

## FY2018-19 Recommended Budget THE ALL FUNDS BUDGET

The County's Recommended All Funds Budget for FY2018-19 totals \$4,290,349,483 in appropriations. This is a \$162,820,520 (3.9%) increase compared to the FY2017-18 Adopted Budget level. A detailed list of the FY2018-19 Recommended Budget appropriations and the FY2017-18 Adopted Budget appropriations is shown below.

<b>Fiscal Year 2017-18 Adopted Compared to Fiscal Year 2018-19 Recommended All County Funds</b>			
<b>Fund</b>	<b>FY 2017-18 Adopted Appropriations</b>	<b>FY 2018-19 Recommended Appropriations</b>	<b>Difference</b>
General Fund	\$2,465,335,403.00	\$1,718,830,174.00	(\$746,505,229.00)
Community Investment Program	\$1,028,943.00	\$596,626.00	(\$432,317.00)
Neighborhood Revitalization	\$1,965,667.00	\$935,162.00	(\$1,030,505.00)
Mental Health Services Act	\$0.00	\$90,977,015.00	\$90,977,015.00
Public Safety Sales Tax	\$0.00	\$123,583,038.00	\$123,583,038.00
1991 Realignment	\$0.00	\$337,788,199.00	\$337,788,199.00
2011 Realignment	\$0.00	\$308,617,745.00	\$308,617,745.00
Clerk/Recorder Fees	\$0.00	\$1,218,065.00	\$1,218,065.00
Economic Development	\$52,723,090.00	\$25,245,265.00	(\$27,477,825.00)
Environmental Management	\$21,676,131.00	\$22,157,155.00	\$481,024.00
Golf Fund	\$7,540,068.00	\$7,894,201.00	\$354,133.00
Transient Occupancy Tax	\$960,133.00	\$13,362.00	(\$946,771.00)
Transportation	\$182,895,982.00	\$180,019,495.00	(\$2,876,487.00)
Water Resources	\$176,038,772.00	\$163,865,703.00	(\$12,173,069.00)
Airport System	\$265,071,794.00	\$338,608,205.00	\$73,536,411.00
Waste Management & Recycling	\$86,917,917.00	\$101,134,885.00	\$14,216,968.00
Capital Projects Funds	\$72,533,883.00	\$81,712,494.00	\$9,178,611.00
Debt Service Funds	\$28,708,783.00	\$28,698,400.00	(\$10,383.00)
Other Special Revenue Funds	\$96,859,432.00	\$94,669,911.00	(\$2,189,521.00)
Other Enterprise Funds	\$4,347,241.00	\$2,890,100.00	(\$1,457,141.00)
Other Internal Service Funds	\$402,974,488.00	\$395,291,036.00	(\$7,683,452.00)
Other Special Districts & Agencies	\$259,951,236.00	\$265,603,247.00	\$5,652,011.00
<b>Total</b>	<b>\$4,127,528,963.00</b>	<b>\$4,290,349,483.00</b>	<b>\$162,820,520.00</b>

The primary reasons for the overall increase in the Recommended Budget compared to the FY2017-18 Adopted Budget include:

- A net \$115.7 million increase in the General Fund, Public Safety Sales Tax, 1991 Realignment, 2011 Realignment, Clerk Recorder Fees and Mental Health Services Act Funds (the relationship between these funds is discussed more fully below);
- A \$73.5 million increase in the Airport System Funds, due primarily to the inclusion of funding for certain capital projects, in particular a major runway project;
- A \$14.2 million increase in the Waste Management and Recycling Funds due to increased salary and benefits, single stream recycling and green waste contract costs as well as various capital project costs, most significantly a \$6.1 million increase related to the Kiefer Landfill liner project that is moving from the planning to the construction phase.
- A \$9.2 million increase in the Capital Construction Funds, due to the nature and timing of various capital projects, including funding for projects related to a 0.25% increase in the Facility Use Charge implemented to help cover the cost of Americans with Disabilities Act (ADA) compliance.

These and certain other increases are partially offset by decreases in a number of budgets, including a \$27.5 million decrease in the Economic Development Fund, due to the completion of certain remediation projects at the former Mather and McClellan Air Bases, and a \$12.2 million decrease in the Water Resources Funds, due to a number of factors, including the completion in FY2017-18 of certain capital projects.

