



SOLANO COUNTY

FY2018/19 Recommended Budget



Item #1
File #18-452



FY2018/19

Budget Hearing Presentation

June 19, 2018



Budget Overview

Recommended and Supplemental

\$1,065,186,194*

Recommended and Supplemental



\$14,558,619

Increase of 1.4% from
FY2017/18 Adopted Budget

Reflects increases in revenues and use of various fund balances (includes Re-budgets of \$14.9 million)



3,028.75 FTEs

Decrease **39.6** from FY2017/18
Adopted Budget
(excluding extra help)

Reflects a 1.3% net decrease over the previous year primarily due to reductions in Health & Social Services and Public Safety. ■

* Includes \$206 million in Operating Transfers between funds and \$44 million in Federal/State direct assistance costs for programs such as Cal Fresh, CalWORKS, Foster Care and Adoption assistance.



Budget Instructions for Departments

- **Start with a base budget from FY2017/18**
- **Reduce expenditures where possible and increase cost recovery, focus on revenue trends and maximizing revenue**
- **Limit addition of new positions unless supported by mandated programs and/or has a revenue offset**
- **Continue to look for strategic investments in new technologies to streamline /enhance services/self serve/expand access**
- **Invest in improvement and maintenance projects that provide safe, quality accommodations in which to conduct business**

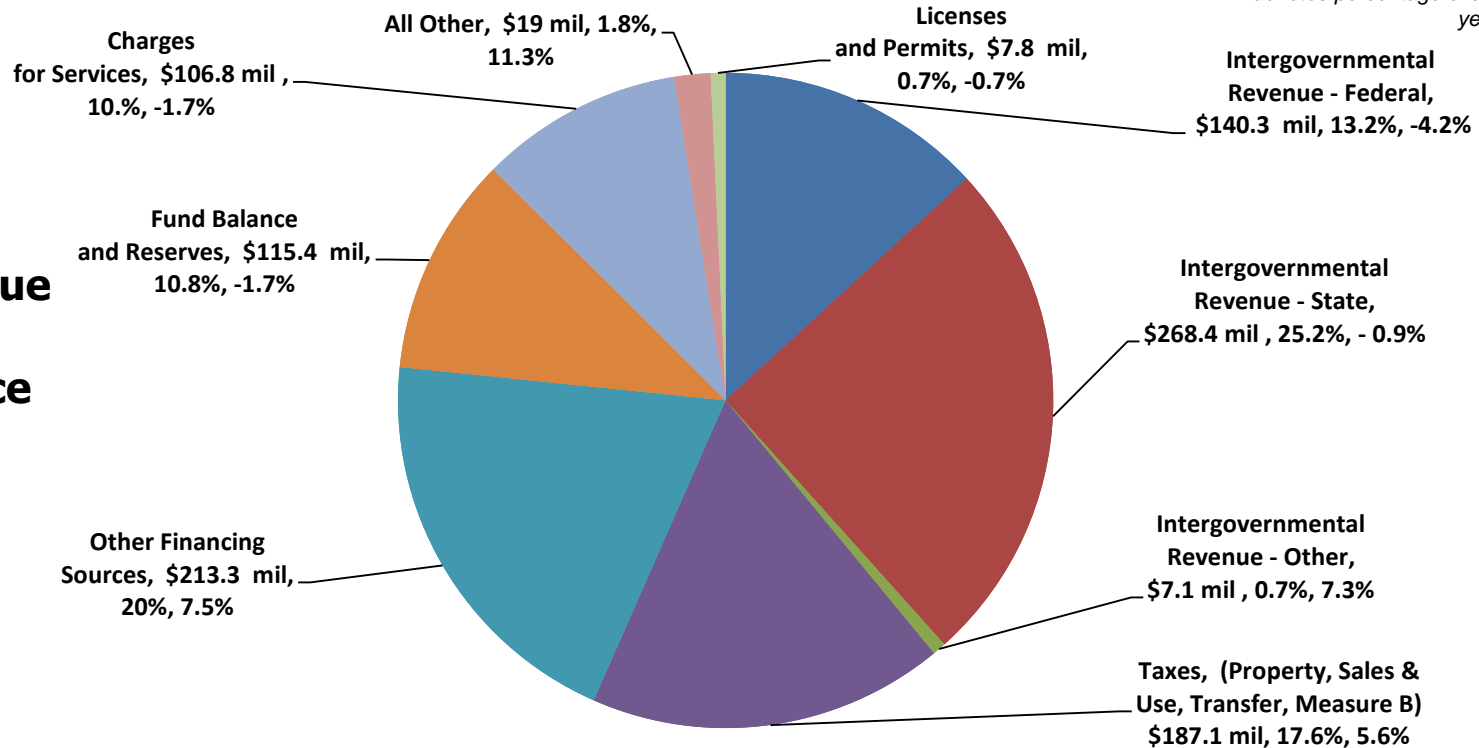


FY2018/19 Recommended Budget - Revenue

Recommended & Supplemental Budget - \$1,065.19 million

Second percentage data on the pie chart denotes percentage change from previous year adopted budget

Revenue by Source



	FY2017/18 Adopted Budget	FY2018/19 Rec'md & Supl Budget	Change From Prior Year	% Change From Prior Year
General Fund	273,369,859	289,850,339	16,480,480	6.0%
Special Revenue Funds	714,495,730	730,664,024	16,168,294	2.3%
Capital Projects	38,332,949	27,935,147	(10,397,802)	(27.1%)
Debt Service	24,429,037	16,736,684	(7,692,353)	(31.5%)
Total Governmental Funds	1,050,627,575	1,065,186,194	14,558,619	1.4%



