



# **Public Budget Workshop: Overview of the County Budget and Budget Process**

Office of Budget & Debt Management  
February 4, 2021

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Britt Ferguson, Interim Chief Fiscal Officer

# Purpose

- General Overview
  - Budget Basics
  - The Budget Document
  - Budget Process & Timeline
    - Outline coming opportunities for public input and Board direction
- Discuss County Budget and Fiscal Situation
- Receive input on priorities

# Budget Basics

# What is a Budget?

- a) Policy Setting & Implementation
- b) Spending Plan
- c) Expenditure Authority & Limitation

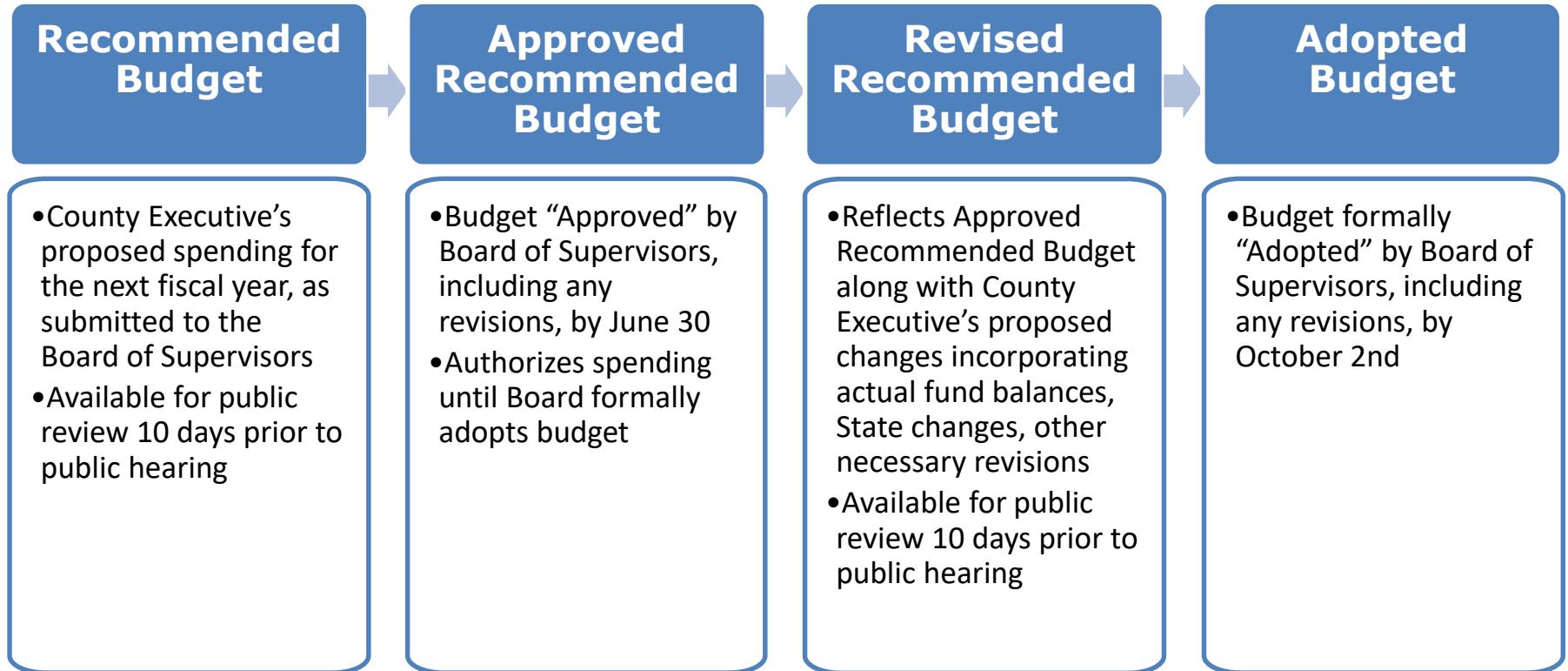
# Legal & Policy Framework

- a) County Budget Act
- b) State Controller's Budget Guide
- c) State/Federal Laws, Rules and Contract Provisions (including OMB Super Circular)
- d) County Charter and Code
- e) Board policy direction

# Roles & Responsibilities

- a) Departments
- b) Budget & Debt Management (CFO & Analysts)
- c) County Executive Cabinet (Deputy County Executives & CFO)
- d) County Executive
- e) Finance Department
- f) Board of Supervisors
- g) The General Public

# Key Terms & Concepts



# Key Terms & Concepts

- Appropriations
- Revenue
- Reimbursements
- Net Financing Uses
- Net County Cost
- Available Fund Balance
- Reserves



# Basic Budget Elements

- Funds (and Fund Types)
- Budget Units
- Programs
- Fund Centers
- Objects
- Accounts

# Fiscal Issues

- Municipal vs. Countywide Services
- Provider of State Programs (including Mandated Programs) vs Local Priorities & Services
- Discretionary/Semi-Discretionary and Categorical (Dedicated or Restricted Revenue)
- Labor Agreements/COLAs
- State Budget

# The Budget Document

*Annual Budget Documents can be found on the [Office of Budget and Debt Management webpage](#).*

# County Executive Budget Message

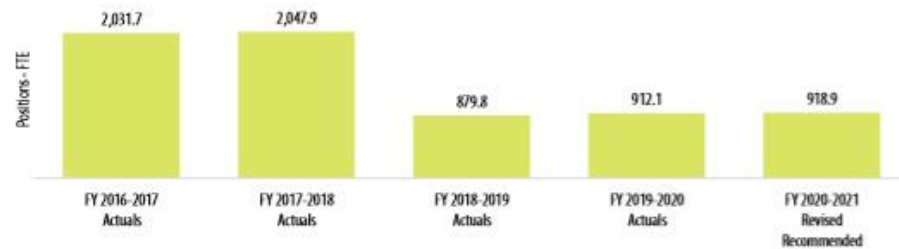
- Budget Summary
- Attachments
  - Program Reductions
  - New/Enhanced Programs
  - The All Funds Budget
  - The General Fund Budget
  - The Economic/Fiscal Context

# Budget Unit Pages

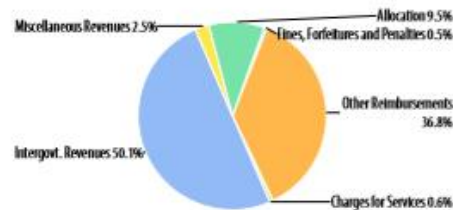
## Department Structure Dr. Peter Blelenson, Director



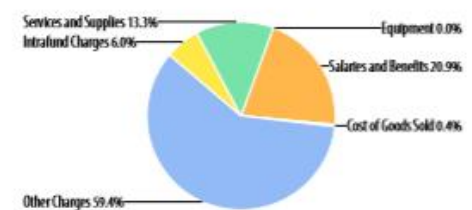
### Staffing Trend



### Financing Sources



### Financing Uses



# Budget Unit Pages

Health Services  
Health Services

Budget Unit: 7200000  
Fund(s): 001A

## Budget Unit – Budget by Program

	FY 2019-2020 Adopted Budget	FY 2020-2021 Approved Recommended Budget	FY 2020-2021 Revised Recommended Budget	Changes from Approved Recommended Budget	% Change from Approved Recommended Budget
<b>Department Appropriations by Program</b>					
Administration and Fiscal Services	\$14,362,065	\$14,362,065	\$14,782,318	\$420,253	2.9%
Mental Health	\$322,196,012	\$322,196,012	\$376,027,067	\$53,831,055	16.7%
Primary Health Services	\$32,585,391	\$32,585,391	\$40,755,524	\$8,170,133	25.1%
Public Health Services	\$50,898,876	\$50,898,876	\$76,672,809	\$25,773,933	50.6%
Substance Use Prevention and Treatment Services	\$54,451,872	\$54,451,872	\$61,525,660	\$7,073,788	13.0%
<b>Total Expenditures / Appropriations</b>	\$474,494,216	\$474,494,216	\$569,763,378	\$95,269,162	20.1%
<b>Total Reimbursements</b>	\$(269,036,055)	\$(269,036,055)	\$(298,741,878)	\$(29,705,823)	11.0%
<b>Net Financing Uses</b>	\$205,458,161	\$205,458,161	\$271,021,500	\$65,563,339	31.9%
<b>Total Revenue</b>	\$167,861,529	\$167,861,529	\$230,136,963	\$62,275,434	37.1%
<b>Net County Cost</b>	\$37,596,632	\$37,596,632	\$40,884,537	\$3,287,905	8.7%
Positions	880.1	912.1	918.9	6.8	0.7%

# Budget Unit Pages

## Budget Unit – Budget by Object

	FY 2019-2020 Adopted Budget	FY 2020-2021 Approved Recommended Budget	FY 2020-2021 Revised Recommended Budget	Changes from Approved Recommended Budget	% Change from Approved Recommended Budget
<b>Appropriations by Object</b>					
Salaries & Benefits	\$111,080,180	\$111,080,180	\$118,919,329	\$7,839,149	7.1%
Services & Supplies	\$48,790,166	\$48,790,166	\$75,733,348	\$26,943,182	55.2%
Other Charges	\$283,792,427	\$283,792,427	\$338,705,181	\$54,912,754	19.3%
Equipment	\$10,000	\$10,000	\$188,500	\$178,500	1,785.0%
Other Intangible Asset	\$352,063	\$352,063	—	\$(352,063)	(100.0)%
Intrafund Charges	\$29,191,478	\$29,191,478	\$34,179,491	\$4,988,013	17.1%
Cost of Goods Sold	\$1,277,902	\$1,277,902	\$2,037,529	\$759,627	59.4%
<b>Total Expenditures / Appropriations</b>	<b>\$474,494,216</b>	<b>\$474,494,216</b>	<b>\$569,763,378</b>	<b>\$95,269,162</b>	<b>20.1%</b>
Intrafund Reimbursements Within Programs	\$(2,057,076)	\$(2,057,076)	\$(6,663,001)	\$(4,605,925)	223.9%
Intrafund Reimbursements Between Programs	\$(14,314,845)	\$(14,314,845)	\$(14,070,092)	\$304,753	(2.1)%
Semi-Discretionary Reimbursements	\$(132,434,095)	\$(132,434,095)	\$(119,972,127)	\$12,461,968	(9.4)%
Other Reimbursements	\$(120,230,039)	\$(120,230,039)	\$(158,096,658)	\$(37,866,619)	31.5%
<b>Total Reimbursements</b>	<b>\$(269,036,055)</b>	<b>\$(269,036,055)</b>	<b>\$(298,741,878)</b>	<b>\$(29,705,823)</b>	<b>11.0%</b>
<b>Net Financing Uses</b>	<b>\$205,458,161</b>	<b>\$205,458,161</b>	<b>\$271,021,500</b>	<b>\$65,563,339</b>	<b>31.9%</b>
<b>Revenue</b>					
Fines, Forfeitures & Penalties	\$1,996,561	\$1,996,561	\$1,996,561	—	—%
Intergovernmental Revenues	\$162,180,468	\$162,180,468	\$214,891,167	\$52,710,699	32.5%
Charges for Services	\$2,667,589	\$2,667,589	\$2,628,858	\$(38,731)	(1.5)%
Miscellaneous Revenues	\$1,016,911	\$1,016,911	\$10,620,377	\$9,603,466	944.4%
<b>Total Revenue</b>	<b>\$167,861,529</b>	<b>\$167,861,529</b>	<b>\$230,136,963</b>	<b>\$62,275,434</b>	<b>37.1%</b>
<b>Net County Cost</b>	<b>\$37,596,632</b>	<b>\$37,596,632</b>	<b>\$40,884,537</b>	<b>\$3,287,905</b>	<b>8.7%</b>
Positions	880.1	912.1	918.9	6.8	0.7%

## Summary of Changes

The Revised Recommended Budget reflects a \$95,269,162 (20.1%) increase in total appropriations, a \$29,705,823 (11.0%) increase in reimbursements, a \$62,275,434 (37.1%) increase in revenue, and a \$3,287,905 (8.7%) increase in net county cost from the Approved Recommended Budget.

