

# FISCAL YEAR 2024-25 RECOMMENDED BUDGET

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Presented to the Board of Supervisors at the Budget  
Hearing on June 11, 2024



# AGENDA

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- BUDGET REQUIREMENTS
- SUMMARY OF THE BUDGET
- WHAT IS AND IS NOT INCLUDED IN THE BUDGET
- BUDGET CHALLENGES
- NEXT STEPS IN THE BUDGET PROCESS
- BOARD ACTION ON RECOMMENDED BUDGET







# BUDGET REQUIREMENTS

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# BUDGET REQUIREMENTS

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County Budget Act – Government Code  
§29000 – 29144, §30200

- Applies to County, dependent special districts, other agencies “whose affairs are under the supervision and control of the Board”
- 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

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- 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





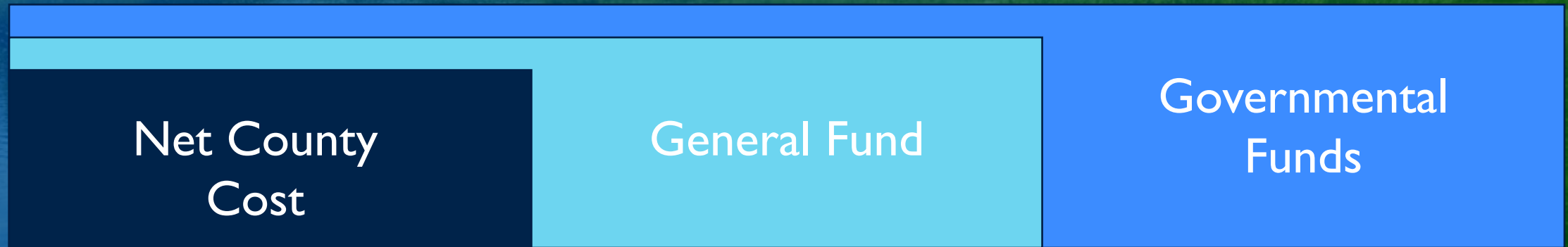
# SUMMARY OF THE BUDGET

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# SUMMARY OF THE RECOMMENDED BUDGET

	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	\$ Increase / (Decrease)	Percent Change
Total Appropriations	\$1,250.8 M	\$1,183.7 M	(\$67.1 M)	-5%
Governmental Funds*	\$1,099.8 M	\$1,025.8 M	(\$74.0 M)	-7%
General Fund	\$455.7 M	\$416.6 M	(\$39.1 M)	-9%
Net County Cost**	\$193.1 M	\$198.4 M	\$5.35 M	3%



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

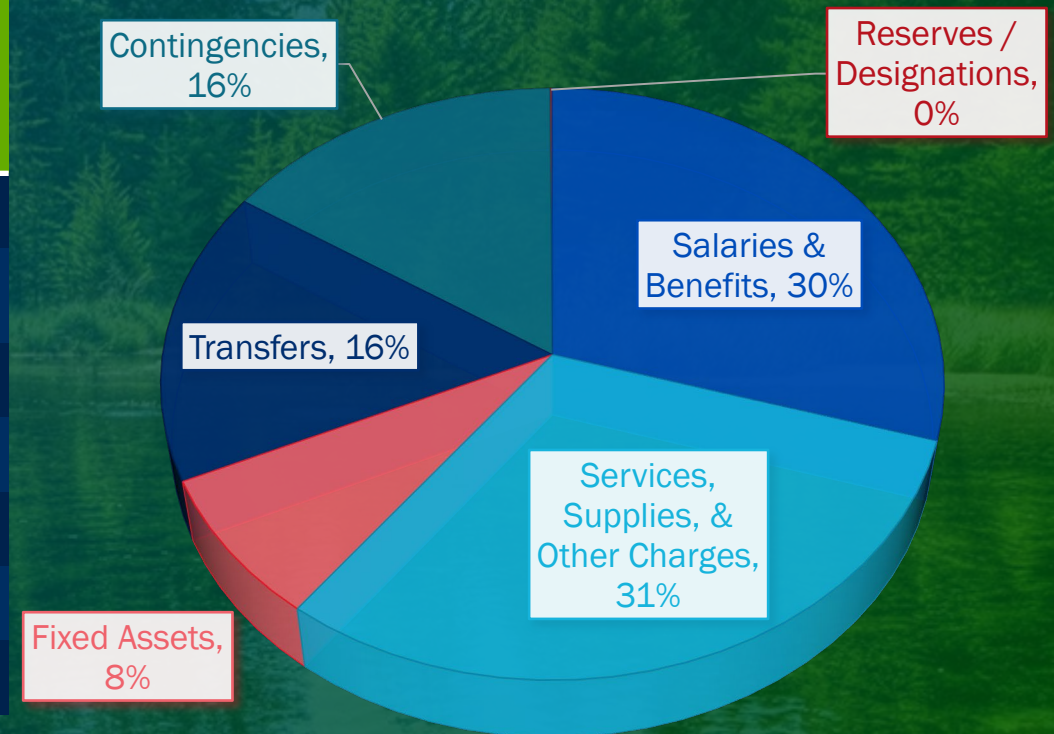
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\*\* Departmental operating net cost, not adjusting for Transient Occupancy Tax Contributions, excluding Non-Departmental/ACO Fund/CW Special Revenue Funds/ Special Districts/Proprietary Funds

