



# County of El Dorado

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## Legislation Text

File #: 08-0894, Version: 1

Chief Administrative Office recommending budget transfer recognizing prior year actual and current year projected increases in Realignment Vehicle License Fee (VLF) and Sales Tax revenues for the Mental Health, Human Services and Public Health departments. (4/5 vote required)

**RECOMMENDED ACTION:** Approve.

**FUNDING:** Realignment Sales Tax and VLF Revenues / Gen Fund

|                           |     |           |
|---------------------------|-----|-----------|
| BUDGET SUMMARY:           |     |           |
| Total Estimated Cost      |     | \$158,238 |
|                           |     |           |
| Funding                   |     |           |
| Budgeted                  | \$0 |           |
| New Funding               | \$  |           |
| Savings                   | \$  |           |
| Other                     | \$  |           |
| Total Funding Available   | \$0 |           |
| Change To Net County Cost |     | \$158,238 |

Fiscal Impact: Increases for current year revenues will be offset by a corresponding increase in appropriations within each department's special revenue fund (no change to Net County Cost). Adjustments for prior year revenues result in a decrease of \$158,238 to General Fund Contingency.

Reason for Recommendation:

- 1) Current year Realignment Sales Tax and Vehicle License Fee (VLF) revenues are projected to be greater than budgeted. A budget transfer is necessary to recognize the additional anticipated revenues and appropriate them for transfer to the special revenue funds for each department prior to the end of the fiscal year. The increases are identified in the chart below.
- 2) Current year available fund balance within the Mental Health realignment special revenue fund 7776410 is \$167,555 greater than budgeted. A budget transfer is recommended to appropriate the available fund balance.
- 3) At the end of FY 2004-05 the County received VLF revenues in excess of the budgeted amount for Mental Health (\$98,485) and Public Health (\$59,753). These funds came in at the very end of the fiscal year and the departments did not have sufficient time to prepare a budget transfer increasing revenues and appropriations in that fiscal year. The revenues rolled into the General Fund and after discussions with staff from the Auditor's Office it was determined that the funds must now be

recognized and restated in the current year budget. Because the revenues were recorded in General Fund, a transfer from General Fund Appropriations for Contingency is required.

| <u>Revenue Source</u>                | <u>Budgeted</u> | <u>Revised</u> | <u>Change</u> |
|--------------------------------------|-----------------|----------------|---------------|
| FY 07-08 Social Services - Sales Tax | 4,952,700       | 5,098,216      | 145,500       |
| FY 07-08 Mental Health - VLF         | 1,033,200       | 1,206,350      | 173,150       |
| FY 07-08 Public Health - VLF         | 6,395,000       | 6,443,910      | 48,910        |
| FY 07-08 Mental Health - PY Fund Bal | 760,097         | 927,652        | 167,555       |
| Prior Year Mental Health - VLF       |                 | 98,485         | 98,485        |
| Prior Year Public Health - VLF       |                 | 59,753         | 59,753        |
| Adjustment to Gen Fund Contingency   |                 | (158,238)      | (158,238)     |

The attached budget transfer increases the Realignment Sales Tax and VLF revenues to include anticipated current year increases and prior year adjustments. It also recognizes available fund balance within the Mental Health realignment special revenue fund. The Human Services and Public Health Departments do not anticipate a current year need for these funds and are requesting an increase in appropriations for contingency in each special revenue fund. Unspent funds will be available for re-appropriation in FY 2008-09. The Mental Health Department is requesting to use the additional realignment funds and available fund balance to offset the loss of AB3632 funds in their department in FY 2007-08.

Action to be Taken Following Approval:

1. Chair to sign Budget Transfer Request.
2. Board Clerk's Office to forward executed Budget Transfer to Auditor's Office for posting.