by approximately \$22.8 million reflecting negotiated salary cost-of-living adjustments, pension and pension obligation bond debt service increases, and health insurance cost increases;
- The Probation Department's budget reflects the loss of approximately \$8.3 million in federal Title IV-E revenue compared to the FY2013-14 budgeted amount due to a federal audit of State practices regarding the use of these funds for juvenile probation programs. This reduction is partially offset by an increase in SB 678 funding to the department, and there is a possibility that the County will be able to participate in a Title IV-E Waiver program that will allow Probation to claim more IV-E revenue, but the status of that program is still uncertain;
- The County will receive approximately \$18.6 million less in Public Health Realignment revenue compared to the FY2013-14 budgeted level due to the full-year impact of State law changes in response to the implementation of the federal Affordable Care Act starting in January 2014 (this reduction is partly offset by a reduction in indigent healthcare costs);
- Budgeted Correctional Health Services costs have increased significantly due to higher costs associated with the changing demographics of the Jail population under Realignment and due to an effort to craft a more realistic budget, rather than make budget adjustments throughout the year; and,
- We are estimating that the General Fund's available FY2014-15 beginning balance will be approximately \$10 million lower than the FY2013-14 Adopted Budget available balance, including reserve cancellations.

The Recommended General Fund Budget calls for a \$20.7 million (1%) increase in appropriations compared to the FY2013-14 Adopted level and an \$8.8 million (1.6%) increase in Net County Cost. The total recommended Net County Cost level is approximately \$16.5 million (3%) lower than the "Base" funding level for General Fund departments.

BUDGET STRATEGY

In order to maintain and improve our current fiscal position, we have asked departments to prioritize service delivery to meet the Board's policy directives, eliminate or reduce all but the most necessary expenditures, and maximize the use of non-General Fund Revenue including grants and other external resources. Due to the magnitude of this year's challenges, severe restrictions have been placed on departmental hiring with exceptions for Child Protective Services (CPS), twenty-four hour facilities and other mission critical positions. The underpinnings of the Fiscal Year 2014-15 spending plan are sound and focus on several key strategic elements.

Budgetary Controls

The County Executive directed departments to construct their budget requests to absorb both their use of one-time funding in the previous fiscal year and unavoidable cost increases; to end the current fiscal year with a neutral or positive carryover fund balance; to closely monitor and estimate their department-specific revenues, and optimize their use of non-General Fund revenues; and, to seek full cost recovery for their State and federally funded programs, including State realignment programs.

Internal Cost Reductions

Priority will be given to departments and functions that provide direct services to the public. We have directed all internal service departments to make every effort to hold rates to current levels and reduce rates where possible, minimize retained earnings, and to provide rebates to departments to mitigate the impact of other budgetary reductions.

Strategic Cost Controls

The County Executive has directed that critical resources be focused on your Board's service delivery priorities. We have asked departments to restrict travel and other non-mission critical activities, reduce contracts and other support expenses, adjust operating hours to meet public demand, reduce vehicle and equipment replacement, target technology investments towards productivity enhancements and prioritize maintenance.

Position Cost Controls

We are carefully managing vacant positions and have current funded vacancies of 659 positions in the General Fund. In addition, there are 315 funded vacancies in internal service and enterprise funded departments. The total number of employees currently on board is 10,711 compared to 10,634 last year at this time. This increase is largely attributable to the 78 positions that were added in DHA to implement the Affordable Care Act and enhanced CalFRESH eligibility efforts. Department managers have been directed to facilitate transfers to non-General Fund or enterprise departments to minimize layoffs and workforce disruptions.

Strategic Technology Investments

On March 25, 2014, staff provided the Board with a *Technology Improvement Plan for Major Upcoming Projects* covering Fiscal Years 2014-15 through 2018-19. That Plan included major initiatives that will improve the efficiency of County operations, improve services to our business partners and customers, and reduce County operating costs. FY2014-15 project costs identified in the *Plan* are included in the Recommended Budget.

THE ALL FUNDS BUDGET

The County's Recommended All Funds Budget for FY2014-15 totals \$3,578,681,782 in requirements. This is a \$34,102,584 (1.1%) decrease compared to the FY2013-14 Adopted Budget requirements level. A detailed comparison of the FY2014-15 Recommended Budget's requirements and the FY2013-14 Budget's requirements is show below:

Fiscal Year 2013-14 Adopted Compared to Fiscal Year 2014-15 Recommended			
All County Funds			
Fund	FY 2013-14 Adopted Requirements	FY 2014-15 Recommended Requirements	Difference
General Fund	2,136,820,375	2,159,547,348	22,726,973
Economic Development	38,911,052	37,748,898	(1,162,154)
Environmental Management	20,243,541	20,673,395	429,854
Golf Fund	7,500,548	7,628,479	127,931
Transient Occupancy Tax	7,497,504	578,469	(6,919,035)
Transportation	165,290,057	169,344,010	4,053,953
Water Resources	172,818,643	157,863,014	(14,955,629)
Airport System	255,917,227	239,278,234	(16,638,993)
Waste Management and Recycling	86,690,219	91,050,897	4,360,678
Capital Projects Funds	35,919,390	36,424,409	505,019
Debt Service Funds	49,075,401	42,947,900	(6,127,501)
Other Special Revenue Funds	45,508,470	48,161,647	2,653,177
Other Enterprise Funds	2,677,135	3,601,005	923,870
Other Internal Service Funds	360,167,137	358,019,083	(2,148,054)
Other Special Districts and Agencies	227,747,667	205,814,994	(21,932,673)
Total	3,612,784,366	3,578,681,782	(34,102,584)

The primary reasons for the overall decrease in the Recommended Budget compared to the FY2013-14 Adopted Budget include:

- A \$21.9 million net reduction in the budgets in the “Other Special Districts and Agencies” category, most significantly a \$10.4 million reduction in the Fixed Asset Revolving Fund due to a reduction in the amount of fixed asset purchases requested by County departments, and a \$7 million reduction in the Tobacco Litigation Settlement Capital Projects Fund due to the fact that the amount of Tobacco Litigation funds available for capital projects has diminished as those funds have been spent;
- A \$16.6 million reduction in the Airport System budget due to reductions in operating costs as part of an effort to bring those costs down to a sustainable level, and the placement of a temporary moratorium on capital costs until master plans are completed;
- A \$15 million net reduction in appropriations in various Water Resources funds due primarily to the City of Rancho Cordova taking over the City’s storm drainage responsibilities effective July 1, 2014, because depreciation expenses for the Vineyard Surface Water Treatment Plant were over-stated in FY2013-14 and due to reductions in anticipated capital projects; and
- A \$6.1 million reduction in debt service costs in the Teeter Fund due to an estimated reduction in the amount of property tax delinquencies.

These and other Budget reductions are partially offset by increases in other areas including a \$22.7 million increase in the General Fund as described in more detail below.

THE GENERAL FUND

The County’s Recommended General Fund Budget appropriation level for FY2014-15 totals \$2,157,547,348. This is an increase of \$20,726,973 (1%) compared to the FY2013-14 Adopted Budget level. A more detailed comparison of the FY2014-15 Recommended General Fund Budget to the FY2013-14 Adopted General Fund Budget is shown on the next page:

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**GENERAL FUND BUDGET
FY2013-14 Adopted and FY2014-15 Recommended**

	FY2013-14 Adopted	FY2014-15 Recommended	Difference
Resources			
Beginning Balance ¹	31,042,942	25,000,000	(6,042,942)
Use of Reserves	4,517,314	0	(4,517,314)
Discretionary Revenue	466,807,664	495,636,345	28,828,681
Semi-Discretionary Revenue	555,978,543	560,898,236	4,919,693
Other Departmental Revenue	1,078,473,912	1,078,012,767	(461,145)
Total Revenue	2,101,260,119	2,134,547,348	33,287,229
Total Resources	2,136,820,375	2,159,547,348	22,726,973
Requirements			
Expenditures	2,149,162,678	2,164,769,113	15,606,435
Discretionary Reimbursements	(16,355,691)	(8,435,153)	7,920,538
Contingency	4,013,388	1,213,388	(2,800,000)
Total Appropriations	2,136,820,375	2,157,547,348	20,726,973
Provision for Reserves	0	2,000,000	2,000,000
Total Requirements	2,136,820,375	2,159,547,348	22,726,973

Fund Balance and Reserves

The Recommended General Fund Budget assumes a beginning balance of approximately \$75.4 million. This beginning balance includes approximately \$50.4 million in reserves, consisting primarily of Teeter and Pension Obligation Bond reserves and a \$32.4 million Reserve for Cash Flow, and an unrestricted balance of \$25 million.

The estimated FY2014-15 Beginning Balance was calculated using the FY2012-13 actual ending balance and third quarter estimates of FY2013-14 General Fund revenue and expenditures, with a positive adjustment to try and mitigate the generally conservative nature of those estimates.

