



FISCAL YEAR 2023-24 RECOMMENDED BUDGET

Presented to the Board of Supervisors at the Budget Hearing
on June 13, 2023, at 1 p.m.



AGENDA

BUDGET REQUIREMENTS

SUMMARY OF THE BUDGET

WHAT IS AND IS NOT INCLUDED
IN THE BUDGET

BUDGET CHALLENGES

NEXT STEPS IN BUDGET PROCESS

BOARD ACTION ON
RECOMMENDED BUDGET



BUDGET REQUIREMENTS



BUDGET REQUIREMENTS

- County Budget Act - Gov't Code §29000 - 29144, §30200
- Applies to County, dependent special districts, other agencies "whose affairs and finances are under the supervision and control of the board"

BUDGET REQUIREMENTS

- Requires Single Year Balanced Budget
- §29009: In the recommended, adopted, and final budgets the funding sources (revenues) shall equal the financing uses (expenditures).



BUDGET REQUIREMENTS

- Public hearing required
- 3/5 vote to approve prior to close of hearing, unless changes are filed with Clerk in writing before the close of the hearing.
- Following close of hearing, increases or additions require 4/5 vote





SUMMARY OF THE BUDGET

SUMMARY OF THE RECOMMENDED BUDGET

	FY 2022-23 Adopted Budget	FY 2023-24 Recm'd Budget	\$ Increase / (Decrease)	Percent Change
Total Appropriations	\$1.1 B	\$1.2 B	\$25.4 M	2%
Governmental Funds*	\$986.8 M	\$1.0 B	\$25.7 M	3%
General Fund	\$435.2 M	\$420.2 M	(\$14.9 M)	-3%
Net County Cost**	\$183.6 M	\$193.4 M	\$9.76 M	5%



* All Governmental Funds including Special Revenue Funds; excluding Special Districts & Proprietary Funds

** Departmental operating net cost, not adjusting for Transient Occupancy Tax Contributions, excluding Non-Departmental/ACO Fund/CW Special Revenue Funds/ Special Districts/Proprietary Funds

SUMMARY OF THE RECOMMENDED BUDGET

Appropriations by Expenditure Class*

Expenditure Class	FY 2022-23	FY 2023-24	\$ Increase / (Decrease)	Percent Change
	Adopted Budget	Recm'd Budget		
Salaries and Benefits	\$269.9 M	\$283.3 M	\$13.4 M	5%
Services, Supplies, & Other Charges	\$305.9 M	\$292.0 M	(\$14.0 M)	-5%
Fixed Assets	\$67.0 M	\$77.0 M	\$10.0 M	15%
Transfers	\$169.9 M	\$195.2 M	\$25.2 M	15%
Contingencies	\$156.0 M	\$161.2 M	\$5.2 M	3%
Add. to Reserves / Designations	\$18.0 M	\$3.8 M	(\$14.2 M)	-79%
Total Appropriations*	\$986.8 M	\$1,012.5 M	\$25.7 M	3%



* Data is governmental funds including Special Revenue Funds; excluding Special Districts & Proprietary Funds

SUMMARY OF THE RECOMMENDED BUDGET

Total Appropriations by Functional Group*

Functional Group	FY 2022-23	FY 2023-24	\$ Increase / (Decrease)	Percent Change
	Adopted Budget	Recm'd Budget		
General Gov't	\$63.2 M	\$69.2 M	\$6.1 M	10%
Law & Justice	\$157.4 M	\$174.9 M	\$17.5 M	11%
Land Use / Dev Svc	\$190.7 M	\$192.8 M	\$2.0 M	1%
Health & Human Svc	\$222.2 M	\$223.0 M	\$0.9 M	0%
Total Appropriations	\$633.5 M	\$660.0 M	\$26.5 M	4%



* Departmental operating appropriations, excluding Non-Departmental/ACO Fund/Countywide Special Revenue Funds/Special Districts/Proprietary Funds

SUMMARY OF THE RECOMMENDED BUDGET

Net County Cost by Functional Group*

Functional Group	FY 2022-23	FY 2023-24	\$ Increase / (Decrease)	Percent Change
	Adopted Budget	Recm'd Budget		
General Gov't	\$49.8 M	\$59.5 M	\$9.8 M	20%
Law & Justice	\$94.7 M	\$104.4 M	\$9.7 M	10%
Land Use / Dev Svc	\$18.7 M	\$11.8 M	(\$7.0 M)	-37%
Health & Human Svc	\$20.4 M	\$17.7 M	(\$2.7 M)	-13%
Net County Cost	\$183.6 M	\$193.4 M	\$9.8 M	5%



