FY2017-18 Recommended Budget
THE GENERAL FUND BUDGET

The County's Recommended General Fund appropriation level for FY2017-18 totals $2,437,477,915. This is an increase of $41,146,545 (1.7%) compared to the FY2016-17 Adopted Budget. A more detailed comparison of the FY2017-18 Recommended General Fund Budget to the FY2016-17 Adopted General Fund Budget is shown below:

General Fund Budget			
FY2016-17 Adopted and FY2017-18 Recommended			
	FY2016-17	**FY2017-18**	
	Adopted	**Recommended**	**Difference**
Resources			
Beginning Available Balance	47,547,865	40,000,000	(7,547,865)
Use of Reserves	1,147,609	7,693,085	6,545,476
Discretionary Revenue	565,932,025	590,059,136	24,127,111
Semi-discretionary Revenue	687,277,299	705,103,403	17,826,104
Other Departmental Revenue	1,104,272,614	1,094,622,291	(9,650,323)
Total Revenue	**2,357,481,938**	**2,389,784,830**	**32,302,892**
Total Resources	**2,406,177,412**	**2,437,477,915**	**31,300,503**
			-
Requirements			-
Expenditures	2,402,474,261	2,443,501,877	41,027,616
Discretionary Reimbursements	(8,100,891)	(7,981,962)	118,929
Contingency	1,958,000	1,958,000	-
Total Appropriations	**2,396,331,370**	**2,437,477,915**	**41,146,545**
Provision for Reserves	9,846,042	-	(9,846,042)
Total Requirements	**2,406,177,412**	**2,437,477,915**	**31,300,503**

Fund Balance and Reserves

The Recommended General Fund Budget assumes a beginning balance of $106.5 million. The beginning balance includes approximately $66.5 million in reserves, consisting primarily of approximately $10.3 million in Teeter Reserves, a $32.42 million Reserve for Cash Flow, a $9.2 million Reserve for Mental Health Audit Report Payback, a $4.2 million Reserve for Future Pension Obligation Bond Payments, $4.9 million in General Reserves, a $3.6 million WETYC/MAC Construction Reserve, a $1.3 million Technology Upgrades Reserve, and an Available (unobligated) balance of $40 million.

The estimated FY2017-18 Beginning Balance was calculated using the FY2015-16 actual ending balance and Second Quarter estimates of FY2016-17 General Fund revenues and expenditures, with a positive adjustment to mitigate the generally conservative nature of those estimates.

The Recommended Budget proposes to cancel $4.2 million of the Reserve for Mental Health Audit Report Payback and use those resources to help cover General Fund appropriations, leaving $5 million in that Reserve. At the time this reserve was established, the County was routinely receiving Mental Health audit claims in the area of $10 to $14 million annually. In the end, the two most recent claims (FY2008-09 and FY2009-10) were reduced to a total of approximately $6.1 million and this reserve cancellation will partly cover the cost of those claims. In the future, we anticipate that Mental Health audit claims will be significantly less than in prior years, in part because the Department of Health and Human Services (DHHS) has implemented a new mental health billing system and changed billing and record-keeping practices. We anticipate that the County will continue to need to pay audit claims, not just in the Mental Health programs but in other State and federally funded programs as well. Thus, we believe that reserving $5 million for audit paybacks is reasonable. We are recommending, however, that the name of the reserve be changed to "Audit Report Paybacks," rather than Mental Health Audit Report Paybacks, to reflect the fact that our audit risk is broader than just mental health.

The Recommended Budget also proposes to cancel $3.49 million of the Reserve for Future Pension Obligation Bond Debt Service and use those resources to help cover General Fund appropriations. This reserve was established to help cover the cost of future pension obligation bond (POB) debt service costs, which were scheduled to increase over time. The FY2017-18 Recommended General Fund Budget reflects a $4.6 million increase in POB debt service costs. Cancelling $3.49 million of this reserve will leave a reserve of $718,248 to help offset future year POB debt service cost increases.

