



Budget Basics

Recommended Budget
FY 2011-12
June, 2011

What is the Recommended Budget?

- A forecast of all planned revenue and expenses
- Provides a model for how the county might perform financially given certain assumptions about the future
- Enables the actual financial performance of the county to be measured against the forecast
- A budget should balance:
 - Total revenue equals total appropriations

Is the Recommended Budget balanced?

- The Recommended Budget is balanced
 - Projected Revenue = Projected Appropriations



What assumptions are built into the Recommended Budget?

- Property tax revenue: \$51.9 million
 - 4% decrease from FY 2010-11
- Sales tax revenue: \$6.4 million
 - No growth – Same as FY 2010-11 year end projection
- Vehicle License Fees: \$15.7 million
 - 4% decrease from FY 2010-11

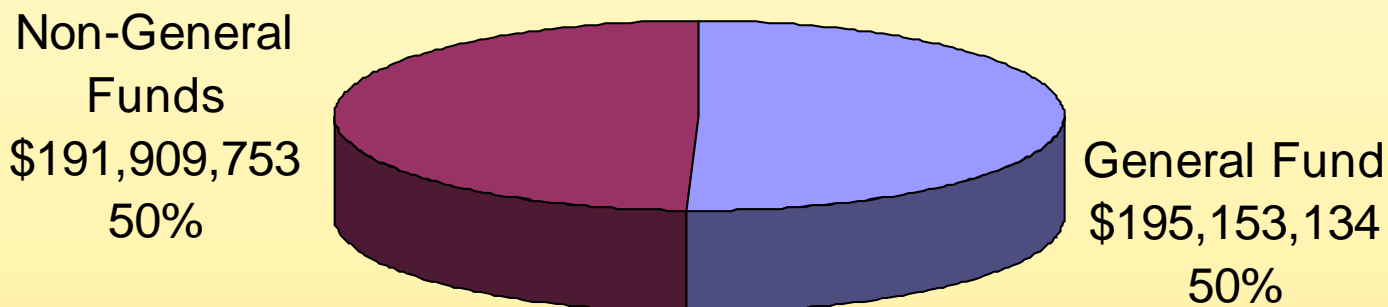
How does the Recommended Budget compare to last year's budget?

- Total budget decreased by \$27 million (-6%)
- General Fund decreased by \$6 million (-3%)
- Reduction of 84 FTE's from FY 2010-11 (-5%)

* Adjusted for the Proposition 1A securitization

How big is the Recommended Budget?

- **TOTAL** Recommended Budget = \$387,062,887
 - General Fund = \$195,153,134
 - Non-General Funds = \$191,909,753



What is the General Fund?