# SUMMARY OF THE RECOMMENDED BUDGET

## Appropriations by Expenditure Class\*

Expenditure Class	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	\$ Increase / (Decrease)	Percent Change
Salaries & Benefits	\$282.6 M	\$303.8 M	\$21.2 M	7%
Services, Supplies, & Other Charges	\$309.5 M	\$314.7 M	\$5.2 M	2%
Fixed Assets	\$96.6 M	\$81.0 M	(\$15.6 M)	-16%
Transfers	\$220.4 M	\$165.3 M	(\$55.0 M)	-25%
Contingencies	\$175.4 M	\$159.8 M	(\$15.5 M)	-9%
Add. to Reserves / Designations	\$15.3 M	\$1.2 M	(\$14.2 M)	-92%
<b>Total Appropriations</b>	<b>\$1.10 B</b>	<b>\$1.03 B</b>	<b>(\$74.0 M)</b>	<b>-7%</b>



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

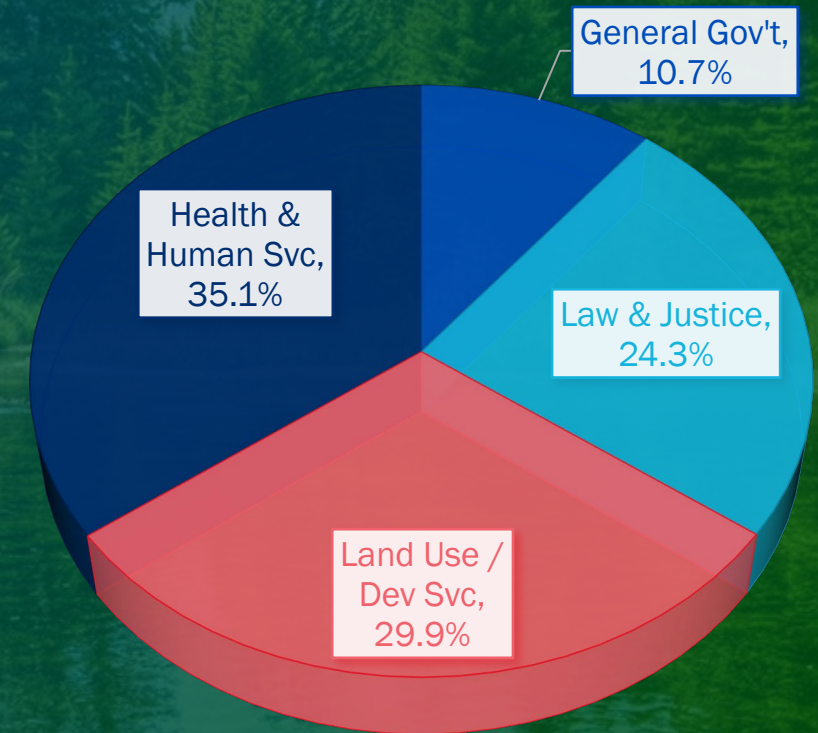


# SUMMARY OF THE RECOMMENDED BUDGET

## Appropriations by Functional Group\*

Functional Group	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	\$ Increase / (Decrease)	Percent Change