The net increase in total appropriations is due to:

- Increase in salaries and benefits and the mid-year addition of 29.0 FTE in Behavioral Health Services and 3.0 FTE in Public Health.
- Contract increase for the Drug Medi-Cal Organized Delivery System (DMC-ODS) expansion.
- Contract increase for the Mental Health Services Act (MHSA) Expansion, Short Term Residential Therapeutic Program and Children's Fit, Adult Residential Treatment and Children's mental health.
- Recommended growth of \$28,183,630 summarized below.
- Recommended reductions of \$6,039,293 summarized on the next page.

The net increase in reimbursements is due to:

- Increase in MHSA fund reimbursement.
- Recommended growth of \$5,711,128 summarized below.
- Recommended reductions of \$184,832 summarized on the next page.

The increase in revenue is due to:

- Increase in Federal Financial Participation (FFP) funds in Adult Mental Health based on current year's claims.
- Increase in FFP in Children's Mental Health for Youth reinvestment Grant partnership with Probation.
- Increase in Substance Abuse and Mental Health Services Administration (SAMHSA) grant for Alcohol and Drug Services.
- Realignment backfill.
- Prior Year revenue for Mental Health Cost Settlement included in budget.
- Recommended growth of \$20,753,171 summarized below.

The increase in net county cost is due to the above described changes.

The Recommended Budget includes recommended growth and recommended reductions as summarized below. Additional detail is provided in the individual program sections.

Position counts have increased by 6.8 FTE from the Approved Recommended Budget due to:

- 0.8 FTE recommended net Base decrease.
- 12.6 FTE total additions in recommended growth requests.
- 5.0 FTE total reductions in recommended reduction scenarios – 1.0 FTE filled/4.0 FTE vacant.

## Mental Health

### Program Overview

**Mental Health** services include prevention and early intervention, outpatient services, intensive outpatient services, targeted case management services, crisis intervention and stabilization services, psychiatric residential services and inpatient psychiatric hospitalizations.

### Program Budget by Object

	FY 2019-2020 Adopted Budget	FY 2020-2021 Approved Recommended Budget	FY 2020-2021 Revised Recommended Budget	Changes from Approved Recommended Budget	% Change from Approved Recommended Budget
<b>Appropriations by Object</b>					
Salaries & Benefits	\$53,124,639	\$53,124,639	\$57,780,352	\$4,655,713	8.8%
Services & Supplies	\$28,448,640	\$28,448,640	\$25,977,220	\$(2,471,420)	(8.7)%
Other Charges	\$222,369,523	\$222,369,523	\$270,196,321	\$47,826,798	21.5%
Intrafund Charges	\$18,253,210	\$18,253,210	\$22,073,174	\$3,819,964	20.9%
<b>Total Expenditures / Appropriations</b>	<b>\$322,196,012</b>	<b>\$322,196,012</b>	<b>\$376,027,067</b>	<b>\$53,831,055</b>	<b>16.7%</b>
Total Reimbursements within Program	\$(402,841)	\$(402,841)	\$(3,862,698)	\$(3,459,857)	858.9%
Total Reimbursements between Programs	—	—	—	—	—%
Semi Discretionary Reimbursements	\$(108,967,454)	\$(108,967,454)	\$(96,870,436)	\$12,097,018	(11.1)%
Other Reimbursements	\$(112,177,168)	\$(112,177,168)	\$(148,740,740)	\$(36,563,572)	32.6%
<b>Total Reimbursements</b>	<b>\$(221,547,463)</b>	<b>\$(221,547,463)</b>	<b>\$(249,473,874)</b>	<b>\$(27,926,411)</b>	<b>12.6%</b>
<b>Net Financing Uses</b>	<b>\$100,648,549</b>	<b>\$100,648,549</b>	<b>\$126,553,193</b>	<b>\$25,904,644</b>	<b>25.7%</b>
<b>Revenue</b>					
Intergovernmental Revenues	\$81,306,529	\$81,306,529	\$99,477,035	\$18,170,506	22.3%
Charges for Services	\$375,000	\$375,000	\$375,000	—	—%
Miscellaneous Revenues	\$500,000	\$500,000	\$9,660,633	\$9,160,633	1,832.1%
<b>Total Revenue</b>	<b>\$82,181,529</b>	<b>\$82,181,529</b>	<b>\$109,512,668</b>	<b>\$27,331,139</b>	<b>33.3%</b>
<b>Net County Cost</b>	<b>\$18,467,020</b>	<b>\$18,467,020</b>	<b>\$17,040,525</b>	<b>\$(1,426,495)</b>	<b>(7.7)%</b>
Positions	426.4	454.4	455.4	1.0	0.2%

# Program Pages



# Program Pages

## Recommended Growth Detail for the Program

	Total Expenditures	Reimbursements	Revenue	Net Cost	FTE
<b>DHS - Increase Dignity Health</b>	1,451,676	(3,002,577)	(1,550,901)	—	—
Expand the Behavioral Health Crisis Services Collaborative Project with Dignity Health for the provision of mental health services. The program establishes continuity of care between hospital emergency departments, County Mental Health Plan providers, and Managed Care Plans so that clients are successfully connected to on-going outpatient mental health and crisis stabilization services. This request is funded with FFP and MHSA funds. The FFP allocation has been adjusted to reflect the match ratio. Contingent on BU 7290000 Fund Center 729300 growth request approval.					
<b>DHS - Increase Telecare ARISE</b>	242,004	(193,000)	49,004	—	—
Expand the Sacramento Adults Recovering in a Strength-Based Environment (ARISE) Full Service Partnership program for the provision of mental health services to adults living with serious mental illness who are homeless or at risk of homelessness. ARISE serves at least 200 adults who require frequent contact and support to remain in the community due to the severity of their mental illness and frequent hospitalizations. The proposed increase allows for staffing to meet industry standards to provide required 24/7 onsite services for clients. This request is fully funded by MHSA and FFP. Contingent on BU 7290000 Fund Center 729100 Growth Request approval.					
<b>DHS - Increase Turning Point</b>	500,000	(1,106,250)	(606,250)	—	—
Increase contract with Turning Point Community Programs for expanded services at the Mental Health Urgent Care Clinic. This program provides voluntary and immediate access to short-term crisis intervention services for co-occurring substance abuse disorders to all individuals of all age groups (children, transition age youth, adults, and older adults) who are experiencing a mental health crisis and serves as an alternative to Emergency Room visits. This request will allow for increased service capacity, resulting in decreased wait times and more clients served per day. This request is funded by FFP and MHSA funds. Contingent on BU 7290000 Fund Center 729100 Growth Request approval.					
<b>DHS Add 1.0 FTE BHS Health Program Manager</b>	179,304	(179,304)	—	—	1.0
Add 1.0 FTE Health Program Manager (HPM) to develop a behavioral health forensics continuum of care to support new jail diversion initiatives. This new position will oversee the development and implementation of programs and projects to enhance reentry services, reduce recidivism, and relieve pressure on the jail system. The position will coordinate with Collaborative Courts, the Probation Department, and behavioral health service providers. This request is funded with Mental Health Services Act reserve funds. Contingent on BU 7290000 Fund Center 7291000 Growth request approval.					
<b>DHS Add 2.0 FTE Fiscal staff for Behavioral Health Services</b>	275,760	(275,760)	—	—	—
Add 1.0 FTE Accounting Manager and 1.0 Sr. Accountant. Over the past 5 years the Division of Behavioral Health Services has experienced tremendous growth, having been awarded several grants from the California Health Facility Financing Authority (CHFFA), Mental Health Services Oversight & Accountability Commission (MHOAC), and three MHSA funded expansions totaling \$72M. In addition, the California Department of Health Care Services is now auditing MHSA funding in addition to Medi-Cal funding as part of cost reporting. Fiscal Services had staff reductions related to the recent department reorganization with DCFAS making it challenging to maintain proper financial accounting of multiple funding sources to ensure on-going funding and to reduce exposure to fiscal audit findings. This request is funded with Mental Health Services Act (MHSA) reserve funds. Contingent on Budget Unit 7290000 Fund Centers 7291000 growth request approval.					

# Summary of Positions

## 7200000BU - Health Services

Job Class Code	Job Class Name	Type	Monthly Salary Range	Adopted FTEs 2019-20	Actual FTEs 2019-20	Revised Recommended FTEs 2020-21
27539	Account Clerk Lv 2		\$3,497 – \$4,250	8.0	8.0	8.0
27560	Accounting Mgr		\$9,025 – \$9,949	2.0	2.0	3.0
27610	Accounting Technician		\$4,457 – \$5,418	9.0	9.0	9.0
27611	Activities Therapist		\$5,827 – \$6,746	4.0	4.0	4.0
27603	Admin Svcs Officer 1		\$5,496 – \$6,681	30.0	33.0	34.0
27604	Admin Svcs Officer 2		\$6,592 – \$8,012	37.0	36.0	35.0
27605	Admin Svcs Officer 3		\$9,025 – \$9,949	5.0	7.0	7.0
27534	Assoc Admin Analyst Lv 2		\$6,592 – \$8,012	2.0	2.0	2.0
27640	Building Maintenance Wkr		\$3,775 – \$4,590	1.0	1.0	1.0
27681	Chief Departmental Admin Svcs		\$10,932 – \$12,053	1.0	1.0	1.0
27761	Chief Public Health Laboratory Service		\$9,700 – \$10,695	1.0	1.0	1.0
29577	Chief Therapist		\$9,871 – \$10,883	1.0	1.0	1.0
27654	Claims Assistance Specialist		\$3,525 – \$4,283	21.0	19.0	19.0
27783	Clerical Supv 1		\$4,134 – \$5,026	4.0	3.0	3.0
27786	Clerical Supv 2		\$4,555 – \$5,536	2.0	3.0	3.0
29579	Communicable Disease Investigator Lv 1		\$3,988 – \$4,847	0.0	1.0	1.0
27689	Communicable Disease Investigator Lv 2		\$4,188 – \$5,089	6.5	6.0	6.0
27689	Communicable Disease Investigator Lv 2	LT	\$4,188 – \$5,089	0.0	0.0	1.0
27720	County Health Officer	EX	\$19,597 – \$21,605	1.0	1.0	1.0
27755	County Pharmacist		\$12,510 – \$13,794	1.0	1.0	1.0
27805	Custodian Lv 2		\$3,140 – \$3,815	7.0	7.0	7.0

# State Summary Schedules

<b>State Controller Schedules</b>	<b>County of Sacramento</b>	<b>Schedule 2</b>
County Budget Act	Governmental Funds Summary	
January 2010	FY 2020-21	

Fund Name	Total Financing Sources				Total Financing Uses		
	Fund Balance Available June 30, 2020	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses
1	2	3	4	5	6	7	8

<b>General Fund</b>							
General Fund	\$161,609,233	\$6,588,871	\$1,886,822,871	\$2,055,020,975	\$2,053,286,601	\$1,734,374	\$2,055,020,975
Community Investment Program	152,104	0	0	152,104	152,104	0	152,104
Neighborhood Revitalization	978,097	0	0	978,097	978,097	0	978,097
Mental Health Services Act	41,903,786	18,117,758	78,735,543	138,757,087	135,448,682	3,308,405	138,757,087
Public Safety Sales Tax	0	0	116,051,753	116,051,753	116,051,753	0	116,051,753
1991 Realignment	4,012,568	0	322,313,343	326,325,911	326,325,911	0	326,325,911
2011 Realignment	629,047	770,223	278,151,657	279,550,927	279,450,927	100,000	279,550,927
Sheriff DOJ Asset Forfeiture	(75,919)	0	75,919	0	0	0	0
Clerk/Recorder Fees	2,068,899	746,164	3,080,220	5,895,283	5,354,266	541,017	5,895,283
Sheriff Restricted Revenue	1,520,796	0	2,163,995	3,684,791	3,142,950	541,841	3,684,791
Transient Occupancy Tax	1,539,092	0	10,000	1,549,092	1,549,092	0	1,549,092
Golf	723,478	0	7,876,055	8,599,533	8,156,055	443,478	8,599,533
Interagency Procurement	2,022,732	0	1,916,166	3,938,898	3,938,898	0	3,938,898
<b>Total General Fund</b>	<b>\$217,083,913</b>	<b>\$26,223,016</b>	<b>\$2,697,197,522</b>	<b>\$2,940,504,451</b>	<b>\$2,933,835,336</b>	<b>\$6,669,115</b>	<b>\$2,940,504,451</b>