Lastly, The Recommended Budget proposes to cancel the $3.6 million WETYC/MAC Reserve and use those resources to increase the General Reserves. The WETYC/MAC Reserve was established to cover capital costs associated with the remodel of the Warren E. Thornton Youth Center (WETYC)/Morgan Alternative Center (MAC) as part of a potential initiative by the Probation Department to treat criminal justice-involved and other difficult to serve foster youth. After further analysis, the Probation Department has decided not to proceed with this initiative. Adding these resources to the General Reserves is consistent with the Board's approved General Reserve policy, which states:

1. Any existing discretionary reserves no longer needed for the stated purpose will be reclassified as General Reserves.

2. In any fiscal year the Budget Recommended for Adoption (September Budget Hearings) will include an increase in General Reserves in an amount equal to 10% of the General Fund's actual "Available" fund balance carry-forward (as determined following the close of the County's books), until the General Reserve level reaches 10% of Discretionary Revenue and Reimbursements.

The following table summarizes the changes to the General Fund's reserve status reflected in this Recommended Budget:

FY 2017-18 Recommended Budget			
GENERAL FUND RESERVE STATUS			
	FY2016-17	**FY2017-18**	
Reserved For:	**Ending**	**Recommended**	**Change**
Loan Buyout (Teeter)	3,065,626	3,065,626	-
Tax Loss (Teeter)	5,551,759	5,551,759	-
Teeter Delinquencies (Teeter)	1,668,736	1,668,736	-
River Delta Fire Dist. Loan	25,000	25,000	-
Imprest Cash	290,955	290,955	-
Special Deposits Travel	100,000	100,000	-
Health for All Loan	104,730	104,730	-
General Reserves	4,944,277	8,544,277	3,600,000
Cash Flow	32,421,527	32,421,527	-
Future Pension Obligation Bond	4,211,333	718,248	(3,493,085)
Audit Report Paybacks	9,200,000	5,000,000	(4,200,000)
Technology Upgrades	1,276,765	1,276,765	-
WETYC/MAC Construction	3,600,000	-	(3,600,000)
Total	**66,460,708**	**58,767,623**	**(7,693,085)**

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 in the first quarter of FY2017-18.

Discretionary Revenue and Reimbursements

The FY2017-18 Recommended Budget includes a combined total of $598,041,098 in discretionary revenue and reimbursements. This represents an increase of approximately $24 million (4.2%) compared to the FY2016-17 Adopted Budget and is the net result of increases and decreases in a number of revenue and reimbursements as shown in the following table:

DISCRETIONARY REVENUE AND REIMBURSEMENTS			
	FY2016-17	FY2017-18	
	Adopted	Recommended	Difference
Property Tax -Secured/VLF In-Lieu	370,041,730	391,225,000	21,183,270
Property Tax - Supplemental	7,567,689	7,800,000	232,311
Other Property Tax	15,484,888	16,000,000	515,112
Total Property Tax	**393,094,307**	**415,025,000**	**21,930,693**
			-
Sales and In-Lieu Sales	78,654,000	83,212,000	4,558,000
Utility User Tax	19,058,665	18,700,000	(358,665)
Transient Occupancy Tax	5,400,000	6,200,000	800,000
Property Transfer Tax	10,600,000	11,000,000	400,000
SB 90 Repayment			-
Other One-time Revenue	1,066,451		(1,066,451)
Other On-Going Revenue	58,058,602	55,922,136	(2,136,466)
Total Revenue	**565,932,025**	**590,059,136**	**24,127,111**
			-
Teeter	6,955,035	6,955,035	-
SWA	1,145,856	1,026,927	(118,929)
Total Reimbursements	**8,100,891**	**7,981,962**	**(118,929)**
			-
TOTAL	**574,032,916**	**598,041,098**	**24,008,182**

The primary reasons for the increases and decreases in revenue include:

- A $21.2 million (5.7%) 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. Some of these increases are due to new construction and sale of homes with higher values in the current fiscal year, but as has been the case over the last few years, the bulk of the increase is due to the restoration in value of properties that were in "decline-in-value" (Proposition 8) status. If our FY2017-18 projection holds true, Secured Property Tax and Property Tax in-Lieu of VLF will have increased by 33% since FY2012-13 and total revenue from these sources will be approximately 13% higher than the previous high-point, set in FY2008-09.

- A $4.6 million (5.8%) increase in Sales Tax and In-Lieu Sales Tax revenue compared to the FY2016-17 Adopted Budget. However, actual FY2016-17 Sales and Use Tax revenue is currently projected to come in higher than budgeted. FY2017-18 budgeted Sales Tax revenue is 3.2% higher than FY2016-17 estimated actual revenue. If our FY2017-18 projection holds true, Sales Tax and In-lieu Sales Tax revenue will have increased by 44% since the recent low-point for this revenue source in FY2009-10, and will be approximately 1% higher than the previous high-point, set in FY2002-03.