Revenues: FY2018/19 over FY2017/18 Adopted

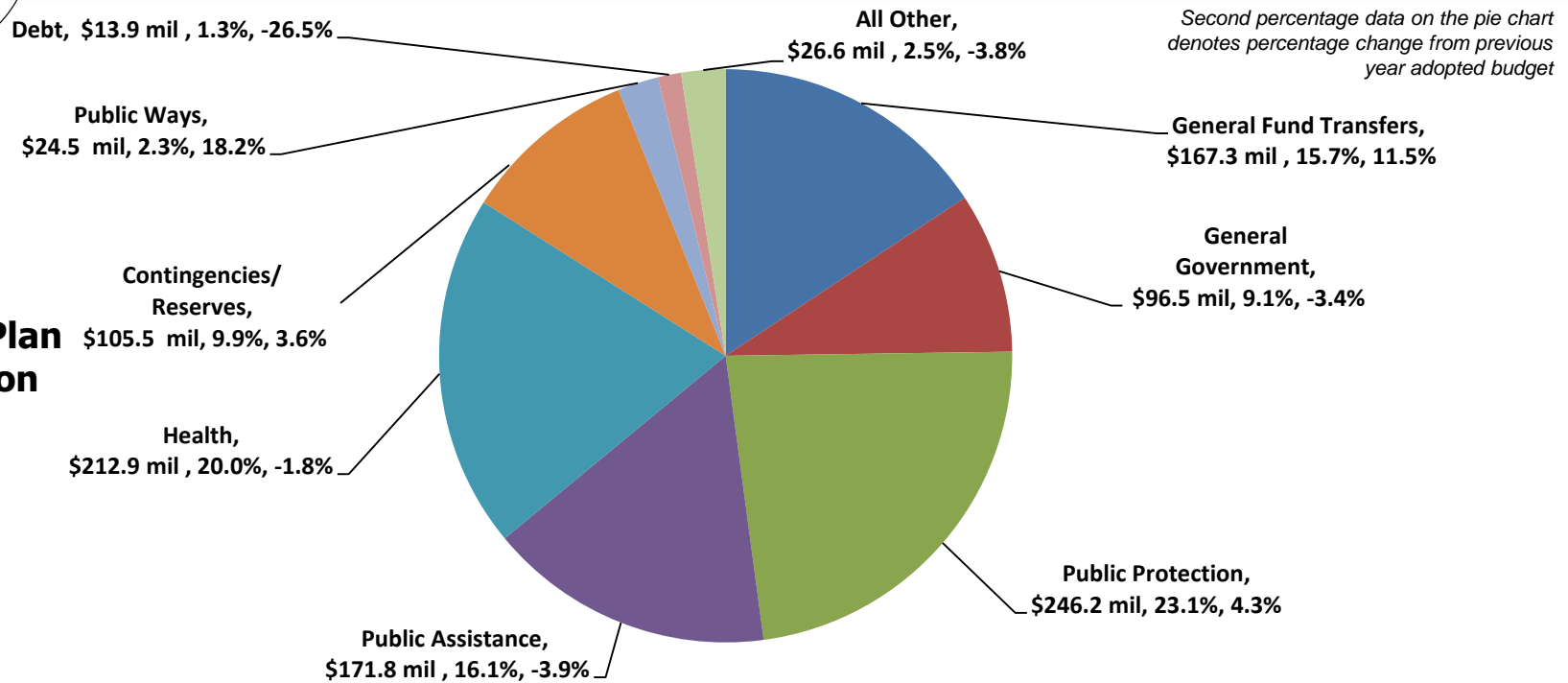
- **Assessed Values Countywide:** up 6% from the FY2017/18 corrected assessment roll; total roll as of July 2017 was \$52.1 billion
- **Current Secured property taxes:** up 7.25% ~ \$5.3 million
- **Property Tax in Lieu of VLF:** up 6% ~ \$2.8 million
- **ABX1 26 Pass Through:** up 4% ~ \$0.7million
- **Supplemental Secured:** down 12% ~ (\$0.3) million
- **Property Transfer Tax:** Flat
- **Prop 172:** up 4% ~ \$1.4 million increase based on current statewide sales tax trend.
- **Public Safety 2011 Realignment/AB 109:** up 4.7% ~ \$0.6 million increase (\$1.1 million dependence on AB 109 prior year carryover funds)
- **H&SS Federal/State:** flat funding after accounting for one-time FY2017/18 Intergovernmental revenue in most programs; reduced social services administration revenue
- **Court share of filing revenue:** No recovery – Remains at \$2.8 million, vs transfer out of \$9.2 million
- **Disposal Fees:** up 13% ~ \$900,000 based on current landfill capacity
- Flat funded with **1991 Public Health and Mental Health** revenues due to State redirection.



FY2018/19 Recommended Budget - Expenditures

Recommended & Supplemental Budget - \$1,065.19 million

Spending Plan by Function



	FY2017/18 Adopted Budget	FY2018/19 Rec'md & Supl Budget	Change From Prior Year	% Change From Prior Year
General Fund	273,369,859	289,850,338	16,480,479	6.0%
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Total Governmental Funds	1,050,627,575	1,065,186,194	14,558,619	1.4%
Allocated Positions	3,068.35	3,028.75	(39.60)	(1.3%)



