



# Fiscal Projections & FY 21-22 Budget Development

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# Overview

- General Fund Projections
- Department of Human Services Projections
- Department of Health Services Projections
- Overview of Fiscal Year 2021-22 Budget Development



# Notes on Forecasts

- Forecasts developed independently
- Assumptions on inflators for various items differ due to the different experience of departments
- General assumptions about broad economic picture are consistent



# Notes on Forecasts

- Realignment Funding
  - Funding related to realignment of services from state to local governments
  - 2 main iterations – 1991 and 2011
  - Sources are statewide sales tax and vehicle license fees; distribution formulas are generally based on caseload
  - Major source of funding for Health and Human Services
  - 2011 realignment also goes to Criminal Justice departments



# Fiscal Projections

## **General Fund**



# General Fund Projections

## General Fund Revenue

	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
General Purpose Tax Revenue	\$ 308.2	\$ 316.5	\$ 324.0	\$ 332.9	\$ 342.0
Other General Purpose Revenue	\$ 51.3	\$ 34.8	\$ 34.6	\$ 34.7	\$ 34.7
Use of 1x Fund Balance	\$ 16.1	\$ 2.8	\$ 0.3	\$ -	\$ -
<b>Total General Purpose General Fund</b>	<b>\$ 375.6</b>	<b>\$ 354.0</b>	<b>\$ 358.8</b>	<b>\$ 367.5</b>	<b>\$ 376.7</b>

Departmental Revenue	\$ 192.9	\$ 195.4	\$ 199.1	\$ 203.7	\$ 211.3
<b>Total General Fund Revenue</b>	<b>\$ 568.4</b>	<b>\$ 549.5</b>	<b>\$ 558.0</b>	<b>\$ 571.3</b>	<b>\$ 588.1</b>

## General Fund Expenditures

Salary and Benefits	\$ 368.8	\$ 376.5	\$ 393.2	\$ 393.7	\$ 403.8
Other Expenditures	\$ 195.7	\$ 175.1	\$ 181.1	\$ 186.5	\$ 192.1
<b>Total General Fund Expenditures</b>	<b>\$ 564.5</b>	<b>\$ 551.6</b>	<b>\$ 574.3</b>	<b>\$ 580.3</b>	<b>\$ 595.9</b>

<b>Total Surplus (Defecit)</b>	<b>\$ 3.9</b>	<b>\$ (2.2)</b>	<b>\$ (16.3)</b>	<b>\$ (9.0)</b>	<b>\$ (7.8)</b>
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# Key Changes – FY 2021-22

- One time sources drop – primarily transfers from other funds
- Use of Fund Balance drops – largely for COVID response
- Drop in expenditures associated with COVID response

	FY 20-21 Projected	FY 21-22 Projected
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Other General Purpose Revenue	\$ 51.3	\$ 34.8
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<b>Total General Purpose General Fund</b>	<b>\$ 375.6</b>	<b>\$ 354.0</b>

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<b>Total Surplus (Defecit)</b>	<b>\$ 3.9</b>	<b>\$ (2.2)</b>
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# Key Changes – FY 2022-23

- Programming for Behavioral Health Unit staffing at Main Adult Detention Facility
- Potential increase to pension costs – depending on returns

	FY 21-22 Projected	FY 22-23 Projected
General Purpose Tax Revenue	\$ 316.5	\$ 324.0
Other General Purpose Revenue	\$ 34.8	\$ 34.6
Use of 1x Fund Balance	\$ 2.8	\$ 0.3
<b>Total General Purpose General Fund</b>	<b>\$ 354.0</b>	<b>\$ 358.8</b>

Departmental Revenue	\$ 195.4	\$ 199.1
<b>Total General Fund Revenue</b>	<b>\$ 549.5</b>	<b>\$ 558.0</b>

## General Fund Expenditures

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Other Expenditures	\$ 175.1	\$ 181.1
<b>Total General Fund Expenditures</b>	<b>\$ 551.6</b>	<b>\$ 574.3</b>