*Departmental operating net cost, not adjusting for Transient Occupancy Tax Contributions, excluding Non-Departmental/ACO Fund/CW Special Revenue Funds/ Special Districts/Proprietary Funds

SUMMARY OF THE RECOMMENDED BUDGET

Net County Cost compared to total operating appropriations by Functional Group

Total
Appropriations



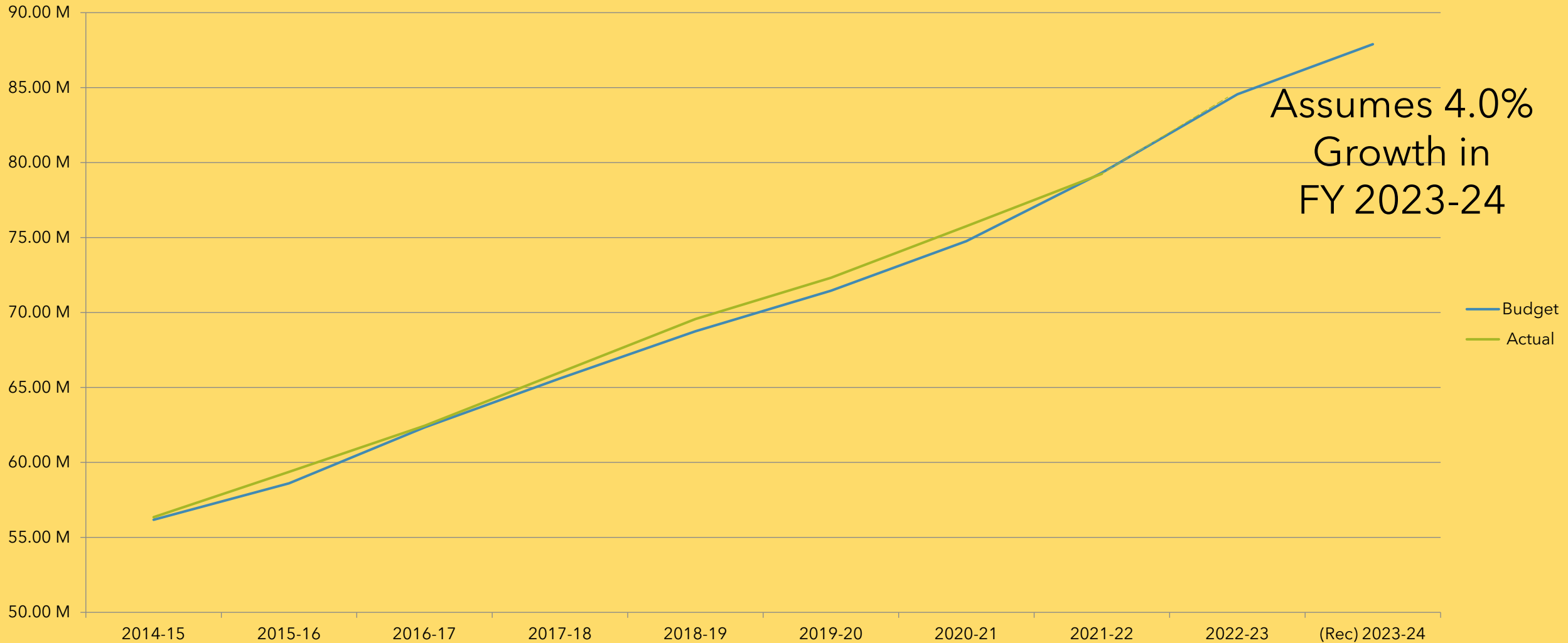
Net
County
Cost



WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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Property Tax Revenue

