



Fiscal Year 2023-24 Revised Recommended Budget

Office of the County Executive
September 6, 2023

Ann Edwards, County Executive
Amanda Thomas, Chief Fiscal Officer

Addressing Current and Future Needs

- Recommended Budget approved in June, including growth to be funded in the Revised Recommended Budget, resources permitting
- With this holistic approach, Revised Recommended Budget:
 - Continues alignment with Board’s budget priorities identified through community engagement plan
 - Recommends funding all growth identified in June and additional growth resulting from new dedicated revenue and priority needs
 - Includes reserve contributions required under current policy
- Looking to future years, new reserve policy recommended to support longer term service stability

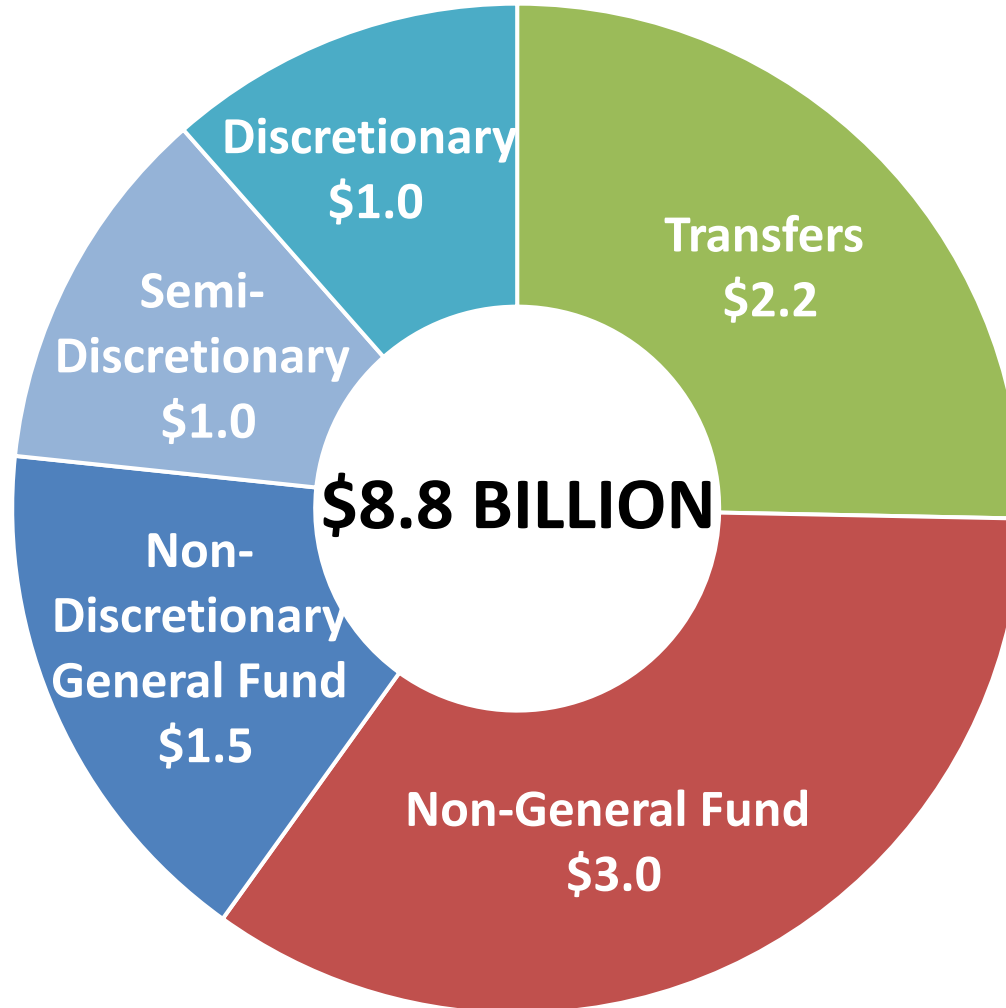
Overview of Budget Changes

- FY 2023-24 Recommended Budget approved on June 7, 2023
- Revised Recommended Budget reflects changes to Approved Budget based on new information available:
 - Re-budgeting of grants, capital projects, and other contractual obligations from FY 2022-23
 - Additional State, federal, and other dedicated funding and associated expenditures
 - Revised estimates of discretionary revenues
 - Actual unaudited ending fund balance
 - Growth and reserve changes funded with change in resources

