FY 2020-21 Budget Hearings

Day 1 – Budget Overview
FY 2020-21 Budget Hearings:

Chairperson Remarks
Supervisor Susan Gorin
FY 2020-21 Budget Hearings:

County Administrator Remarks
Budget Hearing
Schedule & Materials
FY 2020-21 Recommended Budget Hearings Schedule

• **Day 1 – Tuesday, September 8 at 8:30 am**
  - Schedule and Hearings Materials
  - Budget Overview and Federal Stimulus Update
  - **Dr. Eyler Economic Forecast**
  - Overview of Available Revenues Sources
  - Fee Waiver / Sponsorship Policy
  - Public Comment – **1:30 pm**
  - Discuss Board Priorities (HomeKey & Others)
  - Straw Vote on Sources to Be Used
FY 2020-21 Recommended Budget Hearings Schedule

• Day 2 – Wednesday, September 9 at 8:30 am
  • Recap of Sources Straw Vote, Budget Balancing Tool, and CAO Recommendations
  • Board Member Questions
  • Public Comment – 10:45 am
  • Board Deliberations and Direction to Staff (Straw Vote)

• Day 3 – Friday, September 11 at 9:00 am
  • Public Comment – 10 am
  • Final Adoption
Budget Binder Material

• Tab 1 – Budget Hearing Overview
• Tab 2 – Available Sources
• Tab 3 – Budget Balancing Tool and Reduction Detail Reports
• Tab 4 – Fund Balance Memo
• Tab 5 – General Fund Reserve Memo
• Tab 6 – Community and Board Member Funding Requests
• Tab 7 – Board Inquiry Requests
• Tab 8 – Fee Waiver / Sponsorship
• Tab 9 – Capital Projects
• Tab 10 – Budget Resolutions and Exhibits
Budget Overview
Public Budget Tools

Budget Reports

Annually, the County Administrator’s Office, in conjunction with all County Departments, works to develop a sound operating plan for the County of Sonoma for the approaching fiscal year. This plan is initially approved by the Board of Supervisors to provide for operations in the new fiscal year until the books of the old fiscal year are closed. At that point, a series of adjustments are drawn up to reflect the actual ending/beginning balances for each of the funds the County maintains and actual progress on multi-year projects already underway.

The Board of Supervisors then holds public hearings on the recommended budget and any recommendations for adjustments. Staff compiles the approved adjustments and any other Board direction during the hearings and the result is the adopted budget for the year.

Fiscal Year 2020-2021 Budget Materials

Fiscal Year 2020-2021 Recommended Budget (PDF: 4 MB)

Budget Hearing Materials – September 8-11, 2020

https://sonomacounty.ca.gov/CAO/Public-Reports/Budget-Reports/

Operating Budget Summary

Revenue Budget

$1.78 Billion

Adopted Revenue Budget

Please note: The adopted revenues in the County’s Budget Book are $1.78 billion, which differs from the amount above due to two factors. First, the adopted revenue in the Budget Book excludes $6.5 million in budgeted transfers within County budgets, which are included from the Budget Book summary to avoid double-counting of expected revenues. Second, the adopted revenue in the Budget Book includes $14.5 million in accumulated balances. This amount is the difference between budgeted expenses and budgeted revenues. When these factors are accounted for, total budgeted revenues are as follows: $1.78 billion - $6.5 million = $1.71 billion.

Expenditure Budget

$1.94 Billion

Adopted Expenditure Budget

Please note: The adopted expenditures in the County’s Budget Book are $1.94 billion, which differs from the amount above due to two factors. First, the adopted expenditure in the Budget Book excludes $6.5 million in budgeted transfers within County budgets, which are included from the Budget Book summary to avoid double-counting of expected expenditures. Second, the adopted expenditure in the Budget Book includes $14.5 million in accumulated balances. This amount is the difference between budgeted expenses and budgeted revenues. When these factors are accounted for, total budgeted expenditures are as follows: $1.94 billion - $6.5 million = $1.87 billion.

http://budget.sonomacounty.ca.gov/
“Normal Budget Process”

- **January**: Board Retreat
- **March**: Baseline Budgets
- **April**: Budget Workshops
- **June**: Budget Hearings
- **July**: Fiscal Year Begins
- **November**: Start of New Budget Season

Public Participation
COVID-19 Budget Process

- **Jan.** Board Retreat
- **March** Baseline Budgets
- **March** Declared Emergency
- **April** Fiscal Update
- **July** Budget Workshop
- **Sept.** Budget Hearings
- **July** Fiscal Year Begins
- **June** Approve Recom. Budget
- **Nov.** Start of Budget Season

**Public Participation**
Recommended Budget w/o Reductions
Total Sources - $1.9 Billion

- Intergovernmental Revenue: 41%
- Taxes: 23%
- Licenses, Fees, and Charges for Services: 19%
- Use of Fund Balances/Net Assets: 12%
- Other: 5%
Recommended Budget w/o Reductions
Total Uses - $1.9 Billion

- Health & Human Services, 23%
- Development Services, 16%
- Natural Resources and Agriculture, 17%
- Justice Services, 15%
- Administrative & Fiscal Services, 23%
- Capital Projects, 6%
- Increase to Fund Balance/Net Assets, 0%
20/21 Fi$cal Challenge Progression (In Millions)

- Pre-SIP Covid, ($6.8)
- Final YE Fund Balance, $13.6
- 20/21 CARES Available, $36.1
- Available Ongoing Sources (Revenues), $5.7
- CARES BOS & Comm Partners, ($8.0)
- 20/21 County C19 COOP, ($3.1)
- One-Time Sources, $26.72
- Ongoing Sources (Cuts), $7.2
- Realignment Backfill, $9.4
- 20/21 DHS Covid 19, ($46.2)
- ($43.9)
- ($54.5)
- ($14.9)
- ($56.8)
Basic Fiscal Principles

Balanced Budget and Fiscal Discipline

• The budget must balance resources with expenditure appropriations. The County must live within its own means and avoid disturbing other local jurisdictions’ revenue sources to resolve its deficiencies. Furthermore, any deviation from a balanced budget is not permitted by the California State Government Code, which states: “In the recommended, adopted, and final budgets the funding sources shall equal the financing uses.” (Government Code §29009).

• Sound anticipated ongoing revenue is recurring revenue, such as, taxes and fees. As part of the FY 2017-18 Budget Adoption, the Board established a new fiscal objective of reducing reliance on fund balance for operating purposes. Therefore, by FY 2020-21 the recommended budget will align annual operating expenditures with annual operating revenues.

• All County departments/agencies must, when directed by the County Administrator, submit recommended options for reducing their net county costs as part of their annual budget submittal. These reduction options will be the primary source for balancing the County Administrator’s recommended budget as submitted to the Board of Supervisors during difficult financial times. Reduction options will be accompanied by each department’s analysis of the impact on services. Depending upon state budgetary impacts on Sonoma County, additional reductions may be requested from the County departments.
Federal Funding Response

• HERO’s Act

• HEALS Act

• Negotiations & Outlook
Questions?

NEXT → Dr. Eyler Economic Update