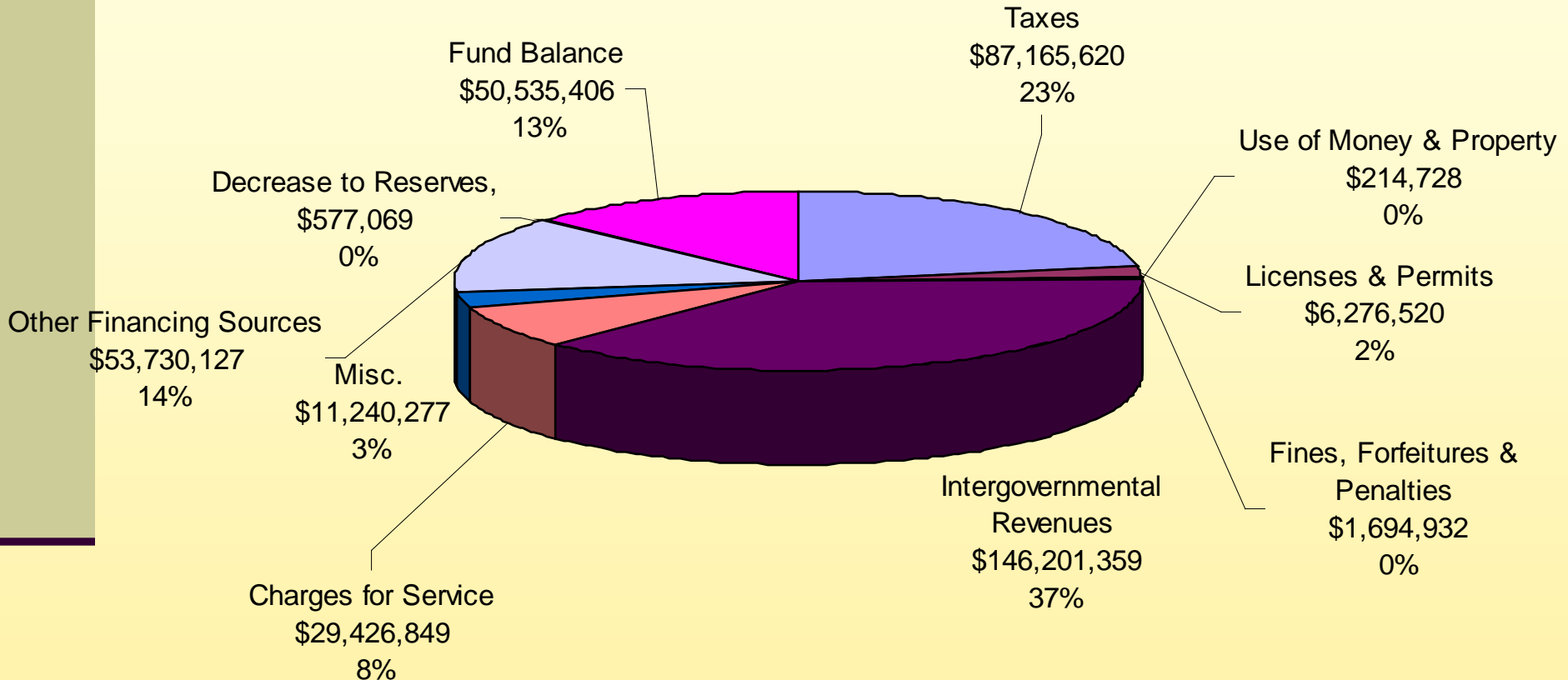
- The General Fund is the slice of the budget primarily funded with discretionary dollars

What are Non-general funds?

- Non-General Fund spending is determined by state law or other special conditions
- **Most** of the County's budget consists of non-General Fund money (50%)

