



COUNTY OF YOLO

Office of the County Administrator

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County Administrator

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To: **Supervisor Mike McGowan, Chair**
And Members of the Board of Supervisors

From: **Pat Leary, Assistant County Administrator**

Date: February 24, 2009

Subject: Receive and file the Midyear Budget Report for fiscal year 2008-09 and direct the County Administrator to work with departments to develop a plan and take necessary actions to correct any projected shortfalls at the end of the current fiscal year. (Balanced general fund; \$3 million non-general fund shortfall)

RECOMMENDED ACTION

- A. Receive and file the attached Midyear Budget Report for fiscal year 2008-09, which indicates that funds set aside in contingency will need to be allocated to ensure a balanced budget; and
- B. Direct the County Administrator to work with departments to develop a plan and take the necessary actions to balance the budget in the remaining months of fiscal year 2008-09.

STRATEGIC PLAN GOALS

These actions support a financially sustainable county government by providing the Board of Supervisors critical budget information needed to operate county services.

FISCAL IMPACT

In December 2008, the Board of Supervisors approved the implementation of \$2.3 million in department identified general fund cost savings options in addition to the imposition of a 32 hour furlough and the recognition of \$1.5 million savings from voluntary time-off. The attached Midyear Budget Report indicates that departments, if they continue with their cost saving strategies, are on course to achieve their \$2.3 million cost saving goal at year end. The savings are largely due to department efforts to keep vacant funded positions unfilled. Currently there are 107 funded vacant positions county wide. This cost savings strategy, along with other actions taken by the board in December 2008, should enable the general fund to be balanced at year end. However there is also a projected \$3 million shortfall in other non-general funds.

Three departments are currently experiencing significant shortfalls, which if left unresolved will result in deficits for 2008-09. More specifically, Alcohol, Drug and Mental Health Department

(ADMH) – core mental health services (\$1.6 million), and Health Department (Health) – indigent health program (\$1.5 million), and District Attorney – criminal prosecution division and criminal prosecution grants (\$769,320). If these shortfalls cannot be resolved in the coming months, it will become necessary at year end to utilize a portion or perhaps all of the remaining \$737,795 in health contingency and \$369,136 in general fund contingency to balance this year’s budget.

As a reference, last year’s midyear budget report projected a general fund shortfall of approximately \$5.1 million and a non-general fund shortfall of \$7.0 million, primarily the result of a \$5.7 million ADMH budget deficit.

The County Administrator continues to recommend that all current funded vacant positions remain unfilled for the remainder of the fiscal year and, to the extent possible, hold all newly vacated positions unfilled as well. In addition, we want to applaud and encourage departments to continue with their efforts to:

- Strengthen management of overtime, extra help and temporary part time services;
- Reduce non-essential travel and service and supply expenditures;
- Achieve their targeted hold on equipment and capital project expenditures; and
- Enhance fees, service charges and reimbursement claim revenues where possible.

REASON FOR RECOMMENDED ACTION

To provide the Board of Supervisors with a midyear report of the county’s financial status, including information on the status of departmental revenues and expenditures. In addition, today’s action directs the County Administrator to take steps to minimize the projected year-end shortfall using various cost saving and revenue enhancement strategies.

BACKGROUND

The County Administrator annually provides the Board of Supervisors with regular reports on the current year’s budget. The Midyear Budget Report provides the first comprehensive report on expenditures and revenues for fiscal year 2008-09 and documents how departments’ actual spending compares to budget projections. The Midyear Budget Report provides details by budget unit on all programs. The table sorts program expenditures and revenues into General Fund and Other Funds. The Other Funds column represents amounts that impact grant, state, federal or other restricted revenue resources.

Listed below are the significant budget issues by function and department.

General Government

Assessor: A shortfall of \$218,240 is projected for the Assessor’s budget. This is due to a slowing down in the residential real estate market, which has reduced residential property values, decreased supplemental roll tax, and overall is impacting the amount of property transaction revenues collected by the department.

Auditor-Controller/Treasurer Tax Collector: A general fund savings of \$233,271 is projected in the department. This savings will be achieved primarily by keeping funded vacant positions unfilled for the remainder of the fiscal year.

