FISCAL YEAR 2024-25 RECOMMENDED BUDGET

Presented to the Board of Supervisors at the Budget Hearing on June 11, 2024

AGENDA

- BUDGET REQUIREMENTS
- SUMMARY OF THE BUDGET
- WHAT IS AND IS NOT INCLUDED IN THE BUDGET
- BUDGET CHALLENGES
- NEXT STEPS IN THE BUDGET PROCESS
- BOARD ACTION ON RECOMMENDED BUDGET

BUDGET REQUIREMENTS

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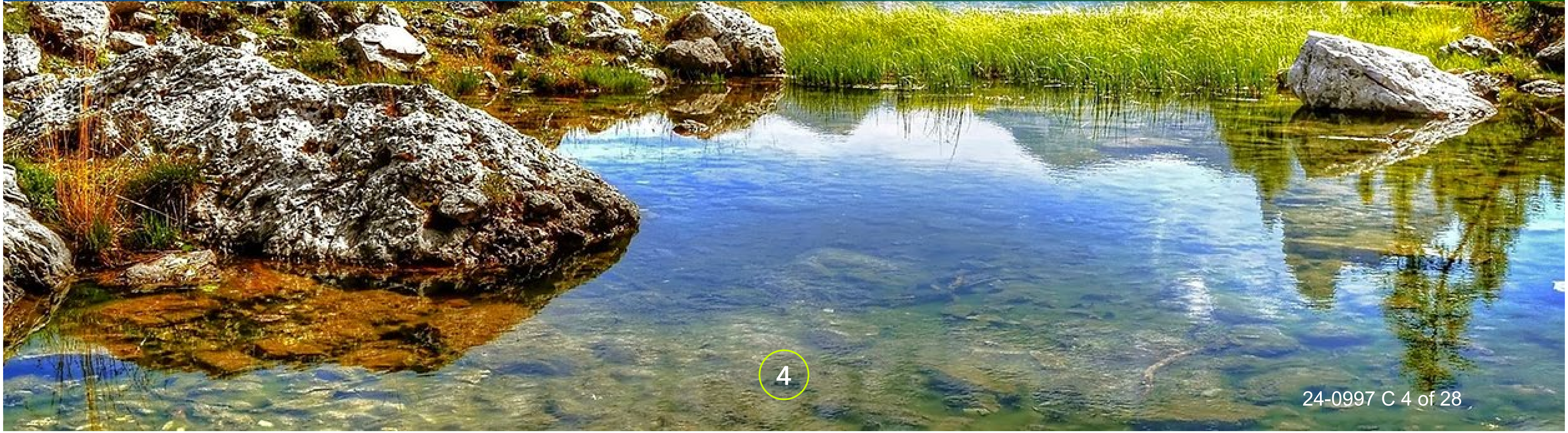
County Budget Act – Government Code §29000 – 29144, §30200

- Applies to County, dependent special districts, other agencies “whose affairs are under the supervision and control of the Board”
- Requires Single Year Balanced Budget
- §29009: In the recommended, adopted, and final budgets the funding sources (revenues) shall equal the financing uses (expenditures)



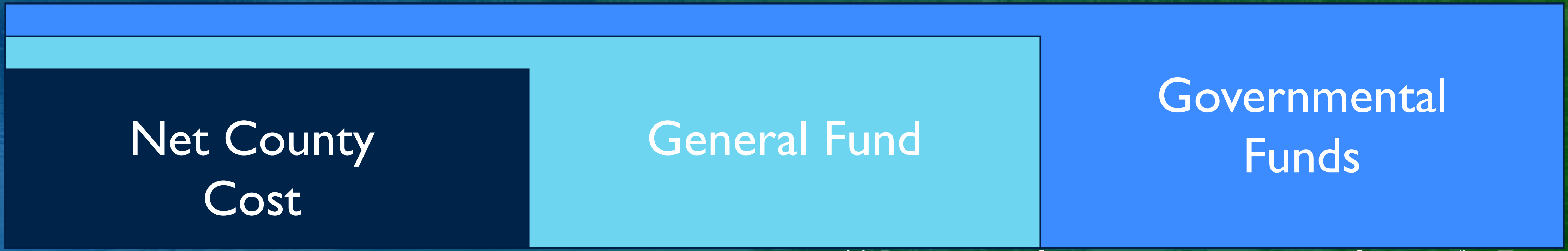
BUDGET REQUIREMENTS

- Public Hearing required
- 3/5 vote to approve prior to close of hearing, unless changes are filed with Clerk in writing before the close of the hearing
- Following close of hearing, increases or additions require 4/5 vote

