

GENERAL BUDGET INFORMATION

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BOARD OF SUPERVISORS AND COUNTY OFFICIALS




THE BOARD OF SUPERVISORS



DISTRICT 1
Phil Serna



DISTRICT 2
Patrick Kennedy



DISTRICT 3
Susan Peters



DISTRICT 4
Sue Frost



DISTRICT 5
Don Nottoli



COUNTY EXECUTIVE
NAVDEEP S. GILL

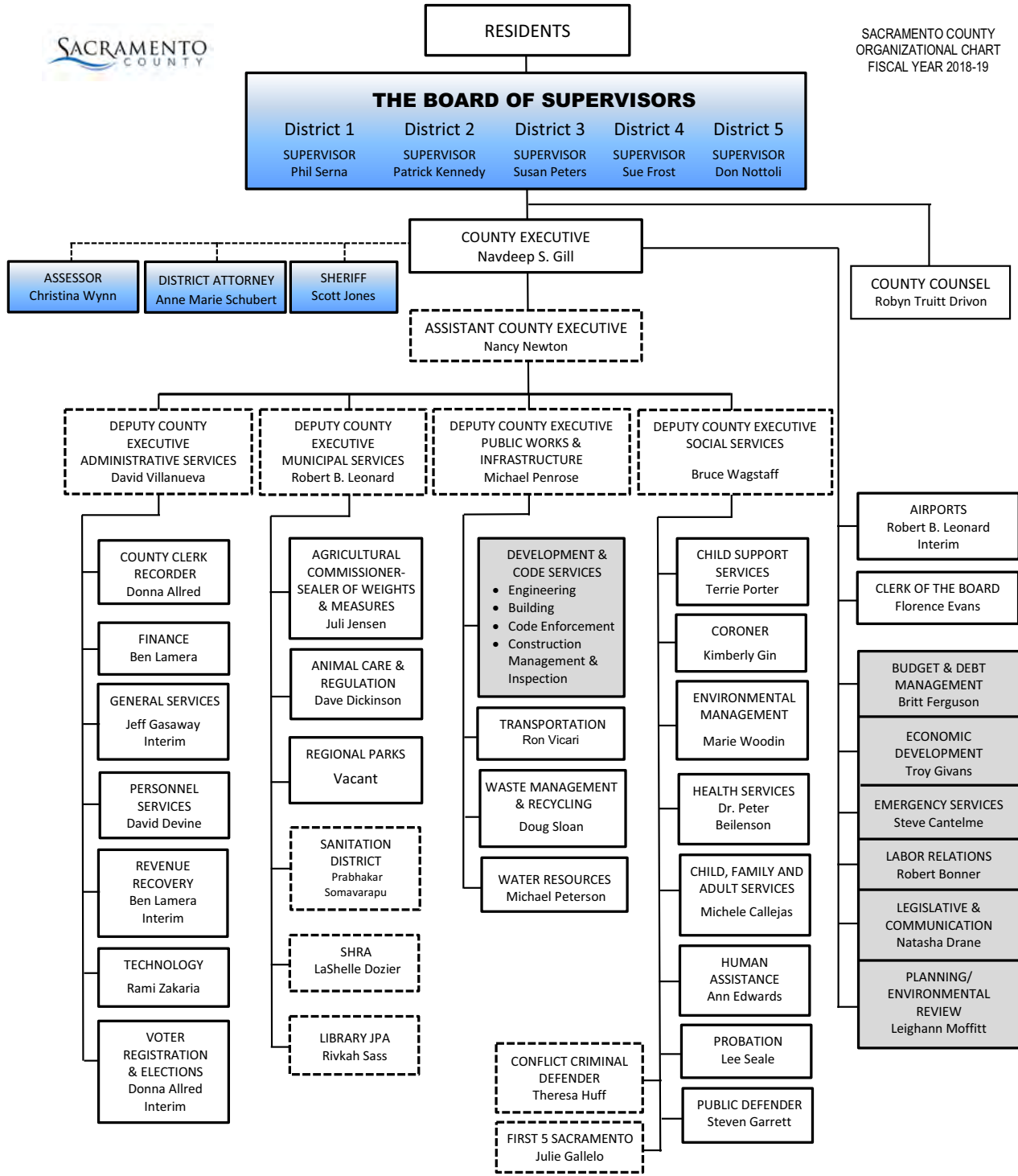


COUNTY COUNSEL
ROBYN TRUITT
DRIVON

ORGANIZATIONAL CHART



SACRAMENTO COUNTY
ORGANIZATIONAL CHART
FISCAL YEAR 2018-19



Legend

———— INDICATES LINE OF DIRECT AUTHORITY

- - - - - INDICATES COORDINATIVE RELATIONSHIP

■ INDICATES ELECTED OFFICIALS

■ INDICATES "OFFICE OF..."

LETTER FROM CHAIR, BOARD OF SUPERVISORS



COUNTY OF SACRAMENTO

Chair of Board of Supervisors

SUSAN PETERS

Supervisor, Third District

Dear Sacramento County Residents:

On behalf of the Sacramento County Board of Supervisors, I am pleased to present the County's Fiscal Year 2018-19 Adopted Budget. The County Budget is both the financial and operating plan for the provision of services to you by Sacramento County as well as the special districts governed by the Board of Supervisors.

The Board of Supervisors and County management ensured an open and public process in developing the budget, assuring that community members and other interested parties were able to participate in and comment about the plan's development, review and adoption.

The \$4.2 billion spending plan maintains the services the County provides to residents, as well as funding for new or enhanced programs and services.

The bulk of the investment in new and enhanced programs in the General fund is focused on making needed operational improvements in the jails and addressing critical needs in Child Protective Services.

The Adopted Budget includes an investment of \$5.5 million in the Sheriff and Correctional Health Services budgets to provide half a year's funding to add 63 positions and contract for increased psychiatric services. Additionally, the investment of \$4 million will provide an additional 36 positions in the Department of Child, Family and Adult Services (DCFAS) budget.

The Board also approved in June funding a number of services in the Health Services Department, with the focus on addressing critical needs in mental health and alcohol and drug services.

Consistent with the Board's General Reserve Policy, the Adopted General Fund Budget includes \$7.5 million to General Reserves. With this adjustment, the General Reserves balance will stand at \$21 million.

For more information about the Budget and the County's processes, please visit www.SacCounty.net or contact your representative on the Board of Supervisors or the Office of the County Executive at (916) 874-5833.

Sincerely,

A handwritten signature in blue ink that reads "Susan Peters".

Susan Peters
Chair of the Board

COUNTY VISION, MISSION AND VALUES

VISION

A vision is a compelling conceptual image of the desired future.

This statement describes “what we want to be” in the twenty-first century.

Our Vision is for Sacramento County to be:

- The most livable community with the highest quality public service.

MISSION

Our mission statement defines why our organization exists.

It describes what we want to do for the community.

Our Mission for Sacramento County is to:

- Improve quality of life in the community.
- Promote individual responsibility and achievement.
- Protect one another and the environment we share.
- Provide innovative and cooperative quality customer service.
- Recognize and seize opportunities for improvement.
- Stimulate economic growth and regional cooperation.

VALUES

These values are the basic principles and beliefs for the County of Sacramento.

They govern the way we make and carry out our decisions.

Our Values for Sacramento County are:

- Trust
- Dignity and respect for the individual
- Customer service
- Partnership
- Empowerment
- Continuous improvement
- Personal and professional growth
- Respect for cultural and ethnic diversity

SUMMARY OF 2018-19 ADOPTED BUDGET

The Introduction is a brief summary of Sacramento County's Annual Budget as adopted by the Board of Supervisors after legally required public hearings held in September 2018. The Introduction provides the reader with a guide to the contents of the larger document by summarizing information in the following sections:

- I. Budget Document Content
- II. Summary of the Adopted Budget
 - The General Fund, Programs, Financing, and Fund Balance Changes
 - Other Funds Subject to Appropriation (Other Governmental Funds)
- III. Five-Year Capital Improvement Plan
- IV. County Executive's Recommended Fiscal Year 2018-19 Budget Report

I. Budget Document Content

The County's annual budget document includes fiscal and operational information on county operations and those special districts and enterprises governed by the Board of Supervisors. It consists of several general sections including:

- General budget information summarizes the Adopted Budget and presents the County Executive's Recommended Budget. (The Recommended Budget report may be viewed or downloaded at the following county Web site: <http://www.bdm.saccounty.net/>). This section also includes a summary of the budget policies/process; the basis of budgeting; information about the County, major funds, major revenue trends, a summary of authorized staffing levels, and summaries of appropriations and financing. (See section "A-General Budget Information")
- State-determined Program Areas and Revenue Summary Schedules (tables) listing the financing and requirements for county funds, and appropriations in governmental funds. (See section "B-Summary Schedules")
- Summary of Positions giving the authorized staffing levels by budget unit. (See section "C-Summary of Positions")
- Detailed information (the budget messages) on the various budget units making up the overall county budget. This information is organized into the following five sections that reflect the organizational structure of the County (see page A-3 for Organizational Chart).
 - Elected Officials (See Section D)
 - General Government (See Section E)
 - Administrative Services (See Section F)
 - Municipal Services (See Section G)
 - Public Works and Infrastructure (See Section H)
 - Social Services (See Section I)
 - Sanitation Districts Agency (See Section J)
- The Five-Year Capital Improvement Plan (CIP) is also included as part of the budget document. Annually, the Board of Supervisors holds a separate hearing on the Five-Year Capital Improvement Plan.

II. Summary of the Adopted Budget

Adopted Budget Hearings were held in September 2018. As part of these hearings the Board of Supervisors adopted the County Executive’s Recommended Budget totaling \$4.49 billion and is reflected in the table below. The adopted budget reflects an increase of 8.1 percent (\$0.38 billion) from the Fiscal Year 2017-18 Adopted Budget of \$4.15 billion.

Total County Budget by Fund Type

Fund Types	Amount	Percent
General Fund	\$2,766,289,328	61.6%
Special Revenue Funds	369,441,431	8.2%
Capital Project Funds	73,450,310	1.6%
Debt Service Funds	33,596,769	0.7%
Subtotal - Governmental Funds	3,242,777,838	72.3%
Internal Service Funds	376,640,582	8.4%
Enterprise Funds	545,701,819	12.2%
Special Districts and Other Agencies	322,979,851	7.2%
Total	\$4,488,100,090	100.0%

The General Fund, Programs, Financing, and Fund Balance Changes

The overall authorized spending for departmental programs and the contingency is approximately \$2.77 billion. As reflected in the table above the General Fund is the largest county fund. Support for the General Fund is detailed in the following table:

Financing Source	Amount
Departmental Revenue	\$1,859,469,288
Local Revenue	636,286,019
Reserve Release	2,798,781
Fund Balance	267,735,240
Total	\$2,766,289,328

The General Fund supports the majority of county services and nearly three-quarters of county employees providing both countywide and municipal services. As a California county, Sacramento County provides countywide human services, and law and justice services. The human services include human assistance aid, foster care, public health, mental health, and protective services. The countywide law and justice services include prosecution, adult and juvenile detention (jails), coroner services, and legal defense.

The majority of General Fund appropriations cover employee salary and benefit costs. The following table illustrates the classification of appropriations:

Appropriation Type	Amount (In Millions)	Percent
Salaries and Benefits	1,285.4	46.5%
Welfare Aid Payments	463.8	16.8%
Other Charges	458.4	16.6%
Services and Supplies	388.8	14.1%
Internal Charges	1,102.4	39.9%
Debt Service	9.8	0.4%
All Other	(942.3)	-34.1%
Total	2,766.3	100.0%

The following tables summarize the net cost of the General Fund programs that are financed from local resources. It compares the Fiscal Year 2017-18 Adopted Budget for the General Fund by Agency to the Fiscal Year 2018-19 Adopted Budget:

ADOPTED BUDGET NET COST COMPARISON

(Amounts Expressed in millions)

Program	2017-18 Adopted Budget Net Cost	2018-19 Adopted Budget Net Cost	Year to Year Variance
Elected Officials			
Assessor	\$9.8	\$10.6	\$0.8
Board of Supervisors	3.4	3.5	0.1
District Attorney	58.7	61.6	2.9
Sheriff	235.9	255.0	19.1
Subtotal	307.8	330.7	22.9
General Government			
County Counsel	2.3	2.6	0.3
Financing-Transfers/Reimbursements	5.3	6.2	0.9
Non-Departmental Costs	19.6	32.0	12.4
Other General Government	10.7	8.9	(1.8)
Subtotal	37.9	49.7	11.8
Administrative Services			
Court	33.6	33.3	(0.3)
Data Processing-Shared Systems	10.3	10.7	0.4
Finance	2.6	1.5	(1.1)
Voter Registration and Elections	10.0	10.2	0.2
Other Administrative Services	0.5	1.2	0.7
Subtotal	57.0	56.9	(0.1)

Program	2017-18 Adopted Budget Net Cost	2018-19 Adopted Budget Net Cost	Year to Year Variance
Municipal Services			
Agricultural Comm-Sealer of Wts & Meas	1.4	1.3	(0.1)
Animal Care and Regulation	9.6	9.8	0.2
Regional Parks	8.1	9.9	1.8
Other Municipal Services	0.1	0.1	0.0
Subtotal	19.2	21.1	1.9
Public Works and Infrastructure			
Code Enforcement	5.5	6.0	0.5
Subtotal	5.5	6.0	0.5
Social Services			
Child, Family, and Adult Services	0.0	5.2	5.2
Correctional Health Services	32.7	39.4	6.7
Health and Human Services	28.5	0.0	(28.5)
Health Services	0.0	36.1	36.1
Human Assistance-Administration	20.9	23.9	3.0
Human Assistance-Aid Payments	17.9	16.6	(1.3)
Probation	67.2	67.6	0.4
Public Defender & Conflict Criminal Defenders	42.3	44.2	1.9
Other Social Services	15.8	13.3	(2.5)
Subtotal	225.3	246.3	21.0
Total	\$652.7	\$710.7	\$58.0

General Purpose Financing

General Purpose Financing is the source used to fund the net cost of the various programs. The following table details the year-to-year recommended changes in general purpose revenues:

General Purpose Revenues
(Amounts Expressed In Millions)

	2017-18 Adopted Budget	2018-19 Adopted Budget	Year to Year Variance
Property Taxes *	\$255.0	\$268.7	\$13.7
Property Tax In Lieu of Vehicle License Fees	160.1	170.6	10.5
Sales Tax & In Lieu Sales Tax	83.4	86.2	2.8
Utility Tax	19.6	20.4	0.8
Fines & Penalties	11.1	12.6	1.5
Property Transfer Tax	11.5	11.0	(0.5)
Franchises	5.2	5.3	0.1
Revenue Neutrality & Transition	20.7	20.7	0.0
Other Revenues & Reimbursements	36.5	51.3	14.8
Total	\$603.1	\$646.8	\$43.7

*Includes all sources of property tax revenue (i.e. Secured, Unsecured, Supplemental, Delinquent, Unitary)

- Property Tax Revenues currently constitute the largest source of General Fund financing and account for 41.5 percent of the total financing. Property Taxes is a 1.0 percent tax on real property.
- Property Tax In Lieu of Vehicle License Fees is the second largest source of General Fund financing with 26.4 percent of the total financing. This revenue source emerged as a result of the State’s “swap” deal.
- Sales and Use Tax account for 13.3 percent of the total General Fund financing.

Recent Changes in Fund Balance of General Fund

- The following table reflects the beginning total fund balance (both Departmental carryover and Non-Departmental fund balance) of each fiscal year since Fiscal Year 2013-14 and the change in available fund balance from the prior-year fiscal year:

Fiscal Year	Fund Balance	Variance
2013-14	31,042,942	12,795,288
2014-15	43,921,611	12,878,669
2015-16	33,895,539	-10,026,072
2016-17	50,600,943	16,705,404
2017-18	48,802,293	-1,798,650
2018-19	267,735,240	218,932,947

- Fund Balance carried into Fiscal Years 2013-14 and 2014-15 are slightly improved from the prior year as revenues have begun to stabilize.
- The beginning fund balance for Fiscal Year 2015-16 includes the receipt of \$18.3 million in SB 90 revenues for prior years’ claims.
- The beginning fund balance for Fiscal Year 2016-17 consists of \$47,547,865 in Fund 001A (General Fund), \$1,771,797 in Fund 001F (Community Investment) and \$1,281,281 in Fund 001G (Neighborhood Revitalization).
- The beginning fund balance for Fiscal Year 2017-18 consists of \$46,537,263 in Fund 001A (General Fund), \$1,028,943 in Fund 001F (Community Investment) and \$1,236,087 in Fund 001G (Neighborhood Revitalization).
- The beginning fund balance for Fiscal Year 2018-19 consists of \$69,303,395 in Fund 001A (General Fund), \$450,316 in Fund 001F (Community Investment), \$661,969 in Fund 001G (Neighborhood Revitalization), \$147,428,186 in Fund 001I (Mental Health Services Act), \$22,170,678 in Funds 001K-L (1991 Realignment), \$15,289,921 in Funds 001M-O (2011 Realignment), and \$12,430,775 in Fund 001Q (Clerk/Recorder Fees).

Other Funds Subject to Appropriation (Other Governmental Funds)

The overall financing and requirement for the Other Governmental Funds, or those other funds subject to appropriation is found in Schedule 1 – Summary of County Budget, in the Summary Schedules portion of this document. An analysis of fund balances is reflected in Schedule 2 – Analysis of Fund Balance Unreserved/Undesignated. Reserve change detail is reflected in Schedule 3- Detail of Provisions for Reserves/Designations. All other Summary Schedules are reflected in Section B – Summary Schedules. Following is a brief description of the Other Governmental Funds, the major financing sources, and the Fiscal Year 2018-19 requirement and financing.

SPECIAL REVENUE FUNDS

Affordability Fee – \$3,600,000 0.0 Positions

All fees collected pursuant to Sacramento County Code Section 22.35.050 are solely to purchase land for affordable housing, produce or substantially rehabilitate affordable units, or buy down Extremely Low Income units. The affordability fees collected shall be transferred to the Sacramento Housing and Redevelopment Agency (SHRA) and administered by the SHRA Executive Director who has the authority to govern the funds consistent with Chapter 22.35 of the Sacramento County Code. A portion of the funds may be used to cover reasonable administrative expenses.

Building Inspection Fund – \$22,608,147 0.0 Positions

Primary financing comes from building inspection charges. The County is responsible for building inspection in the Unincorporated Area.

County Library – \$1,121,838 0.0 Positions

The primary source of financing for this fund comes from a dedicated share of property taxes collected in the Unincorporated Area and the cities of Sacramento, Elk Grove, Citrus Heights, Galt, Rancho Cordova, and Isleton. Library services are provided by a joint City of Sacramento – Sacramento County Joint Powers Authority with a separate Authority Board. Funding allocated to this fund is transferred from the Library Authority for services and materials.

Development and Code Services – \$54,298,797 247.0 Positions

The Office of Development and Code Services is comprised of five divisions: Administrative Services, Building Permits and Inspection, Code Enforcement, and County Engineering (all from the former Department of Community Development), and Construction Management and Inspection from the Department of General Services. Requirements include reserve increase of \$9,330,430.

Economic Development – \$40,134,381 16.0 Positions

County economic development activities are financed from this fund. Major projects include the conversion of two former air force bases from military to mixed private and public use. Funding comes from the sale of land and facilities, grants, and a contribution from the General Fund. Requirements include reserve increase of \$2,910,000.

Environmental Management Fund – \$22,838,807 121.0 Positions

Environmental Management provides countywide regulatory services that protect public health and the environment. The primary source of financing for this fund comes from fees and contracts associated with the various regulatory activities of the Environmental Health, Hazardous Materials, and Water Protection Divisions. Requirements include reserve increase of \$550,562.

First 5 Sacramento Commission Fund – \$23,880,627 13.0 Positions

Funding comes from the State of California under the terms of a voter-approved statewide initiative. The funding is restricted to services to youths and may not be used for basic county operations. Allocations are approved by a Commission consisting of elected officials and appointed members.

Fish and Game Fund – \$23,000 0.0 Positions

Financing for this fund comes from fish and game fines. The funds are used for education programs.

Golf Fund – \$7,978,162 6.0 Positions

The operations and maintenance of three county golf courses is financed from this fund. Major financing sources include user fees and concession charges.

Road Fund – \$84,728,162 0.0 Positions

Gas tax and restricted state road funding accrue to this fund. Street and road acquisition, construction, and maintenance are financed from this fund. The purpose of this fund is to segregate the gas tax revenue. Requirements include reserve increase of \$3,695,898.

Roadways Fund – \$12,648,422 0.0 Positions

This fund is used to segregate development impact and special assessment revenue dedicated to street and road acquisition, construction, and maintenance. Requirements include reserve increase of \$7,310,473.

Technology Cost Recovery Fee – \$1,594,902 0.0 Positions

Revenue collected on permits and building licenses are deposited into this fund to provide financing to pay for the implementation and operation of the web-based Automation E-Government Permitting System (ACCELA).

Transient-Occupancy Tax Fund – \$1,028,838 0.0 Positions

This fund is a subset of the General Fund. The Board of Supervisors holds special hearings to allocate financing from this fund to community organizations, facilities and programs jointly funded with the City of Sacramento, and County Departments.

Transportation – \$54,870,920

264.8 Positions

The Department of Transportation provides road improvement services in the Unincorporated Area of Sacramento County and has three broad areas of responsibility: planning, programs and design; pavement, roadside and landscape maintenance; and traffic engineering and operations.

Transportation-Sales Tax Fund – \$38,086,428

0.0 Positions

In Sacramento County the voters have approved a ½ cent increase in the sales tax to be dedicated to transportation capital projects and operations. Revenue is share by the County, cities, and the Regional Transit System (bus and train service). This fund is use to segregate the county's share of the special sales tax revenue. Requirements include reserve increase of \$3,900,000.

CAPITAL PROJECT FUNDS

Capital Construction Fund – \$71,400,164

0.0 Positions

Financing comes from a use allocations charge to the departments occupying county owned facilities, debt financing, and grants. The acquisition, construction, and major maintenance of county facilities are financed from this fund.

Park Construction Fund – \$2,050,146

0.0 Positions

Funding comes from grants, donations, state bond sales, and contributions from the County Transient-Occupancy Tax Fund. Parks acquisition, development, and rehabilitation projects are financed from this fund.

DEBT SERVICE FUNDS

Teeter Plan – \$33,596,769

0.0 Positions

The County utilizes the Teeter Plan of property tax distribution. All secured tax delinquencies are advanced to those public agencies in the County which receive property taxes. The County borrows the funds to advance the delinquent taxes from the Treasury Pool in an annual five-year note. The borrowed funds are repaid with delinquent tax principal, redemption charges, and interest (18.0 percent per year).

INTERNAL SERVICE FUNDS

The following Internal Service Funds are used to accumulate and allocate costs internally among the county's various functions and special services.

DEPARTMENT	FISCAL YEAR 2018-19	POSITIONS
Board of Retirement	\$9,577,952	59.0
General Services-Airport District	8,436,333	39.0
General Services-Alarm Services	1,724,278	6.0
General Services-Architectural Services	3,125,023	14.0
General Services-Bradshaw District	16,144,431	87.0
General Services-Capital Outlay	37,844,838	0.0
General Services-Downtown District	10,097,730	61.0
General Services-Energy Management	10,042,171	1.0
General Services-Heavy Equipment	25,045,103	70.0
General Services-Light Equipment	24,135,755	26.0
General Services-Office Of The Director	1,844,162	27.0
General Services-Purchasing	2,762,920	19.0
General Services-Real Estate	45,675,262	24.0
General Services-Security Services	2,991,383	26.0
General Services-Support Services	8,004,082	19.0
Interagency Procurement	15,209,761	0.0
Liability/Property Insurance	21,493,714	0.0
Department of Technology	96,902,099	392.0
Regional Radio Communications System	6,490,376	9.0
Unemployment Insurance	1,473,912	0.0
Workers' Compensation Insurance	27,619,297	0.0
TOTAL INTERNAL SERVICE FUNDS	\$376,640,582	879.0

ENTERPRISE FUNDS

The following Enterprise Funds are established to account for county operations financed and operated in a manner similar to private business enterprises (e.g., utilities, airports, parking garages). The costs of these activities are financed or recovered primarily through user charges.

DEPARTMENT	FISCAL YEAR 2018-19	POSITIONS
Airport System	\$335,118,392	317.0
Airport-Capital Outlay	-6,034,003	0.0
Parking Enterprise	3,584,811	6.0
Rural Transit	3,960,420	0.0
Solid Waste Enterprise	96,830,835	265.0
Solid Waste Enterprise Capital Outlay	9,333,880	0.0
Water Agency Enterprise	102,907,484	129.0
TOTAL ENTERPRISE FUNDS	\$545,701,819	717.0

SPECIAL DISTRICTS AND OTHER AGENCIES

The following Special Districts and Other Agencies Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for those specific purposes.

DEPARTMENT	FISCAL YEAR 2018-19	POSITIONS
1997-Refunding Public Facilities Debt Service	556,896	0.0
2003 Public Facilities-Debt Service	181,792	0.0
2004 Pension Obligation Bonds	1,732,023	0.0
2006 Public Facilities-Debt Service	195,220	0.0
2007 Public Facilities Projects-Debt Service	202,877	0.0
2010 Refunding COPs-Debt Service	560,033	0.0
Antelope Assessment	804,650	0.0
Antelope Public Facilities Financing Plan	2,358,119	0.0
Bradshaw/US 50 Financing District	51,840	0.0
Carmichael Recreation and Park District	6,151,588	20.0
Carmichael RPD Assessment District	789,011	0.0
Connector Joint Powers Authority	593,866	3.0
County Parks Community Facilities District 2006-1	23,449	0.0
County Service Area No. 1	3,325,768	0.0
County Service Area No. 10	438,620	0.0
County Service Area No.4B-(Wilton-Cosumnes)	21,060	0.0
County Service Area No.4C-(Delta)	49,561	0.0
County Service Area No.4D-(Herald)	13,495	0.0
Countywide Library Facilities Admin Fee	51,391	0.0

DEPARTMENT	FISCAL YEAR 2018-19	POSITIONS
Del Norte Oaks Park District	7,216	0.0
Fixed Asset Revolving	13,695,057	0.0
Florin Road Capital Project	392,672	0.0
Florin Vineyard No. 1 CFD 2016-2	8,409,767	0.0
Foothill Park	572,299	0.0
Fulton Avenue Capital Project	22	0.0
Gold River Station No. 7	73,969	0.0
Juvenile Courthouse-Debt Service	196,925	0.0
Laguna Community Facility District	371,391	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	3,870,560	0.0
Laguna Stonelake Community Facilities District	312,922	0.0
Landscape Maintenance District	970,818	0.0
Mather Landscape Maintenance Community Facilities District	549,624	0.0
Mather Public Facilities Financing Plan	772,192	0.0
McClellan Park Community Facilities District	774,249	0.0
Metro Air Park	28,439,028	0.0
Metro Air Park Service Tax	710,375	0.0
Mission Oaks Maintenance/Improvement District	1,611,500	0.0
Mission Oaks Recreation and Park District	4,626,402	22.0
Natomas Fire District	2,498,334	0.0
North Vineyard Station Specific Plan (NVSSP)	3,828,371	0.0
NVSSP Community Facilities District	26,582,290	0.0
Park Meadows Community Facilities District-Bond Proceeds	135,148	0.0
Pension Obligation Bond-Debt Service	846,505	0.0
Regional Sanitation District-Operating	66,074,226	475.0
Sacramento Area Sewer District	41,062,158	301.0
Sacramento County Landscape Maintenance	206,560	0.0
Sunrise Recreation and Park District	11,051,381	22.0
Tobacco Litigation Settlement-Capital Projects	725,727	0.0
Vineyard Public Facilities Financing Plan	14,173,679	0.0
Water Agency Zone 11-Drainage Infrastructure	24,566,018	0.0
Water Agency-Zone 13	7,171,944	0.0
Water Resources	39,599,263	135.6
TOTAL SPECIAL DISTRICTS AND OTHER AGENCIES	\$322,979,851	978.6

III. Five-Year Capital Improvement Plan

The 2018-19 Adopted Budget includes a Five-Year Capital Improvement Plan (CIP) for Sacramento County. The Capital Improvement Plan lists both the approved and proposed capital improvements to be acquired or constructed through the 2022-23 Fiscal Year. The approved and proposed capital projects are broken into nine major categories. The funding needs may be summarized.

Funding has not been obtained for all the projects, particularly those in the later years of the five-year plan. Following the Five-Year Capital Improvement Plan will result in additional operating and debt service expenditures in the present and future years. The levels of new expenditures will depend upon factors such as the timing of the facility development, operating offsets from current facilities, and interest rates. All operating and debt service costs relating to the budget year are included in the budget. The multiyear modeling is used to estimate the impact of new facilities on the operating budget.

