



# FY 2021-22 Budget Workshop

**County Administrator Overview**  
April 26, 2020

# Workshop Purpose and Goals

- Receive presentations from Departments regarding their FY21-22 financial picture.
- Receive an updated General Fund Forecast
- Request for additional information from Departments for inclusion in the June Budget Hearings
- Remove Hiring and Training Freezes; Invest in Equity Training



# Presentation Overview

- Budget Process overview and overview of the FY21-22 Preliminary Budget
- General Fund Fiscal Forecast
- Notes on Departmental Presentations
- Recommended Actions



# FY21-22 Budget Process Overview

Now! Spring Budget Workshops – Informational; based on budgets as of March, 2021

May 15: Recommended Budget Book available on-line

June 3: Budget Binder available on-line

June 15: First day of Budget Hearings

- June 15 – Presentation of Fiscal Year 2021-22 Budget and begin deliberations
- June 16 – Budget Deliberations
- June 17 – No meeting – Staff prepare final budget based on deliberations
- June 18 – Adoption of the Budget



# BOARD BUDGET INQUIRY FORMS

- Provides specificity on the additional information the Board member(s) would like to understand before June budget hearings.
- CAO staff will track Board information requests during the workshop, will clarify Board member inquiries each evening and will complete form on behalf of the Board.
- Any additional requests can be submitted by **April 30<sup>th</sup>** to [CAO-Budget@Sonoma-county.org](mailto:CAO-Budget@sonoma-county.org) to allow staff time to address

FY 2021-22 Budget Board of Supervisor Inquiry Form													
Deadline: April 30, 2021													
Please email: <a href="mailto:CAO-Budget@sonoma-county.org">CAO-Budget@sonoma-county.org</a>													
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	Inquiry Number: _____												
<b>Request/Question:</b>													
<i>Enter your question or request for information regarding the budget here. Please be as specific as possible (e.g. include years for which you would like information, etc.)</i>													
<b>Response:</b>													
<i>Staff will enter response here, additional pages will be attached as needed.</i>													



# BOARD BUDGET INQUIRY FORMS

- CAO may work with Board Member to prioritize items that are needed for Budget Deliberations
- All Inquiries and responses needed for Budget Deliberations will be included in the Budget Hearing Materials published June 3
- Any other Inquiries and responses will be published on the CAO Budget website by October 31, 2021

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# Overview of 2021-22 Preliminary Budget

- Balanced Budget
- Total budget - \$2.1 billion
  - Decrease of 0.8% from Fiscal Year 2020-21 due to decrease in COVID-19 funding budgeted
- General Fund - \$533 million
  - 3% decrease from Fiscal Year 2020-21
  - Decrease is due to \$20 million in one-time COVID-19 Support



# Overview of 2021-22 Preliminary Budget

- Includes budgets as of March 2, 2021
- Later Board actions will be included in Supplemental Budget Adjustments at Budget Hearings
- Budget may also be further adjusted by Board at Budget Hearings based on:
  - Departmental Add Backs
  - Departmental Program Change Requests
  - Community and Board Budget Requests





# FY20-21 Reductions Overview

Total Reductions Submitted:

\$38,742,250

Total Restored On-Going (30%):

\$11,518,871

Cut or Funded For FY20-21 only (70%):

\$27,223,579



# FY20-21 Reductions and Restorations

## Departments with no restorations

Department
Agriculture/Weights & Measures
Community Development Comm.
Human Resources
Human Services
Information Systems
Permit Sonoma
Transportation & Public Works

## Departments with partial restorations

Department	Total Add back and Reduction	Restored Ongoing	Restored 1x Funds	Total Restored	Not Restored
Regional Parks	935,001	0%	29%	29%	71%
Probation	3,779,367	15%	20%	35%	65%
General Services	1,378,694	38%	0%	38%	62%
Sheriff's Office	14,222,852	32%	13%	45%	55%
Board of Supervisors/County Administrator	1,147,289	29%	22%	50%	50%
County Counsel			60%	60%	40%

## Departments nearly fully restored

Department	Total Add back and Reduction	Restored Ongoing	Restored 1x Funds	Total Restored	Not Restored
Public Defender	1,471,900	98%	0%	98%	2%
Health Services	2,310,327	8%	91%	99%	1%
Auditor-Controller-Treasurer-Tax Collector	894,390	65%	35%	100%	0%
IOLERO	96,298	100%	0%	100%	0%
UCCE	117,614	100%	0%	100%	0%
<b>Total</b>	<b>38,742,450</b>	<b>30%</b>	<b>23%</b>	<b>53%</b>	<b>47%</b>



# FY21-22 Add backs

- Departments were told that they could not submit Program Change Requests for new programs requiring General Fund
- Some departments face reductions in service due to funding constraints due to either external funding sources declining or large increases in costs
- These departments may submit requests to “add back” the services
- Descriptions of all add backs will be included in Budget Hearing Materials



# FY21-22 Add backs

Departments submitting add back requests are:

- Clerk-Recorder: Assessor: \$370,000 in contract and overtime costs, driven by increased costs and expiration of one-time funding
- General Services: \$1.1 million for reopening the vets buildings, Los Guilicos Security, and Chanate security and fire prevention activities driven by cost increases
- Information Systems Department: 2 positions and significant reductions to services and supplies, \$700,000 in Records, driven by ongoing cost recovery issues



# FY21-22 Add backs

Departments submitting add back requests are:

- Probation: 7 Positions, \$1.2 million; driven by decrease in revenues due to changes to state laws
- Sheriff: 2 positions and decrease reliance on fund balance and planned salary savings, \$670,000, driven by increased costs, particularly liability insurance and medical costs at the Main Adult Detention Facility
- Transportation and Public Works: \$40,000 for recording and archiving Board of Supervisors meetings, driven by increased costs



# General Fund Fiscal Forecast

	FY 20-21 Adopted	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
<b>Total General Fund Sources</b>	\$563.2	\$576.4	\$541.0	\$547.1	\$556.0	\$567.3
<b>Total General Fund Expenditures</b>	\$563.2	\$565.8	\$541.0	\$560.9	\$570.8	\$586.5
<b>Total Surplus (Deficit)</b>	\$0.0	\$10.6	\$0.0	(\$13.8)	(\$14.8)	(\$19.2)

## Key Factors in 20-21 Surplus

- Better than expected revenues – Sales Tax, Proposition 172, Documentary Transfer Tax
- Higher than anticipated Salary Savings
- Recommendations for any eventual surplus will be included at budget hearing



# General Fund Fiscal Forecast (continued)

	FY 20-21 Adopted	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
<b>Total General Fund Sources</b>	\$563.2	\$576.4	\$541.0	\$547.1	\$556.0	\$567.3
<b>Total General Fund Expenditures</b>	\$563.2	\$565.8	\$541.0	\$560.9	\$570.8	\$586.5
<b>Total Surplus (Deficit)</b>	\$0.0	\$10.6	\$0.0	(\$13.8)	(\$14.8)	(\$19.2)

## Key Factors in 22-23 Deficit

- Main Adult Detention Facility Behavioral Health Unit
- Modest Revenue Growth

## Key Factors in 23-24

- 2003 Pension Obligation Bond completed
- Potential reduction of SCERA discount rate

## Key Factors in 24-25

- Projected expenditure growth outpaces projected revenue growth



# Notes on Departmental Presentations

Departmental budget figures presented:

- Include budgets as of March 2, 2021
- Later Board actions will be included in Supplemental Budget Adjustments at Budget Hearings
- Do not include Add Backs or Program Change Requests
  - Will be included in Budget Hearings for Board deliberations





# Notes on Strategic Plan Activities

- Departments presenting only on objectives where:
  - The presenting department is the lead or co-lead department; **AND**
  - The department has identified funding in their Recommended Budget to work on the Goal
- Not a comprehensive list of Strategic Plan Work in FY2021-22
- Scoping of objectives are ongoing and additional programs will be presented to the Board in FY2021-22
- CAO will be recommending setting aside a portion of available 1-time funds for launching critical objectives in the Strategic Plan in FY2021-22.



# Notes on Measure O inclusion

Based on recommendations of the Ad Hoc committee:

- Measure O funding supporting existing programs is included in the Preliminary Budget (approximately 53% of funding)
- Measure O funding related to new programs is not included in the Preliminary Budget
- Ad Hoc will make further recommendations to the Board in the near future on process for considering funding of new programs



# Notes on American Recovery Plan

- Sonoma County slated to Receive \$95.9 million
- Funding is not included in the Preliminary Budget
- At Budget Hearings, staff will recommend funding for:
  - FY21-22 unfunded COVID-19 response needs (estimated to be in the range of \$13.5 million for the first half of the Fiscal Year)
  - Maintenance of FEMA Audit Reserve (approximately \$3.5 million)
- Additional Recommendations will come to the Board in the new Fiscal Year



# Workshop Schedule

Monday, April 26, 2021		Tuesday, April 27, 2021		Wednesday, April 28, 2021	
Time	CAO Overview Presentation	Day 2	CAO Opening Remarks	Day 3	CAO Opening Remarks & BIR confirmation from Day 2
8:30 AM	Probation	8:30 AM	Permit Sonoma	8:30 AM	Community Development Commission
9:15 AM	Public Defender	8:45 AM	TPW	8:45 AM	Health Services
9:45 AM	Break	9:15 AM	Sonor	9:15 AM	Human Services & IHSS
10:15 AM	District Attorney	9:45 AM	Break	9:45 AM	Child Support Services
10:30 AM	Sheriff	10:15 AM	Econo	10:15 AM	Break
11:00 AM	Emergency Management	10:30 AM	Office	10:45 AM	Ag Commissioner
11:30 AM	Lunch	11:00 AM	Gener	11:00 AM	Regional Parks
12:00 PM	Information Systems	11:30 AM	Lunch	11:30 AM	Lunch
1:00 PM	Clerk-Recorder-Assessor	12:00 PM	Huma	12:00 PM	Open Space
1:30 PM	Break	1:00 PM	ACTT	1:00 PM	UCCE
2:00 PM	County Counsel	1:30 PM	Break	1:30 PM	Public Comment Budget Workshop Presentations
2:15 PM	IOLERO	2:00 PM	BOS/C	2:00 PM	End of Spring Budget Workshops
2:45 PM	Public Comment Budget Wor	2:15 PM	Public		
3:15 PM	END OF DAY 1; continue to 4/	2:45 PM	END C		
3:45 PM		3:15 PM			

**Health & Human  
Services  
and  
Natural  
Resources**



# Recommended Actions

- In June 2020 Board approved a freeze on non-essential training and hiring to begin addressing pandemic-related budget impacts
- Due to improved fiscal situation CAO recommends:
  - Lifting the hiring freeze
  - Lifting the training freeze
  - Approving the use of \$100,000 of savings to be directed toward equity training program in FY21-22

