



# **Fiscal Year 2022/23 Budget Hearing**

**Board of Supervisors Meeting  
Agenda Item 1.1  
June 13, 2022**

# Budget Hearing Schedule

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## 1) Open the Hearing

- a. Executive Office Overview
- b. Department Presentations
- c. Public Comment
- d. Board Discussion
- e. Submission of Written Revisions

## 2) Close the Hearing

## 3) Board Deliberation

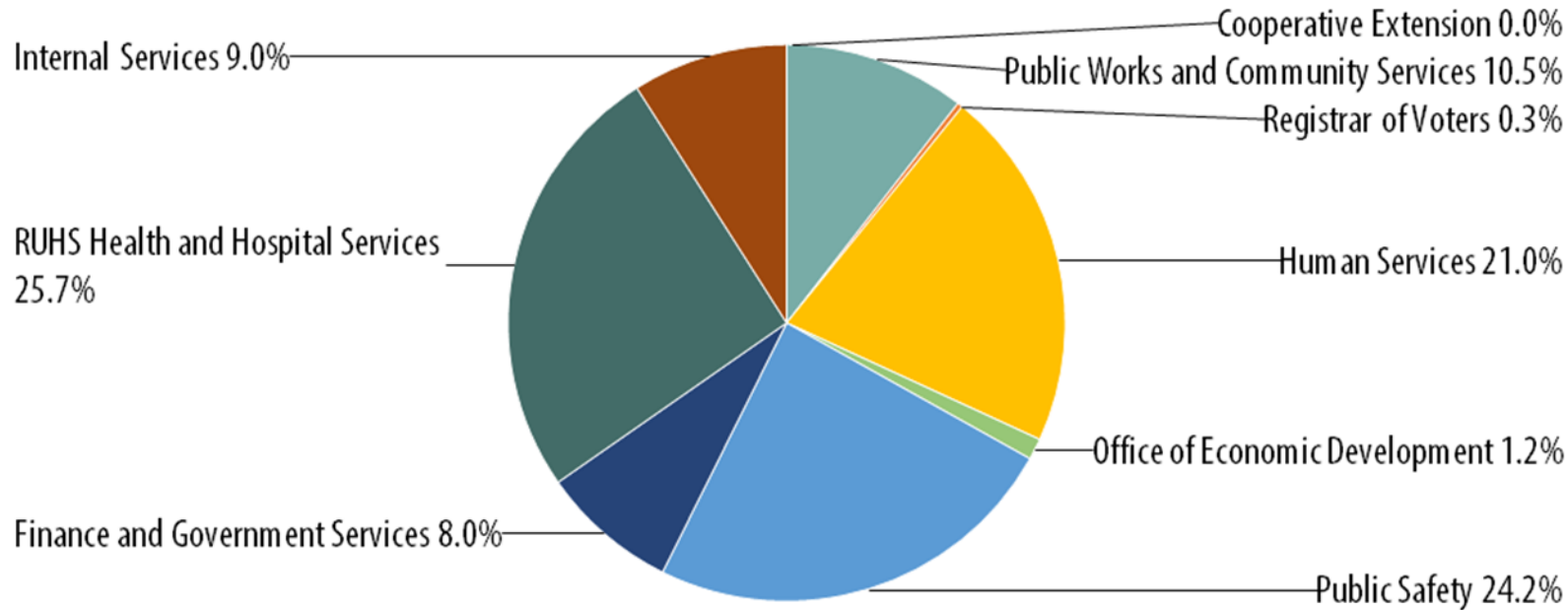
## 4) Approve the Recommended Budget, or Provide Direction to the Executive Office

### Government Code section 29063:

- Must adopt the recommended budget by June 30<sup>th</sup>
- May make revisions to recommended budget until budget adopted
  - But ... a revision to the recommended budget after the start of the public hearing shall be made only if:
    - 1) the revision is in writing, and
    - 2) filed with the Clerk of the Board prior to the close of the hearing
  - Otherwise, a revision requires a four-fifths vote of the Board after the close of the hearing

# The Big Picture

## \$7.5 billion in Appropriations



### Expenditures by Function:

#### Health & Hospital Services:

\$1.9 billion  
12.2% increase year over year

#### Public Safety:

\$1.8 billion  
7.3% increase year over year

#### Human Services:

\$1.6 billion  
6.1% increase year over year

#### Public Works & Community Services:

\$785 million  
9.8% increase year over year

#### Finance & Government Services:

\$594 million  
8.3% increase year over year

# Ongoing Budget Strategies

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- 1) Reduce structural deficit
- 2) Maintain healthy general fund reserve
- 3) Minimize impacts to services
- 4) Continue robust pandemic response and recovery efforts, but don't rely on one-time revenue for ongoing expenses
- 5) Create augmentation fund to support priorities and policy decisions