CATEGORY	PRIOR-YEARS AND FIVE-YEAR COSTS
Airports	354,724,260
County Buildings & Capital Construction	174,420,638
Department of Technology	30,584,648
Libraries	7,128,655
Regional Parks	5,564,365
Transportation	471,868,000
Waste Management & Recycling	93,624,181
Water Resources-Drainage	39,213,424
Water Resources-Water Supply	178,663,522
TOTAL	1,355,791,693

IV. County Executive’s Recommended Fiscal Year 2018-19 Budget Report

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2018-19 ADOPTED BUDGET LETTER

County Executive
Navdeep S. Gill



County of Sacramento

Board of Supervisors
Phillip R. Serna, District 1
Patrick Kennedy, District 2
Susan Peters, District 3
Sue Frost, District 4
Don Nottoli, District 5

August 24, 2018

Members of the Board of Supervisors
County of Sacramento
700 H Street, Suite 2450
Sacramento, CA 95814

Re: Fiscal Year 2018-19 Budget Adoption

Honorable Members of the Board:

I am pleased to present the Adopted Budget for FY2018-19 (Adopted Budget) for your review and consideration. The Budget for All Funds totals \$4,298,376,721 in appropriations. This is a \$7,769,112 (0.2%) increase from the Budget approved in June (Approved Budget). The increase is the net result of:

- An \$8.7 million decrease in restricted, special revenue and enterprise fund appropriations, including a \$58 million reduction in appropriations in the Interagency Procurement and Fixed Asset Revolving Funds due to a change in how the purchase of fixed assets is budgeted and accounted for and a \$59.3 million increase in appropriations related to the re-budgeting of capital and other projects based on changes in project timing and, in some cases, changes in project costs; and
- A \$16.5 million increase in General Fund appropriations.

General Fund Overview

The Adopted General Fund appropriation is \$1,735,552,943.

Resource Adjustments

FY2018-19 General Fund resource estimates have increased by \$24,109,290, as reflected in the following adjustments:

- The unaudited FY2017-18 year-end fund balance carry-forward of \$69,303,395, which is a \$12,603,395 increase compared to the Approved Budget.
- A \$12,794,974 increase in discretionary revenue estimates;
- The net cancellation of \$580,719 in Teeter Reserves; and
- A \$1,869,798 reduction in federal, state and other revenue, due primarily to a \$6.6 million reduction in Immigration and Customs Enforcement (ICE) contract revenue, partially offset by revenue increases in a number of areas.

General Fund Reserves/Set-Asides

The Adopted General Fund Budget includes \$7.6 million in additional reserves and set-asides for the following purposes:

- \$7,511,058 to General Reserves. This is consistent with the Board's General Reserve Policy, which calls for placing 10% of the Available fund balance (\$6,930,339) in General Reserves and for reclassifying any reserves no longer needed for the stated purpose (\$580,719 in Teeter Reserves). With this adjustment, the General Reserves balance will stand at \$21,162,034.
- \$133,589 to the Reserve for Audit Report Payback/Future Litigation Settlement Costs. Given the significant potential costs the County is facing from various lawsuits, any discretionary resources remaining after Base budgets and most critical Growth needs are funded, are being placed in this Reserve.

General Fund Appropriations

The Adopted General Fund budget includes appropriation adjustments totaling \$16,464,643 for the following purposes:

- \$10,680,899 (with a \$16,098,017 increase in Net County Cost) to cover Base Budget increases, including an \$11.1 million increase in appropriations to cover the difference between the 2% Cost of Living

Adjustment (COLA) for County employees included in the Approved Budget and the 3% to 4% COLA being negotiated with most County unions.

- \$5,783,754 (\$4,145,341 in Net County Cost) to fund certain growth requests described more fully in the tables below.

The increase in appropriations is net of \$14,770,564 in additional reimbursements from three of the new Restricted Funds (1991 and 2011 Realignment and Mental Health Services Act) created as part of the Approved Budget, which are reflected as negative appropriations. If that is adjusted for, the increased Adopted General Fund appropriations would be \$31,235,207.

Departmental Requests for New or Enhanced Programs

For the preparation of the FY2018-19 Budget, County departments submitted over \$82 million in requests for new or enhanced programs, including over \$36 million in General Fund (Net County Cost) support. To assist in evaluating those requests, departments were asked to prioritize their needs. This prioritization was taken into account, along with Board priorities and other factors, in making Budget recommendations in June. Not all of the requests were able to be funded in June. The remaining requests were considered in the preparation of the Adopted Budget, as was the County's current fiscal condition and longer-term fiscal outlook.

The Adopted Budget includes an additional \$16.7 million (\$8.7 million in appropriations) for All Funds in funding for new or enhanced programs and services. These are funded with the following resources:

- Discretionary revenue/carryover (Net County Cost) of \$4.15 million;
- Semi-discretionary or other reimbursements of \$7.98 million; and
- Federal, State and fee revenue/fund balance carryover of \$4.55 million.

The bulk of the investment in new and enhanced programs in the General Fund is focused on making needed operational improvements in the jails and addressing critical needs in Child Protective Services. The Adopted Budget includes an investment of \$5.5 million in the Sheriffs and Correctional Health Services budgets to provide half a year's funding to add 63 positions and contract for increased psychiatric services to address inmate classification and supervision issues and provide enhanced medical and mental health services in the County's two jails. In future years, the annualized cost of these Growth requests will be approximately \$10.6 million. The Adopted

Budget also includes an investment of \$4 million and the addition of 36 positions in the Child, Family and Adult Services budget to create an additional Emergency Response Field Unit, an additional Informal Supervision Unit and two additional Permanency units. This will assist DCFAS in complying with State standards, keep more children with their families and reduce the amount of time children remain in foster care.

Funded Net County Cost New or Enhanced Programs - The table below shows new or enhanced programs that are wholly or partially funded with Net County Cost.

Funded - Net County Cost New or Enhanced Programs

Department	Description	Costs	Reimburse- ments	Appropri- ations	Net County Cost	FTE
Coroner	Mobile X-ray machine and PAC File System	\$ 79,650	\$ -	\$ 79,650	\$ 79,650	0.0
Correctional Health Services	Increased staffing and contracted services	\$ 1,568,413	\$ (1,133,413)	\$ 435,000	\$ 435,000	12.0
Non-Departmental Costs	Library Master Plan study	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	0.0
Sheriff	Increased staffing to address issues at Rio Cosumnes Correctional Center and Main Jail	\$ 3,885,691	\$ (505,000)	\$ 3,380,691	\$ 3,380,691	51.0
TOTAL		\$5,783,754	\$ (1,638,413)	\$ 4,145,341	\$ 4,145,341	63.0

Funded Non-Net County Cost New or Enhanced Programs - The table on the following pages shows the funded new or enhanced requests that do not require Net County Cost.

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Funded - Non Net County Cost New or Enhanced Programs

Department	Description	Costs	Reimburse-ments	Appropria-tions	FTE
General Fund:					
Animal Care and Regulation	Donation funding for emergency and specialty medical services	\$ 28,047	\$ -	\$ 28,047	0.0
Child, Family and Adult Services	Birth and Beyond - Preservation of Family Resource Centers (FRCs) - funding for 3 more months	\$ 325,000	\$ (325,000)	\$ -	0.0
Child, Family and Adult Services	Child Welfare Services - 1 Emergency Reponse Field Unit	\$ 888,638	\$ (888,638)	\$ -	8.0
Child, Family and Adult Services	Child Welfare Services - 1 Informal Supervision Unit	\$ 882,322	\$ (882,322)	\$ -	8.0
Child, Family and Adult Services	Child Welfare Services - 2 Permanency Units	\$ 1,757,276	\$ (1,757,276)	\$ -	16.0
Child, Family and Adult Services	Child Welfare Services - Management/Supervision staffing for the Emergency Response/Informal Supervision Program	\$ 485,261	\$ (485,261)	\$ -	4.0
Subtotal - Child Family & Adult Services		\$ 4,338,497	\$ (4,338,497)	\$ -	36.0
Health Services	Additional Clinic Staff; Rapid Syphilis Testing Training	\$ 131,960	\$ (131,960)	\$ -	1.0
Health Services	Mental Health Non Medi-Cal Provider Cost of Living Adjustment	\$ 685,909	\$ (685,909)	\$ -	0.0
Subtotal - Health Services		\$ 817,869	\$ (817,869)	\$ -	1.0
Human Assistance	Contract with Sheriff Security Services for armed security at two additional DHA bureaus (partially offset by other contract reduction)	\$ 866,501	\$ (58,403)	\$ 808,098	0.0
Probation	Purchase 46 Mobile Device Terminals (MDTs) for Fields Units	\$ 146,000	\$ -	\$ 146,000	0.0
Regional Parks	Grant funds to provide debris clean up on the American River Parkway	\$ 50,000	\$ -	\$ 50,000	0.0
Sheriff	1.0 FTE Deputy Sheriff and 5.0 FTE Sheriff Security Officer to provide security services at DHA facilities	\$ 1,136,501	\$ (1,136,501)	\$ -	6.0
TOTAL GENERAL FUND		\$ 7,383,415	\$ (6,351,270)	\$1,032,145	43.0

NON-GENERAL FUND:					
Aiports	Staffing increase for Regulatory Compliance, Operational Efficiency, and growth in services/ customer service	\$ 1,141,749	\$ -	\$ 1,141,749	11.0
Development and Code Services	1.0 FTE Principal Civil Engineer to assist with increases in development and economic development projects	\$ 199,330	\$ -	\$ 199,330	1.0
Technology	Staffing changes for 311 Program, net increase of 1.0 FTE	\$ -	\$ -	\$ -	1.0
Technology	IT Analyst contractor to assist with special projects for Waste Management	\$ 135,200	\$ -	\$ 135,200	0.0
Subtotal - Technology		\$ 135,200	\$ -	\$ 135,200	1.0
Solid Waste	Contract IT Analyst in Department of Technology for projects and move to new facility	\$ 135,200	\$ -	\$ 135,200	0.0
Solid Waste	Add 1 knuckle boom truck, 1 claw loader, and 1 rear loader in the Appointment Based Neighborhood Clean Up and Bulky Waste Collection Program	\$ 800,000	\$ -	\$ 800,000	0.0
Subtotal - Solid Waste		\$ 935,200	\$ -	\$ 935,200	0.0
Water Resources	2 light vehicle upgrades	\$ 103,224	\$ -	\$ 103,224	0.0
Water Enterprise	Staffing increase and vehicles to support operations and maintenance activities at the Vineyard Surface Water Treatment Plant	\$ 885,426	\$ -	\$ 885,426	5.0
Water Enterprise	Add 1.0 FTE Sr. Engineering Tech to support asset management and conservation efforts; replace Principal Engineering Technician with Assistant Civil Engineer Level 2 to meet current workload needs	\$ 115,867	\$ -	\$ 115,867	1.0
Subtotal - Water Resources		\$ 1,104,517	\$ -	\$ 1,104,517	6.0
TOTAL - NON-GENERAL FUND		\$ 3,515,996	\$ -	\$ 3,515,996	19.0
TOTAL - ALL FUNDS		\$ 10,899,411	\$ (6,351,270)	\$ 4,548,141	62.0

FTE Positions

The table below provides information concerning the County's FTEs.

Existing FTE	12,240.4
Recommended Net County Cost FTE	63.0
Recommended Non-Net County Cost (Fully Funded) FTE	62.0
FY2018-19 Adopted Base Adjustments	(4.2)
Total Recommended for Adoption FTE	12,361.2

FY2018-19 Adopted Budget – One-Time Revenue

The Adopted General Fund budget is balanced using the following one-time sources:

Description	FY2018-19 Approved	FY2018-19 Adopted
One-time Discretionary	\$ 1,150,000	\$ 14,080,000
Fund Balance/Carryover	\$ 56,700,000	\$ 69,303,395
Reserve Cancellation	\$ 1,160,297	\$ 2,251,016
Realignment Revenue Carry-over	\$ 12,121,276	\$ 21,911,400
Total	\$ 71,131,573	\$ 107,545,811

Transient Occupancy Tax Revenue Allocations

The Adopted Budget reflects a \$154,738 reduction in Transient Occupancy Tax (TOT) revenue. In addition, the transfer of TOT revenue from the General Fund to the TOT Fund is reduced by \$30,113 in the Adopted Budget due to an increased available balance in the TOT Fund, while the Transfer of TOT revenue from the General Fund to the Economic Development Fund is increased by \$30,000 due to the provision of increased funding for the Property and Business Improvement District (PBID Academy). This results in a net \$154,625 reduction in the amount of TOT revenue available to cover general Net County Cost needs.

Attachments to the Budget Transmittal Letter

There are several attachments included with this transmittal letter that provide in-depth information concerning the Budget:

- Attachment 1 presents the All Funds Budget;

- Attachment 2 provides more information on the General Fund Budget;
- Attachment 3 provides a summary of significant changes by department or budget unit.

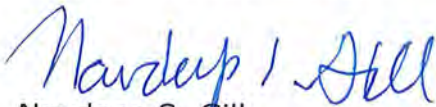
Conclusion/Acknowledgement

As with the Recommended Budget presented in June, I would like to acknowledge the hard work and dedication of the County's department heads and fiscal staffs in preparing the Budget you have before you today. Their input and judgement has been critical in crafting a Budget that attempts to address important community needs in a fiscally responsible manner.

The Budget will be presented to the Board on September 5, 2018, at 9:30 a.m., with deliberations on that date and September 6 as needed.

We look forward to working with you as you review the Budget Recommended for Adoption. During your review, please contact me with any questions that you may have concerning the Budget.

Respectfully submitted,



Navdeep S. Gill
County Executive

ATTACHMENT 1

**FY2018-19 Budget Recommended for Adoption
THE ALL FUNDS BUDGET**

The FY2018-19 Adopted All Funds Budget totals \$4,298,376,721 in appropriations. This is a \$7,769,112 (0.2%) increase compared to the Budget approved by the Board in June (the "Approved Budget"). A more detailed comparison of the FY2018-19 Adopted Budget and the FY2018-19 Approved Budget is shown below.

Fiscal Year 2018-19 Approved Budget Compared to Adopted Budget All County Funds			
Fund	FY 2018-19 Approved Budget Appropriations	FY 2018-19 Adopted Budget Appropriations	Difference
General Fund	\$ 1,719,088,300	\$ 1,735,552,943	\$ 16,464,643
Community Investment Program	\$ 596,626	\$ 450,316	\$ (146,310)
Neighborhood Revitalization	\$ 935,162	\$ 938,166	\$ 3,004
Mental Health Services Act	\$ 90,977,015	\$ 91,292,729	\$ 315,714
Public Safety Sales Tax	\$ 123,583,038	\$ 123,583,038	\$ -
1991 Realignment	\$ 337,788,199	\$ 346,112,548	\$ 8,324,349
2011 Realignment	\$ 308,617,745	\$ 314,748,246	\$ 6,130,501
Clerk/Recorder Fees	\$ 1,218,065	\$ 1,218,065	\$ -
Economic Development	\$ 25,245,265	\$ 37,224,381	\$ 11,979,116
Environmental Management	\$ 22,157,155	\$ 22,288,245	\$ 131,090
Golf Fund	\$ 7,894,201	\$ 7,978,162	\$ 83,961
Transient Occupancy Tax	\$ 13,362	\$ 1,028,838	\$ 1,015,476
Transportation	\$ 180,019,495	\$ 183,965,096	\$ 3,945,601
Water Resources	\$ 163,865,703	\$ 168,711,920	\$ 4,846,217
Airport System	\$ 338,608,205	\$ 329,084,389	\$ (9,523,816)
Waste Management & Recycling	\$ 101,134,885	\$ 103,088,121	\$ 1,953,236
Capital Projects Funds	\$ 81,712,494	\$ 73,450,310	\$ (8,262,184)
Debt Service Funds	\$ 28,698,400	\$ 33,596,769	\$ 4,898,369
Other Special Revenue Funds	\$ 94,669,911	\$ 97,796,881	\$ 3,126,970
Other Enterprise Funds	\$ 2,890,100	\$ 3,584,811	\$ 694,711
Other Internal Service Funds	\$ 395,291,036	\$ 376,640,582	\$ (18,650,454)
Other Special Districts & Agencies	\$ 265,603,247	\$ 246,042,165	\$ (19,561,082)
Total	\$ 4,290,607,609	\$ 4,298,376,721	\$ 7,769,112

In addition to the General Fund, funds or fund groups with the largest increase in appropriations include:

- Economic Development, with an increase of approximately \$12 million, due primarily to the re-budgeting of capital projects at the former McClellan Air Force Base.

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- 1991 and 2011 Realignment, with a combined increase of approximately \$14.5 million, due to the allocation of additional Realignment resources to General Fund departments to cover the cost of a supplemental wage increase for In Home Supportive Services (IHSS) caregivers, additional Cost of Living Adjustments (COLAs) for County employees and additional Growth requests to address critical needs in the jails, Child Protective Services and Health Services.
- Debt Service Funds, with a \$4.9 million increase, due to the transfer of additional Teeter revenue to the General Fund and increased Teeter debt service costs.
- Water Resources, with a total \$4.8 million increase, due primarily to the re-budgeting of certain capital projects and a shift in some project priorities.

These and other increases in appropriations are offset by decreases in appropriations in other funds or fund groups, including:

- Other Internal Services Funds, with a net \$18.7 million reduction, due primarily to a \$30.5 million decrease in appropriations in the Interagency Procurement Fund, reflecting a decision to end the practice of flowing expenditures and revenues related to all department fixed asset purchases through that Fund (and the Fixed Asset Revolving Fund in the Other Special Districts and Agencies category). This and other decreases in appropriations are partially offset by increases in appropriations in other funds, including a \$6.5 million increase in the General Services – Capital Outlay Fund, due primarily to the re-budgeting for equipment purchases.
- Other Special Districts and Agencies, with a \$19.6 million reduction, due primarily to the \$30.5 million decrease in appropriations in the Fixed Asset Revolving Fund discussed above.
- Airport System, with a \$9.5 million reduction, due primarily to an \$11.7 million reduction in debt service costs as a result of the recent Airport Revenue bond refinancing, partially offset by increased costs due to the re-budgeting of certain capital projects, the inclusion of funding for new maintenance projects and capital project cost increases and costs related to additional Growth requests to address operational needs in a number of areas.

More detailed information regarding appropriation increases in the General Fund and other funds is provided in Attachments 2 and 3.

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New Restricted Funds

The Approved Budget included a change in how certain revenue is budgeted and accounted for. Prior to this fiscal year, Realignment, Proposition 172, Mental Health Services Act and Micrographic and certain other Clerk-Recorder Fee revenue was deposited in unbudgeted funds and not budgeted/recognized as revenue until it was transferred to the appropriate General Fund department to cover the cost of eligible expenditures. In the FY2018-19 Approved Budget, those unbudgeted funds were converted to budgeted restricted funds. Revenue is now recognized in those funds when it is received and the transfer to the appropriate General Fund department is budgeted as an appropriation in the restricted fund and a reimbursement (appropriation reduction) in the departments receiving the money. The following tables compare the status of the restricted funds in the Adopted Budget to the status in the Approved Budget.

FY2018-19 Budget Recommended for Adoption

New Restricted Funds - Changes in Appropriations - Approved to Adopted

Fund	Approved Appropriations	Adopted Appropriations	Difference
Public Safety Sales	\$ 123,583,038	\$ 123,583,038	\$ -
1991 Realignment	\$ 337,788,199	\$ 346,112,548	\$ 8,324,349
2011 Realignment	\$ 308,617,745	\$ 314,748,246	\$ 6,130,501
Clerk Recorder Fees	\$ 1,218,065	\$ 1,218,065	\$ -
Mental Health Services Act	\$ 90,977,015	\$ 91,292,729	\$ 315,714
Total	\$ 862,184,062	\$ 876,954,626	\$ 14,770,564

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**FY2018-19 Budget Recommended for Adoption
New Restricted Funds - Changes to Reserves - Approved to Adopted**

Fund-Category	Approved Reserves	Adopted Reserves	Difference
Enhancing Law Enforcement Activities			\$ -
Law Enforcement Services	\$ 1,112,289	\$ 5,307,915	\$ 4,195,626
Behavioral Health		\$ 243,418	\$ 243,418
Protective Services		\$ 148,926	\$ 148,926
2011 Realignment Fund	\$ 1,112,289	\$ 5,700,259	\$ 4,587,970
Public Health		\$ 996,098	\$ 996,098
Social Services	\$ 4,960,787	\$ 8,770,822	\$ 3,810,035
CalWORKS			\$ -
1991 Realignment Fund	\$ 4,960,787	\$ 9,766,920	\$ 4,806,133
Public Safety Sales			
Clerk Recorder Fees	\$ 13,317,989	\$ 13,087,303	\$ (230,686)
Mental Health Services Act	\$ 131,421,028	\$ 115,646,383	\$ (15,774,645)
Total New Restricted Funds	\$ 150,812,093	\$ 144,200,865	\$ (6,611,228)

The increase in Law Enforcement Services Reserves includes a new \$3.6 million Community Corrections Reserve to set aside funds for anticipated future-year jail operational improvement costs, funded with AB109 Realignment revenue, and a \$580,000 increase in the Local Innovation Future Cost Reserve funded with additional Local Innovation funds.

The establishment of small Behavioral Health and Protective Services reserves will serve as a hedge against revenue shortfalls, given the uncertainty inherent in making Realignment revenue projections.

The new Public Health Reserve is being proposed to set aside funds for anticipated future-year jail medical service improvement costs.

The \$3.8 million increase in the Social Services – Future Costs reserve will bring that reserve to \$8.8 million. That money is being reserved to help mitigate the impact of future statutorily mandated increases in the In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) requirement and future year costs supplemental wage increase provided to IHSS caregivers. Current estimates are that MOE and caregiver wage increases could increase Net County Cost by as much as \$22 million in FY2019-20 and more in subsequent years.

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The \$15.8 million reduction in Mental Health Services Act (MHSA) Fund reserves is proposed because it is estimated that less MHSA resources will be available due to a number of factors, including:

- A \$13.9 million increase in the MHSA beginning fund balance, due to revenue coming in higher than expected and expenditures coming in lower than expected in FY2017-18, partly due to delays in ramping up for new and expanded programs and projects.
- A \$29.4 million reduction in MHSA revenue from the State in FY2018-19, due to a correction of certain errors that were made in how that revenue was estimated.

As proposed, the MHSA Prudent Reserve will remain unchanged, the MHSA Activities – Workforce & Training and MHSA Projects – Technological Needs Reserves will increase and the MHSA Reserves for Future Services – Community Services and Supports and Future Services – Prevention and Early Intervention will be reduced to \$65.2 million and \$15.6 million respectively.

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**FY2018-19 Budget Recommended for Adoption
THE GENERAL FUND BUDGET**

Approved (June) Budget

At budget hearings in June, the Board considered the County's Recommended Budget for FY2018-19 and approved a budget totaling \$1.72 billion in appropriations, which represented a \$746.3 million (30.3%) reduction from the FY2017-18 Adopted Budget as shown below.

**General Fund Budget
FY2017-18 Adopted - FY2018-19 Approved**

	FY2017-18 Adopted	FY2018-19 Approved	Difference
Resources			
Beginning Balance	\$ 46,537,263	\$ 56,700,000	\$ 10,162,737
Use of Reserves	\$ 11,746,058	\$ 1,670,297	\$ (10,075,761)
Discretionary Revenue	\$ 594,833,339	\$ 623,491,045	\$ 28,657,706
Semi-discretionary Revenue	\$ 708,472,302		\$ (708,472,302)
Other Departmental Revenue	\$ 1,112,453,140	\$ 1,037,226,958	\$ (75,226,182)
Total Revenue	\$ 2,415,758,781	\$ 1,660,718,003	\$ (755,040,778)
Total Resources	\$ 2,474,042,102	\$ 1,719,088,300	\$ (754,953,802)
Requirements			
Expenditures			
Discretionary Reimbursements	\$ (8,303,842)	\$ (8,580,913)	\$ (277,071)
Semi-discretionary Reimbursements		\$ (769,429,975)	\$ (769,429,975)
Other Reimbursements	\$ (181,259,719)	\$ (301,856,429)	\$ (120,596,710)
Contingency	\$ 4,288,000	\$ 1,182,492	\$ (3,105,508)
Total Appropriations	\$ 2,465,335,403	\$ 1,719,088,300	\$ (746,247,103)
Provision for Reserves	\$ 8,706,699		\$ (8,706,699)
Total Requirements	\$ 2,474,042,102	\$ 1,719,088,300	\$ (754,953,802)

However, the decrease in appropriations was due to a change in accounting and budgeting practices that resulted in Semi-discretionary (Realignment and Proposition 172) revenue, Mental Health Services Act revenue and certain Clerk-Recorder fee revenue being treated as a reimbursement (reduction in appropriations) rather than as revenue in the General Fund. Adjusting for that budgeting/accounting change, FY2018-19 Approved appropriations actually increased by \$115.4 million (4.7%) compared to the FY2017-18 Adopted Budget.

FY2018-19 Adopted Budget

The County's FY2018-19 Adopted Budget totals \$1,735,552,943 in appropriations. This is an increase of \$16,464,643 (1%) compared to the

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FY2018-19 Approved Budget. A more detailed comparison of the FY2018-19 Adopted Budget and the FY2018-19 Approved Budget is shown below.

**General Fund Budget
FY2018-19 APPROVED - FY2018-19 ADOPTED**

	FY2018-19 Approved	FY2018-19 Adopted	Difference
Resources			
Beginning Balance	\$ 56,700,000	\$ 69,303,395	\$ 12,603,395
Use of Reserves	\$ 1,670,297	\$ 2,798,781	\$ 1,128,484
Discretionary Revenue	\$ 623,491,045	\$ 636,286,019	\$ 12,794,974
Departmental Revenue	\$ 1,037,226,958	\$ 1,035,357,160	\$ (1,869,798)
Total Revenue	\$ 1,660,718,003	\$ 1,671,643,179	\$10,925,176
Total Resources	\$ 1,719,088,300	\$ 1,743,745,355	\$24,657,055
Requirements			
Expenditures			
Discretionary Reimbursements	\$ (8,580,913)	\$ (10,489,830)	\$ (1,908,917)
Semi-discretionary Reimbursements	\$ (769,429,975)	\$ (783,884,823)	\$ (14,454,848)
Other Reimbursements	\$ (301,856,429)	\$ (304,471,282)	\$ (2,614,853)
Contingency	\$ 1,182,492	\$ 1,986,199	\$ 803,707
Total Appropriations	\$ 1,719,088,300	\$ 1,735,552,943	\$16,464,643
Provision for Reserves		\$ 8,192,412	\$ 8,192,412
Total Requirements	\$ 1,719,088,300	\$ 1,743,745,355	\$24,657,055

However, that increase also reflects the receipt of an additional \$14.8 million in Semi-discretionary and Mental Health Services Act reimbursements (which are budgeted as a reduction in appropriations). If that is adjusted for, Adopted General Fund appropriations would actually increase by \$31.2 million.

Fund Balance and Reserves

The General Fund's unaudited FY2017-18 ending fund balance, which becomes the beginning balance for FY2018-19, totals \$132,724,744. This includes \$63.4 million in reserves, consisting primarily of \$9.8 million in Teeter Reserves, a \$32.4 million Reserve for Cash Flow, \$13.65 million in General Reserves, a \$5 million Reserve for Audit Report Paybacks/Future Litigation Settlement Costs, a \$1.3 million Reserve for Technology Upgrades, a \$718,000 Reserve for Future Pension Obligation Bond Debt Service, and an Available (unobligated) balance of \$69,303,395. The Available balance is approximately \$12.6 million higher than in the Approved General Fund Budget, due primarily to the receipt of one-time prior year Mental Health revenue in FY2017-18 that was used to offset Net County Cost.

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The Approved Budget included the following reserve changes:

- Cancellation of the \$718,248 Reserve for Future Pension Obligation Bond Debt Service to help cover increases in General Fund Pension Obligation Bond debt service costs in FY2018-19.
- Cancellation of \$952,049 of the Reserve for Technology Upgrades to help fund software upgrades for personal computers to Microsoft 10 and Windows 2016.

The Adopted Budget also includes the following reserve adjustments:

- A net \$580,719 reduction in the various Teeter Reserves, reflecting a decrease in the amount of reserves that need to be set aside for the Teeter Plan.
- A \$7,511,058 increase in General Reserves. Approximately \$6,930,000 of this increase is due to the Board's General Reserve Policy that calls for placing 10% of the General Fund's actual Available fund balance in General Reserves each year. Approximately \$581,000 of the increase is due to the Board's General Reserve Policy that states that any existing reserves no longer needed for the stated purpose will be reclassified as General Reserves. As indicated, a portion of Teeter Reserves are no longer needed.
- A \$133,589 increase in the Reserve for Audit Report Payback/Future Litigation Settlement Costs. Given the significant potential costs the County is facing from various lawsuits, any discretionary resources remaining after Base budgets and the most critical Growth needs are funded are being placed in this Reserve.

The following table summarizes the General Fund's reserve status reflected in the Adopted Budget.

