Attachment A

COUNTY OF SOLANO
COUNTY ADMINISTRATOR'S OFFICE
MIDYEAR FINANCIAL REPORT
FY2024/25

FINANCIAL POSITION OF COUNTY DEPARTMENTS

Attached to the FY2024/25 Midyear Financial Report are four (4) tables that compare the FY2024/25 Working Budget to the FY2024/25 Midyear projected expenses and revenues. These tables include:

- County General Fund (Attachment B)
- Other Funds (Attachment C)
- Internal Service and Enterprise Funds (Attachment D)
- FY2024/25 General Fund year-end Fund Balance Projection (Attachment E)

County department heads with their management and fiscal teams have prepared the projections and variance explanations. The Midyear Financial Report includes department requests for changes to the FY2024/25 Working Budget.

The following are summaries of departmental budget projection variances for FY2024/25. Only budgets that contain significant variances when compared to the FY2024/25 Working Budget or require Board action are discussed in the Report.

GENERAL GOVERNMENT

Board of Supervisors – District 1 – Fund 001, BU 1001

The Midyear projection reflects a decrease in Net County Cost of $28,000 primarily due to a decrease in Salaries and Employee Benefits due to new hires starting at lower steps, offset by an increase in Contributions to Non-County Agencies resulting from the transition in the District 1 Board Member effective January 2025.

For recommended action:

ATR increasing appropriations by $15,000 for Contributions to Non-County Agencies resulting from the transition in District 1 Board Member effective January 2025, funded by estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

Board of Supervisors – District 2 – Fund 001, BU 1002

The Midyear projection reflects a decrease in Net County Cost of $34,000 primarily due to lower than anticipated health insurance, travel, and training costs

County Administration – Fund 001, BU 1100

The Midyear projection reflects a decrease of $44,000 in revenues and a decrease of $1,005,000 in expenditures when compared to the Working Budget, resulting in a decrease of $961,000 in Net County Cost.

The projected decrease in revenues is due to the timing in filling positions in the new Community Action Partnership Solano Joint Powers Authority (CAP Solano JPA) division of the County Administrator's Office. This revenue is fees paid by the CAP Solano JPA for projected staffing costs.

Significant factors contributing to the projected decrease in expenditures include:

- $960,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.
- $45,000 decrease in Services and Supplies due to lower computer, travel and training, and assessment appeal hearing costs.

General Revenues – Fund 001, BU 1101

The Midyear projection reflects an increase of $10.2 million in revenues when compared to Working Budget.

The projected increase in revenues is primarily due to the following:

- $5.1 million increase in Property Tax revenues due to increases in secured, prior unsecured, property tax in-lieu of vehicle license fees (VLF), unitary tax collections, ABX1 26 residual and passthrough taxes resulting from increases in assessed values.
- $2.8 million increase in interest income due to higher than anticipated yield on investments and an increase in average daily cash balance for the County's investment pool.
- $2.0 million increase in supplemental secured property taxes resulting from the collection of past year supplemental tax bills. Due to the County's transition to a new property tax system, County Assessment and Taxation System (CATS), supplemental tax bills were temporarily delayed.
- $220,000 increase in Charges for Services due to receipt of proceeds from Suisun Successor Agency's asset sale.
- $62,000 increase in Senate Bill (SB) 90 claim reimbursements for State mandated programs.

General Services – Fund 001, BU 1117

The Midyear projection reflects a decrease of $530,000 in revenues and a decrease of $672,000 in expenditures when compared to the Working Budget, resulting in a decrease of $142,000 in Net County Cost.

Significant factors contributing to the projected net decrease in revenues include:

- $726,000 decrease in Charges for Services for project management and facilities/materials to reflect updated project estimates and anticipated timing of requested maintenance services.
- $159,000 increase in Intergovernmental Revenues which reflects an increase in the Court's share of prior year costs for operation and maintenance of the County's CoGeneration (CoGen) Plant, utility usage, and facility costs.
- $37,000 increase in property-related insurance proceeds.

Significant factors contributing to the projected net decrease in expenditures include:

- $450,000 net decrease in Services and Supplies due to the following:
  - $363,000 decrease in software costs which reflects future year software subscription costs that were inadvertently budgeted in FY2024/25.
  - $276,000 decrease in utility costs due to lower than anticipated rate increases.
  - $146,000 decrease in purchases for resale costs due to fewer department requested small project requests.
  - $9,000 decrease in travel and training costs.
  - $298,000 increase in contracted services primarily due to higher than anticipated costs for the replacement and installation of Engine 3 at the CoGen Plant.
  - $46,000 increase in equipment and building maintenance costs due to unanticipated repairs at the County's CoGeneration Plant.
- $253,000 net decrease in Salaries and Employee Benefits which reflects a decrease of $428,000 due to the timing of filling vacant positions, offset by a $175,000 increase in accrued leave payout expenses for employee retirements and separations.
- $53,000 decrease in intra-fund transfers which reflects a decrease in department requests for small facility projects.
- $84,000 increase in Other Charges which reflects increased charges for Sheriff's security services due to an adjustment of anticipated cost during the development of the FY2024/25 Budget.

For recommended action:

ATR appropriating $82,778 in Other Charges to fund increased Sheriff security services, offset by a decrease in Salaries and Employee Benefits.

<u>Assessor – Fund 001, BU 1150</u>

The Midyear projection reflects an increase of $765,000 in revenues and a decrease of $375,000 in expenditures when compared to the Working Budget, resulting in a decrease of $1,140,000 in Net County Cost.

The projected increase in revenues is primarily due to increased Senate Bill (SB) 813 Collection Fee revenue resulting from an increase in property tax supplemental bills issued in the current year due to County Assessment and Taxation System (CATS) implementation delays, offset by a decrease in Assessment and Tax Collection fees based on actual expenditures for the prior year.

Significant factors contributing to the projected decrease in expenditures include:

- $213,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.
- $129,000 decrease in Services and Supplies primarily due to a decrease in contracted services for mineral appraisal services as this service is being conducted by staff until a new vendor is selected.
- $33,000 decrease in intra-fund transfers based on increased staff time spent processing property tax exemptions.

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For recommended action:

Extend 4.0 FTE Limited-Term Appraisers through June 30, 2027 to provide assessment and permit processing support funded with County General Fund and property tax administration fees.

Add 1.0 FTE Appraiser to assist in completing new mandated requirements associated with Prop. 19 and accommodate increased workload attributed to growth funded with County General Fund and property tax administration fees.

Convert 1.0 FTE Limited-Term Office Assistant III to regular full-time to accommodate increased workload attributed to growth and to ensure compliance with Prop. 19, which requires additional research and reporting to the State.

Delete 1.0 FTE Limited-Term Office Assistant III that was set to expire June 30, 2027.

Auditor Controller – Fund 001, BU 1200

The Midyear projection reflects a decrease of $117,000 in revenues and a decrease of $419,000 in expenditures when compared to the Working Budget, resulting in a decrease of $302,000 in Net County Cost.

The projected decrease in revenues is primarily due to a decrease in staff time being charged to ARPA-SLFRF funds and a reduction in administrative charges to the six redevelopment successor agencies in Solano County to prepare the Recognized Obligation Payment Schedule (ROPS).

Significant factors contributing to the projected decrease in expenditures include:

- $337,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- $66,000 decrease in Services and Supplies primarily due to a negotiated decrease in Electronic Funds Transfer (EFT) banking fees.
- $16,000 decrease in intra-fund transfers based on staff time spent conducting treasury reviews.

Tax Collector/County Clerk – Fund 001, BU 1300

The Midyear projection reflects no change in revenues and a decrease of $170,000 in expenditures when compared to the Working Budget, resulting in a decrease of $170,000 in Net County Cost.

Significant factors contributing to the net decrease in expenditures include:

- $145,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- $30,000 decrease in Services and Supplies primarily due to a decrease in contracted services costs due to the department not holding a public auction.
- $2,000 decrease in Interfund Services Used due to the department not needing Sheriff services to hold a public auction.

- $7,000 increase in intra-fund transfers primarily due to an increase in auditing and accounting charges for a redemption audit.

Treasurer – Fund 001, BU 1350

The Midyear projection reflects a decrease of $206,000 in revenues and expenditures when compared to the Working Budget, resulting in no change in Net County Cost.

The projected decrease in revenue is due to decreased Auditing and Accounting Fee revenue to recover banking fee costs to manage the County's investment pool.

The projected decrease in expenditures is primarily due to a decrease in Salaries and Employee Benefits due to the timing of filling vacancies.

County Counsel – Fund 001, BU 1400

The Midyear projection reflects a decrease of $3,000 in revenues and a decrease of $183,000 in expenditures when compared to the Working Budget, resulting in a decrease of $180,000 in Net County Cost.

The decrease in revenue is primarily due to reduced legal services provided to the Solano Consolidated Oversight Board.

Significant factors contributing to the net decrease in expenditures include:

- $198,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- $15,000 increase in outside legal services.

Water Resources and Delta Water Activities – Fund 001, BU 1450

The Midyear projection reflects a decrease of $50,000 in revenues and a decrease of $74,000 in expenditures when compared to the Working Budget, resulting in a decrease of $24,000 in Net County Cost.

Significant factors contributing to the projected net decrease in revenues include:

- $120,000 decrease in State revenues due to a delay in the implementation of the Habitat Conservation Plan.
- $80,000 decrease in revenues from other governmental agencies for the Bayshore Resiliency project, as the Fairfield Suisun Sewer District will contract directly with the environmental consultant rather than the County managing the contract.
- $5,000 decrease in Charges for Services due to a reduction in staff time spent on Montezuma Wetlands activities.
- $155,000 increase in operating transfer-in – ARPA for the following projects:
  - $136,000 for the State Small Water System-Muni Water Connection Vacaville project.
  - $19,000 for the Fairgrounds Channel Drainage Improvement project.

Significant factors contributing to the net decrease in expenditures include:

- $93,000 decrease in Services and Supplies primarily due to the delay in completing the Cache Slough Habitat Conservation Plan and a decrease in environmental consulting costs for the Bayshore Resiliency project.
- $15,000 increase in intra-fund transfers for Environmental Health staff time spent on the Bayshore Resiliency project.
- $4,000 increase Salaries and Employee Benefits primarily due to an increase in accrued leave payouts resulting from employee retirements and separations.

For recommended action:

ATR increasing operating transfer-in - ARPA of $154,862 for the State Small Water System-Muni Water Connection Vacaville and Fairgrounds Channel Drainage Improvement projects as these funds were fully obligated by December 31, 2024 as set by the U.S. Treasury. (4/5 vote required)

Employee Development & Training – Fund 001, BU 1103

The Midyear projection reflects an increase of $5,000 in revenues and a decrease of $86,000 in expenditures when compared to the Working Budget, resulting in a decrease of $91,000 in Net County Cost.

The increase in revenue is due to an increase in partner agencies participating in County-sponsored trainings.

Significant factors contributing to the decrease in expenditures include:

- $56,000 decrease in Services and Supplies primarily due to a decrease in training costs and the department purchasing a less expensive survey software system.
- $29,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies in the County-sponsored internship program.

Human Resources – Fund 001, BU 1500

The Midyear projection reflects an increase of $14,000 in revenues and a decrease of $527,000 in expenditures when compared to the Working Budget, resulting in a decrease of $541,000 in Net County Cost.

The increase in revenue is primarily due to an increase in charges to the Risk Management Fund for administrative oversight of the County's workers' compensation program.

Significant factors contributing to the decrease in expenditures include:

- $439,000 net decrease in Salaries and Employee Benefits which reflects $688,000 in savings due to the timing of filling vacancies, offset by a $249,000 in accrued leave payouts resulting from employee retirements and separations.

- $90,000 decrease in Services and Supplies primarily due to projected savings in professional services due to fewer Equal Employment Opportunity investigations needed, a $15,000 decrease in publication and legal notice costs, and smaller decreases in several other accounts.

Registrar of Voters – Fund 001, BU 1550

The Midyear projection reflects an increase of $245,000 in revenues and a decrease of $1,068,000 in expenditures when compared to the Working Budget, resulting in an increase of $1,313,000 in Net County Cost.

The projected increase in revenues is due to higher than anticipated reimbursements from candidate statement fees and reimbursement for election services from school districts, cities, and special districts.

The projected decrease in expenditures is primarily related to cost savings from the East Solano Plan ballot measure not moving forward as originally anticipated. As a result, savings is expected in a variety of election-related expenses including printing, postage, and translation costs.

Property Management – Fund 001, BU 1640

The Midyear projection reflects a decrease of $10,000 in revenues and an increase of $19,000 in expenditures when compared to the Working Budget, resulting in an increase of $29,000 in Net County Cost.

The projected decrease in revenues is due to the elimination of public reservations for the County Event Center as well as a three-month closure for repairs and refurbishment.

The projected increase in expenditures is primarily due to unanticipated project management and installation supervision costs for the AT&T cell tower installation on the County Administration Center rooftop.

For recommended action:

ATR increasing appropriations by $24,800 to fund increased intra-fund transfers for project management and supervision costs for the AT&T cell tower installation project, funded by estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

General Expenditures – Fund 001, BU 1903

The Midyear projection reflects an increase of $1,605,000 in revenues and a decrease of $1,654,000 in expenditures, resulting in a decrease of $3,259,000 in Net County Cost.

The General Expenditures budget is used to track General Fund Contributions to other department operating budgets in separate budget funds, including those in Public Safety Fund 900, the Health and Social Services Fund 902, the Library Fund 004, and Parks and Recreation Fund 016, as well as budgeting for Board approved contributions to non-County agencies and non-profit community-based organizations. The General Expenditure budget also reflects revenues collected through the Solano County Court which in turn are used to pay the Court Maintenance of Effort (MOE) to the State of California for the local court.