Balancing the Budget

<b>Special Revenue Funds</b>							
Fish And Game Propagation	\$3,451	\$3,753	\$20,140	\$27,344	\$27,344	\$0	\$27,344
Roads	27,662,482	514,490	75,570,991	103,747,963	103,747,963	0	103,747,963
Department of Transportation	2,021,720	0	58,833,317	60,855,037	60,855,037	0	60,855,037
Environmental Management	710,745	3,178,577	18,833,541	22,722,863	22,722,863	0	22,722,863
EMD Special Program Funds	287,564	0	0	287,564	255,620	31,944	287,564
County Library	87,957	0	1,104,842	1,192,799	1,192,799	0	1,192,799
First 5 Sacramento Commission	4,808,075	1,913,343	17,416,392	24,137,810	24,137,810	0	24,137,810
Economic Development	40,649,775	0	15,861,819	56,511,594	56,511,594	0	56,511,594
Building Inspection	4,703,332	0	17,598,841	22,302,173	22,302,173	0	22,302,173

# Budget Process & Timeline

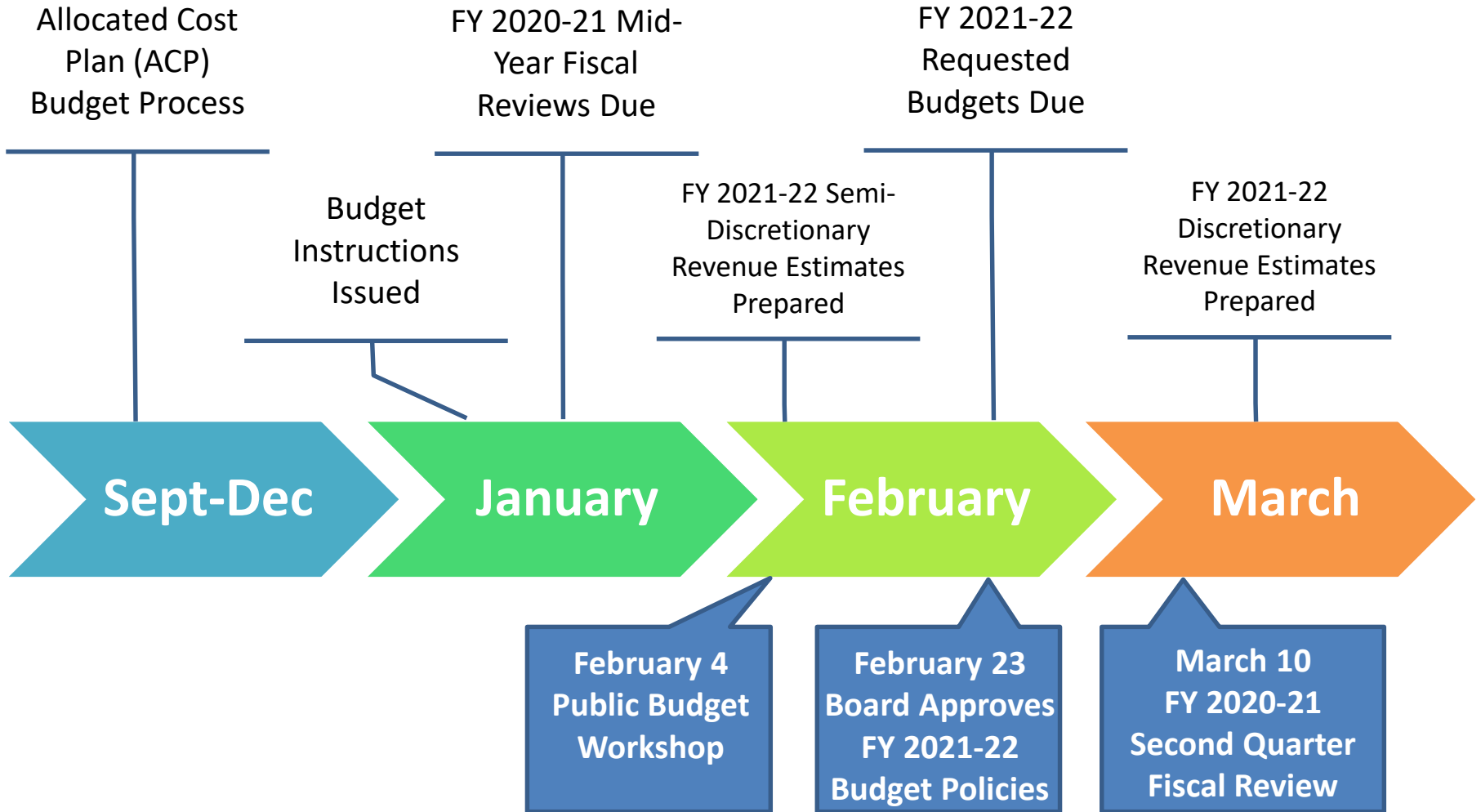
# Budget Process

1. Internal Services Departments & Allocated Costs
2. Recommended Budget (June Hearings) – Budget Approval
3. Year-End Close and Budget Adoption (September Hearings)
4. Post-Adoption Actions (including Accrual Reconciliations)
5. Monthly Budget Monitoring/Mid-Year and Third Quarter Fiscal Reviews and Budget Adjustments

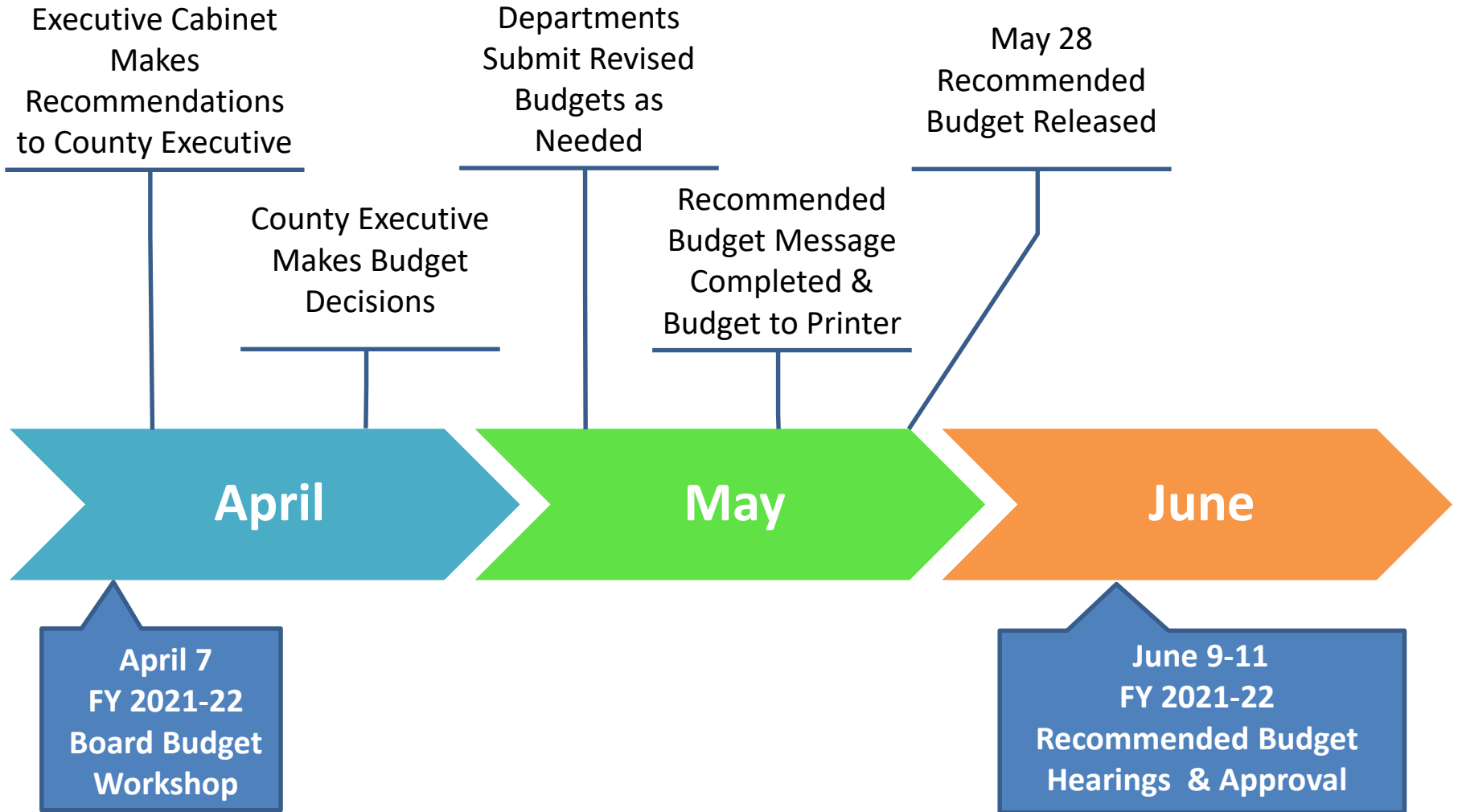
# Preparing the Budget

1. Budget Instructions
2. Allocated Cost Plan
3. Base Budget, Additional Growth Requests, and Reduction Scenarios
4. Net County Cost Targets
5. Salary and Benefits (Personnel Module)