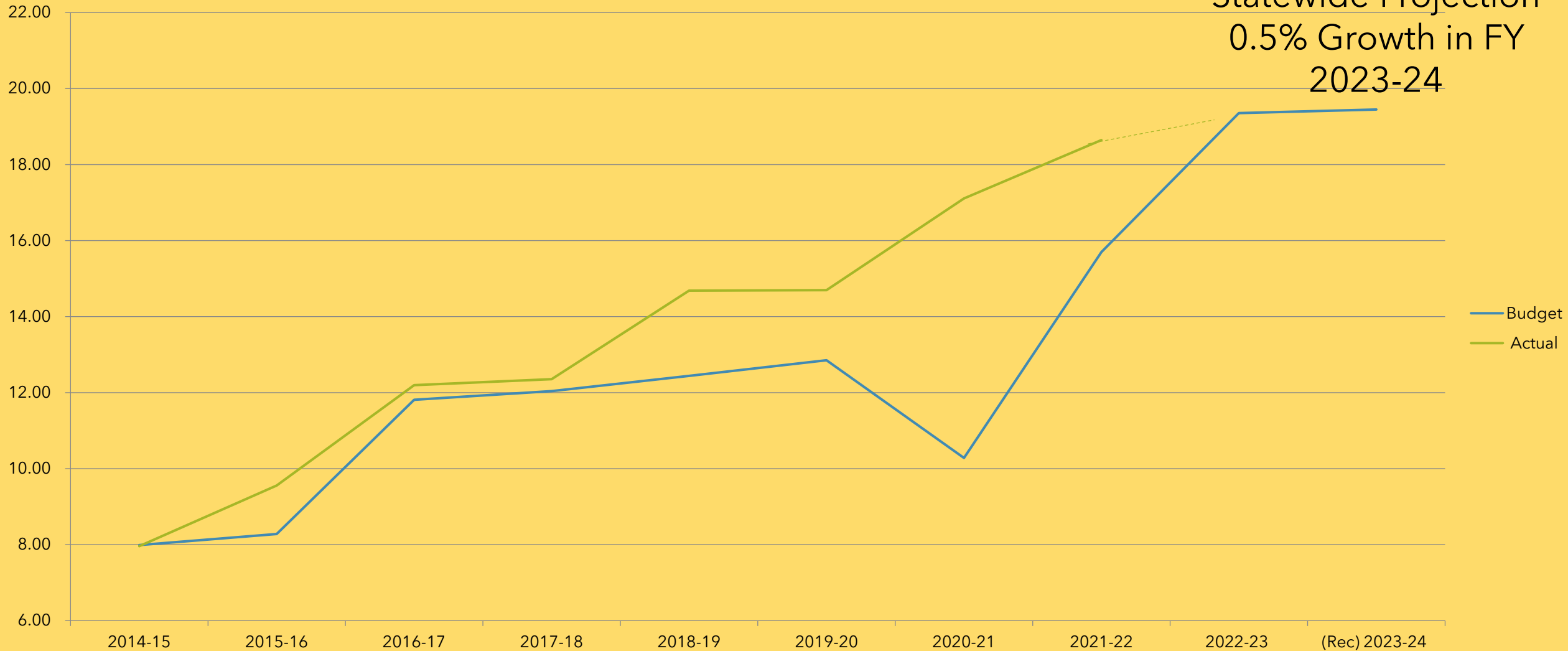


*Represents only General Fund Discretionary Current Property Taxes

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Sales and Use Tax Revenue

Assumes HDL
 Statewide Projection
 0.5% Growth in FY
 2023-24



*Represents only General Fund Discretionary Sales Tax

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Budget Policies Included in the Budget

General Fund
Contingency \$7
million for 3% &
\$4.25 million excess

General Reserve
\$11.5 million

Pension Funding
meets policy based
on current actuarial
reports

Transient Occupancy
Tax budgeted per
April Board direction

Discretionary
Resources to Road
Maintenance, \$9.4
million of Tribe and
TOT

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Budget Policies Not Included in the Budget

Designation
for IT
Infrastructure

Disaster
Expenses
Designation

Capital
Projects
Designation

These designations will be a priority for funding in Adopted Budget and are NOT funded in the Recommended Budget.

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Priorities Included in the Budget

\$55.5 million
Accumulative
Capital Outlay
Workplan

\$7 million in Parks
Projects

\$20 million in state
and federal funding
for homelessness
programs

\$28.2 million for
the continued
construction of the
Mosquito Bridge

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Changes to the Personnel Allocation

Department	Net Change
Auditor-Controller	(1.00)
Board of Supervisors	0.50
CAO - Central Services	1.00
Child Support Services	(2.00)
Environmental Management	(2.00)
Health and Human Services Agency	11.00
Probation	(1.00)
Public Defender	1.00
Recorder-Clerk	(1.50)
Registrar of Voters	1.00
Sheriff	(1.00)
Transportation	1.00
Treasurer-Tax Collector	1.00
Total	8.00



BUDGET CHALLENGES

BUDGET CHALLENGES

Impact of Slowing Discretionary Revenue Growth

- Slowing discretionary revenue growth 4% Property Tax and 0.5% Sales and Use Tax Growth
- Recommended Budget was not able to fund:
 - Approximately \$12.5 million to meet Board Budget Policies
 - \$2 million in General Fund deferred requests from departments