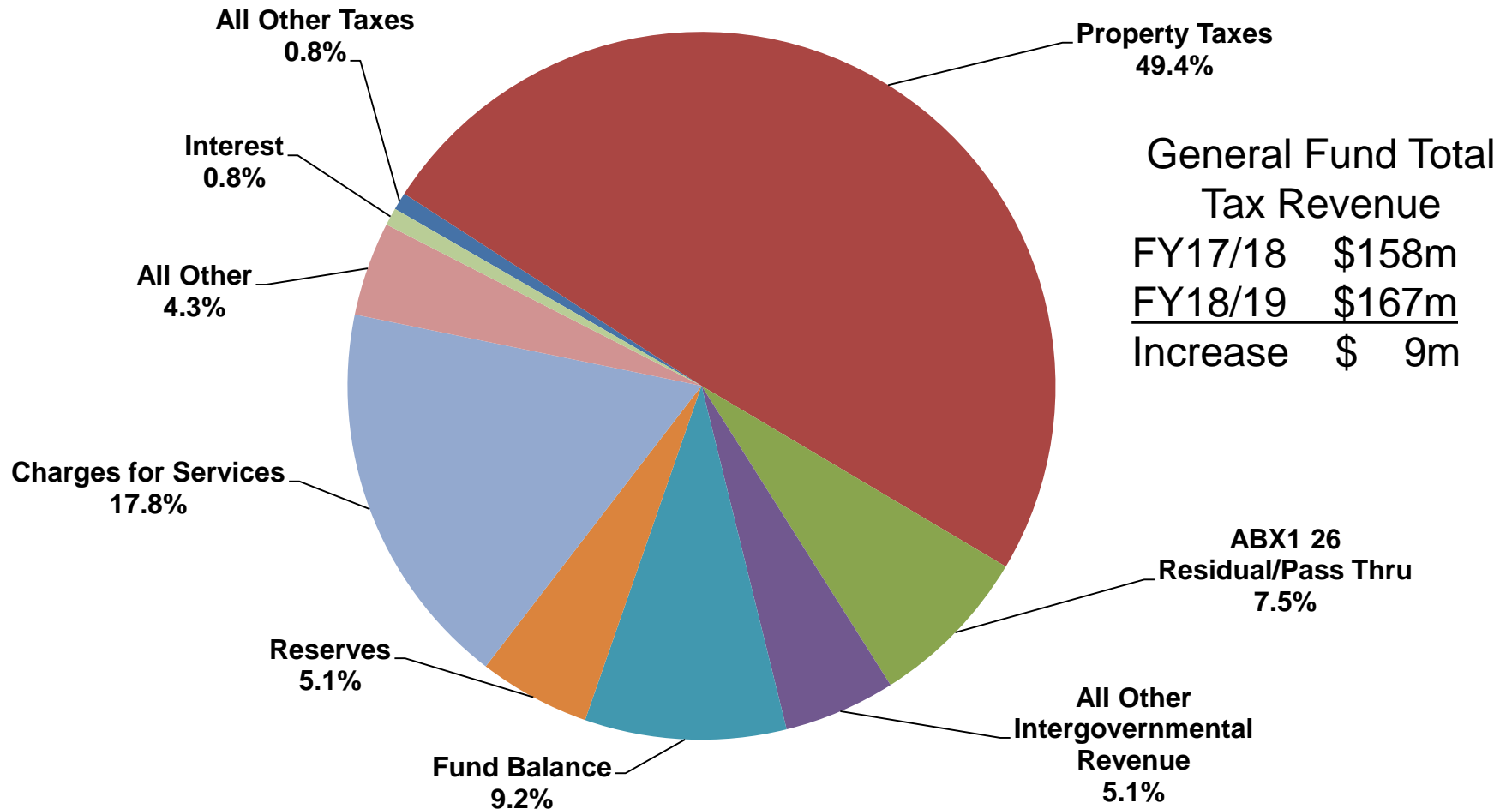
Expenditure Assumptions – FY2018/19

- **Wages:** includes the annualized costs of raises that became effective FY2017/18.
- **Retirement:** increasing CalPERS employer rates; Misc. budgeted at 22.939%, and Public Safety at 30.258%.
- **Medical costs:** insurance rates are budgeted to increase by 10% effective Dec 1, 2018, similar to previous years; lower increase now anticipated based on preliminary CalPERS data.
- **Allocated positions filled:** assumes all vacant positions are filled; some salary savings identified based on timing of vacancies; vacancy rate declined with the reduction in new additional positions, but rate of retirement and some turnover continues.
- **Continued implementation of outside mandates:** AB 109 (Public Safety Realignment), Sustainable Groundwater Management Act, Affordable Care Act, Federal Qualified Health Care, Mental Health Services Act, Proposition 47 (sentencing revisions), Proposition 57, AB 403 Continuum of Care (Foster Care), and In-Home Supportive Services.
- **Continued investments in technology:** updating and expanding existing systems; adding capacity to backbone infrastructure; looking at new approaches for business operations. Included is the continued implementation of the SCIPS Replacement System and the Public Safety Case Management System.
- **Routine & major maintenance:** Phasing of needed repairs; equipment upgrades; office space reconfigurations; boiler/piping replacements; security upgrades; electrical power upgrade, HVAC and roof replacements; and re-budget of SB1022 Jail Project; Demolition of Fairgrounds obsolete structures. Following previous Board direction to keep County facilities in "Good" condition by setting aside \$2 - \$3 million per year for next 10 years.



Sources of General Fund Revenue for FY2018/19

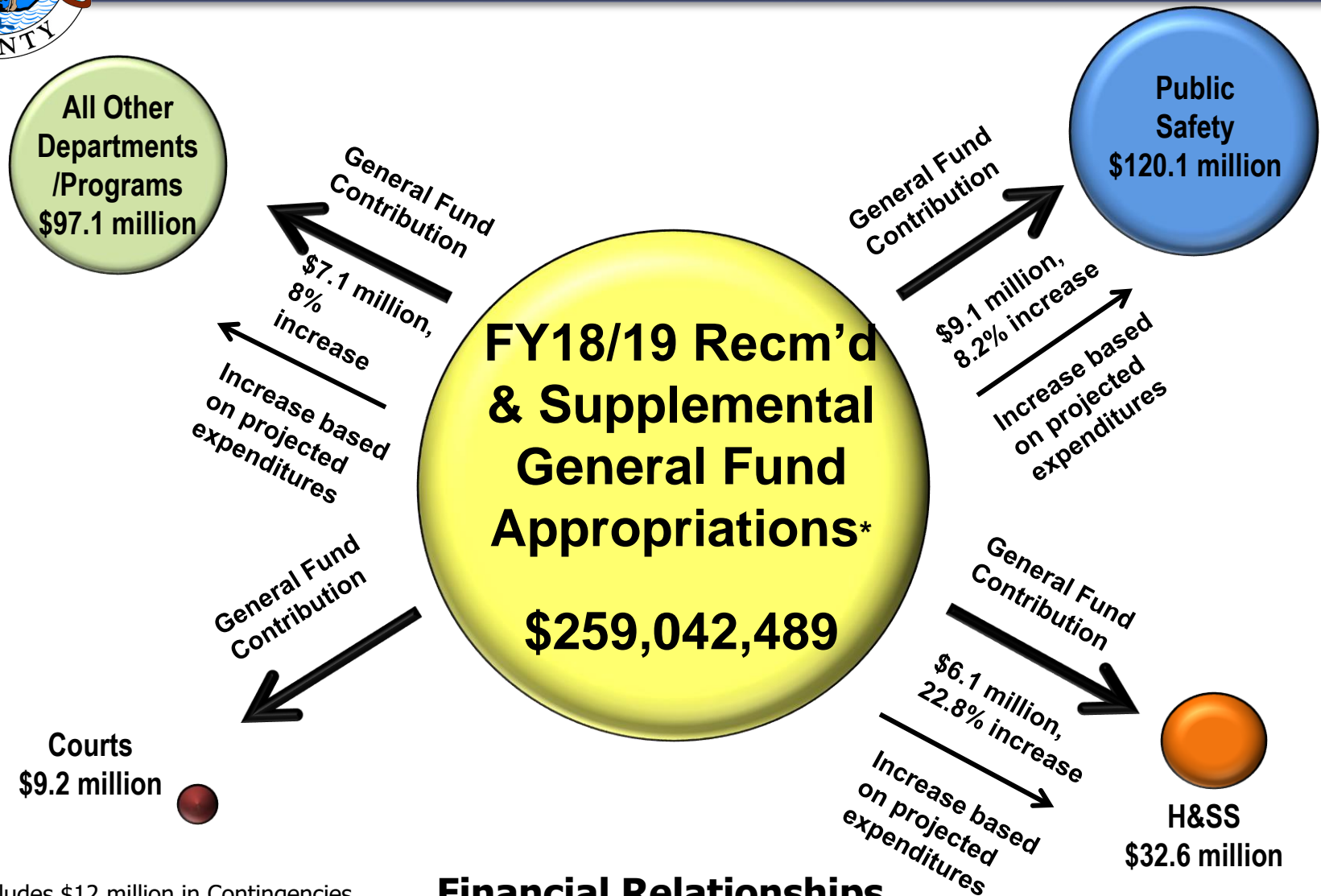
Total General Fund Revenue \$289.9 million





FY2018/19 Budget

General Fund Contributions to Other Funds when compared to FY2017/18



* Excludes \$12 million in Contingencies and Transfers of \$18.8 million in Reserves.