SUMMARY OF THE BUDGET

SUMMARY OF THE RECOMMENDED BUDGET

	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	$ Increase / (Decrease)	Percent Change
Total Appropriations	$1,250.8 M	$1,183.7 M	($67.1 M)	-5%
Governmental Funds*	$1,099.8 M	$1,025.8 M	($74.0 M)	-7%
General Fund	$455.7 M	$416.6 M	($39.1 M)	-9%
Net County Cost**	$193.1 M	$198.4 M	$5.35 M	3%



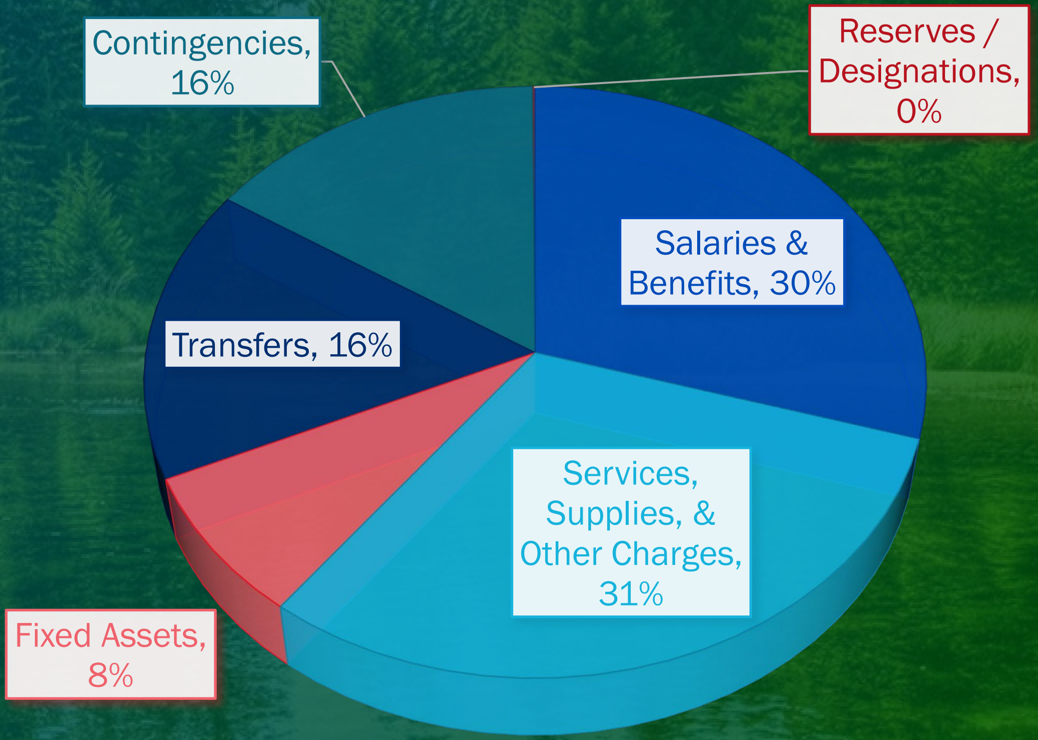
** All Governmental Funds including Special Revenue Funds; excluding Special Districts & Proprietary Funds*

*** Departmental operating net cost, not adjusting for Transient Occupancy Tax Contributions, excluding Non-Departmental/ACO Fund/CW Special Revenue Funds/ Special Districts/Proprietary Funds*