BUDGET CHALLENGES

5-Year General Fund Projection

Summary of Major Differences

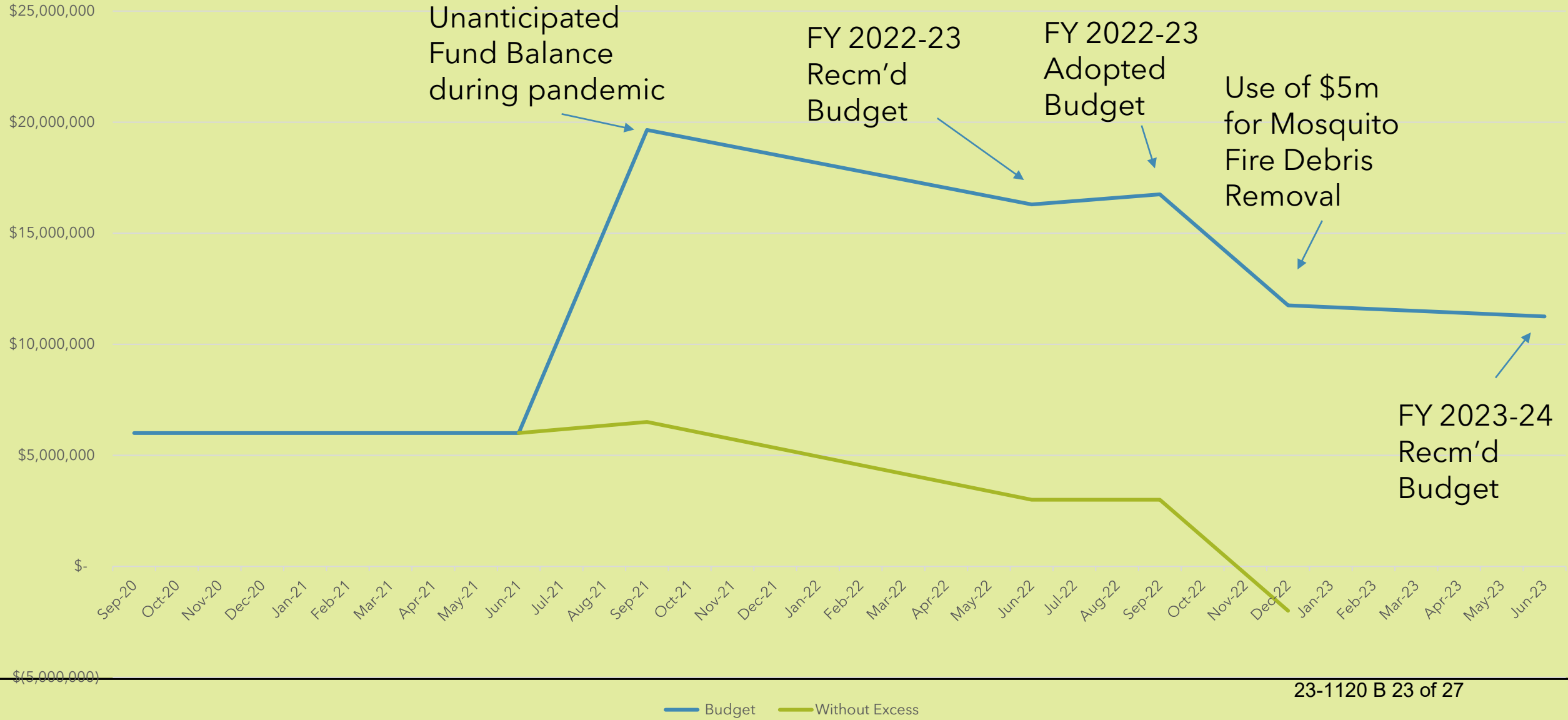
	Cautious	Conservative	Moderate
Property Tax after FY 2023-24	2% growth from prior year	3% growth from prior year	4.5% growth from prior year
Sales & Use Tax / Public Safety Sales Tax	0.5% growth	0.5% growth in FY 2023-24 and 2% growth after that	Based on HDL projection of 0.5% growth in FY 2023-24, 2.7% in 2024-25, 3.1% in 2025-26, 3.2% in 2026-27 and FY 2027-28.
Salaries and Benefits	3% increase from the prior year	3% increase from the prior year	4% increase from the prior year

Summary of Revenue Surplus / (Shortfall)