Financial Relationships

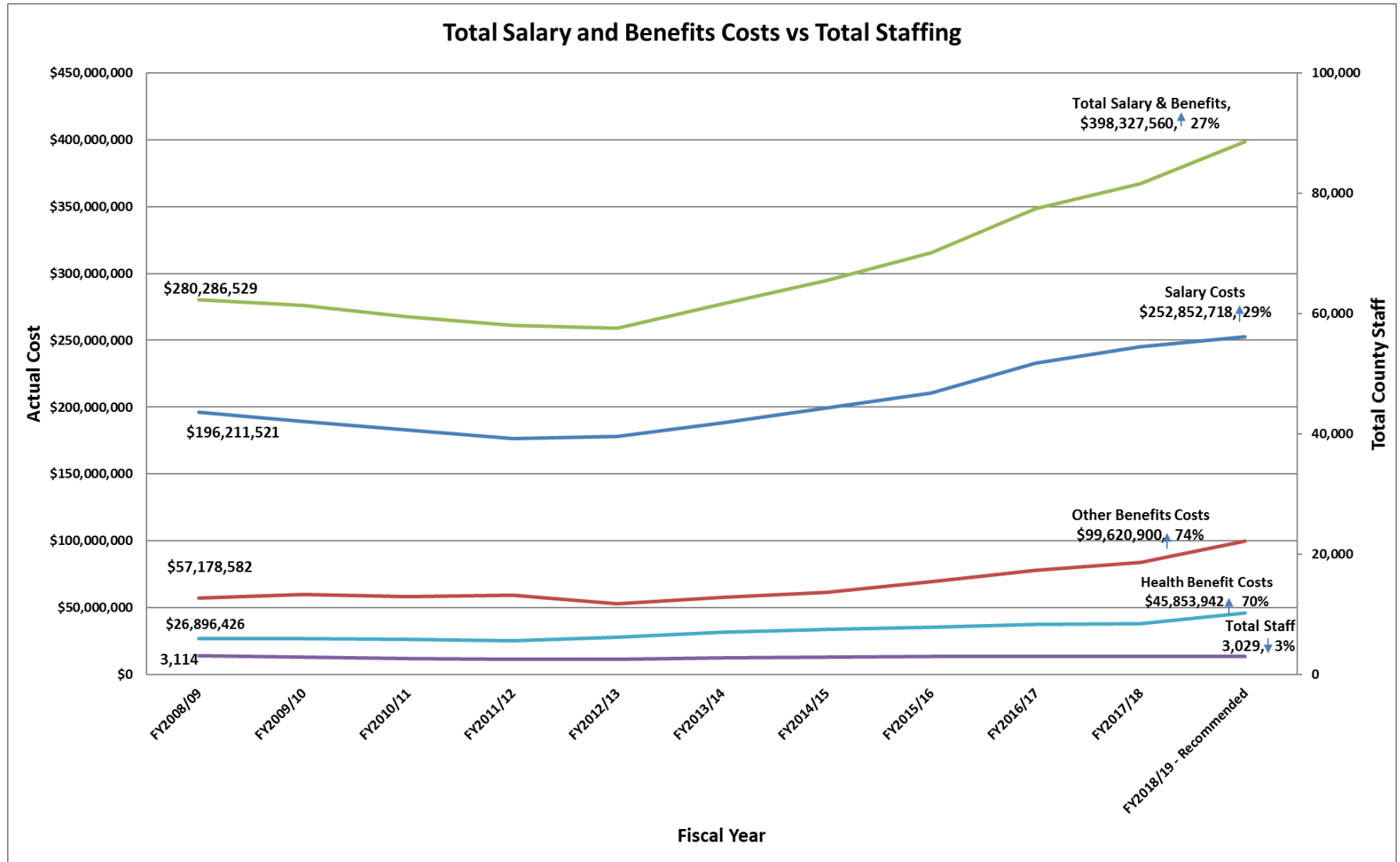


General Fund Appropriation – FY2018/19

	FY2017/18 Adopted	FY2018/19 Recommended	Increase / Decrease
Transfers from General Fund to:			
Public Safety	111.0	120.1	9.1
HSS	26.5	32.6	6.1
Courts	9.2	9.2	-
Other	12.5	14.2	1.7
TOTAL GF Transfers	\$ 159.2	\$ 176.1	\$ 16.9
Gen Fund Departments	77.5	82.9	5.4
TOTAL GF Appropriation	\$ 236.7	\$ 259.0	\$ 22.3

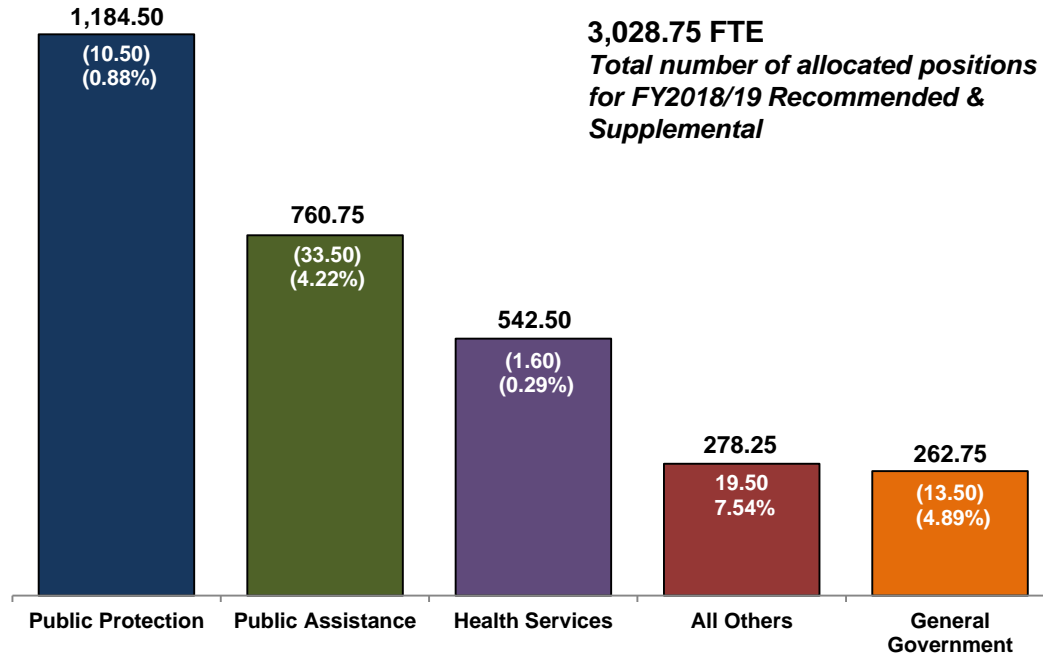


Salary and Benefits Costs vs. Staffing





FY2018/19 Budgeted Positions



PUBLIC PROTECTION	
District Attorney & OFVP	135.00
Child Support Services	95.00
Public Defender	66.50
Public Defender - Alternate	20.50
Sheriff	534.00
Probation	219.50
Agricultural Commissioner	23.00
Animal Care Services	27.00
Recorder	14.00
Resource Management	50.00
TOTAL	1,184.50

PUBLIC ASSISTANCE	
First 5 Solano Children & Families	7.00
Veterans Services	6.00
H&SS Administration	95.00
Social Services	652.75
TOTAL	760.75
HEALTH SERVICES	
In-Home Supportive Services	5.00
Tobacco Prevention & Education	2.00
Behavioral Health	206.00
Health Services	329.50
TOTAL	542.50

GENERAL GOVERNMENT	
Board of Supervisors	14.75
County Administrator	16.00
Employment Dev. & Training	3.00
General Services	88.00
Assessor	40.00
Auditor/Controller	35.00
Tax Collector/County Clerk	12.00
Treasurer	3.00
County Counsel	20.00
Delta Water Activities	1.00
Human Resources	20.00
Registrar of Voters	9.00
Real Estate Services	1.00
TOTAL	262.75

ALL OTHERS	
Public Works	66.00
Library	120.55
Parks and Recreation	7.00
Risk Management	7.70
Dept. of IT	64.00
Fleet Management	10.00
Airport	3.00
TOTAL	278.25