Net decreases in expenditures are primarily due to projected operational savings in the District Attorney, Public Defender, Probation and Other Public Defense budgets, offset by an increase in operational costs for the Sheriff. In addition, there is a projected reduction in General Expenditures from a reduced need for accrued leave payoff funds to address unanticipated retirements since most departments have been able to absorb these unanticipated costs within their existing appropriations. As these costs are incurred, General Fund departments or departments that receive a General Fund contribution will work with the County Administrator's Office to determine the appropriate level of funding to transfer from the accrued leave payoff funds.

The Midyear projection reflects an increased transfer to Accumulated Capital Outlay of $822,000 to address increased costs in capital projects for FY2024/25. This increased transfer will be funded by a draw from the Capital Renewal Reserve. For further details see Accumulated Capital Outlay Fund 006 BU 1700.

The Midyear projection for revenues reflects an increase in operating transfer-in – ARPA which represents the remaining balance as approved by the Board under the U.S. Treasury Category of Revenue Replacement towards structural deficits in both public safety and Health and Social Services (H&SS). In addition, revenues reflect an increase in court related fines and fees revenues of $138,000 which will be used to offset the General Fund Contribution for the Court MOE.

For recommended action:

ATR increasing operating transfer-out by $1,831,287 to fund an increase in General Fund County Contribution to the Sheriff to address operating deficit, funded by estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

ATR increasing operating transfer-out by $34,408 to fund an increase in General Fund County Contribution to Area on Aging (AAA) to reflect the County's share in the administration costs of AAA, funded by estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

ATR increasing operating transfer-out in General Expenditures from General Fund County Contribution by $822,000 to fund an increase in capital projects in the Accumulated Capital Outlay Fund, funded by a draw from the Capital Renewal Reserve. (4/5 vote required)

ATR recognizing operating transfer-in – ARPA of $1,466,679 which reflects the remaining balance as approved by the Board under the U.S. Treasury Category of Revenue Replacement towards structural deficits in both public safety and Health and Social Services (H&SS), offset by an increase in estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

Surveyor/Engineer – Fund 001, BU 1904

The Midyear projection reflects a decrease of $10,000 in revenues and an increase of $17,000 in expenditures, resulting in an increase of $27,000 in Net County Cost.

The projected decrease in revenue is due to a decrease in recording fee revenue as these fees are now being collected in the Recorder Special Revenue Fund (BU 4000) as directed by the Auditor-Controller.

The projected increase in expenditures primarily reflects an increase in Interfund Services Used for staff time spent on public map checks and development reviews.

For recommended action:

ATR increasing appropriations by $25,000 for Interfund Services Used for staff time spent on public map checks and development reviews, funded by estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

Agricultural Commission/Weights and Measures – Fund 001, BU 2830

The Midyear projection reflects a decrease of $187,000 in revenues and a decrease of $658,000 in expenditures when compared to the Working Budget, resulting in a decrease of $471,000 in Net County Cost.

Significant factors contributing to the projected net decrease in revenues include:

- $277,000 net decrease in Intergovernmental Revenues primarily due to the following:
  - $363,000 decrease in Glassy Winged Sharpshooter cooperative agreement revenues from the California Department of Food and Agriculture (CDFA).
  - $138,000 decrease in State Sudden Oak Death, High-Risk Pest Exclusion and Pest Detection Trapping cooperative agreement revenues from CDFA.
  - $95,000 decrease in grant revenue due to a delayed response from a vendor solicitation for the Sustainable Ag Lands Conservation (SALC) project.
  - $319,000 increase in State Unclaimed Gas Tax based on the County's most recent award letter.
- $35,000 increase in Charges for Services due to projected increase in non-commercial weights and measures and agricultural shipping permit inspection fees.
- $34,000 increase in Licenses and Permits due to anticipated increases in weights and measures device registrations and late fees.
- $21,000 increase in Fines, Forfeitures and Penalties due primarily to fine issuances for pesticide use enforcement.

Significant factors contributing to the projected decrease in expenditures include:

- $377,000 decrease in Services and Supplies primarily due to a decrease of $256,000 in contracted services costs which reflects an anticipated decrease in glassy-winged sharpshooter pest control services, the delay in selecting a vendor for the SALC project, and a decrease of $111,000 in fuel and County garage service costs.
- $281,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies, and lower seasonal extra help staffing and overtime costs.

For recommended action:

Extend 1.0 FTE Limited-Term Sr. Agricultural Biologist/Weights & Measures Inspectors through June 30, 2026. This position is funded with California Department of Agriculture (CDFA) revenues allocated for the glassy-winged sharpshooter eradication effort.

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Recorder – Fund 001, BU 2909

The Midyear projection reflects a decrease of $49,000 in revenues and a decrease of $154,000 in expenditures when compared to the Working Budget, resulting in an increase of $105,000 in Net County Cost.

The projected decrease in revenues is largely due to decreases in Recording Fees and Charges for Services resulting from a reduction in demand for recording documents for real estate transactions.

Significant factors contributing to the projected decrease in expenditures include:

- $189,000 decrease in Salaries and Employee Benefits due the timing of filling vacant positions.
- $35,000 decrease in intra-fund transfers based on staff time spent processing property tax exemptions on behalf of the Assessor's Office.

Resource Management – Fund 001, BU 2910

The Midyear projection reflects an increase of $51,000 in revenues and a decrease of $999,000 in expenditures when compared to Working Budget, resulting in a decrease of $1,050,000 in Net County Cost.

Significant factors contributing to the projected net increase in revenues include:

- $347,000 net increase in Licenses and Permits revenue primarily due to:
  - $369,000 increase in food permit revenues resulting from fee increases, new restaurants, and an increase in special events.
  - $160,000 increase in revenues from business licenses, septic, housing, pool, and hazardous material permits primarily due to fee increases.
  - $129,000 increase in zoning permit revenues resulting from large projects and the reimbursement of costs for an environmental consultant for a use permit applicant.
  - $158,000 decrease in building permit revenues as the rebuilding of homes affected by the LNU fire is occurring much slower than originally anticipated. Large construction projects have also slowed due to high interest rates and the cost of borrowing.
  - $136,000 decrease in solid waste permits due to a projected decrease in landfill tonnage
  - $17,000 decrease in penalty fees due to less late payment collections for fees charged prior years.
- $69,000 increase in Intergovernmental Revenues due to the award of two CalReycle Household Hazardous Waste State grants.
- $7,000 increase in operating transfer-in from the Home 2010 Program Fund to transfer non-federal program income to the department's Operating Budget as directed by California Department of Housing and Community Development (HCD).
- $372,000 net decrease in Charges for Services primarily due to:
  - $446,000 decrease in reimbursable expenditures and due to delays in the implementation of the Lead Paint Settlement program and for subdivision applications that have not yet reached the environmental review phase.
  - $44,000 increase in unanticipated code violation fee revenue.
  - $30,000 increase in unanticipated land division fee revenue.

Significant factors contributing to the projected net decrease in expenditures are:

- $482,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions and new hires starting at lower steps.
- $357,000 net decrease in Services and Supplies primarily due to:
  - $412,000 decrease in professional services costs due to a delay in the Lead Paint Settlement program implementation and subdivision applications that have not yet reached the environmental review phase.
  - $6,000 decrease in computer replacement costs.
  - $61,000 increase in County garage service due to an adjustment to the current year budget.
- $149,000 net decrease in Other Charges primarily due to:
  - $165,000 decrease in bad debt write-offs that were accounted for in FY2023/24.
  - $14,000 decrease in Interfund Services Provided due to decreased H&SS Public Health staff time spent on the Lead Paint Settlement program.
  - $30,000 increase in contributions to non-County agencies to Solano Transportation Authority (STA) for the Regional Housing Element update.
- $11,000 decrease in intra-fund transfers which primarily reflects reduced charges for Environmental Health staff time spent on the Bayshore Resiliency project.

For recommended action:

Convert 1.0 FTE Limited-Term Staff Analyst to regular full-time to support the Lead Paint Settlement and BayRen programs. This position is fully offset by program revenue.

Convert 1.0 FTE Limited-Term Building Technician to regular full-time to accommodate increased building permit activity, offset by permit revenues.

Add 1.0 FTE Assistant Director to address departmental reorganizational needs, increased departmental workload, and lead the implementation of Board priorities funded with General Fund, Road Fund, and Parks and Recreation Funds.

ATR recognizing $7,062 in operating transfer-in from the HOME 2010 Program Fund to transfer non-federal program income to Resource Management's Operating Budget as directed by HCD, offset by an increase in contributions to non-County agencies. (4/5 vote required)

<u>Office of Family Violence Prevention – Fund 001, BU 5500</u>

The Midyear projection reflects no change in revenues and a decrease of $14,000 in expenditures when compared to the Working Budget, resulting in a decrease of $14,000 in Net County Cost.

Significant factors contributing to the projected net decrease in expenditures are:

- $107,000 decrease in Salaries and Employee Benefits due to vacancies.
- $32,000 decrease in Services and Supplies due to lower building maintenance and professional services costs.
- $125,000 increase in operating transfer-out to the Accumulated Capital Outlay Fund for a lobby security modification project.

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For recommended action:

ATR increasing operating transfer-out of $125,000 to the Accumulated Capital Outlay Fund for a lobby security modification project, offset by one-time department savings due to vacancies and lower building maintenance and professional services costs. (4/5 vote required)

Veteran Services – Fund 001, BU 5800

The Midyear projection reflects a decrease of $250,000 in revenues and a decrease of $224,000 in expenditures when compared to the Working Budget, resulting in an increase of $26,000 in Net County Cost.

The projected decrease in revenues is due to a reduction in subvention funding from the State Department of Veterans Affairs resulting from a reduction in claims processed by the department.

The projected net decrease in expenditures is primarily due to savings in Salaries and Employee Benefits due to the timing of filling vacant positions.

Recorder Special Revenue Fund – Fund 215, BU 4000

The Midyear projection reflects an increase of $122,000 in revenues and a decrease of $52,000 in expenditures when compared to the Working Budget, resulting in an increase of $174,000 in Fund Balance.

This special revenue fund is used to account for fees collected and expenses incurred by the Recorder's Office. The increase in revenue is largely due to an increase in interest income due to higher than anticipated yield of investments and an increase in recording and micrographics fees resulting from increase in real estate transactions. The projected increase in revenue is also due to an increase in recording fee revenue as these fees that were previously being collected in Surveyor/Engineer (BU 1904) are now being collected in the Recorder Special Revenue Fund as directed by the Auditor-Controller.

The projected decrease in expenditures is primarily due to a projected decrease in Services and Supplies for microfiche/photo and computer expenses.

American Rescue Plan Act – Fund 290, BU 2960

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) are projected to be fully expended with no Net County cost. The Auditor-Controller has been delegated authority by the Board to carry forward any unexpended funds into subsequent years to facilitate the accounting and management of Board-approved ARPA projects.

As part of Midyear, the following departments are recognizing operating transfers-in for Board approved ARPA projects as these funds were fully obligated by December 31, 2024 as set by the U.S. Treasury:

- $1.5 million to General Expenditures (BU 1903) which reflects the remaining balance as approved by the Board under the U.S. Treasury Category of Revenue Replacement towards structural deficits in both public safety and Health and Social Services (H&SS).
- $1.0 million to the Accumulated Capital Outlay Fund (BU 1700) for emergency response and sheltering at the Fairgrounds property in Vallejo.

- $595,000 to Public Works (BU 3010) for the reimbursement to the Road Fund for the purchase of the Dixon Corporation Yard property.
- $493,000 to H&SS for the Family Health Services electronic health record system.
- $136,000 to Water Resources and Delta Water Activities (BU 1450) for the State Small Water System-Muni Water Connection Vacaville project.
- $19,000 to Water Resources and Delta Water Activities (BU 1450) for the Fairgrounds Channel Drainage Improvement project.
- $65,000 to Parks (BU 7000) for the Sandy Beach Park RV Sewer Connection project.

For recommended action:

ATR increasing operating transfer-out by $3,773,645 to fund Board approved ARPA projects in various departments which reflects a technical adjustment as these funds were fully obligated by December 31, 2024 as set by the U.S. Treasury.

2021 Certificates of Participation – Fund 300, BU 8000

The Midyear projection reflects an increase of $290,000 in revenues and no change in expenditures when compared to the Working Budget, resulting in an increase of $290,000 in Fund Balance.

The projected increase in revenue is primarily due to increased interest income due to higher than anticipated yield on investments.

Pension Debt Service – Fund 306, BU 8006

The Midyear projection reflects an increase of $16,000 in revenues and an increase of $230,000 in expenditures when compared to the Working Budget, resulting in a decrease of $214,000 in Fund Balance.

The projected increase in revenue is primarily due to increased interest income due to higher than anticipated yield on investments and the increase in expenditures is due to an increase in interest expense.

For recommended action:

ATR recognizing $16,000 in interest income to fund increased interest expense. (4/5 vote required)

ATR increasing appropriations by $214,000 to fund increased interest expense offset by a decrease to Pension Debt Service Fund Reserves. (4/5 vote required)

PUBLIC PROTECTION

Public Safety – Fund 900

The Public Safety Fund, Fund 900, includes the budgets for the departments of the Sheriff, District Attorney, Public Defender, Alternate Defender, Probation and Other Public Defense. Fund 900 has a FY2024/25 Working Budget of $300,671,475. The Midyear projection reflects a net decrease of $3.8 million in revenues and expenditures and a $962,000 decrease in Net County Cost to the General Fund. Fund 900 is funded by a combination of General Fund revenue for operational costs and various public safety related Intergovernmental revenues (federal/State funding). At $173.6 million, General Fund support represents 59% of Fund 900's total offsetting revenues, while Intergovernmental revenues represent 34%.

Proposition 172

Intergovernmental revenues include State funding for Public Safety Services Proposition 172 (Prop. 172), which is projected at $49.1 million and accounts for 49% of Intergovernmental revenues. Prop. 172 is generated by a statewide sales tax and a statewide distribution formula. The projection for Prop. 172 sales tax collection is currently trending below the FY2024/25 Working Budget by $1.7 million. Staff is working with HdL, the County's Sales Tax consultant, to monitor the statewide trend in Prop. 172 funding and anticipate bringing additional information to the Board at FY2025/26 budget hearings, as appropriate.