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**FY2018-19 Adopted Budget
GENERAL FUND RESERVE STATUS**

Reserved For:	FY2017-18 Ending	FY2018-19 Approved	FY2018-19 Adopted	Change from Approved
Loan Buyout - Teeter	\$ 2,934,879	\$ 2,934,879	\$ 2,552,000	\$ (382,879)
Tax Loss-Teeter	\$ 5,261,630	\$ 5,261,630	\$ 5,809,395	\$ 547,765
Teeter Delinquencies (Teeter)	\$ 1,636,639	\$ 1,636,639	\$ 891,034	\$ (745,605)
River Delta Fire District Loan	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Imprest Cash	\$ 290,955	\$ 290,955	\$ 290,955	\$ -
Special Deposits Travel	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Health for All Loan	\$ 104,730	\$ 104,730	\$ 104,730	\$ -
General Reserves	\$ 13,650,979	\$ 13,650,979	\$ 21,162,037	\$ 7,511,058
Cash Flow	\$ 32,421,527	\$ 32,421,527	\$ 32,421,527	\$ -
Future Pension Obligation Bond	\$ 718,248	\$ -	\$ -	\$ -
Audit Report Payback/Future Litigation Costs	\$ 5,000,000	\$ 5,000,000	\$ 5,133,589	\$ 133,589
Technology Upgrades	\$ 1,276,765	\$ 324,716	\$ 324,716	\$ -
Total	\$ 63,421,352	\$ 61,751,055	\$ 68,814,983	\$ 7,063,928

Discretionary Revenue and Reimbursements

The Adopted Budget includes approximately \$14.7 million (2.3%) more in discretionary revenue and reimbursements than the Approved Budget. This is the result of increases and decreases in a number of revenue sources as shown in the following table:

DISCRETIONARY REVENUE AND REIMBURSEMENTS

	FY2017-18 Actual	FY2018-19 Approved	FY2018-19 Adopted	Approved to Adopted Difference
Property Tax - Secured/VLF In-Lieu	\$ 393,038,737	\$ 418,163,709	\$ 418,163,709	\$ -
Property Tax - Supplemental	\$ 5,497,402	\$ 5,000,000	\$ 5,000,000	\$ -
Other Property Tax	\$ 16,111,169	\$ 16,063,916	\$ 16,063,916	\$ -
Total Property Tax	\$ 414,647,308	\$ 439,227,625	\$ 439,227,625	\$ -
Sales and Use Tax	\$ 85,668,000	\$ 86,190,000	\$ 86,190,000	\$ -
Utility User Tax	\$ 19,808,827	\$ 20,383,325	\$ 20,365,913	\$ (17,412)
Transient Occupancy Tax	\$ 6,583,436	\$ 6,695,000	\$ 6,540,262	\$ (154,738)
Property Transfer Tax	\$ 11,490,292	\$ 11,000,000	\$ 11,000,000	\$ -
Other One-time Revenue	\$ 2,950,000	\$ 1,150,000	\$ 14,080,000	\$ 12,930,000
Other On-Going Revenue	\$ 61,762,302	\$ 58,845,095	\$ 58,882,219	\$ 37,124
Total Revenue	\$ 602,910,165	\$ 623,491,045	\$ 636,286,019	\$ 12,794,974
Teeter	\$ 8,950,905	\$ 7,000,000	\$ 9,561,301	\$ 2,561,301
SWA	\$ 1,487,253	\$ 1,580,913	\$ 928,529	\$ (652,384)
Total Reimbursements	\$ 10,438,158	\$ 8,580,913	\$ 10,489,830	\$ 1,908,917
TOTAL	\$ 613,348,323	\$ 632,071,958	\$ 646,775,849	\$ 14,703,891

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Major contributors to the net \$14.7 million increase in discretionary revenue and reimbursements compared to the Approved Budget include:

- The receipt of \$11.9 million in one-time prior-year SB 90 revenue owed by the State to the County. This is Sacramento County's share of a prior year SB 90 claim owed to counties included in the Governor's May Revise and approved as part of the State's FY2018-19 Budget.
- The receipt of approximately \$1 million in one-time excess interest in debt service funds.
- A \$2.6 million increase in Teeter reimbursements reflecting a revised analysis based in part on higher actual Teeter reimbursements than estimated in FY2017-18.
- A \$652,000 reduction in SWA reimbursement, due to funding decisions made by the SWA Board.

Semi-Discretionary Reimbursements

The Approved General Fund Budget included \$769.4 million in Semi-discretionary (Proposition 172 and Realignment) reimbursements from the Realignment and Proposition 172 Restricted Funds, comprised of both new revenue estimated to be received in those Funds in FY2018-19 and, in some cases, carry-over Restricted Fund balances from the prior year. The Adopted General Fund Budget includes \$783.9 million in Semi-discretionary reimbursements, an increase of \$14.5 million (1.9%) compared to the amount included in the Approved Budget.

The following table summarizes the amount of Semi-discretionary reimbursements to General Fund departments included in the FY2018-19 Adopted Budget compared to the amount included in the Approved Budget.

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**General Fund Semi-discretionary Reimbursements
FY2018-19 Approved - Adopted Budgets**

	FY2018-19 Approved	FY2018-19 Adopted	Difference
Enhancing Law Enforcement Activities	\$ 22,166,081	\$ 22,166,081	\$ -
Law Enforcement Services	\$ 91,610,755	\$ 93,093,120	\$ 1,482,365
Behavioral Health	\$ 71,225,990	\$ 71,629,167	\$ 403,177
Protective Services	\$ 123,614,919	\$ 127,859,878	\$ 4,244,959
Total 2011 Realignment	\$ 308,617,745	\$ 314,748,246	\$ 6,130,501
Mental Health	\$ 52,072,728	\$ 52,072,728	\$ -
Public Health	\$ 15,329,084	\$ 16,700,779	\$ 1,371,695
Social Services	\$ 133,499,757	\$ 140,452,411	\$ 6,952,654
Total 1991 Realignment - No CalWORKS	\$ 200,901,569	\$ 209,225,918	\$ 8,324,349
CalWORKS	\$ 136,327,624	\$ 136,327,624	\$ -
Total 1991 Realignment	\$ 337,229,193	\$ 345,553,542	\$ 8,324,349
Total Realignment	\$ 645,846,938	\$ 660,301,788	\$ 14,454,850
Proposition 172	\$ 123,583,038	\$ 123,583,038	\$ -
Total	\$ 769,429,976	\$ 783,884,826	\$ 14,454,850

The increase in Semi-discretionary reimbursements is being used to fund the cost of supplemental pay for IHSS caregivers as called for in a collective bargaining agreement approved by the Board, a proportionate share of employee cost of living adjustments above the amount included in the Approved Budget and critical growth requests in the Sheriffs, Child, Family and Adult Services, Health Services, Correctional Health Services and Human Assistance - Administration budgets.

Net County Cost/Discretionary and Semi-discretionary Revenue/Reimbursement Allocations

The FY2018-19 Adopted Budget includes a Net County Cost of approximately \$710.7 million, which represents an increase of approximately \$20.2 million (2.9%) compared to the Approved Budget. The recommended allocations are summarized in the table on the following page:

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FY 2018-19 General Fund Allocations

	FY2018-19 Approved	FY2018-19 Adopted	Variance
Elected Departments			
Assessor	\$ 10,397,139	\$ 10,547,093	\$ 149,954
Board of Supervisors	\$ 3,505,701	\$ 3,529,212	\$ 23,511
District Attorney	\$ 60,945,764	\$ 61,600,570	\$ 654,806
Sheriff	\$ 243,617,425	\$ 255,031,424	\$ 11,413,999
Subtotal	\$ 318,466,029	\$ 330,708,299	\$ 12,242,270
General Government			
Appropriation for Contingency	\$ 1,182,492	\$ 1,986,199	\$ 803,707
County Counsel	\$ 2,472,110	\$ 2,602,270	\$ 130,160
Financing-Transfers/Reimbursement	\$ 6,100,838	\$ 6,211,725	\$ 110,887
Non-Departmental Costs/General Fund	\$ 30,704,567	\$ 32,004,567	\$ 1,300,000
Planning and Environmental Review	\$ 2,028,100	\$ 2,101,810	\$ 73,710
Other General Government	\$ 4,634,217	\$ 4,841,800	\$ 207,583
Subtotal	\$ 47,122,324	\$ 49,748,371	\$ 2,626,047
Administrative Services			
Court	\$ 33,323,032	\$ 33,323,032	\$ -
Data Processing-Shared Systems	\$ 10,696,730	\$ 10,696,730	\$ -
Finance	\$ 1,441,784	\$ 1,506,920	\$ 65,136
Voter Registration And Elections	\$ 10,154,671	\$ 10,195,732	\$ 41,061
Other Administrative Services	\$ 421,364	\$ 1,141,157	\$ 719,793
Subtotal	\$ 56,037,581	\$ 56,863,571	\$ 825,990
Municipal Services			
Agricultural Comm-Sealer Of Wts & Meas	\$ 1,263,528	\$ 1,295,417	\$ 31,889
Animal Care And Regulation	\$ 9,776,420	\$ 9,815,463	\$ 39,043
Regional Parks	\$ 9,594,854	\$ 9,907,783	\$ 312,929
Wildlife Services	\$ 60,733	\$ 60,733	\$ -
Subtotal	\$ 20,695,535	\$ 21,079,396	\$ 383,861
Public Works and Infrastructure			
Code Enforcement	\$ 5,958,247	\$ 6,033,059	\$ 74,812
Subtotal	\$ 5,958,247	\$ 6,033,059	\$ 74,812
Social Services			
Child, Family And Adult Services	\$ 5,226,484	\$ 5,226,484	\$ -
Correctional Health Services	\$ 37,343,075	\$ 39,365,768	\$ 2,022,693
Health Services	\$ 35,765,769	\$ 36,055,046	\$ 289,277
Human Assistance-Administration	\$ 23,831,928	\$ 23,891,864	\$ 59,936
Human Assistance-Aid Payments	\$ 16,629,201	\$ 16,629,201	\$ -
Probation	\$ 66,468,257	\$ 67,644,854	\$ 1,176,597
Public Defender & Conflict Criminal Defenders	\$ 43,865,502	\$ 44,236,078	\$ 370,576
Other Social Services	\$ 13,032,323	\$ 13,203,622	\$ 171,299
Subtotal	\$ 242,162,539	\$ 246,252,917	\$ 4,090,378
Total Net County Cost	\$ 690,442,255	\$ 710,685,613	\$ 20,243,358

Overall, approximately \$9.1 million of the increase in Net County Cost is due to adjustments for most departments to cover the difference between the 2% Cost of Living Adjustment (COLA) for County employees included in the Approved Budget and the 3% to 4% COLA being negotiated with most County unions. Approximately \$4.1 million of the increase is related to funding for a

ATTACHMENT 2

select number of critical Growth requests – primarily to make operational improvements in the County jails. As can be seen, the budget units with the largest increase in Net County Cost are:

- The Sheriff, with an \$11.4 million increase, due primarily to the loss of \$5.2 million in Immigration and Customs Enforcement (ICE) contract revenue, funding for the higher employee COLA amount and funding for \$3.9 million in Growth requests to implement operational improvements at the County jails.
- Correctional Health Services, with a \$2 million increase, due primarily to the loss of \$1.5 million in ICE revenue and funding for \$435,000 in Growth requests to implement improvements and medical and psychiatric services in the County jails.
- Probation, with a \$1.2 million increase, due primarily to funding for the higher employee COLA amount.

In some cases, though, increases in Semi-discretionary reimbursements offset what would otherwise be increases in Net County Cost or allow for a reduction in Net County Cost or can be used to fund increased spending on Board priorities. The table on the following page compares the allocation of Net County Cost and Semi-discretionary reimbursements to all budget units in the FY2018-19 Approved and Adopted Budgets.

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Net County Cost, Semi-Discretionary Resources

FY 2018-19 Approved - FY2018-19 Adopted	FY 2018-19 Approved	FY 2018-19 Adopted	Difference
AG COMM-SEALER OF WTS & MEASURES	\$ 1,263,528	\$ 1,295,417	\$ 31,889
ANIMAL CARE AND REGULATION	\$ 9,776,420	\$ 9,815,463	\$ 39,043
APPROPRIATION FOR CONTINGENCY	\$ 1,182,492	\$ 1,986,199	\$ 803,707
ASSESSOR	\$ 10,397,139	\$ 10,547,093	\$ 149,954
BOARD OF SUPERVISORS	\$ 3,505,701	\$ 3,529,212	\$ 23,511
CARE IN HOMES AND INSTITUTIONS	\$ 1,100,000	\$ 1,100,000	\$ -
CHILD, FAMLY AND ADULT SERVICES	\$ 81,827,858	\$ 87,333,165	\$ 5,505,307
CIVIL SERVICE COMMISSION	\$ 375,930	\$ 378,170	\$ 2,240
CLERK OF THE BOARD	\$ 1,423,267	\$ 1,434,994	\$ 11,727
CODE ENFORCEMENT	\$ 5,958,247	\$ 6,033,059	\$ 74,812
CONFLICT CRIMINAL DEFENDERS	\$ 10,683,294	\$ 10,687,894	\$ 4,600
CONTRIBUTION TO LAFCO	\$ 239,500	\$ 239,500	\$ -
CONTRIBUTION TO LAW LIBRARY	\$ 36,338	\$ 36,338	\$ -
COOPERATIVE EXTENSION	\$ 389,176	\$ 389,176	\$ -
CORONER	\$ 6,818,243	\$ 6,956,092	\$ 137,849
CORRECTIONAL HEALTH SERVICES	\$ 45,760,068	\$ 48,969,473	\$ 3,209,405
COUNTY COUNSEL	\$ 2,472,110	\$ 2,602,270	\$ 130,160
COUNTY EXECUTIVE	\$ 1,114,360	\$ 1,144,782	\$ 30,422
COUNTY EXECUTIVE CABINET	\$ 257,252	\$ 419,670	\$ 162,418
COURT / COUNTY CONTRIBUTION	\$ 24,561,756	\$ 24,561,756	\$ -
COURT / NON-TRIAL COURT FUNDING	\$ 8,761,276	\$ 8,761,276	\$ -
CRIMINAL JUSTICE CABINET	\$ -	\$ 157	\$ 157
DATA PROCESSING-SHARED SYSTEMS	\$ 10,696,730	\$ 10,696,730	\$ -
DEPARTMENT OF FINANCE	\$ 1,441,784	\$ 1,506,920	\$ 65,136
DISTRICT ATTORNEY	\$ 77,366,111	\$ 78,029,426	\$ 663,315
EMERGENCY OPERATIONS	\$ 1,040,051	\$ 1,032,407	\$ (7,644)
FAIR HOUSING SERVICES	\$ 183,857	\$ 183,857	\$ -
FINANCING-TRANSFERS/REIMB	\$ 6,100,838	\$ 6,211,725	\$ 110,887
GRAND JURY	\$ 291,364	\$ 291,364	\$ -
HEALTH SERVICES	\$ 172,194,606	\$ 172,871,949	\$ 677,343
HEALTH-MEDICAL TREATMENT PAYMENTS	\$ 1,093,567	\$ 1,093,567	\$ -
HUMAN ASSISTANCE-ADMIN	\$ 51,379,824	\$ 51,727,895	\$ 348,071
HUMAN ASSISTANCE-AID PAYMENTS	\$ 230,683,961	\$ 230,683,961	\$ -
IHSS PROVIDER PAYMENTS	\$ 72,670,614	\$ 78,393,176	\$ 5,722,562
JUVENILE MEDICAL SERVICES	\$ 4,743,574	\$ 4,777,024	\$ 33,450
NON-DEPARTMENTAL COSTS/GF	\$ 30,704,567	\$ 32,004,567	\$ 1,300,000
OFFICE OF INSPECTOR GENERAL	\$ 130,000	\$ 130,000	\$ -
OFFICE OF LABOR RELATIONS	\$ -	\$ 8,263	\$ 8,263
PERSONNEL SERVICES	\$ -	\$ 719,793	\$ 719,793
PLANNING AND ENVIRONMENTAL REVIEW	\$ 2,028,100	\$ 2,101,810	\$ 73,710
PROBATION	\$ 126,556,448	\$ 128,088,914	\$ 1,532,466
PUBLIC DEFENDER	\$ 34,006,789	\$ 34,372,765	\$ 365,976
REGIONAL PARKS	\$ 9,594,854	\$ 9,907,783	\$ 312,929
SHERIFF	\$ 398,828,781	\$ 411,242,468	\$ 12,413,687
VETERAN'S FACILITY	\$ 16,452	\$ 16,452	\$ -
VOTER REGISTRATION/ ELECTIONS	\$ 10,154,671	\$ 10,195,732	\$ 41,061
WILDLIFE SERVICES	\$ 60,733	\$ 60,733	\$ -
Total	\$ 1,459,872,231	\$ 1,494,570,437	\$ 34,698,206

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The amount of Net County Cost and Semi-discretionary resources allocated to programs in the Adopted budget is approximately \$34.7 million (2.4%) greater than the FY2018-19 Approved Budget level. The budget units with the largest increases include:

- The Sheriff, with a \$12.4 million increase, due primarily to the loss of ICE revenue, higher employee COLA costs and funding for Growth requests to make operational improvements in the jails.
- IHSS Provider Payments, with a \$5.7 million increase, due to the supplemental wage increase for caregivers included in a collective bargaining agreement approved by the Board.
- Child, Family and Adult Services, with a \$5.5 million increase, due to higher employee COLA costs and funding for four Growth requests to address critical needs in Child Protective Services.

EXHIBIT A

SACRAMENTO COUNTY
GENERAL FUND SUMMARY TABLE

Reflects Departmental Restructuring
Adjusted to Account for Revenues Changing to Reimbursements for Restricted Funds

	FY2018-19 Approved Budget	FY2018-19 Recommended for Adoption	Difference	Percent Difference
Discretionary				
Property Tax	\$439,277,625	\$439,277,625	\$0	0.00%
Sales Tax	\$86,190,000	\$86,190,000	\$0	0.00%
Utility User Tax	\$20,383,325	\$20,365,913	(\$17,412)	-0.09%
Transient Occupancy Tax	\$6,695,000	\$6,540,262	(\$154,738)	-2.31%
Real Property Transfer Tax	\$11,000,000	\$11,000,000	\$0	0.00%
Revenue Neutrality Payments	\$20,730,639	\$20,730,639	\$0	0.00%
Teeter	\$7,000,000	\$9,561,301	\$2,561,301	36.59%
Solid Waste Authority	\$1,580,913	\$928,529	(\$652,384)	-41.27%
Other Court Fines	\$9,474,100	\$9,474,100	\$0	0.00%
Other Discretionary	\$28,590,356	\$28,627,480	\$37,124	0.13%
Subtotal	\$630,921,958	\$632,695,849	\$1,773,891	0.28%
One Time revenues	\$1,150,000	\$14,080,000	\$12,930,000	1124.35%
Total Discretionary	\$632,071,958	\$646,775,849	\$14,703,891	2.33%
Total Discretionary	\$632,071,958	\$646,775,849	\$14,703,891	2.33%
Departmental Revenue				
Federal Welfare/Administration	\$449,965,196	\$452,209,111	\$2,243,915	0.50%
Federal Health	\$125,182,986	\$125,326,750	\$143,764	0.11%
State Welfare/Administration	\$186,001,608	\$187,154,278	\$1,152,670	0.62%
State Aid - Other Programs	\$52,764,317	\$52,541,139	(\$223,178)	-0.42%
Charges for Services/Fees	\$109,998,567	\$109,608,899	(\$389,668)	-0.35%
Other Department Revenue	\$113,314,284	\$108,516,983	(\$4,797,301)	-4.23%
Total Departmental Revenue	\$1,037,226,958	\$1,035,357,160	(\$1,869,798)	-0.18%
Total GF Revenue	\$1,669,298,916	\$1,682,133,009	\$12,834,093	0.77%
Appropriation from/ (to) Fund Balance	\$56,700,000	\$69,303,395	\$12,603,395	22.23%
Appropriations	\$1,725,998,916	\$1,751,436,404	\$25,437,488	1.47%
Reimbursements from Restricted Funds				
Prop 172	(\$123,583,038)	(\$123,583,038)	\$0	0.00%
Realignment				
1991 (Mental Health, Public Health, Social Services, CalWORKS)	(\$337,229,192)	(\$345,553,540)	(\$8,324,348)	2.47%
2011 (Enhancing Law Enforcement Activities, Law Enforcement Services, Behavioral Health Services, Protective Services)	(\$308,617,745)	(\$314,748,245)	(\$6,130,500)	1.99%
	(\$645,846,937)	(\$660,301,785)	(\$14,454,848)	2.24%

EXHIBIT A

SACRAMENTO COUNTY
GENERAL FUND SUMMARY TABLE

Reflects Departmental Restructuring

Adjusted to Account for Revenues Changing to Reimbursements for Restricted Funds

	FY2018-19 Approved Budget	FY2018-19 Recommended for Adoption	Difference	Percent Difference
Subtotal Semi Discretionary Reimbursements	(\$769,429,975)	(\$783,884,823)	(\$14,454,848)	1.88%
Mental Health Services Act	(\$90,977,015)	(\$91,292,729)	(\$315,714)	0.35%
Clerk/Recorder Fees	(\$1,218,065)	(\$1,218,065)	\$0	0.00%
Total Reimbursements from Restricted Funds	(\$861,625,055)	(\$876,395,617)	(\$14,770,562)	1.71%
Elected Departments				
Assessor	\$18,839,797	\$18,989,751	\$149,954	0.80%
Board of Supervisors	\$3,505,701	\$3,529,212	\$23,511	0.67%
District Attorney	\$92,320,186	\$92,983,501	\$663,315	0.72%
Sheriff	\$494,700,859	\$502,302,546	\$7,601,687	1.54%
Total Elected Departments	\$609,366,543	\$617,805,010	\$8,438,467	1.38%
General Government				
County Counsel	\$5,914,933	\$6,045,093	\$130,160	2.20%
County Executive/Cabinet	\$4,886,416	\$5,079,256	\$192,840	3.95%
Emergency Services	\$4,502,305	\$5,159,644	\$657,339	14.60%
Non-Departmental Costs	\$30,704,567	\$32,004,567	\$1,300,000	4.23%
Planning and Environmental Review	\$12,458,667	\$12,532,377	\$73,710	0.59%
Other General Government	\$10,449,490	\$11,477,217	\$1,027,727	9.84%
Total General Government	\$68,916,378	\$72,298,154	\$3,381,776	4.91%
Administrative Services				
County Clerk/Recorder	\$12,043,763	\$12,043,763	\$0	0.00%
Court	\$34,466,449	\$34,466,449	\$0	0.00%
Data Processing-Shared Systems	\$10,803,508	\$10,803,508	\$0	0.00%
Finance	\$27,439,986	\$27,593,662	\$153,676	0.56%
Personnel Services	\$13,733,242	\$14,181,112	\$447,870	3.26%
Revenue Recovery	\$7,782,589	\$7,825,562	\$42,973	0.55%
Voter Registration and Elections	\$12,489,896	\$12,530,957	\$41,061	0.33%
Other Administrative Services	\$1,076,364	\$1,088,516	\$12,152	1.13%
Total Administrative Services	\$119,835,797	\$120,533,529	\$697,732	0.58%
Municipal Services				
Agricultural Comm-Sealer Of Wts & Meas	\$5,025,128	\$5,057,017	\$31,889	0.63%
Animal Care And Regulation	\$11,790,260	\$11,857,350	\$67,090	0.57%
Regional Parks	\$16,954,172	\$17,186,248	\$232,076	1.37%
Other Municipal Services	\$88,482	\$88,482	\$0	0.00%
Total Municipal Services	\$33,858,042	\$34,189,097	\$331,055	0.98%
Public Works and Infrastructure				
Code Enforcement	\$10,316,418	\$10,491,230	\$174,812	1.69%
Total Public Works and Infrastructure	\$10,316,418	\$10,491,230	\$174,812	1.69%

EXHIBIT A

SACRAMENTO COUNTY
GENERAL FUND SUMMARY TABLE

Reflects Departmental Restructuring
Adjusted to Account for Revenues Changing to Reimbursements for Restricted Funds

	FY2018-19 Approved Budget	FY2018-19 Recommended for Adoption	Difference	Percent Difference
Social Services				
Child, Family and Adult Services	\$199,409,021	\$205,632,413	\$6,223,392	3.12%
Child Support Services	\$36,571,756	\$36,571,756	\$0	0.00%
Correctional Health Services	\$53,128,825	\$54,864,230	\$1,735,405	3.27%
Health Services	\$420,269,930	\$421,352,296	\$1,082,366	0.26%
Human Assistance-Admin	\$322,145,459	\$325,040,798	\$2,895,339	0.90%
Human Assistance-Aid Payments	\$385,696,465	\$385,696,465	\$0	0.00%
IHSS Provider Payments	\$103,822,782	\$109,545,344	\$5,722,562	5.51%
Probation	\$156,456,665	\$158,376,006	\$1,919,341	1.23%
Public Defender/Conflict Criminal Defenders	\$46,003,953	\$46,374,529	\$370,576	0.81%
Other Social Services	\$23,496,234	\$23,667,533	\$171,299	0.73%
Total Social Services	\$1,747,001,090	\$1,767,121,370	\$20,120,280	1.15%
Total Appropriations	\$2,589,294,268	\$2,622,438,390	\$33,144,122	1.28%
Reserve Changes				
Increase to Reserves - General Reserves	\$0	\$7,511,058	\$7,511,058	
Increase to Reserves - Audit Report Payback/ Future Litigation Settlement Costs	\$0	\$133,589	\$133,589	
Decrease to Reserves - Teeter (Net)	\$0	(\$580,719)	(\$580,719)	
Decrease to Reserves - Future Pension Obligation Bond	(\$718,248)	(\$718,248)	\$0	0.00%
Decrease to Reserves - Technology Upgrades	(\$952,049)	(\$952,049)	\$0	0.00%
Net Reserve Changes	(\$1,670,297)	\$5,393,631	\$7,063,928	-422.91%
Variance	\$0	\$0	\$0	

EXHIBIT B

SACRAMENTO COUNTY
NET COUNTY COST TABLE
Reflects Departmental Restructuring

	FY2018-19 Approved Budget	FY2018-19 Recommended for Adoption	Difference	Percent Difference
Elected Departments				
Assessor	\$10,397,139	\$10,547,093	\$149,954	1.44%
Board of Supervisors	\$3,505,701	\$3,529,212	\$23,511	0.67%
District Attorney	\$60,945,764	\$61,600,570	\$654,806	1.07%
Sheriff	\$243,617,425	\$255,031,424	\$11,413,999	4.69%
Total Elected Departments	\$318,466,029	\$330,708,299	\$12,242,270	3.84%
General Government				
Appropriation For Contingency	\$1,182,492	\$1,986,199	\$803,707	67.97%
Civil Service Commission	\$375,930	\$378,170	\$2,240	0.60%
Clerk of the Board	\$1,423,267	\$1,434,994	\$11,727	0.82%
Contribution To LAFCO	\$239,500	\$239,500	\$0	0.00%
County Counsel	\$2,472,110	\$2,602,270	\$130,160	5.27%
County Executive	\$1,114,360	\$1,144,782	\$30,422	2.73%
County Executive Cabinet	\$257,252	\$419,670	\$162,418	63.14%
Criminal Justice Cabinet	\$0	\$157	\$157	
Emergency Services	\$1,040,051	\$1,032,407	(\$7,644)	-0.73%
Fair Housing Services	\$183,857	\$183,857	\$0	0.00%
Financing- Transfers/Reimbursement	\$6,100,838	\$6,211,725	\$110,887	1.82%
Non-Departmental Costs/General Fun	\$30,704,567	\$32,004,567	\$1,300,000	4.23%
Office of Labor Relations	\$0	\$8,263	\$8,263	
Planning and Environmental Review	\$2,028,100	\$2,101,810	\$73,710	3.63%
Total General Government	\$47,122,324	\$49,748,371	\$2,626,047	5.57%
Administrative Services				
County Clerk/Recorder	\$0	\$0	\$0	
Court / County Contribution	\$24,561,756	\$24,561,756	\$0	0.00%
Court / Non-Trial Court Operation	\$8,761,276	\$8,761,276	\$0	0.00%
Court Paid County Services	\$0	\$0	\$0	
Data Processing-Shared Systems	\$10,696,730	\$10,696,730	\$0	0.00%

EXHIBIT B

SACRAMENTO COUNTY
NET COUNTY COST TABLE
Reflects Departmental Restructuring

	FY2018-19 Approved Budget	FY2018-19 Recommended for Adoption	Difference	Percent Difference
Dispute Resolution Program	\$0	\$0	\$0	
Finance	\$1,441,784	\$1,506,920	\$65,136	4.52%
Grand Jury	\$291,364	\$291,364	\$0	0.00%
Office of Compliance	\$0	\$0	\$0	
Office of Inspector General	\$130,000	\$130,000	\$0	0.00%
Personnel Services	\$0	\$719,793	\$719,793	
Revenue Recovery	\$0	\$0	\$0	
Voter Registration And Elections	\$10,154,671	\$10,195,732	\$41,061	0.40%
Total Administrative Services	\$56,037,581	\$56,863,571	\$825,990	1.47%
Municipal Services				
Agricultural Comm-Sealer Of Wts & M	\$1,263,528	\$1,295,417	\$31,889	2.52%
Animal Care And Regulation	\$9,776,420	\$9,815,463	\$39,043	0.40%
Regional Parks	\$9,594,854	\$9,907,783	\$312,929	3.26%
Wildlife Services	\$60,733	\$60,733	\$0	0.00%
Total Municipal Services	\$20,695,535	\$21,079,396	\$383,861	1.85%
Public Works and Infrastructure				
Code Enforcement	\$5,958,247	\$6,033,059	\$74,812	1.26%
Total Public Works and Infrastructure	\$5,958,247	\$6,033,059	\$74,812	1.26%
Social Services				
Care In Homes And Inst-Juv Court W	\$1,100,000	\$1,100,000	\$0	0.00%
Child, Family and Adult Services	\$5,226,484	\$5,226,484	\$0	
Child Support Services	\$0	\$0	\$0	#DIV/0!
Conflict Criminal Defenders	\$10,683,294	\$10,687,894	\$4,600	0.04%
Contribution To The Law Library	\$36,338	\$36,338	\$0	0.00%
Cooperative Extension	\$389,176	\$389,176	\$0	0.00%
Coroner	\$6,818,243	\$6,956,092	\$137,849	2.02%
Correctional Health Services	\$37,343,075	\$39,365,768	\$2,022,693	5.42%

EXHIBIT B

SACRAMENTO COUNTY
NET COUNTY COST TABLE
Reflects Departmental Restructuring

	FY2018-19 Approved Budget	FY2018-19 Recommended for Adoption	Difference	Percent Difference
Health - Medical Treatment Payments	\$1,093,567	\$1,093,567	\$0	0.00%
Health Services	\$35,765,769	\$36,055,046	\$289,277	0.81%
Human Assistance-Administration	\$23,831,928	\$23,891,864	\$59,936	0.25%
Human Assistance-Aid Payments	\$16,629,201	\$16,629,201	\$0	0.00%
IHSS Provider Payments	\$0	\$0	\$0	#DIV/0!
Juvenile Medical Services	\$3,578,547	\$3,611,997	\$33,450	0.93%
Probation	\$66,468,257	\$67,644,854	\$1,176,597	1.77%
Public Defender	\$33,182,208	\$33,548,184	\$365,976	1.10%
Veteran's Facility	\$16,452	\$16,452	\$0	0.00%
Total Social Services	\$242,162,539	\$246,252,917	\$4,090,378	1.69%
Total Net County Cost	\$690,442,255	\$710,685,613	\$20,243,358	2.93%

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**FY2018-19 Budget Recommended for Adoption
SELECTED SIGNIFICANT CHANGES – APPROVED TO ADOPTED**

GENERAL FUND

Increase in Budgeted Cost of Living Adjustment for County Employees

When the Approved Budget was prepared, the County was operating under the terms of collective bargaining agreements scheduled to expire on June 30, 2018, and was in the process of negotiating new collective bargaining agreements with all 30 bargaining units. In anticipation of the outcome of those negotiations, the Approved Budget generally reflected a 2% cost of living adjustment (COLA) for all employees. The County has now reached agreement on new contracts with most bargaining units and FY2018-19 COLAs are coming in at 4% for Safety employees (e.g., Sheriff's Deputies, Probation Officers, District Attorney Investigators) and 3% for non-Safety employees. The Adopted Budget includes a total \$11.1 million increase in appropriations (\$9.1 million increase in Net County Cost) in General Fund budget units to cover the cost of the higher COLAs. The COLA-related adjustment for each General Fund budget unit is shown in the table on the following page.