- An $800,000 (14.8%) increase in Transient Occupancy Tax (TOT) revenue compared to the FY2016-17 Adopted Budget. However, actual FY2016-17 TOT revenue is currently projected to come in higher than budgeted. FY2017-18 budgeted sales tax revenue is 6.9% higher than FY2016-17 estimated actual TOT revenue. If our projections hold true, FY2017-18 will be the fourth year in a row that TOT revenue has increased and FY2017-18 TOT revenue will be approximately 61% higher than FY2013-14 TOT revenue. The recent increase in TOT revenue has been driven by both higher occupancy rates and increasing room prices.

- A $2.1 million (3.7%) decrease in Other On-going Discretionary revenue, primarily a $1.6 million reduction in vehicle and other fine revenue and a $650,000 reduction in OMB A-87 (indirect overhead charge) revenue from departments. The projected reduction in fine revenue reflects the acceleration of an on-going trend over the last few years. The reduction in OMB A-87 revenue is due in part to the shift to direct billing departments for the cost of certain Finance Department services.

- A $1.066 million (100%) decrease in Other One-time Discretionary revenue. The FY2016-17 Adopted Budget included one-time revenue from Certificates of Participation (COPs) and Pension Obligation Bond (POB) debt service funds that was available due to reduced interest expense, increased interest earnings and lower than anticipated administrative costs. No revenue from these sources is included in the FY2017-18 Recommended Budget.

The previous table also shows the reimbursements in the Non-departmental Revenue budget unit. Reimbursements have the effect of reducing expenditures, and discretionary reimbursements effectively make discretionary resources available for other use (Net County Cost).

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 FY2017-18 Recommended Budget reflects the same level of Teeter reimbursement as the FY2016-17 Adopted Budget. Teeter revenue has been declining steadily since reaching a high of over $31 million in FY2009-10 following the bursting of the housing bubble and the Great Recession and is now at the lowest point in over 15 years. Based on the most recent information available concerning property tax delinquency rates and general economic conditions, the County Finance Department does not think it likely that the amount of Teeter revenue will be significantly different in FY2017-18 than it is in FY2016-17.

The other source of discretionary reimbursements is the Solid Waste Authority (SWA), which provides the County and City of Sacramento with a portion of commercial garbage collection franchise fee revenue available after the Authority meets its expenditure needs. The FY2017-18 Recommended Budget reflects an $119,000 (10.4%) reduction in SWA reimbursement compared to the FY2016-17 Adopted Budget level. This is due to increased expenditures by SWA in a number of areas, including increased recycling and code enforcement efforts.

Semi-discretionary Revenue

"Semi-discretionary" revenue, one component of Departmental Revenue, refers to 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. This resource is generally limited to public safety programs.

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 revenue (though the program was still considered a 1991 Realignment program) and the counties were given an increased share of cost for CalWORKS.

2011 Realignment revenue comes initially from increased sales tax and vehicle license fee rates and is allocated to counties to help fund the share of cost for a number of realigned health and human services programs, to replace State categorical funding for certain health and human services programs 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 revenue).

The following table summarizes the amount of Proposition 172 and Realignment revenue included in the FY2017-18 Recommended Budget compared to the amount included in the FY2016-17 Adopted Budget.

SEMI-DISCRETIONARY REVENUE			
FY2016-17 Adopted Compared to FY2017-18 Recommended Budget			
	FY2016-17 Adopted	**FY2017-18 Recommended**	**Difference**
Proposition 172	109,626,028	114,632,818	5,006,790
1991 Realignment -Non-CalWORKS	179,500,496	188,453,569	8,953,073
CalWORKS Realignment	103,373,406	116,805,738	13,432,332
2011 Realignment - non AB 109	247,168,548	238,077,539	(9,091,009)
AB 109 Realignment	47,608,821	47,133,739	(475,082)
Total	**687,277,299**	**705,103,403**	**17,826,104**

As can be seen, the Recommended Budget reflects a total increase in Semi-discretionary revenue of approximately $17.8 million (2.6%). However, a large part of that increase is due to a $13.4 million (13%) increase in CalWORKS Realignment revenue. CalWORKS Realignment revenue grows or declines based on changes in CalWORKS caseload costs and cannot be used for other purposes. If CalWORKs Realignment is factored out, the Recommended Budget reflects a $4.4 million (0.8%) increase in Semi-discretionary revenue compared to the FY2016-17 Adopted Budget.