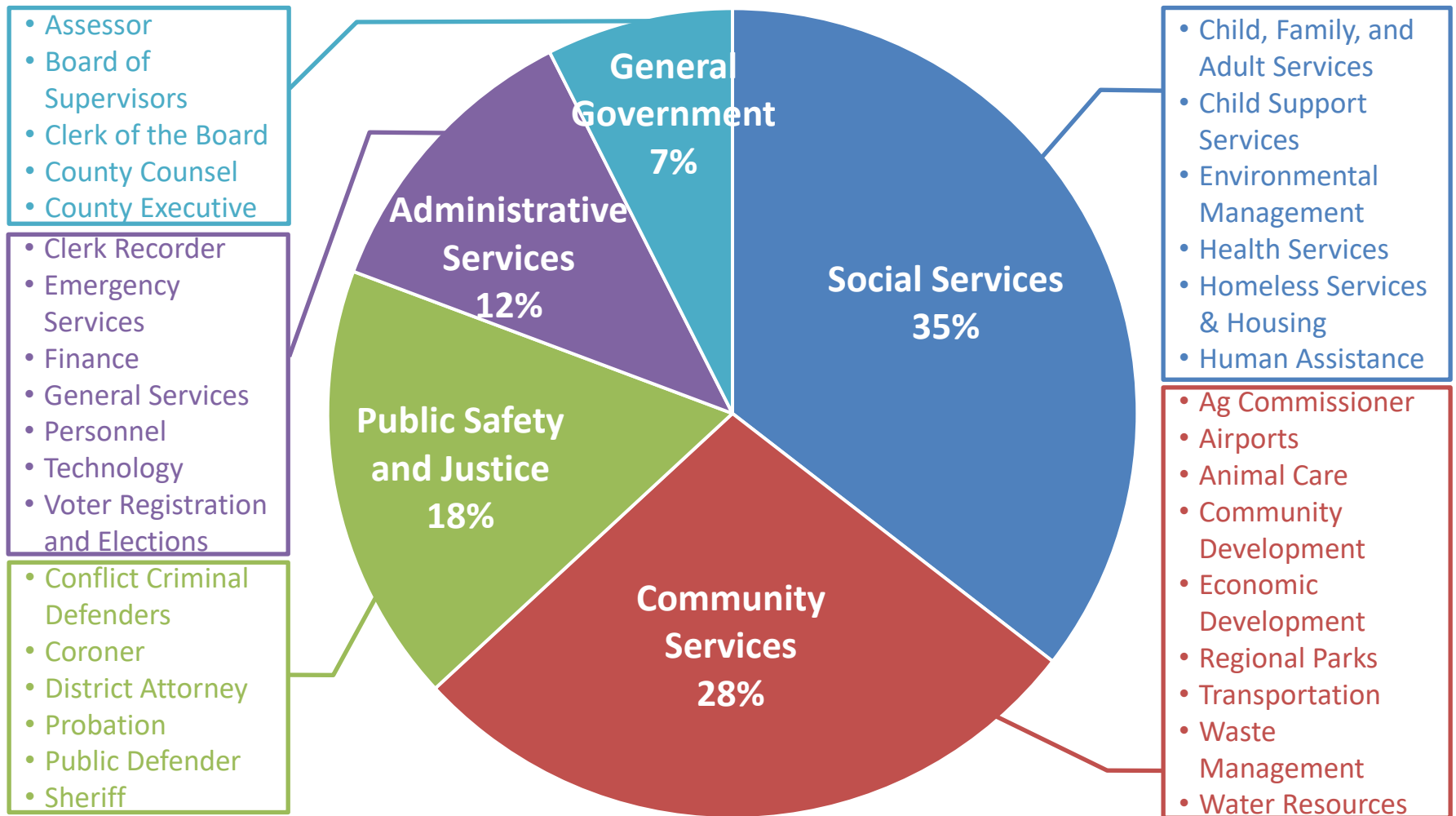
All Funds Budget

- \$8.8 billion in total appropriations, \$355 million increase compared to Approved Budget
- General Fund: \$65 million appropriation increase
- Other funds: \$291 million appropriation increase
 - Other fund base budget changes: \$259 million
 - Other fund Growth: \$32 million
- \$8.8 billion total appropriations include \$2.2 billion of reimbursements between and within County funds

All Funds Appropriations



All Funds Net Financing Uses: \$6.6B



Note: Semi-discretionary resources reflected in functional area receiving reimbursements.

General Fund Overview

- Consistent with June budget approval, General Fund budget prioritizes identified Growth and increasing reserves
 - All prioritized Growth recommended for funding
 - Additional priority needs also recommended for funding
- Increase in discretionary resources available primarily results from one-time fund balance carryforward
 - General Fund budget balanced with one-time resources to a greater extent than in Approved Budget
- Reserve increases recommended as required under current policy