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FY 2018-19 Cost of Living Adjustment

Department	Appropriations	Revenues	Net County Cost
ASSESSOR	\$ 149,954	\$ -	\$ 149,954
BOARD OF SUPERVISORS	\$ 23,511	\$ -	\$ 23,511
DISTRICT ATTORNEY	\$ 804,806	\$ -	\$ 804,806
SHERIFF	\$ 4,850,946	\$ -	\$ 4,850,946
SUBTOTAL - ELECTED OFFICIALS	\$ 5,829,217	\$ -	\$ 5,829,217
CIVIL SERVICE COMMISSION	\$ 2,240	\$ -	\$ 2,240
CLERK OF THE BOARD	\$ 11,727	\$ -	\$ 11,727
COUNTY COUNSEL	\$ 130,160	\$ -	\$ 130,160
COUNTY EXECUTIVE	\$ 7,310	\$ -	\$ 7,310
COUNTY EXECUTIVE CABINET	\$ 62,418	\$ -	\$ 62,418
CRIMINAL JUSTICE CABINET	\$ 228,731	\$ 228,574	\$ 157
EMERGENCY SERVICES	\$ 8,576	\$ -	\$ 8,576
OFFICE OF LABOR RELATIONS	\$ 8,263	\$ -	\$ 8,263
PLANNING AND ENVIRONMENTAL REVIEW	\$ 73,710	\$ -	\$ 73,710
SUBTOTAL - GENERAL GOVERNMENT	\$ 533,135	\$ 228,574	\$ 304,561
DEPARTMENT OF FINANCE	\$ 153,676	\$ 88,540	\$ 65,136
DEPARTMENT OF REVENUE RECOVERY	\$ 42,973	\$ 42,973	\$ -
PERSONNEL SERVICES	\$ 313,832	\$ -	\$ 313,832
VOTER REGISTRATION/ ELECTIONS	\$ 41,061	\$ -	\$ 41,061
SUBTOTAL - ADMINISTRATIVE SERVICES	\$ 551,542	\$ 131,513	\$ 420,029
AG COMM-SEALER OF WTS & MEASURES	\$ 31,889	\$ -	\$ 31,889
ANIMAL CARE AND REGULATION	\$ 39,043	\$ -	\$ 39,043
REGIONAL PARKS	\$ 86,268	\$ -	\$ 86,268
SUBTOTAL - MUNICIPAL SERVICES	\$ 157,200	\$ -	\$ 157,200
CODE ENFORCEMENT	\$ 74,812	\$ -	\$ 74,812
SUBTOTAL - PUBLIC WORKS AND INFRASTRUCTURE	\$ 74,812	\$ -	\$ 74,812
CHILD, FAMILY AND ADULT SERVICES	\$ 198,470	\$ 198,470	\$ -
CONFLICT CRIMINAL DEFENDERS	\$ 4,600	\$ -	\$ 4,600
CORONER	\$ 58,199	\$ -	\$ 58,199
CORRECTIONAL HEALTH SERVICES	\$ 113,693	\$ -	\$ 113,693
HEALTH SERVICES	\$ 378,587	\$ 89,309	\$ 289,278
HUMAN ASSISTANCE-ADMIN	\$ 1,417,777	\$ 1,357,841	\$ 59,936
JUVENILE MEDICAL SERVICES	\$ 33,450	\$ -	\$ 33,450
PROBATION	\$ 1,367,472	\$ -	\$ 1,367,472
PUBLIC DEFENDER	\$ 365,976	\$ -	\$ 365,976
SUBTOTAL - SOCIAL SERVICES	\$ 3,938,224	\$ 1,645,620	\$ 2,292,604
TOTAL GENERAL FUND DEPARTMENTS	\$ 11,084,130	\$ 2,005,707	\$ 9,078,423

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Selected Non-Cost of Living Adjustment Related Changes

District Attorney

The District Attorney's Adopted Budget reflects a net \$150,000 reduction in appropriations due to the deletion of one vacant Information Technology Division Chief position and the reclassification of two Supervising Information Technology Analyst positions to Information Technology Manager positions.

Sheriff

The Sheriff's Adopted Budget reflects the loss of \$5.2 million in Immigration and Customs Enforcement (ICE) revenue due to the cancellation of the contract to house ICE detainees, offset by an equivalent increase in Net County Cost, a \$1.8 million reduction in appropriations and Net County Cost to account for an abatement (reduction) of Workers Compensation charges to the Department, a \$300,000 increase in appropriations and revenue due to the receipt of additional Internet Crimes Against Children (ICAC) grant revenue and the re-budgeting of \$90,000 in appropriations and revenue due to the timing of spending on the Tactical Vehicle Radio project.

The Sheriff's budget also includes \$3.8 million to fund two Growth requests to commence the implementation of improvements at the Main Jail and the Rio Cosumnes Correctional Center (RCCC). This will provide approximately half a year's funding to add 51 FTE positions, including:

- Two Lieutenants in the Main Jail, one of whom will be assigned as Compliance Unit commander;
- Eight Sergeants, two of whom will be assigned to the Classification Unit, two who will serve as Shift Supervisors and four who will provide supervision in the Medical Units;
- Five Deputies who will be assigned to the Classification Unit; and
- 36 Sheriff's Record Officers, who will be assigned to facility control points, to free up Deputies to provide additional supervision of inmates in housing units and elsewhere in the jails.

These Growth requests will be partially funded by a reimbursement of \$505,000 in AB109 Realignment revenue, resulting in a \$3,380,000 increase in appropriations and Net County Cost. In future years, the annualized cost of these Growth requests will be approximately \$7.6 million.

In addition, the Sheriff's budget includes \$1.14 million to fund a Growth request for six Security Officer positions to provide enhanced security at Department of Human Assistance offices. This Growth request will be funded

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by a reimbursement from the Human Assistance – Administration budget unit, resulting in no change in appropriations.

Appropriation for Contingency

The Adopted Budget includes an \$803,707 increase in the Appropriation for Contingency to restore the General Fund Contingency to the \$1,986,199 included in the June Recommended Budget. At June Budget Hearings, the Board reduced the Contingency by \$803,707 to fund additional Growth requests and backfill programs reduced due to reductions in categorical revenue.

Clerk of the Board

The Adopted Budget includes the re-budgeting of \$31,905 in appropriations and revenue due to the timing of spending on FY2017-18 Public Education and Government (PEG) grant-funded projects and \$58,841 in new appropriations and revenue for FY2018-19 PEG grant-funded projects.

County Executive Cabinet

The Adopted Budget includes a \$100,000 increase in appropriations and Net County cost to reflect the addition of two Administrative Services Officer (ASO) II positions and the reduction in one CEO Management Analyst II position. One of the additional ASO II positions will be offset by the reduction of an equivalent position in Economic Development as part of the transfer of responsibility for the administration of the Transient Occupancy Tax (TOT) grant program from Economic Development to the Office of Budget & Debt Management. The addition of the other ASO II position and the reduction in the CEO Management Analyst II position in the Office of Budget & Debt Management are offset by the reduction of another ASO II position and the addition of a Senior Administrative Analyst position in Economic Development. This will provide Economic Development with the enhanced analytical capabilities it needs, and allow the Office of Budget & Debt Management to assign certain budget and fiscal support functions to a position with the appropriate classification. The \$100,000 increase in Net County Cost is offset by an equivalent reduction in the General Fund transfer of TOT revenue to the Economic Development Fund.

Emergency Services

The Adopted Budget includes a \$665,000 increase in appropriations and revenue for flood fighting supplies and equipment funded by a grant from the California Department of Water Resources. This increase in appropriations is

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partially offset by a \$16,220 reduction in lease costs related to the expansion of the County's Emergency Operations Center.

Financing – Transfers/Reimbursements

The Adopted Budget includes the following adjustments:

- A \$100,000 reduction in the transfer of General Fund resources (TOT revenue) to the Economic Development Fund, due to the shifting of responsibility for administering the TOT program (and an Administrative Services Officer II position) from the Office of Economic Development to the Office of Budget & Debt Management.
- A \$30,113 reduction in the Transfer of General Fund resources (TOT revenue) to the TOT Fund as the result of an increased available balance in the TOT Fund.
- A \$30,000 increase in the Transfer of General Fund resources to the Economic Development Fund to provide additional funding for the Property and Business Improvement District (PBID) Academy; the Approved Budget included \$49,000 for this purpose, but Economic Development determined that a total of \$79,000 would be needed.
- A \$211,000 transfer of General Fund resources to the Water Agency-Zone 13 Fund to provide the General Fund's share of costs for the WaterFix litigation, based on an analysis of the appropriate share of the cost that can be paid for by Water Resources.

Non-departmental Costs

The Adopted Budget includes the following adjustments:

- The re-budgeting of \$1 million in appropriations and Net County Cost for the County's contribution to the Mather Veterans Village project due to the timing of spending on that project.
- The re-budgeting of \$50,000 in appropriations and Net County Cost for Measure A planning due to the timing of spending on that project.
- A \$250,000 increase in appropriations and Net County Cost to fund a Growth request to prepare a Library Master Plan for the unincorporated County.

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Personnel Services

The Adopted Budget includes the following adjustments:

- A \$134,000 increase in appropriations and revenue associated with transferring a Senior Personnel Specialist position to Personnel Services from the Sacramento County Employee Retirement System (SCERS) and reclassifying that position as a Senior Personnel Analyst. This will address a request from SCERS to provide dedicated human resources analytical support.
- A \$405,000 reduction in revenue and increase in Net County Cost due to collecting revenue in excess of expenditures in FY2017-18. This excess revenue will be rebated to the appropriate departments in FY2018-19 as a reduction in charges.

Animal Care and Regulation

The Adopted Budget includes an additional \$28,047 in appropriations and revenue to fund one Growth Request to provide additional emergency and specialty medical care to animals at the Shelter. Funding will come from donation revenue.

Regional Parks

The Adopted Budget includes the following adjustments:

- A \$187,262 reduction in appropriations and revenue due to a decrease in the contract for ranger patrol services provided to the Regional Sanitation District.
- The re-budgeting of \$56,409 in appropriations and revenue for the purchase of two Gator tractors due to the timing of spending for this purchase. Funding will come from the Regional Sanitation District.
- The re-budgeting of \$86,000 in appropriations and Net County Cost for outfitting of Ranger patrol vehicles due to the timing of spending for this project.
- The re-budgeting of \$140,660 in appropriations and Net County Cost for the demolition of the Paige property due to the timing of spending for this project.
- A \$50,000 increase in appropriations and revenue to fund a one-time Growth request to provide additional debris clean-up services in the

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American River Parkway. Funding will come from a Regional Sanitation District grant.

Code Enforcement

The Adopted Budget includes the re-budgeting of \$100,000 in appropriations and revenue for the purchase of security cameras due to the timing of spending for this purchase. Funding will come from SWA contract revenue.

Child, Family and Adult Services

The Adopted Budget includes the following adjustments:

- A \$100,000 increase in appropriations and revenue to fund \$50,000 contract increases for Wind Youth Services and Court Appointed Special Advocates for services benefitting transition age youth. These contract increases were approved by the Board in June 2018. Funding will come from the Children's Trust Fund.
- A \$419,615 increase in appropriations and revenue to fund the Sacramento Housing and Redevelopment Agency (SHRA) to expand housing-related support to eligible families served by Child Protective Services (CPS). This funding was approved by the Board in April of 2018 and revenue will come from State Bringing Families Home grant funds.
- A \$330,000 increase in spending by CPS to provide enhanced foster care placement services for adolescents with higher-level needs. This will be funded by the transfer of a \$330,000 Protective Services Realignment reimbursement (negative expenditure) from the Health Services Department, so there will be no increase in appropriations.
- A \$325,000 one-time Growth request to provide continued full funding for the Family Resource Centers for an additional three months (through December 31st), until potential additional State funding is available. This Growth request will be funded with a Protective Services Realignment reimbursement, resulting in no change in appropriations.
- An \$888,638 Growth request to add one additional eight-person Emergency Response unit in CPS to assist in meeting State compliance standards in a number of areas. Funding will come from a Protective Services Realignment reimbursement, resulting in no change in appropriations.

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- An \$882,322 Growth request to add one additional eight-person Informal Supervision unit in CPS to assist in efforts to keep children with their families and out of foster care by providing more intensive services. Funding will come from a Social Services Realignment reimbursement, resulting in no change in appropriations.
- A \$1,757,276 Growth request to add two additional eight-person Permanency units in CPS (for a total of 16 new positions) to assist in meeting State compliance standards in a number of areas and reduce the amount of time children remain in foster care. Funding will come from a Protective Services Realignment reimbursement, resulting in no change in appropriations.
- A \$485,261 Growth request to add a Program Manager, two Social Worker Supervisors and one Senior Office Assistant in CPS to provide management and support for the additional Emergency Response, Informal Supervision and Permanency units being added. Funding will come from a Protective Services Realignment reimbursement, resulting in no change in appropriations.

Coroner

The Adopted Budget includes \$79,650 in appropriations and Net County Cost to fund a one-time Growth request: the purchase of a new x-ray machine. The Coroner's existing x-ray machine has essentially stopped functioning.

Correctional Health Services

The Adopted Budget includes a \$1,474,000 reduction in revenue and increase in Net County Cost due to the cancellation of the contract to house ICE detainees.

In addition, the Adopted Budget includes \$1,568,413 to fund a Growth request to commence implementation of improvements in the Main Jail and the Rio Cosumnes Correctional Center. This will provide half a year's funding to add 12 FTE positions and contract for increased psychiatric services from UC Davis. Positions being added include: 4 Licensed Vocational Nurses, 4 Registered Nurses, one Physician, one Dentist, one Pharmacist and one Pharmacy Technician. The Growth request also includes a \$500,000 increase in the contract with UC Davis to provide the jails with additional Licensed Clinical Social Workers.

This Growth request will be partially funded by a reimbursement of \$65,000 in AB109 Realignment revenue and \$1,068,413 in Public Health Realignment

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revenue, resulting in a \$435,000 increase in appropriations and Net County Cost. In future years, the annualized cost of this Growth request will be approximately \$3 million.

Health Services

The Adopted Budget includes the following adjustments:

- A one-time \$25,000 increase in funding for 1 on-call Nurse Practitioner to deliver reproductive health screening and treatment services related to sexually transmitted diseases (STDs) to students attending two Los Rios Community College campuses, funded by a reimbursement from District 2 funds approved by Supervisor Kennedy. Because funding is from a reimbursement there will be no increase in appropriations.
- A \$330,000 reduction in Protective Services Realignment reimbursement that had been provided to fund 2 Senior Mental Health Counselor positions staffing Child & Family Teams. These teams are now being staffed by other positions and this reimbursement is instead being directed to the Department of Child, Family and Adult Services to enhance foster care placement services. Health Services is proposing to retain the 2 Senior Mental Health Counselor positions to better align staffing with program needs, and offset what would otherwise be a \$330,000 increase in Net County Cost by deleting 2 vacant Mental Health Counselor positions and reducing contracted services costs by approximately \$128,000.
- A \$685,909 Growth request to provide a 2% contract rate increase for non-Medi-Cal mental health services providers, similar to the increase provided to children's mental health contractors in the Approved Budget. Funding will come from Mental Health Services Act and Behavioral Health Realignment reimbursements, so there will be no increase in appropriations.
- A \$131,960 Growth request to add 0.5 FTE Nurse Practitioner and 0.5 FTE Medical Assistant positions at the Primary Health Clinic to deal with an increased need for STD-related services and to provide Rapid Syphilis Testing training for Public Health staff. Funding will come from Public Health Realignment reimbursements, so there will be no increase in appropriations.

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Human Assistance – Administration

The Adopted Budget includes a \$381,329 increase in appropriations and revenue to reflect additional Housing & Disability Advocacy Program grant revenue the County will receive. This grant funding supports an effort to connect the homeless and others on General Assistance with disability benefits they are entitled to.

IHSS Provider Payments

The Adopted Budget includes an additional \$5.7 million to cover the cost of a supplemental pay increase provided to IHSS caregivers under the terms of a collective bargaining agreement approved by the Board. Funding will come from an additional Social Services Realignment reimbursement, so there will be no increase in appropriations.

Probation

The Adopted Budget includes the following adjustments:

- The re-budgeting of \$350,000 in appropriations and Net County Cost for the Closed Circuit Television/Security System project at the Youth Detention Facility due to the timing of spending for this project.
- A \$300,000 reduction in appropriations and Net County Cost to account for an abatement (reduction) in Workers Compensation charges to the Department.
- A \$146,000 increase in appropriations and revenue to fund a one-time Growth request to purchase 48 Mobile Data Terminals (MDTs) for Probation Officers to maintain communications in the field. Funding will come from Asset Forfeiture revenue.

OTHER FUNDS

Re-budgeting and Fund Balance Adjustments

The FY2018-19 Recommended Budget that was approved in June, was prepared based on projections regarding the timing of expenditures and receipt of revenue for capital and other project costs and purchases in FY2017-18 and, thus, estimates of what the FY2017-18 ending fund balance would be for the County's various funds and how much appropriations for these projects would be needed in FY2018-19. Actual FY2017-18 expenditures for those projects or purchases are often different than the projections and actual

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ending fund balances are often different than the estimates included in the Recommended Budget. As a result, the FY2018-19 Adopted Budget includes changes resulting in a \$59.3 million increase in non-General Fund appropriations, a \$21 million increase in revenue and a \$38.2 million increase in the use of fund balance. The adjustment for each fund is shown in the table on the following page.

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FY 2018-19 Rebudgeting/Fund Balance Adjustments

Department	Appropriations	Revenues	Use of Fund Balance
AFFORDABILITY FEE	\$ 2,200,000	\$ 2,200,000	\$ -
AIRPORT SYSTEM	\$ 4,426,300	\$ -	\$ 4,426,300
AIRPORT-CAP OUTLAY	\$ 4,882,200	\$ -	\$ 4,882,200
COMMUNITY INVESTMENT PROGRAM	\$ (146,310)	\$ -	\$ (146,310)
COUNTY LIBRARY	\$ 80,316	\$ -	\$ 80,316
ECONOMIC DEVELOPMENT	\$ 11,979,116	\$ 11,979,116	\$ -
NATOMAS FIRE DISTRICT	\$ -	\$ 80,334	\$ (80,334)
NEIGHBORHOOD REVITALIZATION FUND	\$ 3,004	\$ 3,004	\$ -
NORTH VINEYARD STATION SPECIFIC PLAN CFD	\$ 6,179,046	\$ -	\$ 6,179,046
TEETER PLAN	\$ 42,397	\$ -	\$ 42,397
TRANSIENT-OCCUPANCY TAX	\$ 1,015,476	\$ 1,015,476	\$ -
VINEYARD PUBLIC FACILITIES FINANCING PLAN	\$ 541,963	\$ -	\$ 541,963
SUBTOTAL - GENERAL GOVERNMENT	\$ 31,203,508	\$ 15,277,930	\$ 15,925,578
CAPITAL CONSTRUCTION	\$ 15,535,098	\$ 5,573,974	\$ 9,961,124
GENERAL SERVICES	\$ 672,685	\$ -	\$ 672,685
GENERAL SERVICES-CAPITAL OUTLAY	\$ 5,050,138	\$ 24,409	\$ 5,025,729
PARKING ENTERPRISE	\$ 694,711	\$ -	\$ 694,711
SUBTOTAL - ADMINISTRATIVE SERVICES	\$ 21,952,632	\$ 5,598,383	\$ 16,354,249
CARMICHAEL RECREATION AND PARK DISTRICT	\$ 315,786	\$ -	\$ 315,786
GOLF	\$ 83,961	\$ -	\$ 83,961
PARK CONSTRUCTION	\$ 1,109,617	\$ -	\$ 1,109,617
SUBTOTAL - MUNICIPAL SERVICES	\$ 1,509,364	\$ -	\$ 1,509,364
BUILDING INSPECTION	\$ 385,679	\$ 385,679	\$ -
CSA NO. 1	\$ 387,381	\$ -	\$ 387,381
DEPARTMENT OF TRANSPORTATION	\$ 8,162	\$ -	\$ 8,162
GOLD RIVER STATION #7	\$ 6,015	\$ -	\$ 6,015
LANDSCAPE MAINTENANCE DISTRICT	\$ 4,554	\$ -	\$ 4,554
ROADS	\$ (280,372)	\$ -	\$ (280,372)
ROADWAYS	\$ 1,292,186	\$ -	\$ 1,292,186
RURAL TRANSIT	\$ -	\$ (225,817)	\$ 225,817
SACRAMENTO CO LANDSCAPE MAINT	\$ 10,768	\$ -	\$ 10,768
SOLID WASTE ENTERPRISE CAPITAL OUTLAY	\$ 275,000	\$ -	\$ 275,000
TRANSPORTATION-SALES TAX	\$ 583,886	\$ -	\$ 583,886
WATER AGENCY ENTERPRISE	\$ 1,553,144	\$ -	\$ 1,553,144
WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE	\$ (129,200)	\$ -	\$ (129,200)
WATER AGY-ZONE 13	\$ 414,988	\$ -	\$ 414,988
WATER RESOURCES	\$ 103,224	\$ -	\$ 103,224
SUBTOTAL - PUBLIC WORKS AND INFRASTRUCTURE	\$ 4,615,415	\$ 159,862	\$ 4,455,553
TOTAL NON-GENERAL FUNDS	\$ 59,280,919	\$ 21,036,175	\$ 38,244,744

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Other Selected Adjustments to Non-General Fund Budgets

2011 Realignment Fund

The Adopted Budget includes the following adjustments:

- AB 109 (Community Corrections) Realignment:
 - A one-time \$5.1 million increase in AB 109 Realignment Growth revenue due to unsustainable performance improvements.
 - A \$912,000 increase in Base appropriations to help cover unbudgeted COLAs for employees funded with AB 109 revenue.
 - A \$570,000 increase in appropriations to fund additional Growth requests in the Sheriff's and Correctional Health budget units.
 - The establishment of a \$3.6 million Community Corrections Reserve to set aside funds for anticipated future jail and correctional health operational improvements.
- Local Innovation Account:
 - A \$580,000 increase in revenue and Local Innovation Reserves for future innovative projects identified through the Adult Correctional System Review process. This will bring the total Local Innovation Reserve to \$1.5 million.
- Behavioral Health Realignment:
 - A \$4.9 million increase in the carry-over balance and a \$4.2 million decrease in revenue, due primarily to the receipt of FY2016-17 Growth revenue in FY2017-18 rather than in FY2018-19 as originally anticipated.
 - A \$278,000 increase in Base appropriations to help cover unbudgeted COLAs for employees funded with Behavioral Health Realignment revenue.
 - A \$124,882 increase in appropriations to fund an additional Growth request in the Health Services Department.
 - The establishment of a \$243,418 Behavioral Health Reserve to serve as a hedge against Realignment revenue shortfalls.
- Protective Services Realignment:
 - A \$5 million increase in the carry-over balance due primarily to lower than anticipated FY2017-18 expenditures in multiple programs caused by declining caseloads.

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- A \$639,000 decrease in Protective Services Realignment revenue due to a revised estimate of sales tax growth.
- A \$730,000 increase in Base appropriations to help cover unbudgeted COLAs for employees funded with Protective Services Realignment.
- A \$3.5 million increase in appropriations to fund additional Growth requests in the Departments of Human Assistance and Child, Family and Adult Services.
- The establishment of a \$148,926 Protective Services Reserve to serve as a hedge against Realignment revenue shortfalls.

1991 Realignment Fund

The Adopted Budget includes the following adjustments:

- Public Health Realignment:
 - A \$2.27 million increase in the carry-over balance due to lower than anticipated FY2017-18 expenditures in the Department of Health Services and an increase in FY2017-18 Public Health Realignment revenue.
 - A \$90,322 increase in FY2018-19 Public Health Realignment revenue.
 - A \$171,000 increase in Base appropriations to cover unbudgeted COLAs for employees funded with Public Health Realignment.
 - A \$1.2 million increase in appropriations to fund additional Growth requests in the Correctional Health and Health Services budget units.
 - The creation of a \$996,098 Public Health Realignment Reserve to set aside funds for future-year jail medical services improvement costs.
- Social Services Realignment:
 - A \$7.1 million increase in the carry-over balance due primarily to lower than anticipated FY2017-18 expenditures in multiple programs caused by declining caseloads and an increase in FY2017-18 Social Services Realignment revenue due to the impact of Accelerated Growth.
 - A \$3.7 million increase in FY2018-19 Social Services Realignment revenue due to revised estimates of the Social Services Base, non-Accelerated Revenue Growth and Accelerated Revenue Growth.
 - A \$347,000 increase in Base appropriations to cover unbudgeted COLAs for employees funded with Social Services Realignment.
 - A \$5.7 million increase in Base appropriations to cover the cost of the supplemental wage increase for IHSS caregivers approved by the Board as part of a new collective bargaining agreement.

ATTACHMENT 3

- An \$882,322 increase in appropriations to fund an additional Growth request in the Child, Family and Adult Services Department.
- A \$3.8 million increase in the Social Services- Future Costs Reserve, bringing that Reserve level to \$8.77 million. This Reserve sets aside funds to help cover the cost of future state-mandated increases in the IHSS MOE.

Interagency Procurement Fund

The Adopted Budget includes the following adjustments:

- The receipt of a \$6,410,061 pre-payment from General Services to cover the outstanding principal owed on certain FAAF loan agreements.
- A \$321,097 decrease in other departmental reimbursements.
- The appropriation of \$3,314,883 of the \$6.4 million pre-payment as a reserve for future debt service payments.
- A \$30.5 million decrease in appropriations and \$33.28 million decrease in revenue reflecting a decision to end the practice of flowing expenditures and revenues related to all department fixed asset purchases through this Fund (this will also impact the Fixed Asset Revolving Fund). These expenditures will now be reflected only in the budget unit making the purchases.
- A \$6,088,964 increase in the Fund's Net Assets.

Airport System Fund

The Adopted Budget includes the following major adjustments:

- An \$11.7 million reduction in appropriations for debt service due to the refinancing of certain Airport Revenue Bond issues in April of 2018.
- A \$1.6 million increase in appropriations for various Maintenance and Operations projects, such as the Concourse A and B Americans with Disabilities Act (ADA) counter modifications.
- A \$953,000 increase in appropriations services and supplies costs associated with the addition of services, such as increasing shuttle operations, camera replacements and a contribution to the Business Environmental Resource Center.

ATTACHMENT 3

- A \$1.14 million increase in appropriations for three Growth requests: (1) the addition of 1 Senior Accountant, 3 Stock Clerks and 1 Storekeeper, to satisfy new Transportation Security Administration (TSA) requirements regarding the inspection of merchandise and consumables and new accounting rules regarding reporting of airport lease agreements; (2) the addition of 1 Airport Operations Officer, 1 Supervising Engineering Technician, 1 Administrative Services Officer and 1 Senior Airport Economic Development Specialist along with the reallocation of two other positions, as part of a reorganization plan to develop and increase operational efficiency; and (3) the addition of 1 Senior Highway Maintenance Worker and 1 Administrative Services Officer and the reallocation of two other positions to increase customer service at the airport in light of increased passenger volume.

Fixed Asset Revolving Fund

The Adopted Budget includes a \$30.5 million reduction in appropriations and revenue due to lower payments transferred from the Interagency Procurement Fund as a result of the decision to eliminate the flow-through of expenditures and revenues related to departmental fixed asset purchases not financed by loans from this Fund.

Roads Fund

The Adopted Budget includes the following adjustments:

- A \$2.1 million decrease in appropriations and revenue due to the shifting of timelines for various projects, lower project costs for the Asphalt Concrete Overlay project and an increase in cost recovery for the Fair Oaks Blvd. Improvements Phase 3 Project.
- A \$602,001 reduction in the Provision for Reserves, due to lower anticipated FY2018-19 construction and right of way expenses. Reserves are calculated at 10% of construction contract and right of way costs.

