



Fiscal Year 2024/25

Recommended Budget Hearing

Board of Supervisors Meeting
Agenda Item 1.1
June 10, 2024



Today's Overview

1. The Big Picture
2. Discretionary General Fund
3. Post-Budget Adoption Action
4. Pressures
5. Next Steps

But first...



What to Expect from Recommended Budget Hearing

FISCAL YEAR 2024/25 BUDGET HEARING SCHEDULE

Day One, Monday, June 10, 2024

Open the Hearing	9:30am
Overview	
Executive Office	9:35am
Department Presentations	
District Attorney	10:00am
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Assessor / Clerk / Recorder	1:15pm
Animal Services	1:30pm
Parks	1:45pm
Public Health	2:00pm
Department of Public Social Services	2:15pm
Integrated Service Delivery	2:30pm
Break	3:00pm
Public Comment	3:15pm
<i>*Time listed is tentative. Public comment may be taken earlier or later than listed time.</i>	
Board Discussion	TBD
Adjourn to Day Two	TBD
Day Two, Tuesday, June 11, 2024	
Continuation of the Hearing	1:00pm
Close the Hearing	TBD
Board Deliberation, Schedule Final Adoption of the Recommended Budget, and Adjourn	

Day One

- Executive Office Overview
- Department Presentations
- Public Comment
- Board Discussion & Direction

Day Two

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- Executive Office Files Written Revision
- Close the Hearing
- Approve Recommended Budget as Revised
- Return June 25th for Adoption



Government Code section 29063

- **Must adopt** the recommended budget **by June 30th**
- **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

Countywide Budget

\$9,571,237,943

FY 2024/25 BUDGET

REVENUES



\$2.9B	STATE FUNDS	\$595.6M	MISCELLANEOUS REVENUE	\$41.4M	OTHER GOVERNMENT AND OTHER IN-LIEU TAXES
\$2.9B	CHARGES FOR CURRENT SERVICES	\$168.3M	REVENUE FROM THE USE OF MONEY & PROPERTY	\$30.1M	LICENSES, PERMITS & FRANCHISES
\$1.7B	FEDERAL FUNDS	\$150.9M	OTHER FINANCING SOURCES		
\$724.7M	TAXES	\$71.3M	FINES FORFEITURES & PENALTIES		

EXPENDITURES



\$3.8B SALARIES & BENEFITS	\$2.8B OTHER CHARGES	\$2.7B SERVICES & SUPPLIES	INTRAFUND TRANSFERS (\$421.6M)	CAPITAL ASSETS \$309.1M	FINANCING USES OTHER \$293.3M	APPROP FOR CONTINGENCIES \$5M
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Health & Hospital Services

Behavioral Health
Community Clinics
Medical Center
Public Health

\$2.6
Billion

27.2%
of Budget



Public Safety

District Attorney
Courts & Indigent Legal Services
Emergency Management
Fire
Probation
Public Defender
Sheriff

\$2.2
Billion

22.5%
of Budget



Human Services

Child Support Services

First 5

Housing & Workforce Solutions

Office on Aging

Public Social Services

Veteran Services

\$2.1
Billion

21.4%
of Budget



Public Works & Community Services

Agricultural Commissioner

Animal Services

Environmental Health

Flood Control & Water Conservation District

Office of Economic Development

Regional Park & Open Space District

Registrar of Voters

TLMA Building & Safety

TLMA Code Enforcement

TLMA Planning

TLMA Transportation

Waste Resources

\$1.2
Million

12.4%
of Budget



Internal Services

Facilities Management
Human Resources
Information Technology
Purchasing & Fleet Services

\$798
Million

8.3%
of Budget



Finance & Government Services

Assessor / Clerk / Recorder
Auditor / Controller
Board of Supervisors
Clerk of the Board
County Counsel
Executive Office
Treasurer / Tax Collector

\$777
Million

8.1%
of Budget



Discretionary General Fund

Discretionary General Fund: Balanced

	<u>Recommended</u>
Projected Beginning FY24/25 General Fund Reserves	\$ 698
Discretionary Revenue	1,225
Less: Net County Cost from Operations	1,225
Includes:	
\$20 million for the Augmentation Fund	
\$10 million for the Unincorporated Communities Initiative	
\$5 million for Contingency	
Net Savings / (Deficit) from Operations	0



Discretionary General Fund: Revenues (in millions)