The Recommended Budget proposes to establish a new \$2 million Reserve for Mental Health Audit Report Payback. Recent State audits of prior-year Mental Health expenditures identified a potential need to repay to the State between \$4 million and \$18 million. I believe that a prudent reserve for this purpose would be in the area of \$6 million to \$8 million; however, given the limited discretionary resources available to fund critical County programs, I am only proposing to set aside \$2 million at this time. If additional discretionary resources are identified before budget adoption in September, I will likely be recommending that this reserve be augmented.

¹ "Available" (unreserved/restricted) fund balance

Finally, it is important to keep in mind that the above fund balance numbers are only estimates. The Finance Department will determine the actual fund balance number, including any encumbrance carry-forward, in the first quarter of FY2014-15.

Discretionary Revenue and Reimbursements

The FY2014-15 Recommended Budget includes a combined total of \$504,071,498 in discretionary revenue and reimbursements. This represents an increase of approximately \$20.9 million (4.3%) compared to the FY2013-14 Adopted Budget and is the net result of increases and decreases in a number of revenue and reimbursement sources as shown in the following table:

DISCRETIONARY REVENUE AND REIMBURSEMENTS

	FY2013-14 Adopted	FY2013-14 Estimated Year-End	FY2014-15 Recommended	Difference Adopted to Recommended
Property Tax- Secured/VLF In Lieu	300,848,005	308,454,263	325,419,248	24,571,243
Property Tax- Supplemental	300,000	3,148,721	2,800,000	2,500,000
Other Property Tax	16,372,594	10,079,880	17,145,746	773,152
Sales & In Lieu Sales	75,278,859	73,373,644	74,410,799	(868,060)
Utility Tax	17,247,690	17,247,690	17,044,777	(202,913)
Transient Occupancy Tax	0	0	4,075,690	4,075,690
Property Transfer Tax	7,000,000	8,000,000	7,500,000	500,000
Fines & Penalties	14,109,276	14,660,187	14,723,043	613,767
Revenue Neutrality	16,059,618	16,244,373	17,056,591	996,973
Other Revenue – One Time	3,752,017	3,752,017	0	(3,752,017)
Other Revenue- Ongoing	15,839,605	15,901,381	15,460,451	(379,154)
Total Revenue	466,807,664	470,862,156	495,636,345	28,828,681
Teeter Transfer	13,127,501	8,400,000	7,000,000	(6,127,501)
Transient Occupancy Tax Transfer	3,017,261	3,017,261	0	(3,017,261)
SWA - Transfer	210,929	210,929	1,435,153	1,224,224
Total Reimbursements	16,355,691	11,628,190	8,435,153	(7,920,538)
Total	483,163,355	482,490,346	504,071,498	20,908,143

The primary reasons for the net increase in discretionary revenue include:

- A \$24.6 million (8.2%) increase in Secured Property Tax and Property Tax in Lieu of Vehicle License Fee revenue due to anticipated increases in assessed value on secured property, both from new construction and the sale of homes with higher property values in prior years, and the restoration of a significant number of properties that were in “decline-in-value” (Proposition 8) status to their pre-Proposition 8 value. This is actually a \$17 million (5.5%)

increase in revenue from these sources compared to the FY2013-14 estimated actual level and is based on estimates of assessed value growth and appeals information provided by the County Assessor;

- The inclusion of \$4.1 million in Transient Occupancy Tax (TOT) revenue as discretionary revenue for the first time. Previously, TOT revenue was initially recorded as revenue in the Transient Occupancy Tax Fund and used to fund various economic development, arts, tourism and related programs. To the extent extra TOT revenue was available after funding those programs, it was transferred to the General Fund as a discretionary reimbursement. Because TOT revenue is truly discretionary, that is, there are no legal restrictions on how it can be spent, it should appropriately be recorded initially as a discretionary revenue in the General Fund's Non-Departmental Revenue budget, like property tax and sales tax revenue. It can then be used to fund Board priorities as a part of Net County Cost or a General Fund Contribution (the Recommended Budget allocates a proportionate amount of Net County Cost to the programs previously funded directly with TOT revenue);
- A \$2.5 million increase in Supplemental Property Tax revenue. This revenue source captures the impact of new construction and property sales on assessed value and the projected increase reflects the increase in real estate values in the County, particularly home prices; and
- A \$3.8 million reduction in revenue from one-time discretionary revenue used to help balance the FY2013-14 budget. This was primarily revenue from the sale of sewer credits and the use of the remaining available property tax administration fees, and Mather and McClellan reserves. No one-time discretionary revenues are included in the FY2014-15 Recommended Budget.

The table on the previous page also shows the reimbursements in the Non-Departmental Revenue budget unit. Reimbursements have the effect of reducing expenditures and discretionary reimbursements (which can be used for any purpose) effectively freeing up discretionary resources for other uses.

Historically, the largest source of discretionary reimbursements has been the transfer-in of Teeter revenue which comes from penalties and interest paid by property owners who are delinquent in paying their property taxes. The FY2014-15 Recommended Budget reflects a \$6.1 million (47%) reduction in the Teeter reimbursement due to lower property tax delinquency rates in the last few years as the economy has started to improve.

The Recommended Budget also reflects a \$3 million reduction in TOT reimbursement and a \$1.2 million increase in Solid Waste Authority (SWA) reimbursement, both related to the effort to appropriately record discretionary resources in the General Fund. As noted above, all TOT revenue is now reflected as discretionary revenue and the amount of TOT revenue previously allocated to the General Fund as a discretionary reimbursement has been eliminated. Similarly, SWA revenue was previously received as a reimbursement directly by certain General Fund departments (Community Development, County Counsel and Regional Parks), except for a small amount (\$211,000 in FY2013-14) that was allocated to the General Fund as a discretionary

reimbursement. However, like TOT revenue, SWA revenue has no legal restrictions on how it can be spent and should appropriately be recorded initially as discretionary revenue. The Recommended Budget reflects a proportionate increase in the budgeted Net County Cost of departments that had previously received a direct SWA reimbursement.

One consequence of this change in how SWA and TOT revenue is budgeted is an over-statement of the “real” increase in discretionary revenue and reimbursements. After adjusting for the impact of the change in how SWA and TOT is budgeted, the real increase in discretionary revenue and reimbursements in the Recommended Budget compared to the FY2013-14 Adopted Budget is approximately \$15.5 million, or 3.2%.

Semi-Discretionary Revenue

“Semi-discretionary” revenue, one component of Departmental Revenue, refers to the Proposition 172 and 1991 and 2011 Realignment revenue that the Board generally has the ability to allocate within certain broad parameters.

Proposition 172 revenue comes from a statewide half cent sales tax that is allocated to counties for public safety.

1991 Realignment revenue comes from a portion of statewide sales tax and vehicle license fee (VLF) revenue that is allocated to counties to help fund the local share of certain health and human services programs that were “realigned” to the counties from the State. Originally, there were three categories of 1991 Realignment revenue: Public Health (which included indigent healthcare), Mental Health and Social Services. As part of 2011 Realignment, Realignment funding for Mental Health was shifted to 2011 Realignment and the counties were given an increased share of cost for CalWORKS which is funded with Social Services Realignment revenue.

2011 Realignment revenue comes from temporary sales tax and vehicle license fee rates and is allocated to counties to help fund the local share of cost for a number of realigned health and human services programs, to replace state categorical funding for certain health and human services and law and justice programs, and to provide funding to help counties deal with the impact of the transfer of responsibility for certain “low level” offenders from the State prison system to counties (referred to as AB109 Realignment revenue).

The following table summarizes the amount of Proposition 172 and Realignment revenue the County expects to have available in FY2014-15 compared to the amount included in the FY2013-14 Adopted Budget.

SEMI-DISCRETIONARY REVENUE
 FY2013-14 Adopted Budget Compared to FY2014-15 Recommended Budget

	FY2013-14 Adopted	FY2014-15 Recommended	Difference
Proposition 172	100,373,832	101,181,522	807,690
1991 Realignment	170,809,141	156,457,663	(14,341,478)
2011 Realignment – Non AB 109	248,920,060	267,106,735	18,186,675
AB 109 Realignment	35,875,510	36,152,316	276,806
Total	555,978,543	560,898,236	4,919,693

As can be seen, the Recommended Budget reflects a total increase in Semi-Discretionary revenue of approximately \$4.9 million (1%).

The Recommended Budget includes \$101.2 million in Proposition 172 revenue, which is an \$808,000 (0.8%) increase over the FY2013-14 Adopted Budget level. However, the FY2013-14 Adopted Budget included \$3.2 million in FY2012-13 Proposition 172 revenue that was expected to be carried over into FY2013-14. No carryover is included in the FY2014-15 Recommended Budget. If the carryover in the FY2013-14 Adopted Budget is factored out, the Recommended Budget reflects a \$4 million, or 4.1%, increase over the amount of new Proposition 172 revenue included in the FY2013-14 Adopted Budget, and a \$2.3 million (2.4%) increase over the FY2013-14 estimated actual revenue from this source. This is based on information provided by the County's sales tax consultants and actual revenue trends to-date.