General Government	\$74.0 M	\$70.8 M	(\$3.2 M)	-4%
Law & Justice	\$176.3 M	\$161.1 M	(\$15.1 M)	-9%
Land Use / Dev Services	\$193.1 M	\$198.3 M	\$5.3 M	3%
Health & Human Services	\$244.1 M	\$232.5 M	(\$11.6 M)	-5%
<b>Total Appropriations</b>	<b>\$687.4 M</b>	<b>\$662.7 M</b>	<b>(\$24.6 M)</b>	<b>-4%</b>

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

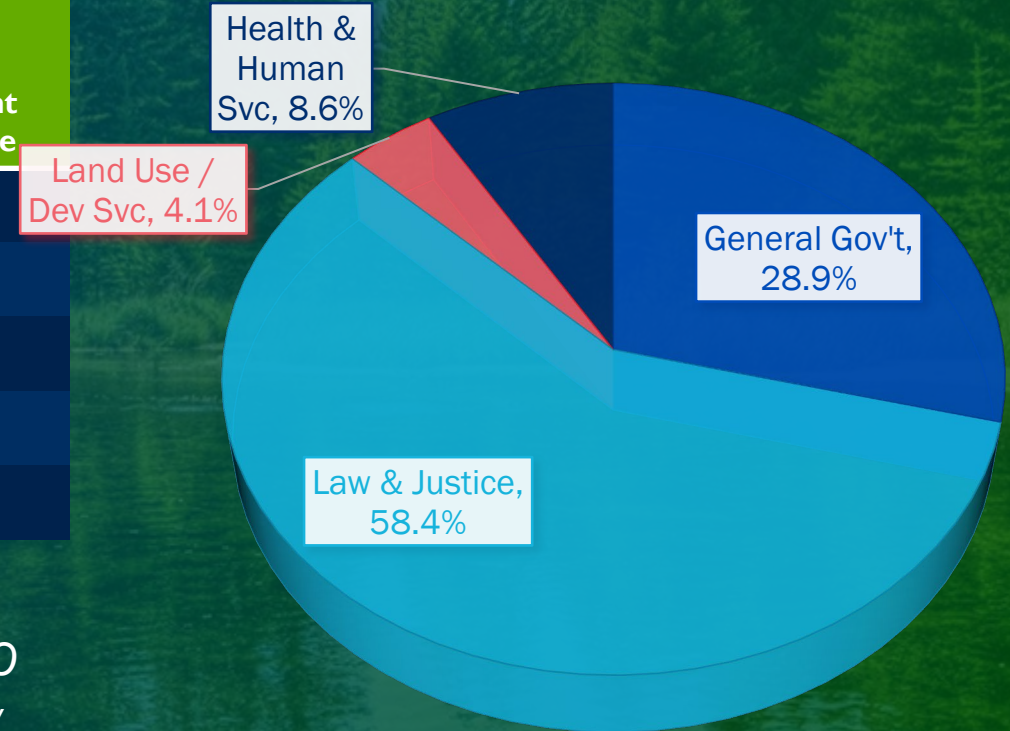




# SUMMARY OF THE RECOMMENDED BUDGET

## Net County Cost by Functional Group\*

Functional Group	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	\$ Increase / (Decrease)	Percent Change
General Government	\$60.2 M	\$57.3 M	(\$2.9 M)	-5%
Law & Justice	\$103.2 M	\$115.9 M	\$12.7 M	12%
Land Use / Dev Services	\$11.7 M	\$8.2 M	(\$3.5 M)	-30%
Health & Human Services	\$18.0 M	\$17.0 M	(\$0.9 M)	-5%
<b>Net County Cost</b>	<b>\$193.1 M</b>	<b>\$198.4 M</b>	<b>\$5.4 M</b>	<b>3%</b>