	FY 2022/23 Actuals	FY 2023/24 Adopted Budget	FY 2023/24 Revised Forecast	FY 2024/25 Recommended Budget	Change from Prior Budget	% Change
Property Taxes	\$496.1	\$505.0	\$528.9	\$542.6	\$37.6	7%
Motor Vehicle In Lieu	336.6	357.9	366.5	388.0	30.1	8%
RDA Residual Assets	55.4	59.4	66.6	67.1	7.7	13%
Tax Loss Reserves Overflow	16.5	20.0	20.0	27.5	7.5	38%
Fines and Penalties	16.9	15.7	14.9	14.0	(1.6)	-10%
Sales & Use Taxes	55.0	49.4	50.3	48.6	(0.8)	-2%
Tobacco Tax	11.5	11.5	11.5	11.5	-	0%
Documentary Transfer Tax	21.7	19.6	17.6	16.6	(3.0)	-15%
Franchise Fees	8.6	7.0	8.2	7.4	0.4	6%
Interest Earnings	58.7	40.0	75.0	41.6	1.6	4%
Miscellaneous State	5.0	4.9	4.9	4.8	(0.0)	-1%
Federal In-Lieu	4.2	3.6	3.6	3.5	(0.1)	-3%
Rebates & Refunds	7.2	6.5	6.9	8.1	1.6	24%
Transient Occupancy Tax	13.6	12.7	13.4	13.6	0.9	7%
Other (Prior Year & Misc.)	19.4	17.5	24.3	17.2	(0.3)	-2%
Operating Transfers In	12.0	12.4	12.4	12.4	-	0%
Total	\$1,138.4	\$1,143.2	\$1,224.9	\$1,224.7	\$81.5	7%



Discretionary General Fund: Expenses

General Fund Discretionary Net County Cost

The discretionary general fund portion of the budget includes \$1.2 billion in net county cost allocations. The tables below list the net county cost allocations summarized by portfolio and department within the general fund, as well as a breakout of individual contributions to other county funds and outside agencies with which the county has obligations.

Net County Cost by Portfolio and Department

Net County Cost by Portfolio and Department

	Recommended
Finance and Government Services	48,469,632
ACO-COWCAP Reimbursement	(41,564,352)
ACO-Internal Audits	2,942,133
Assessment Appeals Board	505,796
Assessor	12,925,450
Auditor-Controller	3,726,186
Augmentation	20,000,000
Board of Supervisors and Clerk of the Board	14,502,687
County Clerk-Recorder	1,500,000
County Counsel	2,178,779
EO - Non-EO Operations	12,138,457
EO-County Contrib To Hlth and MH	8,878,767
EO-Natl Pollutant Dschrg Elim Sys	512,335
Executive Office	9,189,908
Treasurer-Tax Collector	1,033,486
Human Services	130,845,136
Administration DPSS	53,028,147
DPSS-Categorical Aid	8,224,209
DPSS-Mandated Client Services	42,644,419
DPSS-Other Aid	24,242,087
Veterans Services	2,706,274
Internal Services	13,364,758
FM-Community & Rec. Centers	1,947,867
FM-Energy	8,501,530
FM-Parking	695,291

Net County Cost by Portfolio and Department

	Recommended
Purchasing	2,220,070
Public Safety	808,907,601
District Attorney	113,417,923
EO-Confidential Court Orders	517,224
EO-Contrib To Trial Court Funding	26,495,697
EO-Court Facilities	8,891,360
EO-Court Reporting Transcripts	1,333,368
EO-Grand Jury Admin	580,708
EO-Indigent Defense	15,521,630
Fire Protection	95,106,734
Probation	15,312,692
Probation-Administration & Support	11,747,642
Probation-Court Placement Care	1,420,000
Probation-Juvenile Hall	14,836,052
Public Defender	54,822,347
Sheriff Administration	22,846,195
Sheriff Coroner	12,007,964
Sheriff Correction	194,999,559
Sheriff Court Services	17,022,206
Sheriff Patrol	155,370,127
Sheriff Support	17,590,488
Sheriff-Ben Clark Training Center	25,445,737
Sheriff-CAC Security	1,173,306
Sheriff-Public Administrator	2,448,642
Public Works and Community Services	48,518,819
Agricultural Commissioner	1,247,690
Animal Control Services	18,456,006
Code Enforcement	9,367,556
Planning	4,278,288
Registrar Of Voters	15,169,279
RUHS Health and Hospital Services	93,752,297
California Childrens Services	9,057,400
Cooperative Extension	785,784
Public Health	8,567,669