Clerk Recorder: The department projects a \$124,999 shortfall. Of this amount, \$115,000 is from a budget revenue duplication error that was identified after the adoption of the original budget in June 2008.

General Services: A general fund cost savings of \$298,017 is projected for this department. This savings will be achieved primarily by keeping funded vacant positions unfilled for the remainder of the fiscal year.

Information Technology: The department projects \$259,942 in general fund cost savings and \$639,100 in telecommunication funds that will be applied to upcoming infrastructure projects.

Law and Justice

District Attorney: This department budget is projecting a shortfall of \$769,320. The general fund portion of this shortfall is \$386,035, almost exclusively in the criminal prosecution unit. A significant portion of this shortfall is associated with a 9% reduction in public safety funds. The non-general fund shortfall of \$383,285 is in the criminal grants unit, which is a result of underestimated carryforward from fiscal year 2007-08.

Probation: This department budget is projected to have a general fund savings of \$745,951, the majority of which is located in the detention unit. This savings primarily comes from keeping funded vacant positions unfilled for the remainder of the fiscal year.

Public Guardian: This department projects a general fund cost savings of \$255,776. This savings will be achieved by primarily keeping funded vacant positions unfilled for the remainder of the fiscal year.

Sheriff-Coroner: The department projects a general fund cost savings of \$355,976. The majority of projected savings comes from keeping funded vacant positions in the detention and animal services unit unfilled for the remainder of the fiscal year.

Health and Human Services

Alcohol, Drug and Mental Health Services (ADMH): The department is projecting a \$1.6 million shortfall in the core mental health services unit. This shortfall is the result of two factors: one, realignment revenue is below budgeted projections; and two, revenue projections associated with state billings of services provided has not materialized.

CAO staff is working closely with the department to reduce the shortfall and will continue to monitor the department's revenue situation for the remainder of the year. Staff will keep the Board apprised as additional information becomes available.

Health: The Health Department projects a general fund surplus of \$104,942. The Community Health unit anticipates a surplus of \$259,056, which will be partially offset by a projected

shortfall of \$154,114 in the Jail-Juvenile Hall Medical unit. As in the past, general fund contingency funds have been earmarked to finance the pre-booking medical costs.

In addition, Indigent Health unit is anticipating a \$1.5 million shortfall. The department is currently investigating strategies that may help reduce this deficit before the end of the fiscal year. The County Administrator's Office will continue working with Health Department staff in monitoring appropriations and revenues associated with this shortfall and will report to the Board if any substantial changes occur.

Land, Education and Recreation

Parks and Resources: The department projects a \$120,660 general fund savings that is the result of unanticipated revenue and austere management. This entire amount is located in the Parks and Museum unit.

Planning and Public Works: The department anticipates a shortfall of \$170,683. This revenue shortfall is related to increased costs of general plan preparation and a reduction in planning fees.

Non-Departmental Programs

Non-Departmental Expenditures: This budget unit, which is projected to be balanced at year end, includes appropriations to finance a variety of employee benefits programs, transfer of general fund revenues to the county's departments and expenditures related to countywide projects.

Countywide Revenues: This budget unit captures various unrestricted revenue sources. Projected revenues are projected to be \$594,843 above the amount estimated in the adopted budget. The increase is primarily due to secured and in-lieu of vehicle license fee property taxes coming in higher than budgeted in the first half of the year.

Contingencies:

1. General Fund Contingency: The adopted 2008-09 budget included a general fund contingency of \$369,136.
2. Library Fund Contingencies: The adopted 2008-09 budget included \$120,749 in library contingency fund.
3. Health Realignment Fund Contingency: The adopted 2008-09 budget included \$737,795 in health realignment contingency.

Special Revenue Funds:

1. Realignment Revenue: Staff projects that this revenue will fall short of the adopted budget estimate by approximate \$1.2 million as a result of the slowdown in the economy and a decrease in sales tax revenue. This revenue is restricted to finance health, social services, and mental health services. Any unused funds remain in the restricted account and are available to finance future appropriations.