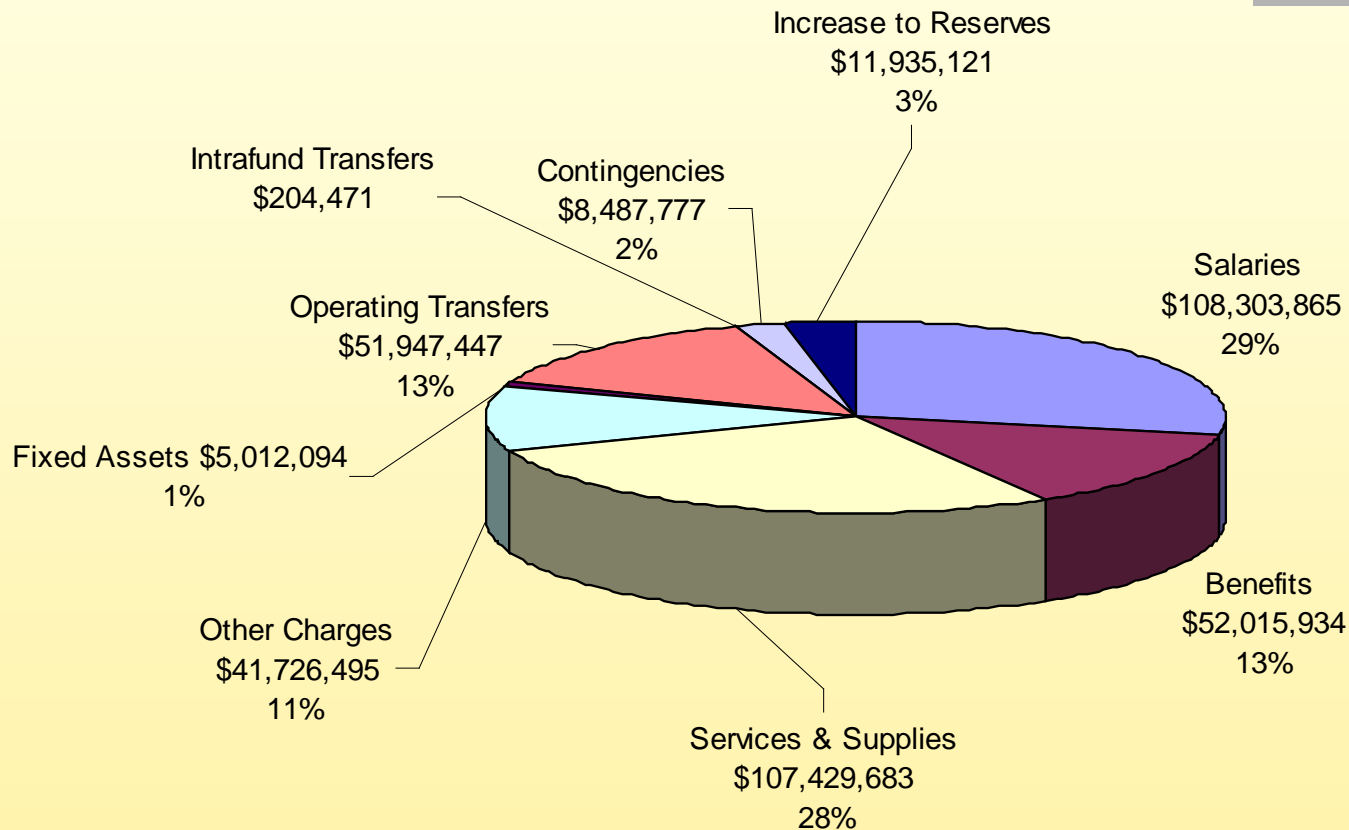


Where does all the money come from in the Recommended Budget?



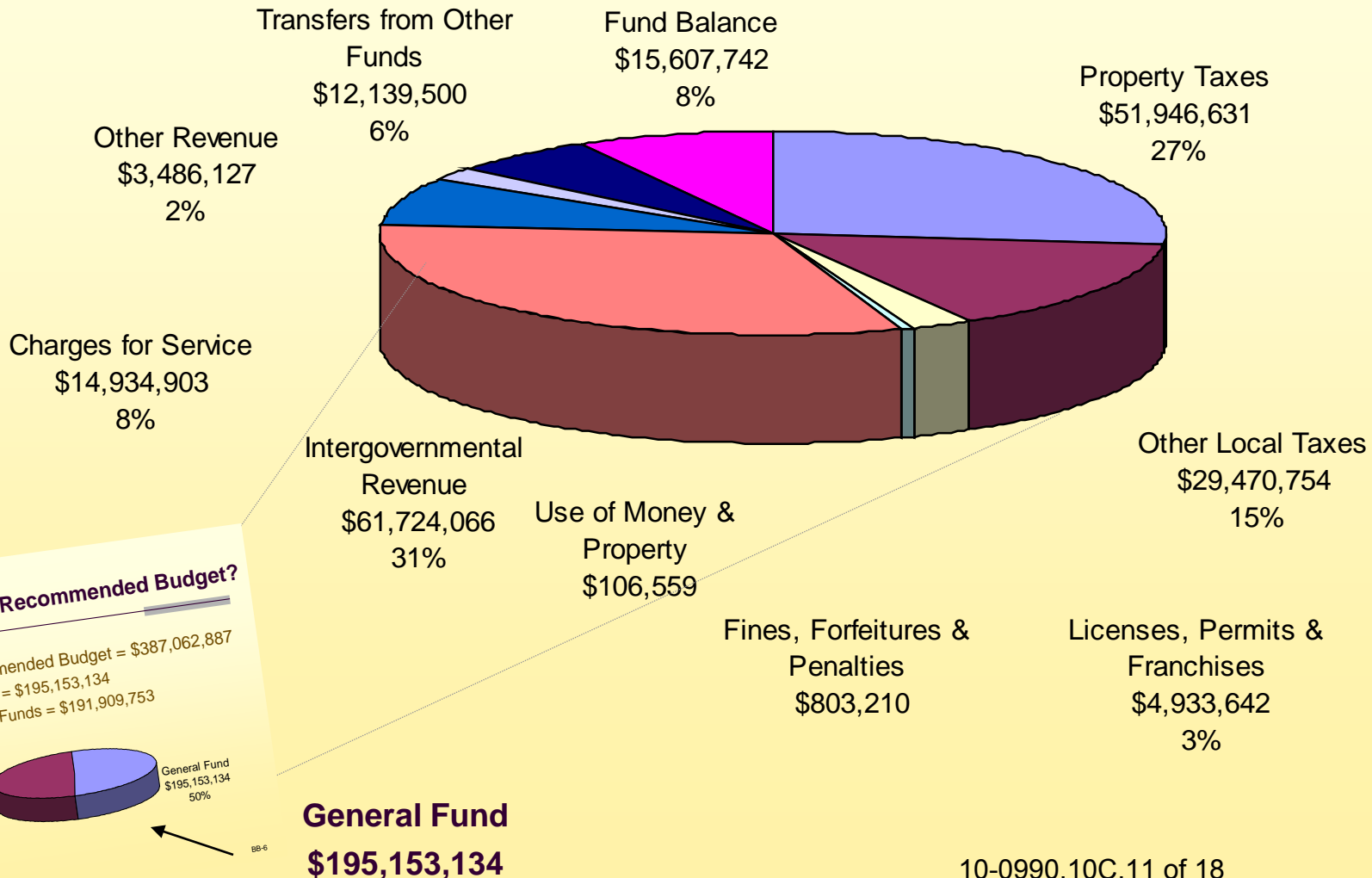
(revenue sources across all funds)