#### Accounting/Budget Change for Certain Unbudgeted Funds

Historically, the County has received revenue from a number of sources that 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. Over the past year, staff from the Office of Budget and Debt Management and Department of Finance have been systematically reviewing all unbudgeted funds to determine the appropriate accounting and budgeting methodology, given changes in accounting standards. That review is not yet complete, but, at this point, it has been determined that a number of unbudgeted funds should appropriately be converted into budgeted restricted funds and the FY2018-19 Recommended Budget reflects this change. Revenue sources affected by this change include:

- Proposition 172 Revenue;
- 1991 Realignment Revenue;
- 2011 Realignment Revenue;

- Mental Health Services Act Revenue; and
- Micrographic and Certain other Clerk-Recorder Fee revenue.

As a result of this change, this revenue will now be recognized as revenue when it is received in the new restricted funds and the transfer to the appropriate department will be budgeted/recorded as a reimbursement, which is budgeted and accounted for as a negative appropriation/expenditure in those departments receiving the money. The following tables summarize the impact of these changes on the various funds:

**General Fund and New Restricted Funds  
FY2017-18 Adopted and FY2018-19 Recommended**

<b>Fund</b>	<b>FY2017-18 Adopted Appropriation</b>	<b>FY2018-19 Recommended Appropriation</b>	<b>Difference</b>
<b>General Fund</b>	<b>\$2,465,335,403.00</b>	<b>\$1,718,830,174.00</b>	<b>(\$746,505,229.00)</b>
Public Safety Sales		\$123,583,038.00	\$123,583,038.00
1991 Realignment		\$337,788,199.00	\$337,788,199.00
2011 Realignment		\$308,617,745.00	\$308,617,745.00
Clerk Recorder Fees		\$1,218,065.00	\$1,218,065.00
Mental Health Services Act		\$90,977,015.00	\$90,977,015.00
<b>Total New Funds</b>	<b>\$0.00</b>	<b>\$862,184,062.00</b>	<b>\$862,184,062.00</b>
<b>Total</b>	<b>\$2,465,335,403.00</b>	<b>\$2,581,014,236.00</b>	<b>\$115,678,833.00</b>

**New Restricted Funds  
FY2018-19 Recommended Budget**

<b>Fund</b>	<b>Beginning Available Balance</b>	<b>Estimated Revenue</b>	<b>Appropriations</b>
Public Safety Sales		\$123,583,038.00	\$123,583,038.00
1991 Realignment	\$12,805,180.00	\$329,943,806.00	\$337,788,199.00
2011 Realignment	\$5,389,172.00	\$304,340,863.00	\$308,617,745.00
Clerk Recorder Fees	\$12,661,461.00	\$1,874,593.00	\$1,218,065.00
Mental Health Services Act	\$133,547,191.00	\$88,850,852.00	\$90,977,015.00
<b>Total</b>	<b>\$164,403,004.00</b>	<b>\$848,593,152.00</b>	<b>\$862,184,062.00</b>

**New Restricted Funds Reserve Status  
FY2018-19 Recommended Budget**

<b>Reserve For:</b>	<b>Public Safety Sales Tax</b>	<b>1991 Realignment</b>	<b>2011 Realignment</b>	<b>Clerk Recorder Fees</b>	<b>Mental Health Svcs. Act</b>
Youth Offender Block Grant - Future Costs			\$167,184.00		
Local Innovation - Future Costs			\$945,106.00		
Social Services - Future Costs		\$4,960,787.00			
Clerk-Recorder: Modernization of Documents				\$12,124,497.00	
Clerk-Recorder: Conversion of Document Storage to Micrographics				\$1,193,492.00	
Prudent Reserve (MHSA)					\$19,391,847.00
For Future Services - Community Services & Support (MHSA)					\$78,705,457.00
Future Services - Prevention & Early Intervention (MHSA)					\$19,613,466.00
Projects - Innovation (MHSA)					\$13,129,729.00
Activities - Workforce & Training (MHSA)					\$393,154.00
Projects - Technological Needs (MHSA)					\$187,375.00
<b>Total</b>	<b>\$0.00</b>	<b>\$4,960,787.00</b>	<b>\$1,112,290.00</b>	<b>\$13,317,989.00</b>	<b>\$131,421,028.00</b>