



## SUMMARY REPORT

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**Agenda Date:** 4/7/2020

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**To:** Board of Supervisors

**Department or Agency Name(s):** County Administrator's Office

**Staff Name and Phone Number:** Christina Rivera

**Vote Requirement:** Informational Only

**Supervisorial District(s):** All

**Title:**

Update on Post COVID-19 County Fiscal Position and Legislative Review

**Recommended Action:**

- A) Receive a high-level update on the County's post COVID-19 fiscal position
- B) Receive a Review of COVID-19 Federal and State Legislation

**Executive Summary:**

In addition to the human toll, the COVID-19 pandemic is having immense impacts on the economy of the nation and the world. This has significant implications to the County's fiscal position in the current fiscal year and the future. The exact impacts are difficult to predict and depend on a number of factors, but County staff have developed a range of initial estimates. During Fiscal Year 2019-20, it is expected that General Fund general purpose revenues will be reduced by between \$2 million and \$8 million from earlier projections. The largest share of reductions will be in Sales Tax and Transient Occupancy Tax. Additional losses will be felt in non-general purpose revenue, including Proposition 172 funding and permit revenues. Fortunately, the County was on course to end the Fiscal year with a surplus due to salary savings from vacancies and improved property tax collections. As a result, the County Administrator does not currently expect additional cuts in the current fiscal year in order to achieve a balanced budget, and CAO staff will continue to monitor the situation to bring the next update during June budget discussion.

For Fiscal year 2020-21, there is a greater degree of uncertainty given that the shelter in place economic slowdown may or may not continue beyond this fiscal year. Using the 2008 Great Recession, which lasted for 18 month, as a potential guide to how the County's general purpose revenues may be impacted, staff is preliminarily projecting a \$10 to \$15 million reduction from previously projected, with additional impacts to non-general purpose sources such Department and Programs generate revenue for services. The projected County's general purpose revenue decline assumes that the shutdown of economic activity does not continue beyond September 1, 2020. At this point in time, however, it is impossible to predict when the shelter in place order may be lifted. If a larger portion of the year is so impacted, the losses will increase significantly. Staff will continue to revise these projections as more information is available, including actual revenue impacts and impacts of any federal and state aid.

In addition, to the high-level preliminary revenue impacts, legislative consultants will present a review of federal and state actions affecting Sonoma County.

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**Discussion:**

Staff and Legislative consultants will provide brief presentation during the meeting. This is an informational only report

**Prior Board Actions:**

N/A

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

N/A

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Staff Presentation

**Related Items "On File" with the Clerk of the Board:**

None