<b>Total Surplus (Defecit)</b>	<b>\$ (2.2)</b>	<b>\$ (16.3)</b>
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# Key Changes – FY 2023-24

- Three-Year funding drops out, but costs assumed to remain
- 2003 Pension Obligation Bonds completed

	FY 22-23 Projected	FY 23-24 Projected
General Purpose Tax Revenue	\$ 324.0	\$ 332.9
Other General Purpose Revenue	\$ 34.6	\$ 34.7
Use of 1x Fund Balance	\$ 0.3	\$ -
<b>Total General Purpose General Fund</b>	<b>\$ 358.8</b>	<b>\$ 367.5</b>

Departmental Revenue	\$ 199.1	\$ 203.7
<b>Total General Fund Revenue</b>	<b>\$ 558.0</b>	<b>\$ 571.3</b>

## General Fund Expenditures

Salary and Benefits	\$ 393.2	\$ 393.7
Other Expenditures	\$ 181.1	\$ 186.5
<b>Total General Fund Expenditures</b>	<b>\$ 574.3</b>	<b>\$ 580.3</b>

<b>Total Surplus (Defecit)</b>	<b>\$ (16.3)</b>	<b>\$ (9.0)</b>
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Fiscal Projections

# **Department of Human Services**

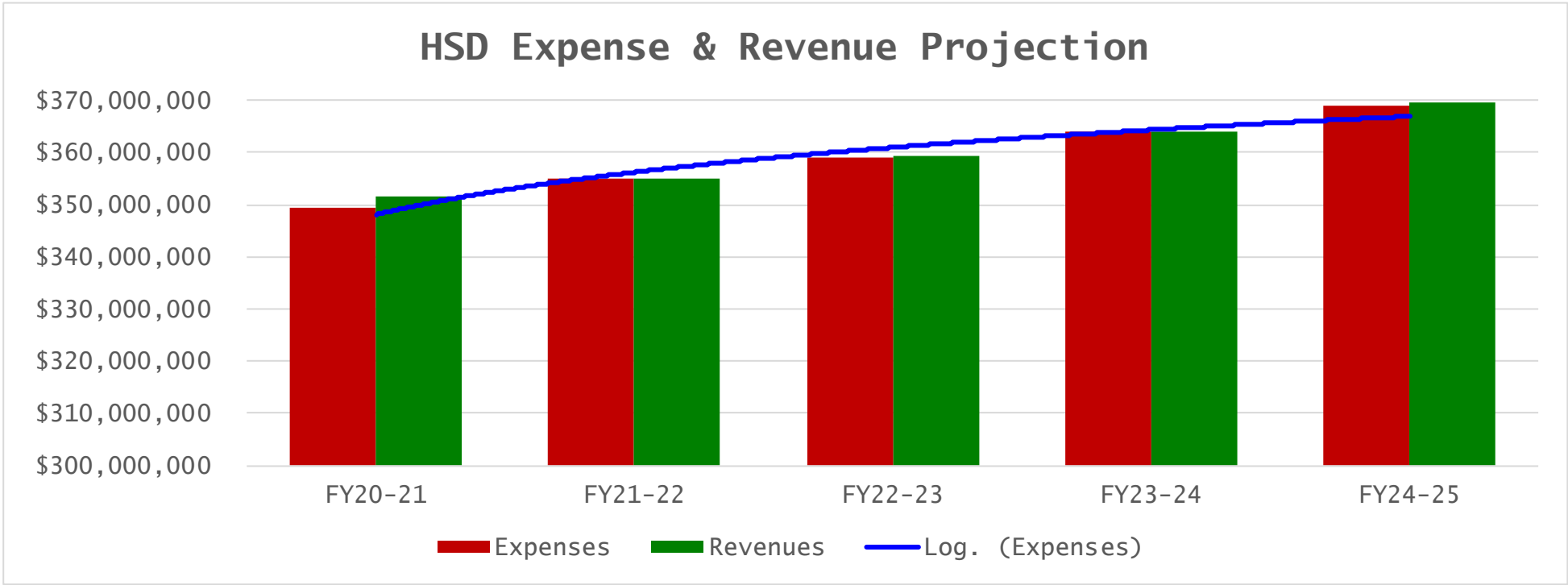


# Human Services Slide Content:

- 5-Yr Trend Projected
- Revenue Projections
- Net Cost Projections



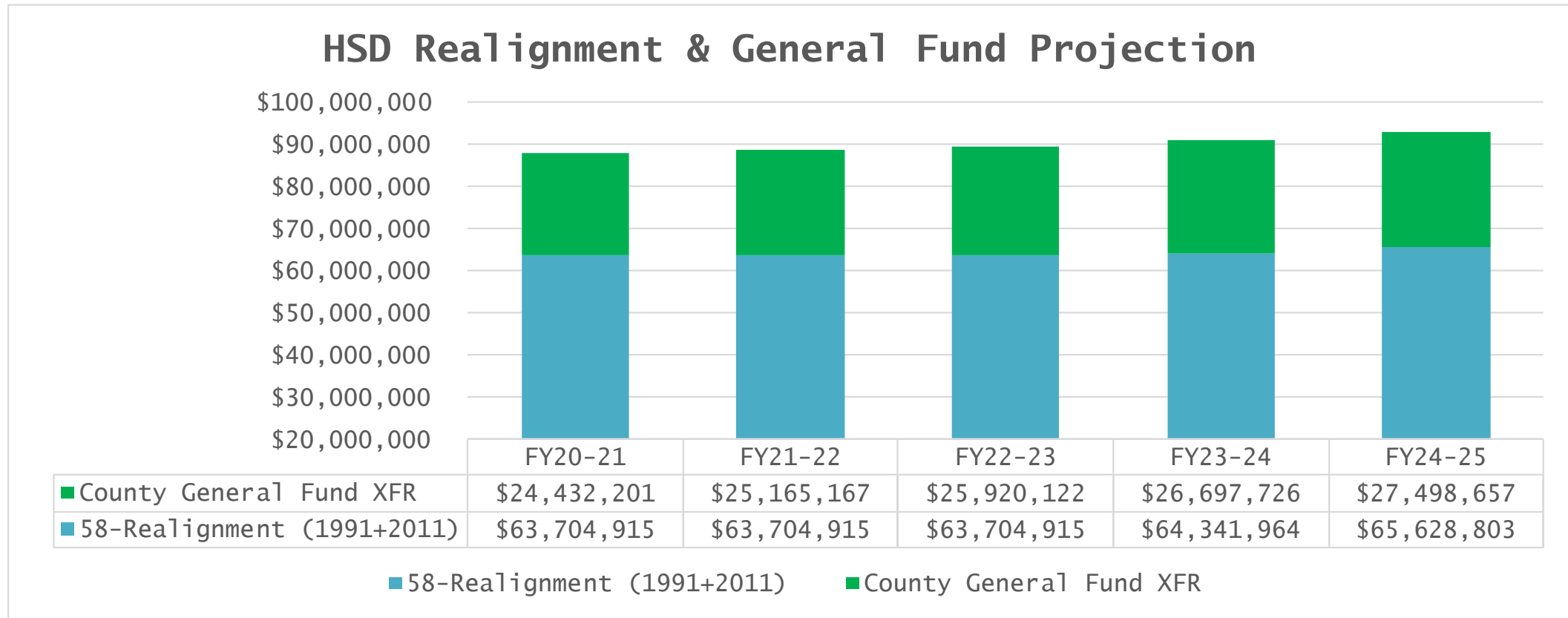
# HSD 5-Year Forecast



Average year-over-year growth: 1.4%



# HSD 5-Year Forecast



Average year-over-year growth in Realignment Funds: 0.75%  
 Average year-over-year growth in General Fund: 3.0%