AB 109

Intergovernmental revenues from AB 109 (Community Corrections Funding) is an allocation of statewide Vehicle License Fees (VLF) and a portion of the State sales tax. The State allocation methodology for AB 109 funding to counties consists of a base allocation and an allocation of growth in the State source committed to AB 109. Growth funds for Community Corrections are allocated based on performance measures related to reducing incarceration rates and Probation success in changing probationer re-offense rates.

The FY2024/25 Working Budget included $20.8 million of AB 109 revenues and expenditures across several departments. The Working Budget revenue represents a combination of the FY2024/25 AB 109 allocation from the State and one-time prior year carry forward funds.

The Midyear projection from departments for AB 109 expenditures reflects an increase of $1.1 million when compared to the Working Budget. This increase represents an increase of both the AB 109 expenditures and corresponding revenue draw of $2.0 million in one-time costs for building renovations at 460 Union Avenue in Fairfield to support additional Probation client support services. The costs of the building renovations are partially offset by one-time Probation Department AB109 savings.

Details regarding each Public Safety department's expenditures and revenues are described in the departmental write-ups that follow.

District Attorney – Fund 900, BU 6500

The Midyear projection reflects a decrease of $1,097,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of $648,000 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- $1.1 million decrease in Other Financing Sources which reflects:
  - $648,000 decrease in the County General Fund contribution.
  - $415,000 decrease in operating transfer-in due to a decrease in costs in the Consumer Protection Unit primarily due to the timing of filling vacancies.
- $474,000 decrease in Charges for Services due to a projected decrease in real estate fraud fees based on reduced real estate activity and fewer documents submitted for processing.

- $195,000 decrease in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant.
- $523,000 increase in State Grant revenues primarily related to increases in Office of Traffic Safety (OTS) DUI Vertical Prosecution, Cal OES Underserved/Unserved Victim Services, Auto Insurance Fraud, and Workers' Compensation Fraud grant revenues.
- $92,000 increase in Forfeitures and Penalties revenues collected in the Consumer and Environmental Crimes Unit for multiple case settlements.
- $20,000 increase in Peace Officer Standards and Trainings reimbursements.

Significant factors contributing to the projected net decrease in expenditures include:

- $515,000 net decrease in Salaries and Employee Benefits which reflects $815,000 in savings due to the timing of filling vacancies, offset by a $300,000 increase in accrued leave payouts resulting from employee retirements and separations.
- $488,000 decrease in Fixed Assets due to a delay in the implementation of the eProsecutor Software Project.
- $94,000 net decrease in Services and Supplies primarily due a delay in the implementation of the eProsecutor Software project to FY2025/26.

For recommended action:

Extend 1.0 FTE Limited-Term Deputy District Attorney IV through June 30, 2026, in the Consumer Protection Unit. This position is funded with civil penalties revenue.

Extend 1.0 FTE Limited-Term Deputy District Attorney IV through June 30, 2026. This position is assigned to the vehicle theft program and funded with motor vehicle license fee revenue.

Extend 2.0 FTE Limited-Term Deputy District Attorney IV positions through September 30, 2026. These positions are assigned to the driving under the influence (DUI) Vertical Prosecution Unit and offset by federally funded Office of Traffic Safety DUI Prosecution reoccurring state grant funds for the prosecution of DUI cases.

Extend 1.0 FTE Limited-Term Legal Secretary through June 30, 2026. This position is assigned to AB 3121 mandated juvenile prosecution and funded with State 1991 Realignment revenue.

Add 1.0 FTE Assistant District Attorney due to changes in the organizational structure of the department. This position is funded by the deletion of the Chief Deputy District Attorney and the General Fund.

Delete 1.0 FTE vacant Chief Deputy District Attorney.

Public Defender – Fund 900, BU 6530

The Midyear projection reflects a decrease of $479,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of $547,000 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- $547,000 decrease in the County General Fund contribution.
- $33,000 decrease in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant.

- $101,000 increase in Intergovernmental Revenues which reflects an increase in Board of State and Community Corrections Public Defense Pilot Program (BSCC PDPP) grant reimbursements based on increased allowable grant expenditures.

Significant factors contributing to the projected net decrease in expenditures include:

- $624,000 net decrease in Salaries and Employee Benefits which reflects $762,000 in savings due to the timing of filling vacancies, offset by a $138,000 increase in accrued leave payouts resulting from employee retirements and separations.
- $145,000 increase in Services and Supplies primarily due to increases in interpreter expenses, court reporter transcripts, psychological services, and other consulting services associated with client defense.

For recommended action:

Extend 1.0 FTE Limited-Term Deputy Public Defender IV through June 30, 2026, to address continuing increases in caseloads. The position is primarily funded with County General Fund.

Extend 1.0 FTE Limited-Term Office Assistant II through June 30, 2026. This position provides clerical support to the attorneys and assists with scanning current case files into the case management system as the department continues to transition to paperless files. The position is primarily funded with County General Fund.

Extend 1.0 FTE Limited-Term Process Server through June 30, 2026, to address the continuing increase in caseloads. The position is primarily funded with County General Fund.

ATR transferring $127,000 from Salaries and Employee Benefits to fund interpreter expenses, court reporter transcripts, psychological services, and consulting services associated with client defense.

ATR recognizing $100,739 in unanticipated BSCC PDPP grant revenue offset by increased grant expenditures. (4/5 vote required)

<u>Alternate Public Defender – Fund 900, BU 6540</u>

The Midyear projection reflects a decrease of $474,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of $450,000 in the County General Fund contribution.

Significant factors contributing to the projected decrease in revenues include:

- $450,000 decrease in the County General Fund contribution.
- $24,000 decrease in Intergovernmental Revenues which reflects a decrease in Board of State and Community Corrections Public Defense Pilot Program (BSCC PDPP) grant reimbursements primarily due to the timing of filling vacancies to support the program.

Significant factors contributing to the projected net decrease in expenditures include:

- $501,000 net decrease in Salaries and Employee Benefits which reflects $583,000 in savings due to the timing of filling vacancies, offset by a $82,000 increase in accrued leave payouts resulting from employee retirements and separations.

- $27,000 increase in Services and Supplies primarily due to increases in interpreter expenses, court reporter transcripts, and other consulting services associated with client defense.

For recommended action:

Extend 1.0 FTE Limited-Term Office Assistant II through June 30, 2026. This position provides clerical support to the attorneys and assists with scanning current case files into the case management system as the department continues to transition to paperless files. The position is primarily funded with County General Fund.

<u>Sheriff – Fund 900, BU 6550</u>

The Midyear projection reflects a decrease of $3,718,000 in revenues and expenditures when compared to the Working Budget, which includes an increase of $1,831,000 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- $4.2 million decrease in Charges for Services primarily due to decreases in funding received for Trial Court Security to offset Court bailiff and building security services, reduced security services charges to the Library due to vacancies, and a reduction in institutional care revenues resulting from Sonoma County removing their inmates housed at the Claybank Detention Facility.
- $1.5 million decrease in Intergovernmental Revenues primarily due to a decrease in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant.
- $225,000 decrease in operating transfer-in from the Automated Identification Fund based on projected decrease in costs for the Cal-ID Program.
- $1.8 million increase in the County General Fund contribution.
- $335,000 increase in miscellaneous revenues primarily due to an increase in workers' compensation insurance proceeds.

Significant factors contributing to the projected net decrease in expenditures include:

- $2.6 million net decrease in Salaries and Employee Benefits which reflects $3.3 million in savings due the timing of filling vacancies, offset by a $711,000 increase in accrued leave payouts resulting from employee retirements and separations.
- $1.1 million decrease in Services and Supplies primarily due to the following changes:
  - $400,000 decrease in County fleet charges due a delay in receiving replacement vehicles.
  - $328,000 decrease in central data processing charges due to DoIT staff vacancies on the Law and Justice team.
  - $261,000 decrease in inmate food costs due to a lower inmate population.
  - $69,000 decrease in travel and training costs.
  - $68,000 decrease in software maintenance costs due to a reduction in annual costs for jail security electronics.
  - $34,000 decrease in uniform allowance due to staff vacancies.
- $111,500 net decrease in Fixed Assets primarily due to the following:
  - $132,000 decrease in software gateway replacement costs for the County's Automated Fingerprint Identification System to share evidence with DOJ and FBI databases,

originally funded with Automated Identification funds under the Cal-ID Program. This system will be replaced under a current contract with IDEMIA.

- $60,000 decrease in costs for the enhanced Network Attached Storage project at the Stanton Correctional Facility and Claybank Detention Facility.
- $55,000 increase to replace 15 mobile fingerprint ID devices funded with Automated Identification funds.
- $20,500 increase to upgrade the mobile fingerprint ID software, funded with Automated Identification funds.
- $5,000 increase to cover increased costs for a Linev Body Scanning System at the Stanton Correctional Facility.

For recommended action:

Extend 1.0 FTE Limited-term Custody Sergeant through June 30, 2026, to backfill employees out on extended leave.

Add 1.0 FTE Building Trades Mechanic to provide preventative maintenance at the County's jail facilities and the Rourk Vocational Training Center funded with General Fund.

Delete 1.0 FTE vacant Laundry Coordinator.

Approve additional Fixed Asset purchases of $75,500 for:

- $75,500 to upgrade the mobile fingerprint ID software system and to replace 15 Sheriff mobile fingerprint ID devices that have reached end of life funded with Automated Identification funds.

ATR recognizing operating transfer-in from General Expenditures by $1,831,287 to fund an increase in General Fund County Contribution to the Sheriff to address operating deficit, funded by estimated General Fund balance at end of fiscal year. (4/5 vote required)

<u>Probation – Fund 900, BU 6650</u>

The Midyear projection reflects an increase of $2,673,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of $432,000 in the County General Fund contribution.

Significant factors contributing to the projected net increase in revenues include:

- $3.1 million net increase in Intergovernmental Revenues due to the following:
  - $2.2 million increase in State Realignment (AB 109) revenue to fund renovations at 460 Union Avenue in Fairfield to support additional client support services.
  - $2.0 million increase in State Realignment and other State revenues due to increased costs for youth placements, a shift of costs from pre-trial funding, and an increase in the CalAIM PATH JI round 3 grant.
  - $985,000 decrease in federal reimbursements primarily due to a decrease in juvenile program grant expenditures for multi-year programs. Grant expenditures will be allocated and drawn down in future fiscal years. Grant reimbursements for the Office of Youth and Community Restoration (OYCR) and Edward Byrne Memorial Justice Assistance Grant (JAG) multi-year programs are drawn as expenditures are incurred.
  - $170,000 decrease in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant.

- $26,000 increase in donations and contributions from Yocha Dehe Wintun Nation for at-risk youth wellness programs due to the timing of payment between fiscal years.
- $10,000 increase in insurance proceeds.
- $432,000 decrease in the County General Fund contribution.

Significant factors contributing to the projected net increase in expenditures include:

- $2.2 million increase in Other Financing Uses which reflects an operating transfer-out to the Accumulated Capital Outlay Fund for renovations at 460 Union Avenue in Fairfield to support additional client support services.
- $1.3 million increase in Fixed Assets due to the following:
  - $1.2 million for the replacement/upgrade of the department's digital radios.
  - $86,000 for a mobile probation van funded with State Mobile Probation grant revenue.
- $1.1 million increase in Other Charges primarily due to an increase in Support and Care of Persons in placement/foster care resulting from an adjustment to the current year budget, and an increase in client transportation and housing costs.
- $1.7 million net decrease in Salaries and Employee Benefits which reflects $1.9 million in savings due the timing of filling vacancies, offset by a $241,000 increase in accrued leave payouts resulting from employee retirements and separations.
- $125,000 decrease in intra-fund transfers which reflects reduced charges for Sheriff's security services due to vacancies.
- $100,000 net decrease in Services and Supplies is primarily due to the following:
  - $174,000 net decrease in contracted services primarily due to a decrease in grant expenses for the OYCR and JAG programs as these are multi-year programs and any unused funds will be budgeted in FY2025/26, offset by an increase in consulting services related to the CalAIM PATH JI round 3 grant program.
  - $126,000 decrease in equipment and computer costs due to the postponement of the Audio Video conference room upgrade project to FY2025/26.
  - $96,000 decrease in education and training and travel costs due to more internal training opportunities.
  - $198,000 increase in various expenditures related to remodel of the 709 Beck Avenue Youth Achievement Center project.
  - $126,000 increase in utility costs.

For recommended action:

Extend 1.0 FTE Limited-Term Deputy Probation Officer (Senior) for the Office of Traffic and Safety grant, through September 30, 2026.

Extend 1.0 FTE Limited-Term Deputy Probation Officer for the Office of Traffic and Safety grant, though September 30, 2026.

Approve additional Fixed Asset purchases of $1,275,586 for:

- $1,189,504 for the replacement/upgrade of the department's digital radios funded with General Fund savings from Salaries and Employee Benefits, State Realignment and other State revenue.
- $86,082 for a mobile probation van funded with State Mobile Probation grant revenue.

ATR recognizing $2,200,000 in unanticipated State Realignment (AB 109) revenue to fund an operating transfer-out to the Accumulated Capital Outlay Fund for renovations at 460 Union Avenue in Fairfield to support additional client support services. (4/5 vote required)

ATR recognizing $892,766 in State Realignment revenues to fund an increase in foster care youth placement costs. (4/5 vote required)

ATR increasing appropriations by $852,707 to partially fund the replacement/upgrade of the department's digital radios, offset by a decrease in Salaries and Employee Benefits.

ATR recognizing $336,869 in unanticipated State Realignment (AB 109) revenue and other State revenue to partially fund the replacement/upgrade of the department's digital radios. (4/5 vote required)

ATR recognizing $271,736 in other State revenues to fund an increase in housing for client costs related to pre-trial diversion funding. (4/5 vote required)

ATR increasing appropriations by $86,082 to fund a mobile probation van, offset by a decrease in State grant funded Services and Supplies expenditures.

