

**SUMMARY OF SUPPLEMENTAL ADJUSTMENTS TO FY2017/18 RECOMMENDED BUDGET**

On May 24, 2017 the Solano County Administrator issued the FY2017/18 Recommended Budget, which is available on the Solano County website at [www.solanocounty.com](http://www.solanocounty.com). Since that time additional budget adjustments impacting FY2017/18 have been identified by County Departments. These additional budget adjustments subject to the County Budget Act are reflected in the Supplemental Budget recommended by the County Administrator.

FY2017/18 Recommended Budget	\$1,005,317,305
FY2017/18 Supplemental Budget	<u>33,036,176</u>
Total FY2017/18 Recommended & Supplemental Budget	\$1,038,353,481

The Supplemental Adjustments to the FY2017/18 Recommended Budget are comprised of the following sections:

1. Supplemental Adjustments - New Appropriations and Budgeted Revenues – Subject to the Budget Act. The Board is being asked to consider approving a net decrease to the Recommended Budget of (\$4,670,632) as a result of changes or new information subsequent to the compilation of the Recommended Budget.
2. Supplemental Adjustments due to Re-budgeting of FY2016/17 projects, programs, etc – Subject to Budget Act. The Board is being asked to consider approving a net increase to the Recommended Budget of \$37,706,808 based on additional information subsequent to compilation of the Recommended Budget. These projects and programs have been previously approved by the Board or are ongoing programs for which changes to the Recommended Budget will more accurately reflect the expected results of FY2016/17.

The most significant increase is due to the construction of the SB1022 Adult Local Justice Facility. Typically, construction projects are budgeted in the initial year assuming full funding is received. The funding for the jail project is on a reimbursement basis; therefore, based on the estimated completion of the project, the balance of the project needs to be re-budgeted at \$21,110,481.

**Significant Pending Issues:****CalWORKs**

The Governor's May Revise proposes to cut \$248 million from the CalWORKs Single Allocation which funds local eligibility activities, employment and supportive services, and child care for CalWORKs recipients. The proposed allocation methodology of the cuts results in a 16% cut to Solano County from the FY2016/17 allocation. This cut is in addition to the recent statewide \$160 million reduction to the Single Allocation that counties experienced as part of recent budget methodology. Both the State Assembly and State Senate have put forth proposals to partially offset the \$248 million cut. Without an offset, Solano County estimates cuts of just under \$2 million to the CalWORKs program resulting in the need to reduce vacant and filled positions by approximately 13-14 staff. Once the FY2017/18 State Budget is finalized the County will be able to clearly evaluate the financial impact to the CalWORKs program.

**In-Home Supportive Services**

The Governor's May Revise outlined the administration's five year proposal to phase in the increases in County In-Home Support Services (IHSS) costs resulting for the elimination of the

Coordinated Care Initiative and the IHSS County Maintenance of Effort (MOE) (See Budget Unit 1520). The proposal was approved by the legislative committees and is pending a final vote.

The proposal offsets a portion of the increased IHSS costs through a State General Fund offset and the redirection of Vehicle License Fee (VLF) revenues. The State General Fund contribution is \$400 million in FY2017/18, \$330 million in FY2018/19, \$200 million in FY2019/20, and \$150 million in FY2020/21 and thereafter.

100% of all Vehicle License Fee (VLF) growth revenues from the County shares of statewide 1991 Realignment Health, Mental Health, and County Medical Services Program (CMSP) subaccounts will be redirected to the Social Services subaccount and allocated by the State to each county for three years and then, in years four and five, the redirection will decrease to 50% of the growth revenues. The CMSP redirected funds can be used only by CMSP counties.

The IHSS MOE statewide base for FY2017/18 is established at \$1.769 billion with language allowing for an adjustment based on June 1, 2017 IHSS data. The statewide MOE base cost calculation will be adjusted by an inflator of 5% on July 1, 2018 and 7% on July 1, 2019 and annually thereafter with the inflator decreasing to 3.5% should 1991 Realignment revenues increase 2% or less over the prior year.

#### **IHSS MOE Structure**

<b>FY2016/17</b>	<b>FY2017/18</b>	<b>FY2018/19</b>
County FY2015/16 MOE * 3.5%	NEW County MOE(amount of increased MOE unknown)	NEW County FY2017/18 MOE * 5%

As outlined, the new funding and cost share structure will partially mitigate County FY2017/18 IHSS increases; however, the final distribution methodology and amount is not yet available. The full costs of IHSS services will remain annual County expenditures, increasing each year as the State General Fund and VLF growth revenue offsets decrease, and further compounded by the annual inflators, requiring a larger annual contribution of County General Funds in order to cover costs. However, the IHSS proposal will have an immediate negative financial impact on Public Health and Mental Health through the elimination of all VLF growth funding in addition to any sales tax growth funding which will be directed via the funding structure to cover the IHSS increases. Essentially, Public Health and Mental Health funding will be flat and it will be a challenge to pay for existing programs going forward.

#### Non-Profit Funding (Discretionary)

As a result of the reduction in revenues, the shift in mandated cost for the IHSS program from the State to the County, and the extensive medical coverage now available to children and adults, the County Administrator recommends the Board discontinue funding of the Solano Coalition for Better Health as initially discussed during budget hearings in FY2016/17 and discontinue funding for community clinics as approved in the FY2016/17 Recommended Budget. In addition the County Administrator recommends a reduction in the level of funding for the Senior Coalition. These reductions result in ongoing expenditure savings of \$518,200 and the County Administrator is recommending these funds be redirected towards the County General Fund obligation for IHSS to partially support the increased cost for this ongoing mandate, effective July 1, 2017. For FY2017/18 we have also redirected the value of the waived CMSP participation fee of \$809,548 to the increased costs of the mandated IHSS program.