The Recommended Budget includes \$156.5 million in 1991 Realignment revenue which is a \$14.3 million (8.4%) decrease compared to the FY2013-14 Adopted Budget level. This decrease reflects an \$18.6 million reduction in Public Health Realignment revenue, partly offset by increases in Social Services and CalWORKS Realignment growth received in FY2013-14. The reduction in Public Health Realignment is the result of AB85 which implemented the Affordable Care Act (ACA) in California. AB 85 provided that the State would retain a portion of the Public Health Realignment revenue that previously went to counties whose responsibilities for indigent healthcare would be reduced as a result of the ACA.

The Recommended Budget includes \$267.1 million in non-AB109 2011 Realignment revenue which represents an \$18.2 million (7.3%) increase over the FY2013-14 Adopted Budget level. This projected increase is the result of a number of factors that include:

- A \$5.8 million (12%) increase in Local Law Enforcement Realignment revenue compared to the FY2013-14 Adopted Budget level (for Court Security, COPs grants and jail booking fees) due to higher base allocations, a carry-over of unspent FY2013-14 revenue and estimated Realignment growth.
- A \$4.5 million (8.5%) increase in Behavioral Health Realignment revenue compared to the FY2013-14 Adopted Budget level (for alcohol and drug and certain mental health programs) due to both estimated FY2012-13 Realignment growth and estimated FY2013-14 growth, as well as the use of approximately \$3.4 million in unspent carryover funds from FY2013-14.

Approximately \$5.6 million in Behavioral Health Realignment funds will remain unallocated and I am proposing to hold those in reserve for anticipated cost-settlements with the State.

- A \$7.8 million (7.8%) increase in Protective Services Realignment revenue compared to the FY2013-14 Adopted Budget level (used to fund Child Protective Services, Adult Protective Services, Adoptions Assistance and Foster Care programs). This increase is due to the estimated receipt of FY2012-13, FY2013-14 and FY2014-15 growth revenue and the use of an \$8.4 million carryover of unspent funds from FY2013-14. Based on the Governor's May Revise projections, we estimate that we could receive as much as \$4 million in FY2014-15 Protective Services Growth, but I am only recommending that \$3 million be appropriated at this time due to the uncertainty surrounding these projections. I am recommending that the remaining \$1 million be held in reserve until later in FY2014-15 when we will have better information relative to the Governor's projections.

Other Departmental Revenue

When Semi-Discretionary revenue is factored out, the Recommended General Fund Budget reflects a \$461,000 decrease in Departmental Revenue. The primary reasons for this decrease include:

- A \$12.6 million reduction in federal funding related to the Low Income Health Program (LIHP) in the Health-Medical Treatment Payments budget. That Program ended on January 1, 2014, when the Affordable Care Act went into effect. Although there are lingering costs associated with that Program (due to the lengthy period it takes to reconcile bills), the estimated total cost of the Program in FY2014-15 is approximately \$18 million compared to \$43.2 million in the FY2013-14 Adopted Budget.
- A \$9.7 million reduction in federal Title IV-E Foster Care revenue in the Probation Department due to a federal audit of state practices related to the use of this funding for juvenile probation programs. The State is currently negotiating a IV-E Waiver program with the federal government and depending on the terms of that program, it could be beneficial for the County to participate. If that were to happen, it might be possible to restore some of the IV-E funding for probation.
- A \$7.3 million reduction in COPS-Hiring Grant revenue in the Sheriff's budget. When these COPS grants were accepted, it was with the understanding that they would phase-out and that the County would be responsible for covering the cost of the deputy positions funded by the grants.
- A \$16 million reduction in federal funding in the Human Assistance-Administration budget related to administering the CalFresh (Food Stamp) program. For the last few years, the State has waived a local match requirement for this program but the Governor is now proposing to phase in the local match. In anticipation of this, the Human Assistance Department is scaling back staffing and expenditures related to CalFresh (for example, by

eliminating vacant positions), to avoid a significant increase in local costs. As costs are reduced, federal revenue will also decline.

- A \$2.7 million reduction in the use of Environmental and Border Trust fund monies in the District Attorney's budget which is offset by program-related expenditure reductions.
- A \$2.5 million reduction in categorical grant funding in the Sheriff's budget, which is offset by program-related expenditures.

These and other Departmental Revenue decreases are partially offset by Departmental Revenue increases in a number of areas including an \$8.3 million increase in SB678 revenue in the Probation Department, the receipt of an additional \$13 million in Mental Health Services Act (MHSA) funding and \$9.6 million in federal funding in the Health & Human Services budget to cover the cost of contracts for Mental Health provider services, the receipt of an additional \$10.5 million in federal funding in the Human Assistance-Aid Payments budget for the CalWORKS and Foster Care programs, and the receipt of an additional \$19 million in federal and State money to cover increased CalWORKS costs in the Human Assistance-Administration budget which includes higher salary and benefit costs and the cost of two new programs.

Expenditures

The primary reasons for the \$15.6 million (0.7%) increase in expenditures in the Recommended General Fund Budget compared to the FY2013-14 Adopted Budget include:

- A \$21.1 million (6.3%) increase in the Human Assistance-Aid Payments budget due primarily to increased Foster Care, CalWORKS and General Assistance costs. The increase in Foster Care costs is largely due to the change in State law that expanded eligibility to cover people between the ages of 18 and 21. The increase in CalWORKS costs is due to a 5% rate increase granted to all benefit recipients by the State. The increase in General Assistance costs is due primarily to the \$40 a month increase in benefit level caused by the implementation of the Affordable Care Act. Prior to the ACA, the County was able to reduce the General Assistance benefit in recognition of the indigent healthcare service provided to General Assistance recipients.
- An \$18.5 million (4.2%) increase in the Health & Human Services budget due primarily to a \$31.4 million increase in Mental Health program costs, both related to increased salary and benefit costs and increased contract provider costs, with funding coming largely the Mental Health Services Act and Federal Financial Participation (FFP). The Health & Human Services budget also reflects an increase in Child Protective Services costs due in part to the addition of 16 new positions in FY2013-14.
- An \$8.8 million (19.4%) increase in the Correctional Health Services budget due primarily to increased salary and benefit costs, the changing demographics of the offender population under Realignment and efforts to more accurately budget for all costs.

- A \$3.1 million (158%) increase in the Emergency Operations budget due in part to additional appropriations related to the establishment of a separate County Emergency Operations program (previously this was a joint effort with the City of Sacramento) and due in part to the receipt of additional grant funding for various projects.
- A \$3 million (2.4%) increase in the Probation Department's budget due primarily to increased salary and benefit costs for existing employees.
- A \$2.3 million (3.2%) increase in the IHSS Provider Payments budget due to a 3.5% cost of living adjustment included in the Governor's Proposed State Budget and adjustments the County negotiated with the union representing IHSS caregivers.

These and other expenditure increases are partially offset by recommended expenditure decreases in a number of areas including a \$28.2 million (57.5%) decrease in the Health-Medical Treatment Payments budget related to the implementation of the Affordable Care Act and \$4.9 million (1.7%) reduction in the Human Assistance-Administration budget mostly related to a reduction in CalFresh eligibility staffing.

Net County Cost/Discretionary and Semi-Discretionary Revenue Allocations

"Net County Cost" or "General Fund Allocation," refers to the discretionary resources allocated to the different County departments or programs. Discretionary resources come from the General Fund's discretionary (Non-Departmental) revenues, Non-Departmental reimbursements and General Fund beginning balance. For FY2014-15, the total recommended Net County Cost is approximately \$527.1 million, an \$8.8 million (1.7%) increase compared to the FY2013-14 Adopted Budget level.