The Recommended Budget includes $114.6 million in Proposition 172 revenue, which is a $5 million (4.6%) increase over the FY2016-17 Adopted Budget. This is based on information provided by the County's sales tax consultants and actual revenue trends to-date.

Realignment revenue received from the State is first deposited in a trust fund and is not recognized as General Fund revenue until it is transferred to the appropriate department to cover the cost of eligible expenditures. The Realignment revenue allocated to departments and reflected in the Budget is actually comprised of both Realignment Base and Growth revenue received - or anticipated to be received – in the Realignment Trust Fund in the budget year, and, in some cases, carry-over Realignment Trust Fund balances or estimated balances. The Realignment revenue allocated to departments in the FY2017-18 Recommended Budget utilizes $13.4 million in Realignment Trust fund balance carry-forward, a $4.4 million reduction from the Trust Fund balance allocated in the FY2016-17 Adopted Budget, and $577.1 million in revenue to the Realignment Trust Fund, a $17.5 million increase compared to the FY2016-17 Adopted budget.

The Recommended Budget includes $188.5 million in non-CalWORKS 1991 Realignment revenue, which is a $9 million (5%) increase compared to the FY2016-17 Adopted Budget level. Approximately $11.9 million of that $188.5 million reflects estimated Realignment Trust Fund balance carry-forward and $176.7 million reflects Base and Growth Realignment revenue that will be initially received in the Trust Fund. The Recommended General Fund Budget reflects a $4.9 million increase in Social Services Realignment revenue (due to a $7.9 million increase in budgeted carry-over from the prior year), a $4 million increase in Mental Health Realignment revenue and a $36,000 increase in Public Health Realignment revenue. It should be noted that Realignment revenue estimates included in the Recommended Budget were prepared prior to the Governor issuing his Revised State Budget in May. The Governor's May Revised State Budget included a proposal to shift certain Mental Health and Public Health Realignment Growth revenue to the In Home Supportive Services (IHSS) program to help offset a cost shift in that program to the counties. It is not clear if that proposal will be approved and if it is approved, what the impact will be on the County's Public Health and Mental Health Realignment revenue in FY2017-18, but it could result in a revenue reduction of as much as $4 million.

The Recommended Budget includes $238.1 million in Non-AB 109 2011 Realignment revenue, which is a $9.1 million (3.7%) decrease compared to the FY2016-17 Adopted Budget level. Approximately $1.5 million of that $238.1 million reflects estimated Realignment Trust Fund balance carry-forward and $236.6 million reflects estimated Base and Growth Realignment revenue that will be initially received in the Trust Fund. The projected decrease in Non-AB 109 Realignment revenue is the net result of a number of factors, including:

- A $6.5 million (9.4%) reduction in Behavioral Health Services Realignment revenue compared to the FY2016-17 Adopted level, due to a $4.1 decrease in the budgeted Trust Fund balance carry-forward and a change in the State's formula for allocating Behavioral Health Realignment revenue.

- A $1 million (4.8%) reduction in Enhancing Law Enforcement Activities Realignment revenue, which funds things like COPs grants to the Sheriff, Probation and District Attorney, Juvenile Booking Fees and Juvenile Probation Activities. This reduction is due primarily to a $1.5 million decrease in the budgeted Trust Fund balance carry-forward.

- An $875,000 (2.3%) reduction in Other Law Enforcement Services Realignment revenue, which funds things like the Youth Offender Block Grant in the Probation Department, due primarily to a $3.7 million decrease in the budgeted Trust Fund balance carry-forward.

- A $730,000 (0.6%) reduction in Protective Services Realignment revenue, which funds things like Child Protective Services, Adult Protective Services, the Public Guardian, Foster Care and Adoptions Assistance programs. This reduction is due primarily to a $3 million decrease in the budgeted Trust Fund balance carry-forward.

The Recommended Budget includes $47.1 million in AB 109 Realignment revenue, which represents a $475,000 (1%) decrease compared to the FY2016-17 Adopted Budget level. The primary reason for the decrease in AB 109 Realignment revenue is that the FY2016-17 Adopted Budget estimate included $2.1 million in Trust Fund balance carry-forward. The FY2017-18 Recommended Budget does not assume any Trust Fund carry-forward. Looking at AB 109 Realignment revenue to the Trust Fund alone, the Recommended Budget reflects a $1.6 million (3.4%) increase compared to the FY2016-17 Adopted Budget assumption.