2. Public Safety Sales Tax: Staff projects that this revenue will fall short of the revenue estimate in the adopted budget by approximate \$1.5 million as a result of the slowdown in the economy and a decrease in sales tax revenue. This revenue is restricted to fund sheriff, district attorney and probation services.

Staff will return to the Board of Supervisors in May to provide the 3rd Quarter Budget Report.

OTHER AGENCY INVOLVEMENT

The County Administrator worked in concert with the Auditor-Controller's Office in preparing this report. Both offices will work in cooperation with departments to return to the Board of Supervisors for consideration of requests as needed.

ATTACHMENTS

Midyear Budget Report, Fiscal Year 2008-09

Midyear Budget Report -- Fiscal Year 2008-09

Department	BU	Appropriations		Revenues		General Fund	Other Funds
		Adj. Budget	Year End Est.	Adj. Budget	Year End Est.	Surplus/Short (-)	Surplus/Short (-)
GENERAL GOVERNMENT							
Assessor	108-1	\$2,485,186	\$2,454,352	\$2,485,186	\$2,236,112	(\$218,240)	\$0
Auditor-Controller/Treasurer Tax C	105-1	\$3,154,978	\$2,844,798	\$3,154,978	\$3,078,069	\$233,271	\$0
County Administration	102-1	\$4,883,495	\$4,890,715	\$4,885,665	\$4,890,715	\$0	
Office Emergency Services	169-1	\$764,774	\$713,831	\$771,455	\$749,083	\$35,252	
Community Dev. Block Grant	295-1	\$866,165	\$844,968	\$866,165	\$849,313	\$4,345	
Tribal Relations	165-2	\$214,194	\$208,458	\$214,197	\$214,197		\$5,739
County Administration Total		\$6,728,628	\$6,657,972	\$6,737,482	\$6,703,308	\$39,597	\$5,739
County Clerk-Recorder	201-2						
Elections	120-1	\$1,478,415	\$1,660,531	\$1,478,415	\$1,650,532	(\$9,999)	\$0
Recorder	285-1	\$980,248	\$1,044,820	\$980,248	\$838,089	(\$115,000)	(\$91,731)
Clerk-Recorder Total		\$2,458,663	\$2,705,351	\$2,458,663	\$2,488,621	(\$124,999)	(\$91,731)
County Council	115-1	\$990,992	\$954,057	\$990,992	\$990,992	\$36,935	\$0
Indigent Defense	210-5	\$1,883,339	\$1,883,339	\$1,883,339	\$1,883,339	\$0	\$0
General Services (Admin)	130-4	\$656,496	\$587,293	\$656,496	\$656,496	\$69,203	\$0
Airport	193-1	\$397,645	\$397,645	\$397,645	\$397,645	\$0	\$0