## Ongoing Budget Strategies

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- 6) Work to balance internal support needs with costs
- 7) Establish greater employee position control
- 8) Look for efficiencies and innovation in service delivery
- 9) Create a countywide performance unit and report progress
- 10) Generally, keep FY22/23 general fund allocations at FY21/22 levels, with departments absorbing labor and pension cost increases

## Discretionary General Fund: Recommended Budget (in millions)

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	<u>Recommended</u>
Projected Beginning FY 22/23 Reserves	\$ 368
Discretionary Revenue	1,013
Discretionary Expenses	1,013
Includes:	
\$19.7 million for the Augmentation Fund	
\$5 million for the Unincorporated Communities Initiative	
\$20 million for Contingency	
Net Deficit from Operations	0
Projected Ending FY 22/23 Reserves	\$ 368

# Discretionary General Fund: Highlighted Increases to Departments

Department	Increase	Reason
Agricultural Commissioner	\$ 224,190	Close funding gap and allow for increased draw down of external funds
Assessor Clerk Recorder	1,500,000	Begin a 5-year plan to balance revenue and expenses
Auditor Controller	886,353	Increase staffing to implement recommendations
Behavioral Health	113,590	Funding to balance salary and benefits increases
Clerk of the Board	457,000	New/upgraded management system, digitize records, remodel of Assessment Appeals Board room for virtual hearings, addition of two staff members
DPSS	16,026,789	Expiration of CalFresh waiver, increase in IHSS maintenance of effort costs, increase to social worker salaries, fund program to house at-risk youth
Fire	2,500,000	Extend approved funding for surge staffing into new fiscal year
Housing & Workforce Solutions	250,000	Fund new position for homelessness response coordination
Office of Economic Development	435,711	Funding for increased EIFD efforts
Office on Aging	533,985	Matching funds to draw down supplemental ARPA funding
Parks & Open Space District	82,532	Funding for coordinator position
Public Health	3,098,454	Funding for California Children's Services, funding for Deputy Director position
Registrar of Voters	2,106,495	Costs associated with Voters Choice Act
TLMA: ALUC	52,000	Start-up funding for projects
TLMA: Code Enforcement	500,000	Extend approved funding for seven-day workweek into new fiscal year
Treasurer Tax Collector	400,000	Avoid layoffs and begin to cover costs associated with loss of CREST funding
Unincorporated Communities Initiative	2,000,000	Extend approved funding for additional UCI into new fiscal year, bringing the total to \$5 million
Veterans Services	156,384	Extend approved funding for additional positions into new fiscal year

# COVID-19 Relief & Recovery Funding

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Recommended budget does not rely heavily on coronavirus funds for County operations:

- **Coronavirus Aid, Relief, and Economic Security Act (CARES)**
  - All funds have been expended as of Fiscal Year 2021/22
  - Final report coming soon to the Board
- **American Rescue Plan Act (ARPA)**
  - \$479 million to the County of Riverside
  - Board direction to develop an equitable spending plan focused on supporting public health, laying foundation for strong economic recovery, investing in infrastructure, and strengthening community resilience, while limiting the amount of funding going to support County operations.
  - First round of \$239 million received in May of 2021 and Board approved spending plan
  - Second round of \$239 million received in June of 2022 and we are in the early stages of developing a spending plan
  - It is anticipated that less than 10% of the total funding will go to support County operations

# Discretionary General Fund: Unincorporated Communities Initiative

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## \$5 million set aside for:

- Further investment in the unincorporated areas
- Support additional services or infrastructure projects
- Supplements other funding mechanisms
- One-time costs or ongoing operations\*

\*Could increase costs in future years if used for ongoing operations

# Discretionary General Fund: Augmentation Fund

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## \$19.7 million set aside for:

- Board priorities and initiatives
- Supplemental requests from departments
- Items identified during public comment
- One-time costs or ongoing operations\*