SUMMARY OF THE RECOMMENDED BUDGET

Appropriations by Expenditure Class*

Expenditure Class	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	$ Increase / (Decrease)	Percent Change
Salaries & Benefits	$282.6 M	$303.8 M	$21.2 M	7%
Services, Supplies, & Other Charges	$309.5 M	$314.7 M	$5.2 M	2%
Fixed Assets	$96.6 M	$81.0 M	($15.6 M)	-16%
Transfers	$220.4 M	$165.3 M	($55.0 M)	-25%
Contingencies	$175.4 M	$159.8 M	($15.5 M)	-9%
Add. to Reserves / Designations	$15.3 M	$1.2 M	($14.2 M)	-92%
Total Appropriations	**$1.10 B**	**$1.03 B**	**($74.0 M)**	**-7%**



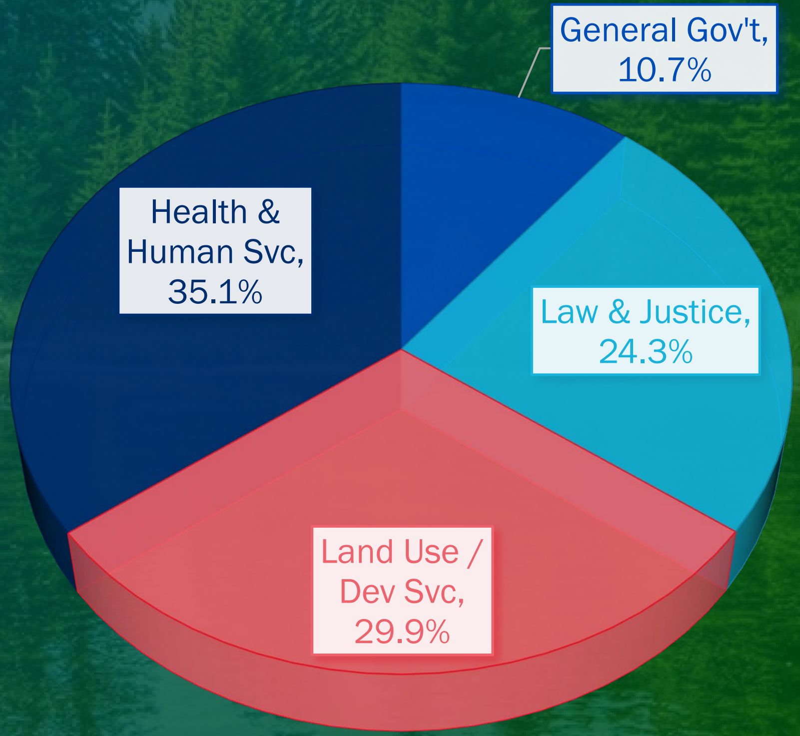
**Data is governmental funds including Special Revenue Funds; excluding Special Districts & Proprietary Funds*

SUMMARY OF THE RECOMMENDED BUDGET

Appropriations by Functional Group*

Functional Group	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	$ Increase / (Decrease)	Percent Change
General Government	$74.0 M	$70.8 M	($3.2 M)	-4%
Law & Justice	$176.3 M	$161.1 M	($15.1 M)	-9%
Land Use / Dev Services	$193.1 M	$198.3 M	$5.3 M	3%
Health & Human Services	$244.1 M	$232.5 M	($11.6 M)	-5%
Total Appropriations	**$687.4 M**	**$662.7 M**	**($24.6 M)**	**-4%**