# FY 2021-22 Budget Timeline

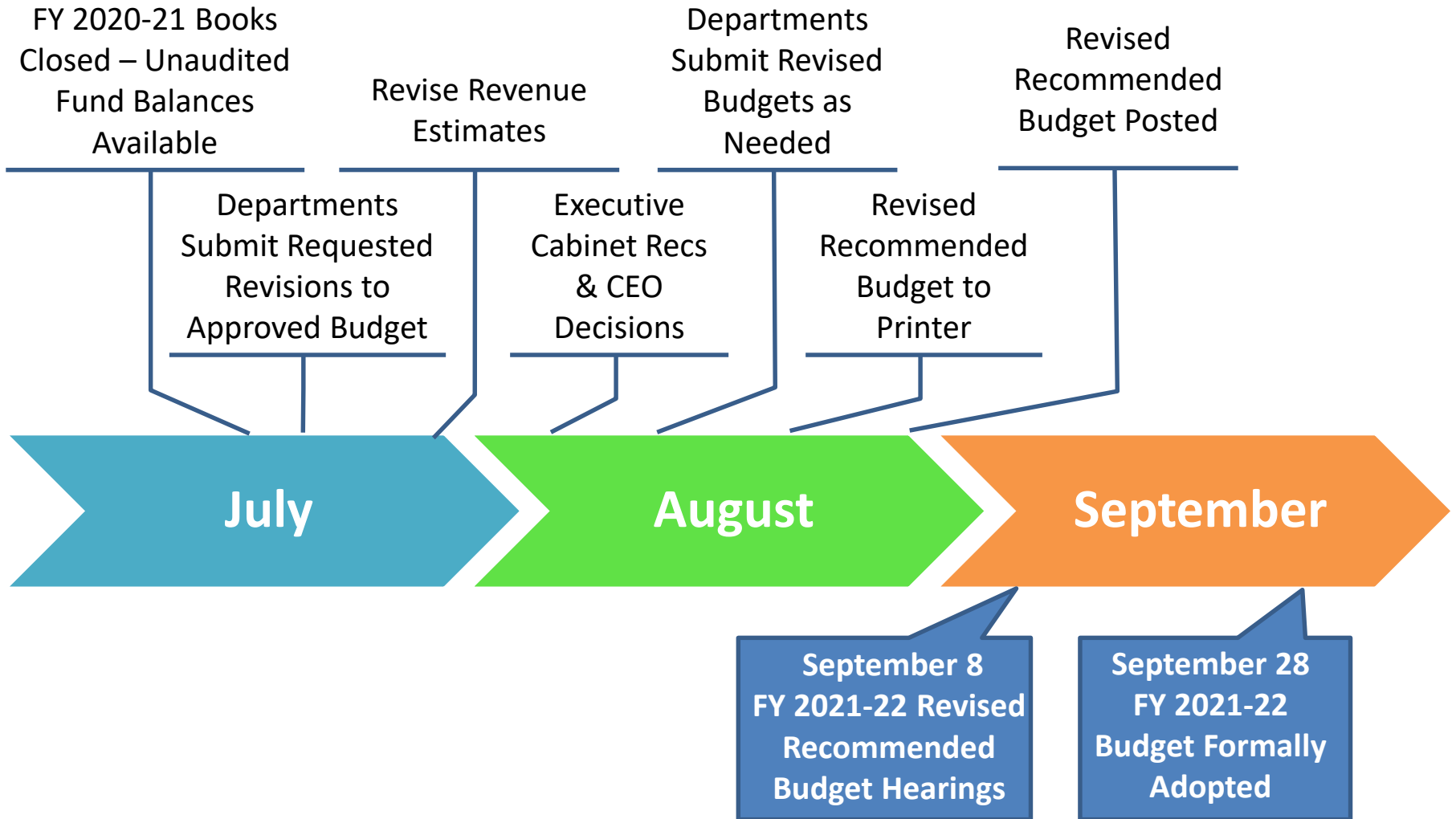


# FY 2021-22 Budget Timeline





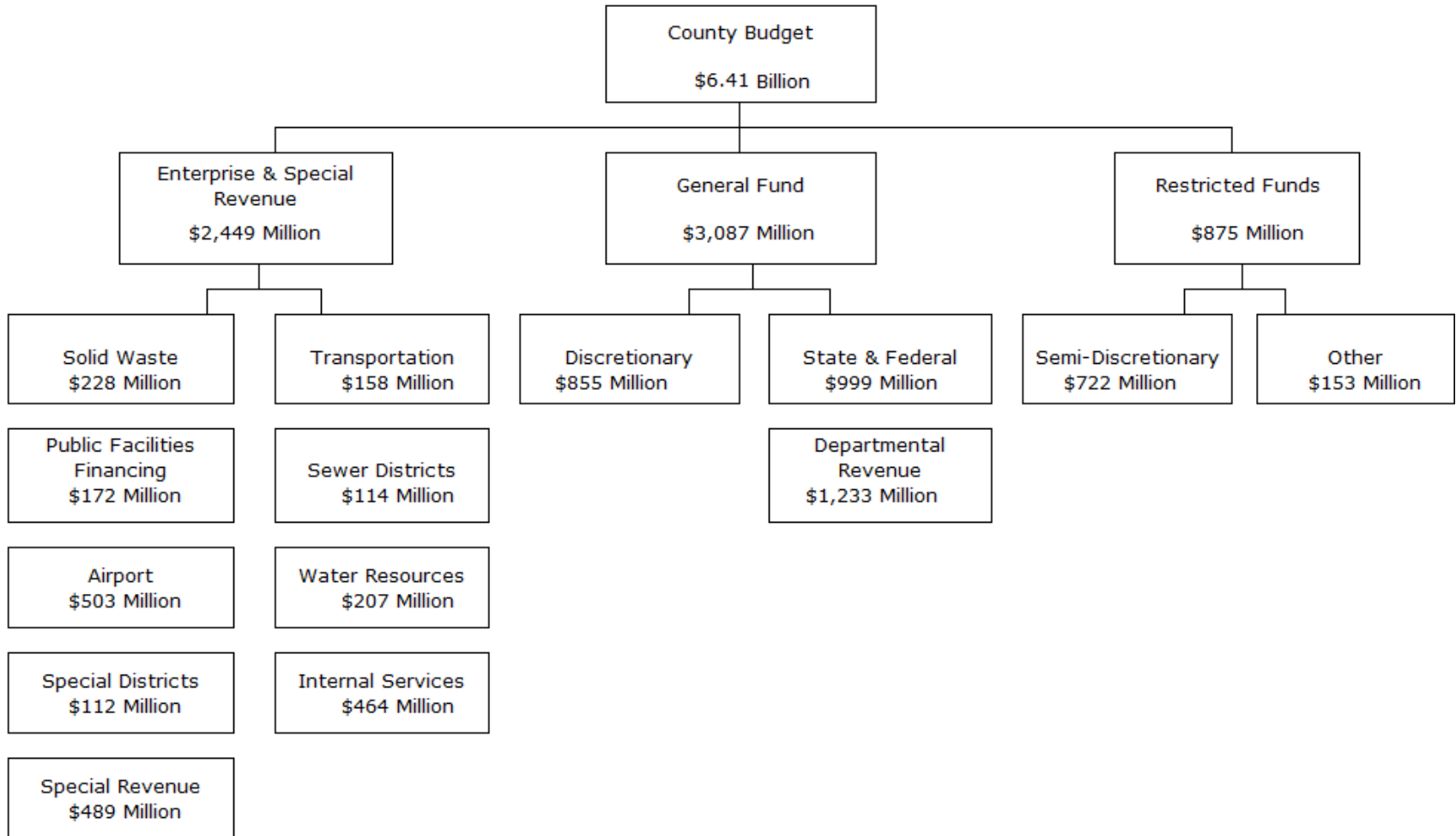
# FY 2021-22 Budget Timeline



# County Budget and Fiscal Situation

# All Funds Budget

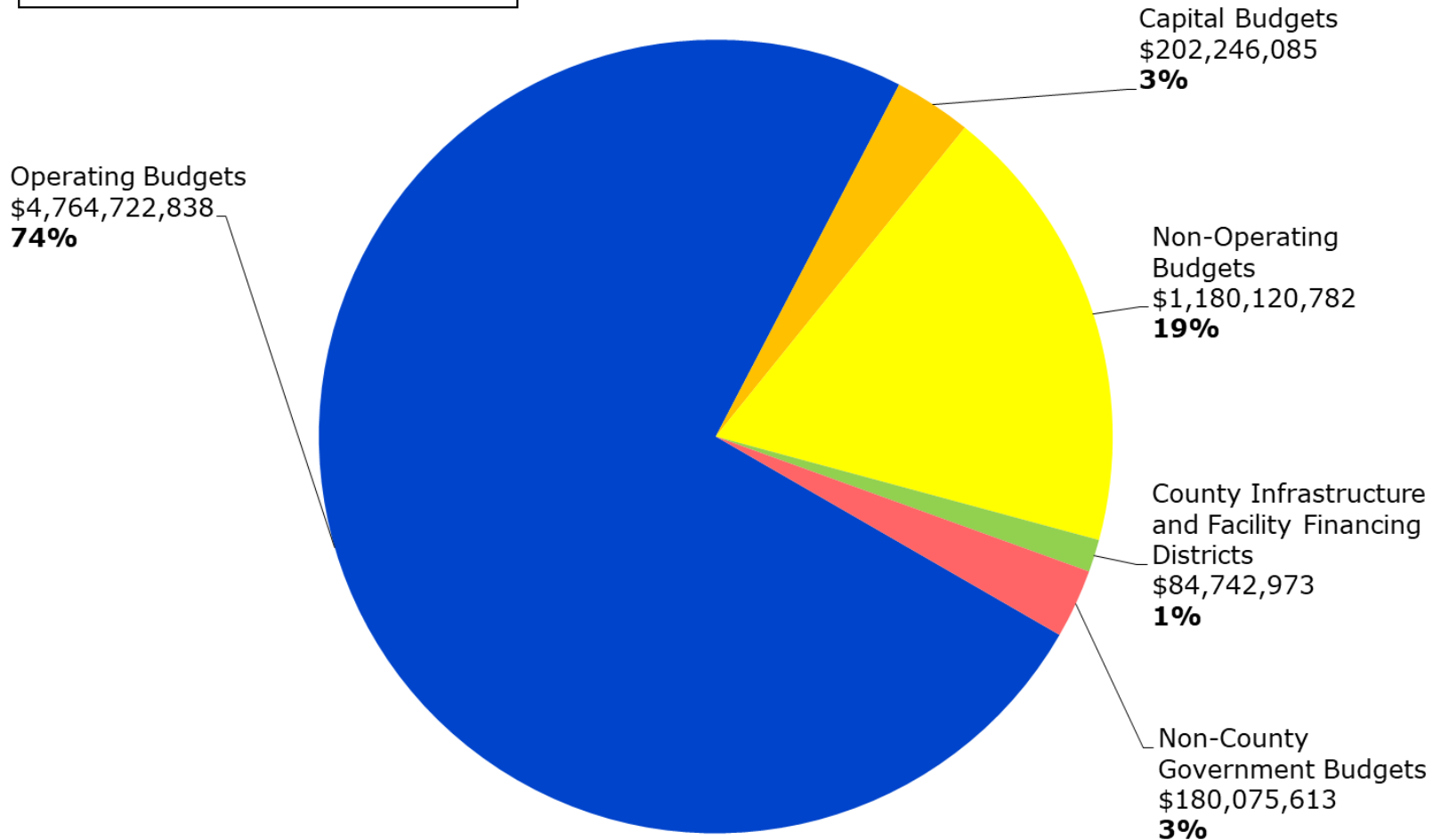
**Fiscal Year 2020-21  
Adopted Budget  
Total Appropriations**