Facilities	130-3	\$2,276,058	\$2,170,675	\$2,276,058	\$2,250,532	\$79,857	\$0
Fleet Services	140-1	\$2,053,093	\$1,974,093	\$2,053,273	\$2,053,273	\$79,000	\$0
Purchasing	110-1	\$401,683	\$361,480	\$401,683	\$431,437	\$69,957	\$0
Reprographics	160-1	\$295,950	\$295,950	\$295,950	\$295,950	\$0	\$0
Utilities	130-5	\$2,986,764	\$2,986,764	\$2,986,764	\$2,986,764	\$0	\$0
General Services Total		\$9,067,689	\$8,773,900	\$9,067,869	\$9,072,097	\$298,017	\$0
Grand Jury	215-1	\$35,000	\$35,000	\$35,000	\$35,000	\$0	\$0
Human Resources	103-1	\$1,493,318	\$1,391,323	\$1,493,318	\$1,493,318	\$101,995	\$0
Information Technology	156-1	\$3,089,068	\$2,835,700	\$3,089,068	\$3,095,642	\$259,942	\$0
Telephone ISF	185-1	\$1,629,800	\$1,251,000	\$1,875,935	\$1,890,100	\$0	\$639,100
LAW & JUSTICE SERVICES							
Child Support Services	204-1	\$6,280,178	\$6,201,514	\$6,280,178	\$6,201,396	\$0	(\$118)
District Attorney							
Criminal Prosecution	205-1	\$9,670,034	\$9,600,136	\$9,670,034	\$9,278,359	(\$321,777)	\$0
Child Abduction	205-5	\$476,784	\$419,956	\$476,784	\$420,130	\$174	\$0
MD Interview Center	205-7	\$319,482	\$330,352	\$319,482	\$294,205	\$0	(\$36,147)
Criminal Grants	205-8	\$1,911,682	\$1,783,382	\$1,911,682	\$1,436,247	\$0	(\$347,135)
Insurance Fraud	205-9	\$248,956	\$250,900	\$248,956	\$250,897	(\$3)	(\$3)
YONET	205-3	\$361,256	\$261,199	\$361,256	\$261,199	\$0	\$0
Victim Witness	205-4	\$384,978	\$399,649	\$384,978	\$396,102	(\$3,547)	\$0
District Attorney Total		\$13,373,172	\$13,045,574	\$13,373,172	\$12,337,139	(\$386,035)	(\$383,285)
Probation							
Administration	261-1	\$1,377,561	\$1,223,966	\$1,377,561	\$1,328,085	\$104,119	\$0
AB1913	261-7	\$570,150	\$521,542	\$570,150	\$521,542	\$0	\$0
Care-of-Court Wards	575-1	\$1,607,816	\$1,750,351	\$1,607,816	\$1,719,059	(\$31,292)	\$0
Detention	261-3	\$5,563,194	\$5,254,797	\$5,563,194	\$5,760,105	\$505,308	\$0
Service	261-6	\$4,898,013	\$4,729,268	\$4,898,013	\$4,885,912	\$156,644	\$0
Work Program	261-4	\$1,601,741	\$1,595,128	\$1,601,741	\$1,606,300	\$11,172	\$0
Probation Total		\$15,618,475	\$15,075,052	\$15,618,475	\$15,821,003	\$745,951	\$0
Public Defender	210-1	\$4,908,888	\$4,889,630	\$4,908,888	\$4,908,888	\$19,258	\$0