The FY2016-17 Adopted Budget assumed that approximately $11.8 million would be retained in the Realignment Trust Fund as Contingency Reserves. The FY2017-18 Recommended Budget assumes that all Realignment resources (Trust Fund balance carry-forward and new revenue to the Trust Fund) will be allocated to various departments and there will be no Realignment Contingency reserves. This will help provide the resources to cover Base Budget cost increase for Realigned programs, including the full-year cost of positions funded for part of the year in FY2016-17.

Other Departmental Revenue

When Semi-discretionary revenue is factored out, the Recommended General Fund Budget reflects a $9.65 million (0.87%) decrease in departmental revenue. This is the net result of increases and decreases in different revenue sources in various departments, including a $22.6 million reduction in revenue related to the elimination of the Community Development Department and the restructuring of the functions previously included in that Department. As part of that restructuring, the budgets for the Building Inspection, Site Improvement & Permits, and Special Districts and Surveys functions are being moved from the General Fund to a special revenue fund.

The Recommended Budget also includes an $11.8 million reduction in CalWORKS Single Allocation revenue and $1.06 million reduction in the CalFresh Administration Allocation in the Human Assistance – Administration budget, partially offset by increases in other revenue sources.

Expenditures

The primary reasons for the $41.03 million (1.7%) increase in expenditures in the Recommended General Fund Budget compared to the FY2016-17 Adopted Budget include:

- A $20 million (6%) increase in the internal service costs (e.g., Technology, Personnel Services, and General Services) allocated to General Fund departments.

- A $17.1 million (4.6%) increase in the Human Assistance – Aid Payments budget due primarily to the Family Grant increase in CalWORKS and the cost of living increase in the California Necessities Index (CNI) in Foster Care.

- A $5.7 million (1%) increase in Base (current staffing and program level) salary and benefit costs, due in part to cost of living adjustments granted to most County employees under the terms of agreements with various unions, increased pension obligation bond debt service costs, and increased employee health insurance costs.

- Over $25 million in recommended Growth (new or enhanced programs), mostly funded with categorical revenue, but including approximately $7.7 million in Net County Cost-funded Growth. This includes $6.2 million to implement a new comprehensive program to address homelessness in the County, additional jail custody staffing associated with the new Intensive Outpatient unit for jail inmates with mental health issues, for a new Dental Transformation initiative in Health and Human Services, $1.8 million to expand the Jail Restoration to Competency program to include female inmates, $2.6 million to implement a new Adult Offender Supervision Model in Probation and $449,000 to implement a new Debris Removal and Visitor Service Expansion Pilot Program in Regional Parks.

These and other expenditure increases are partly offset by expenditure decreases in some areas, including a $22.8 million reduction in General Fund expenditures due to the elimination of the Community Development Department and restructuring of functions previously included in that Department. As noted above, as part of that restructuring, the budgets for the Building Inspection, Site Improvement & Permits, and Special Districts and Surveys functions are being moved from the General Fund to a special revenue fund.

The reduction in CalWORKS Single Allocation and CalFresh Administration revenue, mentioned above, also resulted in approximately $6.02 million in contract reductions in the Human Assistance – Administration budget.

Net County Cost/Discretionary and Semi-Discretionary Revenue Allocations

"Net County Cost" or "General Fund Allocation" refers to the discretionary resources allocated to different County departments or programs. Discretionary resources come from the General Fund's discretionary (Non-departmental) revenues, Non-departmental reimbursements and the General Fund beginning balance. For FY2017-18, the total recommended Net County Cost is approximately $645.74 million, a $32.85 million (5.4%) increase compared to the FY2016-17 Adopted Budget level.