Other Public Defense – Fund 900, BU 6730

The Midyear projection reflects a decrease of $717,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of $717,000 in the County General Fund contribution.

The projected decrease in revenues reflects a decrease of $717,000 in the County General Fund Contribution due to delays in the timing of Other Public Defense court cases.

Significant factors contributing to the projected decrease in expenditures include:

- $513,000 decrease in Services and Supplies primarily due to a decrease in legal services costs related to delays in the timing of Other Public Defense court cases.
- $204,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.

OTHER PUBLIC PROTECTION

Animal Care Services – Fund 001, BU 2850

The Midyear projection reflects an increase of $568,000 in revenues and a decrease of $287,000 in expenditures when compared to Working Budget, resulting in a decrease of $855,000 in Net County Cost.

Significant factors contributing to the projected net increase in revenues include:

- $602,000 increase in other governmental agencies revenue related to the cities' reimbursement under the MOU for animal shelter services based on prior year expenditures.
- $46,000 increase in revenue from humane services due to increases in boarding, owner surrenders, and redemptions.
- $45,000 increase in donation revenue which reflects corporate and local sponsorships for adoption events and a newly developed Pet Safety Net Program which provides community outreach assistance; preserving the bond between people and pets.

- $67,000 decrease in revenues from adoptions due to fewer paid adoptions. Donation revenue from corporate and local sponsored adoption events are used to discount costs for adoptions; decreasing paid adoption revenue.
- $58,000 decrease in Charges for Services primarily due a reduction in vendor licensing fees that will no longer need to be recovered from the cities under the MOU for animal shelter services.

Significant factors contributing to the projected net decrease in expenditures include:

- $327,000 net decrease in Salaries and Employee Benefits which reflects $375,000 in savings due to the timing of filling vacancies, offset by a $48,000 increase in accrued leave payouts resulting from employee retirements and separations.
- $32,000 increase in Services and Supplies primarily due to increases in computer replacement and fuel costs, offset by a decrease in vendor license fees for the County's new animal licensing system.
- $8,000 increase in Other Charges primarily due to an increase in Countywide Administrative Overhead costs.

For recommended action:

Extend 1.0 FTE Limited-Term Animal Care Specialist through June 30, 2026 to support countywide shelter services, funded approximately 84% by the MOU for Animal Shelter Services with the cities and 16% by the General Fund.

ATR recognizing $45,000 in unanticipated donation revenue offset by increases in Services and Supplies for costs associated with corporate and locally sponsored adoption events. (4/5 vote required)

<u>HOME 2010 Program – Fund 105, BU 8215</u>

The Midyear projection reflects an increase of $10,000 in revenues and an increase of $7,000 in expenditures when compared to the Working Budget, resulting in an increase of $3,000 to Fund Balance.

The projected increase in revenues reflects an increase in interest income due to higher than anticipated yield on investments. The projected increase in expenditures is due to an increase in operating transfer-out to Resource Management to transfer non-federal program income to the department's Operating Budget as directed by California Department of Housing and Community Development (HCD).

For recommended action:

ATR increasing $7,062 in operating transfer-out to Resource Management to transfer non-federal program income to the department's Operating Budget as directed by HCD, offset by a decrease to contingencies. (4/5 vote required)

<u>Housing Authority – Fund 150, BU 1510</u>

The Midyear projection reflects an increase of $600,000 in revenues and expenditures when compared to the Working Budget, resulting in no change to Fund Balance.

The projected increase in revenues and expenditures is due to increased housing vouchers and increased rental prices in the Solano County Housing Authority's (SCHA) Section 8 program. Funding is received under an agreement with the U.S. Department of Housing and Urban Development (HUD) to administer the program. In May 2024, the program administrator (City of Vacaville), launched a Landlord Incentive Program to encourage additional rental property owner participation and to support and retain existing landlords.

For recommended action:

ATR recognizing $600,000 in unanticipated federal revenue offset by increases in Other Professional Services to reflect updated HUD disbursement projections and program costs. (4/5 vote required)

Homeacres Loan Program – Fund 120, BU 8220

The Midyear projection reflects an increase of $11,000 in revenues and an increase of $619,000 in expenditures when compared to Working Budget, resulting in a decrease of $608,000 to Fund Balance.

The projected increase in revenues reflects an increase in interest income due to higher rates of returns on pooled investments.

The projected increase in expenditures is due to the implementation of the Homeacres Community Home Rehabilitation and Neighborhood Safety Program as approved by the Board on October 24, 2023. The increase reflects the amount of applications the Resource Management Department has received in the current year. This multi-year program utilizes Homeacres Housing Funds to provide loans to correct health and safety hazards, remove barriers to accessibility for persons with mobility disabilities, extend the useful life of owner-occupied homes and promote energy efficiency for low-income households. The program encourages cost-effective repairs for housing units located in the Homeacres neighborhood.

For recommended action:

ATR increasing appropriations by $620,000 to fund loans as part of the Homeacres Community Home Rehabilitation and Neighborhood Safety Program, offset by an increase in interest income and a decrease to contingencies. (4/5 vote required)

Sheriff – CalAIM PATH-JI Grants – Fund 325, BU 3250

The Midyear projection reflects an increase of $250,000 in revenues and expenditures when compared to the Working Budget, resulting in no change to Fund Balance.

Revenue and expenditures are projected to increase primarily due to the rebudgeting of unexpended grant funds from FY2023/24 for PATH JI Round 2 to fund IT system modifications.

For recommended action:

ATR recognizing $249,430 in CalAIM PATH-JI grant revenue to fund grant program expenditures. (4/5 vote required)

Attachment A

<u>Sheriff – Officer Wellness/Mental Health Grant – Fund 325, BU 3254</u>

The Midyear projection reflects an increase of $8,000 in revenues and an increase of $7,000 in expenditures when compared to the Working Budget, resulting in an increase of $1,000 to Fund Balance.

Revenue and expenditures are projected to increase primarily due to the rebudgeting of unexpended grant funds from FY2023/24.

For recommended action:

ATR recognizing $6,600 in Officer Wellness/Mental Health State grant revenue to fund grant program expenditures. (4/5 vote required)

<u>Sheriff – Boating Safety Enforcement and Equipment (BSEE) Grant – Fund 325, BU 3258</u>

The Midyear projection reflects an increase of $30,000 in revenues and an increase of $1,000 in expenditures when compared to the Working Budget, resulting in an increase of $29,000 to Fund Balance.

The projected increase in revenues is due to the completion and full reimbursement for the 2021 and 2022 Boating Safety Enforcement and Equipment (BSEE) grants.

The projected increase in expenditures is due to final costs for the replacement a vessel motor.

For recommended action:

Approve additional Fixed Asset purchases of $1,000 for:

$1,000 to cover increased costs related to the purchase of a replacement vessel motor.

ATR increasing fixed assets by $1,000 to fund final costs for the replacement of a vessel motor for the Sheriff's Marine Patrol, offset by a decrease in contingencies. (4/5 vote required)

<u>Department of Child Support Services (DCSS) – Fund 369, BU 2480</u>

The Midyear projection reflects a decrease of $663,000 in revenues and a decrease of $928,000 in expenditures when compared to the Working Budget, resulting in an increase of $265,000 in Fund Balance.

The projected decrease in revenue is primarily due to State budget reductions to the Child Support Program, which was announced prior to the beginning of the fiscal year. In response, DCSS proactively planned to reduce program spending which resulted in less funding needed in FY2024/25.

The projected decrease in expenditures is primarily due to a decrease in Salaries and Employee Benefits resulting from the timing of filling vacant positions, and the planned reduction in spending for the Child Support Program in response to State budget reductions.

Attachment A

CAPITAL PROJECTS

Accumulated Capital Outlay – Fund 006, BU 1700

The Midyear projection reflects an increase of $3,578,000 in revenues and an increase of $107,000 in expenditures when compared to Working Budget, resulting in an increase of $3,471,000 in Fund Balance.

The projected net increase in revenues is primarily due to the following:

- $2.2 million increase in operating transfer-in from Probation to fund renovations at 460 Union Avenue in Fairfield to support additional client support services.
- $1.0 million increase in operating transfer-in – ARPA for emergency response and sheltering at the Fairgrounds property in Vallejo.
- $822,000 increase in transfers-in from the General Fund – Capital Renewal Reserve to fund the following projects:
  - $582,000 for the Social Services Center Elevator Cab Upgrade project.
  - $240,000 for the Suisun Veteran's Memorial Building Fire Alarm Control Panel Replacement project.
- $392,000 increase in property taxes based on the Auditor's revised projections.
- $125,000 increase in operating transfer-in from the Office of Family Violence Prevention (BU 5500) for a lobby security modification project at the Solano Family Justice Center.
- $961,000 decrease in a grant funds from Pacific Gas & Electric's Self Generation Incentive Program (SGIP) for the Energy Conservation project due to a projected decrease in eligible project costs and a subsequent change in the scope of work.

Significant factors contributing to the projected net increase in expenditures include:

- $2.2 million increase to fund renovations at 460 Union Avenue in Fairfield to support additional client support services for the Probation.
- $1.0 million increase for emergency response and sheltering at the Fairgrounds property in Vallejo.
- $582,000 increase in construction costs for the Social Services Center Elevator Cab Upgrade project.
- $496,000 increase in construction costs for the County Administration Center (CAC) and County Events Center (CEC) Security Camera Upgrades project.
- $240,000 increase for the Suisun Veteran's Memorial Building Fire Alarm Control Panel Replacement project.
- $220,000 increase in equipment costs for the H&SS Administration Security Upgrade project.
- $187,000 increase in construction costs for the Countywide Electric Vehicle (EV) Charging Master Plan.
- $159,000 increase in construction costs for H&SS Public Reception updates.
- $125,000 increase for a lobby security modification project at the County Family Justice Center.
- $99,000 increase in construction costs for the Human Resources remodel project.
- $86,000 increase in building maintenance and improvement costs for the CAC and CEC public area carpet replacement project.
- $70,000 increase in professional services costs for a facilities condition assessment for the assisted living facility located at 1095 E. Tabor Avenue in Fairfield.

- $15,000 increase which reflects other smaller construction cost increases in various projects.
- $4.0 million decrease for the Radio Interoperability project to reflect a technical adjustment. This project is reflected in the DoIT Fund therefore, this appropriation is no longer needed.
- $961,000 decrease for the Energy Conservation project due to a change in the scope of work.
- $411,000 decrease in construction costs which reflects savings in several completed projects.

For recommended action:

ATR increasing operating transfer-in by $2,200,000 from Probation to fund renovations at 460 Union Avenue in Fairfield to support additional client support services. (4/5 vote required)

ATR increasing operating transfer-in - ARPA of $1,000,000 for emergency response and sheltering at the Fairgrounds property in Vallejo as these funds were fully obligated by December 31, 2024 as set by the U.S. Treasury. (4/5 vote required)

ATR increasing appropriations in Accumulated Capital Outlay by $822,000 to cover increase costs for various projects offset by Transfer-In – General Fund-Capital Renewal Reserve. (4/5 vote required)

ATR increasing operating transfer-in of $125,000 from the Office of Family Violence Prevention for a lobby security modification project at the County Family Justice Center. (4/5 vote required)

ATR increasing appropriations by $1,326,200 to cover increases in construction costs for the County Administration Center (CAC) and County Events Center (CEC) Security Camera Upgrades, H&SS Public Reception Updates, County Administration Center (CAC) and County Events Center (CEC) Security Camera Upgrades, Human Resources remodel projects and for a facilities condition assessment for the assisted living facility located at 1095 E. Tabor Avenue in Fairfield.

Courthouse Temp. Const. Fund – Fund 264, BU 4140

The Midyear projection reflects an increase of $3,000 in revenues and an increase of $2,000 in expenditures when compared to the Working Budget, resulting in an increase of $1,000 in Fund Balance.

The projected increase in revenues is due to a projected increase in vehicle code fines.

The projected increase in expenditures is due to an increase in interest expense.

For recommended action:

ATR recognizing $2,000 in vehicle code fine revenue to fund increased interest expense. (4/5 vote required)

Public Facilities Fees – Fund 296, BU 1760

The Midyear projection reflects an increase of $709,000 in revenues and an increase of $734,000 in expenditures when compared to the Working Budget, resulting in a decrease of $25,000 in Fund Balance.

The projected increase in revenues is primarily due to the following:

- $504,000 increase in interest income due to higher than anticipated yield on investments.
- $205,000 increase in Public Facilities Fees (PFF) collections for capital needs related to expansion and/or new construction of County facilities required to accommodate growth within the county.

Significant factors contributing to the projected increase in expenditures include:

- $343,000 increase in debt payments for a construction loan for the Suisun City Library in accordance with an agreement between the County, Suisun City, the former redevelopment agency of Suisun City, and the Fairfield-Suisun Unified School District.
- $266,000 increase in contribution to the Vacaville Library District based on higher PFF collections for the facility expansion project.
- $125,000 increase in operating transfer-out to the Road Fund to transfer PFF revenues designated for Regional Transportation Impact Fee (RTIF) funding towards the outstanding General Fund loan balance totaling $509,000.

For recommended action:

ATR increasing appropriations by $265,992 for an increase in contribution to the Vacaville Library District for the facility expansion project, offset by use of contingencies. (4/5 vote required)

ATR increasing appropriations by $342,855 for an increase in debt payments for a construction loan for the Suisun City Library, offset by contingencies. (4/5 vote required)

ATR increasing operating transfer-out to the Road Fund by $125,000 to transfer Public Facility Fee revenues designated for RTIF funding towards the outstanding General Fund loan balance totaling $509,000, offset by contingencies. (4/5 vote required)

PUBLIC WAYS

Road Fund – Fund 101, BU 3010

The Midyear projection reflects an increase of $2,055,000 in revenues and a decrease of $2,942,000 in expenditures, resulting in an increase of $4,997,000 in Fund Balance.