General Fund Discretionary Resources

Discretionary Resources Available

↑ **\$49M** | ***\$159M total***
Fund balance

+

↓ **\$12M** | ***\$4M total***
Reserve releases

+

↑ **\$6M** | ***\$876M total***
Discretionary revenue

=

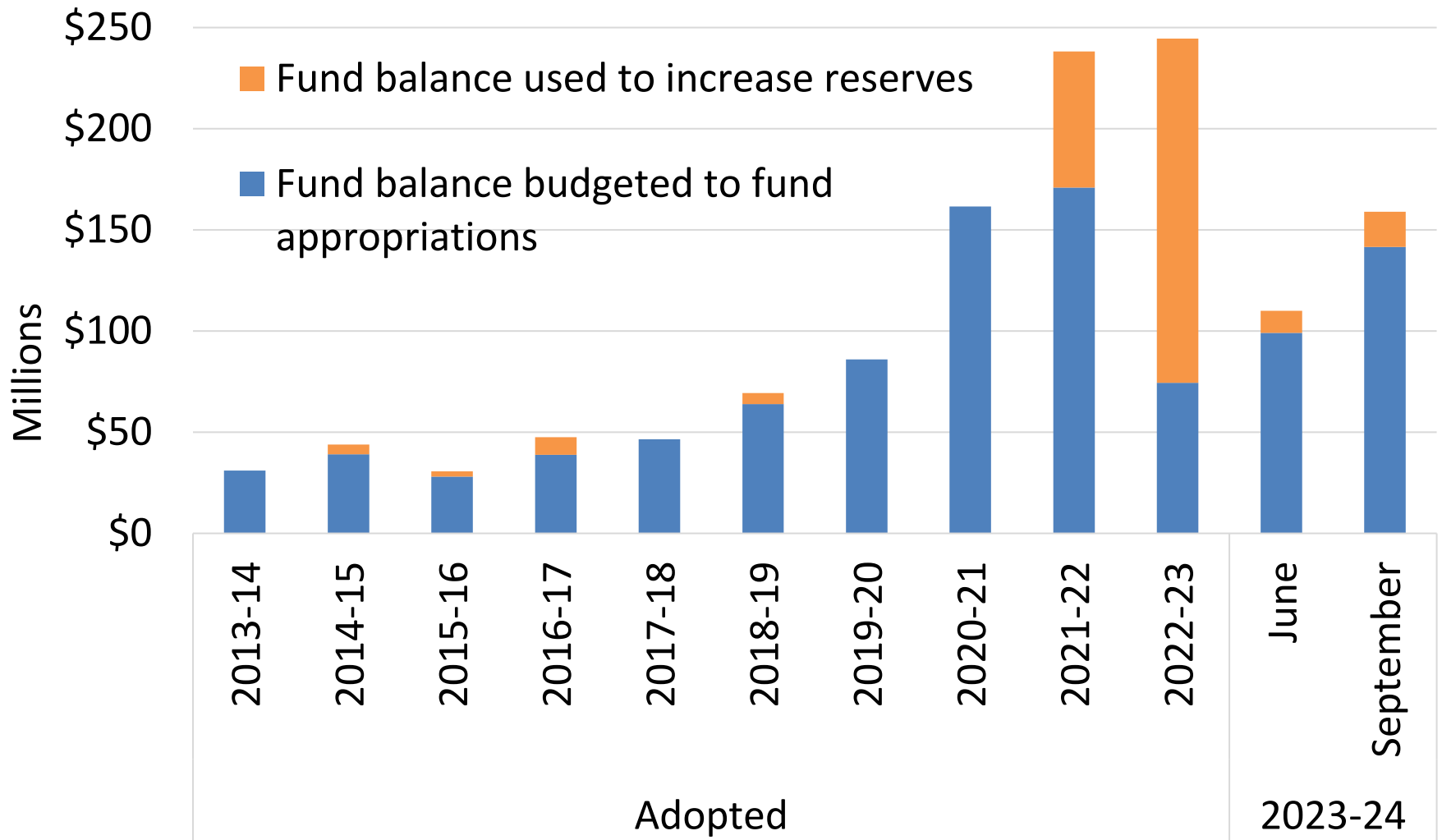
Use of Discretionary Resources

↑ **\$36M** | ***\$1.02B total***
Net County Cost

+

↑ **\$7M** | ***\$18M total***
Reserve increases

Available Fund Balance Carry-Forward



Semi-Discretionary Resources

- Semi-discretionary revenue/reimbursements = 1991 and 2011 Realignment and Proposition 172 Public Safety Sales Tax
- Fund Balance Available: \$50 million total increase
 - Majority is CalWORKs-related and will result in adjusted revenue
 - Non-CalWORKs amounts of approximately \$13 million added to semi-discretionary reserves
- Reimbursements to the General Fund: \$2 million increase
 - \$1 million funding recommended Growth

General Fund Appropriations

- Base appropriation increase of \$23 million:
 - Re-budgeting of projects, grants, and other obligations from prior fiscal year
 - Additional State and federally funded programs and other costs already approved by the Board but not yet reflected in the budget
 - Increase in contingency
- \$41 million additional recommended Growth compared to Approved Budget
 - \$31 million funded with discretionary resources (Net County Cost)

New or Enhanced Programs (Growth)

- Approved Budget included over \$200 million in All Funds Growth, including \$146 million in the General Fund
- Approved Budget also prioritized additional \$34 million of General Fund Growth
- Revised Recommended Budget includes all prioritized Growth plus additional General Fund Growth of \$7 million
- Non-General Fund Growth of \$32 million all linked to General Fund Growth

Approved Budget General Fund Growth

- **Mays Consent Decree Jail Population Reduction** - \$35 million (\$7 million Net County Cost)
- **Mays Consent Decree Remedial Plan** - \$10 million Net County Cost
- **New/Enhanced Programs Addressing Homelessness** - \$12 million (\$4 million Net County Cost)
- **Health Services** - \$84 million total (with some included above)
- **Child, Family and Adult Services** - \$17 million (\$3 million Net County Cost)