Net County Cost by Portfolio and Department

	Recommended
RUHS -Correctional Health Systems	50,670,948
RUHS -Med Indigent Services Program	1,796,845
RUHS-Mental Health Treatment	3,594,321
RUHS-MH-Detention	13,434,921
RUHS-MH-Public Guardian	5,844,409
Contingency	5,000,000
EO-Approp For Contingency-General	5,000,000
Contribution to Other Funds	67,792,478
EO-Contribution To Other Funds	67,792,478
Debt Service	8,042,137
EO-Interest On Trans & Teeter	8,042,137
Grand Total	1,224,692,858

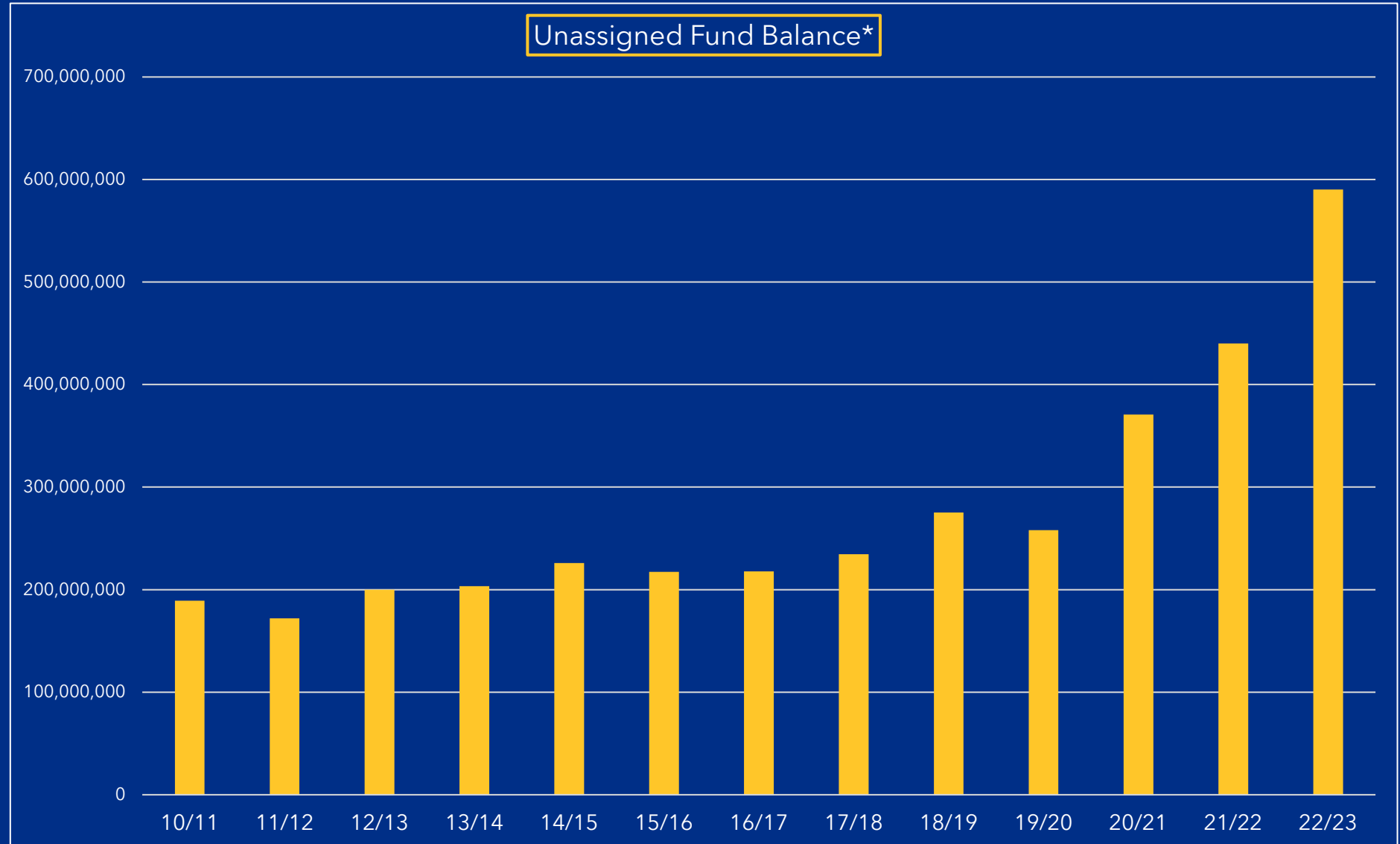
Contributions to Other Funds

AB 189 Criminal Justice Facility: Debt Service	639,678
Cabazon Community Revitalization Fund	551,000
Code Enforcement	1,050,000
Community Action Partnership	58,492
Courts: Unallowable Superior Courts	32,602
CREST	4,000,000
EO: Debt Service	\$19,584,363
HWS: Continuum of Care	2,082,757
HWS: Government Affairs	250,000
HWS: Workforce Development	140,683
IHSS	37,500
LAFCO	397,644
Mead Valley	487,000
National Date Festival	1,444,500
Office of Economic Development	3,650,405
Office on Aging	1,932,798
Parks and Open-Space District	82,532
RUHS: Hospital support	20,260,017
Sheriff: CAL-ID	399,200
So Cal Fair	25,000
TLMA: ALUC	264,307
Unincorporated Communities Initiative	10,000,000
Wine Country Community Revitalization Fund	422,000
Grand Total	\$67,792,478