Midyear Budget Report -- Fiscal Year 2008-09

Department	BU	Appropriations		Revenues		General Fund	Other Funds
		Adj. Budget	Year End Est.	Adj. Budget	Year End Est.	Surplus/Short (-)	Surplus/Short (-)
Public Guardian	287-1	\$1,112,523	\$930,512	\$1,112,523	\$1,112,523	\$182,011	\$0
Veterans Service Office	580-1	\$273,228	\$199,163	\$273,228	\$272,928	\$73,765	\$0
Public Guardian-Vets Total		\$1,385,751	\$1,129,675	\$1,385,751	\$1,385,451	\$255,776	\$0
Sheriff-Coroner							
Animal Services	280-1	\$2,128,157	\$1,947,676	\$2,128,157	\$2,134,151	\$186,475	\$0
Boat Patrol	250-5	\$420,568	\$393,554	\$420,568	\$420,568	\$27,014	\$0
Civil Process	240-2	\$642,132	\$549,644	\$642,132	\$572,453	\$22,809	\$0
Coroner	286-1	\$666,204	\$572,486	\$666,204	\$652,491	\$80,005	\$0
Court Security	240-1	\$2,054,152	\$2,029,403	\$2,054,152	\$2,054,152	\$0	\$24,749
Detention	250-9	\$13,865,805	\$13,500,117	\$13,865,805	\$13,798,828	\$298,711	\$0
Management	250-2	\$2,457,624	\$2,360,116	\$2,457,624	\$2,365,095	\$4,979	\$0
Patrol	250-7	\$6,448,823	\$6,688,021	\$6,448,823	\$6,368,606	(\$319,415)	\$0
Training	251-2	\$375,801	\$314,868	\$375,801	\$370,266	\$55,398	\$0
Sheriff Total		\$29,059,266	\$28,355,885	\$29,059,266	\$28,736,610	\$355,976	\$24,749
HEALTH & HUMAN SERVICES							
Alcohol, Drug & Mental Health							
Alcohol & Drug	505-6	\$3,844,734	\$3,018,754	\$3,844,734	\$2,931,550	\$0	(\$87,204)
Mental Health Administration	505-1	\$16,823,386	\$15,623,810	\$16,823,386	\$14,023,884	\$0	(\$1,599,926)
MHSA	505-7	\$6,280,447	\$5,842,870	\$6,280,447	\$5,870,955	\$0	\$28,085
Subtotal ADMH		\$26,948,567	\$24,485,434	\$26,948,567	\$22,826,389	\$0	(\$1,659,045)
Employment & Social Service (DESS)							
General Assistance	561-2	\$436,180	\$323,396	\$436,180	\$436,180	\$0	\$112,784
Community Services Block Grant	565-0	\$322,417	\$330,820	\$322,417	\$330,820	\$0	\$0
Public Assistance & Support Svcs.	551-1	\$41,799,738	\$41,211,618	\$41,799,738	\$41,120,259	\$0	(\$91,359)
TANF/CalWORKS/Foster Care	552-2	\$30,158,176	\$29,593,295	\$30,158,176	\$29,799,700	\$0	\$206,405
Workforce Investment Board	562-1	\$2,255,425	\$2,329,106	\$2,116,472	\$2,116,472	\$0	(\$212,634)
DESS Total		\$74,971,936	\$73,788,235	\$74,832,983	\$73,803,431	\$0	\$15,196
Health							
Children's Medical Services	501-9	\$2,093,649	\$2,016,413	\$2,093,649	\$2,016,413	\$0	\$0
Community Health	501-1	\$7,552,577	\$6,697,481	\$7,552,577	\$6,956,537	\$259,056	\$8,000
Elder Care	502-3	\$40,000	\$40,000	\$40,000	\$40,000	\$0	\$0
Emergency Medical Services	525-3	\$1,068,776	\$805,165	\$1,068,776	\$805,165	\$0	\$0
Environmental Health	501-3	\$2,850,801	\$2,715,054	\$2,850,801	\$2,715,054	\$0	\$0
Tobacco Tax Funds	503-1	\$217,421	\$178,005	\$217,421	\$178,005	\$0	\$0
Indigent Healthcare	502-3	\$4,907,057	\$6,276,612	\$4,907,057	\$4,728,740	\$0	(\$1,547,872)
Jail-Juvenile Hall Medical	501-4	\$3,186,572	\$3,341,517	\$3,186,572	\$3,187,403	(\$154,114)	\$0
Health Total		\$21,916,853	\$22,070,247	\$21,916,853	\$20,627,317	\$104,942	(\$1,539,872)
LAND, EDUCATION & RECREATION							
Agriculture							
	270-1	\$2,073,926	\$2,064,500	\$2,073,926	\$2,073,926	\$9,426	\$0
Cooperative Extension							
	610-1	\$369,428	\$363,223	\$369,428	\$369,428	\$6,205	\$0
Library							
Archives and Records	605-2	\$153,559	\$132,739	\$147,157	\$132,739	\$0	\$6,402
Library	605-1	\$4,928,211	\$4,997,457	\$5,003,756	\$4,997,457	\$0	(\$75,545)
YoloLINK	605-4	\$72,579	\$49,713	\$67,192	\$49,713	\$0	\$5,387
Subtotal Library		\$5,154,349	\$5,179,909	\$5,218,105	\$5,179,909	\$6,205	(\$63,756)