Prioritized Growth

Department/Budget Unit	Description	Cost	NCC	FTE
Community Development	Professional services for General Plan Update scoping	\$ 250,000	\$ 250,000	0.0
Emergency Services	Add 1.0 FTE Emergency Operations Coordinator	205,820	205,820	1.0
Emergency Services	Add 1.0 FTE Asst. Emergency Operations Coordinator	183,430	183,430	1.0
Emergency Services	Technology upgrades in Emergency Operations Center	284,000	284,000	0.0
Financing-Transfers/Reimb	Transfers to Roads and Parks Construction for Non-General Fund Growth	28,253,375	28,253,375	0.0
Health Services	Add 2.0 FTE Sr. Mental Health Counselors for Valley Oak Youth Academy	431,846	-	2.0
Health Services	Add 1.0 FTE EMS Coordinator	160,633	160,633	1.0
Probation	Expand Valley Oak Youth Academy Program	2,750,453	-	12.0
Public Defender	Add 3 Class 110 vehicles for investigators	93,225	93,225	0.0
Sheriff	Octasic Nyxcell System and One Class 140 Vehicle	1,275,722	1,275,722	0.0
Total General Fund		\$ 33,888,504	\$ 30,706,205	17.0
Park Construction	Match funding to complete Phase 2 of Dry Creek Parkway Trail	992,000	-	0.0
Park Construction	Repave roads at Ancil Hoffman Park	2,862,500	-	0.0
Golf	Repave Ancil Hoffman Golf Course parking lot	601,125	-	0.0
Roads	Pavement maintenance and rehabilitation for County roads	20,000,000	-	0.0
Roads	Road pavement associated with utility projects	5,000,000	-	0.0
Probation – Restricted	Partial funding for Probation Valley Oak Youth Academy Expansion	1,660,649	-	0.0
Public Safety Sales Tax	Remaining funding for Probation Valley Oak Youth Academy Expansion	1,089,804	-	0.0
Total Non-General Fund		\$ 32,206,078	\$ -	0.0