The recommended allocation of discretionary resources to departments or activities takes into consideration the Board's policy and service directives, but also reflects the County's legal obligations in certain areas. The recommended allocations are summarized in the following table

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General Fund Allocations
As Compared to FY 2013-14
Adopted

DEPARTMENT	FY 2013-14	FY2014-15 Recommended	Year to Year Variance
ELECTED OFFICIALS			
Assessor	8,591,573	8,827,737	236,164
Board of Supervisors	2,998,928	3,137,512	138,584
District Attorney	44,658,860	48,336,926	3,678,066
Sheriff	184,405,592	186,714,258	2,308,666
Correctional Health	25,211,156	30,427,331	5,216,175
Subtotal	265,866,109	277,443,764	11,577,655
COUNTYWIDE SERVICES			
DHA – Aid Payments	16,403,517	23,772,091	7,368,574
DHA Administration	10,533,209	10,631,542	98,333
Health & Human Services	17,905,970	8,592,332	-9,313,638
Probation	49,717,127	56,300,440	6,583,313
Courts	35,388,825	35,257,366	-131,459
Public Defender and Conflict Defenders	37,097,031	38,186,622	1,089,591
Medical Treatment Payments	12,628,508	10,830,628	-1,797,880
In-Home Supportive Services	1,378,902	2,584,161	1,205,259
Voter Registration & Elections	7,358,063	7,358,063	0
Other Countywide Services	14,753,586	15,173,926	420,340
Subtotal	203,164,738	208,687,171	5,522,433
MUNICIPAL SERVICES			
Animal Care & Regulation	3,517,537	4,386,652	869,115
Community Development	1,236,405	2,806,490	1,570,085
Regional Parks	3,225,609	3,653,517	427,908
Subtotal	7,979,551	10,846,659	2,867,108
INTERNAL SERVICES			0
Finance Department	270,059	306,556	36,497
Other Internal Services	2,889,277	100,300	-2,788,977
Subtotal	3,159,336	406,856	-2,752,480
GENERAL GOVERNMENT	38,053,877	29,687,048	-8,366,829
TOTAL	518,223,611	527,071,498	8,847,887

In reviewing these numbers, it should be noted that, as discussed above, SWA and TOT revenue has been included as discretionary revenue in the FY2014-15 Recommended Budget and use of those funds is now reflected as a Net County Cost or General Fund Allocation. General Fund departments that previously received SWA funding (as a reimbursement) include Community Development, County Counsel, Finance and Regional Parks. In addition, in the FY2014-15 Recommended Budget, debt service obligations for Raley Field and the Sacramento Regional Art Facility have been moved from the Transient Occupancy Tax Fund to the Non-Departmental Costs budget in the General Fund and \$1,116,841 in Net County Cost has been provided to the Financing-Transfers/Reimbursements budget in the General Fund to allow for a General Fund contribution to the Economic Development and Transient Occupancy Tax Funds to cover the cost of economic development and sports, tourism and quality of life programs previously funded with TOT revenue. The impact on the General Fund is summarized in Attachment B.

Looking at Net County Cost alone, however, does not give a complete picture of levels of investment of local resources in programs or services because increases or decreases in Net County Cost are sometimes offset by increases or decreases in the use of Semi-discretionary revenue. To give a better picture of the change in centrally-allocated resources provided to the different departments, the following table compares the allocation of all Discretionary and Semi-Discretionary revenues in the FY2013-14 Adopted and FY2014-15 Recommended Budgets:

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Centrally Allocated Resources
Net County Cost, Semi-Discretionary
Resources

FY 2013-14 Adopted - FY 2014-15
Recommended

	FY 2013-14 Adopted	FY 2014-15 Recommended	Difference
AG COMM-SEALER OF WTS & MEASURES	1,172,387	1,172,387	-
ANIMAL CARE AND REGULATION	3,517,537	4,386,652	869,115
APPROPRIATION FOR CONTINGENCY	4,013,388	1,213,388	(2,800,000)
ASSESSOR	8,591,573	8,827,737	236,164
BOARD OF SUPERVISORS	2,998,928	3,137,512	138,584
CARE IN HOMES AND INSTITUTIONS	268,607	283,250	14,643
CIVIL SERVICE COMMISSION	309,758	318,089	8,331
CLERK OF THE BOARD	1,028,253	1,128,714	100,461
COMMUNITY DEVELOPMENT	2,136,405	2,806,490	670,085
CONFLICT CRIMINAL DEFENDERS	9,240,938	9,393,164	152,226
CONTRIBUTION TO LAFCO	228,833	228,833	-
COOPERATIVE EXTENSION	310,517	329,892	19,375
CORONER	5,900,507	6,135,333	234,826
CORRECTIONAL HEALTH SERVICES	32,152,735	37,352,669	5,199,934
COUNTY COUNSEL	2,021,012	2,039,299	18,287
COUNTY EXECUTIVE	963,456	1,035,338	71,882
COURT / COUNTY CONTRIBUTION	24,577,628	24,662,956	85,328
COURT / NON-TRIAL COURT FUNDING	10,811,197	10,594,410	(216,787)
DATA PROCESSING-SHARED SYSTEMS	7,598,341	7,904,194	305,853
DEPARTMENT OF FINANCE	320,059	306,556	(13,503)
DISTRICT ATTORNEY	57,264,553	61,437,753	4,173,200
EMERGENCY OPERATIONS	203,989	478,902	274,913
FINANCING-TRANSFERS/REIMB	42,059	1,116,841	1,074,782
GRAND JURY	266,213	310,675	44,462
HEALTH AND HUMAN SERVICES	186,828,818	188,820,703	1,991,885
HEALTH-MEDICAL TREATMENT PAYMENTS	27,455,101	11,830,628	(15,624,473)

HUMAN ASSISTANCE-ADMIN	19,093,480	18,740,280	(353,200)
HUMAN ASSISTANCE-AID PAYMENTS	141,479,173	151,520,099	10,040,926
HUMAN RIGHTS/FAIR HOUSING	61,267	150,000	88,733
IHSS Provider Payments	48,693,317	50,961,650	2,268,333
JUVENILE MEDICAL SERVICES	7,320,545	7,320,545	-
NON-DEPARTMENTAL COSTS/GF	15,523,042	14,073,450	(1,449,592)
OFFICE OF INSPECTOR GENERAL	95,441	100,300	4,859
PROBATION	89,949,916	99,994,558	10,044,642
PUBLIC AUTHORITY	639,905	327,292	(312,613)
PUBLIC DEFENDER	27,856,093	29,277,918	1,421,825
REGIONAL PARKS	3,624,252	3,653,517	29,265
Reserve	2,825,928	1,000,000	(1,825,928)
COP's (FY 2014-15 within Dept Totals)	-	-	-
SHERIFF	311,996,802	317,176,187	5,179,385
VETERAN'S FACILITY	15,920	15,952	32
VOTER REGISTRATION/ ELECTIONS	7,358,063	7,358,063	-
WILDLIFE SERVICES	50,061	47,558	(2,503)
Reimbursements	6,237,267	-	-
Criminal Justice Cabinet	13,707	-	-
Personnel Services	2,793,836	-	(2,793,836)
TOTAL	1,075,850,807	1,088,969,734	19,369,901

As can be seen, overall the amount of discretionary and Semi-Discretionary resources allocated to departments and programs is recommended to increase by approximately \$19.4 million or 1.8%, compared to the FY2013-14 Adopted Budget level. The departments with the largest increase include:

- The Probation Department with a \$10 million (7%) increase to address salary and other cost increases, and the loss of Title IV-E revenue. This increase includes a \$3.2 million carryover of unspent Local Law Enforcement (COPs) Realignment funds from FY2013-14.
- Human Assistance-Aid Payments with a \$10 million (7%) increase due to increased General Assistance and Foster Care costs.
- The Sheriff's Department with a \$5.2 million (2%) increase to address salary and other cost increases and the loss of COPS-Hiring Grant funding.

- Correctional Health Services with a \$5.2 million (16%) increase due to increased salary and benefit costs to deal with increasing caseloads and to more accurately budget for actual costs.
- The District Attorney's Office with a \$4.2 million (7%) increase to address salary and other cost increases.
- IHSS Provider Payments with a \$2.3 million (5%) increase due to a 3.5% cost of living adjustment included in the Governor's Proposed State Budget and adjustments the County negotiated with the union representing IHSS caregivers.

General Fund Five Year Sensitivity Analysis

Recognizing that expenditure and revenue decisions made in one year can have a significant effect on the resources that will be available to General Fund programs in future years, but also recognizing the difficulties involved in predicting future year economic and fiscal conditions, we are providing your Board with a Five Year Sensitivity Analysis that suggests what the impact could be on the General Fund's fiscal condition under three different scenarios:

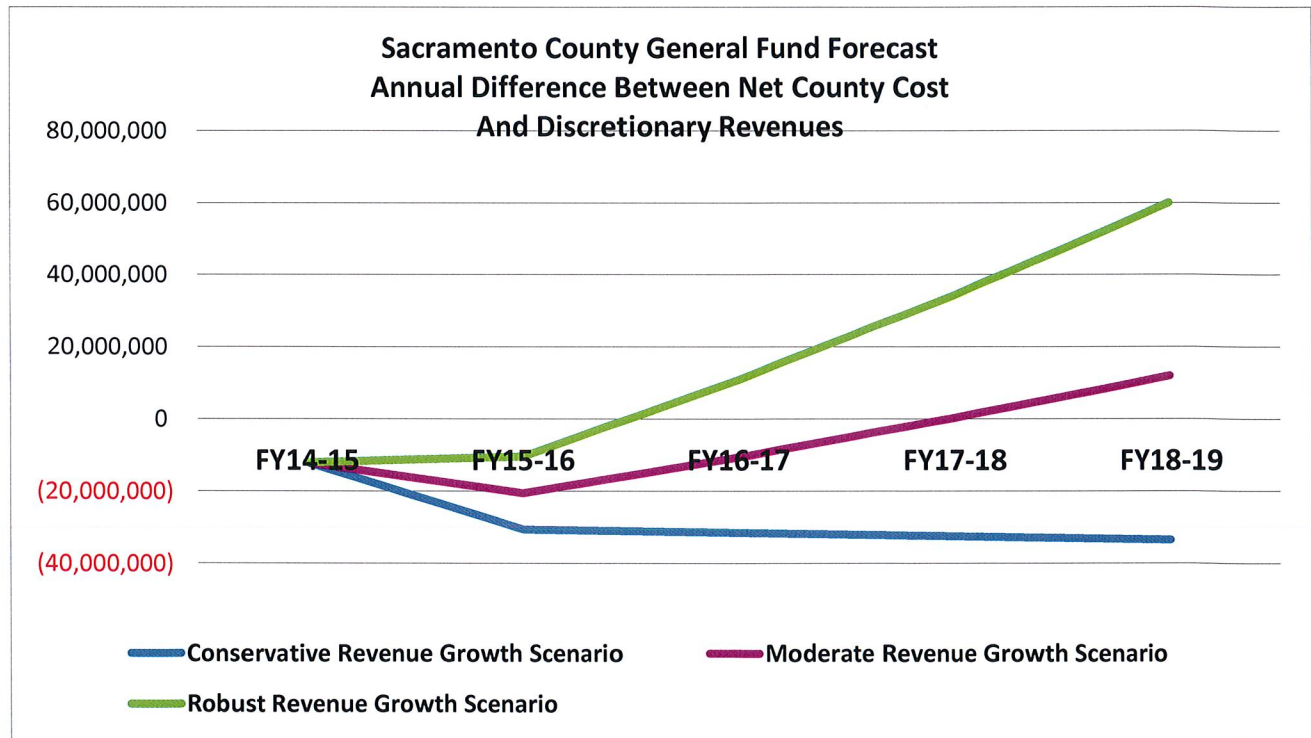
- A "Conservative Revenue Growth" Scenario, that assumes total discretionary revenue and reimbursements will grow at an average annual rate of 3% of the projection period;
- A "Moderate Growth" Scenario, that assumes total discretionary revenue and reimbursements will grow at an average annual rate of 5% over the projection period; and
- A "Robust Growth" Scenario that assumes total discretionary revenue and reimbursements will grow at an average annual rate of 7% over the projection period.

All projections use the discretionary revenue and reimbursement estimates in the FY2014-15 Recommended Budget and FY2013-14 Mid-Year estimates of Net County Cost as the starting point, with adjustments made to reflect certain known or likely changes including future-year reductions in one-time funding. Key assumptions include:

- In all years, semi-discretionary and other departmental revenue will grow or decline based on actual costs, or (with limited exceptions) costs currently funded with departmental revenue will be reduced if revenue declines.
- The FY2013-14 Mid-Year Net County Cost estimate is adjusted to reflect the percentage increase in Net County Cost in the FY2014-15 Recommended Budget compared to the FY2013-14 Adopted Budget;
- The FY2015-16 Net County Cost estimate, and all succeeding year Net County Cost estimates, are increased to reflect the elimination of approximately \$17 million in one-time or limited duration resources used to balance the FY2014-15 Recommended Budget;

- The FY2015-16 Net County Cost estimate, and all succeeding year Net County Cost estimates, are decreased by \$9 million to reflect the complete reconciliation of all Low Income Health Program (LIHP) bills in FY2014-15;
- The FY2015-16 Net County Cost estimate, and all succeeding year Net County Cost estimates, are increased by approximately \$11 million to reflect the cost of certain General Fund-supported technology improvements (such as the new Property Tax System) called for in the Technology Improvement Plan recently reviewed by the Board, and to begin repaying the outstanding balance on the advances from other funds to the General Fund on a 10-year amortization schedule; and
- For all years and all scenarios, starting in FY2014-15, Net County Cost will grow by 3% a year (after any other adjustments) reflecting the impact of inflation or other cost increases.

The results of these different scenarios are shown in the following table:



As can be seen, depending on the assumptions used, the Sensitivity Analysis provides a fairly wide range of possible outcomes. Given all of the uncertainties involved in projecting into the future, it is likely that the General Fund's fiscal condition will be different from all three scenarios. Notwithstanding this, we believe it is possible to draw two conclusions:

- First, the General Fund's current fiscal dilemma is not a one-year problem: we will likely be facing difficult fiscal constraints over at least the next two to four years; and

- Second, because the General Fund has only a minimal contingency and limited discretionary reserves to fall back on if estimated revenue does not materialize or costs exceed projections, it would be prudent to make every effort over the next few years to control costs and build reserves.

EMPLOYEE IMPACTS

With one exception, related to a reduction in costs at the County's Health Clinic and related programs, the Recommended Budget proposes minimal impacts to the County employees for FY2014-15. With regard to Clinic and other indigent healthcare-related services, the implementation of the Affordable Care Act has dramatically reduced the number of clients receiving Clinic services and the Recommended Budget reflects a reduction of 69 FTE positions, 42 of them currently filled. In addition, three filled positions at the Airport are identified for deletion (though positions have been found for the incumbents in other County departments). Consequently, it appears likely it may be necessary to issue layoff notices to as many as 50 people in 45 FTE positions. Department managers are working aggressively to find County positions for displaced employees.

SIGNIFICANT BUDGET ISSUES –GENERAL FUND

Affordable Care Act Implementation – County Clinic and Health-Medical Treatment Payments

As you know, the federal Affordable Care Act (ACA) became effective on January 1, 2014. Under that Act, most low income, childless adults, who previously relied on county indigent healthcare programs became eligible for Medi-Cal coverage or are able to purchase individual health insurance coverage through the State's Health Benefits Exchange. Prior to January 1, 2012, the County was responsible for providing healthcare to approximately 25,000 people – approximately 11,000 in the Low Income Health Program (LIHP) and 14,000 in the County Medically Indigent Services Program (CMISP). Since the implementation of the ACA, all LIHP and most CMISP beneficiaries have been transitioned to Medi-Cal. As of April 1, there were a total of 42 people on CMISP and the Department of Human Assistance estimates that that population could rise to as much as 700, most of them with a Share of Cost. By any measure, this is a significant betterment in the quality of health services for these individuals and a significant accomplishment for our County employees.

At the same time, as mentioned above, the State reduced the amount of Public Health Realignment funding provided to counties, effective January 1, 2014. Without the ACA, the County would have received approximately \$43 million in Public Health Realignment in FY2013-14; with the implementation of the ACA mid-way through FY2013-14, the County will receive approximately \$34.8 million. In FY2014-15 we expect to receive approximately \$13.4 million from this source.

All of this has major implications for the Health & Human Services and Health-Medical Treatment Payments budgets that include:

- The Recommended Health-Medical Treatment Payments budget reflects a \$28.2 million reduction in appropriations from the FY2013-14 Adopted Budget level, a \$13.8 million reduction in Public Health Realignment revenue and a \$1.8 million reduction in Net County Cost. As recommended, the Budget provides \$18 million to cover the reconciliation of outstanding bills for the LIHP program (compared to \$43.2 million in the FY2013-14 Adjusted Budget) and approximately \$2 million for specialty provider services for CMISP members (compared to \$8.3 million in the FY2013-14 Adopted Budget). It is expected that all outstanding LIHP obligations will be paid as of the end of FY2014-15, so there will be no LIHP-related costs in FY2015-16 and about \$9 million in Net County Cost will be available.
- The Recommended Health & Human Services budget includes a \$13.7 million reduction in appropriations for Clinic-related services (including CMISP Case Management and Pharmacy Services) which reflects reductions in contract costs and the deletion of 69 FTE positions. Of the positions proposed for deletion, 27 are vacant and 42 are currently filled. Four of the positions (totaling 3 FTE)— one FTE physician and two pharmacists - can be transferred to Correctional Health Services to address critical staffing needs in the jails, and the Department of Health & Human Services has identified 11 vacant positions elsewhere in the Department where positions in the clinic can be transferred. We are continuing to look for other positions in the organization to place the remaining employees, but it will be necessary to issue layoff notices. With these reductions, the total Recommended Budget for Clinic-related services will be approximately \$18.3 million and will include 41.8 FTE positions.

As proposed, the Clinic will focus on the limited number of remaining CMISP patients and the small number of patients in the Refugee Health Assessment program, the Primary Care Integrated Behavioral Health (IBH) and Healthcare for the Homeless (HCH) programs. Refugee Health Assessment is a grant funded public health program that provides comprehensive health assessments to newly arriving refugees. Primary Care Integrated Behavioral Health (IBH) is focused on adults with co-existing physical and behavioral health conditions. HCH provides primary care at Friendship Park and nursing outreach to various shelters. Primary Care clinic and pharmacy operating hours will remain the same (but less staff will be needed due to lower patient volumes) and the dental clinic hours will be reduced to half time (also reflecting lower patient volumes). Currently, the clinic is also serving certain uninsured adults who have medical needs and have not completed their Medi-Cal eligibility, in addition to the few remaining enrolled CMISP members. In the post-ACA landscape, services for those in need may be of shorter duration, with a focus on interim health care and linkage to appropriate medical homes. Indigent patients who are determined to be eligible for Medi-Cal will be referred immediately to local community clinics and providers.