The recommended allocations are summarized in the following table:

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FY 2017-18 Recommended General Fund Allocations			
	FY2016-17	**FY2017-18**	**Year to Year**
Elected Departments			
Assessor	$9,414,350	$9,787,025	$372,675
Board of Supervisors	$3,408,068	$3,421,073	$13,005
District Attorney	$56,136,544	$58,472,049	$2,335,505
Sheriff	$222,447,961	$232,779,441	$10,331,480
Correctional Health Services	$31,438,741	$32,571,328	$1,132,587
Subtotal	**$322,845,664**	**$337,030,916**	**$14,185,252**
General Government			
County Counsel	$2,326,957	$2,326,957	$0
Financing-Transfers/Reimbursement	$3,956,785	$5,450,536	$1,493,751
Non-Departmental Costs/General Fund	$19,754,691	$19,494,778	($259,913)
Other General Government	$6,506,156	$8,002,174	$1,496,018
Subtotal	**$32,544,589**	**$35,274,445**	**$2,729,856**
Administrative Services			
Court	$33,598,564	$33,604,989	$6,425
Data Processing-Shared Systems	$9,622,277	$10,271,072	$648,795
Finance	$3,182,146	$2,515,632	($666,514)
Voter Registration And Elections	$7,616,255	$9,994,644	$2,378,389
Other Administrative Services	$438,262	$442,884	$4,622
Subtotal	**$54,457,504**	**$56,829,221**	**$2,371,717**
Municipal Services			
Agricultural Comm-Sealer Of Wts & Meas	$1,460,916	$1,387,894	($73,022)
Animal Care And Regulation	$7,833,849	$9,449,424	$1,615,575
Community Development	$7,075,914	$0	($7,075,914)
Regional Parks	$6,291,596	$7,190,164	$898,568
Wildlife Services	$60,689	$61,609	$920
Subtotal	**$22,722,964**	**$18,089,091**	**($4,633,873)**
Public Works and Infrastructure			
Code Enforcement	$0	$5,266,865	$5,266,865
Subtotal	**$0**	**$5,266,865**	**$5,266,865**
Social Services			
Health And Human Services	$22,617,403	$27,030,490	$4,413,087
Human Assistance-Administration	$13,907,255	$19,905,016	$5,997,761
Human Assistance-Aid Payments	$19,729,964	$20,807,987	$1,078,023
Probation	$63,030,973	$66,145,783	$3,114,810
Public Defender & Conflict Criminal Defenders	$41,755,605	$42,523,941	$768,336
Other Social Services	$19,270,427	$16,830,428	($2,439,999)
Subtotal	**$180,311,627**	**$193,243,645**	**$12,932,018**
Set aside for state audit			
Total Net County Cost	**$612,882,348**	**$645,734,183**	**$32,851,835**

As can be seen, the budget units with the largest increase in Net County Cost are:

- The Sheriff, with a $10.3 million (4.6%) increase;
- Human Assistance – Administration, with a $5.95 million (42.8%) increase;
- Health and Human Services, with a $4.4 million (19.5%) increase; and
- Probation, with a $3.1 million (4.9%) increase.

In some cases, increases in Net County Cost partly reflect decreases in revenue rather than just increases in expenditures. For example, this is the case with Voter Registration and Elections, the District Attorney, Animal Care and Regulation, and Health and Human Services. Increased revenue is also the reason there is a reduction in Net County Cost in Finance and the Agricultural Commissioner/Sealer of Weights and Measures. In other cases, the increase in Net County Cost is due primarily to increased expenditures, as is the case, for example, with the Sheriff and Probation.

Some of the changes in Net County Cost shown in the above table reflect the impact of the reorganization plan, approved during FY2016-17 that eliminated the Department of Community Development and established an Office of Development and Code Services and Office of Planning and Environmental Review. The FY2016-17 Adopted Budget included $7.07 million in Net County Cost in the Community Development Budget Unit. The FY2017-18 Recommended Budget does not include any appropriations or Net County Cost in the Community Development Budget Unit, but includes $5.27 million in Net County Cost in the new Code Enforcement Budget Unit (the only component of the Office of Development and Code Services in the General Fund) and $1.53 million in Net County Cost in the new Planning and Environmental Review Budget Unit, which is reflected in the Other General Government category in the above table.

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 resources in the FY2016-17 Adopted Budget and the FY2017-18 Recommended Budget.