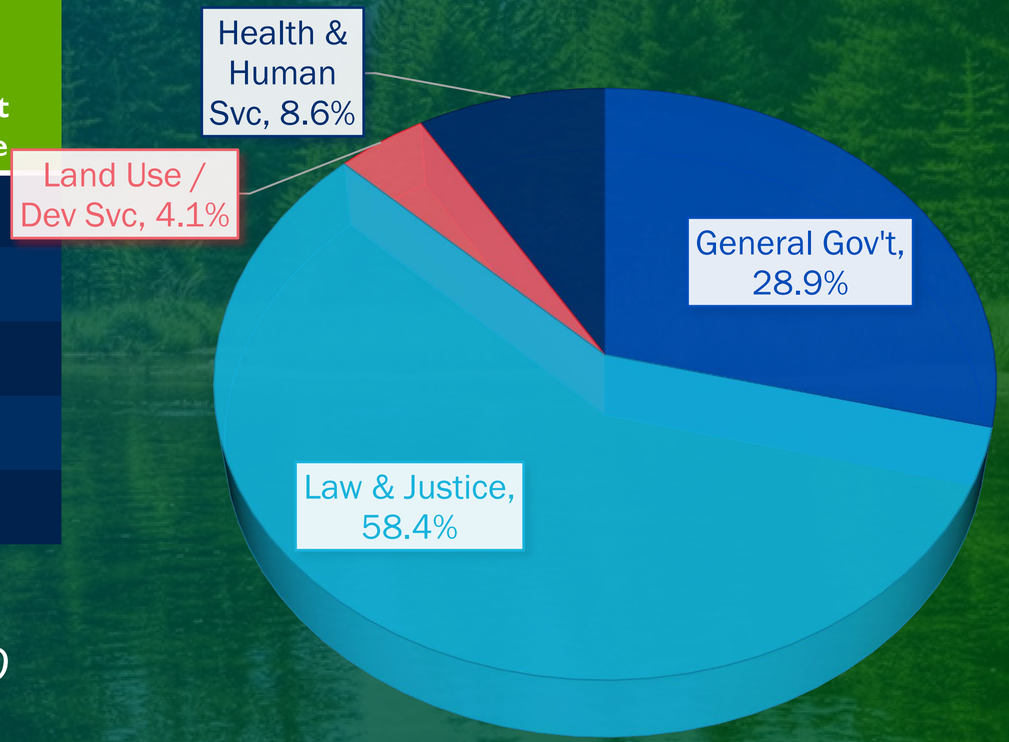
**Departmental operating appropriations, excluding Non-Departmental/ACO Fund/Countywide Special Revenue Funds/Special Districts/Proprietary Funds*



SUMMARY OF THE RECOMMENDED BUDGET

Net County Cost by Functional Group*

Functional Group	FY 2023-24 Adopted Budget	FY 2024-25 Recm'd Budget	$ Increase / (Decrease)	Percent Change
General Government	$60.2 M	$57.3 M	($2.9 M)	-5%
Law & Justice	$103.2 M	$115.9 M	$12.7 M	12%
Land Use / Dev Services	$11.7 M	$8.2 M	($3.5 M)	-30%
Health & Human Services	$18.0 M	$17.0 M	($0.9 M)	-5%
Net County Cost	**$193.1 M**	**$198.4 M**	**$5.4 M**	**3%**

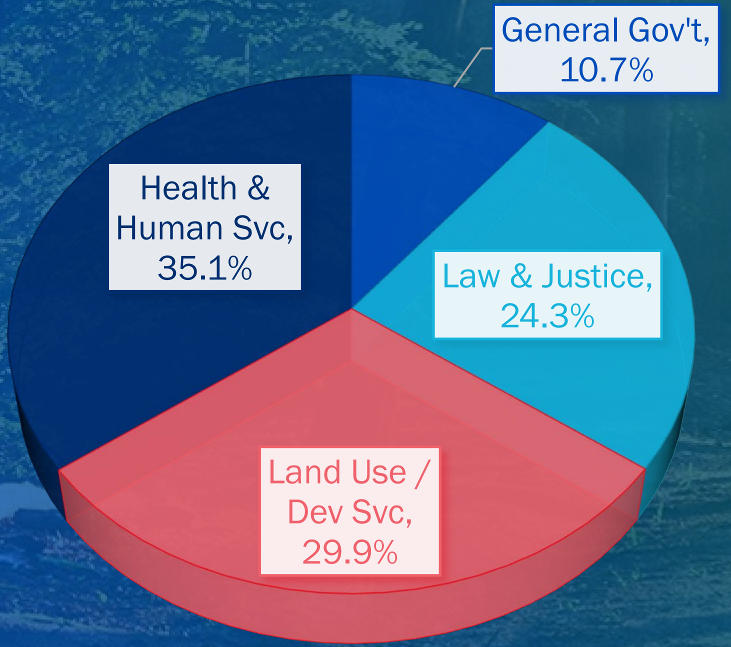


**Departmental operating net cost, not adjusting for Transient Occupancy Tax Contributions, excluding Non-Departmental/ACO Fund/CW Special Revenue Funds/ Special Districts/Proprietary Funds*