Development and Code Services Fund

The Adopted Budget includes the following adjustments:

- A \$199,330 increase in appropriations and revenue for one additional Growth request: the addition of 1 Civil Engineer position in the Special Districts Division due to a significant increase in the number of development projects.

ATTACHMENT 3

- A \$30,000 decrease in revenue offset by a \$30,000 increase in reimbursements from Economic Development to support Property Based Improvement District (PBID) formation activities.
- A \$9.3 million increase in the Provision for Reserves. The fund balance has increased by \$11.4 million due to changes related to the organizational restructuring of the Construction Management and Inspection Division (CMID) in FY2017-18. A CMID reserve is being established to address future service needs and mitigate future charges to County departments for CMID construction management and inspection services for County projects.

Transportation Sales Tax Fund

The Adopted Budget includes a \$3.6 million increase in appropriations and revenue due to the shifting of project timelines for a number of projects.

Solid Waste Enterprise Fund

The Adopted Budget includes the following major adjustments:

- A \$1 million increase in appropriations and use of fund balance for recycling services due to increases in the cost of single stream recycling contracts.
- A \$120,000 increase in appropriations and use of fund balance for a transfer of funds to the Regional Parks Department for ongoing costs of debris clean-up as part of the Parkways and Unincorporated Communities Clean Up and Safety Initiative. This funding was inadvertently not included in the Approved Budget.
- A \$122,000 increase in appropriations and use of fund balance to add 1 FTE Solid Waste Planner position to address the increased workload in the Regional Solid Waste Authority (SWA), which was approved by the Board in July of 2018.
- A \$652,384 decrease in the transfer of SWA revenue to the County General Fund due to decisions by the SWA Board to fund more projects.
- A \$152,000 increase in appropriations for processing and recycling scrap tire materials collected at the Kiefer Landfill and NARS, and the purchase of tire-derived aggregate for use as engineered construction material at Kiefer due increased contract costs.

ATTACHMENT 3

- A \$135,200 increase in appropriations and use of fund balance to fund one additional Growth request for an additional Information Technology contract Analyst in the Department of Technology. This contract Analyst will assist with a number of projects, including information technology issues associated with the Department of Waste Management and Recycling's (DWMR's) move to new offices.

Solid Waste Capital Outlay Fund

The Adopted Budget includes an \$800,000 increase in appropriations and use of fund balance to fund an additional Growth request to purchase one knuckle boom truck, one claw loader and one rear loader to address increased requests for services in DWMR's Appointment Based Neighborhood Clean Up and Bulky Waste Collection Program.

The Adopted Budget also reflects a \$1.9 million increase in the Working Capital Reserve and a \$5.5 million increase in the Capital Outlay Reserve, made possible by an increase in the beginning fund balance.

Water Resources Fund

The Adopted Budget includes a \$103,224 increase in appropriations and use of fund balance for the upgrade two light vehicles scheduled for replacement.

Water Agency Enterprise Fund

The Adopted Budget includes the following major adjustments:

- A \$1.2 million increase in appropriations due to higher Zone 40 revenue bond interest costs.
- A \$718,000 increase in appropriations due to the net impact of increases and decrease in various project costs.
- A \$1 million increase in appropriations for two additional Growth requests: \$885,000 to add 3 FTE positions and vehicles to provide additional support of operation and maintenance activities at the Vineyard Surface Water Treatment plant; and \$116,000 to fund the addition of 1 FTE Senior Engineering Technician to support asset management and conservation efforts and reclassify a Principal Engineering Technician to Assistant Civil Engineer to meet workload needs.

ATTACHMENT 3

Mental Health Services Act Fund

The Adopted Budget includes the following adjustments:

- A \$315,714 increase in appropriations and use of fund balance for a Growth request to transfer funds to the Health Services budget unit to help fund a Growth request for a 2% contract rate adjustment for Non-Medi-Cal Mental Health services providers.
- A \$15.8 million decrease in reserves because it is estimated that fewer MHPA resources will be available due to a number of factors, including:
 - A \$13.9 million increase in the MHPA beginning fund balance, due to revenue coming in higher than expected and expenditures coming in lower than expected in FY2017-18, partly due to delays in ramping up for new and expanded programs and projects.
 - A \$29.4 million reduction in MHPA revenue from the State in FY2018-19, due to a correction of certain errors that were made in how that revenue was shown.
- As proposed, the MHPA Prudent Reserve will remain unchanged, the MHPA Activities – Workforce & Training and MHPA Projects – Technological Needs Reserves will increase and the MHPA Reserves for Future Services – Community Services and Supports and Future Services – Prevention and Early Intervention will be reduced to \$65.2 million and \$15.6 million respectively.

SACRAMENTO COUNTY BUDGET COMPLIANCE WITH APPROPRIATION LIMITS

In 1979, California voters passed Proposition 4 which imposed constitutional limits on certain kinds of appropriations made from tax revenues (Article XIII B). Proposition 4 established a limit on the growth of certain appropriations based on changes in population and cost of living. In 1990, voters passed Proposition 111, which changed some of the provisions of Article XIII B.

Sacramento County's appropriation limit is established as required by Article XIII B of the State Constitution. The table below sets forth the appropriation limit and the appropriations subject to limitation.

With the adoption of the budget, the Board of Supervisors also approves publication of the annual appropriation limit set by Article XIII B of the State Constitution. The appropriation limit is formally established by the Board of Supervisors.

SACRAMENTO COUNTY APPROPRIATION LIMIT

Fiscal Year	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
2013-14	1,949,561,282	333,031,810	1,616,529,472
2014-15	1,957,136,770	342,212,234	1,614,924,536
2015-16	2,056,688,567	370,473,337	1,686,215,230
2016-17	2,210,475,398	420,559,709	1,789,915,689
2017-18	2,328,026,999	445,117,131	1,882,909,868
2018-19 (Budget)	2,442,668,524	439,774,594	2,002,893,930

2018-19 DISTRICTS APPROPRIATION LIMITS

Fund	District	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
229	Natomas Fire District	7,182,827	2,417,952	4,764,875
253	County Service Area No. 1	6,683,761	409,663	6,274,098
319	Sacramento County Water Agency - Zone 12	20,686,443	5,835,730	14,850,713
336	Mission Oaks Recreation and Park District	21,352,265	2,827,614	18,524,651
337	Carmichael Recreation and Parks District	4,795,811	2,001,190	2,794,621
338	Sunrise Recreation and Park District	16,563,912	4,984,974	11,578,938
351	Del Norte Oaks Recreation and Park District	43,681	3,664	40,017

SACRAMENTO COUNTY BUDGET (REQUIREMENTS) FUNCTIONS DESCRIPTIONS

PUBLIC ASSISTANCE:

- Human Assistance-Administration – Social Services Department, Adoptions, Food Stamps, Veterans Service Officer.
- Human Assistance – Aid –programs.
- Other Assistance – Child Support Services.

HEALTH AND SANITATION:

Health – Environmental Management, Health Services, Child Family and Adult Services, First 5 Sacramento Commission, Juvenile Medical Services, In-Home Support Services Provider Payments, Medical Treatment Payments, Correctional Health Services, Office of Compliance, and Office of Inspector General.

ROADS:

Public Ways and Facilities –Sacramento County Roads, Roadways, Transportation-Sales Tax, Road Construction and Maintenance and Street Lighting (if part of road construction) and Rural Transit.

PUBLIC PROTECTION:

- Judicial – Contribution to Law library, Court-Non-Trial Court Funding, Court-County Contribution, Conflict Criminal Defenders, Sacramento Grand Jury, Court Paid County Services, Criminal Justice Cabinet, Public Defender and District Attorney.
- Police Protection – Sheriff’s Department.
- Detention and Correction – Care In Homes and Institutions-Juvenile Court Wards, Probation, and Sheriff-Detention and Correction.
- Protective Inspection – Agricultural Commissioner and Sealer of Weights and Measures, Building Inspection.
- Other Protection – Animal Care and Regulation, Wildlife Services, Fair Housing Services, Coroner, Dispute Resolution Program, Data Processing-Law and Justice, Contribution to Local Agency Formation Commission, Development and Code Services, Emergency Services and County Clerk/Recorder.

LIBRARY, CULTURAL, AND RECREATIONAL:

- Library – County Library Operation, Cooperative Extension.
- Cultural Services – Transient-Occupancy Tax.
- Recreation Facilities – Regional Parks, Propagation-Fish and Game, Golf.

GENERAL GOVERNMENT:

- Legislative and Administrative – Board of Supervisors and Clerk of the Board, County Executive, County Executive Cabinet.

GENERAL GOVERNMENT (cont.):

- Finance – Assessor, Department of Finance (Auditor-Controller, Treasurer, Tax Collector), Non-Departmental Revenues-General Fund, Non-Departmental Cost-General Fund.
- Counsel – County Counsel.
- Personnel – Civil Service Commission, Office of Labor Relations and Personnel Services.
- Elections – Voter Registration and Elections.
- Property Management – Veteran’s Facility.
- Plant Acquisition – Capital Construction Building and Libraries – budget units accounting for acquisition of land, structures, and improvements, and Park Construction.
- Promotion – Economic Development and Financing Transfers/Reimbursements-General Fund.
- Other General – Data Processing and Revenue Recovery.

DEBT SERVICE, RESERVES, CONTINGENCIES:

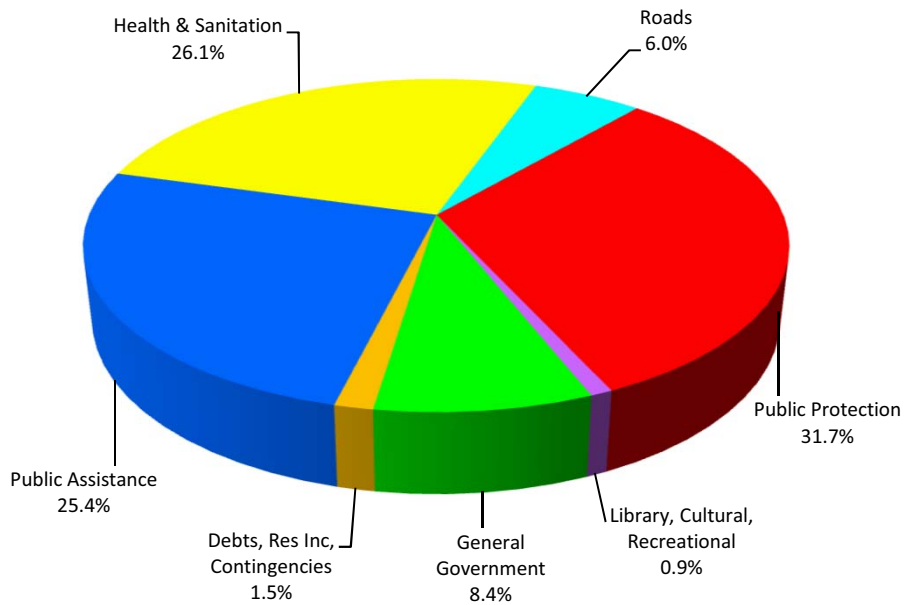
Debt Service – Teeter Plan (retirement of long-term debt, and interest on notes and warrants).

THE COUNTY BUDGET (REQUIREMENTS)

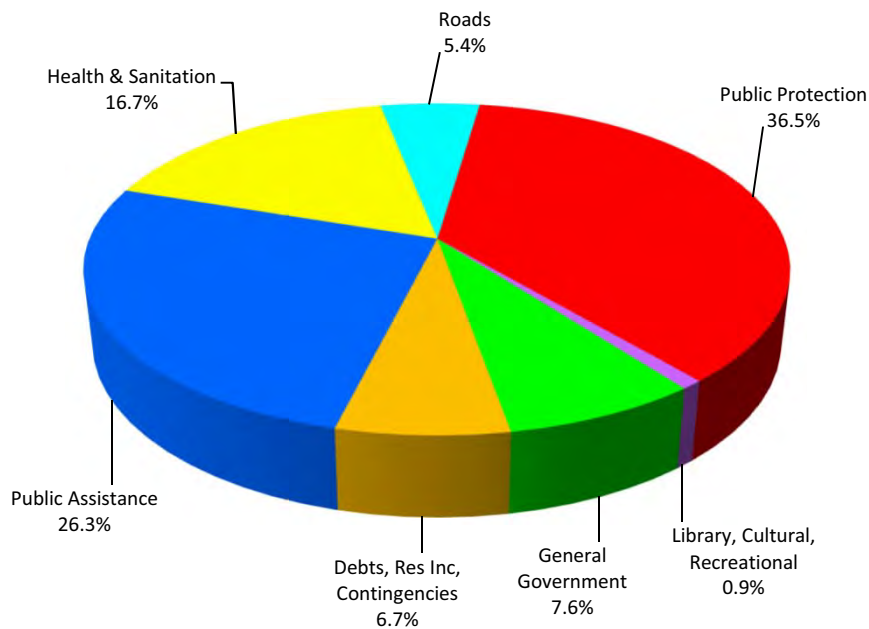
THE COUNTY BUDGET

GOVERNMENTAL FUNDS REQUIREMENTS

2017-18 BUDGET TOTAL \$2,935,150,196



2018-19 BUDGET TOTAL \$3,242,777,838



<u>REQUIREMENTS</u>				
	Fiscal Year 2017-18	Percent	Fiscal Year 2018-19	Percent
Public Assistance	\$746,773,632	25.4%	\$851,530,777	26.3%
Health & Sanitation	766,246,169	26.1%	543,023,697	16.7%
Roads	174,897,472	6.0%	175,427,561	5.4%
Public Protection	931,902,094	31.7%	1,183,479,726	36.5%
Library, Cultural, Recreational	25,112,514	0.9%	27,727,262	0.9%
General Government	246,300,341	8.4%	245,723,635	7.6%
Debts, Reserve Increase, Contingencies	43,917,974	1.5%	215,865,180	6.7%
GRAND TOTAL	\$ 2,935,150,196	100.0%	\$ 3,242,777,838	100.0%
<u>FINANCING</u>				
	Fiscal Year 2017-18	Percent	Fiscal Year 2018-19	Percent
Taxes	\$563,722,469	19.2%	\$595,070,131	18.4%
Licenses, Permits, Franchises	54,172,583	1.8%	56,972,744	1.8%
Fines, Forfeitures, Penalties	27,069,113	0.9%	30,158,689	0.9%
Intergovernmental	1,789,716,935	61.0%	1,846,033,146	56.9%
Charges for Services	223,973,670	7.6%	222,906,726	6.9%
Other Revenues	143,477,180	4.9%	134,761,092	4.2%
Year-End Balance, Reserve Release	133,018,246	4.5%	356,875,310	11.0%
GRAND TOTAL	\$ 2,935,150,196	100.0%	\$ 3,242,777,838	100.0%

THE COUNTY BUDGET (FINANCING)

FUNCTIONS DESCRIPTIONS

TAXES:

Secured Property Taxes, Unsecured Property Taxes, Current Supplemental Property Taxes, Property Tax Unitary, Property Taxes Secured Delinquent, Property Tax Supplemental Delinquent, Property Tax Prior-Unsecured, Property Taxes Redemption, Penalty/Costs-Property Taxes, Sales Use Tax, One-Half Sales Tax, Transient Occupancy Tax, Property Tax Transfer, Property Tax In Lieu of Vehicle License Fee.

LICENSES, PERMITS, FRANCHISES:

Animal Licenses, Business Licenses, Special Business Licenses, Fictitious Business Licenses, Roadway Development/Building Permits, Building Permits-Residential and Commercial, Encroachment Permits, Zoning Permits, Cable TV Franchise Fee, Franchise Fee-Other, Road Permits, Licenses/Permits-Other, Bingo License Fee.

FINES, FORFEITURES, PENALTIES:

Vehicle Code Fines, Other Court Fines, Forfeitures/Penalties, Civil Penalties, Federal Asset Forfeitures and State Asset Forfeitures.

INTERGOVERNMENTAL:

- Federal – Welfare Administration, Children Services Administration, Children Assistance Administration, other Welfare programs, other health programs, Planning and Construction, other miscellaneous programs.
- State – Cigarette Tax Unincorporated Area, Highway User Tax, Homeowne's Property Tax Relief, Motor Vehicle In Lieu Tax, Welfare, Welfare Administration, CALWIN, COPS, VHL mental health, Agriculture, Construction, Public Safety, Veterans Affairs, Trial Court, Health Administration, Services Program, Children's Assistance, other Welfare programs, other health programs, Realignment, Redevelopment pass through, revenue neutrality payments, other miscellaneous programs.

CHARGES FOR SERVICES:

Special Assessments, Civil Filings Fees, Vital Statistic Fees, Adoption Fees, Candidate Filing Fees, Civil Process Service Fees, Civil/Small Claims Filing Fees, Estate/Public Administration Fees, Recording Fees, Electricity Services Charges, Natural Gas Services Charges, Assessing/Collecting Fees, Auditing/Accounting Fees, Court/Legal Fees, Court Reporter Fees, Election Service Charges, Planning Service Charges, Planning/Engineering-Plan Check and Inspection Fees, Jail Booking Fees, Recreation Service Charges, Copying Charges, Building Maintenance Service Charges, Park/Grounds Maintenance Service Charges, Road Maintenance Service Charges, Crippled Children Treatment Charges, Medical Care-Indigent and Private Patient Charges, Medical Health Private Patient Charges, Alcoholism Services-Client Fees, Medical Care-Other, Institutional Care-Adult-Juvenile-State Institution Prisoner Charges, Work Furlough Charges, Data Processing Services, Auditor-Controller Services, Public Works Services, Leased Property Use Charges, Education/Training Charges, Cemetery Services, Humane Service, Law Enforcement Services, Milk Inspection Services, Service Fees/Charges-Other.

OTHER REVENUES:

- Use of Money and Property – Interest Income, Contributions, Building Rental-Other, Agricultural Leases-Other, Aviation Ground Leases, Ground Leases-Other, Food Service Concessions, Fuel Flowage Fees, Recreational Concession, Other Vending Devices.
- Miscellaneous Revenues – Countywide Cost Plan, Sales-Other, Cash Overages, Bad Debt Recovery, Aid Payment Recoveries, TRANS (Short Term Anticipation Notes) Reimbursement, Donations and Contributions, Electricity Resales, Insurance Proceeds, Revenue-Other, Assessment Fees, Child Support Recoveries, In-Kind Revenues, Prior Year Revenues.
- Other Financing Revenues – Sale of Real Property, Proceeds from Asset Sales-Other, Gain on Sale of Fixed Asset, Debt issue Financing, Vending Card Revenue, Medical Fee Collections.

YEAR-END BALANCE, RESERVE RELEASE:

Prior-Year Carryover/Fund Balance, Reserve Release.

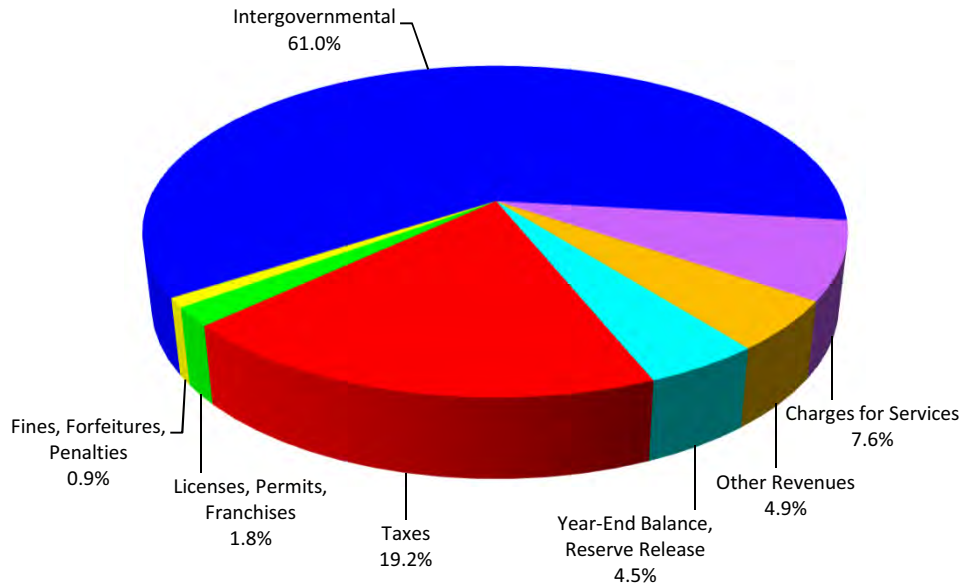
THE COUNTY BUDGET (FINANCING)

THE COUNTY BUDGET

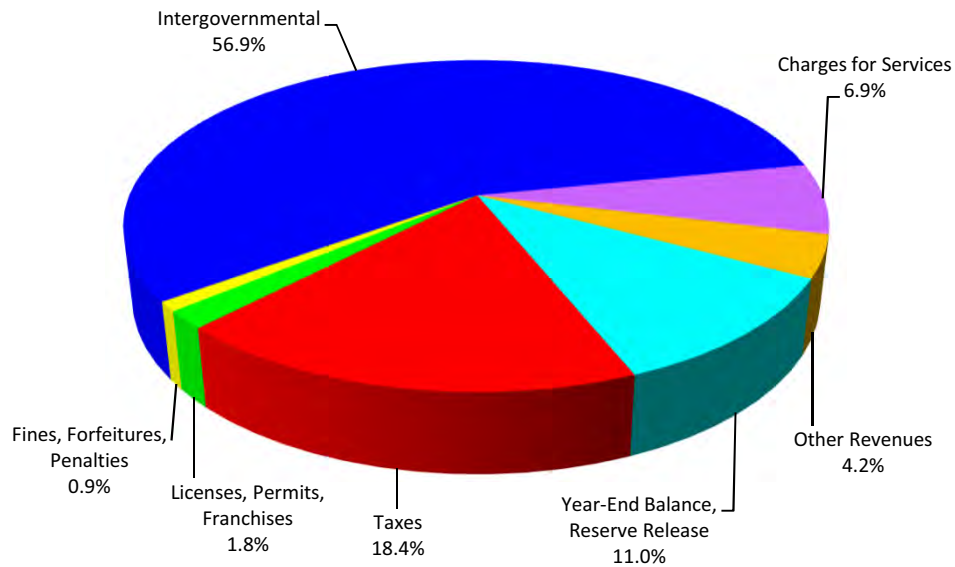
GOVERNMENTAL FUNDS

FINANCING

2017-18 BUDGET TOTAL \$2,935,150,196



2018-19 BUDGET TOTAL \$3,242,777,838



SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2017-18	Adopted 2018-19	Variance	Percent
GENERAL	001A	46,537,263	69,303,395	22,766,132	48.9%
COMMUNITY INVESTMENT PROGRAM	001F	1,028,943	450,316	-578,627	-56.2%
NEIGHBORHOOD REVITALIZATION FUND	001G	1,236,087	661,969	-574,118	-46.4%
MENTAL HEALTH SERVICES ACT	001I	0	147,428,186	147,428,186	#DIV/0!
1991 REALIGNMENT	001K-L	0	22,170,678	22,170,678	#DIV/0!
2011 REALIGNMENT	001M-O	0	15,289,921	15,289,921	#DIV/0!
CLERK/RECORDER FEES	001Q	0	12,430,775	12,430,775	#DIV/0!
FISH AND GAME	002A	-1,308	919	2,227	-170.3%
ROAD	005A	2,347,923	2,042,577	-305,346	-13.0%
DEPARTMENT OF TRANSPORTATION	005B	99,207	8,162	-91,045	-91.8%
PARK CONSTRUCTION	006A	1,301,279	1,129,617	-171,662	-13.2%
CAPITAL CONSTRUCTION	007A	18,847,789	15,838,496	-3,009,293	-16.0%
ENVIRONMENTAL MANAGEMENT	010B	3,121,736	1,778,928	-1,342,808	-43.0%
COUNTY LIBRARY	011A	180,685	80,316	-100,369	-55.5%
FIRST 5 SACRAMENTO COMMISSION	013A	5,113,198	7,774,331	2,661,133	52.0%
TRANSIENT OCCUPANCY	015A	960,133	1,028,238	68,105	7.1%
TEETER PLAN	016A	3,910,341	3,942,397	32,056	0.8%
GOLF	018A	-224,872	145,568	370,440	-164.7%
ECONOMIC DEVELOPMENT	020A	10,322,821	11,907,611	1,584,790	15.4%
BUILDING INSPECTION	021A-C	4,897,494	6,019,564	1,122,070	22.9%
TECHNOLOGY COST RECOVERY FEE	021D	297,373	251,502	-45,871	-15.4%
DEVELOPMENT AND CODE SERVICES	021E-G	0	11,432,585	11,432,585	#DIV/0!
AFFORDABILITY FEE	023A	1,872	642,136	640,264	34202.1%
ROADWAYS	025A-H	4,438,402	5,145,785	707,383	15.9%
TRANSPORTATION-SALES TAX	026A	3,177,299	6,273,175	3,095,876	97.4%
SOLID WASTE ENTERPRISE	051A	9,597,361	4,260,622	-5,336,739	-55.6%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	7,472,979	9,208,880	1,735,901	23.2%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	1,447,273	1,381,119	-66,154	-4.6%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	3,169,874	3,346,560	176,686	5.6%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	394,764	366,391	-28,373	-7.2%
VINEYARD PFFP - ROADWAYS	108A-B	7,812,499	9,570,190	1,757,691	22.5%
BRADSHAW/US 50 FINANCING DISTRICT	115A	55,727	48,840	-6,887	-12.4%
FLORIN ROAD CAPITAL PROJECT	118A	387,843	386,672	-1,171	-0.3%
FULTON AVENUE CAPITAL PROJECT	118B	29	22	-7	-24.1%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	181,929	177,422	-4,507	-2.5%
PARK MEADOWS CFD-BOND PROCEEDS	131A	64,853	63,798	-1,055	-1.6%
MATHER LANDSCAPE MAINT CFD	132A	344,320	383,624	39,304	11.4%
MATHER PFFP	136A-B	549,545	566,992	17,447	3.2%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	28,932	10,206	-18,726	-64.7%
METRO AIR PARK CFD 2000-1	139A	10,757,363	11,274,028	516,665	4.8%
MCCLELLAN PARK CFD	140A	386,626	424,657	38,031	9.8%
SACRAMENTO CO LANDSCAPE MAINT	141A	61,294	29,302	-31,992	-52.2%
METRO AIR PARK SERVICE TAX	142A	628,128	624,965	-3,163	-0.5%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	3,974,674	2,743,371	-1,231,303	-31.0%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	25,517,765	25,888,290	370,525	1.5%
FLORIN VINEYARD NO. 1 CFD 2016-2	147A	0	134,767	134,767	#DIV/0!
COUNTYWIDE LIBRARY FACILITIES ADMIN FEE	160A	30,305	31,141	836	2.8%
NATOMAS FIRE DISTRICT	229A	91,471	80,334	-11,137	-12.2%
CSA NO. 1	253A	470,369	786,038	315,669	67.1%
CSA NO. 10	257A	197,688	208,620	10,932	5.5%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	145,201	196,925	51,724	35.6%
2004 PENSION OBLIGATION BONDS	282A	906,233	1,732,023	825,790	91.1%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	1,478,279	725,727	-752,552	-50.9%
1997-PUBLIC FACILITIES DEBT SERVICE	288A	483,596	556,896	73,300	15.2%
2003 PUBLIC FACILITES PROJ-DEB SERVICE	298A	147,194	181,792	34,598	23.5%
2010 REFUNDING COPS-DEBT SERVICE	300A	488,683	560,033	71,350	14.6%

Fund Description	Fund Number	Adopted 2017-18	Adopted 2018-19	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	158,331	202,877	44,546	28.1%
2006 PUBLIC FACILITIES-DEBT SVC	306A	130,193	195,220	65,027	49.9%
PENSION OBLIGATION BOND-DEBT SERVICE	313A	445,795	846,505	400,710	89.9%
WATER AGENCY-ZONE 11A	315A	7,759,066	16,651,299	8,892,233	114.6%
WATER AGENCY-ZONE 13	318A	1,151,750	789,623	-362,127	-31.4%
STORMWATER UTILITY DISTRICT	322A	7,215,087	8,664,110	1,449,023	20.1%
LANDSCAPE MAINTENANCE DISTRICT	330A	172,774	23,986	-148,788	-86.1%
MISSION OAKS PARK DISTRICT	336A	756,456	943,502	187,046	24.7%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	2,273,376	-121,589	-2,394,965	-105.3%
CARMICHAEL PARK DISTRICT	337A	1,043,572	1,147,024	103,452	9.9%
CARMICHAEL RPD ASSESSMENT DISTRICT	337B	774,791	784,511	9,720	1.3%
SUNRISE PARK DISTRICT	338A	1,703,537	1,585,504	-118,033	-6.9%
ANTELOPE ASSESSMENT	338B	26,326	63,819	37,493	142.4%
FOOTHILL PARK	338F	598,190	572,299	-25,891	-4.3%
DEL NORTE OAKS PARK DISTRICT	351A	4,085	3,544	-541	-13.2%
COUNTY SERVICE AREA 4B	560A	4,960	7,317	2,357	47.5%
COUNTY SERVICE AREA 4C	561A	9,849	13,832	3,983	40.4%
COUNTY SERVICE AREA 4D	562A	1,665	3,962	2,297	138.0%
COUNTY PARKS CFD 2006-1	563A	9,117	10,297	1,180	12.9%
TOTAL		209,105,382	451,515,036	242,409,654	115.9%