As part of Budget Hearings, a Beilenson Hearing has been scheduled to address the impact of some of these reductions on indigent healthcare. A copy of the Beilenson Hearing Agenda Item and Notice is provided as Attachment C.

Safety-Net Services – Human Assistance and Health & Human Services

The Departments of Human Assistance (DHA) and Health & Human Services (DHHS) have included funding in their budgets to support several initiatives directly related to Safety Net needs as discussed in the April 9, 2014 Board of Supervisors workshop. That workshop discussed a number of Safety Net needs, with a focus on the needs of the homeless, particularly young adults, families, veterans, and the mentally ill, and on vulnerable adults. The tables below summarize key funding recommendations that represent a substantial foundation for addressing important safety net needs.

Safety Net Funding – Department of Human Assistance Administration

Safety Net Need	Proposed Initiative	Proposed Funding	Funding Source
Emergency Homeless Shelter	Ongoing Funding of Family Shelters to 3 Providers (contracts for 165 beds)	\$1,673,965 \$400,000	CalWORKs General Fund
	Salvation Army Men's Shelter (operational support)	\$75,000	General Fund
	Winter Shelter	\$150,000	General Fund
Homeless Planning	Grant to Sacramento Steps Forward	\$25,000	General Fund
Homeless Outreach and Navigation	Share of grant match to River District	\$25,000	General Fund
	Contract with CBO for navigation services targeting homeless youth and veterans	\$75,000	General Fund
Rural County Services	Grant to South County Services	\$60,000	General Fund

DHA will not be using new or additional General Fund for the funding of the Safety Net programs. Funding for family homeless shelters and Winter Shelter are ongoing uses of General Fund resources. The balance of the General Fund proposed for Safety Net programs (\$260,000) will be reallocated from other uses as follows:

- Reallocation of a partial FTE of General Assistance eligibility staffing to CalWorks which is fully allocated from the State of California.
- A portion of the General Fund used to access the CalFRESH allocation as a result of the elimination of the Maintenance of Effort (MOE) waiver as redirected to support the additional safety net services.

In addition, the Department of Human Assistance has begun out-stationing veterans claims representatives in an effort to reach more veterans and assist them with filing their claims. The Department now locates a claims representative one day a week at the County’s Service Center on Peacekeeper Way, expects to have a full-time worker at the Mather Veterans Administration Hospital by July and is exploring having a presence at American River College and Probations Adult Day Reporting Centers.

Safety Net Funding – Department of Health and Human Services

Safety Net Need	Proposed Initiative	Proposed Funding	Funding Source
Homeless Youth Services	Grant to WIND Youth Services (2 beds)	\$25,000	Realignment
Shelter for Abused and Neglected Seniors	Grant to Senior Safe House (6 beds)	\$ 135,000	Realignment Federal
Health Education and Screening For Homeless	Registered nurses at various locations	\$ 984,954	HRSA Grant (Federal)

In addition, the Budget includes appropriations for the grant-funded Mental Health Navigator program originally approved by the Board during FY2013-14. This program provides 21 contracted triage and navigator personnel, located at local hospital emergency departments, the Main Jail, and the downtown Sacramento homeless services campus, who will provide critical case management and linkage services to mentally ill consumers and their families.

As part of budget hearings, I will also be recommending a Supplemental Budget request that would utilize grant and additional Mental Health Services Act revenue to establish two mobile crisis support teams in the Adult Mental Health program in partnership with the Sheriff’s Department and the Sacramento Police Department.

As discussed above, I am recommending that \$1 million of potential Protective Services Realignment growth be held in reserve, pending a better sense of how much revenue from this source we will actually receive. If, during FY2014-15, it becomes clear that we will receive that additional Realignment Growth, and depending on the General Fund's overall fiscal status, the Board may want to consider using \$440,000 of that Realignment Growth revenue to reinstate the Adult Protective Services (APS) Financial Abuse Unit previously eliminated due to budget constraints.

Sheriff's Department

The Recommended Budget for the Sheriff's Department reflects a \$1.7 million reduction in appropriations compared to the FY2013-14 Adopted level, a net \$4 million reduction in revenue and a \$2.3 million increase in Net County Cost. Part of the reason for the reduction in costs and revenues is the loss of approximately \$2 million in categorical grant funding and \$2.5 million in funding from the Airport System, the latter due to changes in the level of services requested by the Airport. The reduction in revenue also reflects the loss of \$7.3 million in COPS-Hiring Grant funding which, according to the grant agreement, must be backfilled by the County. And the Department is dealing with the impact of higher salary and benefit costs.

To help address the impact of reduced COPs grant revenue and increased costs, the Recommended Budget includes a \$2.3 million increase in Net County Cost mentioned above, as well as a \$3.9 million increase in Proposition 172 and Realignment revenue. Despite this, the Sheriff Department's funding level is still approximately \$5 million below the amount the Department feels is necessary to maintain current service levels. The Sheriff will address how he will deal with this situation at budget hearings.

Correctional Health Services

The Recommended Budget for Correctional Health Services reflects a \$6.9 million increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$1.7 million increase in revenue and a \$5.2 million increase in Net County Cost. The increase in appropriations is due to increased employee salary and benefit costs, increased use of registry service and provider services due to higher service demands and an effort to more realistically budget for costs.

The Recommended Correctional Health Services budget also reflects the elimination of four vacant positions that are no longer needed with the resulting savings allocated to more critical needs including the transfer of 4 positions (3 FTE) from the Health Clinic as described above. These transferred positions will also be funded by a reduction in the amount of medical registry services that would have otherwise been needed.

The Recommended increase in revenue includes \$555,000 in Medi-Cal revenue to be collected under provisions of the Affordable Care Act that allow counties to bill Medi-Cal for hospital costs for eligible inmates that spend more than 23 consecutive hours in a hospital. This is just a preliminary estimate of the amount of Medi-Cal revenue that Correctional Health could receive, and the ability to claim this revenue will require Correctional Health to establish a Medi-Cal billing mechanism.

District Attorney

The Recommended Budget for the District Attorney's Office reflects a \$775,000 increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$2.9 million reduction in revenue and a \$3.7 million increase in Net County Cost. The revenue reduction includes a \$634,000 reduction in categorical grant revenue and a \$2.3 million reduction in revenue from the Office's Environmental and Border trusts (which are offset by expenditure reductions). These and other revenue decreases are partially offset by revenue increases, including a \$914,000 increase in Proposition 172 and Realignment revenue.

At the recommended level, funding for the District Attorney's Office is approximately \$2.25 million below the amount the Department feels is necessary to maintain current service levels given salary and benefit and other cost increases. The District Attorney will address how she will deal with this situation at budget hearings.

Probation

The Recommended Budget for the Probation Department reflects a \$3 million increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$3.6 million reduction in revenue and a \$6.6 million increase in Net County Cost. The reduction in revenue is the net result of a \$9.7 million reduction in Title IV-E Foster Care revenue and other revenue reductions and an \$8.3 million increase in SB678 revenue and other revenue increases, including a \$2.8 million increase in Proposition 172 and Realignment revenue.

Even with the increase in appropriations and Net County Cost, the recommended funding level for the Probation Department is approximately \$1.1 million below the amount the Department feels is necessary to maintain current service levels, given salary and benefit cost increases. Rather than eliminate specific positions at this time and identify the impact of that action, the Department has requested the ability to attempt to achieve these savings through managing vacancies as they occur. The Recommended Budget honors that request, but there is some risk that this approach will not achieve the desired savings (particularly since the Probation budget already included a \$500,000 allowance for salary savings) and/or will require service level reductions that may not be acceptable to the Board.

Human Assistance – Aid Payments

The Recommended Human Assistance- Aid Payments budget reflects a \$21.1 million increase in appropriations, a \$13.7 million increase in revenue and a \$7.4 million increase in Net County Cost. As discussed above, the primary reasons for the recommended increase in appropriations are higher Foster Care and General Assistance costs.

Even at the increased appropriation and Net County Cost levels, the Recommended Budget for this budget unit is approximately \$1 million below the level that the Human Assistance Department feels will be necessary to fund required benefit and caseload levels. I am recommending this funding level because the foster care extension is a new program and we

believe the caseloads will be lower than the Human Assistance Department is currently estimating.

Human Assistance – Administration

The Recommended Budget for Human Assistance-Administration reflects a \$4.9 million decrease in appropriations and revenue compared to the FY2013-14 Adopted Budget level, and a \$98,000 increase in Net County Cost. The recommended reduction in appropriations and revenue is the net result of increases and decreases in a number of programs and funding sources, including a \$16.8 million reduction in CalFresh expenditures, a \$19 million increase in CalWORKS expenditures and the transfer of responsibility for the \$3.5 million Mather Community Campus program to Sacramento Steps Forward and the \$1.6 million Senior Volunteer program to the Health & Human Services Department. In addition, the Human Assistance budget includes funding for certain Safety Net programs as described above.

