



FY 17/18 Budget Workshop

Q&A

March 2017

Q: Where do my property taxes go?

A: Sonoma County is the property tax collector for all taxing districts within the county. In total, Sonoma County billed \$815 million in property taxes in FY 16/17. **Although you pay your property tax to Sonoma County, the County receives only .27 cents of every dollar.** The rest goes to other agencies, including .48 cents to public education, .09 cents to cities and towns, .08 cents to former redevelopment projects and .08 cents to other taxing districts, such as wastewater and other special districts.



Q: Why does the County take in \$1.65 Billion in total revenue but only has \$437 Million in unrestricted dollars (also, known as the County General Fund)

A: The county budget is composed of two types of funds: dedicated funds and the General Fund. Dedicated funds are the largest portion of the county budget, at about 85% of the total budget. These funds include contracts for services, fees, and levies that have been collected for specific purposes and must be allocated by law toward those purposes. For example, bus fares must fund transit and sewer fees fund wastewater treatment. **There is more flexibility in tax General Fund reserves, which is about 15% of the total budget.** This fund pays for the traditional functions of county government, such as the Sheriff's Office, and critical day-to-day services that are not supported by dedicated revenues.

Q: Where does the County get most of its General Fund from?

A: The County's General Fund for Fiscal Year 2016/17 is \$437 million. This funding comes from:

- ❖ Property and sales taxes (56.1%)
- ❖ State/federal funding (17.9%)
- ❖ Charges for services such as permits (12.4%)
- ❖ Prior Year Fund Balance (4.7%)
- ❖ Other sources (8.9%)



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Q: Where does the County spend most of its unrestricted General Fund budget?

A: More than half of the County's General Fund is dedicated to public safety (55%), including law enforcement services provided by the Sonoma County Sheriff's Office. Other community services include:

- ❖ General support services, such as technology services and human resources (21%)
- ❖ Safety net services such as senior assistance, mental health programs (11%)
- ❖ Infrastructure such as roads, regional parks, fire services (11%)
- ❖ Agricultural support and education, such as U.C. Cooperative Extension (2%)

Q: What are the challenges facing next year's budget?

A: The County of Sonoma is preparing the FY 17/18 budget on the premise that state and federal funding will decrease and property tax growth will slow.

State Impact: For example, the Governor has proposed cutting funding of the Coordinated Care Initiative and dismantling the In-Home Supportive Services Maintenance of Effort. For Sonoma County, the estimated impact is preliminarily identified at \$2.7 million growing to \$12.6 million by FY 2021-22.

Federal Impact: The County is anticipating funding cuts from various federal agencies and programs that may impact certain County services. The Administration's budget is expected to be released soon.

Property Taxes: Updated County fiscal forecasts assume slowing County General Fund property tax revenue growth of 4% for FY 2017-18, and future year increases at 3.5%; 3%; 2.5%; and 2% through FY 2021-22. Lower growth is estimated for future years given the following factors: (1) the County's low housing inventory, (2) focus on developing affordable housing units, (3) a potential economic reset; and (4) Proposition 13 limits property valuation assessment to a 2% inflation factor, as long as a properties are not sold.

Q: When can the community engage in the budget process?

A: Budget hearings will take place in June but our community is welcome to any Board of Supervisors meeting to make a public comment. Or invite us to your group's meeting to present the latest budget information. We look forward to working with you to develop our community's budget! The County's website has been updated to include the latest budget facts at sonoma-county.org/cao.