# HSD 5-Year Forecast

	<u><b>FY20-21</b></u>	<u><b>FY21-22</b></u>	<u><b>FY22-23</b></u>	<u><b>FY23-24</b></u>	<u><b>FY24-25</b></u>
<b>Revenues</b>					
Realignment (1991+2011)	\$63,704,915	\$63,704,915	\$63,704,915	\$64,341,964	\$65,628,803
Federal & State Sources	\$234,611,107	\$235,519,740	\$239,035,404	\$241,628,948	\$244,189,602
Interest & Unrealized Gains	\$55,700	\$55,700	\$55,700	\$55,700	\$55,700
Fees for Service	\$1,287,729	\$1,300,606	\$1,313,612	\$1,326,748	\$1,340,016
Miscellaneous Sources	\$3,201,965	\$4,233,985	\$3,276,324	\$3,309,088	\$3,342,179
General Fund Contribution	\$24,432,201	\$25,165,167	\$25,920,122	\$26,697,726	\$27,498,657
Other Transfers	\$24,432,201	\$25,165,167	\$25,920,122	\$26,697,726	\$27,498,657
<b>Total Revenues</b>	<b>\$351,725,818</b>	<b>\$355,145,279</b>	<b>\$359,226,200</b>	<b>\$364,057,899</b>	<b>\$369,553,614</b>
<b>Expenses</b>					
Wages & Benefits	\$127,124,030	\$130,937,751	\$135,290,883	\$139,849,610	\$145,045,098
Services & Supplies	\$100,523,273	\$100,515,737	\$100,508,125	\$100,500,437	\$100,544,977
Support & Care of Persons	\$97,104,776	\$97,733,101	\$97,667,710	\$97,601,664	\$97,318,280
Capital Expenditures	\$530,590	\$1,261,375	\$1,011,375	\$1,011,375	\$1,011,375
Transfers	\$24,224,736	\$24,466,983	\$24,711,653	\$24,958,770	\$25,208,357
<b>Total Expenses</b>	<b>\$349,507,406</b>	<b>\$354,914,947</b>	<b>\$359,189,746</b>	<b>\$363,921,855</b>	<b>\$369,128,088</b>
<b>Surplus/(Deficit)</b>	<b>\$2,218,412</b>	<b>\$230,332</b>	<b>\$36,454</b>	<b>\$136,044</b>	<b>\$425,527</b>



Fiscal Projections

# Department of Health Services

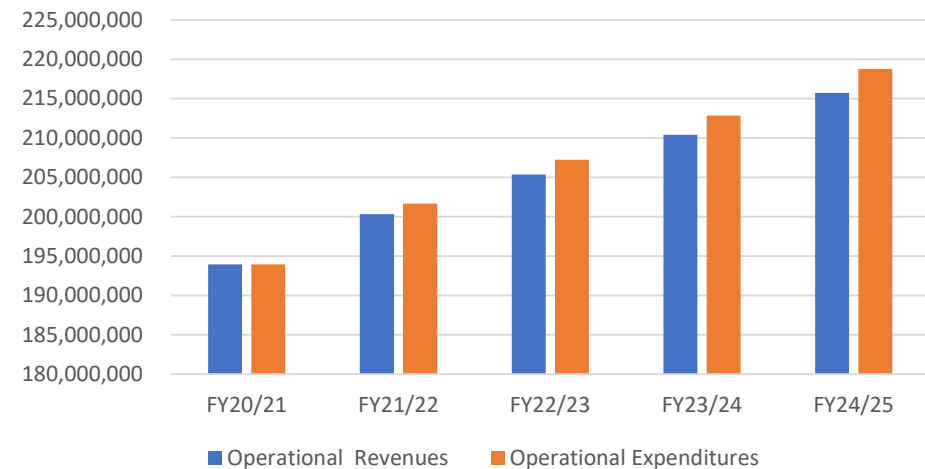


# Health Services – Forecast Summary

## ❖ Operational Revenues

- ❖ Expected to increase due to the addition of Measure O new programs in 21-22
- ❖ Future year revenues are expected to increase annually by approx. 2.4%
- ❖ Expenditures are forecasted to increase annually by approx. 2.7%