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
001A	GENERAL FUND	3210000	AG COMMISSIONER-SEALER OF WEIGHTS & MEASURES
001A	GENERAL FUND	3220000	ANIMAL CARE AND REGULATION
001A	GENERAL FUND	5980000	APPROPRIATION FOR CONTINGENCY
001A	GENERAL FUND	3610000	ASSESSOR
001A	GENERAL FUND	4050000	BOARD OF SUPERVISORS
001A	GENERAL FUND	6760000	CARE IN HOMES AND INSTITUTIONS
001A	GENERAL FUND	7800000	CHILD, FAMILY AND ADULT SERVICES
001A	GENERAL FUND	5810000	CHILD SUPPORT SERVICES
001A	GENERAL FUND	4210000	CIVIL SERVICE COMMISSION
001A	GENERAL FUND	4010000	CLERK OF THE BOARD
001A	GENERAL FUND	5725729	CODE ENFORCEMENT
001A	GENERAL FUND	5720000	COMMUNITY DEVELOPMENT
001A	GENERAL FUND	5510000	CONFLICT CRIMINAL DEFENDERS
001A	GENERAL FUND	5920000	CONTRIBUTION TO LAFCO
001A	GENERAL FUND	4522000	CONTRIBUTION TO THE LAW LIBRARY
001A	GENERAL FUND	3310000	COOPERATIVE EXTENSION
001A	GENERAL FUND	4610000	CORONER
001A	GENERAL FUND	7410000	CORRECTIONAL HEALTH SERVICES
001A	GENERAL FUND	3240000	COUNTY CLERK/RECORDER
001A	GENERAL FUND	4810000	COUNTY COUNSEL
001A	GENERAL FUND	5910000	COUNTY EXECUTIVE
001A	GENERAL FUND	5730000	COUNTY EXECUTIVE CABINET
001A	GENERAL FUND	5040000	COURT / COUNTY CONTRIBUTION
001A	GENERAL FUND	5020000	COURT / NON-TRIAL COURT FUNDING
001A	GENERAL FUND	5050000	COURT PAID COUNTY SERVICES
001A	GENERAL FUND	5750000	CRIMINAL JUSTICE CABINET
001A	GENERAL FUND	5710000	DATA PROCESSING-SHARED SYSTEMS
001A	GENERAL FUND	3230000	DEPARTMENT OF FINANCE
001A	GENERAL FUND	6110000	DEPARTMENT OF REVENUE RECOVERY
001A	GENERAL FUND	5520000	DISPUTE RESOLUTION PROGRAM
001A	GENERAL FUND	5800000	DISTRICT ATTORNEY
001A	GENERAL FUND	7090000	EMERGENCY OPERATIONS
001A	GENERAL FUND	4660000	FAIR HOUSING SERVICES
001A	GENERAL FUND	5110000	FINANCING-TRANSFERS/REIMBURSEMENTS
001A	GENERAL FUND	5660000	GRAND JURY
001A	GENERAL FUND	7200000	HEALTH SERVICES
001A	GENERAL FUND	7270000	HEALTH-MEDICAL TREATMENT PAYMENTS
001A	GENERAL FUND	8100000	HUMAN ASSISTANCE-ADMINISTRATION
001A	GENERAL FUND	8700000	HUMAN ASSISTANCE-AID PAYMENTS
001A	GENERAL FUND	7250000	IN-HOME SUPPORT SERVICES (IHSS) PROVIDER
001A	GENERAL FUND	7230000	JUVENILE MEDICAL SERVICES
001A	GENERAL FUND	5970000	LABOR RELATIONS
001A	GENERAL FUND	5770000	NON-DEPARTMENTAL COSTS/GENERAL FUND
001A	GENERAL FUND	5700000	NON-DEPARTMENTAL REVENUES/GENERAL FUND
001A	GENERAL FUND	5740000	OFFICE OF COMPLIANCE
001A	GENERAL FUND	5780000	OFFICE OF INSPECTOR GENERAL
001A	GENERAL FUND	6050000	PERSONNEL SERVICES
001A	GENERAL FUND	5725728	PLANNING AND ENVIRONMENTAL REVIEW
001A	GENERAL FUND	6700000	PROBATION
001A	GENERAL FUND	6910000	PUBLIC DEFENDER
001A	GENERAL FUND	6400000	REGIONAL PARKS
001A	GENERAL FUND	7400000	SHERIFF
001A	GENERAL FUND	2820000	VETERAN'S FACILITY
001A	GENERAL FUND	4410000	VOTER REGISTRATION AND ELECTIONS
001A	GENERAL FUND	3260000	WILDLIFE SERVICES
001F	COMMUNITY INVESTMENT PROGRAM	5060000	COMMUNITY INVESTMENT PROGRAM
001G	NEIGHBORHOOD REVITALIZATION	5790000	NEIGHBORHOOD REVITALIZATION
001I	MENTAL HEALTH SERVICES ACT	7290000	MENTAL HEALTH SERVICES ACT
001J	PUBLIC SAFETY SALES TAX	7460000	PUBLIC SAFETY SALES TAX
001K-L	1991 REALIGNMENT	7480000	1991 REALIGNMENT
001M-O	2011 REALIGNMENT	7440000	2011 REALIGNMENT
001Q	CLERK/RECORDER FEES	3241000	CLERK/RECORDER FEES
002A	FISH AND GAME	6460000	FISH AND GAME PROPAGATION
005A	ROAD	2900000	ROADS
005B	DEPARTMENT OF TRANSPORTATION	2960000	DEPARTMENT OF TRANSPORTATION
006A	PARKS CONSTRUCTION	6570000	PARK CONSTRUCTION
007A	CAPITAL CONSTRUCTION	3100000	CAPITAL CONSTRUCTION
008A	TOBACCO LITIGATION SETTLEMENT	7220000	TOBACCO LITIGATION SETTLEMENT
010B	ENVIRONMENTAL MANAGEMENT	3350000	ENVIRONMENTAL MANAGEMENT
011A	LIBRARY	6310000	COUNTY LIBRARY

Fund	Fund Name	Budget Unit	Department
013A	FIRST 5 SACRAMENTO COMMISSION	7210000	FIRST 5 SACRAMENTO COMMISSION
015A	TRANSIENT OCCUPANCY	4060000	TRANSIENT-OCCUPANCY TAX
016A	TEETER PLAN	5940000	TEETER PLAN
018A	GOLF	6470000	GOLF
020A	ECONOMIC DEVELOPMENT	3870000	ECONOMIC DEVELOPMENT
021A	BUILDING INSPECTION	2150000	BUILDING INSPECTION
021D	TECHNOLOGY COST RECOVERY FEE	2180000	TECHNOLOGY COST RECOVERY FEE
021E	DEVELOPMENT AND CODE SERVICES	2151000	DEVELOPMENT AND CODE SERVICES
023A	AFFORDABILITY FEE	3830000	AFFORDABILITY FEE
025A	ROADWAYS	2910000	ROADWAYS
026A	TRANSPORTATION-SALES TAX	2140000	TRANSPORTATION-SALES TAX
028A	CONNECTOR JOINT POWERS AUTHORITY	2800000	CONNECTOR JOINT POWERS AUTHORITY
030A	INTERAGENCY PROCUREMENT	9030000	INTERAGENCY PROCUREMENT
031A	DEPARTMENT OF TECHNOLOGY	7600000	DEPARTMENT OF TECHNOLOGY
034A	GENERAL SERVICES-CAPITAL OUTLAY	2070000	GENERAL SERVICES (GS)-CAPITAL OUTLAY
035A	GENERAL SERVICES-ARCHITECTURAL SERVICES	7007900	GENERAL SERVICES-ARCHITECTURAL SERVICES
035B	GENERAL SERVICES-CONSTRUCTION MGMT & INSPECTION	7007200	GENERAL SERVICES-CONSTRUCTION MGMT & INSPECTION
035C	ADMINISTRATIVE SERVICES-GS	7110000	GENERAL SERVICES-OFFICE OF THE DIRECTOR
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007440	GENERAL SERVICES-AIRPORT DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007410	GENERAL SERVICES-ALARM SERVICES
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007420	GENERAL SERVICES-BRADSHAW DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007430	GENERAL SERVICES-DOWNTOWN DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007046	GENERAL SERVICES-ENERGY MANAGEMENT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7450000	GENERAL SERVICES-SECURITY SERVICES
035H	CONTRACT & PURCHASING SERVICES-GS	7007063	GENERAL SERVICES-PURCHASING
035J	GENERAL SERVICES-SUPPORT SERVICES	7700000	GENERAL SERVICES-SUPPORT SERVICES
035K	GENERAL SERVICES-REAL ESTATE	7007030	GENERAL SERVICES-REAL ESTATE
035L	GENERAL SERVICES-LIGHT EQUIPMENT	7007500	GENERAL SERVICES-LIGHT EQUIPMENT
035M	FLEET SERVICES HEAVY EQUIP	7007600	GENERAL SERVICES-HEAVY EQUIPMENT
036A	GENERAL SERVICES CAPITAL OUTLAY	7080000	GENERAL SERVICES-CAPITAL OUTLAY
037A	LIABILITY PROPERTY INSURANCE	3910000	LIABILITY PROPERTY INSURANCE
039A	WORKERS COMPENSATION INSURANCE	3900000	WORKERS COMPENSATION INSURANCE
040A	UNEMPLOYMENT INSURANCE	3930000	UNEMPLOYMENT INSURANCE
041A-045A	AIRPORT MAINTENANCE	3400000	AIRPORT SYSTEM
043A	AIRPORT CAPITAL IMPROVEMENT	3480000	AIRPORT SYSTEM-CAPITAL OUTLAY
051A	SOLID WASTE OPERATIONS	2200000	SOLID WASTE ENTERPRISE
052A	SOLID WASTE CAPITAL	2250000	SOLID WASTE ENTERPRISE-CAPITAL OUTLAY
056A	PARKING ENTERPRISE	7990000	PARKING ENTERPRISE
059A	REGIONAL RADIO COMMUNICATIONS SYSTEM	7020000	REGIONAL RADIO COMMUNICATIONS SYSTEM
060B	BOARD OF RETIREMENT	7860000	BOARD OF RETIREMENT
068A	PUBLIC WORKS TRANSIT PROGRAM	2930000	RURAL TRANSIT
101A	ANTELOPE PUBLIC FACILITIES FINANCING	3070000	ANTELOPE PUBLIC FACILITIES FINANCING PLAN (PFFP)
105A	LAGUNA CREEK/ELLIOTT RANCH CFD	2870000	LAGUNA CREEK/ELLIOTT RANCH COMMUNITY FACILITIES DISTRICT (CFD) NO. 1
107A	LAGUNA COMMUNITY FACILITY DISTRICT	3090000	LAGUNA COMMUNITY FACILITY DISTRICT
108A	VINEYARD PFFP - ROADWAYS	2840000	VINEYARD PUBLIC FACILITIES FINANCING PLAN
115A	BRADSHAW/US 50 FINANCING DISTRICT	3081000	BRADSHAW/US 50 FINANCING DISTRICT
118A	FLORIN ROAD CAPITAL PROJECT	1182880	FLORIN ROAD CAPITAL PROJECT
118B	FULTON AVENUE CAPITAL PROJECT	1182881	FULTON AVENUE CAPITAL PROJECT
130A	LAGUNA STONELAKE CFD-BOND PROCEEDS	1300000	LAGUNA STONELAKE CFD
131A	PARK MEADOWS CFD-BOND PROCEEDS	1310000	PARK MEADOWS CFD-BOND PROCEEDS
132A	MATHER LANDSCAPE MAINTENANCE CFD	1320000	MATHER LANDSCAPE MAINTENANCE CFD
136A	MATHER PFFP	1360000	MATHER PFFP
137A	GOLD RIVER STATION #7 LANDSCAPE CFD	1370000	GOLD RIVER STATION #7
139A	METRO AIR PARK CFD 2000-1	1390000	METRO AIR PARK
140A	MCCLELLAN CFD 2004-1	1400000	MCCLELLAN PARK CFD
141A	SACRAMENTO CO LANDSCAPE MAINTENANCE	1410000	SACRAMENTO COUNTY LANDSCAPE MAINTENANCE
142A	METRO AIR PARK SERVICE TAX	1420000	METRO AIR PARK SERVICE TAX
143A	NVSSP-ROADWAY	1430000	NORTH VINEYARD STATION SPECIFIC PLAN (NVSSP)
144A	NVSSP CFD 2005-2-ADMIN	1440000	NORTH VINEYARD STATION SPECIFIC PLAN CFD
147A	FLORIN VINEYARD NO. 1 CFD 2016-2	1470000	FLORIN VINEYARD NO. 1 CFD 2016-2
160A	COUNTYWIDE LIBRARY FACILITIES ADMIN FEE	1600000	COUNTYWIDE LIBRARY FACILITIES ADMIN FEE
229A	NATOMAS FIRE DISTRICT	2290000	NATOMAS FIRE DISTRICT
253A	CSA NO. 1	2530000	COUNTY SERVICE AREA (CSA) NO. 1
257A	CSA NO. 10	2857000	CSA NO. 10
261A	REGIONAL SANITATION DISTRICT	3028000	REGIONAL SANITATION DISTRICT
267A	SACRAMENTO AREA SEWER OPERATIONS	3005000	SACRAMENTO AREA SEWER OPERATIONS
277A	FIXED ASSET REVOLVING	9277000	FIXED ASSET REVOLVING
280A	JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	9280000	JUVENILE COURTHOUSE-DEBT SERVICE

Fund	Fund Name	Budget Unit	Department
282A	2004 PENSION OBLIGATION BOND-DEBT SERVICE	9282000	2004 PENSION OBLIGATION BONDS
284A	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	9284000	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS
288A	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE	9288000	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE
298A	2003 PUBLIC FACILITIES PROJ-DEBT SERVICE	9298000	2003 PUBLIC FACILITIES-DEBT SERVICE
300A	2010 REFUNDING COPS-DEBT SERVICE	9300000	2010 REFUNDING COPS-DEBT SERVICE
303A	2007 PUBLIC FACILITIES PROJ-CONSTRUCTION	9303303	2007 PUBLIC FACILITIES PROJECT-CONSTRUCTION
304A	2007 PUBLIC FACILITIES PROJ-DEBT SERVICE	9304304	2007 PUBLIC FACILITIES PROJECT-DEBT SERVICE
306A	2006 PUBLIC FACILITIES PROJ-DEBT SERVICE	9306306	2006 PUBLIC FACILITIES-DEBT SERVICE
308A	1997-PUBLIC FACILITIES DEBT SERVICE	3080000	1997-PUBLIC FACILITIES-DEBT SERVICE
309A	1997-PUBLIC FACILITIES-CONSTRUCTION	9309000	1997-PUBLIC FACILITIES-CONSTRUCTION
313A	PENSION OBLIGATION BOND-DEBT SERVICE	9313000	PENSION OBLIGATION BOND-DEBT SERVICE
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
318A	WATER AGENCY-ZONE 13	3044000	WATER AGENCY-ZONE 13
320A	WATER AGENCY ENTERPRISE	3050000	WATER AGENCY ENTERPRISE
322A	WATER RESOURCES	3220001	WATER RESOURCES
330A	SACRAMENTO CO LANDSCAPE MAINTENANCE	3300000	LANDSCAPE MAINTENANCE DISTRICT
336A	MISSION OAKS PARK DISTRICT	9336100	MISSION OAKS RECREATION AND PARK DISTRICT
336B	MISSION OAKS MAINTENANCE & IMPROVEMENT ASSESSMENT DISTRICT	9336001	MISSION OAKS MAINTENANCE/IMPROVEMENT DISTRICT
337A	CARMICHAEL PARK DISTRICT	9337000	CARMICHAEL RECREATION AND PARK DISTRICT
337B	CARMICHAEL RPD ASSESSMENT DISTRICT	9337100	CARMICHAEL RPD ASSESSMENT DISTRICT
338A	SUNRISE PARK DISTRICT	9338000	SUNRISE RECREATION AND PARK DISTRICT
338B	ANTELOPE ASSESSMENT	9338001	ANTELOPE ASSESSMENT
338F	FOOTHILL PARK	9338006	FOOTHILL PARK
351A	DEL NORTE OAKS PARK DISTRICT	3516494	DEL NORTE OAKS PARK DISTRICT
560A	COUNTY SERVICE AREA 4B	6491000	CSA NO.4B-(WILTON-COSUMNES)
561A	COUNTY SERVICE AREA 4C	6492000	CSA NO.4C-(DELTA)
562A	COUNTY SERVICE AREA 4D	6493000	CSA NO.4D-(HERALD)
563A	COUNTY PARKS CFD 2006-1	6494000	COUNTY PARKS CFD 2006-1

DESCRIPTIONS OF COUNTY FUNDS

GENERAL FUND 001:

The principal fund of the County, and is used to account for all activities of the County not included in other specified funds. It also accounts for most general government activities.

SPECIAL REVENUE FUNDS:

- Fish and Game Propagation Fund 002 – Accounts for activities related to fish and game, including education.
- Road Fund 005 – Accounts for Sacramento County road activities in the unincorporated area, including design, construction, and maintenance of roads, traffic signals, other right-of-way, safety-related road improvement projects, and the Radar/Speed Control program.
- Tobacco Litigation Settlement Fund 008 – Accounts for the Tobacco Litigation Settlement revenues for programs related to health, youth and tobacco prevention.
- Environmental Management Fund 010 – Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials.
- Library Fund 011 – Accounts for capital maintenance and related costs at Sacramento County owned Sacramento Public Library Authority branches.
- First 5 Sacramento Commission Fund 013 – Accounts for funds received from State of California Children and Families First Act of 1998 (Proposition 10).
- Transient-Occupancy Tax Fund 015 – Accounts for a portion of the TOT revenue allocated for artistic, cultural, civic, and other activities which enhance the image and quality of life of the community.
- Golf Fund 018 – Includes the costs of operating, maintaining and improving the county's three golf courses. The major sources of funding are greens fees and concession payments. There is no General Fund subsidy and fully reimburses the General Fund for overhead and support services.
- Economic Development Fund 020 – Accounts for assistance to employers and to help attract and retain jobs in the county and region. The Department also engages in more general economic development and job creation programs.
- Building Inspection Fund 021 – Accounts for building inspection and code enforcement services to the unincorporated area of the County.

SPECIAL REVENUE FUNDS (cont.):

- Affordability Fee Fund 023 – Accounts for fees collected to purchase land for affordable housing, produce or substantially rehabilitate affordable units, or buy down Extremely Low Income units.
- Roadways Fund 025 – Accounts for public road improvements with several geographical districts in response to land use development decisions.
- Transportation Sales Tax fund 026 – Accounts for the public road improvements in the unincorporated area of the County, which are funded from the Measure A Transportation Sales Tax.

CAPITAL PROJECT FUNDS:

- Park Construction Fund 006 – Accounts for the acquisition, development and improvement of county park properties.
- Capital Construction Fund 007 – Accounts for general capital outlay expenditures of the County.

DEBT SERVICE FUNDS:

Teeter Plan Fund 016 – Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the “Teeter Plan”.

INTERNAL SERVICE FUNDS:

- Interagency Procurement Fund 030 – Accounts for a comprehensive approach to providing for and financing public facilities and major infrastructure assets within the County.
- Department of Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- General Services Funds 034 through 036 – Created to centralize many of the activities providing services to County departments. These activities include Automobile Fleet Operations, Purchasing, Printing, Mail, Central Stores, Surplus Property Disposal, and Building Maintenance and Operations.
- Liability/Property Self-Insurance Fund 037 – Accounts for the County’s program of self-insurance for liability/property perils.

INTERNAL SERVICE FUNDS (cont.):

- Workers' Compensation Self-Insurance Fund 039 – Accounts for the County's self-insurance of all workers' compensation claims.
- Unemployment Self-Insurance Fund 040 – Accounts for the County's self-insurance of all unemployment claims.
- Regional Radio Communications System Fund 059 – Accounts for the operations of the County's emergency communications function.
- Board of Retirement Fund 060 – Accounts for activities related to the management of the Sacramento County Employees' Retirement System.

ENTERPRISE FUNDS:

- Airport System Funds 041, 042, 043, 044, 045 – Accounts for the operations of the Airport Department, including the Metro, Executive, and Franklin Airports, and Mather Airfield.
- Solid Waste Enterprise Funds 051 and 052 – Accounts for the costs of the refuse collection business, including the refuse disposal site and transfer locations.
- Parking Enterprise Fund 056 – Accounts for all downtown parking facilities, which generate revenues from user fees from both the public and county employees.
- Rural Transit Fund 068 – Accounts for operations of the South County Transit Program.
- Water Agency Enterprise Fund 320 – Accounts for operations of the Water Agency Supply Division, which generate revenues from developer fees and businesses and individuals that purchase water from the Water Agency.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS:

- Connector Joint Powers Authority Fund 028 – Accounts for the operations of the proposed Capital Southeast Connector. Only the salary and benefit appropriations are reflected in the County budget document.
- Antelope Public Facilities Financing Plan Fund 101 – Accounts for public facilities in the Antelope area including construction of roadway, park, fire protection facilities, and storm drainage and water supply mitigation measures.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- Laguna Creek/Elliott Ranch Community Facilities District (CFD) Number 1 Fund 105 – Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch Community Facilities District.
- Laguna Community Facility District Fund 107 – Accounts for construction activity in the Laguna Community Facilities District.
- Vineyard Public Facilities Financing Plan (PFFP) Fund 108 – Accounts for portions of major public infrastructure necessary for the Vineyard area to urbanize including construction of major freeway interchanges, roadways, public transit, library, community center and park facilities.
- Bradshaw/US 50 Financing District Fund 115 – Accounts for portions of major infrastructure necessary for Sacramento County residents, local employees, and business customers to efficiently utilize transportation facilities in the Bradshaw Road and US 50 areas.
- Florin Road/Fulton Avenue Capital Projects Fund 118 – Accounts for services and enhancements in the Florin Road and Fulton Avenue areas.
- Laguna Stonelake CFD Fund 130 – Accounts for portions of the public infrastructure and public facilities necessary to urbanize the Laguna Stonelake area including construction of roadway, drainage, sewer, water, library, and park and fire protection facilities.
- Park Meadows CFD-Bond Proceeds Fund 131 – Accounts for the necessary acquisition and construction of West Stockton Boulevard.
- Mather Landscape Maintenance CFD Fund 132 – Accounts for landscape maintenance and installation services associated with the Independence at Mather residential subdivision.
- Mather PFFP Fund 136 – Accounts for portions of the major public infrastructure roadway facilities necessary for the Mather area to develop.
- Gold River Station Number 7 Fund 137 – Accounts for landscape maintenance services associated with the Gold River Station Number 7 Landscape CFD.
- Metro Air Park Fund 139 – Accounts for construction activity in the Metro Air Park Community Facilities District.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- McClellan Park CFD Fund 140 – Accounts for portions of the public infrastructure and public facilities necessary for the reuse of McClellan Park CFD including construction of roadway, drainage, sewer and landscape facilities.
- Sacramento County Landscape Maintenance Fund 141 – Accounts for landscape maintenance services associated with the Sacramento County Landscape Maintenance Community Facilities District including the installation, maintenance, repair and replacement of landscape facilities within the boundaries of the District.
- Metro Air Park Service Tax Fund 142 – Accounts for Service Tax revenues needed for authorized maintenance services within the Metro Air Park Community Facilities District.
- North Vineyard Station Specific Plan (NVSSP) Fund 143 – Accounts for portions of major public infrastructure necessary for the NVSSP area to urbanize including construction of roadways, frontage lanes, public transit, library, and park facilities.
- North Vineyard Station Specific Plan CFD Fund 144 – Accounts for portions of major public infrastructure necessary for the North Vineyard Station area to urbanize including construction of roadway and transportation improvements, signalized intersections, landscaping improvements, sanitary water, storm drainage, and potable water systems.
- Florin Vineyard No. 1 CFD 2016-2 Fund 147 – Accounts for major public infrastructure necessary for the Florin Vineyard area to urbanize including roadway and transportation, park, parkway and open space improvements.
- Countywide Library Facilities Administration Fee Fund 160 – Accounts for ongoing program administration including but not limited to fee collection, annual reporting and program update for the Library Facilities Development Impact Fee Program, which uses fees collected to fund land acquisition, building construction, book collection, furnishings and computer equipment for the planned new library construction and/or expansion and relocation of existing libraries within the Urban Services Boundary of the unincorporated County.
- Natomas Fire District Fund 229 – Accounts for fire protection services to approximately forty square miles of the unincorporated area in the northwestern portion of the County.
- County Service Area (CSA) Number One Fund 253 – Formed to provide all street and highway safety lighting services in the unincorporated area of the County.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- CSA Number 10 Fund 257 – Accounts for miscellaneous extended transportation services to achieve trip reduction targets in the North Vineyard Station Specific Plan and other urban development areas in the County.
- Regional Sanitation District Fund 261 – Accounts for the operations of the Regional Sanitation Utility System. Only the salary and benefit appropriations are reflected in the County budget document.
- Sacramento Area Sewer Operations Fund 267 – Accounts for the operations of the Sacramento Area Sewer District. Only the salary and benefit appropriations are reflected in the County budget document.
- Fixed Asset Revolving Fund 277 – Accounts for transfer of funds to the 1990 Fixed Asset Debt Service Fund 278 for payment of debt service and other costs of the program.
- Juvenile Courthouse Debt Service Fund 280 – Services the 2003 Juvenile Courthouse Certificates of Participation.
- 2004 Pension Obligation Bonds Fund 282 – Reflects the annual debt service and related financial services costs for the County's Taxable Pension Funding Bonds Series 2004.
- Tobacco Litigation Settlement Capital Projects Fund 284 – Accounts for construction projects from the Tobacco Securitization proceeds including the Juvenile Hall expansion project and the Primary Care Clinic Facility.
- 1977 Refunding Public Facilities Debt Service Fund 288 – Reflects the debt service requirement for payment of principal, interest, and various other costs related to the 1997 Public Facilities Project Certificates of Participation for the construction of the Coroner/Crime lab and Data Center (the 1994 Certificates).
- 2003 Public Facilities Debt Service Fund 298 – Services the 2003 Public Facilities Projects Certificates of Participation (expansion of the Warren E. Thornton Youth Center, expansion of the Boys Ranch and improvement to various county facilities to accommodate Americans with Disabilities Act).
- 2010 Refunding COPS Debt Service Fund 300 – Accounts for the annual lease payments of the 2010 Refunding Certificates of Participation.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- 2007 Public Facilities Projects Construction Fund 303 – Accounts for the uses of proceeds of the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities-120 Bed Expansion projects.
- 2007 Public Facilities Projects Debt Service Fund 304 – Accounts for the debt service requirement for payment of principal, interest and various other costs related to the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities, 120-Bed Expansion projects.
- 2006 Public Facilities Debt Service Fund 306 – Services the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 1997 Public Facilities Debt Service Fund 308 – Services all debt associated with the 1997 borrowing which financed an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.
- 1997 Public Facilities Construction Fund 309 – Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, acquisition of the Bank of America building in downtown Sacramento and various other approved construction projects.
- Pension Obligation Bond Debt Service Fund 313 – Services the debt related to Pension Bonds issued to pay off the unfunded pension liability the county owed to the Sacramento County Employee Retirement System.
- Beach Stone Lake Flood Mitigation Fund 314 – Accounts for a portion of the cost of a flood control project to reduce flooding in the area and to provide flood insurance for local residents impact by the project.
- Water Agency Zone 11 Fund 315 – Accounts for the design and construction of drainage facilities in the zone's geographical area.
- North Vineyard Well Protection Fund 317 – Accounts for the rehabilitation or replacement of private wells as a result of groundwater production from the North Vineyard Well Field.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- Water Agency Zone 13 Fund 318 – Accounts for regional water supply, drainage and flood control studies.
- Water Agency Enterprise Fund 320 – Accounts for the operations of the Sacramento County Water Agency (SCWA) Water Supply Division.
- Water Resources Fund 322 – Accounts for the operations of the Storm Utility Program.
- Department of Flood Management Fund 325 – Accounts for the employees serving the Sacramento Area Flood Control Agency (SAFCA).
- Landscape Maintenance District Fund 330 – Accounts for the maintenance of approximately two million square feet of landscaped corridors, medians and natural open spaces throughout the County.
- Mission Oaks Recreation and Park District Fund 336 – Accounts for the operations of the Mission Oaks Recreation and Park District, a Board of Supervisors-governed park district.
- Carmichael Recreation and Park District Fund 337 – Accounts for the operations of the Carmichael Recreation and Park District, a Board of Supervisors-governed park district.
- Sunrise Recreation and Park District/Antelope Assessment Fund 338 – Accounts for the operations of the Sunrise Recreation and Park District, a Board of Supervisors-governed park district.
- Del Norte Oaks Park District Fund 351 – Accounts for the grounds maintenance of 8,200 square feet of landscaped area in the Del Norte Oaks subdivision.
- CSA Number 4B (Wilton-Cosumnes) Fund 560 – Accounts for recreation and park services to the Wilton Community and surrounding areas in the south county.
- CSA Number 4C (Delta) Fund 561 – Accounts for recreation and park services to the Delta area in the south county.
- CSA Number 4D (Herald) Fund 562 – Accounts for park maintenance aide and supplies for operations of Herald Park.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- County Parks CFD 2006-1 Fund 563 – Accounts for local and regional park maintenance and operation services for park, parkway, trails, park and recreational programs and open space facilities within the boundary of County Service Area 4B.

GOVERNMENTAL FUNDS:

Governmental Funds record expenditures for compensated absences as they are taken by employees. Each year's budget includes a provision for the estimated expenditure for the current year. A year-end accrual for compensated absences has not been made in the Governmental Funds as of June 30, 2000, because the County does not believe any of the available year-end resources will be required to fund the year-end compensated absences liability. Accordingly, this liability is recorded in the General Long-Term Obligations Account Group.

PROPRIETARY FUNDS:

Proprietary Funds accrue a liability for unused compensated absences earned through year-end. An expense is recognized for the increase in liability from the prior year.

