

FY 2009-10 Proposed Budget Workshop

Presented to the EDC Board of
Supervisors

June 8, 2009



A moment in time

- Governor releases May Revise on May 14th
- May 19th Special Election Fails
- Deep cuts proposed to deal with \$24 Billion deficit
- County Proposed Budget completed on May 28th



A moment in time

- The Proposed Budget represents a financial plan based on a set of assumptions
- Many of the assumptions have already changed or will change shortly
- Nevertheless, the Board needs to adopt a Proposed Budget by June 30th
- Budget Process will continue through summer



The County's Record of Fiscal Decisions since adoption of Final FY 08-09 Budget in September 2008

- Reduced the overall budget by \$62 million and the general fund by \$20 million
- Eliminated 160 positions and implemented a hiring freeze
- Incorporated FY 2008-09 mid year adjustments into FY 2009-10
- Instituted a voluntary furlough program
- Mandatory time off during FY 2008-09 of 3-10 days for a number of departments
- Eliminated 7% Sheriff stipend
- Closed satellite offices and consolidated current county facilities
- Transferred General Services Department functions to DOT and EMD for an annual savings of \$600K
- Merged Public Health and Mental Health/new leadership addressing past practices, current and future challenges
- Rate holiday for prefunding retiree health benefits
- Tobacco settlement funds committed for on going operations
- Terminated Aid to Fire contract



Next Step – Hold Proposed Budget Workshop

Goals:

- Meet obligation to adopt Proposed Budget
- Reflect on all the changes implemented last year and note their full year sustainable impact
- Gain solid understanding of the current programs and what funding sources are vulnerable
- Review key support needs of County – IT and Facilities
- Establish foundation for next series of ***budget challenges***



Identified Challenges & Options

- Proposition 1A suspension/borrow property tax – potentially \$6.3 M for three years
 - Take from Reserves (lower to \$2.5 M with \$7 M in contingency)
 - Take \$3.4 M from Designated Capital Fund and \$2.9 M from Reserves
 - Take from \$6.2M Animal Shelter funds (\$4.5M in Tobacco Settlement and \$1.7K in General Fund)
- Mental Health cash needs of \$3 M for indeterminate time
 - Take from Contingency after close of FY 08/09



Identified Challenges & Options

- State cuts of major health and human services programs
 - Cal Works - 45 FTE, major program impacts to population and non profits
 - ADP/Prop 36 – 5.5 FTE, major impacts on courts and non profits, plus still a mandate
 - Mental Health Managed Care/EPSTD (>\$1.4 M reduction, unknown FTE)
 - Healthy Families (3300 EDC children)
- Cut services/programs, identify match opportunities, eliminate non mandated programs



Additional Challenges

- Additional reductions in Property Tax – currently at 0% growth, each 1% equates to \$500K
- “Defer” HUTA Gas Tax of \$5.5M for DOT road maintenance
- On going reductions in realignment and needed shifts to Mental Health
- Elimination of Williamson Act
- Impacts on county jail population
- State reductions not yet defined
- Continued erosion of local & state revenues
- Cash deficits and deferrals



Proposed Budget Book and Workshop Process



Recommendations on Budget Process from April Study Session

- Identify standard items to report on every year in the proposed budget, chart them, and keep track of the changes as we move from proposed, to approved proposed, to final budget, possibly updating at mid-year.
- Build a “timeline” charts that we update each year as a way of recording our history (budgetary and other milestones/highlights).
- Track county property tax and other standard revenues historically and into the future.



Proposed Budget Book

- Published May 29th
- Detailed budget information for each department including: 10 years trends, program summaries, detailed organization charts, line item budgets by fund
- Held functional group meetings last week with Board liaisons
- Budget Book includes:
 - CAO Overview
 - Budget Basics
 - Budget Schedules
 - Functional Groups/Departments
 - Glossary/Index



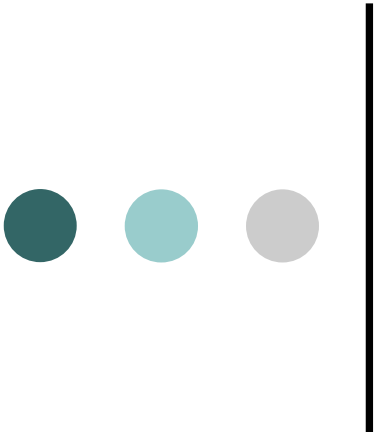
Recommended Workshop Process

- CAO Analyst will provide Functional Group Overview
- Departments will provide overview of their department's budget and organization with a focus on their fiscal condition and service/program challenges
- Discussion to occur after each Department's presentation and at end of Functional Group section
- Some Department presentations may be held over until June 17th if Board directs
- Special Topics will be addressed either within a department's presentation or separately on June 17th
- Close Budget Workshop by June 18th
- Adopt FY 2009-10 Proposed Budget by June 23rd



Special Topics to be addressed during Budget workshop

- Community Enhancement
- Countywide Special Revenue Funds
- Risk Funds
- Information Technology
- Facilities
- Take Home Vehicles (6/16/09)
- Indigent Defense
- Federal Stimulus Funding
- Cash Flow Plan



FY 09/10 Proposed Budget Workshop Proposed Schedule and Agenda

June 8 through June 23,
2009



June 8 - Overview & General Gov't

- County Wide Overview
- General Government Functional Group Overview
 - (External)
 - Assessor
 - Treasurer-Tax Collector
 - Recorder Clerk/Elections
 - Board/Clerk of the Board
 - Discussion
 - (Internal)
 - Information Technologies
 - County Counsel
 - Human Resources/Risk Management
 - Auditor-Controller CAO/Procurements & Contracts/Stores
 - County Promotions
 - Discussion



June 10 - Health and Human Services

- Functional Group Overview
 - Library
 - Veterans Services
 - Child Support/Revenue Recovery
 - Human Services
 - Health Services
 - Discussion



June 11- Law and Justice

- Functional Group Overview
 - Probation
 - Public Defender
 - Sheriff
 - District Attorney
 - Discussion



June 15 - Land Use and Development

- Functional Group Overview
 - UCCE
 - Agriculture Commissioner
 - Development Services
 - Department of Transportation/General Services
 - Surveyor
 - Environmental Management
 - Air Quality Management District
 - Discussion



Workshop Schedule, Continued

- June 17
 - Continued Presentations, if needed
 - IT and Facilities
 - Cash Flow Plan
 - Trust Fund Overview
 - Mandatory Time Off/Furlough Implementation
 - Federal Stimulus Funds
 - Red Flagged Issues
 - Board Discussion
- June 18 (if needed)
 - Board Discussion
 - Close Budget Workshop
- June 23
 - Adopt FY 09/10 Proposed Budget & Workplan



Questions/Comments

- Next Up - Let's Do The Numbers