# All Funds Budget

County of Sacramento  
FY 2020-21 Budgeted Appropriations by Budget Categories

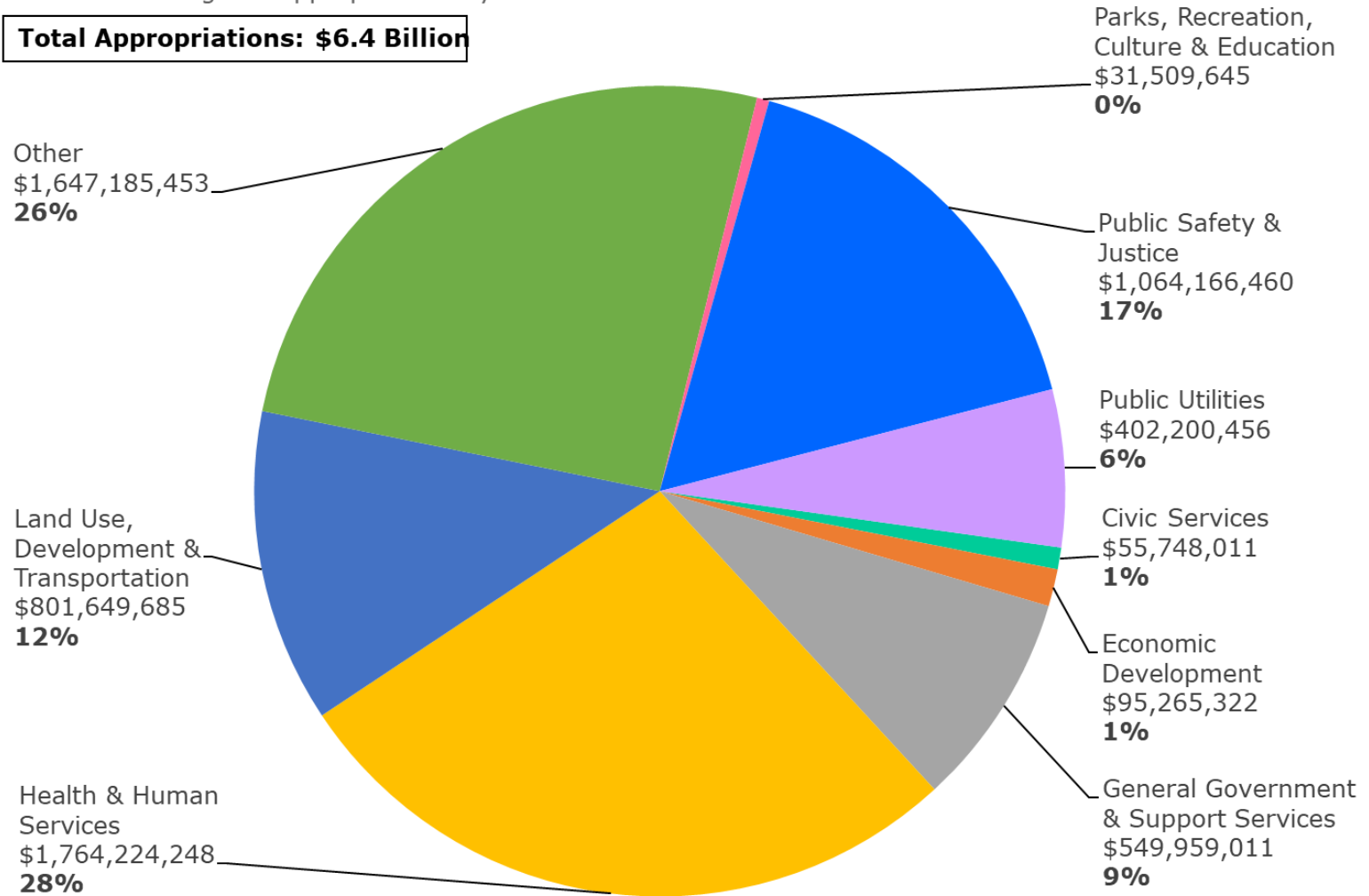
**Total Appropriations: \$6.4 Billion**



# All Funds Budget

County of Sacramento  
FY 2020-21 Budgeted Appropriations by Functional Areas

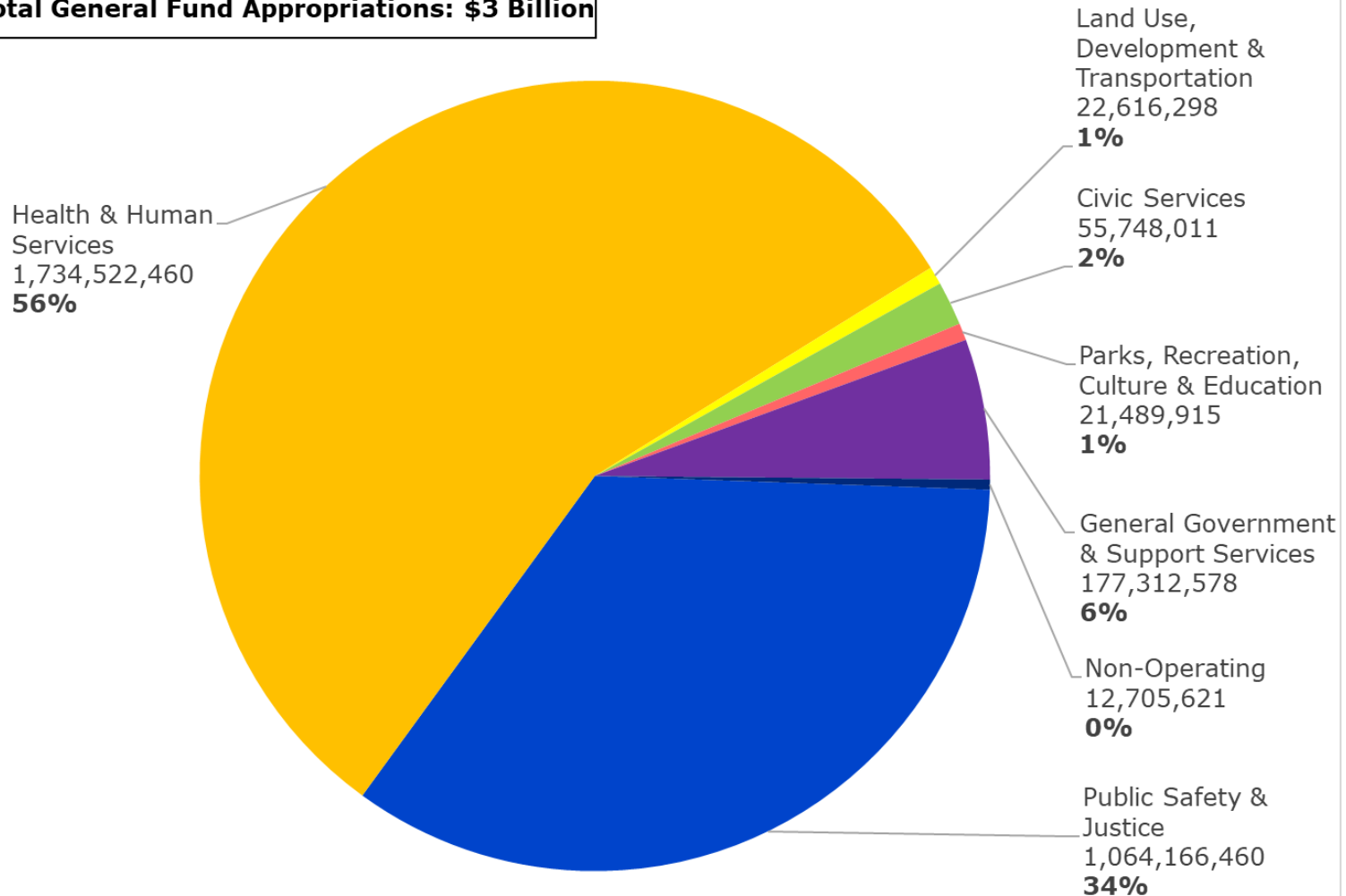
**Total Appropriations: \$6.4 Billion**



# General Fund Budget

County of Sacramento  
FY 2020-21 General Fund Budgeted Appropriations by Functional Areas

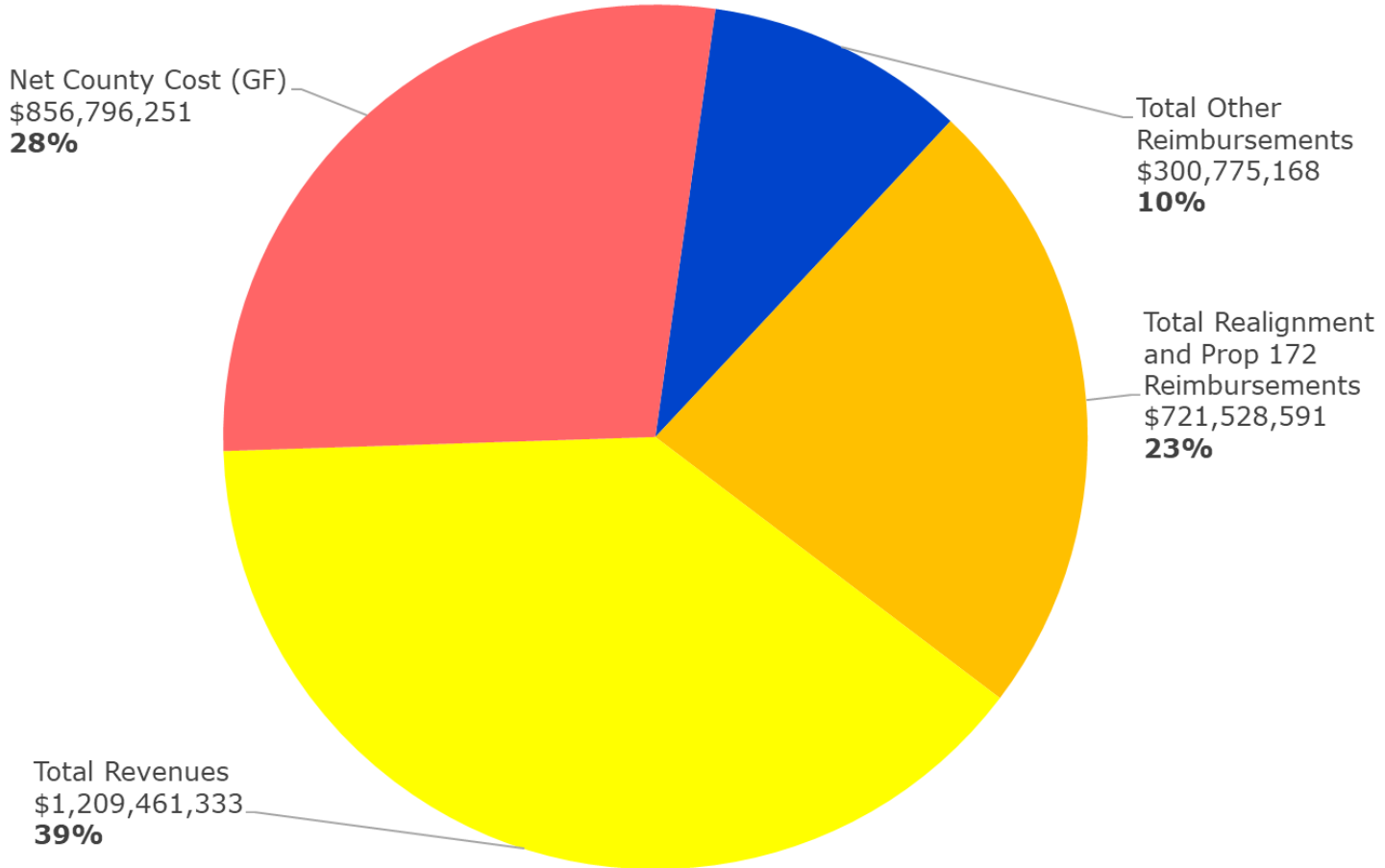
**Total General Fund Appropriations: \$3 Billion**



# General Fund Budget

County of Sacramento  
FY 2020-21 General Fund Budgeted Appropriations by Funding Source

**Total General Fund Appropriations: \$3 Billion**



# General Fund Budget

County of Sacramento  
 FY 2020-21 General Fund Appropriations by Functional Areas and by Funding Source