TRUST AND AGENCY FUNDS:

• **TRUST FUNDS**

- Investment Trust Fund – Accounts for assets held for external investment pool participants.
- Expendable Trusts:
 - Inmates' Welfare – Accounts for profits from the jails' commissaries, which are used solely for the benefit of the inmates.
 - Jail Industry – Accounts for operations of the County's "inmate industry" program.
 - Law Library – Accounts for an apportionment of civil case filing fess received solely for maintenance of the County's Law Library.
 - Local Improvement Pre-Assessment District – Accounts for funds collected from developers/property owners' for preliminary work prior to issuing special assessment debt to finance infrastructure projects.

- **AGENCY FUNDS:**
 - **Law Enforcement** – Accounts for law enforcement revenues collected pending disbursement, reimbursement, or apportionment to the appropriate County law enforcement department of other local police agency.
 - **Federal Program Transfer** – Accounts for receipts from governmental programs administered by the County. Funds are held by the Count in the Agency Fund until earned by the appropriate department, at which time they are transferred.
 - **Unapportioned Tax Collection** – Accounts for property taxes received but not yet apportioned by the County.
 - **Public Safety** – Accounts for receipts from the one half percent sales tax approved by voters for law enforcement functions. These receipts are held pending apportionment to the appropriate county law enforcement department or local police agency.
 - **Pooled Treasury Income** – Accounts for interest earned and received by the County Treasury and allocated to appropriate funds.
 - **Other** – Accounts for other agency funds where the County holds money in a custodial capacity.

DESCRIPTION OF MAJOR COUNTY REVENUE SOURCES AND TRENDS

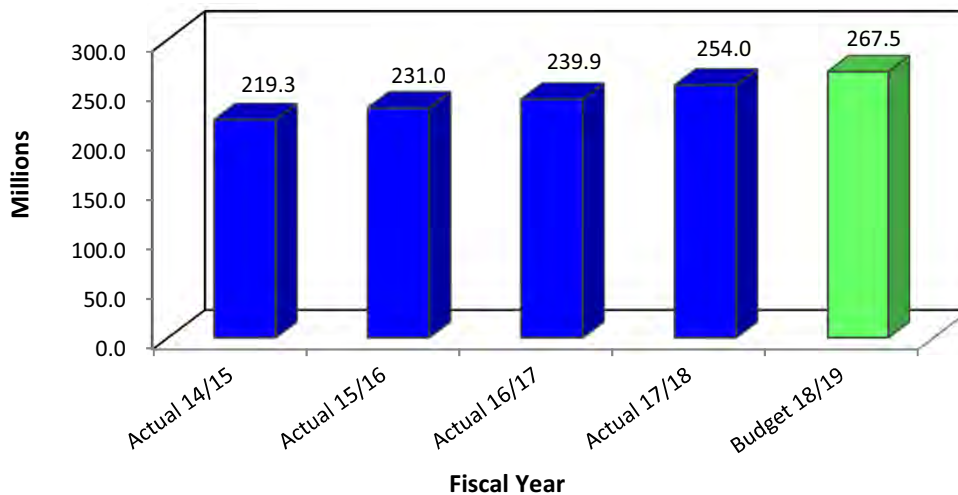
Revenue Source: Property Tax

	Trend	Percent Change	Comments
2014-15 Actual	\$ 219,319,661		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2015-16 Actual	\$ 231,032,796	5.34%	
2016-17 Actual	\$ 239,898,490	3.84%	
2017-18 Actual	\$ 254,017,209	5.89%	
2018-19 Budget	\$ 267,524,559	5.32%	

PROPERTY TAX REVENUES:

The revenue estimate includes various property tax-related accounts including secured, unsecured, supplemental, delinquent, and unitary. The estimate is based on the Assessor's property tax roll. The Fiscal Year 2018-19 projected total for property tax revenues is \$267.5 million.

Property Tax Revenues



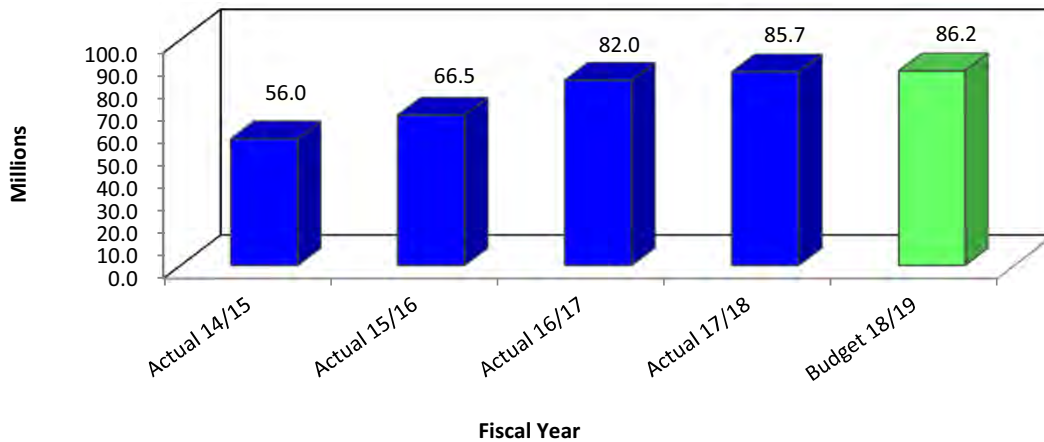
Revenue Source: Sales Tax

Trend		Percent Change	Comments
2014-15 Actual	\$ 55,975,846		A 1.00 percent share of statewide collected sales tax rate of 8.00 percent, collected from the Unincorporated Area. Amounts prior to Fiscal Year 2016-17 were impacted by the State's "Triple Flip" provision and do not reflect the full 1.00 percent.
2015-16 Actual	\$ 66,521,061	18.84%	
2016-17 Actual	\$ 82,004,504	23.28%	
2017-18 Actual	\$ 85,668,000	4.47%	
2018-19 Budget	\$ 86,190,000	0.61%	

SALES TAX REVENUES:

The budget estimate is based on the full 1.00 percent share of statewide collected sales tax rate of 7.75 percent, collected from the Unincorporated Area. The Fiscal Year 2018-19 projected total of \$86.2 million assumes a growth rate of approximately 0.61 percent from the Fiscal Year 2017-18 actuals.

Sales Tax Revenues



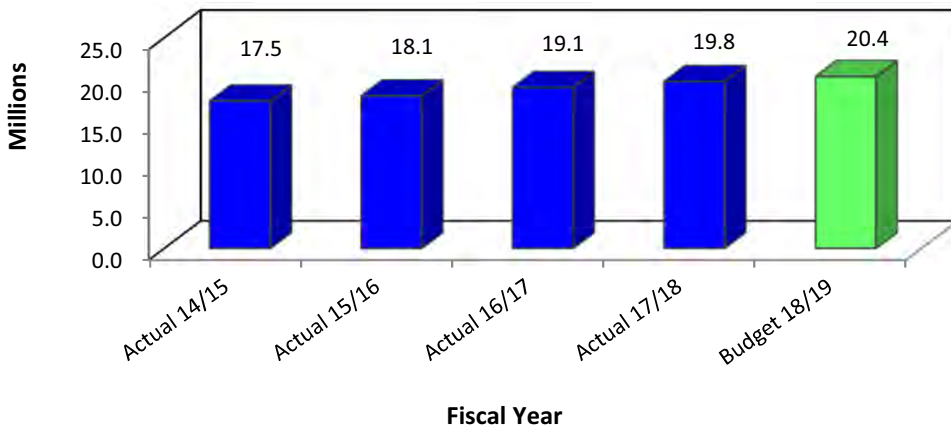
Revenue Source: Utility Tax

Trend		Percent Change	Comments
2014-15 Actual	\$ 17,507,379		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2015-16 Actual	\$ 18,083,035	3.29%	
2016-17 Actual	\$ 19,100,519	5.63%	
2017-18 Actual	\$ 19,808,827	3.71%	
2018-19 Budget	\$ 20,365,913	2.81%	

UTILITY TAX REVENUES:

The revenue estimate is based on a 2.81 percent increase in utility collections in the Unincorporated Area. The total budgeted for Fiscal Year 2018-19 is \$20.4 million.

Utility Tax Revenues



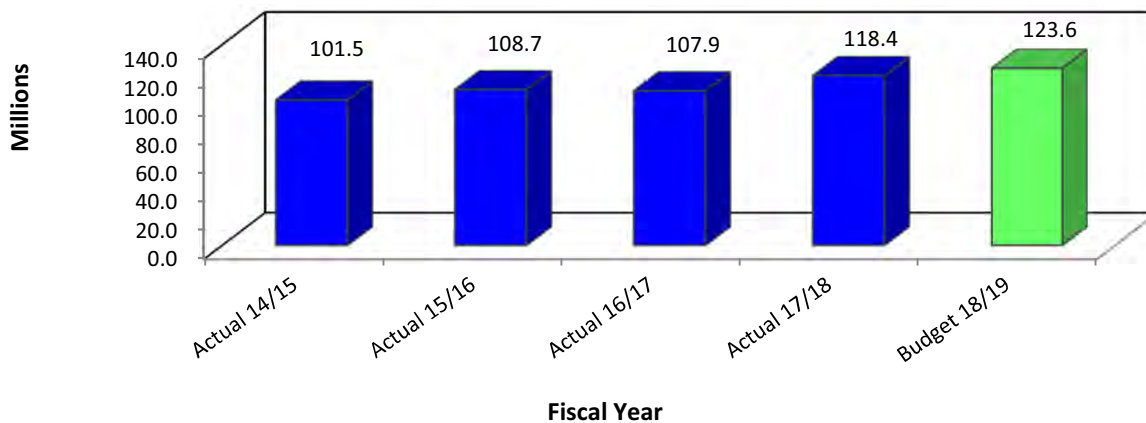
Revenue Source: Proposition 172 - Public Safety

Trend		Percent Change	Comments
2014-15 Actual	\$ 101,497,749		County share of statewide 1/2 cent sales tax. Allocated to counties and cities by formula in state law. Changes in revenue depend on statewide sales tax collections and countywide sales tax collections as a share of the statewide total collections.
2015-16 Actual	\$ 108,711,933	7.11%	
2016-17 Actual	\$ 107,930,592	-0.72%	
2017-18 Actual	\$ 118,370,823	9.67%	
2018-19 Budget	\$ 123,583,038	4.40%	

PUBLIC SAFETY REVENUES:

The budget estimate is based on a growth rate in statewide Prop. 172 sales tax collections of approximately 3.5% and a moderate increase in Sacramento County's share of the statewide total revenue.

Proposition 172 - Public Safety Revenues



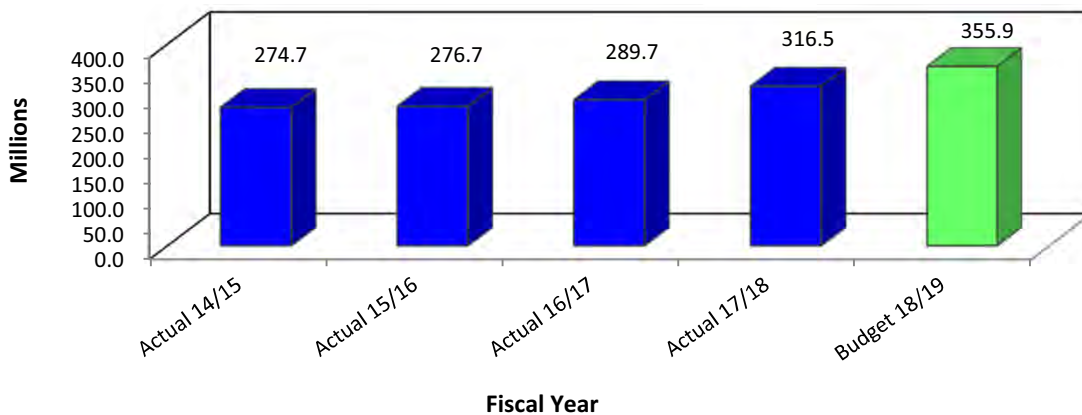
Revenue Source: Realignment 1991 Revenues

Trend		Percent Change	Comments
2014-15 Actual	\$ 274,682,240		1991 realignment funding is used to support public health, mental health, and social service programs, and is a major funding source for these service areas.
2015-16 Actual	\$ 276,679,784	0.73%	
2016-17 Actual	\$ 289,689,674	4.70%	
2017-18 Actual	\$ 316,528,642	9.26%	
2018-19 Budget	\$ 355,879,468	12.43%	

REALIGNMENT 1991 REVENUES:

The budgeted estimate of \$355.9 million is comprised of \$22.2 million in 1991 realignment revenue carried over from prior years, \$321.8 million in new base revenue, and \$11.9 million in growth revenue. 1991 realignment is supported by a portion of statewide sales tax and vehicle license fee collections.

Realignment 1991 Revenues



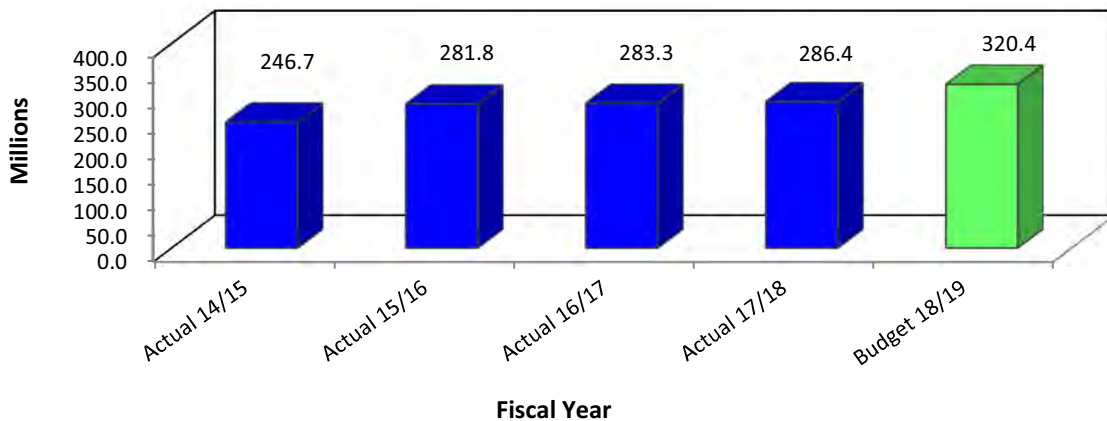
Revenue Source: Realignment 2011 Revenues

Trend		Percent Change	Comments
2014-15 Actual	\$ 246,684,660		As part of the 2011-12 State budget plan, the Legislature enacted a major shift of State program responsibilities and revenues to local governments. The realignment plan funds various criminal justice, mental health, and social services programs.
2015-16 Actual	\$ 281,812,578	14.24%	
2016-17 Actual	\$ 283,327,454	0.54%	
2017-18 Actual	\$ 286,428,694	1.09%	
2018-19 Budget	\$ 320,448,505	11.88%	

REALIGNMENT 2011 REVENUES:

The budgeted estimate of \$320.4 million is comprised of \$15.4 million in 2011 realignment revenue carried over from prior years, \$287.1 million in new base revenue, and \$17.9 million in growth revenue. 2011 realignment is supported by a portion of statewide sales tax and vehicle license fee collections.

Realignment 2011 Revenues



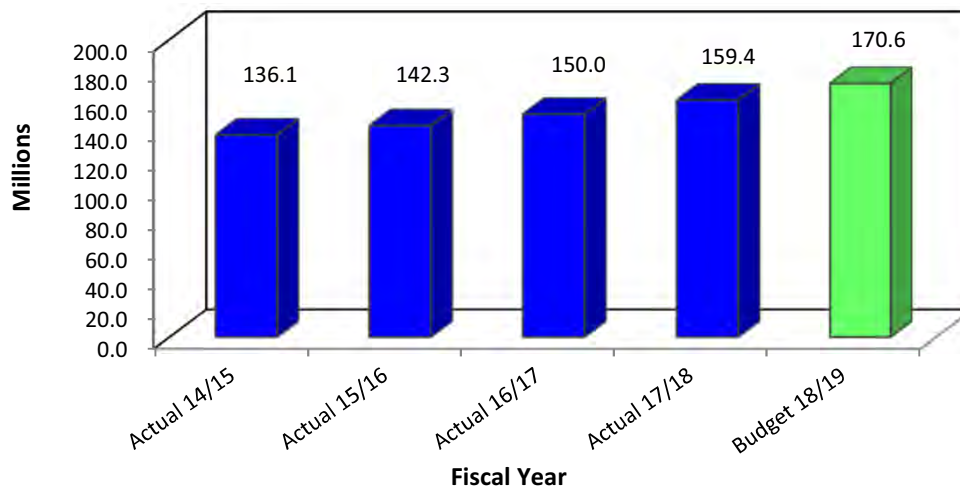
Revenue Source: Property Tax In-Lieu of Vehicle License Fees

Trend		Percent Change	Comments
2014-15 Actual	\$ 136,143,804		This revenue source emerged as the result of the State's "Swap" deal. The amount reflects backfill of the Vehicle License Fee that now flows to the State General Fund.
2015-16 Actual	\$ 142,280,287	4.51%	
2016-17 Actual	\$ 149,925,391	5.37%	
2017-18 Actual	\$ 159,392,096	6.31%	
2018-19 Budget	\$ 170,553,066	7.00%	

PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES REVENUES:

The assumption for this revenue source is based on the State's "Swap" deal. The Fiscal Year 2018-19 projected total of \$170.6 million reflects a 7.00 percent increase from the prior year actual levels.

Property Tax In-Lieu of Vehicle License Fees Revenues



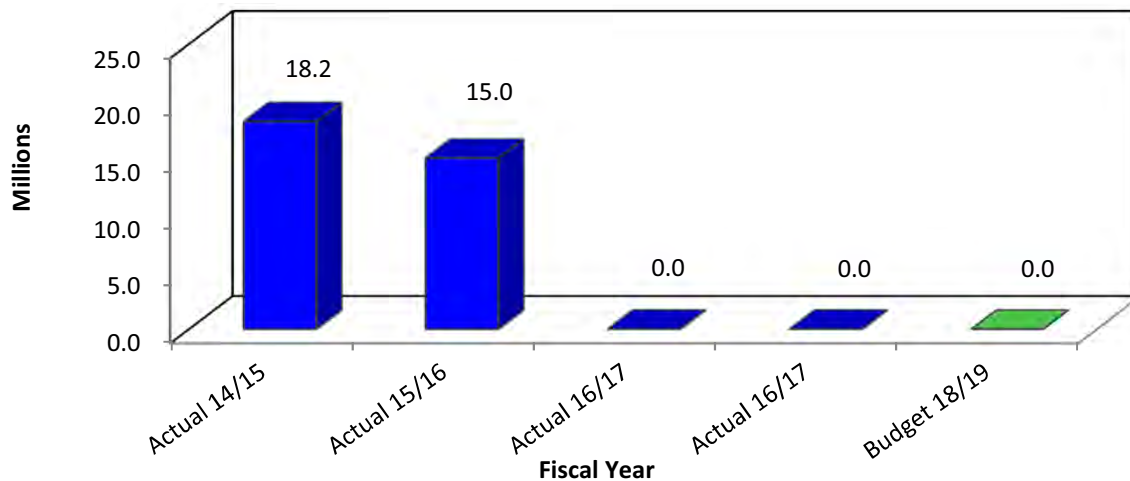
Revenue Source: In Lieu Local Sales and Use Tax

Trend		Percent Change	Comments
2014-15 Actual	\$ 18,195,488		This revenue source emerged as the result of the State's "Triple Flip" provision. This amount represents the backfill of the 25.0 percent Sales and Use Taxes revenue that are reallocated to the State Fiscal Recovery Fund.
2015-16 Actual	\$ 14,990,939	-17.61%	
2016-17 Actual	\$ 0		
2017-18 Actual	\$ 0		
2018-19 Budget	\$ 0		

IN LIEU LOCAL SALES AND USE TAX REVENUES:

The "Triple Flip" ended in Fiscal Year 2015-16. There is no budget for this revenue source in Fiscal Year 2018-19.

In Lieu Local Sales and Use Tax Revenues



GENERAL BUDGET POLICIES AND PLANNING

GENERAL BUDGET INFORMATION

This summary includes:

- I. The Budget, Legal Requirements, Budgeting Basis, and Budget Policies
- II. Debt Management Policies
- III. Long-Range Budget Planning

I. THE BUDGET, LEGAL REQUIREMENTS, BUDGETING BASIS, AND BUDGET POLICIES

THE BUDGET

The annual budget for Sacramento County is an operational plan, a fiscal plan, and a staffing plan for the provision of services to the residents of Sacramento County. The budget also includes a five-year Capital Improvement Plan for the County. This plan is presented to the Board of Supervisors and is reviewed during the budget hearings. The County Board of Supervisors approves the budget each year at the conclusion of an open and deliberative process in which county residents, county employees, and county officials are active participants.

LEGAL REQUIREMENTS

The county's budget process conforms to state law and the County Charter. The California State County Budget Act of 1986 provides statewide uniformity in the budget process, content, and format among California counties and special districts. Deadlines for the public release of budget information and the adoption of proposed and final budgets are given. The Budget Act also sets the content and format of budget schedules.

The County Charter specifies the roles of the Board of Supervisor and the County Executive in the budget process. The County Executive is charged with recommending a balanced budget (a budget in which the expenditures incurred during a given period are matched by revenues and/or current expenditures are equal to receipts) to the Board and with executing the budget plan once it is adopted. The County Executive is also responsible for monitoring the status of the budget throughout the year and with recommending budget changes when circumstances warrant.

BUDGETING BASIS

For the governmental funds, or those funds subject to appropriation, Sacramento County uses a modified accrual basis of budgeting and accounting. Under this basis of budgeting and accounting, revenues are recognized when they become both measurable and available, and expenditures are recorded when the liability is incurred. Measurable means the amount of the transaction is known. Available means the revenue will be received as cash within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current period.

BUDGETING BASIS (cont.)

Proprietary funds use an accrual basis of accounting in essentially the same manner as commercial accounting. Recognition occurs at the time of the transaction – revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place.

BUDGET POLICIES

Sacramento County’s budget process operates under long standing Board of Supervisors-approved budget policies. In summary, the policies are designed to control growth in the budget, maximize fund balance, give departments operational flexibility, and establish prudent reserve levels.

Alignment of Ongoing Expenditures and Revenues and Use of Fund Balance

In 1985 the Board adopted long-term policies intended to keep ongoing county expenditures in alignment with ongoing financing sources and to increase fund balance. These policies state:

- General Fund, fund balance will be used as an ongoing financing source.
- The higher costs of new programs, higher service levels, and new staff will be recognized on a full-year basis to ensure the recognition of the full cost of new commitments.
- Unanticipated revenue windfalls not included in the budget plan will not be expended during the year unless such spending is required in order to receive the funding.
- Short-term funding sources are not to be applied to ongoing requirements.

Reserve Levels

General Reserves Level Goal

The County’s goal is to have General Reserves equal to 10 percent of Discretionary Revenues and Reimbursements. In accordance with State law, except in cases of a legally declared emergency, General Reserves may only be canceled or decreased at the time of Budget adoption. In addition to emergencies, in times of fiscal stress these funds can be used to help balance the General Fund budget as part of a plan to achieve structural balance. Any Plan to achieve structural balance should include a provision to replenish the General Reserves to the ten percent level.

General Reserves Funding Policies

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 Hearings Budget) will include an increase in General Reserves in an amount equal to 10 percent of the General Fund’s actual “Available” Fund Balance carry-forward (as determined in July following the close of the County’s books), until the General Reserve level reaches ten percent of Discretionary Revenues and Reimbursements.

Resource Allocation

In June 2007, upon recommendation of the County Executive, the Board of Supervisors adopted a series of obligations/priorities to guide resource allocation and budget decision making. The approved spending priorities recognize that certain obligations must be funded before any discretionary priorities can be addressed:

- Mandated Countywide Obligations, such as jails, prosecution, juvenile detention, health care for the poor, and welfare payments to eligible clients. These obligations are now designated as specifically mandated programs.
- Mandated Municipal Obligations such as the core requirements for providing for the public safety of the citizens living in the unincorporated area (Sheriff's patrol and investigations).
- Financial Obligations is the maintenance of the public trust through a sound fiscal policy that focuses on financial discipline, including funding programs that provide for revenue collection and payment of county debts.
- Budget Priorities, when funding of the County's mandated services and obligations are met, the following priorities shall govern the budget process:
 - Provide the highest level of discretionary law-enforcement municipal and countywide services possible within the available county budget, such as Sheriff's patrol and investigations, and Probation supervision.
 - Provide the safety net for those disadvantaged citizens, such as the homeless, mentally ill, and others who receive no services from other government agencies.
 - Provide the highest possible quality of life for our constituents within available remaining resources (i.e. neighborhood programs, reinvestment in communities, Parks and Recreation, and non-law enforcement municipal services, etc.)
 - General government functions (such as Clerk of the Board, County Counsel, Personnel Services, Department of Technology, County Executive, etc.) shall continue at a level sufficient to support the direct services to citizens.
 - Continue prevention/intervention programs that can demonstrate that they save the county money over the long-term, such as alcohol and drug programs.

II. DEBT MANAGEMENT POLICIES

The County has also adopted comprehensive Debt Management Policies, which are intended to improve coordination and management of all debt issued in which the County has complete or limited obligation (e.g. special assessment or Mello-Roos financings) for debt repayment. As the municipal debt market changes, all outstanding debt should be monitored to take advantage of changing opportunities.

Major elements of the policy include:

- Establishment of a County Debt Utilization Committee (CDUC) which has the responsibility for reviewing, coordinating and advising the County Executive and Board of Supervisors regarding proposed and existing debt issues in order to assure that debt is utilized in a favorable manner to the County and only when it is in the best interest of the County.

Major elements of the policy include (cont.):

- Formalizing the concept that debt proposals by individual departments must be closely coordinated with the county's capital and operating budget processes and must take into account the impact of the proposed debt issue on the county's credit rating and total debt burden.
- Assignment of responsibilities related to analysis of proposed borrowings and monitoring compliance with covenants and restrictions in approved debt agreements.
- To the extent feasible, debt issued shall be tied to revenues from those taxpayers who will directly or indirectly receive benefits of the purpose of the debt.
- Short-term and long-term borrowing will be limited to borrowings that are within prudent limits regarding applicable debt ratios and those which improve county cash flow and related interest earning capabilities.
- Proceeds from long-term financing will be limited to the uses authorized by law and allowed by the provisions of the particular debt. Generally, these limitations allow payment for planning, design, land, construction, or acquisition of buildings, permanent structures, attached fixtures and/or equipment, movable furniture, and equipment and also the costs related to planning and issuing the debt.
- Short-term financing will include funding the county's cash flow deficit in anticipation of tax and revenue receipts.
- Structure (e.g. General Obligation, Certificates of Participation, Assessment Districts, or Revenue Bonds) and type of debt issuance (negotiated or competitive) is dependent upon various factors, including the nature of the project to be financed, available revenue sources and revenue streams, budget impact and the financial market environment.
- No financing will be undertaken to finance an operating deficit.

Debt Limits

In California there are no statutory or constitutional limits on debt levels for counties. Overall, debt levels for Sacramento County are very low. In the General Fund, total debt service payments amount to five percent of appropriations.

III. LONG-RANGE BUDGET PLANNING

General Fund Five-Year Sensitivity Analysis

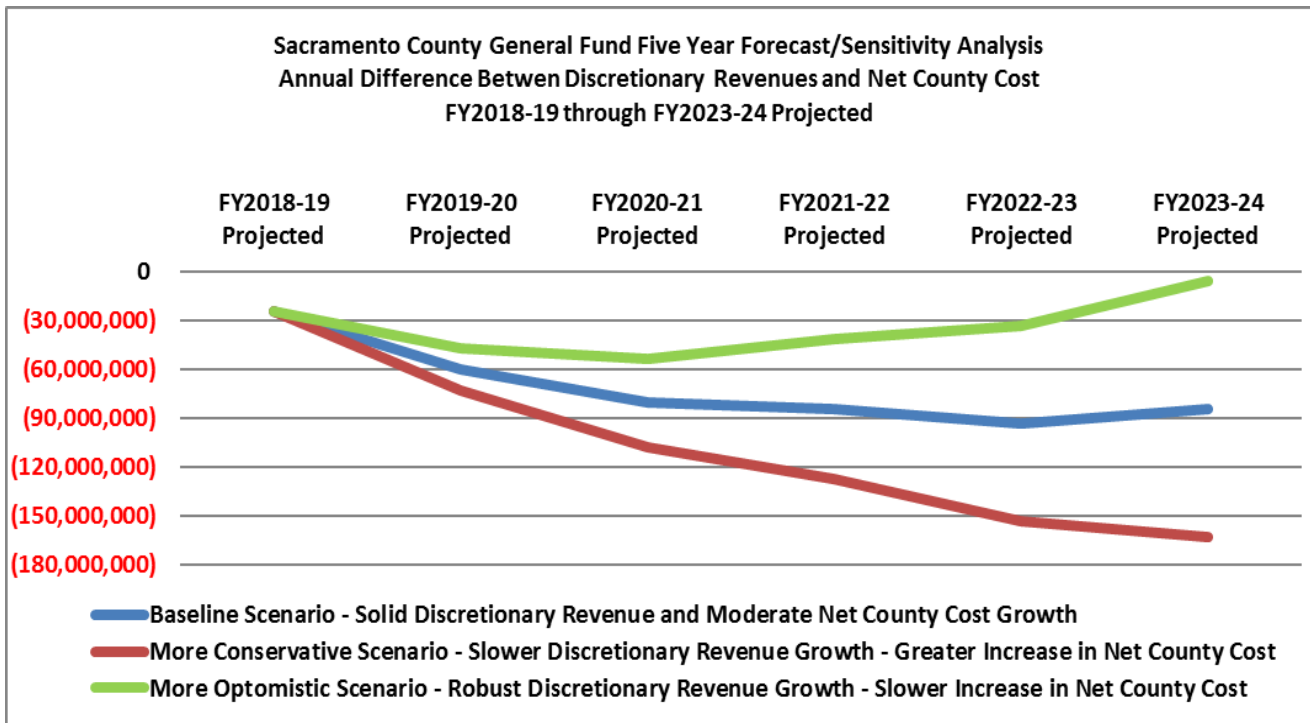
Recognizing that expenditure and revenue decisions made in one year can have a significant effect on the resources that will be available to General Fund programs in future years, but also recognizing the difficulties in predicting future year economic and fiscal conditions, we are providing the Board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

General Fund Five-Year Sensitivity Analysis (cont.)