Discretionary General Fund: Reserves

Fiscal Year	Unassigned Fund Balance*
10/11	\$ 189,236,000
11/12	171,910,000
12/13	199,919,000
13/14	203,444,000
14/15	225,855,000
15/16	217,322,000
16/17	217,891,000
17/18	234,477,000
18/19	275,181,000
19/20	257,959,000
20/21	370,807,000
21/22	439,974,000
22/23	590,291,000



* Per ACO's Annual Comprehensive Financial Report



Discretionary General Fund: Fiscal Discipline Recognized

Fitch Ratings upgraded the County's credit rating in May:

- General Government to AA from AA-
- Issuer Default Rating (IDR) to AA from AA-
- Pension Obligation Bonds (POBs) to AA from A+
- County Asset Leasing Corporation (CORAL) AA- from A+

“The **upgrade** ... primarily **reflects** the **continued strong financial operations** resulting in significantly **improved reserves** ...”

“The rating **also incorporates** a positive **additional analytical factor** notch **recognizing the county's size, strength and stability** and the **importance of its large economy.**”



Post-Budget Adoption Action

Post-Budget Adoption Action

Increased Investment in Inmate Health:

- Correctional Health currently receives \$50.7 million in discretionary general fund revenue for medical health costs in the jails. Detention Health receives \$13.4 million for mental health costs in the jails. Both departments will receive additional revenue (\$6.2 million) to offset increased labor costs, with future increases paid with discretionary general fund revenue.
- The Medical Center will receive funding for the costs associated with providing inmate medical care (\$18.6 million) and will receive discretionary general fund for these expenses in future fiscal years.

Increased Investment in Indigent Medical Care:

- The Medical Center currently receives \$1.8 million in discretionary general fund revenue for the Medically Indigent Services Program.
- The Medical Center will receive additional support for this program in the amount of \$28 million and this cost will be funded in future fiscal years by discretionary revenue and adjusted as necessary.

Repayment of Waste Resources Loan to Medical Center

- The Medical Center received a \$28.9 million loan from Waste Resources in 2013.
- The Medical Center will receive funding in the amount of \$14.8 million to pay the balance of the loan.

Costs associated with Presidential Election:

- The Registrar of Voters will receive \$3 million in additional discretionary general fund revenue to support enhanced operations, security and other costs associated with the 2024 Presidential Election.



Pressures



Pressures

- State budget deficit will have impacts that we continue to analyze.
- Federal budget agreements will likely remain a moving target.
- Long-term economic forecast is uncertain and difficult to predict definitively.
- Labor negotiations and retention/recruitment review continues.
- Deferred and/or delayed maintenance projects must be addressed.
- Visionary priority capital improvement projects becoming a reality.
- Ever increasing demand for new and improved services.
- Revenues beginning to flatten.