**Total General Fund Appropriations: \$3 Billion**



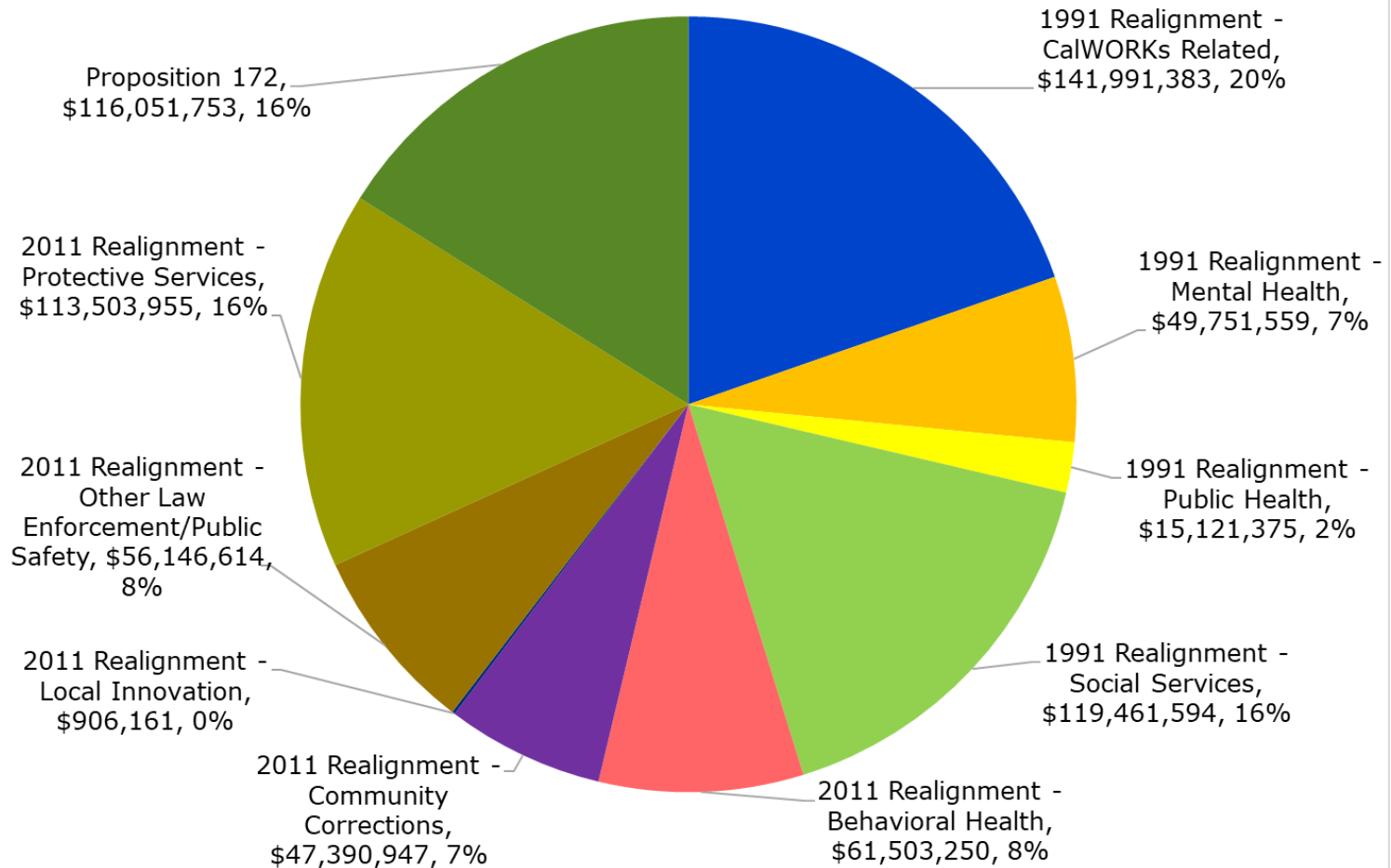


# Semi-Discretionary Revenue

County of Sacramento

FY 2020-21 Semi-Discretionary Revenue Budgeted Appropriations by Main Component

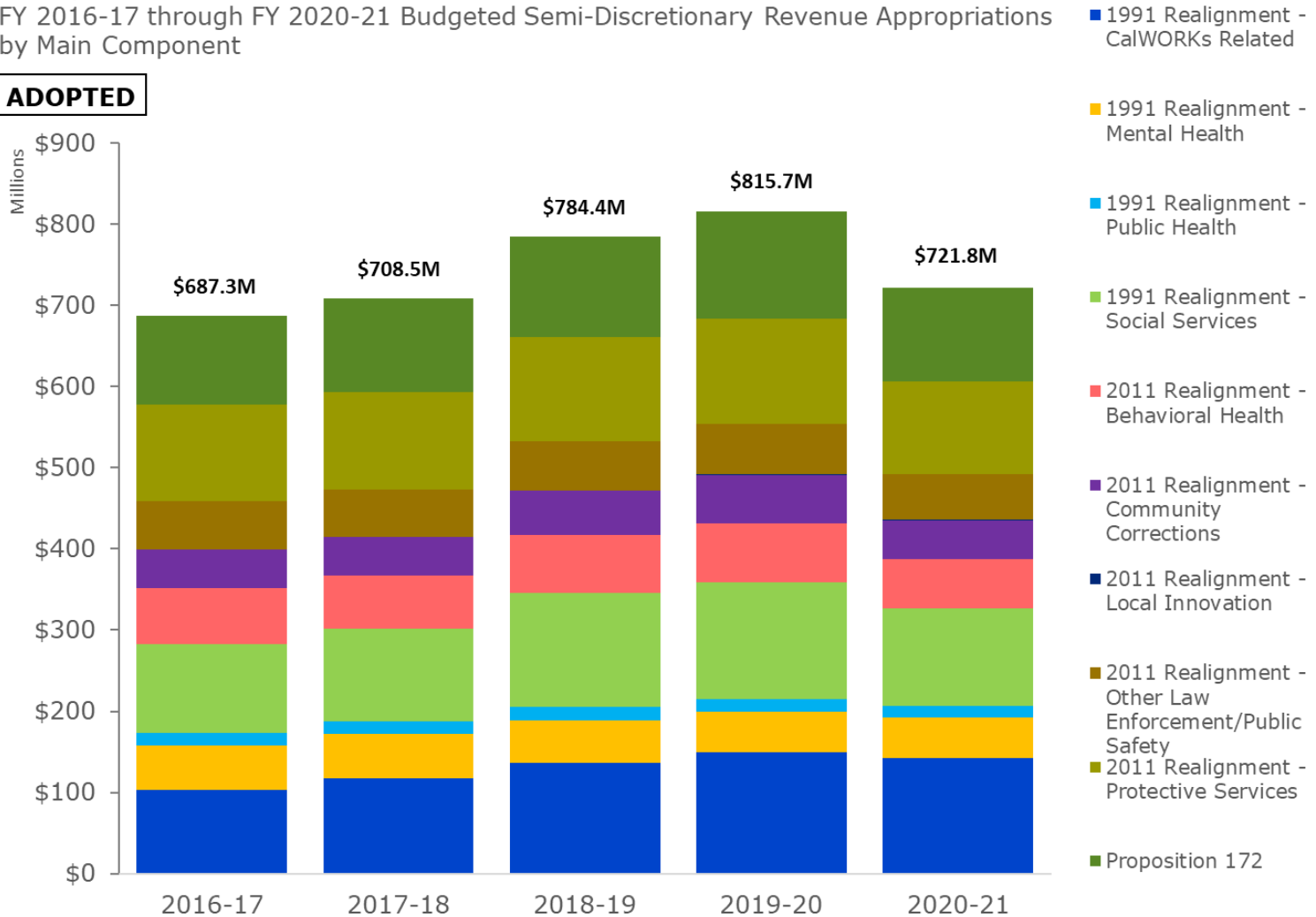
**Total Semi-Discretionary Revenue Appropriations: \$721.8 Million**



# Semi-Discretionary Revenue

County of Sacramento  
 FY 2016-17 through FY 2020-21 Budgeted Semi-Discretionary Revenue Appropriations  
 by Main Component

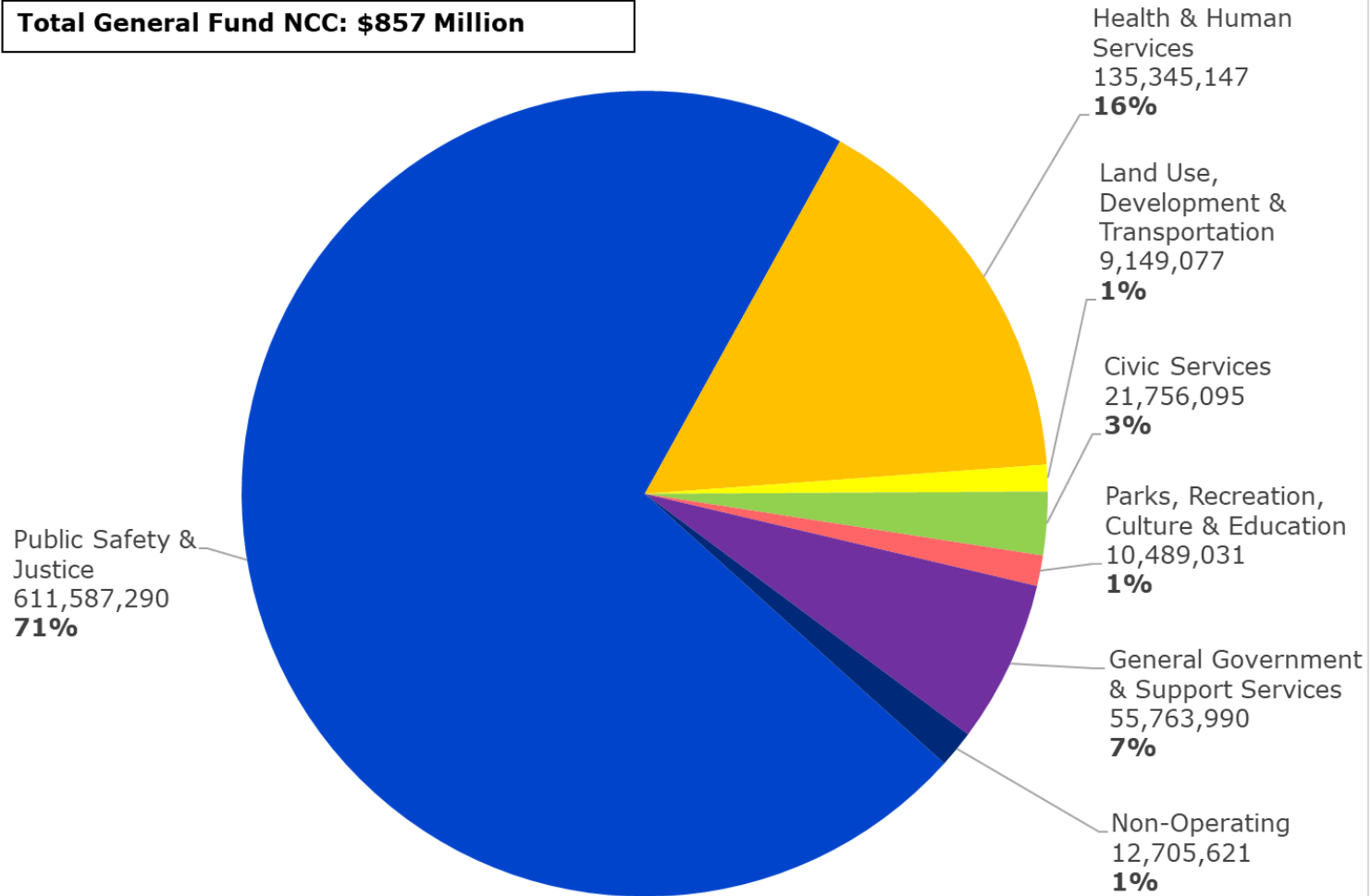
**ADOPTED**



# General Fund Budget Net County Cost

County of Sacramento  
FY 2020-21 General Fund Net County Cost by Functional Areas