Significant factors contributing to the projected net increase in revenues include:

- $715,000 increase in Charges for Services paid by Department of Information Technology (DoIT) which reflects reimbursements for costs related to the demolition and replacement of the existing Southampton Radio Tower Building in Benicia.
- $595,000 increase in operating transfer-in – ARPA for the reimbursement to the Road Fund for the purchase of the Dixon Corporation Yard property.
- $386,000 increase in State gas tax revenue (Highway Users Tax Account and SB 1) based on revised projections from California State Association of Counties (CSAC).
- $300,000 increase in operating transfer-in which reflects:
  - $175,000 increase from the Accumulated Capital Outlay Fund for asphalt removal work required at the Falls School site.

  - $125,000 increase from the Public Facilities Fees Fund to account for fee revenue designated for Regional Transportation Impact Fee (RTIF) funding towards an outstanding General Fund loan.
- $200,000 increase in encroachment permit revenue for the Pacific Gas and Electric (PG&E) undergrounding and Sacramento Municipal Utility District (SMUD) wind turbine projects.
- $150,000 increase in interest income due to higher than anticipated yield on investments.
- $100,000 increase in sale of nontaxable fixed assets primarily due to the sale of land on Suisun Parkway to Solano Transportation Authority as approved by the Board on July 23, 2024 and the sale of heavy equipment.
- $55,000 increase in Interfund Services Provided due to increased staff time spent on the lighting district and map check services.
- $35,000 increase in property taxes based on the Auditor's revised projections.
- $10,000 increase in insurance proceeds which reflects reimbursements from vehicle accidents.
- $491,000 net decrease in revenue from other governmental agencies which reflects:
  - $525,000 decrease due to a deferral of the Rockville Hills Regional Park Crossing project.
  - $100,000 decrease due to deferral of the Individual Home Raising Program.
  - $200,000 decrease due Solano County Water Agency's (SCWA) deferral of the Flood Control Small Grant Program due to lack of funding.
  - $334,000 increase due to additional Transportation Development Act (TDA) funding for the Benicia Road and Solano Fairgrounds Mobility Hub projects.

Significant factors contributing to the projected net decrease in expenditures include:

- $1,324,000 decrease in Fixed Assets which reflects:
  - $1,098,000 decrease in construction in progress due to the deferral of the Rockville Hills Regional Park Crossing project and lower than anticipated bids on the Hay Road Improvement project, partially offset by increases to the Rio Vista Garage Facility and Pavement Improvement projects.
  - $157,000 decrease which reflects an accounting reversal for a check payment that occurred in FY2023/24 that was cancelled.
  - $107,000 decrease in construction equipment costs resulting from lower unit prices.
  - $30,000 decrease in land acquisition costs due to the deferral of right-of-way purchases to FY2025/26.
  - $68,000 increase in equipment costs for replacement of survey equipment.
- $992,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions and retirements, as well as new hires starting at lower steps.
- $744,000 net decrease in Service and Supplies which reflects:
  - $890,000 decrease in other professional services due to deferral of the Flood Control Small Grant Program and reduced costs for the Bridge Methacrylate project.
  - $55,000 decrease in fuel and lubricants due to an increase in electric vehicle usage.
  - $40,000 decrease in moving, freight, and towing due to limited damage to gravel roads.
  - $210,000 increase in County garage service primarily due to an increase in charges per vehicle for the replacement program. The increase represents the difference in cost to replace vehicles with electric vehicles.
  - $26,000 increase in publications and legal notices costs for a DUI campaign to address a recent increase in alcohol-related fatalities on County roads.
  - $5,000 increase in utility costs.
- $29,000 decrease in Other Charges which primarily reflects reduced Resource Management staff time spent on Public Works tasks.

- $148,000 increase in operating transfer-out to the Fleet Fund to fund increased vehicle replacement costs.

For recommended action:

ATR increasing operating transfer-out of $148,000 to the Fleet Fund to fund additional vehicle replacement costs, offset by savings in Salaries and Employee Benefits. (4/5 vote required)

ATR recognizing operating transfer-in – ARPA by $594,600 for the reimbursement to the Road Fund for the purchase of the Dixon Corporation Yard property as these funds were fully obligated by December 31, 2024 as set by the U.S. Treasury, offset by an increase in County garage services and equipment costs. (4/5 vote required)

ATR recognizing operating transfer-in by $125,000 from Public Facilities Fees (PFF) to transfer PFF revenues designated for RTIF funding towards the outstanding General Fund loan balance totaling $509,000. (4/5 vote required)

HEALTH AND PUBLIC ASSISTANCE

<u>Health and Social Services Department – Fund 902</u>

The Department of Health and Social Services (H&SS) is comprised of 7 divisions: Administration, Behavioral Health, Social Services, In-Home Supportive Services (IHSS) – Public Authority, Health Services, Family Health Services, and Public Assistance Programs.

H&SS has a Working Budget in the amount of $528,363,561. The Midyear projection reflects a net decrease of $29,017,711 in revenues and a decrease of $36,525,108 in expenditures for a net cost decrease of $7,507,397.

The decrease in net county cost of $7,507,397 is primarily due to the following:

- Decrease of $163,214 in Administration primarily due to low utilization of contract with Home Base for consulting services related to homelessness issues.
- Decrease of $2,760,479 in Social Services primarily representing County General Fund savings in E&ES due to increase in actual allocation compared to estimates at the beginning of the year and lower allocated program costs.
- Decrease of $52,061 in Behavioral Heath primarily represents increase in revenue surplus projected for Department of State Hospitals (DSH) grant that will be deferred to support the program in future years.
- Decrease of $3,470,658 in Health Services primarily representing shortfall in revenues funded with Public Health Intergovernmental Transfers (IGT).
- Decrease of $1,060,985 in Public Assistance primarily representing the County's proportionate reduction in the share of cost for the projected decreases in Foster Care and General Assistance expenditures.

The $29.0 million revenue variance is due to decreases of $14.1 million in Intergovernmental Revenues, $10.3 million in Charges for Services and $4.9 million in Other Financing Sources, offset by $245,745 net increase in other miscellaneous revenues.

- Intergovernmental Revenues decrease of $14.1 million represents decreases of $11.7 million in Social Services, $8.1 million in Behavioral Health, $3.4 million in Health Services, offset by increase of $6.6 million in Family Health Services.

- Charges for Services decrease of $10.3 million primarily represents a reduction in Federally Qualified Health Center (FQHC) patient-related revenues within Family Health Services due to provider vacancies and fewer patient appointments during implementation of the new electronic medical record system, which contributed to daily billable hours falling below budget estimates.
- Other Financing Sources decrease of $4.9 million is primarily due to a reduced draw against the Mental Health Services Act (MHSA) restricted funds resulting from lower than anticipated expenditures, offset by an increase in ARPA-SLRF funding for the upgrade to replace the current Family Health Services' electronic medical record system.

The $36.5 million expenditure variance is due to reductions of $20.9 million in Salaries and Employee Benefits, $6.1 million in Services and Supplies, $9.2 million in Other Charges, offset by a decrease of $270,423 in Other Financing Uses.

- Salaries and Employee Benefits reduction is due to significant vacancies across all H&SS divisions created by high turnover and a difficulty in recruiting positions.
- Decrease in Services and Supplies is primarily due to the following:

  - $640,234 decrease in Administration primarily due to lower consulting and contracted services, time study costs from DoIT and special departmental expense.
  - $279,593 decrease in Family Health Services primarily due to lower contracted services, utilities, controlled assets and equipment purchases, offset by increases in software maintenance, time study costs from DoIT and software subscription.
  - $1,080,052 decrease in Social Services primarily due to lower time study costs from DoIT, special departmental costs, office and household expenses, offset by increases in contracted services, software subscription and contracted services.
  - $2,564,158 decrease in Health Services due to lower time study costs from DoIT, software maintenance costs, special departmental expense, contracted services, medical and dental services/supplies, and controlled assets.
  - $1,507,863 decrease in Behavioral Health primarily due to reductions in contracted services, education and training, fuel charges, and less need for ambulance services than anticipated for the Mobile Crisis program, offset by an increase in malpractice insurance.
  - $71,648 decrease in Public Assistance for increased wraparound services in foster care.
  - $1,279 decrease in IHSS Public Authority Administration.

- Decrease in Other Charges is due to the following:

  - $1,325,874 increase in Family Health Services primarily due to increase in contracted direct services.
  - $1,806,435 decrease in Social Services primarily due to projected decreases in spending on housing costs, employment and transportation costs for welfare-to-work clients, lower utilization of contracted direct services and childcare costs, offset by increases in subsidized employment, CalWORKs family stabilization costs, and support and care of clients.
  - $998,904 decrease in Health Services primarily due to lower projected cost of clothing and personal supplies for clients, food for indigent clients, and non-federal share of costs for IGT transfer.
  - $9,304,940 decrease in Behavioral Health due to decreases in bed days for Institutions of Mental Disease (IMD) facilities and lower utilization of contracted direct services contracts for children's services and in MHSA providing adult and children's services due

to vendor staffing shortages, offset by projected increase in the IGT transfer to the Department of Health Care Services (DHCS) due to projected increases in Medi-Cal revenues.

- $1,545,655 increase in Public Assistance due to increases in caseload and the average monthly support provided to eligible clients in Adoptions, CalWORKs and Foster Care, offset by decreases in General Assistance, Approved Relative Caregiver (ARC), Aid to Refugees and State Utility Assistance Subsidy (SUAS) expenditures.
- $2,910 increase in IHSS Public Authority Administration.

Pending Issues:

Program impacts related to the federal Administration's proposed freeze on federal grants and funding assistance, as well as program cut proposals that are currently before Congress may have substantial impacts on County services. While Medi-Cal ("Medicaid") accounts for the largest share of health and behavioral health services funding, the second-largest share of funding flows through the California Department of Social Services (CDSS) to county human services agencies to support child welfare services, foster care, CalWORKs ("Temporary Assistance for Needy Families - TANF"), CalFresh (Supplemental Nutrition Assistance Program – SNAP), In-Home Supportive Services (IHSS) and adult protective services (APS). These programs also rely heavily on federal funding.

Elimination or reductions in federal funding for safety net programs and services would undermine the safety net supports California's county human service agencies deliver to millions of Californians every day, including services and benefits to combat poverty, ensure access to health care services, and support victims of abuse, neglect and exploitation.

The Administration's proposals would disproportionately impact children of color who are over-represented in the child welfare and foster care system, as well as LGBTQ+ and undocumented communities.

Administration Division – Fund 902, BU 7501

The Midyear projection reflects a decrease of $94,495 in revenue and a decrease of $257,709 in expenditures when compared to the Working Budget resulting in a decrease of $163,214 in Net County Cost.,

The projected decrease of $94,495 in revenues is primarily due to a decrease resulting from unspent grant funds and offset by an increase in reimbursement to cover costs associated with an employee on leave for union work. The significant factors contributing to the decrease of $257,709 in expenditures are the change in funding for a direct services contract from the Administration Division to the Behavioral Health Division and unspent grant expenditures.

Administration costs are transferred to other H&SS divisions through intra-fund transfers. The Midyear projection for intra-fund transfer costs increased by $1.6 million which equates to a reduced transfer of costs to divisions primarily due to salary savings in Administration.

For recommended action:

Extend 1.0 FTE Limited-Term (project) Accounting Technician through June 30, 2026. The position provides financial reporting and budgeting support for federal and State allocations and grants. The position was funded with the Epidemiology and Laboratory Capacity (ELC) grant allocation through an Intra-Fund Transfer to the Public Health division; however, it will now be funded with various Public Health funding sources based on costs allocated.

<u>Behavioral Health Services – Fund 902, BU 7780</u>

The Midyear projection reflects a decrease of $13,076,481 in revenues and a decrease of $13,128,542 in expenditures when compared to the Working Budget which results in a decrease of $52,061 in projected Department of State Hospitals (DSH) revenues. Any unspent DSH revenues will be transferred to a restricted fund at year end.

Primary revenue reductions projected at Midyear are reflected in MHSA, 2011 and 1991 Realignment, and State grant revenues.

Significant factors contributing to the projected net decrease in revenues include:

- Due to continued issues with implementing payment reform for specialty mental health Medi-Cal revenues, claiming and reimbursement for Medi-Cal services in the prior fiscal year was delayed. As a result, approximately $1.7m in prior year Medi-Cal revenues were received in this fiscal year. This increase offsets the need for MHSA and 2011 Realignment to cover staff and operating costs in this fiscal year.
- 2011 Realignment was originally budgeted for the Kaiser Carve In transition. Some costs for the transition have not materialized resulting in less projected use of 2011 Realignment. Also contributing to the decrease are savings in contracted children's outpatient and residential programs. While 2011 Realignment use is projected lower, a notable increase in the use of revenues for inpatient costs for clients in a non- Medi-Cal billable facility and non-DMC substance abuse costs is projected.
- Savings in the use of 1991 Realignment is due to a change in using 2011 Realignment instead of 1991 Realignment for the non-federal share for two subacute programs that bill Medi-Cal services, increased prior year contract over accrual reversals, and fewer indigent inpatient costs. Due to expenditures outpacing availability of 1991 Realignment, Behavioral Health is assessing if other revenue sources can be used instead of 1991 Realignment to cover costs typically funded with 1991 Realignment.
- Various grant funds (HHAP - $812,000, HHIP - $822,000, BHBH - $2.1m, PATH-JI - $205,000, and CYBHI) are projected lower due to delays in implementing the grant programs.
- $362,000 decrease in Community Care Expansion Preservation Program grant revenues due to fewer grantee awards.
- $140,000 increase in the Prop 47 Cohort 3 grant is projected due to reimbursement delays at the State level for prior year grant revenues.
- $866,485 increase in DMC revenue is projected based on Per Utilizer Per Month (PUPM) invoicing trends from the Partnership HealthPlan. Due to concerns about the accuracy of payment data and potential overpayments from DHCS, the Midyear projection is based on invoicing trends instead of revenue reimbursement. H&SS has inquired with DHCS on these payment concerns and is waiting for resolution from the State.