	FY 2023-24 Recommended Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
In millions					
Cautious	\$ 0	(\$3.40)	(\$5.83)	(\$8.37)	(\$11.04)
Conservative	\$ 0	(\$1.70)	(\$2.66)	(\$3.36)	(\$4.10)
Moderate	\$ 0	(\$1.61)	(\$2.03)	(\$2.45)	(\$2.91)

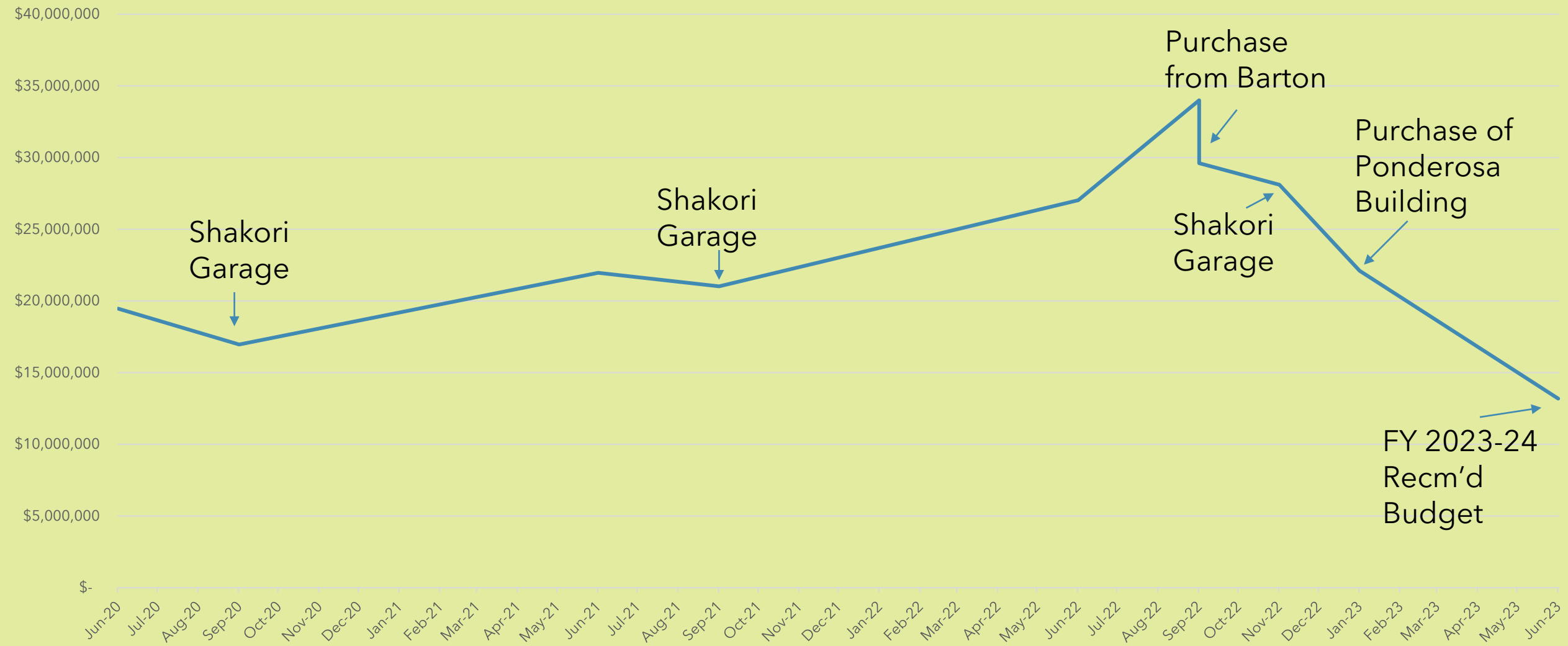
BUDGET CHALLENGES

Maintaining Excess General Fund Contingency



BUDGET CHALLENGES

Changes to the Capital Projects Designation



BUDGET CHALLENGES

Facility Needs

- As presented to the Board in April:
 - Total of \$247 million in replacement estimates for County buildings with a rating below a C.
 - Buildings with a rating below C need to be replaced in the next 10-20 years.
 - Need an annual investment of \$10 - \$21 million a year in building maintenance for “an appropriate allocation for routine maintenance and repair” per the Building Research Board of the National Research Council.
- We anticipate increases in currently planned capital projects with no additional funding identified.



NEXT STEPS IN THE BUDGET PROCESS

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- Discuss any revisions to the Recommended Budget
- Approval of the Recommended Budget with any revisions
- Final Personnel Allocation Resolution no later than June 30, 2023
- Financial Records close in September; will know actual Fund Balance Carry-Over
- Revision to budget in September
- Final Budget Adoption in late September