**Total General Fund NCC: \$857 Million**

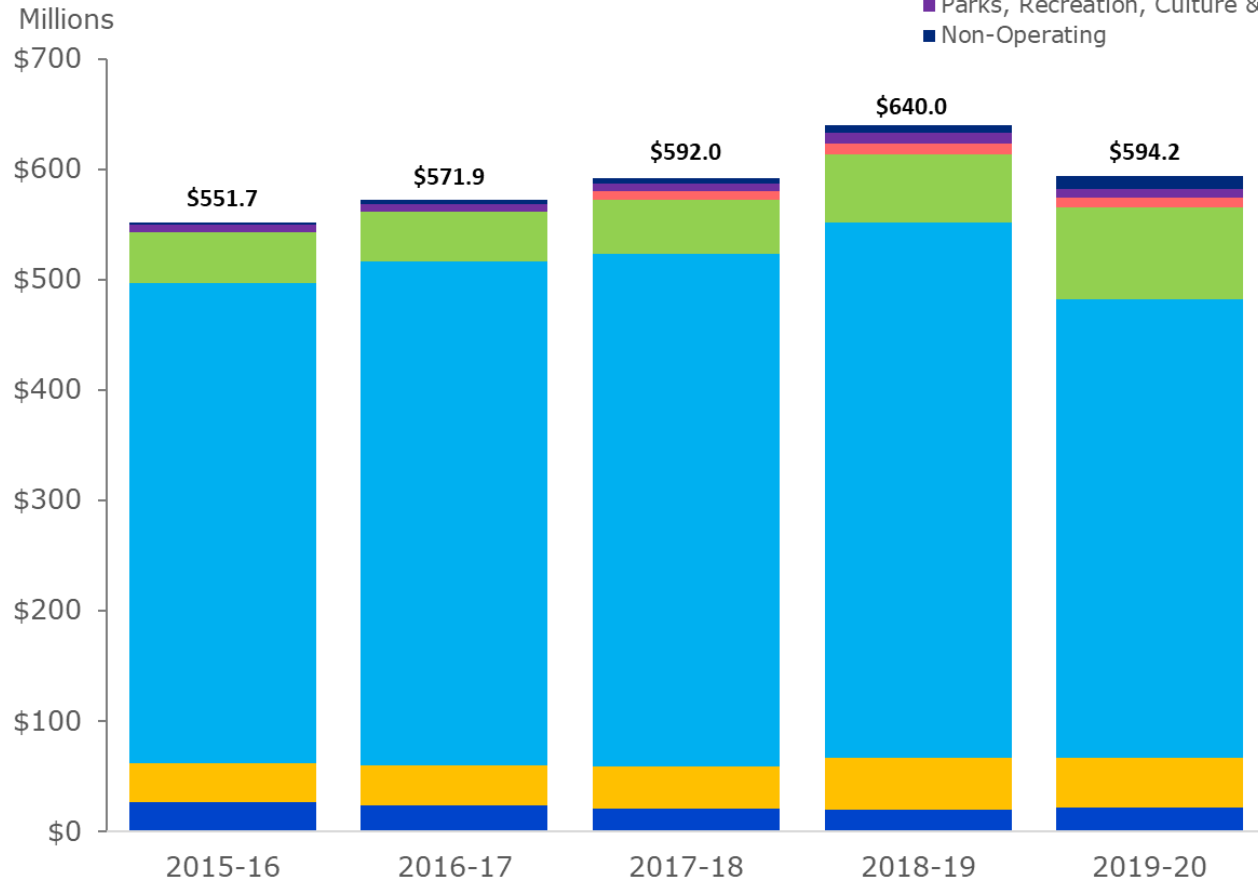


# Actual Net County Cost

County of Sacramento  
 FY 2015-16 through FY 2019-20 Net County Cost by Functional Areas

**ACTUAL**

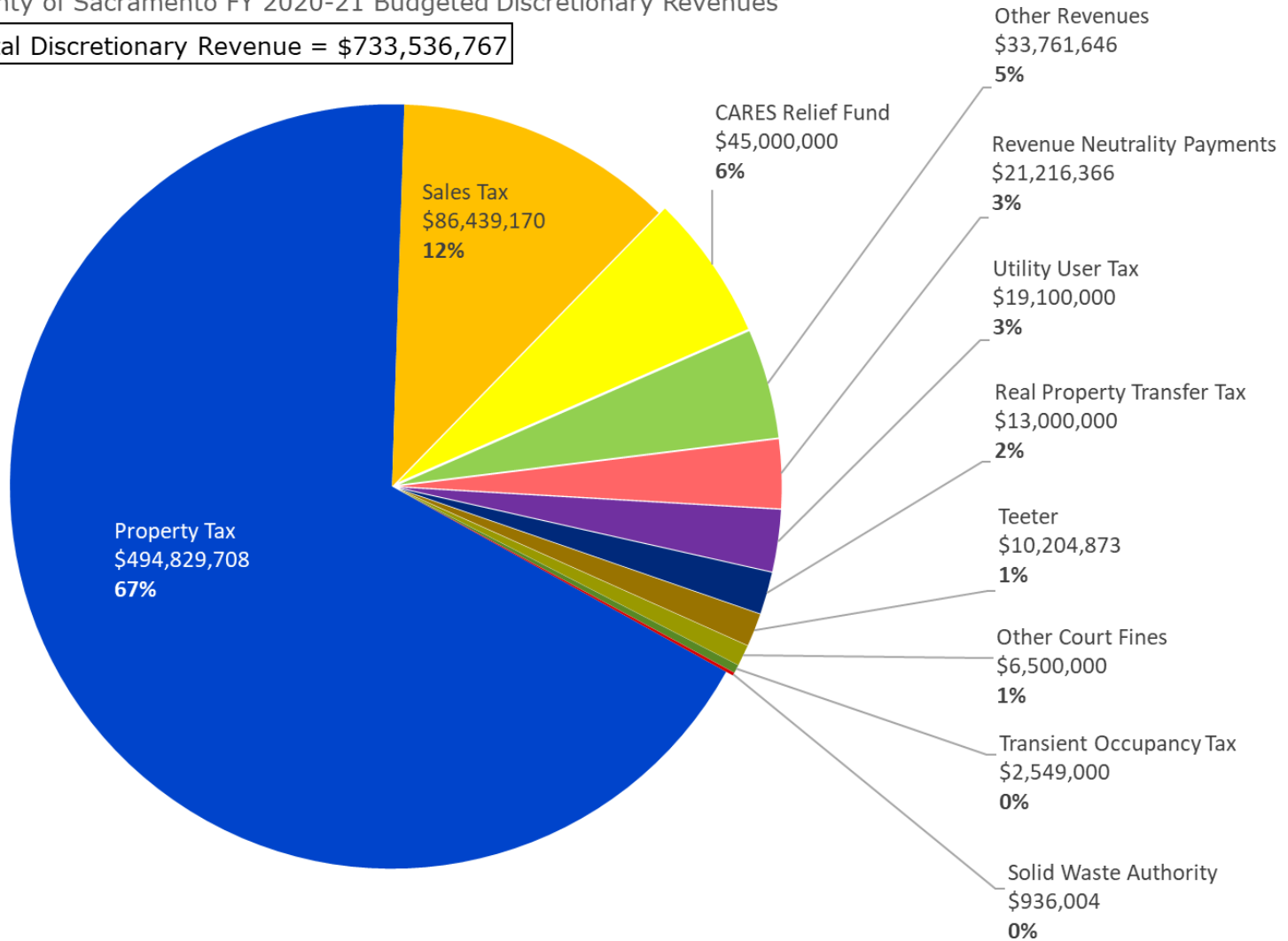
- Civic Services
- General Government & Support Services
- Public Safety & Justice
- Health & Human Services
- Land Use, Development & Transportation
- Parks, Recreation, Culture & Education
- Non-Operating



# Discretionary Revenue

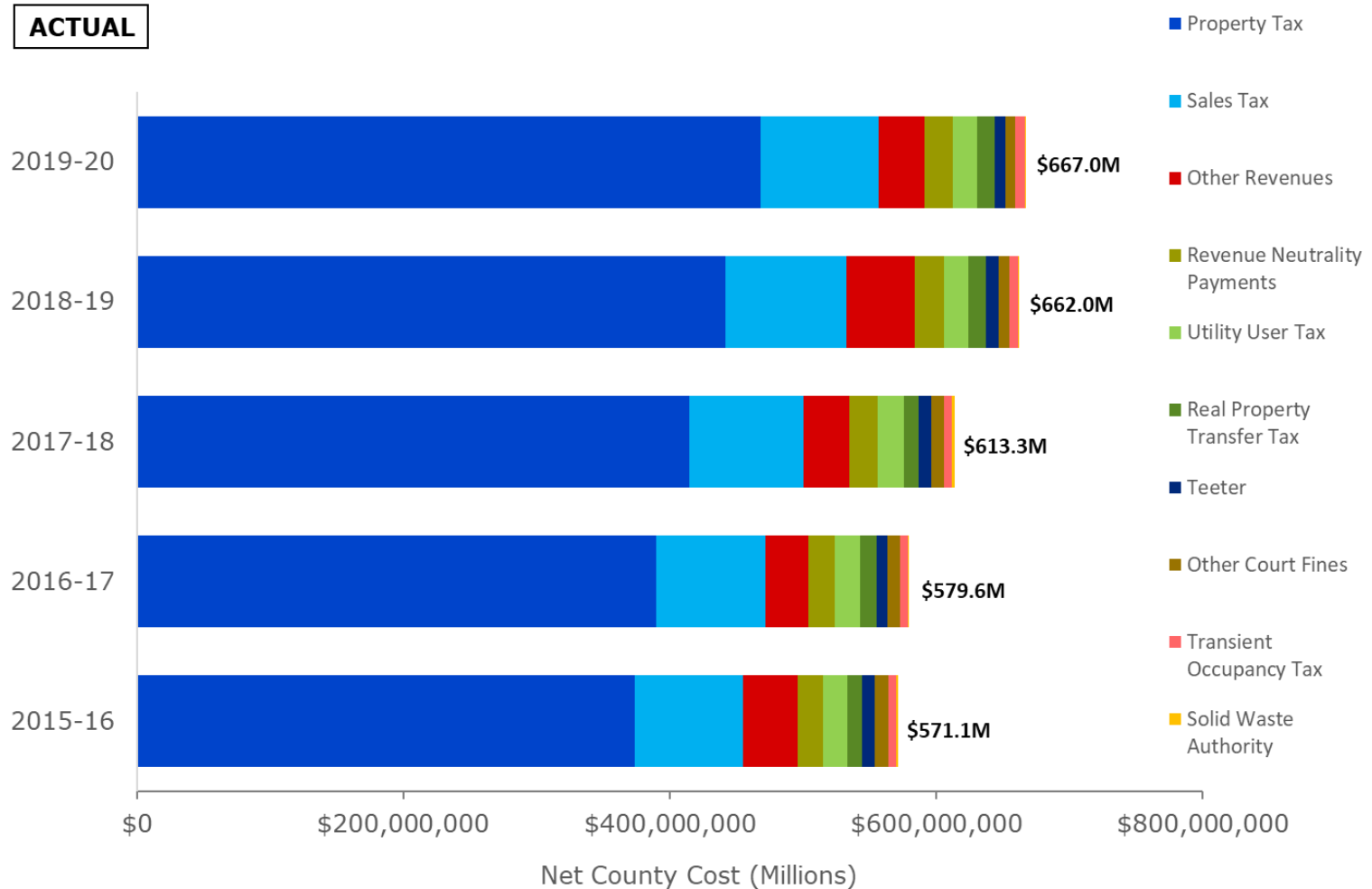
County of Sacramento FY 2020-21 Budgeted Discretionary Revenues