Significant factors contributing to the projected net decrease of $13,128,542 in expenditures include:

- $1,855, 908 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- $1,507,863 decrease in Services and Supplies which reflects:

- $1,195,869 decrease in contracted services associated with delays in grant data reporting activities for the Prop 47 Cohort 3 and Providing Access and Transforming Health (PATH) Justice Involved (JI) grants offset by increases for technical assistance for program planning and patient advocacy
- $130,000 decrease in ambulance resulting from less usage of ambulance services for the Mobile Crisis program.
- $195,435 increase in malpractice insurance premiums.

- $9,304,940 decrease in Other Charges which reflects:
  - $523,091 decrease in Institutions of Mental Disease (IMD) resulting from fewer utilized bed days for these facilities.
  - $9,232,450 decrease in contracted direct services due to fewer expenses for the Behavioral Health Bridge Housing (BHBH), Homeless Incentive Program (HHIP), Homeless Housing Assistance and Prevention (HHAP), and Children and Youth Behavioral Health (CYBHI) grant projects due to delays in implementing subcontracted programs, a decrease in expenses for the Community Care Expansion (CCE) Preservation Program grant due to fewer grantees eligible for awards, no approved Mental Health Services Act (MHSA) Innovation project for FY2024/25, fewer operating expenses for the Beck Residential Facility, fewer children's Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) service costs due to terminating a subcontract with a Short Term Residential Treatment Program (STRTP), and fewer expenses for opioid settlement prevention activities and services due to delays in implementation. These reductions are partially offset with a $1.6m increase in inpatient bed days at nonbillable Medi-Cal facilities, and more residential room and board and indigent costs for clients participating in the Drug Medi-Cal Organized Delivery System (DMC-ODS).
- $30,000 increase in trans out fleet due to a delay in receiving a vehicle approved by the Board as part of the FY2023/24 Supplemental Budget for the Crisis Aftercare Recovery Engagement (CARE) team that supports clients following an inpatient hospitalization.
- $384,665 decrease in Intra Fund Transfers due to a reduction in H&SS administration costs allocated to Behavioral Health.

Expenditure reductions impact revenue generation and the use of 1991 and 2011 Realignment, and Mental Health Services Act (MHSA) revenues depending on the program. Fee for service programs reimbursed by service units result in less federal Medi-Cal revenues generated and less nonfederal funding needed to match Medi-Cal revenues. The 1991 and 2011 Realignment and MHSA funds are used for the nonfederal match and for operating costs not reimbursed through another funding sources.

For recommended action:

Fixed asset for $30,000 for a vehicle approved by the Board as part of the FY2023/24 Supplemental Budget for the CARE team that supports clients following an inpatient hospitalization. There were delays in identifying a vehicle which was delivered to Behavioral Health in January 2025. (4/5 vote required).

ATR to recognize $30,000 in unanticipated Mental Health Services Act (MHSA) Community Services and Supports (CSS) revenues for the purchase of a vehicle to support the CARE team. (4/5 vote required)

Extend 2.0 FTE Limited-Term Clinical Psychologist through June 30, 2026. These positions support the Behavioral Health internship program (approved by the Board on 1/10/23) where incumbents receive training and hours, a prerequisite for moving into regular Clinical

Psychologist positions, and a requirement for accreditation with the American Psychological Association. The positions are funded with federal, State and MHSA revenues.

Pending Issues:

Funding for Behavioral Health programs relies significantly on 1991 and 2011 Realignment and MHSA revenues to fund the nonfederal share for Medi-Cal services and operating costs for programs if no other funding source is available. Realignment funding relies on sales tax and vehicle license fee generation, and MHSA on personal income taxes on millionaires. Any fluctuations in the economy will impact what the County receives for these revenues. The Governor's FY2024/25 Proposed Budget projected minimal growth in revenues; however, program costs continue to increase, and concerns remain about expenses outpacing growth in revenues in future fiscal years. Additionally, there are concerns with new federal budget framework and proposed cuts to Medicaid. Although these cuts are not specified, the federal House Budget plan proposes a number of cost-cutting policies for consideration, if implemented, will negatively impact critical services.

New initiatives and mental health reform legislation has overwhelmed county behavioral health systems. Since 2022, just over 50 new initiatives, programs, or compliance mandates from new laws have been added to Mental Health Plan requirements. This workload has become a crisis for county behavioral health systems to manage concurrent and constant changes, update policies and practices, while experiencing workforce shortages.

In FY2024/25, Behavioral Health is focusing on the following:

- Continued payment and program/quality reforms, including new Healthcare Effectiveness Data and Information Set (HEDIS) standardized measures that compare the quality of health plans in coordination with managed care plans and hospitals, coverage parity and others.

- Children/youth behavioral health initiatives, including implementation of a new first episode psychosis grant expanding services to those who need early intervention care.

- Community Assistance, Recovery and Empowerment (CARE) Court was implemented in Solano County on December 1, 2024. To date, 3 respondents have petitioned. A full marketing campaign and materials, policies, and guidance has been developed to engage individuals and organizations and provide guidance to individuals in accessing treatment.

- Housing infrastructure (treatment and housing) implementation continues with the receipt of several rounds of grant funding, including Homeless Housing, Assistance and Prevention (HHAP), Behavioral health Bridge Housing (BHBH), and other grants. In 2024, Behavioral Health worked with housing subsidy services administrator, Abode Housing, to expand services both in outreach, housing supports, navigation and others. The State is closely reviewing State, city, and county data on overall population, housing units, the local homeless point in time (PIT) count, as well as data on enrollment in Full-Service Partnerships (FSP) and CARE Court implementation. Because all counties have now implemented CARE Court, the main focal point will be the FSP enrollment data and whether counties have implemented SB 43. The Governor cited wanting to see more outcome-based criteria for housing and the possibility of the State clawing back housing funds if accountability goals are not met (diverting funds from cities that are not doing well to those that are meeting housing targets). Staff continue to monitor the Governor's proposal.

Attachment A

- Senate Bill (SB 43) made significant changes to involuntary detention and conservatorship laws under the Lanterman-Petris-Short (LPS) Act. Changes included amending the definition of “gravely disabled” to include severe substance use disorders (SUD) and individuals who are unable to care for their personal needs for personal safety and medical care. SB 43 also allows counties to consider less restrictive treatment options such as assisted outpatient treatment and CARE Court. There is currently an insufficient number of treatment beds to support those with mental health and even fewer beds for those needing SUD residential or withdrawal management/detox. Currently, this new county responsibility is unfunded. A priority for Behavioral Health in 2025 is to develop or expand inpatient sobering centers, and crisis and residential placements for the increasingly eligible group of people.

- Proposition 1, approved by voters in March 2024, contained two broad components: 1) changes the Mental Health Services Act (MHSA) to the Behavioral Health Services Act (BHSA) and adjusts funding and funding categories; and 2) approves a $6.4 billion bond to build more facilities for mental health care and drug or alcohol treatment, and more housing for people with mental health, and drug or alcohol challenges. While Proposition 1 makes no changes to the amount of revenue collected through the tax, it does reduce the amount available to counties and redirects how counties may use the funding. Most significantly, BHSA creates a requirement that one-third (30%) of the funds allocated to each county must be spent on housing, shifting funding away from critical prevention services. It also shifts 10% of the funding (versus 5%) from counties to the State for workforce initiatives and prevention. Another significant change will be made to the planning process for BHSA requiring an integrated plan for all behavioral health services that includes budget and outcome information across all funding sources. Implementation is to begin July 1, 2026.

- Implementation of the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration began January 2025 and provides new Medi-Cal benefits and better funding models for evidence-based practices, including a county option to receive Federal Fund Participation (FFP) for services provided during short-term stays in Institutions for Mental Disease (IMDs). Additional details are pending on requirements and start up processes.

- Implementation of the CalAIM Providing Access and Transforming Health (PATH) Justice-Involved (JI) Initiative began in October 2024. The initiative allows eligible individuals who are incarcerated to enroll in Medi-Cal and receive a targeted set of services in the 90 days before their release. Behavioral Health and the Sheriff’s Office are working on their respective PATH implementation plans and coordination to ensure people are identified and supported in the right systems, including managed care plans for mild/moderate behavioral health needs, prior to exiting jails.

- The number of individuals served in Behavioral Health has grown from 5,878 to 6,586 (12% increase) in calendar year (CY) 2024 for specialty mental health services. These numbers do not include substance use disorder regional model clients as available data is still pending. A portion of the increase is attributed to the Kaiser Carve In and aftermath of the pandemic with more people returning to or seeking new services.

<u>CalAIM</u>

Payment reform, under the CalAIM initiative, was implemented in July 2023, and has significantly changed Medi-Cal reimbursement rates, billing and fiscal operations, and contractual obligations. While claiming has improved in FY2024/25 compared to the first year of implementation, counties continue to experience challenges with changes in coding, system issues, and clear guidance from DHCS. Delays in prior fiscal year claiming impacted cash flow resulting in more revenues received in this fiscal year for Mental Health. Additionally, reimbursement for DMC under the ODS Waiver continues to be a challenge as the County submits claims to Partnership HealthPlan (PHP) and PHP submits to DHCS who then reimburses the County. A yearly reconciliation between DHCS, the County, and PHP is supposed to occur. Due to concerns with DHCS' recent calculation for the County's Intergovernmental Transfer (IGT) nonfederal share, H&SS has paused transferring funding to DHCS for DMC as it appears that DHCS' reports are including duplicate reimbursement and potentially the County has been overpaid for several months. As DHCS has not reconciled the DMC-ODS program since its inception in FY2020/21, concerns about transferring funding above what is necessary exists. H&SS has reached out to DHCS and is awaiting an explanation and potential resolution on how to fix the issue.

Additionally, CalAIM's broader behavioral health reforms for Medi-Cal Managed Care Plans (MCPs) and commercial insurance requires counties to develop and implement Memorandums of Understanding (MOUs). MOUs have been implemented with Kaiser Permanente and PHP. Currently, counties are working out the "division of financial responsibility" negotiation related to eating disorders and other shared services. This will require larger support from the H&SS fiscal team to bill commercial insurance, a new requirement without necessary funding or systems, and MCPs to maximize revenue.

Staffing

County Behavioral Health departments continue to face a mental health workforce shortage. Staffing issues are impacting service delivery for the County, County contract providers and the State system.

State Audits

DHCS also continues to indicate their intent to recoup from counties previous DHCS errors related to State withholds for the nonfederal share of some inpatient bed days and State claims for services not federally eligible due to unsatisfactory immigration status. Timing and how the recoupment will occur remain unknown. Total statewide recoupment for both is $63.5 million.

Social Services – Fund 902, BU 7680

While overall reductions in governmental revenues are normally the direct result of an overall decrease in expenditures, the variance between the Midyear and Working Budget is primarily due to changes in assumptions and current information on time studies and caseloads, as well as the cash basis of claiming administration costs. In the Working Budget, the timing of revenue receipts (as per Government Accounting Standard Board (GASB) Statement No. 33) is considered when projecting revenues for FY2024/25. In contrast, the Midyear adjustments recognize revenues even if the payment is received more than 90 days after the end of fiscal year. Therefore, revenues related to current year expenditures are recognized within the same fiscal year.

Significant factors contributing to the projected net decrease of $11,060,741 in revenues include: reductions in federal and State revenues resulting primarily from the overall decrease in expenditures and the change in methodology of projecting revenues in Midyear.

Attachment A

The forecasting methodology used in Social Services took into consideration the financial reporting structure for Social Services programs. The California Department of Social Services (CDSS) advances cash to the County for federal and State shares of administrative costs. Federal cash claiming rules also require expenditures paid during the year-end close process to be claimed in the next fiscal year. In summary, cash flow in Social Services (cash basis of claiming costs) impacts revenue forecasts.

Significant factors contributing to the projected net decrease of $13,821,220 in expenditures include: an increase in salary savings due to higher than anticipated vacancies primarily in E&ES, Welfare Administration and ODAS divisions, reduced time study costs from DoIT, reductions in housing for clients due to decrease in available funding, lower childcare costs based on actual year-to-date expenditures, and reductions in H&SS administrative costs allocated to Social Services divisions, offset by increases in family stabilization costs for welfare-to-work clients, and countywide administration costs.

For recommended action:

Child Welfare Services (CWS)

Extend 4.0 FTE Limited-Term Social Worker IIs through June 30, 2026. These positions will continue to support the Emergency Response (ER) program with case management functions and Resource Family Approval application processing. The positions were originally funded with one-time State General Fund allocation and one-time State ER augmentation revenues. The positions will be funded for one-year only (FY2025/26) with 1991 Social Services Realignment revenue during the transition process.

Employment and Eligibility Services (EES)

Delete 1.0 FTE vacant Program Specialist. This position assisted with implementation of the California CalWORKs Outcomes and Accountability Review (CalOAR) system, a new performance improvement process launched by the State in 2021. The goal of the position has been fulfilled and is no longer required.

Add 1.0 FTE Human Services Support Specialist to administer/manage and provide technical assistant for the California Statewide Automated Welfare System (CalSAWS) project that became effective October 30, 2023. The single statewide database and eligibility determination system supports eligibility and benefits determination and public assistance case management across California.

With the recent migration to CalSAWS, there is a focus to improving Welfare-To-Work services. The following position changes will allow current ERS IIs to focus entirely on employment services and the new EBS IIs will focus entirely on eligibility services.

- Delete 1.0 FTE vacant Employment Resource Specialist Supervisor
- Delete 4.0 FTE vacant Employment Resource Specialist II
- Add 5.0 FTE Eligibility Benefits Specialist II

Attachment A

Pending Issues:

Child Welfare Services

The challenge of securing appropriate placements for youth with unmet complex needs imposes significant fiscal implications. These youth often require specialized care that exceeds the funding provided under Federal Foster Care rates or CalAIM billable claiming for specialty mental health services. Additionally, the need for placement options that are available on an on-demand basis has driven the need to consider innovative strategies, such as "bed holds," which allow providers to reserve placement spaces for emergencies but come with added costs.