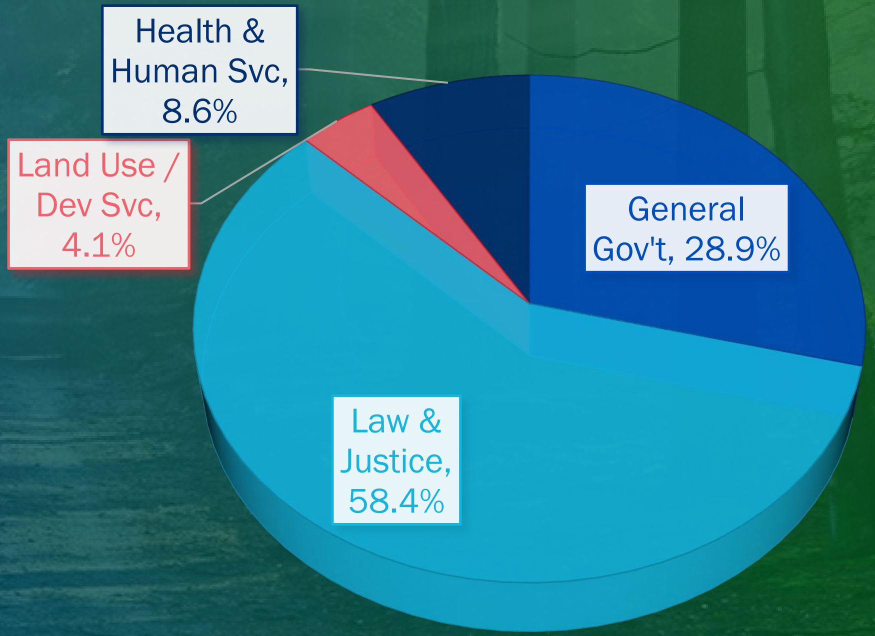
SUMMARY OF THE RECOMMENDED BUDGET

Net County Cost compared to Total Operating Appropriations by Functional Group

Total Appropriations



Net County Cost



WHAT IS AND IS NOT INCLUDED IN THE BUDGET

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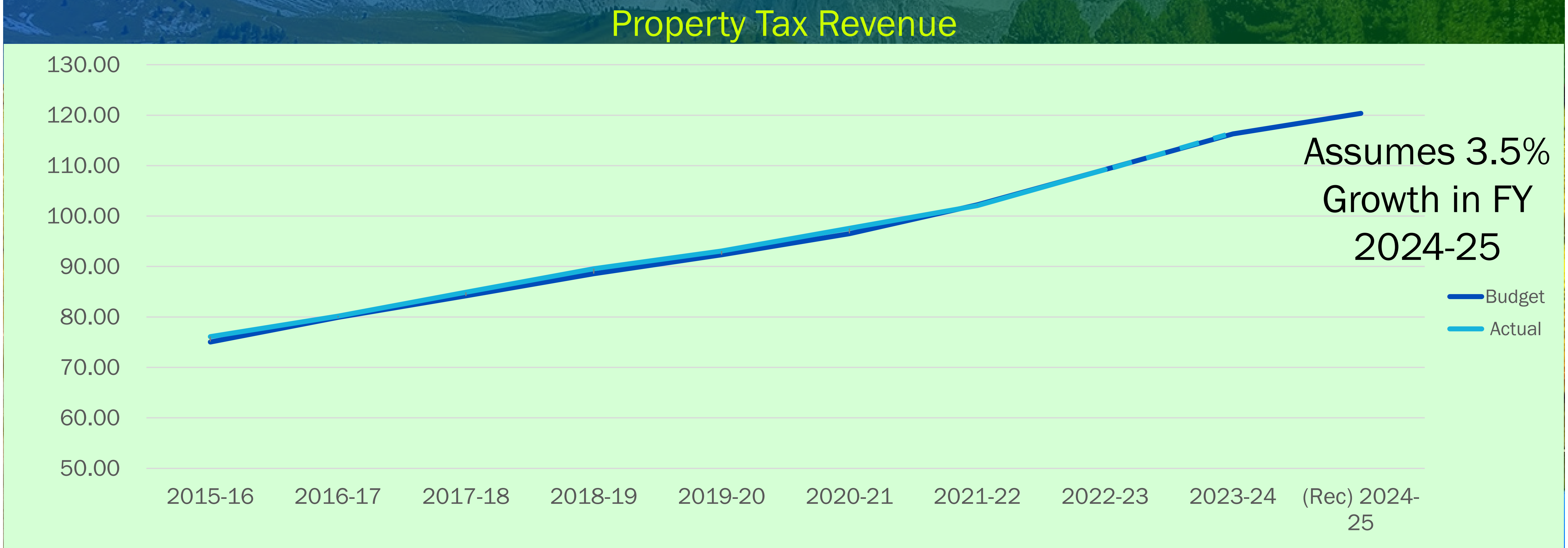
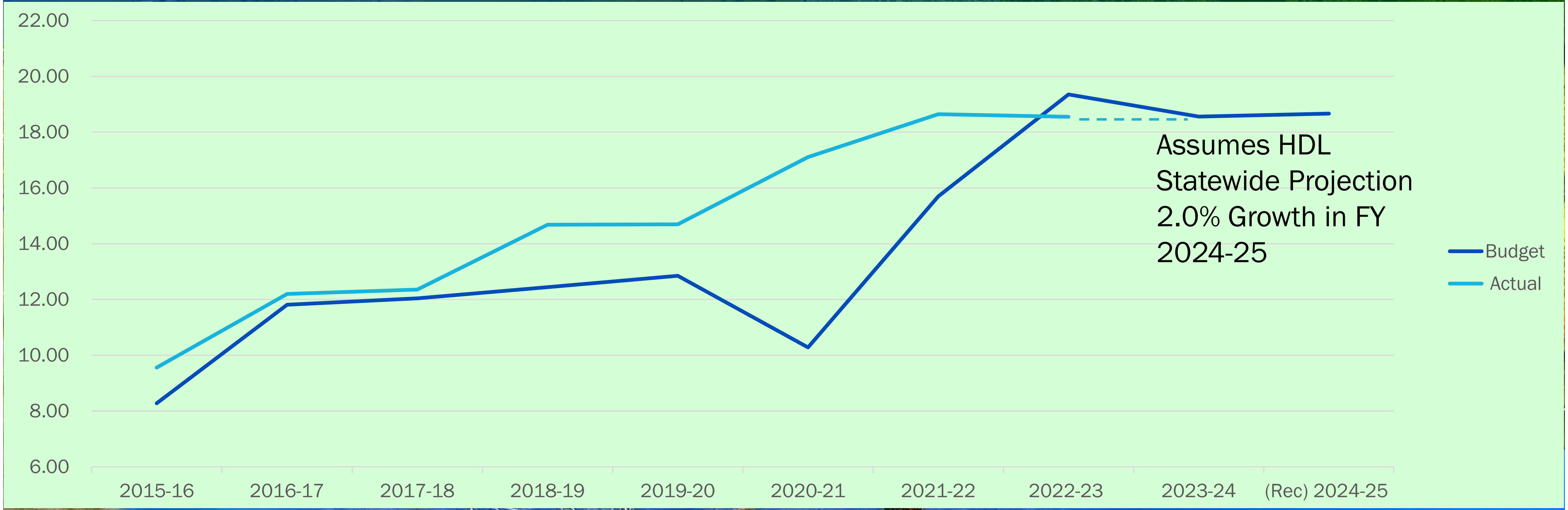


Current Secured Property Tax and Property Tax in Lieu of Vehicle License Fees amounts in millions

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Sales and Use Tax Revenue



WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Budget Policies Included in the Budget

- General Fund Contingency funded at 3% with $7.85 M
- General Reserve funded at 5% with $13 M
- Pension Funding meets policy based on current actuarial reports
- Discretionary Transient Occupancy Tax (DTOT) budgeted per April Board direction
- Discretionary Resources to Road Maintenance, $7.07 million of Tribe and DTOT

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Budget Policies **NOT** Included in the Budget

- Designation for IT Infrastructure
- Disaster Expenses Designation
- Capital Projects Designation

These designations will be a priority for funding in the Adopted Budget and are NOT funded in the Recommended Budget.