Total Discretionary Revenue = \$733,536,767



# Discretionary Revenue

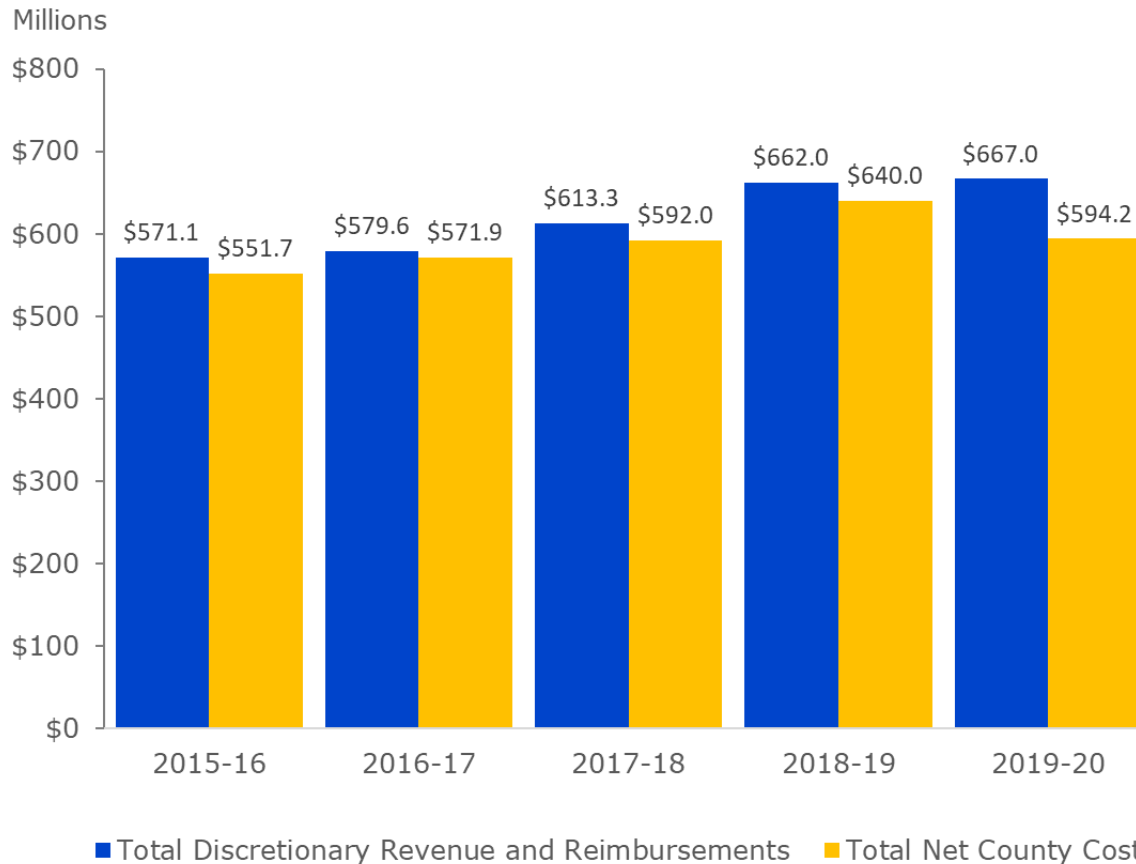
County of Sacramento  
 FY 2015-16 to FY 2019-20 Total Discretionary Revenues by Category



# Discretionary Revenue & Net County Cost

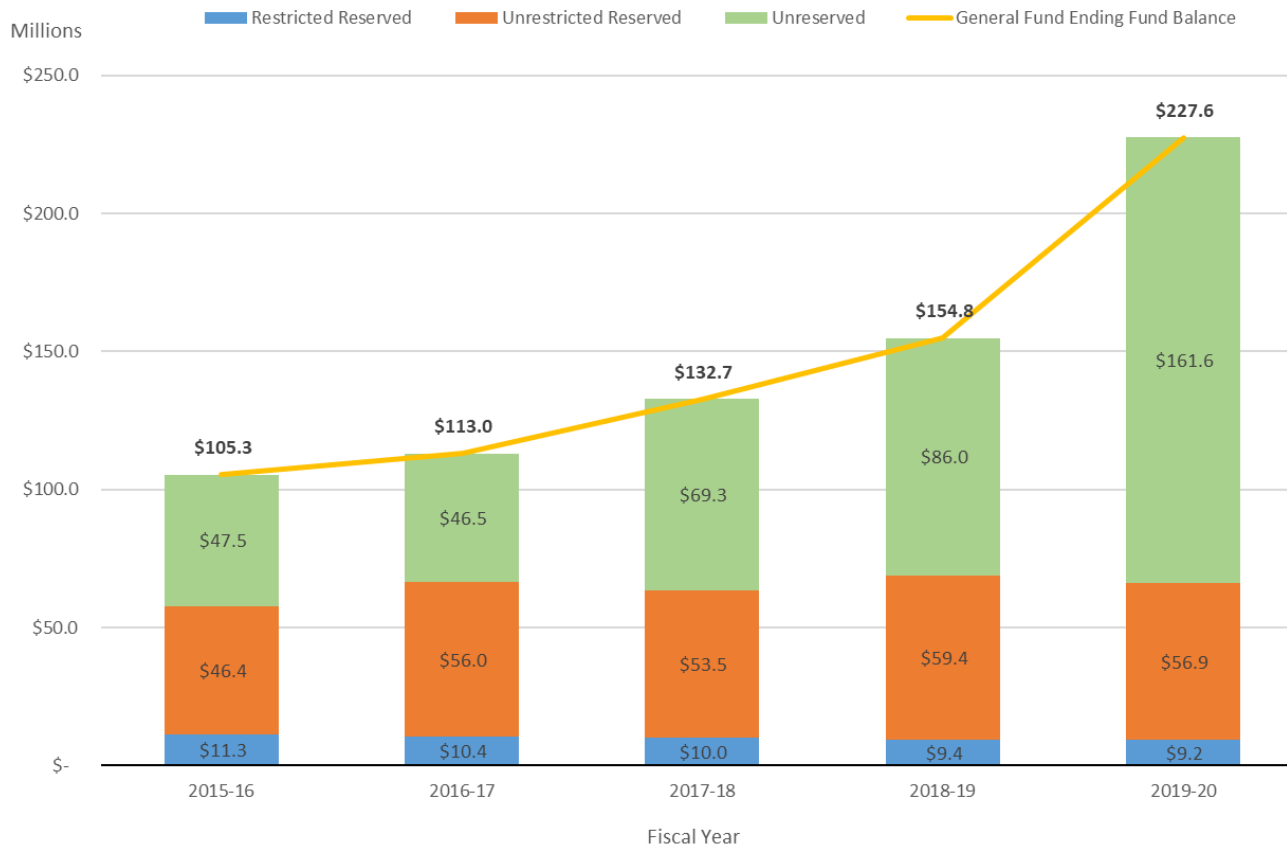
County of Sacramento  
FY 2015-16 to FY 2019-20 Total Discretionary Revenues and Net County Cost

**ACTUAL**



# Ending Fund Balance

County of Sacramento  
Fiscal Year 2015-16 to FY 2019-20 General Fund - Ending Fund Balance

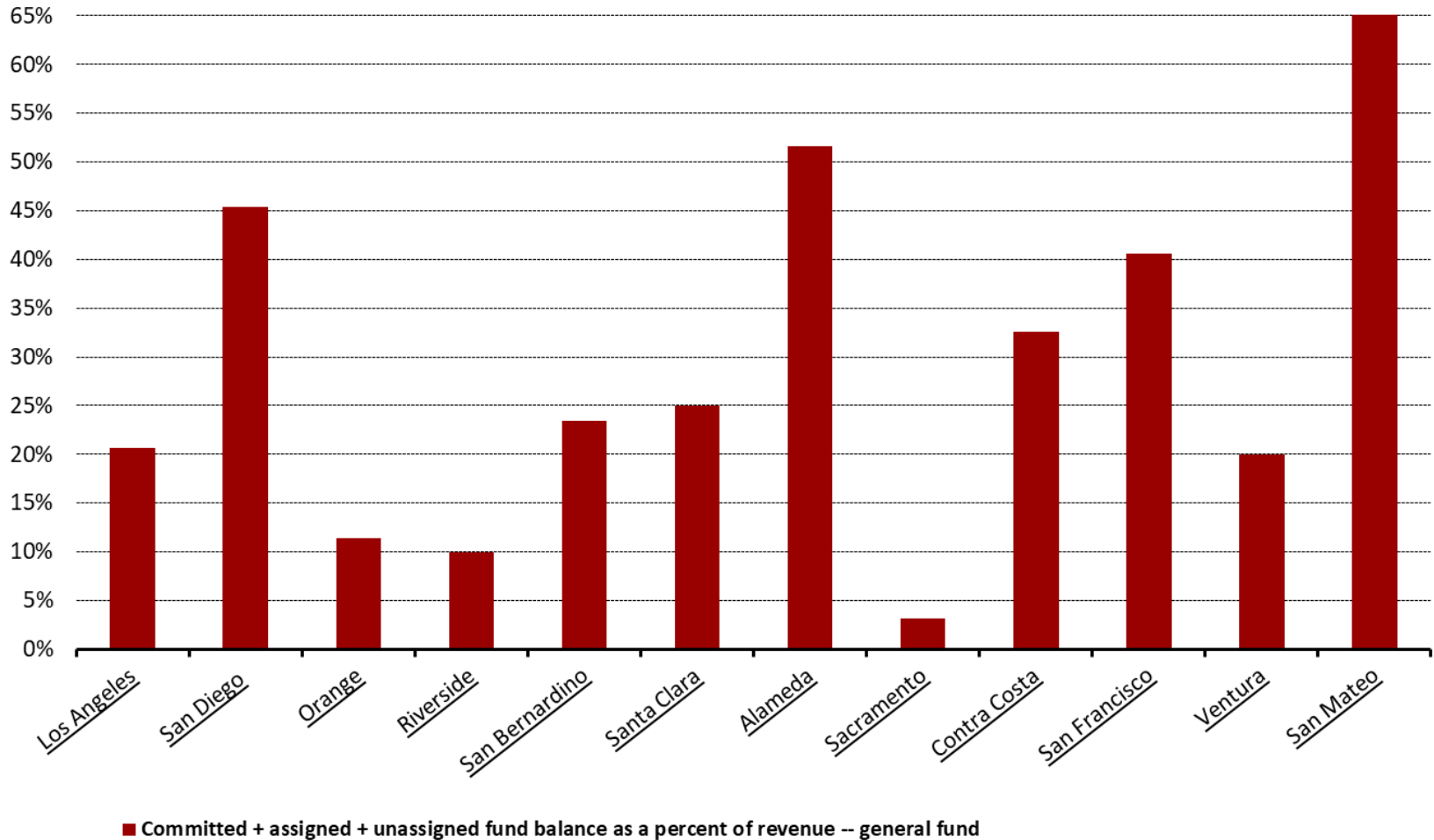




# Ending Fund Balance

Discretionary fund balance as a percent of revenue, general fund, selected large counties.

Data from CAFRs for Fiscal Year ending June 30, 2019



# Fiscal Environment & Outlook

- General Fund Sensitivity Analysis
- Opportunities and Risks



# Major Potential Opportunities/Positives

- Sales tax-based revenue (Bradley-Burns Sales Tax, Realignment, Proposition 172 revenue) likely to be higher than FY2020-21 Adopted Budget Amounts in both FY2020-21 and FY2021-22.
- CPI is low (currently less than 1%).
- All labor agreements expire at end of current fiscal year.
- COVID-19 Vaccines are now available.
- COVID-19 Relief Bill passed in December provides additional funding for testing, contact tracing and rental assistance.
- Potential for new federal COVID-19 Relief Bill in 2021.
- Reductions in Assistance caseloads & costs



# Major Potential Risks/Negatives

- FY2020-21 General Fund Beginning Available Fund Balance of \$161.6 million reflected one-time impact of \$142 million in Coronavirus Relief Fund (CRF) revenue used to offset cost of existing public safety positions in and \$34 million in Realignment Backfill revenue in FY2019-20. Will not be repeated for FY2021-22 beginning balance.
- Secured property tax revenue growth could be at lower rate than in FY2020-21.
- All labor agreements expire at the end of the current fiscal year.
- Vaccination delivery is slow.
- Potential additional public health costs to respond to the COVID-19 pandemic, particularly if additional federal relief is not forthcoming.
- Additional costs to implement the requirements of the Mays Consent Decree regarding conditions of confinement in the County jails.
- Liability and Workers Compensation Funds are seriously under-funded.
- Approximately \$12.5 million in Mather Campus facility deficiencies.
- Need for new property tax system (\$30 million over 5 years).
- ADA needs.
- Hardesty lawsuit impact.
- Limited and declining unrestricted General fund reserves.

# Public Input

- Recorded Presentation will be available on [County's Youtube page](#)
- Public may share their thoughts about budget priorities
  - During workshop by calling (916) 875-2500
  - Until February 11 by email:  
[Budget2021@saccounty.net](mailto:Budget2021@saccounty.net)
- Responses will be provided to the Board

# Upcoming Budget-Related Board Meetings

*Dates Subject to Change*

- February 23: Board Adopts FY 2021-22 Budget Policies
- March 10: Board receives Second Quarter Fiscal Review
- April 7: Board Budget Workshop - Update on Budget Situation and Possible Revisions to Budget Policy Direction
- May 28: Recommended Budget Released to Board and Public
- June 9-11: Board Budget Hearings & Approval