Next Steps

Next Steps

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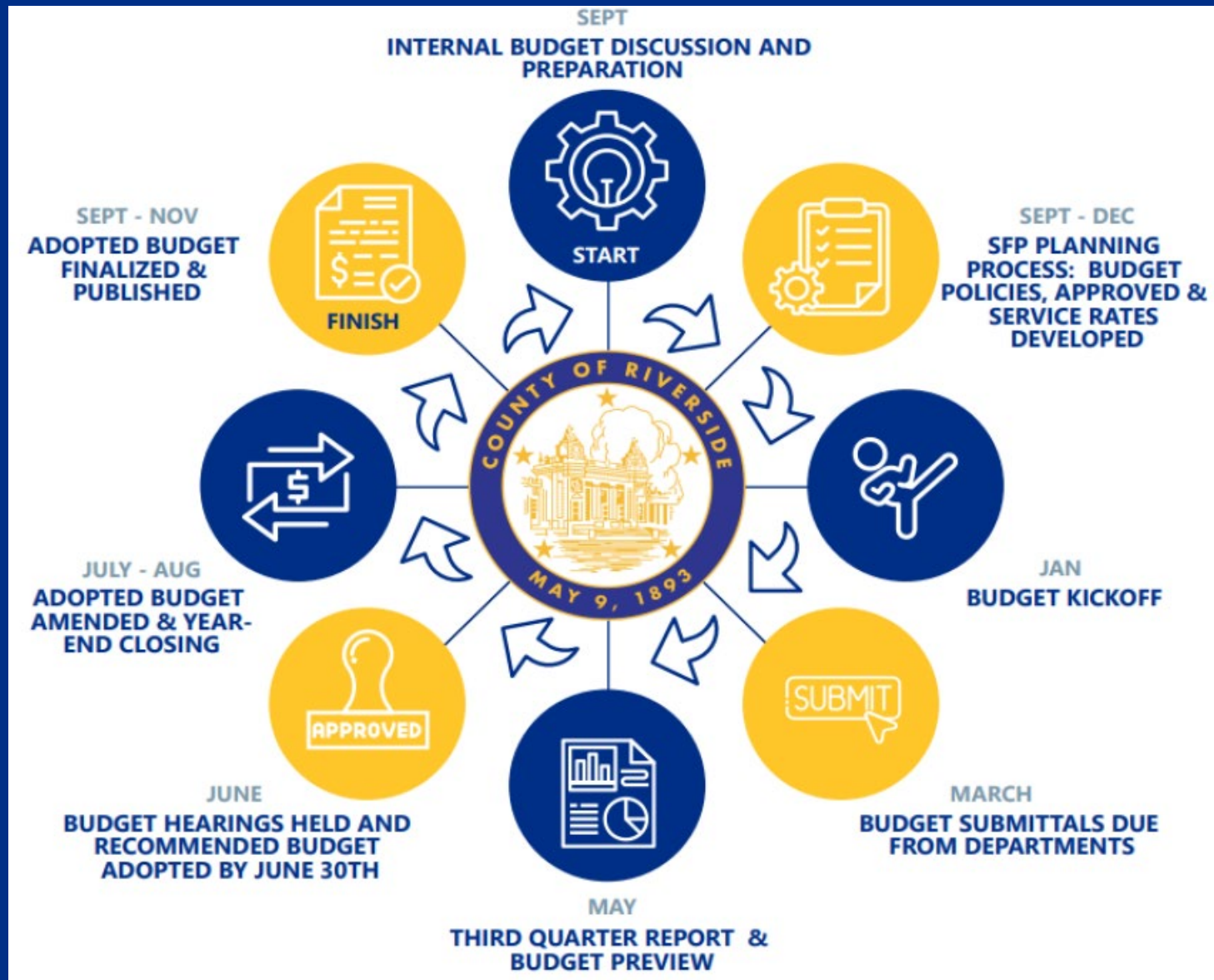
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Closing Credits

There is No "Off Season" for the Budget



Special Thanks

Budget Team

Frankie Ezzat
Dolores Reyna
Stacy Orton
Cesar Bernal
Victor Aguirre

Finance Team

Don Kent
Imelda Delos Santos
Jarvyk Punzalan
Jonathan Gutierrez

Accounting Team

Alicia Chavez
Alicia Aguon
Erick Hernandez
Velky Orta
Jessika Ortega
Jennifer Sandoval

Portfolio Analyst Team

Stephanie Persi
Steve Atkeson
Alonzo Barrera
Scott Bruckner
Rebecca Cortez
Jason Farin
Brianna Lontajo
Douglas Ordonez
Jackie Ruiz
Veronica Santillan

Communications Team

Brooke Federico
Melody Hendrickson
Yaoska Machado
Arianne Murphy
Javier Santos

Legislative Advocacy

Carolina Salazar Herrera

Strategic Priorities Team

Stephanie Garthwaite
Tina Grande
Barry E. Knight
Robin Reid

Administrative Support Team

Andi Bartkowski
Ivanka Aghbashian
Trina Head
Jennifer Kammerer
Laura Sanchez
Starr Sanchez
Lila Silva

IT Support

Anthony Trevizo





RivCoNOW

COMMUNITY NOW. SERVICES NOW.

Increases Included in Recommended Budget

Public Safety

- \$69 million for Sheriff, Fire, DA, Public Defender, Probation, EMD

Human Services

- \$25 million for DPSS, Housing & Workforce Solutions, Veterans

Finance & Government Services

- \$14 million for ACO, ACR, COB, County Counsel, EO

Public Works & Community Services

- \$4.7 million for Ag Commissioner, Code, Planning, ROV

Health & Hospital Services:

- \$3.5 million for Behavioral Health, Public Health

Internal Services

- \$1.3 million for Facilities Management

