



April 9, 2019

# County of Fresno Mid-Year Budget Report

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Fiscal Year 2018-19

Presented By:

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County Administrative Officer



# Presentation Overview

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- Mid-Year budget FY 2018-19
- Fiscal outlook for FY 2019-20
- State budget impacts
- Budget development schedule
- Requested actions

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# Global Budgetary Protocols

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- Budget historically normal revenue amounts, not inflated revenue amounts
- Use conservative revenue estimates to cushion impact of potential economic downturn
- Employ fiscal discipline to achieve structural fund balance target
- Use of one-time revenues for one-time purposes and for future budgetary challenges

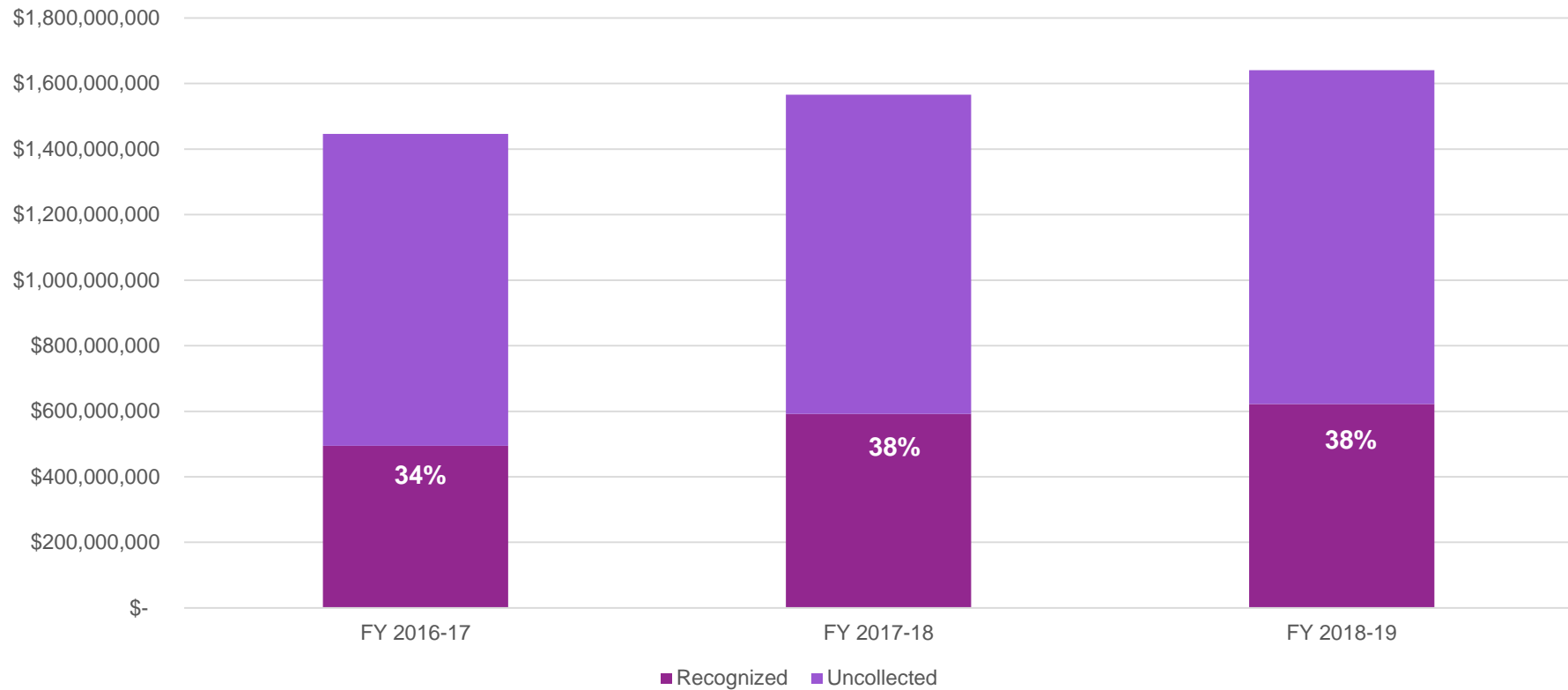


# FY 2018-19 General Fund Overview

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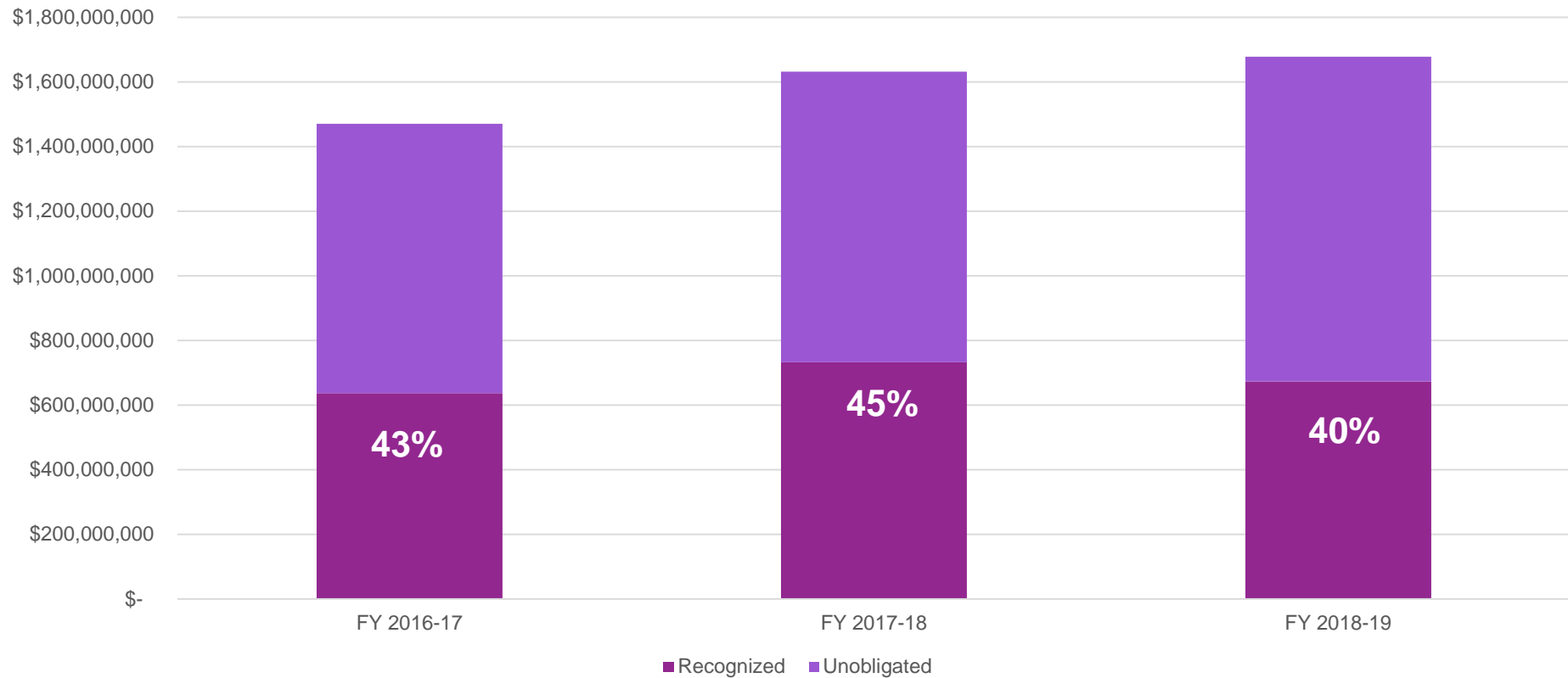
- The County continues to move in a positive fiscal direction
- The General Fund reserve was increased by \$8 million to \$36 million
- Allocated \$13 million for Capital Projects
  - \$1 million for Animal Control Facility
  - \$6 million for Board Chambers Upgrades
  - \$6 million for Sheriff Substation
- Allocated \$10 million for Budget Mitigation
- Allocated funding for first of two year increase in staffing in the Public Defender's Office

# Mid-Year General Fund Revenues Recognized Over Last Three Years





# Mid-Year General Fund Expenditures Obligated Over Last Three Years





# FY 2018-19 General Fund Mid-Year Budget Review

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- All General Fund departments are projected to finish the year at or below their allocated target
- Overall, General Fund revenues are 38% collected which is the same when compared to prior year and expenditures are 40% compared to last year's 45%
- County General Revenue estimates holding up with steady growth
- Most importantly, structural carryover fund balance is expected to exceed the current structural fund balance level of \$8.9 million



