# Fiscal Year 2020-21 Adopted Budget COVID-19 Revenue Impacts

Presented by the Chief Administrative Office to the Board of Supervisors on July 21, 2020



### Property Tax - Current Secured Fiscal Year 2019-20

Rec. Budget

5% Growth from FY 2018-19 Budget

\$71.0 million

Adopted Budget

4% Growth from FY 2018-19 Budget

\$70.32 million

Mid-Year Projection

1.4% Reduction from Adopted

\$69.3 million

Current Projection

3.96% Growth from FY 2018-19 Actual

\$71.14 million

### Property Tax - Current Secured Fiscal Year 2020-21 CAO Recommendation

Rec. Budget

4% Growth from FY 2019-20 Mid Year

\$72.02 million

#### Cautious Assumption

3% Growth from Current FY 2019-20 Projection

\$73.28 million

\$1.25 million more than Rec. Budget

#### Conservative Assumption

3.5% Growth from Current FY 2019-20 Projection

\$73.63 million

\$1.61 million more than Rec. Budget

#### Moderate Assumption

4% Growth from Current FY 2019-20 Projection

\$73.99 million

\$1.96 million more than Rec. Budget

#### Sales & Use Tax

FY 2018-19

- Received \$14.68 million in revenue
- 19% growth over prior year
- Result of changing state practices, still evaluating if increase is stable over multiple years.
- Rec & Adopted Budget \$12.85 million
- 19/20 Mid Year Projection \$14.2 million
- Tentative Projection for Year End \$12.85 million.
- The first advance of sales tax for the 2nd Quarter of 2020 (Apr –June) is 17% less than the advance from the prior year.
- It is unclear at this time how much we can expect sales tax revenue to decline due to COVID-19.

FY 2019-20

#### Sales & Use Tax Fiscal Year 2020-21

CAO Recommendation

#### Cautious Assumption

20% Reduction from Recommended Budget

\$10.28 million

\$2.57 million less than Rec. Budget

29.97% less than FY 2018-19 Actuals

#### Conservative Assumption

10% Reduction from Recommended Budget

\$11.57 million

\$1.29 million less than Rec. Budget

21.22% less than FY 2018-19 Actuals

#### Moderate Assumption

No Change

\$12.85 million

Same as FY 2019-20 Budget

12.47% less than FY 2018-19 Actuals Proposition 172 - Public Safety Sales Tax Funding

1/2 Cent Sales Tax • Passed by the voters in 1993 for the purpose of offsetting the shift of local property tax revenues from cities and counties to the "Educational Revenue Augmentation Fund" (ERAF)

Distribution

• Collected by the State and apportioned to each county based on its proportionate share of statewide taxable sales.

COVID-19 Impact • Considering the economic impacts of COVID-19 statewide, and the fact that larger, urban counties are not re-opening their economies as quickly, El Dorado County is anticipating a reduction in the amount allocated.

### Proposition 172 - Public Safety Sales Tax Funding

FY 2018-19

• Received \$11.64 million

FY 2019-20

- Budgeted \$11.87 million, 2% growth from Prior Year
- Projecting \$11.31 million, \$565,000 (5%) short of budget

Allocation in County

- Sheriff 75%
- Probation 12%
- District Attorney 10%
- Public Defender 3%

### Public Safety Sales Tax Funding

**CAO** Recommendation

Fiscal Year 2020-21

#### Cautious Assumption

25% Reduction from Recommended Budget

\$8.9 million

\$2.97 million less than Rec. Budget

> 24% less than FY 2018-19 Actuals

#### Conservative Assumption

10% Reduction from Recommended Budget

\$10.69 million

\$1.19 million less than Rec. Budget

8% less than FY 2018-19 Actuals

#### Moderate Assumption

No Change

\$11.87 million

Same as FY 2019-20 Budget

2% more than FY 2018-19 Actuals

## Proposition 172 - Public Safety Sales Tax Funding

- Revenue Impact By Department:
  - With cautious reduction of \$2,968,299:
    - Sheriff \$2,226,224 reduction
    - Probation \$356,196 reduction
    - District Attorney \$296,830 reduction
    - Public Defender \$89,049 reduction

### Estimated Revenue Shortfall Based upon revenue assumptions

Revenue Source	Change from Recommended Budget	Assumption
Property Tax	\$1.61 million	Conservative
Sales & Use Tax	(\$2.57 million)	Cautious
Prop 172	(\$2.97 million)	Cautious
<b>Total Change</b>	(\$3.93 million)	

#### Additional Consideration

Projected Revenue Shortfall

(\$3.93 million)

Deferred Department Requests

(\$4.92 million)

State funded programs backfill

(\$3.02 million)

CalPERS Increases Designation (obligated)

(\$2.5 million)

Increased Salary & Benefits Costs Not in Budget (obligated)

(\$2 million)

Placerville Juvenile Hall Savings to be set aside for new facility

(\$3 million)

New Costs for FY 2021-22 (Public Safety Facility Payment \$2.3 million, General Liability & Workers Comp \$ 6.4 million) (obligated)

(\$9.7 million)

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