Operational Revenue & Expense Forecast





# Health Services – Revenue Assumptions

- Realignment is not expected to have growth in 21/22 – Growth will come in 22/23 and thereafter.
- Measure O Sales Tax base is forecasted for existing and new programs totaling \$24.5m in year 1 – Measure O is expected to grow on average 4.88% annually.
- One time revenues will sunset at year end the department is working on replacement funding.
- Federal and State (excluding Specialty Mental Health) revenue is expected to remain flat.
- Specialty Mental Health reimbursement is expected to increase based upon CPI index and increased costs assuming level of services remain the same.



# Health Services – Expenditure Assumptions

## Expenditure:

- Salary & Benefit and Services & Supply inflator average of 3% annually.
- Cost of doing business increases will be reviewed annually for Behavioral Health Provider Contractor's
  - Area of Risk - Funding source would need to be identified if fluctuation in Behavioral Health service utilization need rises above current projections, such as higher level of care needed or increased client count.
- Surplus/(Deficit) – Operational estimated deficit in 21/22 is due to increased cost of doing business in a Federal and State grant flat revenue environment.



# Health Services – Forecast

	Adjusted Budget FY20/21	Projected FY21/22	Projected FY22/23	Projected FY23/24	Projected FY24/25
<b>Revenues</b>					
Realignment	44,911,094	40,360,601	42,283,654	43,956,137	45,727,021
State/Federal	68,756,002	65,679,831	66,322,073	67,063,922	67,828,026
Inter Governmental Reimbursements	10,490,233	10,975,770	11,324,916	11,493,534	11,838,190
General Fund Allocation	7,403,705	7,463,093	7,523,075	7,583,656	7,644,844
Board Designated funding (1x, ongoing)	14,777,889	6,565,644	6,565,644	6,565,644	6,565,644
Other Revenue sources	18,543,222	16,025,294	16,333,701	16,650,696	16,976,529
Measure O	3,000,000	24,500,000	25,787,500	27,051,929	28,344,115
Federal Financial Participation Medi-Cal	26,056,118	28,263,122	28,723,721	29,537,022	30,333,149
COVID Response	24,841,455	-	-	-	-
<b>Total Revenues</b>	<b>218,779,718</b>	<b>199,833,355</b>	<b>204,864,285</b>	<b>209,902,539</b>	<b>215,257,518</b>

	Adjusted Budget FY20/21	Projected FY21/22	Projected FY22/23	Projected FY23/24	Projected FY24/25
<b>Expenditures</b>					
Salary & Benefits	94,507,694	97,498,330	100,389,214	103,366,825	106,433,764
Contract	53,978,557	57,140,826	58,418,908	59,688,251	60,975,382
Services & Supply - Other Costs	45,452,012	46,521,895	47,942,111	49,299,875	50,875,238
COVID Response	24,841,455	-	-	-	-
<b>Total Expenditures</b>	<b>218,779,718</b>	<b>201,161,051</b>	<b>206,750,234</b>	<b>212,354,951</b>	<b>218,284,384</b>
<b>Sub-total Operational Surplus/(Deficit)</b>	<b>-</b>	<b>(1,327,696)</b>	<b>(1,885,949)</b>	<b>(2,452,412)</b>	<b>(3,026,866)</b>

COVID – 19 Response anticipated to go past 6/30/21 – Expenditure & Revenue assumptions are being developed



FY 2021-22

# Budget Development Process



# FY 2021-22 Budget Development Timeline

- March 23 - Consolidated Fee Hearings and Mid-Year Consolidated Budget Adjustments
- April 7 – Community and Board Budget Request Deadline
- April 26-28 – Budget Workshops
- April 30 – Board Information Requests Due
- May 14 – Recommended Budget Published Online
- June 15-25 – Budget Hearings



# Additional Questions?