Centrally Allocated Resources

Net County Cost, Semi-Discretionary Resources

FY 2016-17 Adopted - FY 2017-18 Recommended

	FY 2016-17 Adopted	FY 2017-18 Recommended	Difference
AG COMM-SEALER OF WTS & MEASURES	$1,460,916	$1,387,894	-$73,022
ANIMAL CARE AND REGULATION	$7,833,849	$9,449,424	$1,615,575
APPROPRIATION FOR CONTINGENCY	$1,958,000	$1,958,000	$0
ASSESSOR	$9,414,350	$9,787,025	$372,675
BOARD OF SUPERVISORS	$3,408,068	$3,421,073	$13,005
CARE IN HOMES AND INSTITUTIONS	$716,750	$715,000	-$1,750
CHILD SUPPORT SERVICES	$0	$0	$0
CIVIL SERVICE COMMISSION	$343,221	$363,914	$20,693
CLERK OF THE BOARD	$1,548,793	$1,493,863	-$54,930
CODE ENFORCEMENT	$0	$5,266,865	$5,266,865
COMMUNITY DEVELOPMENT	$7,075,914	$0	-$7,075,914
CONFLICT CRIMINAL DEFENDERS	$10,256,016	$10,525,387	$269,371
CONTRIBUTION TO LAFCO	$239,500	$239,500	$0
CONTRIBUTION TO LAW LIBRARY	$9,975	$22,658	$12,683
COOPERATIVE EXTENSION	$331,612	$368,521	$36,909
CORONER	$6,453,374	$6,452,661	-$713
CORRECTIONAL HEALTH SERVICES	$39,313,447	$40,501,171	$1,187,724
COUNTY COUNSEL	$2,326,957	$2,326,957	$0
COUNTY EXECUTIVE	$1,108,642	$1,075,344	-$33,298
COUNTY EXECUTIVE CABINET	$227,978	$242,770	$14,792
COURT / COUNTY CONTRIBUTION	$24,761,756	$24,761,756	$0
COURT / NON-TRIAL COURT FUNDING	$8,836,808	$8,843,233	$6,425
DATA PROCESSING-SHARED SYSTEMS	$9,622,277	$10,271,072	$648,795
DEPARTMENT OF FINANCE	$3,182,146	$2,515,632	-$666,514
DISTRICT ATTORNEY	$70,693,576	$73,495,231	$2,801,655
EMERGENCY OPERATIONS	$936,022	$946,862	$10,840
FAIR HOUSING SERVICES	$144,000	$154,729	$10,729
FINANCING-TRANSFERS/REIMB	$3,956,785	$5,450,536	$1,493,751
GRAND JURY	$308,262	$312,884	$4,622
HEALTH AND HUMAN SERVICES	$225,754,364	$228,414,386	$2,660,022
HEALTH-MEDICAL TREATMENT PAYMENTS	$3,941,618	$3,720,000	-$221,618
HUMAN ASSISTANCE-ADMIN	$22,140,534	$28,386,114	$6,245,580
HUMAN ASSISTANCE-AID PAYMENTS	$217,118,827	$232,944,692	$15,825,865
IHSS Provider Payments	$57,050,055	$59,046,807	$1,996,752
JUVENILE MEDICAL SERVICES	$7,793,625	$6,486,737	-$1,306,888
NON-DEPARTMENTAL COSTS/GF	$20,854,691	$19,494,778	-$1,359,913
OFFICE OF INSPECTOR GENERAL	$130,000	$130,000	$0
OFFICE OF LABOR RELATIONS	$0	$0	$0
PLANNING AND ENVIRONMENTAL REVIEW	$0	$1,527,192	$1,527,192
PROBATION	$118,911,192	$120,842,390	$1,931,198
PUBLIC DEFENDER	$32,144,826	$32,646,829	$502,003
REGIONAL PARKS	$6,291,596	$7,190,164	$898,568
SHERIFF	$363,866,429	$377,585,330	$13,718,901
VETERAN'S FACILITY	$15,952	$15,952	$0
VOTER REGISTRATION/ ELECTIONS	$7,616,255	$9,994,644	$2,378,389
WILDLIFE SERVICES	$60,689	$61,609	$920
	$1,300,159,647	**$1,350,837,586**	**$50,677,939**

As can be seen, overall the amount of discretionary and semi-discretionary resources allocated to departments and programs is recommended to increase by approximately $50.68 million, or 3.9%, compared to the FY2016-17 Adopted level. The departments with the largest increases include:

- Human Assistance – Aid Payments with a $15.8 million (7.3%) increase, due primarily to the receipt of additional CalWORKS Realignment revenue.

- The Sheriff's Department, with a $13.7 million (3.8%) increase, mostly Net County Cost, but also including an increase in Proposition 172 revenue.

- Human Assistance – Administration with a $6.25 million (28.2%) increase, mostly Net County Cost associated with an initiative to address homelessness, but also including an increase in 1991 Realignment revenue.

- The District Attorney with a $2.8 million increase, mostly Net County Cost.