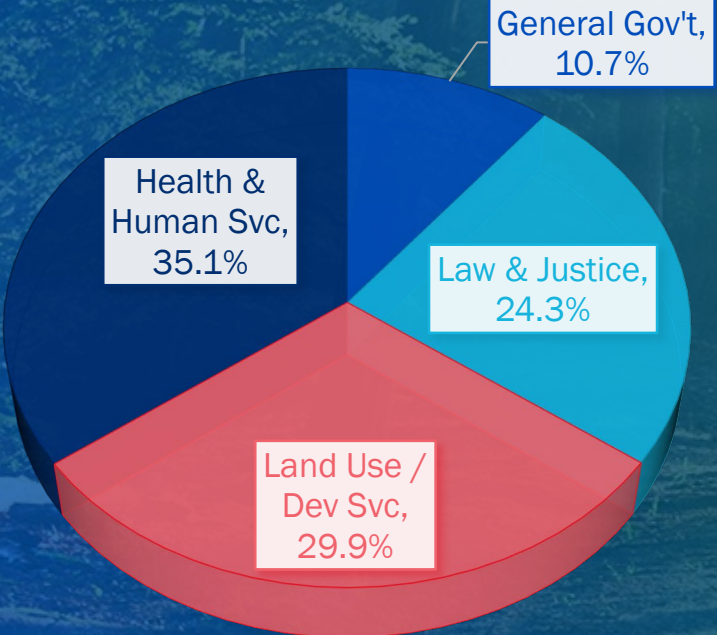
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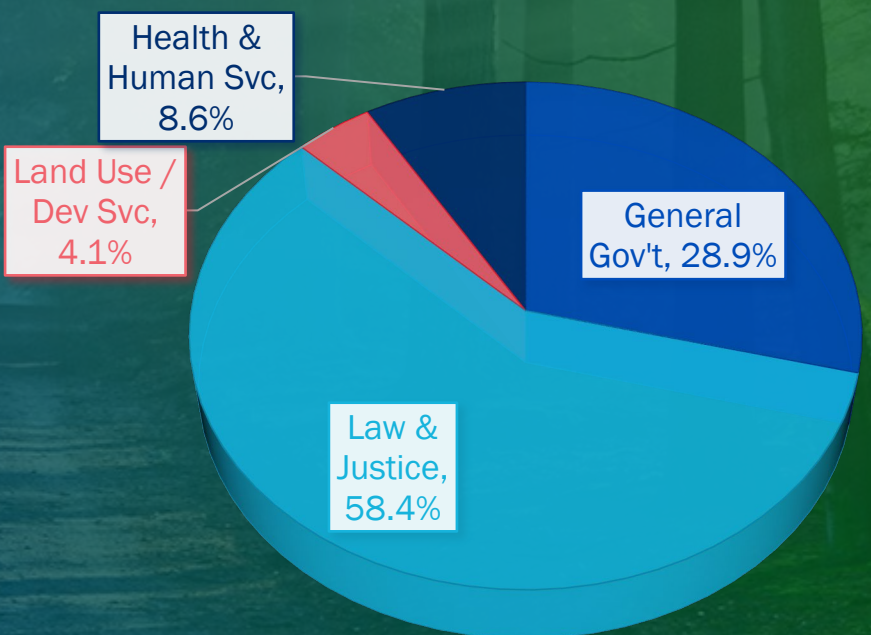
# SUMMARY OF THE RECOMMENDED BUDGET