Public Defender and Conflict Criminal Defender

The Recommended Budget for the Public Defender reflects a \$1.1 million increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$123,000 increase in revenue and a \$937,000 increase in Net County Cost. The increase in appropriations and revenue is due almost entirely to increased salary and benefit costs.

The Recommended Budget for the Public Defender also reflects the elimination of two vacant attorney positions, for a savings of approximately \$350,000. According to the Public Defender, this will likely mean that additional cases will need to be transferred (as an overload) to the Conflict Criminal Defender.

The Recommended Budget for the Conflict Criminal Defender reflects a \$47,000 increase in appropriations and a \$152,000 increase in Net County Cost. These increases are the net result of higher compensation for contract attorneys approved by the Board during FY2013-14 and lower cost estimates for a major case the office has been handling. The Recommended Conflict Criminal Defender Budget does not include an adjustment to account for the additional overload from the Public Defender that may occur as a result of the recommended reduction of attorneys in that Office. Depending on the actual number and type of overload cases, and the actual number of other cases handled by the Conflict Criminal Defender, the Conflict Criminal Defender estimates that costs could increase by as much as \$500,000 to \$800,000. At this point, I am not recommending any adjustment to the Conflict Criminal Defender's budget because of the uncertainties about the actual net cost.

Health & Human Services

Overall, the Recommended Budget for Health & Human Services reflects an \$18.5 million increase in appropriations compared to the FY2013-14 Recommended Budget level, a \$27.7 million increase in revenue and a \$9.3 million reduction in Net County Cost. In addition to the reduction in health clinic-related costs described above, the Recommended Budget includes approximately \$31 million in additional Mental Health funding, partly related to salary and

benefit cost increases, but mostly related to increased payments to contracted service providers. These additional provider payments will be used to develop and expand outpatient children's and adult mental health services. Funding will come primarily from additional Mental Health Services Act revenue and related federal financial participation.

The Recommended Budget also includes increased funding for Child Protective Services to cover the cost of the 16 additional positions added during the 2013-14 fiscal year and certain Safety Net services as described above.

Animal Care and Regulation

The Recommended Budget for Animal Care reflects a \$1.3 million increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$436,000 increase in revenue and an \$869,000 increase in Net County Cost. The primary reason for the Recommended increase in appropriations include a \$353,000 increase in liability insurance costs (due to a major liability claim), a \$512,000 increase in the Department's Facility Use allocation (previously, the maintenance portion of this allocation was not assessed to the Department because the Animal Shelter facility was a new facility), the cost of three positions added during FY2013-14 and salary and benefit cost increases for existing positions. The additional revenue comes primarily from the contract with the City of Elk Grove for shelter services.

The recommended appropriation and Net County Cost level for this Department is approximately \$239,000 below the level the Department believes is necessary to maintain current service levels. To accomplish this reduction, the Recommended Budget reflects the elimination of two vacant positions – an Animal Control Officer and an Office Specialist – a \$58,000 reduction in the extra help budget and other miscellaneous cost reductions.

Regional Parks

The Recommended Budget for Regional Parks reflects a \$613,000 increase in appropriations, an \$185,000 increase in revenue and a \$428,000 increase in Net County Cost. \$357,000 of the increase in Net County Cost and \$398,000 of the increase in appropriations are due to the change in the way SWA revenue is treated. Previously it was reflected as a separate reimbursement to relevant departments (reimbursements reduce expenditures) and now it is reflected as Net County Cost. If this budgeting change is factored out, appropriations are recommended to increase by approximately \$215,000 and Net County Cost is recommended to increase by \$70,000.

The recommended appropriation and Net County Cost level for this Department is approximately \$38,000 below the level the Department believes is necessary to maintain current service levels. The Department believes it can manage this nominal amount.

Assessor

The Recommended Budget for the Assessor reflects a \$990,000 increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$754,000 increase in revenue and a

\$236,000 increase in Net County Cost. The increase in appropriations is primarily due to increased employee salary and benefit costs along with increases in various allocated costs. The Assessor has reallocated a number of positions to help address backlogs and restore properties to their full factored Proposition 13 base values. These reallocations resulted in a cost savings and net reduction of 1.3 FTE positions. The revenue increase includes a \$950,000 increase in supplemental property revenue partially offset by a \$196,000 reduction in property tax administration revenue.

Community Development

The Recommended Budget for Community Development reflects a \$1.8 million increase in appropriations compared to the FY2013-14 Adopted Budget level, a \$214,000 increase in revenue and a \$1.6 million increase in Net County Cost. Approximately \$807,000 of the increase in Net County Cost and \$900,000 of the increase in appropriations are due to the change in the way SWA revenue is treated. Previously it was reflected as a separate reimbursement to relevant departments (reimbursements reduce expenditures) and now it is reflected as Net County Cost. If this budgeting change is factored out, appropriations are recommended to increase by approximately \$884,000 and Net County Cost is recommended to increase by approximately \$762,000.

Aside from the change in how SWA is budgeted, the major reasons for the recommended increase in appropriations include:

- A \$430,000 increase in Building Inspection related-costs, including higher lease costs for the permit assistance centers, increased legal fees, Accela program improvements and computer replacements, space remodeling costs and increased facility use charges. These cost increases are covered by additional revenue from the Building Inspection Fund.
- A \$281,000 increase in Code Enforcement-related costs, including funding to cover the cost of 3 positions added during the 2013-14 fiscal year and the recommended addition of a Supervising Code Enforcement Officer and .5 FTE Accounting Technician, as well as salary and benefit cost increases for existing positions. Factoring out the changes in how SWA is budgeted, the Recommended Net County Cost for Code Enforcement reflects a \$777,000 increase, due in part to a \$400,000 reduction in Problem Property Trust Fund and Community Development Block Grant (CDBG) revenue (this was one-time funding in FY2013-14) and a \$377,000 reduction in Civil Administrative Penalty revenue based on more accurate information on the revenue actual received from this source in FY2013-14. I am recommending the addition of the Supervising Code Enforcement Officer to address supervision needs resulting from current supervisors being on long-term leave. I am recommending the additional 0.5 Accounting Technician to deal with workload increases generated by the additional code enforcement officers added over the last year and the implementation of the 3-1-1- system

Non-Departmental Costs

The Recommended Budget for Non-Departmental Costs reflects a \$1.8 million reduction in appropriations compared to the FY2013-14 Adopted Budget level, a \$350,000 reduction in revenue and a \$1.5 million decrease in Net County Cost. The reduction in appropriations and Net County Cost is primarily the net result of a number of factors: the elimination of any repayment of monies previously borrowed from other funds (the FY2013-14 Adopted Budget included \$9.8 million for this purpose), the inclusion of approximately \$3 million in debt service for the Raley Field and Sacramento Regional Art Facilities bond financing, and the shifting of approximately \$6.4 million in Auto Agreement payments and property tax administrative costs from the Non-Departmental Revenue budget unit to this budget unit.

The bond indentures for the Raley Field and Sacramento Regional Art Facilities financings require the County to annually appropriate our share of debt service as a contingency in case ticket receipts are insufficient to cover the debt service. In prior years, this appropriation took place in the Transient Occupancy Tax Fund. Now that TOT revenue is being recorded initially as discretionary revenue in the General Fund, this appropriation has been shifted to this budget unit and funded with Net County Cost. It should also be noted that, in prior years, the appropriation in the Transient Occupancy Tax Fund was funded with "Pass Through" revenue from an unidentified source. Although there has never been a need to spend this money, had there been such a need there would not actually have been sufficient revenue to cover the expenditure and fund other TOT commitments. In the Recommended Budget, the Net County Cost appropriately reflects real discretionary revenue (including TOT revenue now).

Financing Transfers/Reimbursements

The FY2013-14 Adopted Budget appropriation level and Net County Cost for this budget unit was \$42,000 and the FY 2014/15 Recommended Budget includes \$1,117,000. The primary reason for this increase is the change in how TOT revenue is budgeted. The use of TOT revenue is now reflected as Net County Cost and, in this case, a General Fund transfer to the Economic Development and Transient Occupancy Tax Funds. Specifically:

- \$951,841 is being transferred to the Transient Occupancy Tax Fund to cover the cost of various sports, tourism, art and quality of life programs, certain economic development programs and the Board's neighborhood programs; and
- \$165,000 is being transferred to the Economic Development Fund to cover TOT administration costs and other economic development and marketing activities.

The amount recommended for transfer for these purposes is the same as the amount provided for these programs in the FY2013-14 Adopted Budget.

Appropriation for Contingency

The Recommended Appropriation for Contingency is \$1.2 million, which is a \$2.9 million decrease from the FY2013-14 Adopted Budget Contingency. However, as noted above, the Recommended Non-Departmental Costs budget contains approximately \$2.9 million as

essentially a debt service contingency for the Raley Field and Sacramento Regional Art Facilities bond financings. Four separate debt service payments are due between September 1st and May 1st of each fiscal year and if this contingency is not needed for debt service, a portion of it will be available to use as a general fund contingency after each debt service date, with the full amount being available after May 1st.