Midyear Budget Report -- Fiscal Year 2008-09

Department	BU	Appropriations		Revenues		General Fund	Other Funds
		Adj. Budget	Year End Est.	Adj. Budget	Year End Est.	Surplus/Short (-)	Surplus/Short (-)
Planning & Public Works:							
Building and Planning	297-1	\$2,959,537	\$2,928,499	\$2,959,537	\$2,757,816	(\$170,683)	\$0
Code Enforcement	288-1					\$0	\$0
Roads	299-1	\$20,526,570	\$21,152,020	\$20,526,570	\$21,152,020	\$0	\$0
Integrated Waste	194-1	\$10,398,746	\$9,896,748	\$10,398,746	\$9,896,749	\$0	\$1
Surveyor and Engineer	150-1	\$30,900	\$30,900	\$30,900	\$30,900	\$0	\$0
Transportation	299-5	\$290,000	\$269,284	\$290,000	\$269,384	\$0	\$100
Subtotal PRPW		\$34,205,753	\$34,277,451	\$34,205,753	\$34,106,869	(\$170,683)	\$101
Parks and Resources							
Cache Creek Area Plan	297-2	\$2,024,296	\$2,020,132	\$2,024,296	\$2,020,132	\$0	\$0
Fish and Game	294-1	\$9,700	\$9,700	\$9,700	\$9,700	\$0	\$0
Parks and Museum	701-1	\$2,753,517	\$2,474,078	\$2,753,517	\$2,594,738	\$120,660	\$0
Subtotal Parks & Resources		\$4,787,513	\$4,503,910	\$4,787,513	\$4,624,570	\$120,660	\$0
COUNTYWIDE PROGRAMS							
Countywide Expenditures							
Non-Departmental Expenditures	165-1	\$34,386,165	\$34,450,141	\$34,386,165	\$34,386,165	(\$63,976)	\$0
Criminal Justice Collections	166-2	\$1,214,666	\$1,264,666	\$1,214,666	\$1,264,666	\$0	\$0
Dental Insurance (ISF)	188-1	\$2,606,640	\$2,606,640	\$2,606,640	\$2,606,640	\$0	\$0
Risk Management	155-1	\$144,500	\$144,500	\$144,500	\$144,500	\$0	\$0
Special Employee Services	167-1	\$2,499,100	\$2,430,983	\$2,499,100	\$2,499,100	\$68,117	\$0
Unemployment Insurance (ISF)	187-1	\$202,000	\$375,975	\$202,000	\$375,975	\$0	\$0
Subtotal Countywide Expenditures		\$41,053,071	\$41,272,905	\$41,053,071	\$41,277,046	\$4,141	\$0
Capital							
General Services ACO	135-1	\$4,107,678	\$4,107,678	\$4,107,678	\$4,110,378	\$0	\$2,700
Winters Library Project	135-2	\$5,114,459	\$5,114,459	\$4,904,328	\$4,904,328	\$0	\$0
Subtotal Capital & Debt		\$9,222,137	\$9,222,137	\$9,012,006	\$9,014,706	\$0	\$2,700
Debt Service							
DA Building	822-1	\$294,467	\$294,467	\$294,467	\$294,467	\$0	\$0
West Sacramento Center	825-1	\$371,212	\$371,212	\$371,212	\$371,212	\$0	\$0
Davis Library	827-1	\$1,854,440	\$1,854,440	\$1,854,440	\$1,854,440	\$0	\$0
Davis Admin Building	828-1	\$151,539	\$151,539	\$151,539	\$151,539	\$0	\$0
Subtotal Capital & Debt		\$2,671,658	\$2,671,658	\$2,671,658	\$2,671,658	\$0	\$0
Countywide Revenues	166-1	\$0	\$0	\$56,528,976	\$57,123,819	\$594,843	\$0
Total Year-End Projected Balance		\$327,017,582	\$320,383,731	\$326,987,423	\$318,932,334	\$2,293,183	(\$3,050,222)

Contingencies - Year-end Balances

General Fund - Contingency	999-1	\$369,136
Health Fund - Contingency	999-1	\$737,795
Library Fund - Contingency	999-4	\$120,749

Notes:

Public Safety Sales Tax Revenue Shortfall: The budget included \$15.8 million in Proposition 172 revenue to finance Sheriff, District Attorney and Probation Services. Staff is projecting a \$1.5 million (9%) decrease in this state revenue.

Realignment Revenue Shortfall: The budget included \$20 million in Realignment Revenue to finance Employment & Social Service, Mental Health, and Public Health services. Staff is projecting an approximate \$1.2 million (6%) decrease in this state revenue.