Net County Cost compared to Total Operating Appropriations by Functional Group

### Total Appropriations



### Net County Cost







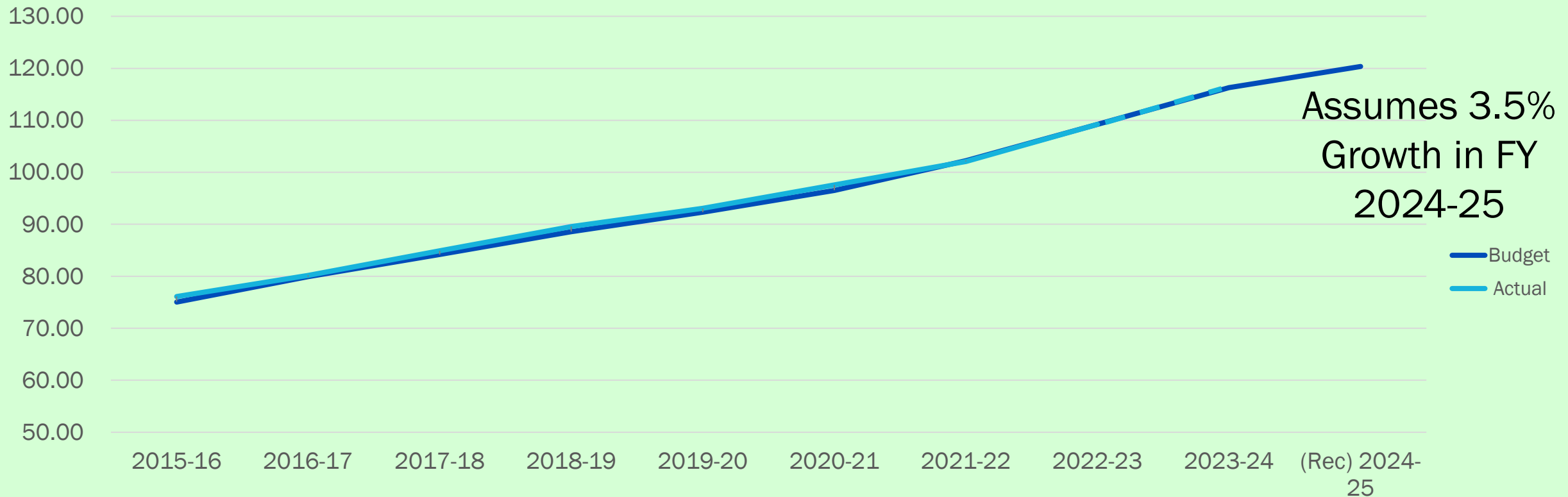
# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

## Property Tax Revenue

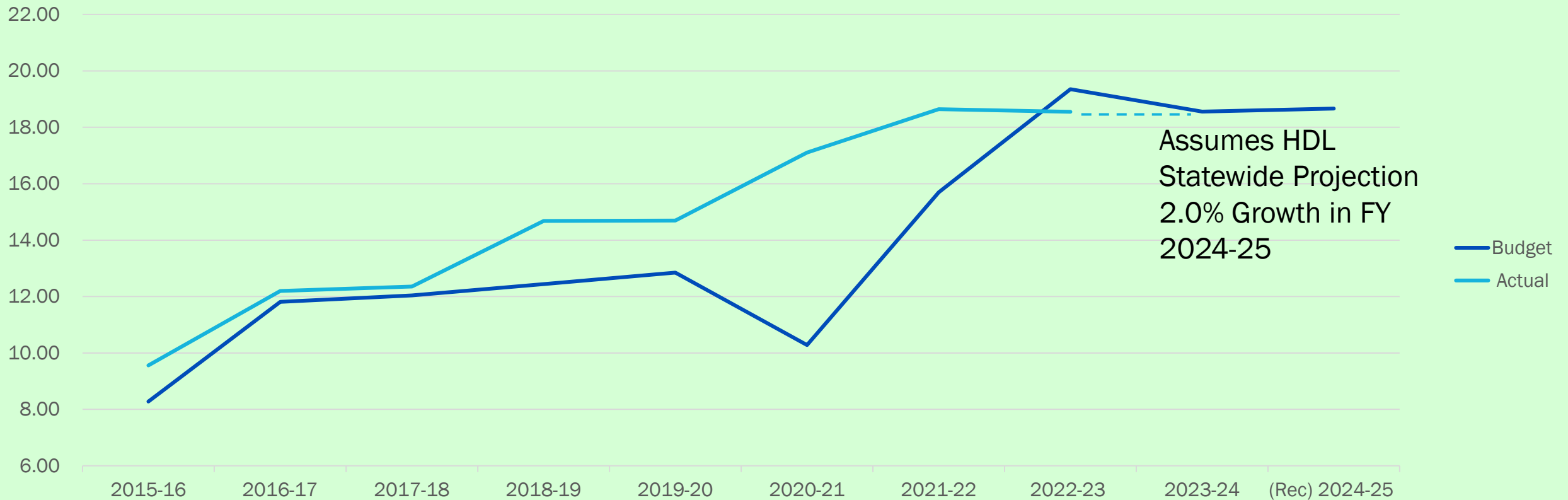


Current Secured Property Tax and Property Tax in Lieu of Vehicle License Fees amounts in millions



# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

## Sales and Use Tax Revenue





# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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## Board Budget Policies Included in the Budget



General Fund Contingency funded at 3% with \$7.85 M



General Reserve funded at 5% with \$13 M



Pension Funding meets policy based on current actuarial reports



Discretionary Transient Occupancy Tax (DTOT) budgeted per April Board direction



Discretionary Resources to Road Maintenance, \$7.07 million of Tribe and DTOT



# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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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 the Adopted Budget and are NOT funded in the Recommended Budget.



# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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## Board Priorities Included in the Budget

- \$30 million for the continued construction of the Mosquito Bridge
- \$1.4 million for Phase I of the Weber Creek Project
- \$24 million in state and federal funding for homelessness programs
- \$66.4 million Accumulative Capital Outlay Workplan
- \$75,000 in DTOT for Arts & Culture El Dorado
- \$37,500 for the Placerville Pool using FY 2023-24 savings from Community Funding



# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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## Board Priorities **NOT** Included in the Budget

El Dorado Hills County Water District (EDH Fire Department) payment of Educational Revenue Augmentation Fund (ERAF) encumbrance equivalent for FY 2023-24 in the amount of \$109,200.

\$75,000 in Community Funding for Board allocation.



# WHAT IS AND IS NOT INCLUDED IN THE BUDGET

## Changes in the Personnel Allocation

Department	Net Change
Chief Administrative Office*	5.50
Child Support Services	(0.50)
District Attorney	(2.00)
Health and Human Services Agency	4.60
Information Technologies	(1.00)
Planning & Building*	(6.00)
Public Defender	(1.00)
Transportation	(0.50)
Total	(0.90)

\*6.0 FTE were moved from Planning & Building to the Chief Administrative Office with the move of Airports and Cemeteries.





# BUDGET CHALLENGES

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# BUDGET CHALLENGES

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## Slowing Discretionary Revenue Growth

- Slowing discretionary revenue growth 3.5% Property Tax and 2% Sales and Use Tax Growth
- Recommended Budget was not able to fund:
  - Approximately \$10.7 million to meet Board Budget Policies
  - \$1.4 million in General Fund deferred requests from departments



	Cautious	Conservative	Moderate
<b>Property Tax after FY 2024-25</b>	2% growth from prior year	3.5% growth from prior year	4.5% growth from prior year
<b>Transient Occupancy Tax after FY 2024-25</b>	2% decrease from prior year	No growth	2% growth from prior year
<b>Sales &amp; Use Tax / Public Safety Sales Tax</b>	2% growth in FY 2024-25 and 0.5% growth after that	2% growth	Based on HDL projection of 2% growth in FY 2024-25, 2.8% in 2025-26, 3.0% in 2026-27, 2.9% in 2027-28 and FY 2028-29.

# BUDGET CHALLENGES

## 5-Year General Fund Projection

	FY 2024-25				
	Recm'd Budget	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
<b>Cautious</b>	\$ 0	(\$12.65 M)	(\$18.76 M)	(\$25.10 M)	(\$31.65 M)
<b>Conservative</b>	\$ 0	(\$10.45 M)	(\$14.27 M)	(\$18.21 M)	(\$22.26 M)
<b>Moderate</b>	\$ 0	(\$8.24 M)	(\$9.65 M)	(\$11.08 M)	(\$12.47 M)



# BUDGET CHALLENGES

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## Risk Programs

- Increase in Workers' Compensation and General Liability of over \$6.5 million
- Retiree Health rate holiday for departments to save \$2.7 million in FY 2024-25



# BUDGET CHALLENGES

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## Facilities Investments & Ongoing Needs

- Capital Projects Designation spent down to \$2.2 million
- Replacement cost of County buildings with low condition ratings = \$247 million
- Spring Street facility is end-of-life; replacement cost of \$27 million





# BUDGET CHALLENGES

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## Impacts due to State Budget Proposals

- FY 2024-25 May Revised Budget
  - Public Health - \$200 million reduction to funding for counties
  - Probation - \$4.4 million reduction in Post Release Community Supervision funding





# NEXT STEPS IN THE BUDGET PROCESS

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# 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, 2024
- Financial Records close in September; will know actual Fund Balance Carry-Over
- Revision to budget in September
- Final Budget Adoption in late September







# THANK YOU!

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