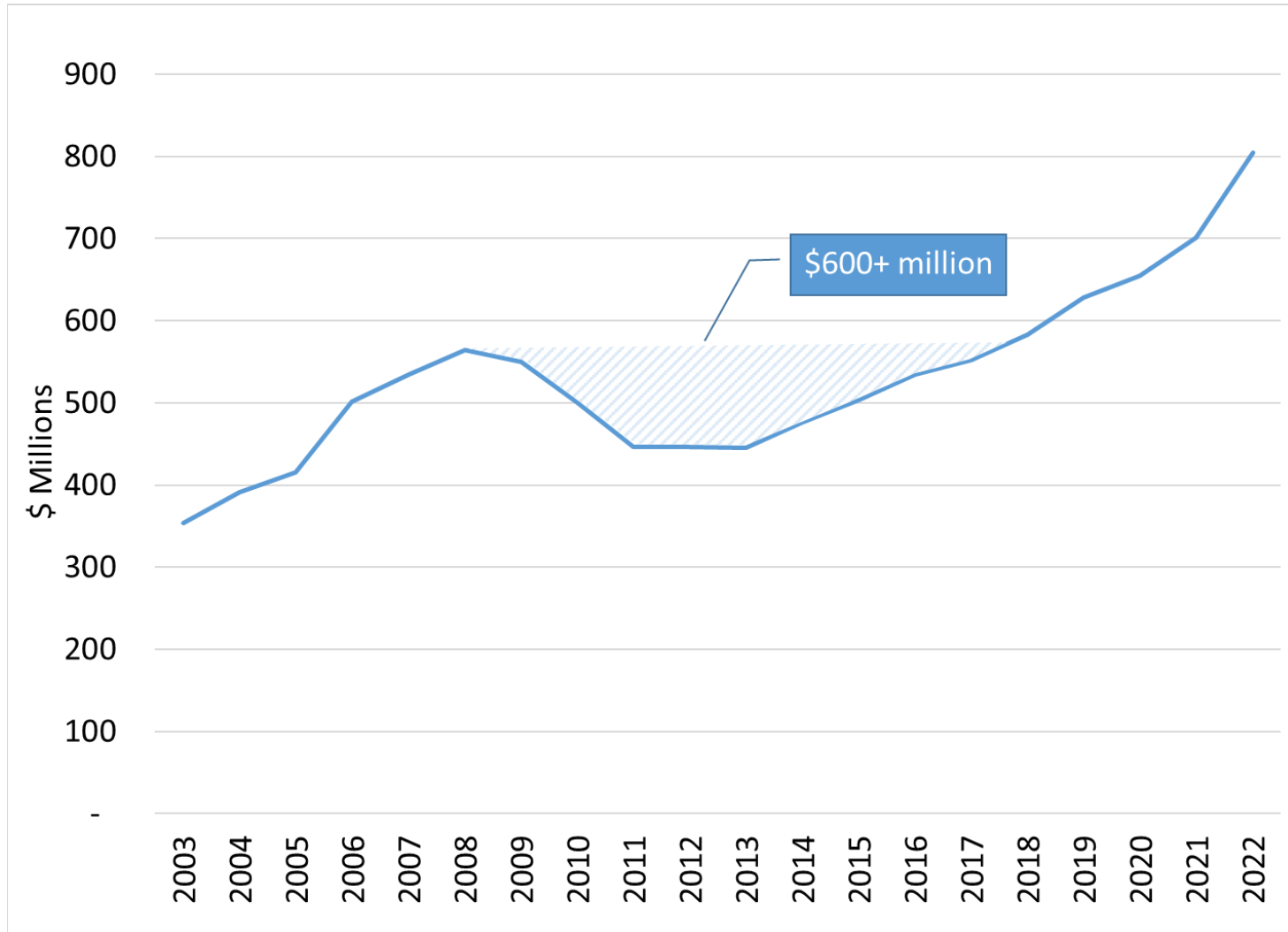
Additional Recommended Growth

- **Landlord Engagement and Assistance Program (LEAP) Expansion** - \$5.5 million funded with Managed Care Plan revenue
- **Toxicology Crime Laboratories Grant** - \$1.4 million for supplies, equipment, and existing personnel funded by CHP grant
- **Climate Action Plan Environmental Impact Report (EIR)** - \$500,000 Net County Cost
- **Additional Moving Costs** - \$200,000 Net County Costs for Clerk of the Board and Department of Finance office moves

General Fund Reserves

- \$19 million net reserve increase from Approved Budget
 - \$5 million additional contribution to General Reserves, bringing balance to \$85 million (9.7% of discretionary revenue)
 - \$2 million other required contributions
 - \$12 million reduction in release from Property Tax System Reserve
- Overall, \$18 million of \$159 million fund balance is set aside for future year expenditures
- Discretionary reserves would total \$298 million
- Excluding dedicated reserves, total is \$206 million
 - 5.4% of total General Fund revenues and reimbursements

Historical Tax Revenues



General Fund Reserve Policy

- Current General Reserves Policy adopted in 2016
 - Target General Reserves balance of 10% of ***discretionary*** revenue and reimbursements = \$88 million for FY 2023-24
 - Annual contribution = 10% of fund balance carry-forward
- Government Finance Officers Association recommends minimum of 2 months (17%) total operating revenue
- Recommend Board adopt new policy effective for the FY 2024-25 budget that:
 - Sets target for non-dedicated reserves at 17% of ***total*** General Fund revenues and reimbursements = \$650 million for FY 2023-24
 - Establishes process for achieving goal over time through annual budget process and recognizing other funding needs

Community Engagement and Priorities

- Community Engagement Plans approved for FY 2022-23 and FY 2023-24 budgets included:
 - Budget summary and online budget tool
 - Advisory board and commission outreach
 - Public budget workshops in October 2021 and December 2022
 - Budget priority survey of County residents conducted Oct/Nov 2021
 - Budget priority focus groups conducted November 2022
- Board budget priorities adopted in December 2021 and January 2023

Community Engagement – FY 2024-25

- Recommended plan for FY 2024-25 budget process continues to build on elements implemented in prior years
- Easy-to-understand budget information on County’s website
- Building on 2021 survey and 2022 focus groups, conduct second budget priorities survey of County residents this fall
- Departments will continue to engage with advisory boards and commissions
- Budget workshops for public to ask questions and provide input

Recommended Actions

1. Approve the FY 2023-24 Revised Recommended Budget
2. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA)
3. Direct the Department of Finance to prepare the FY 2023-24 Budget Resolutions
4. Approve project changes and new projects for inclusion in the County's Capital Improvement Plan (CIP)
5. Approve resolution adopting General Fund Reserve Policy
6. Approve the Community Engagement Plan for the FY 2024-25 budget process