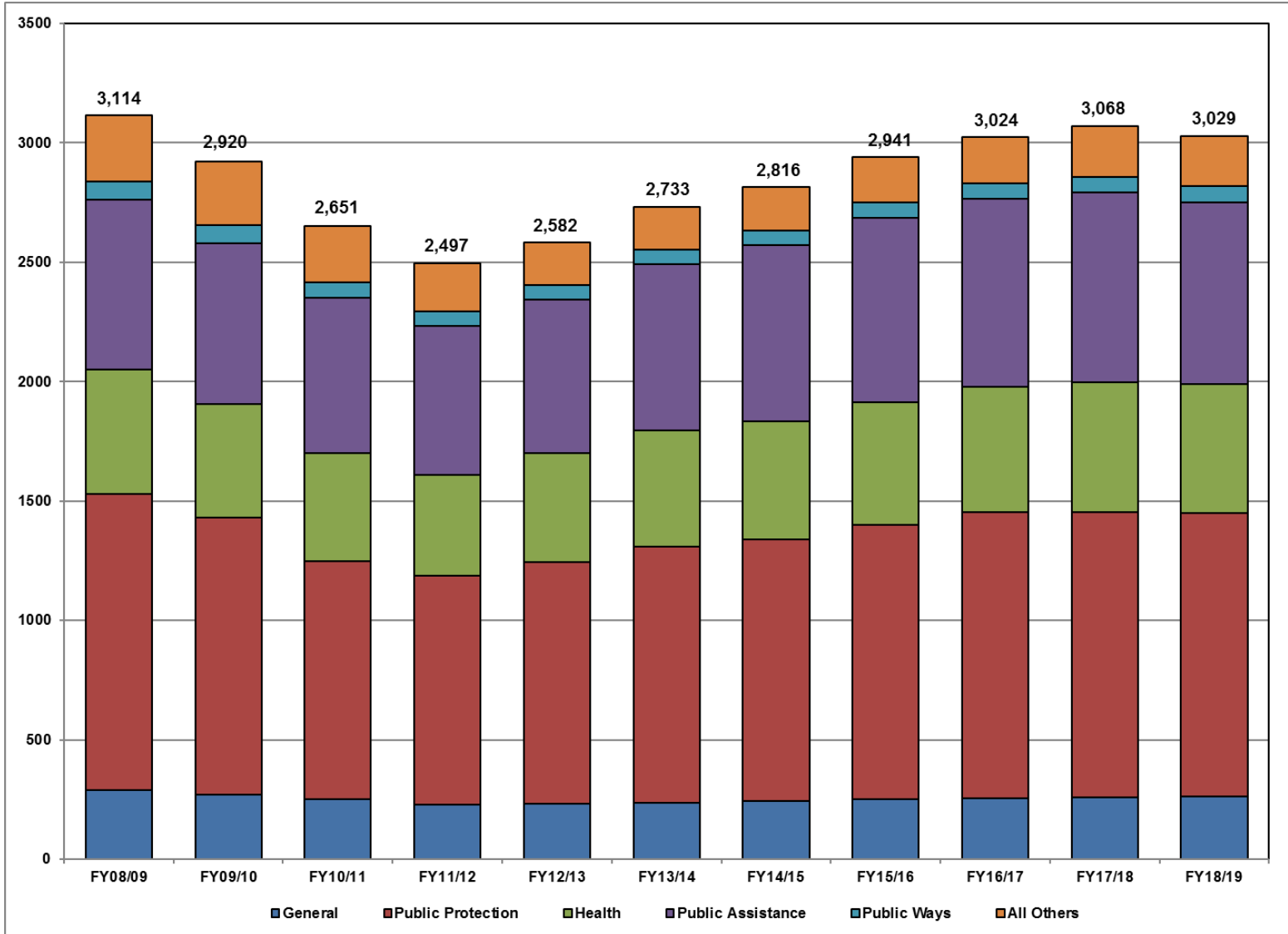


Workforce Changes Since FY2008/09

	FY2008/09 Adopted	FY2018/19 Recm'd	Change from FY08/09 to FY18/19		FY2008/09 Adopted	FY2018/19 Recm'd	Change from FY08/09 to FY18/19
PUBLIC PROTECTION	1,241.50	1,184.50	(57.00)	GENERAL GOVERNMENT	288.00	262.75	(25.25)
District Attorney & OFVP	145.50	135.00	(10.50)	Board of Supervisors	10.00	14.75	4.75
Child Support Services	120.00	95.00	(25.00)	County Administrator	18.00	16.00	(2.00)
Public Defender	68.00	66.50	(1.50)	Employment Dev. & Training	1.00	3.00	2.00
Public Defender - Alternate	21.00	20.50	(0.50)	General Services	106.00	88.00	(18.00)
Sheriff	513.00	534.00	21.00	Assessor	45.00	40.00	(5.00)
Probation	255.00	219.50	(35.50)	Auditor/Controller	35.00	35.00	0.00
Agricultural Commissioner	23.00	23.00	0.00	Tax Collector/County Clerk	14.00	12.00	(2.00)
Animal Care Services	16.00	27.00	11.00	Treasurer	4.00	3.00	(1.00)
Recorder	19.00	14.00	(5.00)	County Counsel	21.00	20.00	(1.00)
Resource Management	61.00	50.00	(11.00)	Delta Water Activities	0.00	1.00	1.00
				Human Resources	19.00	20.00	1.00
PUBLIC ASSISTANCE	726.50	760.75	34.25	Registrar of Voters	12.00	9.00	(3.00)
First 5 Solano Children & Families	8.00	7.00	(1.00)	Real Estate Services	3.00	1.00	(2.00)
Veterans Services	6.00	6.00	0.00				
H&SS Administration	88.00	95.00	7.00	ALL OTHERS	352.73	278.25	(74.48)
Social Services	624.50	652.75	28.25	Public Works	75.50	66.00	(9.50)
				Library	141.48	120.55	(20.93)
HEALTH SERVICES	505.08	542.50	37.42	Cooperative Education	3.25	0.00	(3.25)
In-Home Supportive Services	6.00	5.00	(1.00)	Parks and Recreation	9.00	7.00	(2.00)
Tobacco Prevention & Education	0.00	2.00	2.00	Risk Management	16.00	7.70	(8.30)
Behavioral Health	255.28	206.00	(49.28)	Dept. of IT	56.00	64.00	8.00
Health Services	243.80	329.50	85.70	Reprographics	4.50	0.00	(4.50)
				Fouts Springs Youth Facility	30.00	0.00	(30.00)
				Fleet Management	12.00	10.00	(2.00)
				Airport	5.00	3.00	(2.00)