TRANSIENT OCCUPANCY TAX

As previously mentioned, TOT revenue is now recorded as discretionary revenue in the General Fund's Non-Departmental revenue budget and distributed as part of Net County Cost or the General Fund Contribution. For FY2014-15, we are estimating that the County will receive \$4,075,000 in TOT revenue which is \$358,000 more than the amount included in the FY2013-14 Adopted Budget. In addition, it is estimated that the TOT fund will have a \$292,793 beginning fund balance.

Of the \$4,075,000 budgeted as discretionary revenue in the General Fund, \$951,841 is recommended to be transferred as a General Fund Contribution to the Transient Occupancy Tax Fund to fund grants to community organizations and \$165,000 is recommended to be transferred as a General Fund Contribution to the Economic Development Fund to cover the cost of TOT program administration and economic development and marketing activities. In addition, \$271,000 of the Transient Occupancy Tax Fund's fund balance is also recommended for appropriation to cover the cost of certain projects not completed in prior years. With the exception of the fund balance carry-forward, the amount of Net County Cost being allocated for these purposes is generally the same amount as the TOT allocation for these purposes in the FY2013-14 Adopted Budget.

The remaining \$2,896,000 in TOT revenue is recommended to be retained in the General Fund and used to help cover the required debt service reserve for the Raley Field and Sacramento Regional Arts Facilities bond financings. In the FY2013-14 Adopted Budget, approximately \$3 million in TOT revenue was transferred to the General Fund as discretionary revenue.

Detailed sources and uses of TOT revenue are included in Attachment D including three growth requests that the Board may want to consider in September.

CAPITAL CONSTRUCTION FUND (CCF)

The Capital Construction Fund (CCF) provides for major construction projects as well as minor alterations, improvements, and major equipment replacement in County-owned facilities. In recent years, the CCF has also become a source of payment for various debt services obligations. The CCF Recommended Budget for FY2014-15 includes \$33.8 million in sources available for projects. The uses include \$23.2 million in capital project costs, \$8.5 million in debt service costs, \$1.6 million in vacant space costs, and, \$2.1 million in other required costs financed by the Use Allowance. Attachment E provides a detailed listing of CCF funding obligations.

OTHER FUNDS

Economic Development Fund

The Community Development Department's Office of Economic Development and Marketing administers Sacramento County's economic development, job creation and retention programs, as well as the Mather Field and McClellan Park reuse programs, and the Business Environmental Resource Center (BERC) program. Appropriations for the Economic Development budget are increasing by approximately \$188,000, revenue is decreasing by approximately \$14.6 million and use of fund balance is increasing by \$14.8 million. The recommended increase in appropriations is the net result of a number of expenditure increases and decreases, including an \$8.3 million reduction in McClellan Area 4 clean-up costs, a \$5 million increase in McClellan Area 5 clean-up costs and the provision of \$100,000 to assist in creating additional Property and Business Improvement Districts (PBIDs) in unincorporated County communities to be funded with McClellan rental income.

The primary reason for the recommended decrease in revenue and increase in use of fund balance is an encumbrance adjustment to more appropriately account for federal revenue when it is actually received.

Airport Enterprise Fund

The Department of Airports (Department) operating budget for FY 2014-15 reflects a continued effort to reduce operating expenses in order to strengthen the Department's financial position and achieve a more competitive airline cost structure. The FY2014-15 Recommended Budget for the Airport Fund reflects a \$16.9 million decrease in expenditures compared to the FY2013-14 Adopted Budget, however that includes depreciation expense and certain fixed asset purchases. The Airport operating budget has decreased \$12,916,893 compared to the Adopted Budget for FY 2013-14.

Expenses

Significant changes to the Department's budgeted operating expenses for FY 2014-15 compared to the FY 2013-14 budget include:

- Salaries and benefits have decreased from \$36,963,014 to \$32,546,110 (a decrease of \$4,416,904). This decrease is attributable to the restructuring of the Airport Operations section as well as the deletion of positions in other parts of the organization. Overall, the proposed budget results in the deletion of 51.0 total positions, 3.0 of which are filled and 48.0 vacant. Additionally, the Department expects to receive significant salary savings related to vacancies that are expected to be created during FY 2014-15.
- The budget for Services and Supplies has decreased from \$66,586,630 to \$56,627,058 (a decrease of \$9,959,572). Factors contributing to the decrease include reductions in the services provided by the Sheriff's Department and the Department of Technology, as well as outside contractors including the parking and shuttle bus operations.

Revenues

Significant changes to the Department’s revenue for FY 2014-15 include:

- Grant revenue is expected to increase in FY 2014-15 by \$6,773,769 for a baggage screening project funded by the Transportation Security Administration.
- Parking Revenue is expected to decrease by \$2,753,343 compared to the prior year’s budget. This decrease is a result of the slower than anticipated growth of enplanements.

Budget-to-Budget Comparison

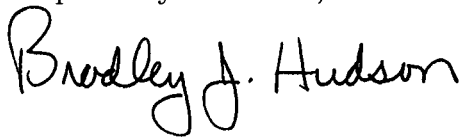
SACRAMENTO COUNTY DEPARTMENT OF AIRPORTS

	Adopted Budget FY 13/14	Recommended Budget FY 14/15	Budget to Budget Comparison
Salaries/Benefits	\$ 36,963,014	\$ 33,743,935	\$ (3,219,079)
Less Budgeted Annual Salary Savings		(1,197,825)	(1,197,825)
Total Salaries/Benefits	36,963,014	32,546,110	(4,416,904)
Service and Supplies	66,586,630	56,627,058	(9,959,572)
Other Operating Expenses:			
Depreciation	48,843,002	50,446,965	1,603,963
Amortization-Other Charges	4,692,155	4,747,775	55,620
Cost of Goods Sold	850,000	650,000	(200,000)
	<u>54,385,157</u>	<u>55,844,740</u>	<u>1,459,583</u>
Total Operating Budget	157,934,801	145,017,908	(12,916,893)
Proposed Operating Revenues	160,866,707	151,654,838	(9,211,869)
Nonoperating Revenues (Expenses)			
Interest Income	1,406,014	712,018	(693,996)
Interest Expense	(58,484,191)	(57,520,826)	963,365
Intergovernmental Revenue	8,720,000	15,493,769	6,773,769
Passenger Facility Charges Revenue	18,054,000	17,250,000	(804,000)
Total Nonoperating Revenues (Expenses)	<u>(30,304,177)</u>	<u>(24,065,039)</u>	<u>6,239,138</u>
NET INCOME (LOSS)	<u><u>\$ (27,372,271)</u></u>	<u><u>\$ (17,428,109)</u></u>	<u><u>\$ 9,944,162</u></u>

RECOMMENDATIONS

1. Conduct Beilenson Hearings related to the proposed changes in Health Clinic/Indigent Healthcare operations included in the Recommended Budget (See Attachment C)
2. Adopt the attached Recommended Budget Resolution (Attachment F), as amended by the Board, and including miscellaneous adjustments recommended by the County Executive Officer (including those identified in the Supplemental Budget Recommendations appended as Attachment G), resulting in an approved FY2014-15 Recommended Budget and setting the commencement of the Adopted Budget Hearings for September 9, 2014. The Approved Budget will serve as spending authorization for the 2014-15 fiscal year until final budget adoption in September.
3. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA), and issue layoff notices if necessary, to reflect the positions approved by the Board in the FY2014-15 Recommended Budget, including deletion of certain positions to reduce program expenditures. A finalized position reduction list will be brought back to the Board.
4. Authorize the Director of the Department of Personnel Services to administratively extend positions otherwise slated for deletion in those cases where resources have been identified. These extensions will be brought back to the Board at the earliest available Board date.
5. Direct the County Executive to further evaluate vacant funded positions, year-end fund balance, and other budget savings and financing opportunities, and make final budget recommendations in September to address unfunded Board priorities as identified in the Recommended Budget hearings.
6. Approve the attached Agenda Item (Attachment H) authorizing the Department of Health & Human Services to enter into a retroactive agreement with the State of California, Health Facilities Finance Authority for the provision of mobile crisis support teams in collaboration with law enforcement and related actions.
7. Receive the attached report-back from the Environmental Management Department concerning CUPA Farm Inspection Fees.

Respectfully submitted,



Bradley J. Hudson
County Executive

Attachments:

Attachment A – FY2013-14 Significant Accomplishments

- Attachment B – Discretionary/SWA/TOT Revenue Allocation Comparison
- Attachment C – Beilenson Hearing Agenda Item: Clinic/Indigent Healthcare Related Reductions
- Attachment D – Transient Occupancy Tax Allocation
- Attachment E – Capital Construction Fund: Supplemental Information
- Attachment F – Budget Approval Resolution
- Attachment G – Supplemental Budget Adjustments
- Attachment H – Mobile Crisis Grant Agreement Agenda Item
- Attachment I – Report-back on CUPA Farm Inspection Costs Agenda Item