Employment and Eligibility Services (EES)

CalFresh, CalWORKs, and General Assistance benefits are delivered to eligible recipients on Electronic Benefit Transfer (EBT) cards, which function like debit cards. Electronic theft of benefits from EBT cards continues to be a significant issue. In 2024, $2.3 million was stolen from Solano residents and unique skimming instances increased by 16% compared to 2023. The State delayed replacement of EBT cards with Chip EMV/Tap enabled cards, originally planned for the summer of 2024, as retail adoption of the new tap-enabled devices was slow. CDSS announced that the replacement process will begin February 2025.

One-time augmented CalWORKs Housing Support Program (HSP) funds provided in FY2021/22 were extended through FY2024/25 and Solano County received a redistribution of unspent funds from other counties. The total FY2024/25 funding available for HSP is $8.7 million. However, the HSP budget is anticipated to return to baseline funding of approximately $3 million in future years.

IHSS Public Authority (PA) Administration - Fund 902, BU 7690

The Midyear Projection reflects a decrease of $126,273 in both revenues and expenditures when compared to the Working Budget with no change in Net County Cost.

The projected net decrease in revenue represents a decrease in operating transfers in from IHSS – PA (Fund 152) in an amount equal to the net decrease in expenditures.

The projected net decrease in expenditures primarily represents decreases in salaries and benefits, administration costs allocated to IHSS PA administration, and salaries and benefits transfers from the Social Services Division's Older and Disabled Adult Services (ODAS) Bureau (BU 7640).

IHSS Public Authority – Fund 152, BU 1520

The Midyear Projection reflects a decrease of $1,613,549 in revenues and a decrease of $1,647,341 in expenditures when compared to the Working Budget resulting in $33,792 decrease in Net County Cost.

Factors contributing to the projected net decrease in revenues include a reduction in federal and State revenues due to lower projected provider benefit costs and reduced IHSS Public Authority administrations costs.

Factors contributing to the projected net decrease in expenditures include estimated decreases in the cost of provider health benefits and reduced IHSS Public Authority administration costs.

Attachment A

Pending Issue:

IHSS PA and SEIU 2015 labor contract expired on June 30, 2024 and outreach efforts to encourage opening negotiations have been unsuccessful to date. The outcome of the negotiations may require an adjustment to the Maintenance of Effort (MOE) and negotiated changes in wages or benefits may result in increased 1991 Realignment and/or County General Fund costs.

<u>Health Services Division – Fund 902, BU 7880</u>

The Midyear projection reflects a decrease of $3,750,043 in revenues and a decrease of $7,220,701 in expenditures. The resulting decrease in Net County Cost of $3,470,658 is due to County General Fund savings of $205,884 and a decrease of $3,264,774 in the Intergovernmental Transfer (IGT) draw.

Factors contributing to the projected revenue decrease of $3,750,043 include decreases for various federal and State grant claims due to staff vacancies and other claimable costs. Of the total decrease in revenues, the use of 1991 Public Health Realignment is estimated to decrease by $1,110,264 from Working Budget due to the reduction of expenditures funded with 1991 Public Health Realignment and cash flow fluctuations as a result of the timing of claim reimbursement.

Significant factors contributing to the projected decrease of $7,220,701 in expenditures include:

- $2,751,336 decreases in Salaries and Employee Benefits due to the timing of vacancies
- $2,176,641 decrease in Services and Supplies which reflects:
  - $498,702 decrease in Department of Information Technology (DoIT) time study costs
  - $273,731 in special departmental expense reflecting placeholders for contracts which were no longer required.
  - $110,697 decrease in contracted services
- $788,633 decrease in the non-federal share for IGT transfer.
- $461,039 decrease in Health Services' share of H&SS administration costs.

For recommended action:

Extend 1.0 FTE Limited-Term Health Assistant through June 30, 2026. The position provides screening, assessments, enrollment and case management services in the Maternal Child and Adolescent Health (MCAH) and California Work Opportunity and Responsibility to Kids (CalWORKs) Home Visiting Programs and is funded by CalWORKs Home Visiting Program (HSP) revenues.

Extend 1.0 FTE Limited-Term Health Education Specialist (Supervising) through June 30, 2026. The position supervises and oversees quality assurance of MCAH program services for parenting families that participate in the CalWORKs program and is funded with CalWORKs HSP revenue.

Extend 1.0 FTE Limited-Term Mental Health Clinician (Licensed) through June 30, 2026. This position was providing perinatal mental health services within Maternal, Child and Adolescent Health (MCAH) and funded with MCAH Title V and Title XIX funds and MHSA revenue. The position will transition to providing mental health services to clients enrolled in home visiting programs and funded with MHSA revenue and/or Public Health Intergovernmental Transfer (IGT).

Extend 1.0 FTE Limited-Term Community Services Coordinator through June 30, 2026. This position supports Behavioral Health's homeless outreach efforts with case management linkages to healthcare, social services supports, rapid rehousing and permanent housing, and contract management. The position is funded primarily with Public Health IGT revenues and partially with Hepatitis C Virus Prevention and Collaboration funding.

Extend 1.0 FTE Limited-Term Health Education Specialist through June 30, 2026. This position supports Behavioral Health's homeless and street outreach efforts with health education around unmanaged chronic disease and reproductive health. The position is funded with Public Health IGT revenues.

Pending Issues:

As of January 1, 2024, Kaiser Foundation Health Plan, Inc. contracts with DHCS under a new direct contract to provide Medi-Cal services (managed care plan) to enrollees in Solano County. DHCS requires Medi-Cal managed care plans to establish Memorandums of Understandings (MOUs) with local health jurisdictions and the Women, Infants and Children Supplemental Nutrition (WIC) programs. Public Health has concerns with the proposed MOUs and will work with the Medi-Cal managed care plans to address the concerns, which require prioritizing the managed care clients over other clients and imposing unfunded mandates on local health jurisdictions.

Family Health Services – Fund 902, BU 7580

The Midyear projection reflects decreases of $3,444,670 in revenues and in expenditures when compared to the Working Budget, resulting in no change in Net County Cost of $4,708,209; however, an increase in 1991 Public Health Realignment of $6,590,212 is required to balance the revenue deficit.

Significant factors contributing to the projected net decrease of $3,444,670 in revenues include:

- $10,085,185 net decrease in Charges for Services due to:
  - $11,091,632 decrease in Medi-Cal services (Federally Qualified Health Center (FQHC) patient-related revenues) resulting from lower than projected patient encounters.
  - $350,396 increase in Medicare services.
  - $175,235 increase in private pay for services.
- $6,590,212 increase in 1991 Public Health Realignment for a total FY2024/25 total of $9,590,703 to fund the structural deficit. This is approximately 42% of the projected 1991 Public Health Realignment receipts for FY2024/25.
- $492,864 in operating transfer in ARPA to support the implementation of the new electronic health record system, OCHIN EPIC.

Significant factors contributing to the projected net decrease of $3,444,670 in expenditures include:

- $4,389,544 decrease in Salaries and Employee Benefits.
- $279,593 decrease in Services and Supplies primarily due to:
  - $367,456 decrease in contracted services for the Public Health data reporting contract
  - $263,408 decrease in medical/dental services, equipment, and controlled assets.
  - $260,316 increase in Department of Technology (DoIT) time study charges and costs related to maintain the legacy system during the transition period.

- $1,325,874 increase in Other Charges which primarily reflects a $1,313,468 increase in contracted services for locum tenens (temporary assignment providers)
- $32,408 increase in Fixed Assets for medical storage refrigerators.

For recommended action:

ATR to recognize $492,864 in unanticipated American Rescue Plan Act – State and Local Fiscal Recovery Funds (ARPA-SLFRF) funds for the OCHIN EPIC platform electronic medical record project approved by the Board of Supervisors on September 27, 2022. (4/5 vote required)

ATR for $572,500 from salaries and benefits to contracted direct services due to increase in contracted direct services. (4/5 vote required)

Extend 1.0 FTE Limited-Term Planning Analyst through June 30, 2026. This position provides high-level data analysis for the Quality Assurance Team funded with 1991 Public Health Realignment.

Pending Issues:

Patient-related revenues are generated when an encounter occurs. An encounter is defined as an interaction between a patient and a healthcare provider for the purpose of providing healthcare service or assessing the health status of a patient.

The three most significant factors impacting budgeted billable encounters include: 1) fewer appointments during the implementation of OCHIN EPIC; 2) current providers not achieving the targeted 14 encounters per 8-hour day as projected at Working Budget; and 3) provider vacancies.

The FY2024/25 encounter target is a minimum of 14 billable encounters per 8-hour day for each provider. To achieve this, the clinics are currently reviewing the patient appointment scheduling process in order to maximize appointment scheduling and provider productivity.

The Medi-Cal encounter rates vary by clinic location or site while the Medicare rate is the same for all clinics. These rates are adjusted annually based on the Medicare Economic Index (MEI). The annual adjustments in rates, effective October 1st of every year, are minimal at best and do not cover annual increases for cost-of-living, overhead and operating costs. Below is a summary of the current rate structure, by clinic location.

Family Health Services Clinics	Location	Medi-Cal	Medicare
Fairfield Adult Primary Clinic	2201 Courage, Fairfield	$266.25	$186.85
Fairfield Pediatrics and Dental	2101 Courage, Fairfield	$313.14	$186.85
Vallejo Primary Care and Dental	365 Tuolumne, Vallejo	$373.70	$186.85
Vacaville Primary Care and Dental	1119 E. Monte Vista, Vacaville	$332.24	$186.85
Primary Care Van	Mobile	$266.25	$186.85
Dental Van	Mobile	$313.14	
Note: Medicare does not cover dental			

The clinics are currently undergoing a process to submit for encounter rate adjustments at each location through a Change in Scope of Service Request (CSOSR) process. The outcome of this effort is estimated to be complete in Spring 2026 with any rate adjustments retroactive to July 1,

2025. This effort is not anticipated to fully eliminate the structural deficit and productivity (daily encounters) will also need to increase.

Public Assistance Division – Fund 902, BU 7900

The Midyear Projection reflects increases of $2,534,992 in revenues and $1,474,007 in expenditures when compared to the Working Budget for a net decrease in Net County Cost of $1,060,985.

Significant factors contributing to the net increase of $2,534,992 in revenues primarily include increases in federal and State revenues due to projected increases in CalWORKs and Aid to Adoption expenditures, offset by decreases in federal and State revenues due to projected decreases in Foster Care expenditures.

The net increase of $1,474,007 in expenditures is based on projections using actual caseload and cost data for the period July to November 2024.

The decrease in Net County Cost of $1,060,985 primarily represents the County's proportionate reduction in the share of cost for the projected decreases in Foster Care, General Assistance, County Only Foster Care, and offset by increases in CalWORKs and Aid to Adoption expenditures.

Mental Health Services Act (MHSA) – Fund 906, Dept 9600

The Midyear projection reflects an increase of $5,228,062 in revenues and a decrease of $5,287,897 in expenditures when compared to the Working Budget. The net decrease of $10,515,959 is a decrease in the use of MHSA funds that are held in a restricted fund.

The projected net increase of $5,228,062 in revenues is primarily due to updated information on the statewide estimate of revenue expected to be distributed to counties in this fiscal year.

The projected net decrease of $5,287,897 in expenditures is due to a reduction in operating transfers out to Fund 902 and outlined in the explanation under Behavioral Health - BU 7780.

Pending Issues:

The FY2024/25 increase in tax receipts, interest income, and receipt of prior year Medi-Cal revenues projected is resulting in less MHSA being used to fund program operations. In future fiscal years, additional MHSA revenue will be required to cover existing ongoing costs without this influx of prior year revenue to offset operating costs.

With the passage of Proposition 1 (Prop 1) in March 2024, the Department of Health Care Services (DHCS) created a workgroup to address the revenue volatility for MHSA (Behavioral Health Services Act (BHSA) under Prop 1). The workgroup is expected to provide recommendations on a proposal that will reduce the revenue volatility and support sustaining programs to the legislature and Governor by June 30, 2025.

Also impacting future program revenues and expenses is the implementation of Prop 1 beginning in FY2026/27. Program components ("categories of allowable expenditures/services") will change to: Housing Interventions, Behavioral Health Services and Supports (BHSS), and Full-Service Partnerships (FSPs). How existing categories of expenditures/services will transition under these components is being explored while awaiting further guidance from

DHCS on specifics related to each component. With these new changes, it is anticipated that some current programs will be discontinued due to a lack of funding.

Napa/Solano Area Agency on Aging (N/S AAA) – Fund 216, Dept 2160

The Midyear projection reflects increases of $614,912 in revenues and expenditures when compared to Working Budget.

The net increase in revenues primarily represents an increase in contracted direct services that are funded with remaining one-time Area Plan (AP) revenue awards and remaining one-time federal revenue received through the California Department of Aging (CDA) for Modernizing the Older Californians Act to provide supportive services to allow older adults and adults with disabilities to age in place, and an additional SNAP-Ed allocation.

The projected net increase in expenditures primarily represents higher expenses for contracted direct services and an increase for Solano County's funding share of a Project Manager added in ODAS-AAA Administration (BU 7685).

For recommended action:

ATR to recognize $270,876 in unanticipated State and federal revenue for delivery of services to the Napa/Solano Area Agency on Aging. (4/5 vote required)

Tobacco Prevention and Education (TPEP) – Fund 390, Dept 7950

The Midyear projection reflects a decrease of $33,690 in revenues and expenditures when compared to the Working Budget resulting in no change in Net County Cost.

The $33,690 decrease in expenditures is primarily due to decreases in staff support redirected from Health Services (BU 7880), contracted services and travel expense.