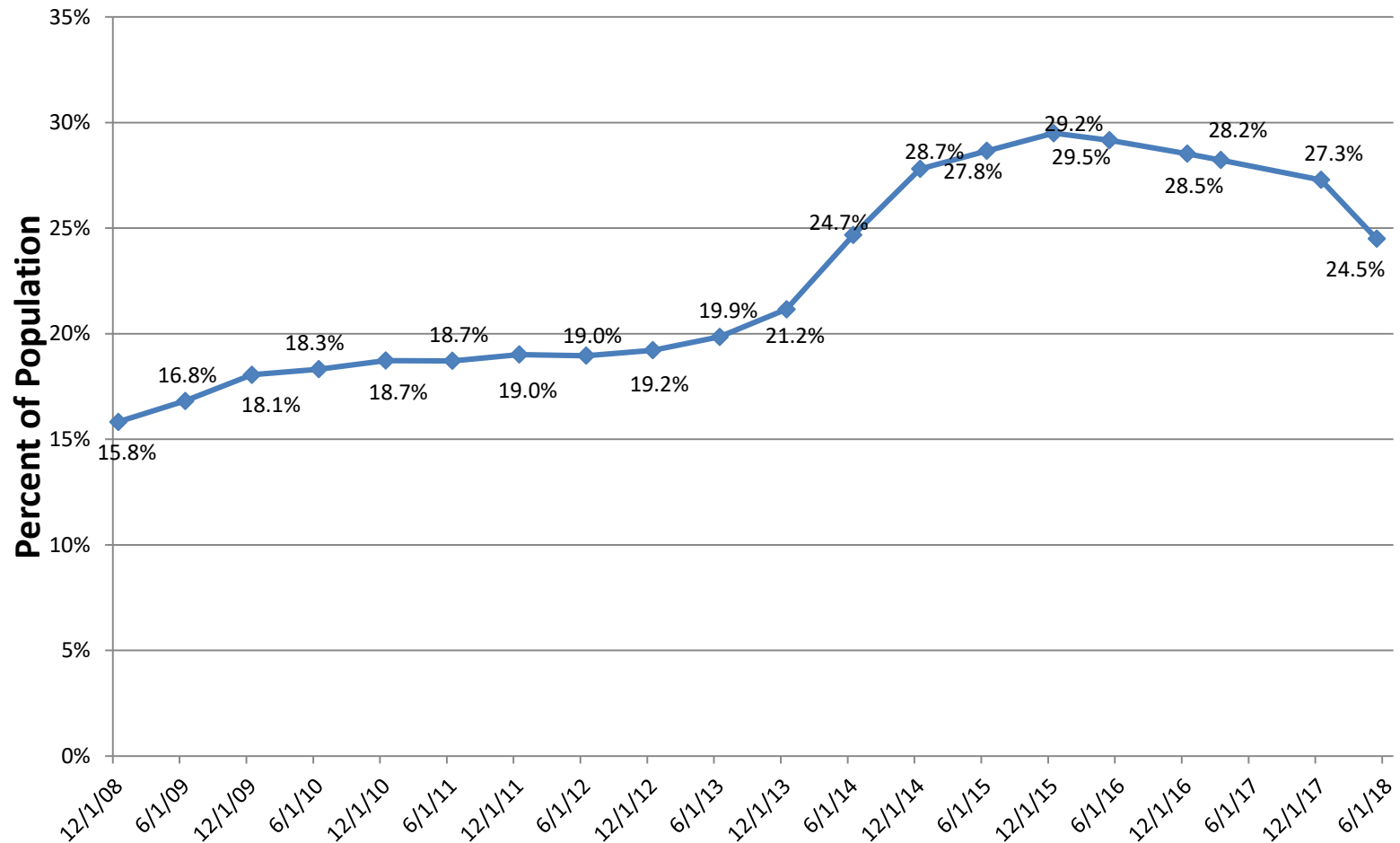
Workforce Changes Since FY2008/09





County Population and Public Assistance

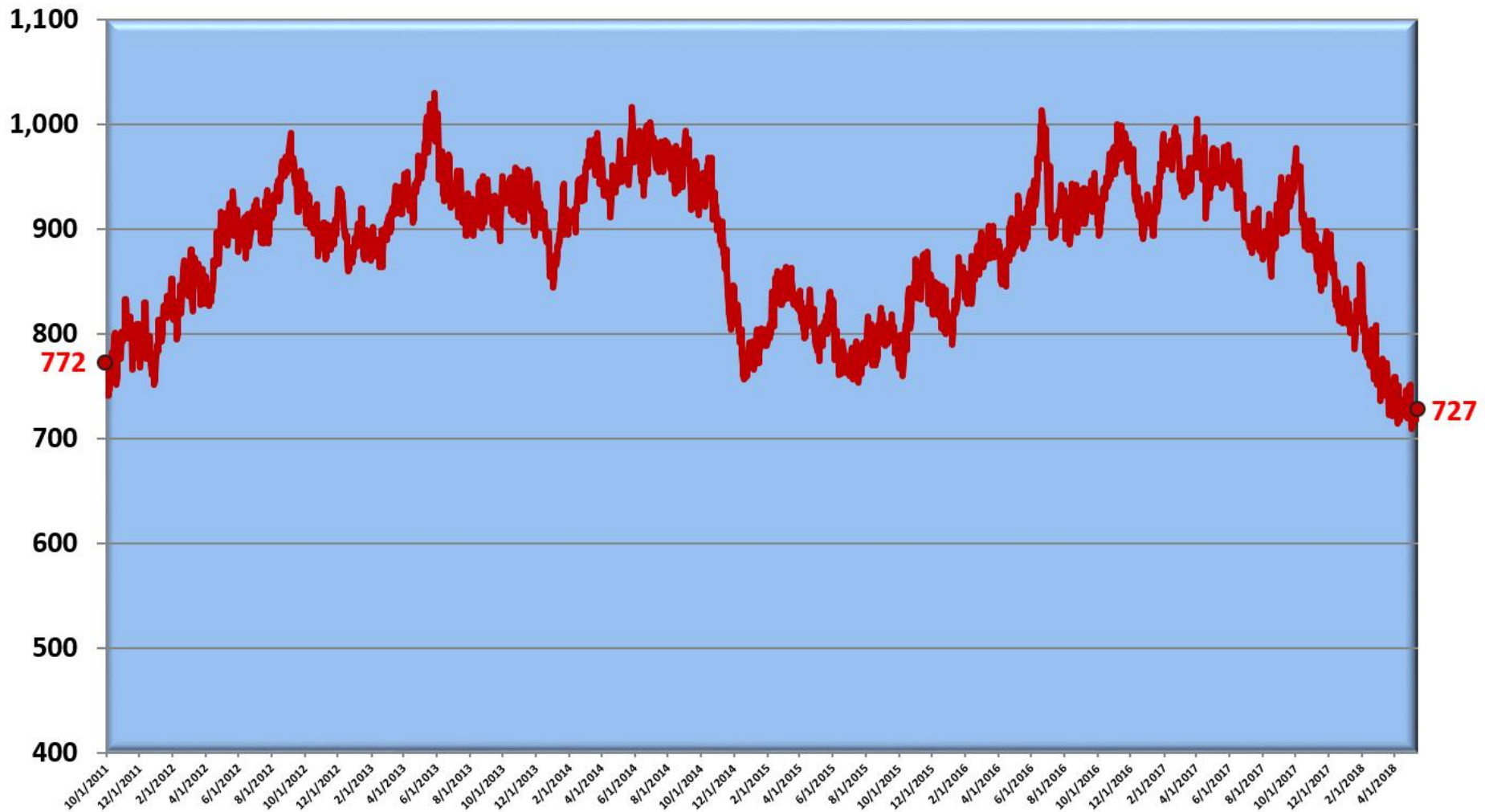
Unduplicated Individual Count Receiving Employment and Eligibility Assistance (CalWORKS, Welfare-to-Work, General Assist., CalFresh, Medi-Cal, CMSP/Path2Health, Foster Care, Adoption Assist., KinGAP) Data Snapshot in H&SS Employment and Eligibility