**County of Solano**  
**FY2017/18 Recommended Budget Hearing**  
**Summary of Supplemental Budget Adjustments**

**Section 1 - Supplemental Adjustments to the Recommended Budget (Subject to the Budget Act)**

Fund	Budget Unit	Department	Appropriations	Revenue	Increase/ (Decrease) General Fund Cost	Other Fund Balance/ Reserves/ Contingencies
001	1200	Auditor-Controller	15,000	0	15,000	0
	1400	County Counsel	6,645		6,645	0
	1903	General Expenditures	(4,813,674)	0	29,625	4,843,299
	2910	Resource Management	92,814	192,814	(100,000)	0
		<b>Total Fund 001</b>	<b>(4,699,215)</b>	<b>192,814</b>	<b>(48,730)</b>	<b>4,843,299</b>
004	6300	Library	58,024	0	0	(58,024)
		<b>Total Fund 004</b>	<b>58,024</b>	<b>0</b>	<b>0</b>	<b>(58,024)</b>
006	1700	Accumulated Capital Outlay	1,030,000	1,030,000	0	0
		<b>Total Fund 006</b>	<b>1,030,000</b>	<b>1,030,000</b>	<b>0</b>	<b>0</b>
047	9000	Airport*	235,459	156,255	0	(79,204)
		<b>Total Fund 047*</b>	<b>235,459</b>	<b>156,255</b>	<b>0</b>	<b>(79,204)</b>
101	3010	Public Works/Road Fund	1,164,857	1,183,346	0	18,489
		<b>Total Fund 101</b>	<b>1,164,857</b>	<b>1,183,346</b>	<b>0</b>	<b>18,489</b>
153	1530	First 5 Solano	40,000	40,000	0	0
		<b>Total Fund 151</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>
278	3020	Public Works Improvements	600,000	423,000	0	(177,000)
		<b>Total Fund 278</b>	<b>600,000</b>	<b>423,000</b>	<b>0</b>	<b>(177,000)</b>
326	4050	Sheriff Spec Revenue Fund	467,000	0	0	(467,000)
		<b>Total Fund 326</b>	<b>467,000</b>	<b>0</b>	<b>0</b>	<b>(467,000)</b>
900	6500	District Attorney	19,761	19,761	0	0
	6550	Sheriff	467,000	467,000	0	0
		<b>Total Fund 900</b>	<b>486,761</b>	<b>486,761</b>	<b>0</b>	<b>0</b>
902	7501	H&SS	(3,940,379)	(3,940,379)	0	0
		<b>Total Fund 902</b>	<b>(3,940,379)</b>	<b>(3,940,379)</b>	<b>0</b>	<b>0</b>
906	9600	H&SS/MHSA	122,320	0	0	(122,320)
		<b>Total Fund 906</b>	<b>122,320</b>	<b>0</b>	<b>0</b>	<b>(122,320)</b>
		<b>Total Adjustments</b>	<b>(4,435,173)</b>	<b>(428,203)</b>	<b>(48,730)</b>	<b>3,958,240</b>
		<b>Total Adjustments Subject to Budget Act</b>	<b>(4,670,632)</b>	<b>(584,458)</b>	<b>(48,730)</b>	<b>4,037,444</b>

**Section 2 - Supplemental Adjustments to the Recommended Budget - Re-Budgeted from FY2016/17**

Fund	Budget Unit	Department	Appropriations	Revenue	Increase General Fund Cost	Other Fund Balance/ Reserves/ Contingencies
004	6300	Library	1,515,000	0	0	(1,515,000)
		<b>Total Fund 004</b>	<b>1,515,000</b>	<b>0</b>	<b>0</b>	<b>(1,515,000)</b>
006	1700	Accumulated Capital Outlay	21,110,481	19,942,820	0	(1,167,661)
		<b>Total Fund 006</b>	<b>21,110,481</b>	<b>19,942,820</b>	<b>0</b>	<b>(1,167,661)</b>
256	2535 /2536	Homeland Security Grants	65,408	65,408	0	0
		<b>Total Fund 256</b>	<b>65,408</b>	<b>65,408</b>	<b>0</b>	<b>0</b>
326	4050	Sheriff Spec Revenue Fund	106,000	0	0	(106,000)
		<b>Total Fund 326</b>	<b>106,000</b>	<b>0</b>	<b>0</b>	<b>(106,000)</b>
900	6500	District Attorney	129,904	129,904	0	0
	6550	Sheriff	49,586	4,586	0	(45,000)
		<b>Total Fund 900</b>	<b>179,490</b>	<b>134,490</b>	<b>0</b>	<b>(45,000)</b>
902	7880	H&SS	14,730,429	14,730,429	0	0
		<b>Total Fund 902</b>	<b>14,730,429</b>	<b>14,730,429</b>	<b>0</b>	<b>0</b>
		<b>Total Re-budgets</b>	<b>37,706,808</b>	<b>34,873,147</b>	<b>0</b>	<b>(2,833,661)</b>
		<b>Total Re-budgets Subject to Budget Act</b>	<b>37,706,808</b>	<b>34,873,147</b>	<b>0</b>	<b>(2,833,661)</b>
		<b>Total Adjustments &amp; Re-budgets Subject to Budget Act</b>	<b>33,036,176</b>	<b>34,288,689</b>	<b>(48,730)</b>	<b>1,203,783</b>

\* Not Subject to Budget Act