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Priorities Included in the Budget

- $30 million for the continued construction of the Mosquito Bridge
- $1.4 million for Phase I of the Weber Creek Project
- $24 million in state and federal funding for homelessness programs
- $66.4 million Accumulative Capital Outlay Workplan
- $75,000 in DTOT for Arts & Culture El Dorado
- $37,500 for the Placerville Pool using FY 2023-24 savings from Community Funding

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Board Priorities **NOT** Included in the Budget

- El Dorado Hills County Water District (EDH Fire Department) payment of Educational Revenue Augmentation Fund (ERAF) encumbrance equivalent for FY 2023-24 in the amount of $109,200.
- $75,000 in Community Funding for Board allocation.

WHAT IS AND IS NOT INCLUDED IN THE BUDGET

Changes in the Personnel Allocation

Department	Net Change
Chief Administrative Office*	5.50
Child Support Services	(0.50)
District Attorney	(2.00)
Health and Human Services Agency	4.60
Information Technologies	(1.00)
Planning & Building*	(6.00)
Public Defender	(1.00)
Transportation	(0.50)
Total	(0.90)

*6.0 FTE were moved from Planning & Building to the Chief Administrative Office with the move of Airports and Cemeteries.

BUDGET CHALLENGES

BUDGET CHALLENGES

Slowing Discretionary Revenue Growth

- Slowing discretionary revenue growth 3.5% Property Tax and 2% Sales and Use Tax Growth
- Recommended Budget was not able to fund:
  - Approximately $10.7 million to meet Board Budget Policies
  - $1.4 million in General Fund deferred requests from departments

BUDGET CHALLENGES

5-Year General Fund Projection

	Cautious	Conservative	Moderate
Property Tax after FY 2024-25	2% growth from prior year	3.5% growth from prior year	4.5% growth from prior year
Transient Occupancy Tax after FY 2024-25	2% decrease from prior year	No growth	2% growth from prior year
Sales & Use Tax / Public Safety Sales Tax	2% growth in FY 2024-25 and 0.5% growth after that	2% growth	Based on HDL projection of 2% growth in FY 2024-25, 2.8% in 2025-26, 3.0% in 2026-27, 2.9% in 2027-28 and FY 2028-29.

	FY 2024-25 Recm'd Budget	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
Cautious	$ 0	($12.65 M)	($18.76 M)	($25.10 M)	($31.65 M)
Conservative	$ 0	($10.45 M)	($14.27 M)	($18.21 M)	($22.26 M)
Moderate	$ 0	($8.24 M)	($9.65 M)	($11.08 M)	($12.47 M)

BUDGET CHALLENGES

Risk Programs

- Increase in Workers’ Compensation and General Liability of over $6.5 million
- Retiree Health rate holiday for departments to save $2.7 million in FY 2024-25

BUDGET CHALLENGES

Facilities Investments & Ongoing Needs

- Capital Projects Designation spent down to $2.2 million
- Replacement cost of County buildings with low condition ratings = $247 million
- Spring Street facility is end-of-life; replacement cost of $27 million

BUDGET CHALLENGES

Impacts due to State Budget Proposals

- FY 2024-25 May Revised Budget
  - Public Health - $200 million reduction to funding for counties
  - Probation - $4.4 million reduction in Post Release Community Supervision funding

NEXT STEPS IN THE BUDGET PROCESS

NEXT STEPS IN THE BUDGET PROCESS

- Discuss any revisions to the Recommended Budget
- Approval of the Recommended Budget with any revisions
- Final Personnel Allocation Resolution no later than June 30, 2024
- Financial Records close in September; will know actual Fund Balance Carry-Over
- Revision to budget in September
- Final Budget Adoption in late September

THANK YOU!