- A “Baseline” Scenario that assumes discretionary revenue and reimbursements will grow at a solid annual average rate of five percent over the projection period and that Net County Cost will grow at a moderate average annual rate of three percent, after adjusting for known or likely changes in Net County Cost. Based on recent economic trends and fiscal conditions, we believe that this a reasonable scenario to use for fiscal planning purposes.
- A “More Conservative” Scenario that shows what the impact might be if discretionary revenue grew at a slower rate and/or Net County Cost increased at a higher rate than the assumptions used in the Baseline Scenario (the impact of slower discretionary revenue growth is essentially the same as the impact of a greater increase in Net County Cost). This Scenario assumes that both discretionary revenue and reimbursements and Net county Cost will grow at an average annual rate of four percent.
- A “More Optimistic” Scenario that shows what the impact might be if discretionary revenue grew at a faster rate and/or Net County Cost grew at a lower rate than the assumptions used in the Base line Scenario. This Scenario assumes that total discretionary revenue and reimbursements will grow at an average annual rate of six percent and that Net County Cost will grow at an average annual rate of two percent.

All projections us Fiscal Year 2018-19 Recommended Budget discretionary revenues and reimbursements and Net County Cost as a starting point, adjust the budgeted Net County Cost downward to reflect the historic difference between budgeted and actual Net County Cost, and make certain other adjustments based on known or likely changes. Known or likely changes include the full year implementation cost of partial year funding included in the Fiscal Year 2018-19 Recommended Budget, reductions or elimination of one-time costs or revenues and likely future cost increases, the future year impact of the phase-in of the decrease in the Sacramento County Retirement System’s (SCERS) discount rate, likely cost increases associated with the continued implementation of IHSS MOE increases and estimated costs to address conditions of confinement/Americans with Disabilities Act issues in the County jails.

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:

- The General Fund will likely not be in structural balance over the five-year projection period.
- It would be prudent over the next few years to focus on reducing costs and building reserves.

BUDGET PROCESS AND TIMELINE

BUDGET PROCESS:

The annual budget is prepared, reviewed and approved in accordance with the County Budget Act (California Government Code Sections 29000 through 30200). The Budget and the Comprehensive Annual Financial Report (CAFR) are prepared using generally accepted accounting principles. Governmental fund types like the General Fund, Special Revenue Funds, and Debt Service use the modified accrual basis, Proprietary Funds use the full accrual basis.

The annual operating budget includes all operating, capital, and debt service requirements of Sacramento County for the following fiscal year. The fiscal year is from July 1 to June 30. In addition, the budget includes: the revenue and expense assumptions upon which the budget is based; the number of budgeted positions by department and cost center; the mission, strategic priorities, impact and performance measures of each operating department; prior-year actual and current year budgeted and estimated actual expenditures and revenue by department and cost center; and a description of significant expenditure changes by department and division, along with significant revenue changes at the department level.

The capital budget reflects the annual amount appropriated for each capital project included in the long-range capital improvement plan. When the Board of Supervisors (Board) authorizes a new capital project, the Board approves the total project cost and schedule. The approval of the project budget authorizes total expenditures over the duration of the construction project, which oftentimes spans multi-fiscal years. The annual capital budget authorizes the anticipated expenditures for the scope of work anticipated to be completed in the upcoming fiscal year.

The annual budget process includes seven phases:

Phase I – (July-November) – Establish Budget Priorities and Principles

The Board, working with the County Executive, establishes the operating and capital budget priorities and the budget principles for the next fiscal year based upon relevant economic, social, and demographic trends, a budget update with a three-year forecast and an in depth discussion of proposed budget principles.

Phase II – (December – April) Develop Operating Budget

The County Executive's Office develops and distributes the annual operating budget instructions based upon: Board priorities and budget principles established in November and February; the impact of annual capital budget requests on the operating budget; revenue and expense projections for the following fiscal year; and state and county long-range economic indicators.

Department budgets are developed by the department heads and staff. They are subsequently reviewed and modified, as necessary, through a collaborative effort among the County Executive's Office and the departments.

In developing the annual capital budget, departments must determine the impact these capital projects will have on the following fiscal year's operating budget. Consequently, this phase must be submitted in advance of the departmental annual operating budget.

Phase III – (March-April)

The Board holds public workshop hearings, if appropriate.

Phase IV – (May-June)

After a series of public meetings, the Recommended Budget must be approved by a three-fifths majority of the Board.

Phase V – (July 1st)

The Approved Recommended Budget is implemented as the operating budget until Budget is adopted.

Phase VI – (August-September)

The County Executive’s Office prepares revised budget recommendations report and submits it to the Board for the Budget Hearings in early September. The Budget is adopted by a three-fifths majority of the Board.

The Director of Finance prepares Adopted Budget Resolutions and submits them to the Board for approval prior to the October deadline.

Phase VII – (September-October)

As directed by the Board, budget hearing adjustments are documented by County Executive’s Office Analysts. The various departmental budgets are submitted to the staff of the Office of Budget & Debt Management for compilation and production of the final budget book.

The legally mandated time requirements for budget approval per the County Budget Act are as follows:

Revenue and Expenditure Estimates	June 10th
Approve Recommended Budget	June 30th
Post Recommended Budget	September 8th
Announce Public Hearings	September 8th
Commence Public Hearing	September 18th
Conclude Budget Hearings	October 2nd
Adopted Budget Approval	October 2nd
Adopted Budget Filed with the State	December 1st

AMENDING THE ADOPTED BUDGET BY APPROPRIATION ADJUSTMENT REQUESTS:

Guidelines and Legal Authorities

All adjustments to budgeted appropriations must be documented on an Appropriation Adjustment Request (AAR) form. Each AAR is accompanied by a cover letter addressed to either the Board or County Executive (depending on approval authority required) explaining the reason for adjustment.

- County Executive approval – The County Executive has the authority to approve the following adjustments (per Government Code Section 29125, and County Resolution No. 85-1368):
 - Transfers between accounts in different objects within an appropriation.
 - Transfers within or between Internal Services Funds.
 - Increases in spending authority of Internal Services Funds when new or increased financing is identified.

- By four-fifths vote, the Board may (per Government Code Sections 29086, 29127, and 29130 and County Charter, Section 49):
 - Make available for appropriation balances in contingencies.
 - Make available for appropriation reserves no longer required for the purpose for which intended.
 - Make available for appropriation amounts from any actual or anticipated increases in available financing (new revenue or increases in revenue not set forth in the budget).
 - Make an emergency appropriation after adopting a resolution stating the facts constituting the emergency.

Note: General Reserves are established, canceled, increased or decreased at time of adopting the budget except in a legally declared emergency.

SPECIFIC AREAS OF CHANGE

TRANSFER OF APPROPRIATION ADJUSTMENT AUTHORITY

On October 27, 1992, the County implemented the departmental empowerment concept and altered the AAR process.

In Resolution No. 85-1368, the Board delegated authority to the County Executive to approve midyear transfers and revisions of appropriations between objects within a budget unit as well as adjustments to Internal Service Funds. For example, appropriations could be moved from Salaries to Services and Supplies. Existing law (Government Code 29125) allows the Board to designate a county official to authorize these appropriation adjustments as long as they do not alter the total budget unit spending authority.

Along with an emphasis on department empowerment (accountability for program results and financial responsibility), it is important that the departments be granted as much flexibility in their budgets as possible. With this proposed change, the departments' net county cost and underlying appropriation remains the same but the Department Head is able to adjust between expenditure objects as circumstances require during the year. With this emphasis on "bottom-line" control of net cost (appropriations less revenue), it is important that both expenditures and revenues be closely monitored by the departments. Timely midyear corrective actions are expected if actual results vary negatively from the budget. Departments report to the County Executive periodically on budget and program status.

Departments must ensure that provisions are maintained for salary, contractual and inter-department commitments, and other allocated costs. Appropriation adjustment documents impacting two departments must bear authorized signatures from both. All other controls and edits will remain unchanged.

The Board retained authorizations of any increase to total appropriations to be funded from new departmental revenues, contingencies, or reserves. These changes must be processed through the County Executive's Office. Uses of General Fund contingencies or reserves are very rare, usually when there is no legal alternative.

The Auditor-Controller reports quarterly to the Board the adjustments processed under this policy.

FISCAL YEAR 2018-19 BUDGET TIMELINE:

Under the leadership of the county’s Chief Financial Officer, staff of the Office of Budget & Debt Management, within the County Executive’s Office, work year-round on the budget. Staff begin work on the next annual budget cycle before the previous cycle is completed. The annual budget process timeline is as follows:

**FY2018-19 BUDGET
SUMMARY OF KEY ACTIONS**

Due Date	Action	Responsible Parties
January 17	Distribute Budget Instructions/ACP to Departments	OBDM
January 22	Budget Kick-off Meeting	All
February 2	Mid-year FSRs with Explanations due to BDM Analysts	All Departments
February 9	Provide Semi-discretionary Revenue Allocations to Departments	OBDM
February 21	Requested Budgets due to Deputy CEOs/BDM Analysts	All Departments
April 2	Provide Net County Cost Allocations to Departments , including Growth Funding	CFO/OBDM Analysts
April 9	Revised Departmental Budget Submittals (Reflecting Net County Cost Allocations/Growth Decisions) due to BDM Analysts	All County Departments
May 25	Post/Distribute Budget Document	OBDM Analysts; CEO Office Staff
June 5-7	Recommended Budget Hearings	All
June 14	Budget Adoption –If Adopt in June	OBDM/Finance
June 15	Issue September Budget Hearing Submittal Instructions to Departments	OBDM
July 16	Adopted/September Budget Hearing Submittal for Non-General Fund budgets Due from Departments to BDM Analysts	All General Fund Departments
July 20	FY 2017-18 Period 13 Closes – Actual Ending fund Balances Available	OBDM/Finance
July 24	Adopted/September Budget Hearing Submittal for Non-General Fund Budgets Due from Departments to BDM Analysts	All Non-General Fund Departments
August 6	Notify Departments of Non-General Fund Growth Request Decisions	OBDM
August 8	Approved Revisions to Non-General Fund Budgets Due from Departments to BDM Analysts	All Non-General Fund Departments
August 10	Notify General Fund Departments of Net County Cost Allocations (including growth Decisions)	OBDM
August 15	Approved Revisions to General Fund Budgets Due from Departments to BDM	All General Fund Departments

**FY2018-19 BUDGET
SUMMARY OF KEY ACTIONS**

Due Date	Action	Responsible Parties
August 24	Post/Distribute Budget Document	OBDM Analysts; CEO Office Staff
September 5-6	Budget Adoption Hearings	ALL
September 25	Budget Adoption	OBDM/Finance

EXAMPLE OF A BUDGET MESSAGE

State Controller Schedules		County of Sacramento			Schedule 9		
County Budget Act January 2010		Detail of Financing Sources and Financing Uses Governmental Funds Fiscal Year xxxx-xx					
1 Budget Unit 3610000 - Assessor Function GENERAL Activity Finance							
2	Detail by Revenue Category and Expenditure Object	3	xxxx-xx Actual Estimated	4	xxxx-xx Recommended	5	xxxx-xx Adopted by the Board of Supervisors
	1	2	3	4	5		
	Prior Year Carryover	\$ 1,867,208	\$ 1,200,646	\$ 140,008	\$ 140,008		
	Charges for Services	5,057,217	5,505,301	5,483,148	5,483,148		
	Miscellaneous Revenues	1,959,531	1,098,793	950,000	950,000		
	Residual Equity Transfer In	89,501	-	-	-		
	Total Revenue	\$ 8,973,457	\$ 7,804,740	\$ 6,573,156	\$ 6,573,156		
	Salaries & Benefits	\$ 15,044,025	\$ 14,191,027	\$ 15,817,328	\$ 15,817,328		
	Services & Supplies	2,220,887	1,945,896	2,394,385	2,394,385		
	Equipment	12,072	-	10,000	10,000		
	Expenditure Transfer & Reimbursement	(2,035,960)	(2,358,635)	(2,309,101)	(2,309,101)		
	Total Expenditures/Appropriations	\$ 15,241,024	\$ 13,778,288	\$ 15,912,612	\$ 15,912,612		
	Net Cost	\$ 6,267,567	\$ 5,973,548	\$ 9,339,456	\$ 9,339,456		
6	Positions	168.5	161.5	159.1	159.1		

AN EXPLANATION OF BUDGET MESSAGE ELEMENTS

The following explanations refer to the previous pages. Definitions of unfamiliar terms may be found in the Glossary.

BUDGET UNIT:

Budget unit number and name.

DETAIL BY REVENUE CATEGORY AND EXPENDITURE OBJECT:

Major categories of revenues and expenditure objects as classified by law. These categories are defined by the State Controller.

ACTUAL:

Amounts actually expended or received.

RECOMMENDED:

Amounts recommended by the County Executive.

ADOPTED BY THE BOARD OF SUPERVISORS:

Amounts adopted by the Board of Supervisors.

POSITIONS:

Total number of permanent positions the department is authorized to fill and for which funding is available.

SACRAMENTO COUNTY ECONOMIC AND DEMOGRAPHIC OVERVIEW

General

The County was incorporated in 1850 as one of the original 27 counties of the State. The County's largest city, the City of Sacramento, is the seat of government of the State and also serves as the County seat. The County is the major component of the Sacramento Metropolitan Statistical Area (SMSA) which includes Sacramento, El Dorado, Placer and Yolo Counties.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties to the south, Amador and El Dorado Counties to the east, Placer and Sutter Counties to the north, and Yolo and Solano Counties to the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to the San Francisco Bay.

The County is a long-established center of commerce for the surrounding area. Trade and services and federal, state and local governments are important economic sectors. Visitors are attracted to the County by the State Capitol and other historical attractions such as Sutter's Fort, as well as natural amenities. The County's location at the intersection of four major highways brings additional visitors destined for the San Francisco Bay Area, the Wine Country, the Gold Country, the Central Valley, the Sierra Nevada Mountains and Lake Tahoe.

Chief among the County's outdoor recreational opportunities is the 23-mile American River Parkway which welcomes more than 5 million visitors annually to this unique wildlife and recreation area, offering opportunities for fishing, boating and rafting, picnicking, golfing, and guided natural and historic tours. The Jedediah Smith Memorial Trail, a 32-mile long trail for bicyclists, hikers and equestrians, parallels the American River and winds southwest from the City of Folsom to Downtown Sacramento. This trail was recognized as a national trail in 1974, and named the nation's No. 1 bike path for 2006.

The Sacramento area is home to the National Basketball Association Sacramento Kings professional basketball team. The franchise plays their home games at Golden 1 Arena, a newly constructed facility opened in September of 2016 in Downtown Sacramento, a venue which also hosts numerous concerts and entertainment events throughout the year. The Sacramento RiverCats is the San Francisco Giants' triple-A affiliate, and they play their home games at Raley Field in West Sacramento, located across the river from downtown Sacramento. The Sacramento Republic FC, an American professional soccer team based in Sacramento, plays their home games on the grounds of Cal Expo located in Sacramento. In addition to Sacramento's professional sports franchises, the region has been successful in bringing a number of high profile sporting events to Sacramento, including the Amgen Bicycle Tour of California.

Cultural attractions in the City of Sacramento include the Crocker Art Museum, the longest continuously operating art museum in the West. Founded in 1855, it remains the leading art institution for the California Capital Region and Central Valley. The California State Railroad Museum located in Old Sacramento features restored locomotives and rail cars, some dating back to 1862, illustrating railway's historic significance to the region in connecting California to the rest of the nation. Sacramento Community Center Theatre, the Music Circus at Wells Fargo Pavilion, Sacramento Ballet, Sacramento Opera, Sacramento Philharmonic Orchestra and numerous other performing arts venues and local art galleries add to the cultural community of Sacramento.

Economic Development Incentive Program

The attraction of employers, capital investment and high value jobs, as well as the expansion and retention of existing businesses, are important to the prosperity and quality of life within the County. The County’s economic development incentive program, which focuses on the unincorporated area of the County, offers a mix of the following, applied on a case-by-case basis: 1) rebate of unsecured property taxes for a fixed number of years; 2) rebate of utility user taxes in excess of a set base amount; 3) rebate of sales tax in excess of a set base amount; 4) fee deferrals; 5) sewer credits; 6) tax exempt financing through industrial development bonds and other programs; 7) facilitated permit processing; and 8) other applicable incentives as appropriate.

Incentives are designed to avoid negative impact on existing revenue, in that the criteria apply to new or expanding operations and are available to offset significant private investment directly related to a long-term commitment to the area. The success of the overall incentive program is measured by the private capital investment for qualified projects, the direct creation of jobs, the generation of utility, property and sales taxes, and the attraction of support businesses, as well as indirect benefits to the economy from increased employment and investment. The County Office of Economic Development is primarily responsible for developing and implementing this program.

Population

Sacramento County currently has seven incorporated cities: Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova and Sacramento, with 33 percent of the County’s population living in the City of Sacramento.

Sacramento County Breakdown of Population/Percent Increase

Area	1970	1980	1990	2000	2010	2017
Cities:						
Citrus Heights	---	---	---	85,071	83,267	87,931
Elk Grove	---	---	---	---	152,925	171,844
Folsom	5,810	11,003	29,802	51,884	72,201	73,038
Galt	3,200	5,514	8,889	19,472	23,641	26,172
Isleton	909	914	833	828	804	845
Rancho Cordova	---	---	---	---	64,413	73,563
Sacramento	257,105	275,741	369,365	407,018	466,279	501,901
Unincorporated Area:	367,349	409,209	632,330	659,226	553,529	590,321
Total:	634,373	783,381	1,041,219	1,223,499	1,417,059	1,530,615
% Increase over prior period:		23.49%	32.84%	17.50%	15.82%	8.01%
State Population:	19,935,134	23,782,000	29,828,496	34,095,209	37,223,900	39,536,653
% Increase over prior period:		19.30%	25.42%	14.30%	9.17%	6.21%

Sources: U.S. Census Bureau; 2017 from California Department of Finance estimates.

Industry and Employment

Three major job categories comprised 75.8 percent of the Sacramento Metropolitan Statistical Area work force as of July 2018: services (40.7 percent), government (22.6 percent), and wholesale/retail trade (12.4 percent), based on seasonally unadjusted July 2018 statistics, as summarized in the following table.

**Sacramento Metropolitan Statistical Area Labor Market Survey
Calendar Years 2013 to July 2018**
(Amounts Expressed in Thousands)

Industry	2013	2014	2015	2016	2017	July 2018
Mining & Logging	0.4	0.4	0.4	0.5	0.5	0.5
Construction	43.3	45.5	50.2	54.9	58.6	61.3
Manufacturing Nondurable goods	10.5	10.9	11.6	12.0	12.3	12.8
Manufacturing Durable goods	23.6	24.5	24.7	24.2	23.2	23.8
Transportation, Warehousing & Public Utilities	22.9	23.6	24.6	26.0	26.0	26.8
Information	14.8	13.9	14.1	13.8	12.5	12.1
Wholesale Trade	25.0	24.5	24.7	25.7	26.6	27.8
Retail Trade	93.8	95.3	98.0	100.4	101.8	102.5
Finance, Insurance, Real Estate	62.5	62.3	64.6	66.2	67.2	69.2
Services	363.0	374.5	386.6	405.1	418.4	426.4
Government	222.5	227.8	232.0	234.7	236.6	236.5
Agriculture	8.9	9.2	9.4	9.2	9.2	10.9
Other	64.6	60.2	53.2	41.2	38.8	36.2
	955.8	972.6	994.1	1,014.3	1,031.7	1,046.8

Source: State of California Employment Development Department (March 2017 Benchmark) – Annual Average
State of California Employment Development Department (March 2017 Benchmark) – Monthly
Annual and Monthly not seasonally adjusted

Total SMSA employment averaged annual increases of 1.9 percent over the last five years. As of July 2018, SMSA unemployment continued to increase to 1,046,800 or 1.5 percent over 2017.

The SMSA preliminary unemployment rate (not seasonally adjusted) as of July 2018 was 3.9 percent, slightly lower than the statewide rate of 4.4 percent, and a continued improvement from the SMSA July 2017 rate of 4.8 percent.

Major Employers

Major Private Sector employers in the Sacramento Metropolitan Statistical Area, their type of business and their number of full-time equivalent (FTE) employees in 2017, and major private and public sector employers in the County of Sacramento only, are detailed in the following two tables.

Major Private Sector Employers - SMSA

2017

Company	Type of Business	No. of FTE Employees
Sutter Health	Health Care	16,275
Kaiser Permanente	Health Care	16,244
Dignity Health	Health Care	8,039
Intel Corporation	Semiconductor Manufacturer	6,000
Raley's Inc.	Retail Grocery	5,244
Apple Inc.	Research and Development	5,000 ⁽¹⁾
Safeway Inc.	Retail Grocery	3,573
Health Net of California Inc.	Health Plans	3,000
VSP Global	Vision Care	2,927
Pacific Gas & Electric	Utility Provider	2,747

(1) Includes contract employees

Source: Sacramento Business Journal Annual 2017 Book of Lists

**Major Private & Public Sector Employers-Sacramento County Only
2017**

Company	Number of FTE Positions
State of California	74,462 ⁽¹⁾
Sacramento County	12,514
Kaiser Permanente	10,517
UC Davis Health System	10,467
U.S. Government	10,322
Sutter Health	9,911
Dignity Health	8,039
Intel Corp.	6,000
Apple Inc.	5,000 ⁽²⁾
Elk Grove Unified School District	4,620

(1) Includes 981 part-time employees

(2) Includes contract employees

Source: Sacramento Business Journal Annual 2017 Book of Lists

Taxable Transactions Activity

Commercial activity contributes to the County's unincorporated area economy, and taxable sales come from a diverse variety of sources. From 2012 to 2017, total taxable sales increased by approximately 24 percent. The following table shows taxable sales in the unincorporated area of the County for Calendar Years (CY) 2012 through 2017.

**SACRAMENTO COUNTY UNINCORPORATED AREA
Total Taxable Transactions Calendar Year 2012 through 2017
(Amounts Expressed in Thousands)**

Category	2012	2013	2014	2015	2016	2017
Autos and Transportation	\$1,260,203	\$1,385,550	\$1,528,166	\$1,710,400	\$1,854,660	\$1,942,273
Building and Construction	749,134	852,051	869,175	968,103	1,040,793	1,143,181
Business and Industry	691,657	756,082	781,684	833,075	909,147	1,008,120
Food and Drugs	381,177	379,601	394,275	395,342	405,465	417,472
Fuel and Service Stations	1,069,199	1,032,067	1,053,208	783,007	694,580	797,472
General Consumer Goods	1,226,753	1,246,620	1,269,576	1,280,470	1,303,789	1,298,834
Restaurants and Hotels	565,433	609,679	643,932	695,858	730,343	778,053
Transfers/Adj/Other	(217)	539	2,701	(3,890)	0	0
Total:	\$5,943,339	\$6,262,189	\$6,542,716	\$6,662,365	\$6,938,777	\$7,385,405

Source: The HDL Companies.

The most recent data available for CY 2018 is for January through March with taxable transactions during this three-month period at \$1,731,361,400, a 4.6 percent increase over January through March of CY 2017.

Construction Activity

The value of total single and multi-family building permits issued in the County was \$1,111,342 in 2017, and increase of 37.9 percent from the previous year, and substantially less than the peak of \$2,236,930,916 in 2003. The total single and multi-family building permits issued in the County was 4,812 in 2017, an increase of 44.2 percent from the prior year, and substantially less than the peak of 13,960 in 2003. The cumulative number of reported units year to date through July 2018 was 2,878, an increase of 12.4 percent from the same period in the prior year.

**SACRAMENTO COUNTY
Building Permit Activity
Calendar Year 2011 through 2017**
(Valuation Amounts Expressed in Thousands)

Valuation:	2011	2012	2013	2014	2015	2016	2017
Single Family	\$189,842	\$287,007	\$487,780	\$426,398	\$606,201	\$714,065	\$513,208
Multiple Family	56,658	46,577	13,065	8,407	100,813	91,986	267,813
Total:	\$246,500	\$333,584	\$500,845	\$434,805	\$707,014	\$806,051	\$1,111,342
New Dwelling Units:							
Single Family	721	1,216	1,742	1,662	2,240	2,669	3,143
Multiple Family	547	315	139	81	749	669	1,669
Total:	1,268	1,531	1,881	1,743	2,989	3,338	4,812

Source: United States Census Bureau - <http://www.census.gov/construction/bps/>

Transportation

The County's location and transportation network have contributed to the County's economic growth. The County is traversed by the main east-west and north-south freeways serving northern and central California. Interstate 80 connects Sacramento with the San Francisco Bay Area, Reno, Nevada, and points east. U.S. Highway 50 carries traffic from Sacramento to the Lake Tahoe Area. Interstate 5 is the main north-south route through the interior of California; it runs from Mexico to Canada. California State Highway 99 parallels Interstate 5 through central California and passes through Sacramento.

Transcontinental and intrastate freight rail service is provided by the Union Pacific Railroad. Passenger rail service is provided by AMTRAK. The Capitol Corridor's 170-mile intercity passenger train system provides rail service to 18 stations in 8 Northern California counties. Bus lines offering intercity as well as local service include Greyhound and Sacramento Regional Transit. Regional Transit also operates an approximately 43-mile light rail system.

The Port of Sacramento provides direct ocean freight service to all major United States and world ports, shipping approximately 870,000 metric tons of cargo annually. It is a deep-water ship channel, located 79 nautical miles northeast of San Francisco. The three major rail links serving Sacramento connect with the Port, and Interstate 80 and Interstate 5 are immediately adjacent to the Port.

The County Airport System provides for the planning, development and operation of public air transportation facilities serving Sacramento County and adjoining areas. The Airport System consists of Sacramento International Airport, which, in Fiscal Year 2017-18 had ten passenger airlines serving approximately 11.5 million passengers annually, Executive Airport and Franklin Field for general aviation and Mather Airport for air cargo and general aviation. Sacramento International Airport launched its 11th passenger airline service with Frontier on August 1, 2018.

Sacramento County voters passed a ballot measure in November of 1988 providing for collection of an additional 1/2 cent sales tax to be used exclusively for transportation and air quality projects. Ballot language specified formula distribution: (1) for the cities and unincorporated area of the County; (2) for projects to reduce air pollution; and (3) for mass transit improvements. The original

expiration date for the additional 1/2 cent sales tax was 2009, but in 2004 the County voters approved, by 75.29 percent, extending this 1/2 cent sales tax for an additional 30 years to 2039.

Agriculture

According to the annual 2016 Sacramento County Crop and Livestock Report published by the County Agricultural Commissioner (the most recent complete report available), the total Sacramento County crop production for 2016 was \$507,064,000, representing a 7.9 percent increase from 2015 values, following an 6.4 percent decrease from 2014 to 2015. The top two crop production values in the County during 2016 were again wine grapes and milk production.

Education

The Sacramento region benefits from a network of over 721 public and private elementary to high schools educating approximately 400,000 students. Sacramento County alone has numerous public school districts serving an estimated 242,000 students within the K-12 level.

The Los Rios Community College District serves the majority of Sacramento County, as well as portions of El Dorado, Placer, Yolo and Solano Counties, with four main campuses enrolling approximately 75,000 students. The four campuses are: American River College, Sacramento City College, Cosumnes River College and Folsom Lake College. Sierra College also serves the area with an enrollment of approximately 18,512, as well as Yuba College with an enrollment of approximately 7,000. Schools offering vocational education include, Universal Technical Institute, Carrington College, and MTI College of Business and Technology.

In the Sacramento area roughly 28.8 percent of the adult population has a Bachelor's degree or higher, compared to 29.8 percent nationwide and 31.4 percent Statewide. Higher education is available from a variety of institutions throughout the area. Primary among these institutions are the University of California, Davis (UCD) and California State University, Sacramento (CSUS).

UCD offers more than 100 academic majors and over 90 graduate programs, serving 35,000 students. Founded in 1908 to serve the agricultural needs of the growing state, UCD has emerged as an acknowledged international leader in agricultural, biological, biotechnological, food and environmental sciences. It is also recognized for excellence in the arts, humanities, social sciences, engineering, health sciences, law and management. It is an international leader in sustainability-related research and application.

CSUS enrolls 30,531 undergraduate and graduate students, and graduates approximately 6,400 students each year. The university has an annual economic impact on the region of nearly \$816 million and generates more than 16,000 jobs.

The region also has a number of branches of private colleges headquartered outside the Sacramento region, including national University, Brandman University (part of the Chapman University system), University of Phoenix, University of San Francisco, and University of Southern California for Graduate Studies. Two major law schools are the University of the Pacific McGeorge School of Law, recognized as a leader in the field of law education, and the UC Davis School of Law.