What does the Recommended Budget pay for?



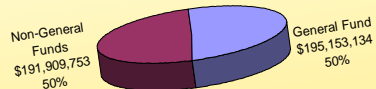
Salaries & Benefits = People = Services to the Public

Where does the *General Fund* money come from?



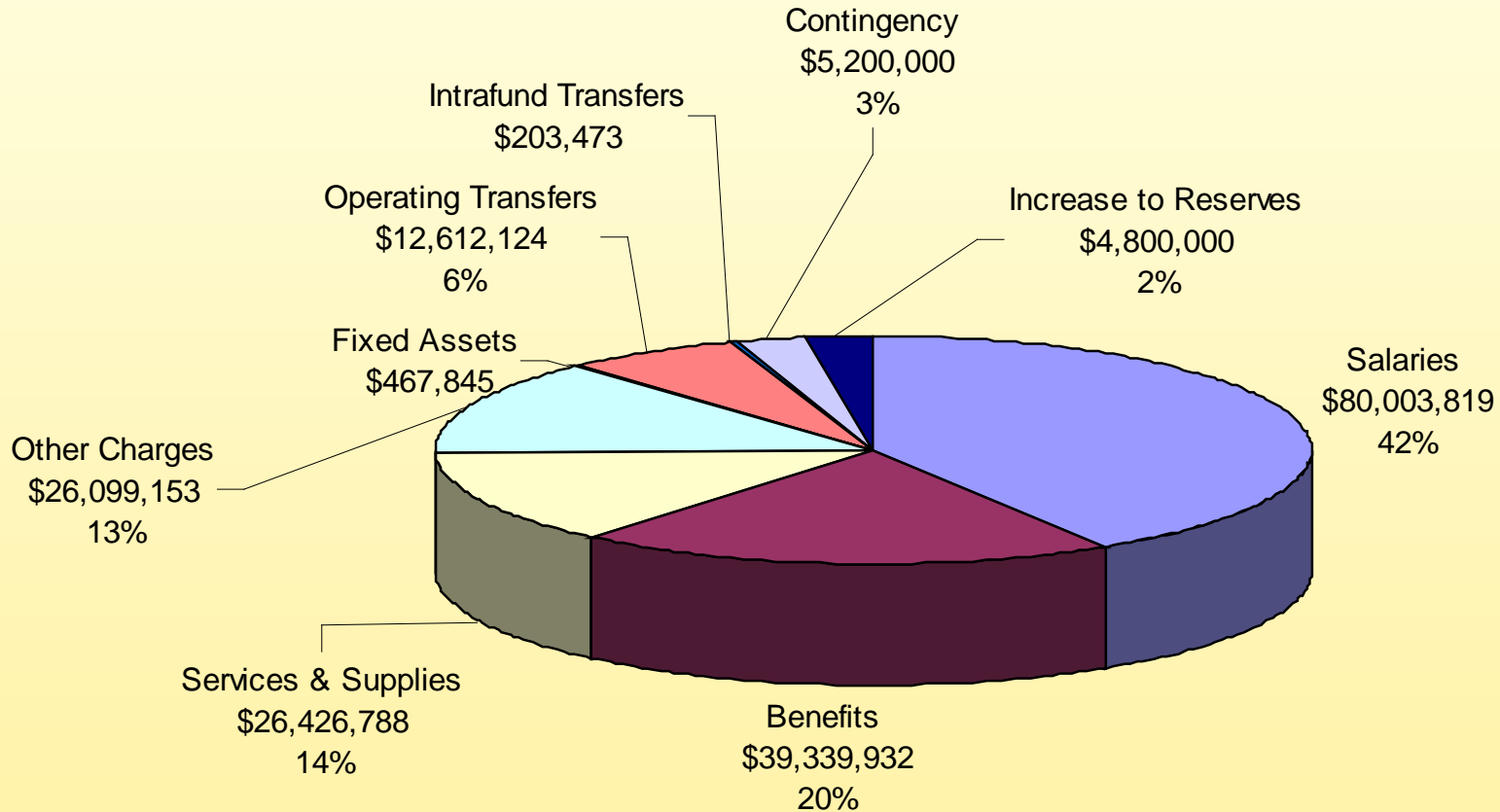
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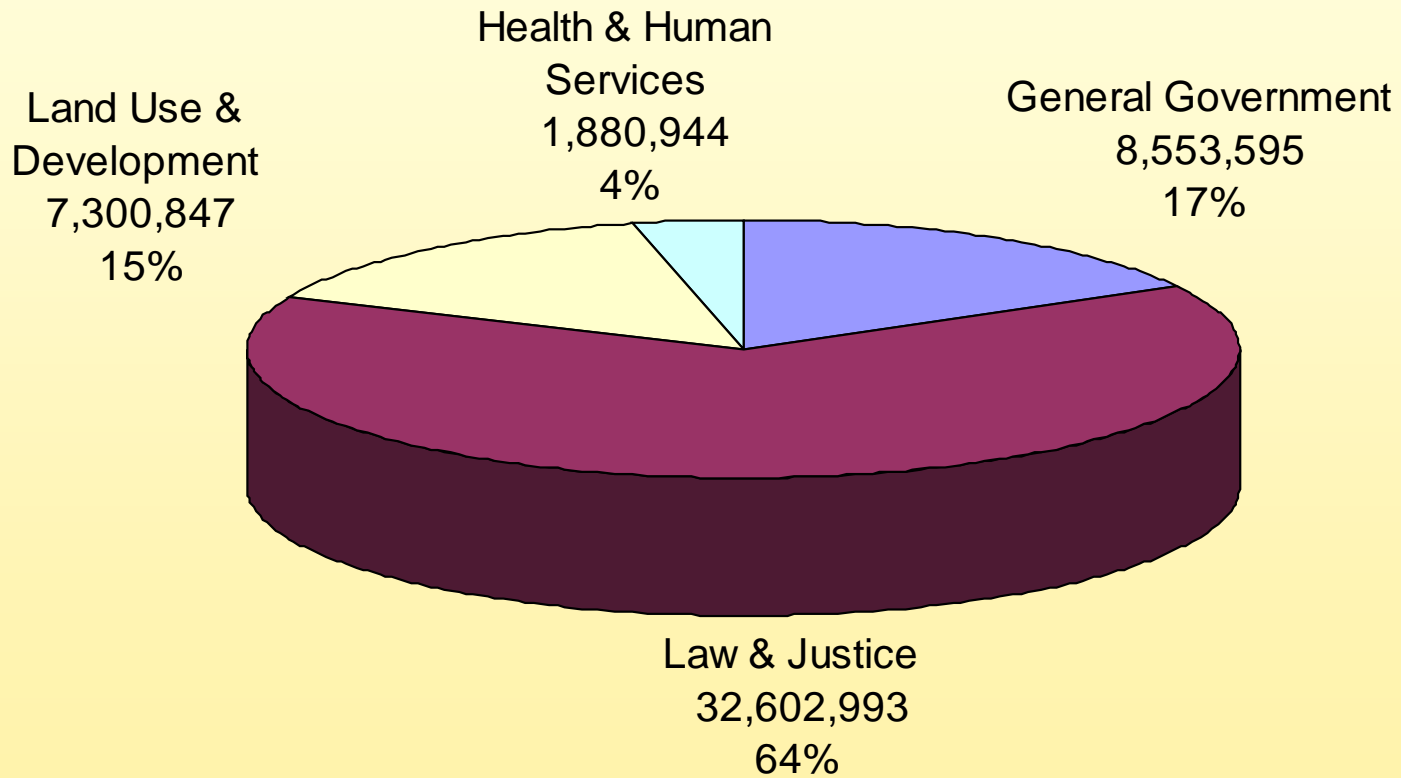