\*Could increase costs in future years if used for ongoing operations

# Other Funding Sources: Highlighted Increases to Departments

Department	Increase	Reason
District Attorney	\$ 7,240,823	Funding to balance salary and benefit increases and for new Homeless Court program
Emergency Management	1,549,000	Funding to balance lost revenue from Fire contract
Fire	19,788,359	Funding to balance cooperative agreement increases and for Temecula cost sharing, municipal staffing, relief positions, hoses & nozzles, and station remodels/expansions
Probation	2,181,897	Funding to balance lost revenue from elimination of fines and fees and for new Homeless Court program
Public Defender	3,457,178	Funding to balance salary and benefit increases and for new Homeless Court program
Sheriff	36,204,557	Funding to balance salary and benefit increases and for increase in unincorporated patrol, additional coroner positions, lost revenue, portion of new staffing for Lake Matthews staffing, and portion of new projects and purchases

# Fiscal Pressures

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- Economic forecast is uncertain and impact is unknown
- Solving retention and recruitment issues will cost money
- Need to pay for deferred/delayed maintenance projects
- Visionary priority capital improvement projects could become a reality
- Increasing demand for new and improved services
- Reset boundaries due to redistricting

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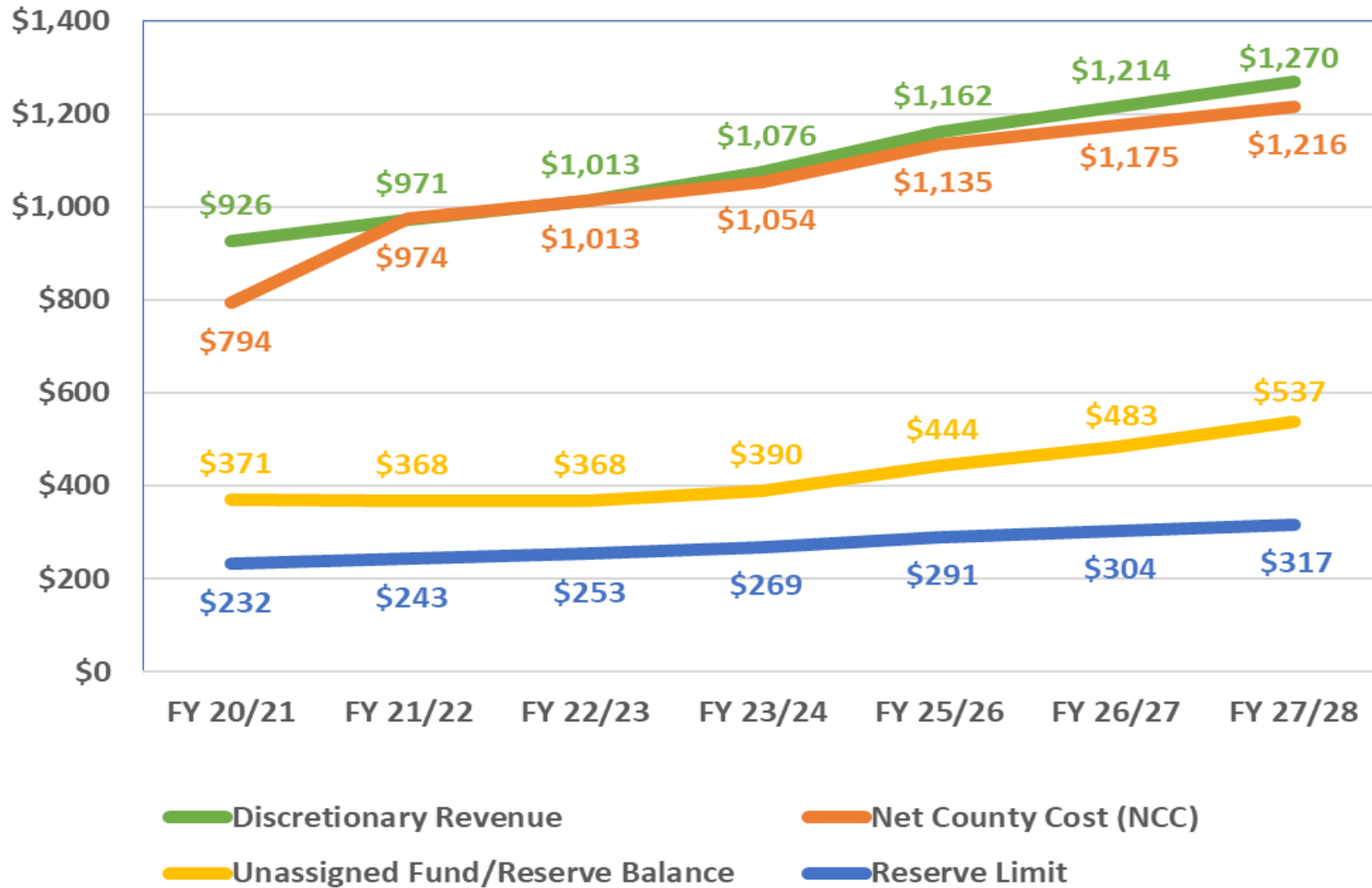
# Questions