First 5 Solano Children & Families – Fund 153, BU 1530

The Midyear projection reflects an increase of $761,000 in revenues and a decrease of $328,000 in expenditures when compared to the Working Budget, resulting in an increase of $1,089,000 in Fund Balance. As First 5 Solano is funded through Proposition 10 tobacco tax, there is no impact to the County General Fund.

The projected increase in revenue is primarily due to securing funding from the City of Vallejo for the Vallejo Early Learning Center. This funding was committed by the City of Vallejo in 2022; however, the payment was received in September 2024.

The projected decrease in expenditures is primarily due to savings for family support and systems change contracts which will be spent in FY2025/26.

Attachment A

EDUCATION AND RECREATION

UC Cooperative Extension – Fund 001, BU 6200

The Midyear projection reflects an increase of $4,000 in revenues and an increase of $2,000 in expenditures when compared to the Working Budget, resulting in a decrease of $2,000 in Net County Cost.

The increase in revenue reflects a refund for an overpayment to a vendor for printing services and the increase in expenditures is the result of the same overpayment.

For recommended action:

ATR recognizing $2,000 in vendor refund revenue to fund an increase in printing services costs resulting from an overpayment. (4/5 vote required)

Library – Fund 004, BU 6300

The Midyear projection reflects an increase of $1,829,000 in revenues and a decrease of $1,501,000 in expenditures when compared to the Working Budget, excluding Contingencies, resulting in an increase of $3,330,000 in Fund Balance.

Significant factors contributing to the projected net increase in revenues include:

- $1,012,000 increase in interest income due to higher than anticipated yield on investments.
- $743,000 increase in property tax revenue based on the Auditor's revised projections.
- $86,000 increase in Intergovernmental Revenues primarily due to an unanticipated State Library grant for adult literacy and English as a Second Language (ESL) services.
- $12,000 decrease Charges for Services primarily due to a decrease in photocopy fee revenue.

Significant factors contributing to the projected net decrease in expenditures include:

- $1,208,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.
- $587,000 decrease in Other Charges which primarily reflects reduced charges for Sheriff's security services due to vacancies, offset by an increase in capital project management charges for various library projects.
- $382,000 decrease in Services and Supplies primarily due to decreased consulting services and computer equipment costs.
- $676,000 increase in Fixed Assets primarily due to construction cost escalation as follows:
  - $521,000 increase in equipment and installation costs for the Engie Project at the Fairfield Civic Center (FCC) Library, offset by a decrease of $500,000 in project costs due to the delay of an administrative workstation reconfiguration project to FY2025/26.
  - $450,000 increase for the literacy project space renovation project.
  - $380,000 increase for the FCC Library roof replacement project, offset by a decrease of $300,000 for a HVAC ducting upgrade at the FCC Library which will be completed in FY2025/26.
  - $135,000 increase to replace the fire alarm system at the FCC Library.
  - $100,000 increase for a conceptual study and fencing design work for the garden and fence project at the FCC Library, offset by a decrease of $100,000 due a delay in the carpet replacement project at the FCC Library to FY2025/26.

- $10,000 decrease in vehicle replacement costs.

For recommended action:

Approve additional Fixed Asset purchases of $1,586,500 for:

- $521,000 for equipment and installation costs for the Engie Project at the FCC Library.
- $450,000 for the literacy project space renovation project.
- $380,000 for the FCC Library roof replacement project.
- $135,500 to replace the fire alarm system at the FCC Library.
- $100,000 for a conceptual study and fencing design work for the garden and fence project at the FCC Library.

ATR increasing appropriations for Fixed Assets – Construction in Progress by $550,671 to fund various capital projects at the FCC Library, offset by savings in Sheriff security service charges.

ATR increasing appropriations for Fixed Assets – Equipment by $135,500 to fund the fire alarm system replacement at the FCC Library, offset by savings in Services and Supplies.

Library – Special Revenue – Fund 028, BU 2280

The Midyear projection reflects a decrease of $3,000 in revenues and an increase of $14,000 in expenditures when compared to the Working Budget, resulting in a projected decrease in Fund Balance of $17,000.

The decrease in revenues is primarily due to a decrease in donations and contributions. The increase in expenditures is primarily due to increased Lunch at the Library grant program costs. This program helps California libraries to provide summer meal sites while providing learning and enrichment opportunities.

For recommended action:

ATR increasing appropriations $17,042 to fund Lunch at the Library program costs, offset by a decrease to contingencies. (4/5 vote required)

Library Zones 1, 2, 6 and 7 – Funds 036, 037, 066, 067 and BUs 6150, 6180, 6166, and 6167

The Midyear projection reflects an increase of $179,000 in revenues and no change in expenditures when compared to the Working Budget. The increase in revenues is due to a projected increase in property tax revenue based on the Auditor's revised projections.

Parks and Recreation – Fund 016, BU 7000

The Midyear projection reflects a decrease of $19,000 in revenues and a decrease of $22,000 in expenditures when compared to Working Budget, resulting in an increase of $3,000 in Fund Balance.

Significant Factors contributing to the projected net decrease in revenues include:

- $110,000 decrease in revenue received from other governmental agencies (Solano Land Trust) due to the delayed opening of Patwino Open Space Park.

- $40,000 decrease in insurance proceeds due to an anticipated reimbursement from the Lightning Complex Fire (LNU) being received in FY2023/24.
- $65,000 increase in ARPA-SLRF funding for the Sandy Beach Park RV Sewer Connection project.
- $59,000 increase in property tax revenue based on the Auditor's revised projections.
- $4,000 increase in interest income due to higher than anticipated yield on investments.

Significant Factors contributing to the projected net decrease in expenditures include:

- $93,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies and the delayed opening of Patwino Open Space Park.
- $67,000 increase in Services and Supplies primarily for expenses related to the Sandy Beach Park RV Sewer Connection project.
- $4,000 increase in Fixed Asset costs to cover price escalation for previously approved vehicle requests.

For recommended action:

ATR increasing operating transfer-in - ARPA of $64,640 for the Sandy Beach RV Sewer Connection project as these funds were fully obligated by December 31, 2024 as set by the U.S. Treasury. (4/5 vote required)

INTERNAL SERVICE AND ENTERPRISE FUNDS

Fleet Management – Fund 034, BU 3100

The Midyear projection reflects an increase of $414,000 in revenues and an increase of $11,000 in expenditures when compared to Working Budget, resulting in an increase of $403,000 in Fund Balance.

Significant factors contributing to the projected increase in revenues include:

- $178,000 increase in operating transfer-in which reflects:
  - $148,000 increase from Public Works to fund additional vehicle replacement costs.
  - $30,000 increase from H&SS for a vehicle to support the CARE team as approved by the Board in FY2023/24.
- $150,000 increase in interest income due to higher than anticipated yield on investments.
- $45,000 increase in insurance proceeds from three total loss vehicle accident reimbursements.
- $45,000 increase in State grant revenue to purchase a mobile solar electric vehicle charging station.
- $25,000 increase in Charges for Services to recover material price escalation.
- $16,000 increase in miscellaneous revenues primarily due to an increase in insurance proceeds.

Significant factors contributing to the projected net increase in expenditures include:

- $178,000 increase in Fixed Assets for a vehicle to support the CARE team at H&SS and to fund additional vehicle replacement costs for Public Works.
- $77,000 increase in Services and Supplies primarily due to material price escalation and increased equipment maintenance costs.

- $245,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.

For recommended action:

Approve additional Fixed Asset purchases of $178,000 for:

- $148,000 to fund additional replacement costs for Public Works for previously approved vehicle requests.
- $30,000 for a vehicle to support the CARE team at H&SS as approved by the Board in FY2023/24.

ATR recognizing $148,000 operating transfer-in from Public Works to fund additional vehicle replacement costs. (4/5 vote required)

ATR recognizing $30,000 operating transfer-in from H&SS to fund a vehicle for the CARE team at H&SS. (4/5 vote required)

Airport – Fund 047, BU 9000

The Midyear projection reflects a decrease of $146,000 in revenues and an increase of $20,000 in expenditures when compared to Working Budget, resulting in a decrease of $166,000 in Fund Balance.
The projected decrease in revenue is primarily due to a decrease in long-term building lease revenue. The estimate used for the development of the FY2024/25 Budget assumed higher building use.

The projected increase in expenditures is primarily due to unanticipated increases utilities costs.

For recommended action:

ATR recognizing $31,290 in property tax revenue in the Airport Fund to fund higher than expected utilities costs. (4/5 vote required)

Airport Project – Fund 047, BU 9010

The Midyear projection reflects a decrease of $585,000 in revenues and a decrease of $963,000 in expenditures when compared to Working Budget, resulting in an increase of $378,000 in Fund Balance.

The projected decrease in revenue is primarily due to a reduction in Federal Aviation Administration grant funds received for the airport taxiway rehabilitation project and a subsequent reduction in matching State grant funds.

The projected decrease in expenditures is primarily due to decreases in professional services costs related to the airport taxiway rehabilitation project.

Risk Management (Workers' Compensation) – Fund 060, BU 1830

The Midyear projection reflects an increase of $657,000 in revenues and a decrease of $4,095,000 in expenditures when compared to the Working Budget, resulting in an increase of $4,752,000 in Fund Balance.

The projected increase in revenues is due to an increase in interest income due to higher than anticipated yield on investments.

Significant factors contributing to the projected net decrease in expenditures include:

- $3,771,000 decrease in Services and Supplies primarily due to reduced workers' compensation insurance claims.
- $339,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.
- $15,000 increase in Other Charges primarily due to an increase in departmental administrative overhead costs.

<u>County Liability (Property/General Liability) – Fund 065, BU 1800</u>

The Midyear projection reflects an increase of $191,000 in revenues and a decrease of $1,932,000 in expenditures when compared to the Working Budget, resulting in an increase of $2,123,000 in Fund Balance.

The projected increase in revenues is primarily due to an increase in property insurance reimbursements from the State's Superior Court in accordance with the transfer agreement.

The projected decrease in expenditures is primarily due the County's property insurance premium being lower than what was anticipated during the development of the FY2024/25 Budget. Historically, the County's property insurance premium has been budgeted at a conservative level; however, with the transition of this program from the Human Resources Department to County Counsel, staff is actively monitoring actual paid premium trends to determine the appropriate level of coverage.

<u>Department of Information Technology (DoIT) – Fund 370, BU 1870</u>

The Department is an Internal Service Fund. As such, its revenues are generated through charges for services to County departments and other agencies. The department's cost plan assumes that revenues will equal expenses within the accounting period with an allowance for working capital, except for depreciation of assets, which are charged to departments.

The Midyear projection reflects a decrease of $531,000 in revenue and a decrease of $3,084,000 in expenditures when compared to the Working Budget, resulting in an increase of $2,553,000 in Fund Balance.

Significant factors contributing to the projected net decrease in revenues include:

- $969,000 decrease in Charges for Services reflects reduced charges to other departments due to the timing of filling vacancies in DoIT.
- $135,000 decrease in purchases for resale revenue due to fewer resale items being requested from County departments.
- $405,000 increase in Revenue from Use of Money/Property which primarily reflects increased interest income due to higher than anticipated yield on investments.
- $168,000 increase in State grant revenue which reflects reimbursements for prior year broadband expenditures.

Significant factors contributing to the projected net decrease in expenditures include:

- $1,853,000 decrease in Fixed Assets primarily due to the timing of expenditures associated with the radio system upgrade from Very High Frequency (VHF) to Project 25 (P25). Any unused funds will be programmed in FY2025/26.
- $1,365,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.
- $122,000 decrease in Services and Supplies due to projected savings in several accounts including, IT contractual services, purchases for resale, software subscriptions, and professional services contracts.
- $256,000 increase in Other Charges primarily due to an increase in Countywide Administrative Overhead costs.

SCIPS Replacement Project (CATS)– Fund 370, BU 1878

The Midyear projection reflects a decrease of $457,000 in revenues and a decrease of $481,000 in expenditures when compared to Working Budget, resulting in an increase of $24,000 in Fund Balance.

The projected decrease in revenue is due to decreased Long-Term Debt Proceeds to cover final system acceptance costs in the current year. Long-Term Debt Proceeds represent the remaining General Fund loan balance as authorized by the Board on April 4, 2017 for the replacement of the County's property tax system.
The projected decrease in expenditures is the result of lower professional services costs associated with final system acceptance in the current fiscal year.

SPECIAL DISTRICTS

Consolidated County Service Area – Fund 046, BU 9746

The Midyear projection reflects an increase of $33,000 in revenues and an increase of $30,000 in expenditures when compared to the Working Budget, resulting in an increase of $3,000 in Fund Balance.

The projected increase in revenue reflects increased property tax revenue based on the Auditor's revised projections and higher interest income due to higher than anticipated yield on investments.

The projected increase in expenditures is due to additional Public Works' staff time spent on lighting assessment and inventory and design work for a solar power lighting project.

For recommended action:

ATR recognizing $30,000 in property tax revenue and interest income, offset by increased Interfund Services Used for Public Works' staff time spent on a solar power lighting project. (4/5 vote required)

Workforce Development Board – Fund 903, BU 7200

The Midyear projection reflects an increase of $829,000 in revenues and an increase of $60,000 in expenditures when compared to the Working Budget, resulting in an increase of $769,000 in Fund Balance.

Attachment A

The projected increase in revenue is primarily due to grants not fully drawn down in FY2023/24 which were carried over to FY2024/25, including the Helping Justice-Involved Reenter Employer (HIRE) grant and various American Rescue Plan Act contracts.

Significant factors contributing to the projected net increase in expenditures are:

- $229,000 increase in Other Charges primarily due to increased job training activities.
- $89,000 decrease in Salaries and Employee Benefits due lower than anticipated health insurance costs.
- $80,000 decrease in Services and Supplies primarily due to lower cellular communication costs and office expenses.

For recommended action:

ATR recognizing $250,000 in grant revenue, offset by increased job training contractual costs for various grant-funded programs. (4/5 vote required)