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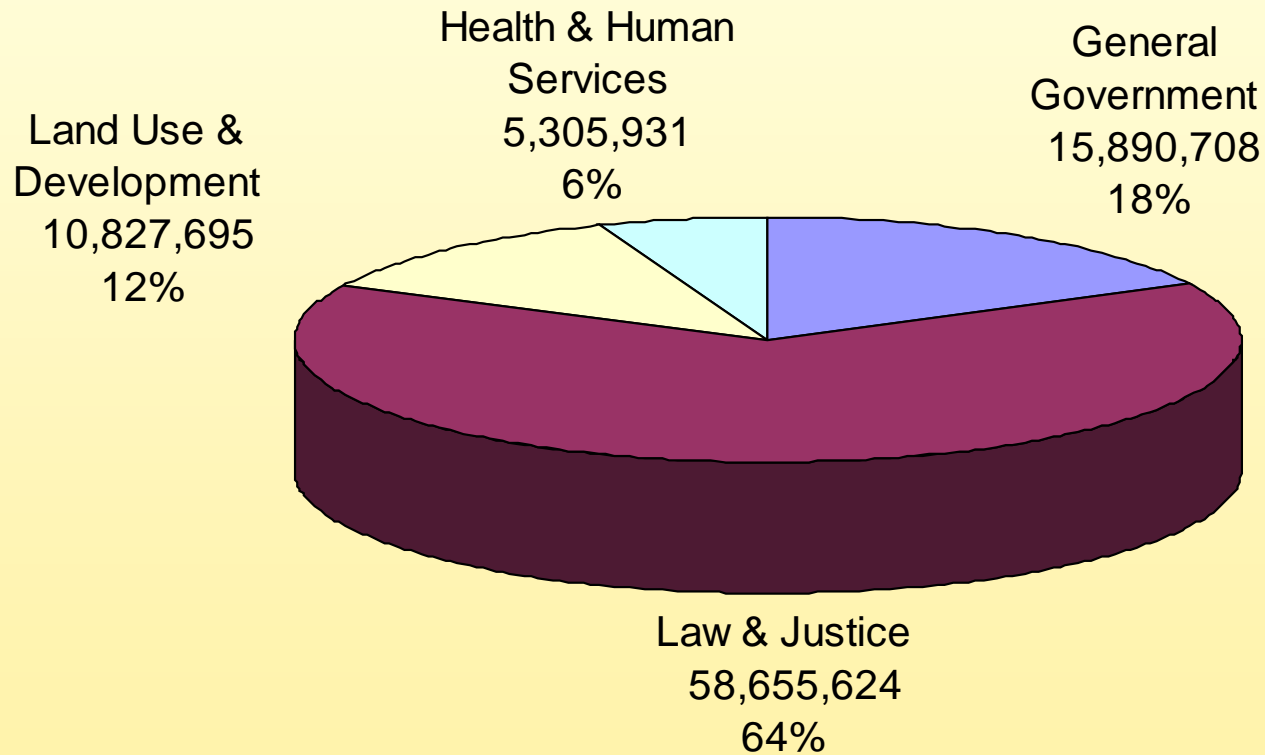
How does the General Fund support county programs?

- Departments get money from different sources
 - For example: grants, state & federal agencies, and charges for service
- When that doesn't cover all of the department's costs, the difference is made up with other General Fund discretionary dollars
- These other discretionary dollars are a department's **“Net County Cost”**
- Departments are required to live within their “Net County Cost” to ensure that no additional General Fund support is required