Jail Population Trend

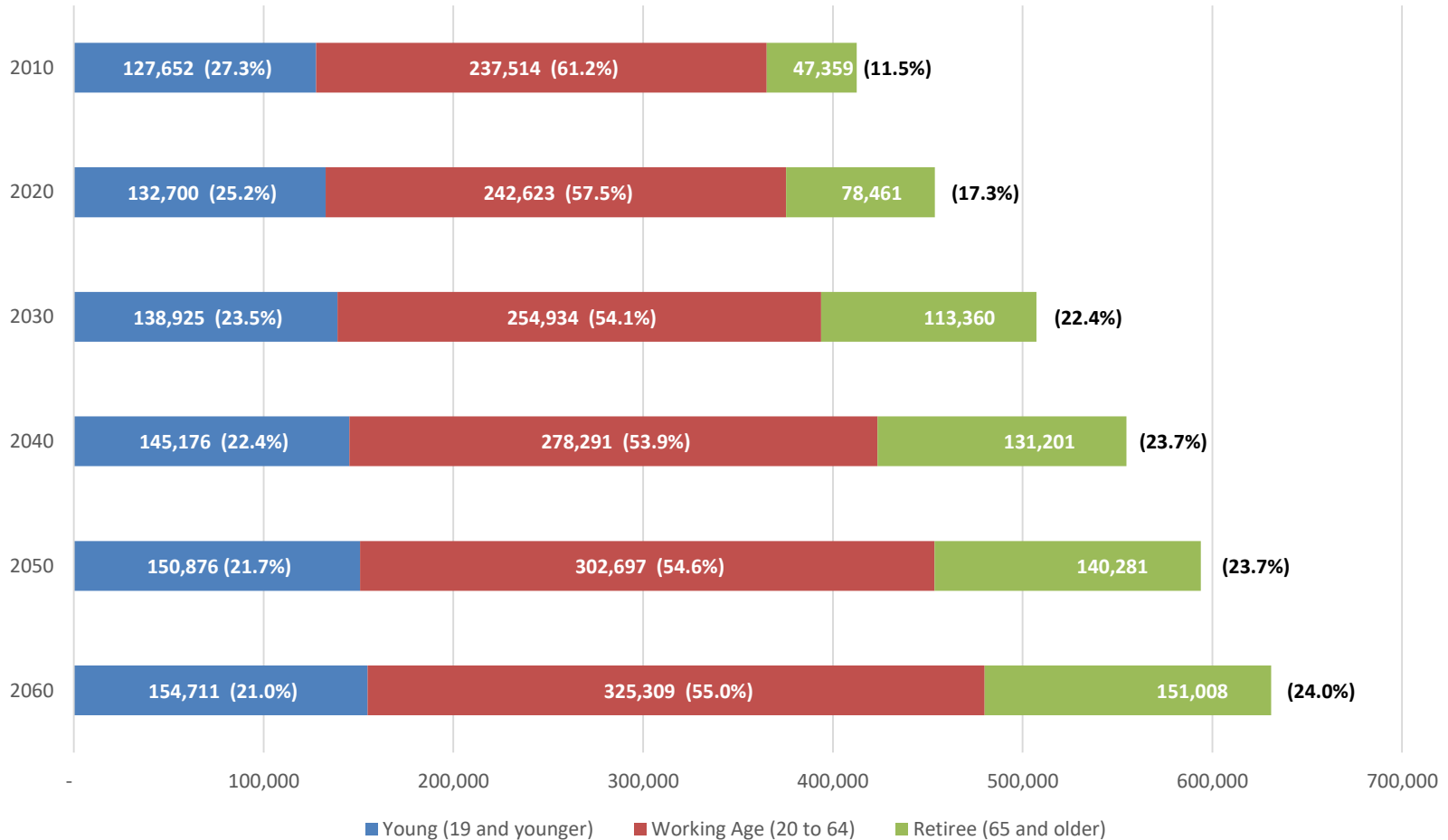
October 1st, 2011 – May 1st, 2018





Aging County Population

Solano County Population by Age Group, 2010 - 2060



Source: California Department of Finance, March 2017



Continued Impacts of IHSS Cost Shift

- The IHSS redirection of sales tax growth revenues and vehicle license growth revenues diverts revenue from Public Health and Mental Health and no longer allows for 1991 Realignment base funding increases.
- Requires Health & Social Services, Public Health and Mental Health to restructure operations to prioritize funding for mandated programs versus discretionary programs.
- Creates potential 1991 Realignment funding shortfalls in other Social Services programs.
- Increases County General Fund exposure to the extent that funding must be provided for mandated services.
- Disproportionately increases risk to Public Health and Mental Health services in the event of economic downturns and reductions in statewide sales tax revenues.



Non-County Agency Contributions

Description	FY2017/18, General Fund Contribution	FY2018/19, General Fund Contribution
BOS District Contributions (TBD)	\$25,000	\$25,000
Travis Community Consortium	\$27,500	\$25,000
Court Appointed Special Advocates (CASA)	\$80,325	\$130,325
Tri-City Cooperative (Land Use Activities)	\$10,296	\$5,000
Solano County Fair Association	\$0	\$5,000
Local Child Care Planning Council	\$12,500	\$12,500
Children's Network	\$118,751	\$118,751
Interagency Hazardous Materials Team	\$13,600	\$40,000
HomeBase - technical assistance, training, grant writing - Housing	\$0	\$45,000
Housing Support Services	\$0	\$327,048
Northbay Stand-down	\$8,000	\$8,000
Food Bank of Contra Costa/Solano	\$30,000	\$50,000
CAP Solano JPA - Staff support and Coordinated Entry	\$86,975	\$156,975
Family Resource Network	\$435,309	\$435,309
Community Clinics	\$197,500	\$197,500
Senior Coalition	\$56,800	\$56,800
Reducing Rates Initiative	\$411,999	\$411,999
Solano Coalition for Better Health - Meeting facilitation	\$25,000	\$25,000
Solano Coalition for Better Health- Well-Baby Visits Edu. & Outreach	\$0	\$150,000
Napa Solano Area Agency on Aging	\$53,000	\$0
Successor Area Agency on Aging	\$0	\$53,000
Groundwater Sustainability Agency JPA	\$18,000	\$0
Veterans' and Collaborative Court Mgmt and Legal Procedures Clerk	\$111,966	\$111,966
Total From County General Fund	\$1,722,521	\$2,390,173



Non-County Agency Contributions

Description	FY2017/18 Contribution, Non-General Fund	FY2018/19 Contribution, Non-General Fund
Youth Agricultural Day Transportation	\$4,400	\$4,400
Collaborative Court Mmgt - 2011 Realignment	\$68,971	\$68,971
Veterans Court 1/3 Case Manager - 2011 Realignment	\$15,603	\$15,603
Family Dependency Drug Court Case Manager - 1991 Realignment	\$81,000	\$81,000
Veterans Court 1/3 Case Manager - 1991 Realignment	\$15,603	\$15,603
Solano Coalition for Better Health - Enrollment outreach - State	\$65,057	\$0
Total From County General Fund	\$250,634	\$185,577