# Discretionary General Fund: Increased Revenue Projections

<b>General Fund Estimated Discretionary Revenue</b>						
<b>(in millions)</b>						
	FY 20/21 Actuals	FY 21/22 Adopted Budget	FY 21/22 Revised Forecast	FY 22/23 Recommende d Budget	Change from Prior Budget	% Change
Property Taxes	\$ 419.5	\$ 436.2	\$ 437.6	\$ 459.4	\$ 23.2	5%
Motor Vehicle In Lieu	290.7	302.4	308.1	325.2	22.9	8%
RDA Residual Assets	37.6	38.7	45.1	47.8	9.1	23%
Tax Loss Reserves Overflow	22.9	18.4	18.4	20.0	1.6	9%
Fines and Penalties	15.2	15.0	15.9	15.9	0.9	6%
Sales & Use Taxes	39.2	33.4	44.7	42.9	9.5	28%
Tobacco Tax	11.5	11.5	11.5	11.5	-	0%
Documentary Transfer Tax	24.6	17.2	25.5	19.4	2.2	13%
Franchise Fees	7.0	7.0	7.0	6.9	(0.1)	-1%
Interest Earnings	5.4	2.5	4.5	11.0	8.5	340%
Miscellaneous Federal and State	6.3	5.0	4.6	4.9	(0.1)	-3%
Federal In-Lieu	3.7	3.5	3.7	3.5	-	0%
Rebates & Refunds	5.6	1.5	6.6	7.1	5.6	371%
Other (Prior Year & Miscellaneous)	27.6	18.6	27.4	25.8	7.2	39%
Operating Transfers In	9.5	10.0	10.6	12.0	2.0	20%
<b>Total</b>	<b>\$ 926.5</b>	<b>\$ 921.0</b>	<b>\$ 971.4</b>	<b>\$ 1,013.3</b>	<b>\$ 92.3</b>	<b>10%</b>
<b>Prop 172 Public Safety Sales Tax</b>						
<b>(in millions)</b>						
<b>Prop 172 Public Safety Sales Tax</b>	<b>\$ 216.8</b>	<b>\$ 233.3</b>	<b>\$ 260.2</b>	<b>\$ 284.1</b>	<b>\$ 50.9</b>	<b>22%</b>

# Discretionary General Fund: Multi-Year Forecast

Multi-Year Discretionary Funding Forecast (4% NCC Escalator)  
(in millions)







# Discretionary General Fund: Executive Office Detail

## Fiscal Year 2022/23 Increase to EO NCC Targets

Program	Increase	(Decrease)	Reason
Courts: Criminal Justice Facilities	\$ 639,678		Administrative change, removed from debt service
Courts: Temporary Construction	228,818		Administrative change, removed from debt service
Courts: Unallowable Expenses		(9,499)	Reduction in costs
Debt Service / Capital Project Financing		(3,043,713)	Reduction and reassignment of debt service costs
EO Legislative & Administrative Support	2,549,873		Support Opioid / Fentanyl Campaign, loan for Salton Sea pending revenue
EO Operations	1,100,000		Extend approved funding for audit / special project position to new fiscal year (FY21/22 Budget Hearing Augmentation) Fund three new positions: ACEO for Public Safety, DEI Officer, Analyst
Indigent Defense: Court Reporter Transcripts		(427,895)	Reduction in costs based on review of historic actuals*
Indigent Defense: Attorney Contracts	540,000		Increase costs associated with state mandates and COVID closure of courts*
Mead Valley Infrastructure Fund	6,000		Revenue calculation increase
<b>Total:</b>	<b>\$ 5,064,369</b>	<b>\$ (3,481,107)</b>	<b>NET: \$ 1,583,262</b>

## Fiscal Year 2022/23 Supplemental EO NCC Requests

Program	Increase	(Decrease)	Reason
Courts: State Trial Courts Maintenance of Effort	\$ 243,335		Increase to required cost sharing
Courts: Court facilities ISF increases	2,055,578		Increase to required cost sharing
NPDES	16,998		Increase to costs
<b>Total:</b>	<b>\$ 2,315,911</b>		