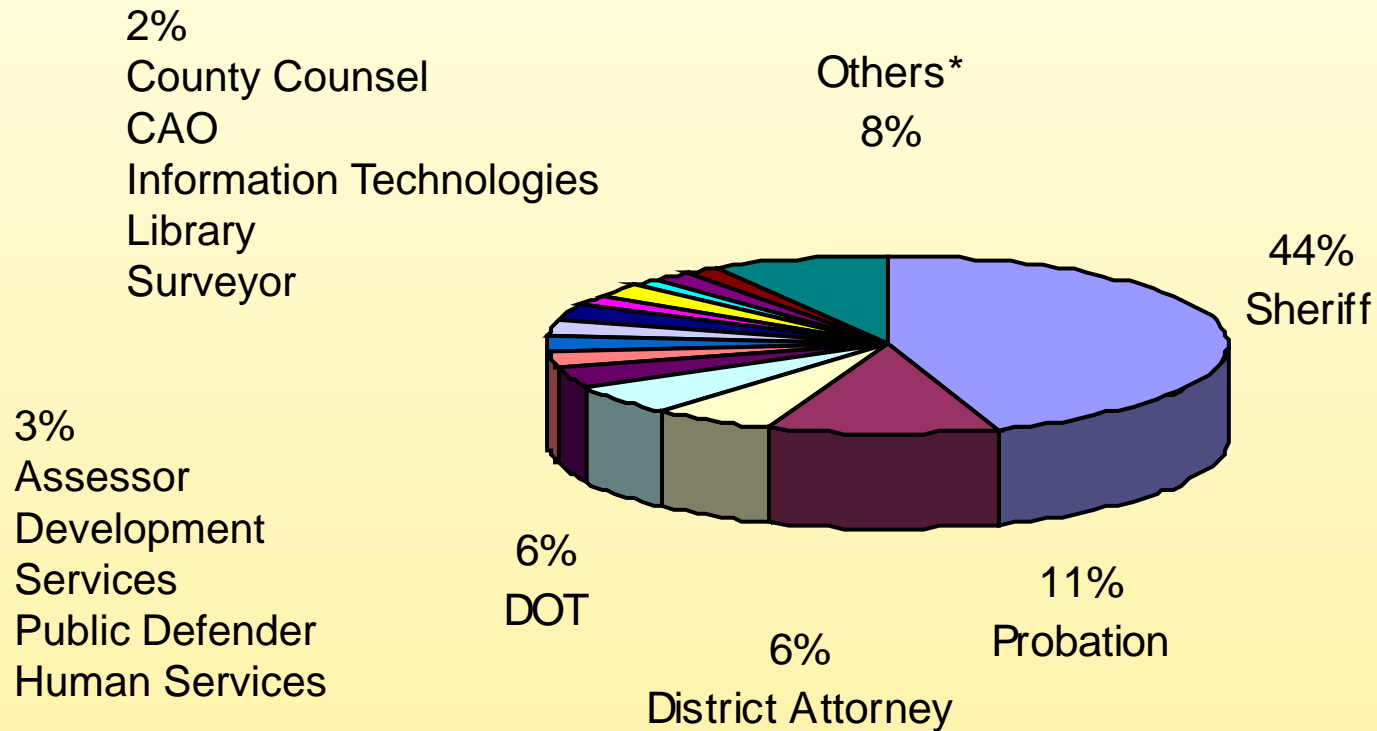
Distribution of Net County Cost by Program Area FY 2002-03



Distribution of Net County Cost by Program Area FY 2011-12



Distribution of Net County Cost by Department FY 2011-12



* Animal Control, Recorder-Clerk, Treasurer/Tax Collector, Court, Human Resources, Promotions, Agriculture, Veterans, Environmental Management, UCCE, Grand Jury

Does the Recommended Budget contain reserve funds?

- 8% set aside for “rainy day” including:
 - \$8.6 million in reserves
 - 5% of adjusted General Fund appropriations
 - \$5.2 million for contingency
 - 3% of adjusted General Fund appropriations

- \$6.6 million set aside as designation for Capital Projects

What does the Recommended Budget mean for the future?

- Out year shortfalls assume:
 - Continued decline in property tax
 - \$2 million in operational savings each year
 - Maintaining 8% reserve/contingency
 - Annual appropriations growth of approx. 3%

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
Total Revenues	\$190,353,134	\$186,761,926	\$188,471,210	\$190,245,127	\$192,065,786
Total Appropriations	\$190,353,134	\$197,336,154	\$204,320,056	\$211,559,697	\$219,070,667
Total Revenue Surplus/Shortfall	\$0	(\$10,574,228)	(\$15,848,846)	(\$21,314,570)	(\$27,004,881)

- Does not account for potential effects of state action