General Fund Contingency

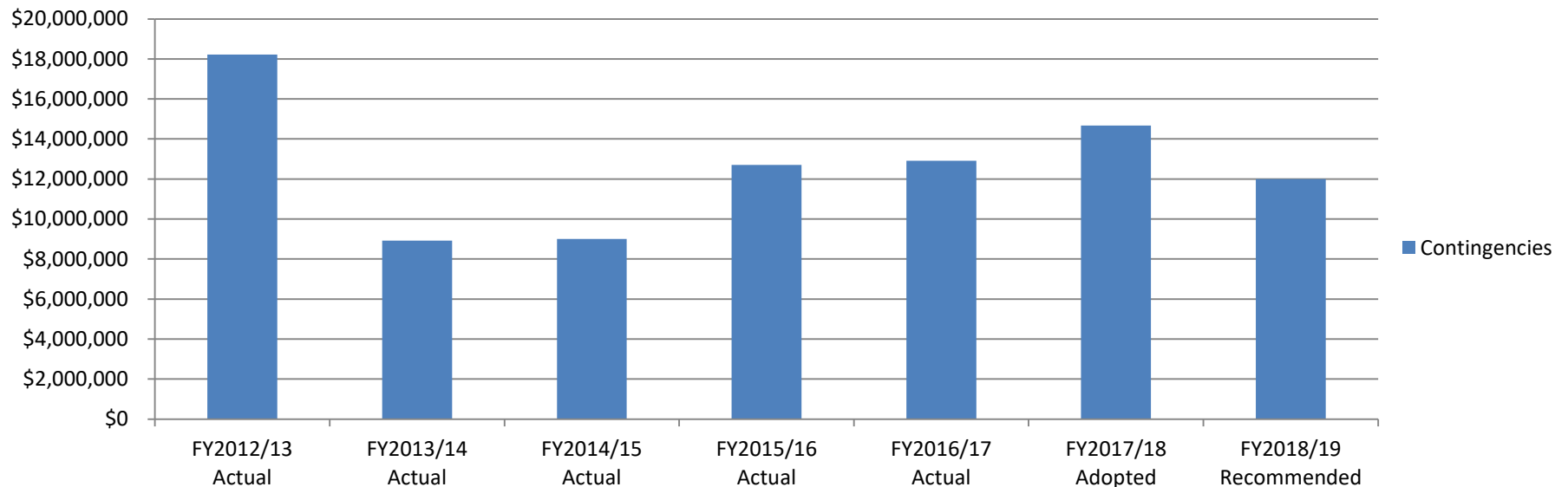
FY2017/18 Adopted Contingency

\$14,675,799

FY2018/19 Recommended Contingency

\$12,000,000

Contingencies



Note: Per the Board Adopted policy, Contingencies should be equal to 10% of the General Fund total budget. The FY2018/19 Contingency of \$12 million is approximately 4% of the General Fund total Budget.



Mixed Signals, Forecasting Challenges

- **Public Assistance:** 24.5% of County population or 107,820 individuals receiving assistance as of May 2018, slightly down from 28.2% in March 2017, resulting in 1 in 4 County residents receiving some form of Public Assistance. (Primarily Medi-Cal, CalFresh and CalWORKS)
- **Homeless Census & Survey:** The January 24, 2017 Solano County Point-in-Time Count showed a 13.9% increase in homeless individuals to 1,232 in 2017 from 1,082 in 2015
- **Jail Population:** Average jail population of 772 over the last 12 months and 727 over the last 30 days
- **Health Care Coverage Survey:** The American Community Survey from 2012-2016 estimates that based on a population of 416,581 residents in Solano County 90.8% have Health Coverage, with 69.7% covered by private insurance, 34.2% covered by public coverage, and 9.2% with no coverage.
- **Aging Population:** The current population of Solano County is 439,793 and is expected to grow to 453,784 by 2020 with an increasingly aging population (78,461 age 65+ by 2020), the growing number of older adults will significantly affect the types of service demands placed on the County (*source: California Department of Finance, March 2018*)
- **Unemployment rate:** 3.4% for May 2018, down from 4.4% a year ago
- **Median Home Price:** \$445,000 in March 2018, up 11.2% from \$400,000 in March 2017, but still below 2006's average median of \$475,555
- **Personal Income:** Solano County's per capita income of \$46,151 ranks fourth lowest as compared to benchmark counties in California, between 2015 and 2016 Solano County's per capita income of growth rate of 3.8% growing at a slower pace than the State's 4.7% growth rate and is among the lowest of the benchmark counties (*source: Bureau of Economic Analysis, U.S. Dept. of Commerce, 2017*)



Current & Anticipated Issues and Exposures - County

General Fund

- Property tax revenues and potential appeals on file
- Ongoing sales tax revenues (Impacts of Prop 172, Realignment Revenue)
- General Fund exposure if Court Fees/Fines continue to be lower than Maintenance of Effort agreement
- CalPERS pension rates and medical rates in the future
- Not enough funding for annual robust Capital Renewal
- Managing unfunded liabilities for retirement, capital renewal/major maintenance
- General Fund exposure for In-Home Supportive Services, Behavioral Health, Health Services and other realigned underfunded programs



Current & Anticipated Issues and Exposures - County

Public Safety

- Jail infrastructure improvements
- Proposition 172, 1991 Realignment, and 2011 Realignment (*Also impacts H&SS*)
- Adequate AB 109 funding from the State for Public Safety realignment programs – Recidivism

Health and Social Services

- FY2018/19 diversion of Mental Health Services Act revenue to No Place Like Home
- Cut to County CalFresh Administration allocation and increase in local CalFresh match requirement
- Flat funding, after prior years' reductions, to County CalWORKS Administration allocation
- Adequate funding for AB403 Continuum of Care Reform to meet new Behavioral Health and Child Welfare Services mandates
- Flat funding in State Realignment for Public Health & Mental Health Programs



FY2018/19 Recommended & Supplemental Positions

BY FUNCTIONAL AREA	NET CHANGE
Health & Social Services	3.7
Public Works	1.0
Public Safety	(0.5)
General Fund (GF)	4.0
Internal Service Fund	1.0
TOTAL POSITIONS	9.2

BY POSITION TYPE	NET CHANGE
Limited-Terms	8.0
Regular FTE	1.2
TOTAL POSITIONS	9.2

BY FUNDING SOURCE	NET CHANGE
Fully Offset by Non-GF Funding	1.5
Partial Offset by Non-GF Funding	0.2
GF / Department Charges	7.5
TOTAL POSITIONS	9.2



Key Supplemental Adjustments

- **Recognize \$7 million in one-time unanticipated revenue from State Mandated Cost Reimbursement for certain mandates under the SB90 claim and documentation process for the period of 2004 to 2011 to fund the following:**
 - \$3 million to Health and Social Services, Mental Health services to be placed in a reserve for the Board to consider in the coming months to address capacity in this area of services.
 - \$1 million to Health and Social Services to be placed in a reserve account for permanent supportive housing pending funding partners and identifying housing options and solutions the Board can consider in the coming year.
 - \$2.25 million to Accumulated Capital Outlay, for necessary infrastructure repairs related to Law & Justice.
 - \$750,000 to Accumulated Capital Outlay, for the construction of a communications tower on the Solano County Fairgrounds to expand and complete the Countywide OES communications system.
- **Reprogramming one-time savings in General Fund obligation to CMSP of \$809,548 as follows:**
 - \$197,500 to the Clinic Consortium to support healthcare for the uninsured with a requirement for quarterly data reporting.
 - \$150,000 to Solano Coalition for Better Health for contract services to provide outreach and education to generate well-baby visits.
 - \$70,000 to CAP Solano JPA for a cities/County partnership to continue implementation of the Coordinated Entry system.
 - \$20,000 increase in the contribution to the Food Bank of Contra Costa /Solano.
 - \$372,048 for housing support services with \$45,000 of this amount for a contract with HomeBase to provide technical assistance, training and grant writing to help pursue the 2017 Housing package.
- **Transfer \$10 million from the Employer PERS Rate Increase Reserve to the IRS 115 Trust.**



Recommended Board Action Summary

- **Adopt Budget Resolution:** \$1,065,186,194 for FY2018/19 Recommended and Supplemental Budget (Approve Recommended and Supplemental Budgets)
- **Approve position resolutions, Position Allocation List and amendments**
 - Net increase of 9.2 positions in Recommended/Supplemental (includes 4.5 FTE Expiring Limited-Terms)
 - Authorize HR Director to make technical changes to the Position Allocation List
 - Authorize CAO to delete positions vacant for 6 months or more
 - Authorize CAO to continue hiring policy that reviews all vacant positions; only fills mission critical positions.
- **Consider approving Recommended Contributions to Non-County Agencies**
- **Authorize delegated authority recommended to facilitate the closeout of FY2017/18 and the other actions related to approval and financing of the FY2018/19 Recommended Budget as outlined in items 4 through 22 of the Staff Report.**



Begin Budget Hearing

- **Questions and Answers**
- **Board Selection of Budget Units for Discussion**
- **Approval of Contributions to Non-County Agencies**
- **Approval of Budget and Position Resolutions**