# General Fund Fiscal Outlook for FY 2019-20

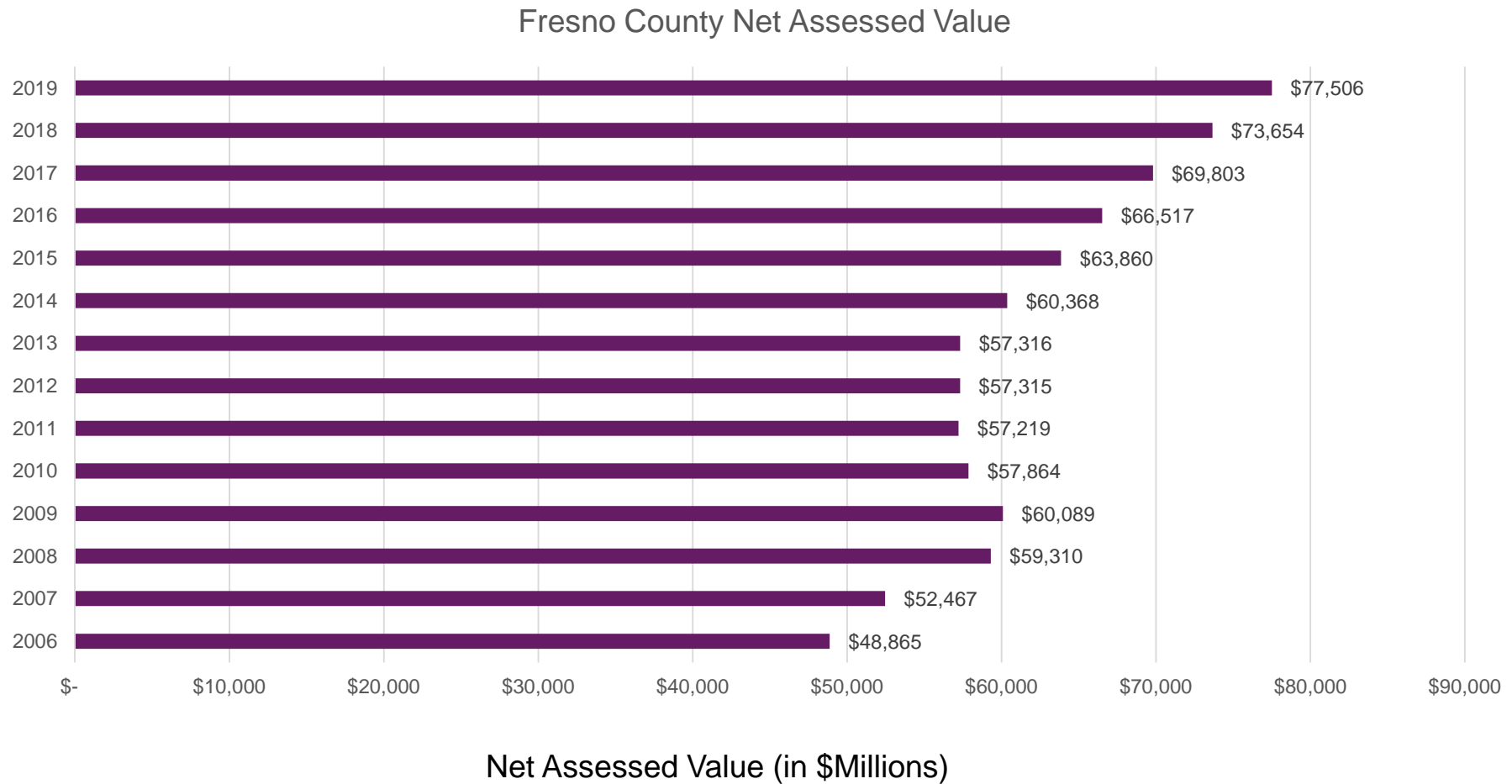
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Initial assessment of FY 2019-20 looks cautiously positive:

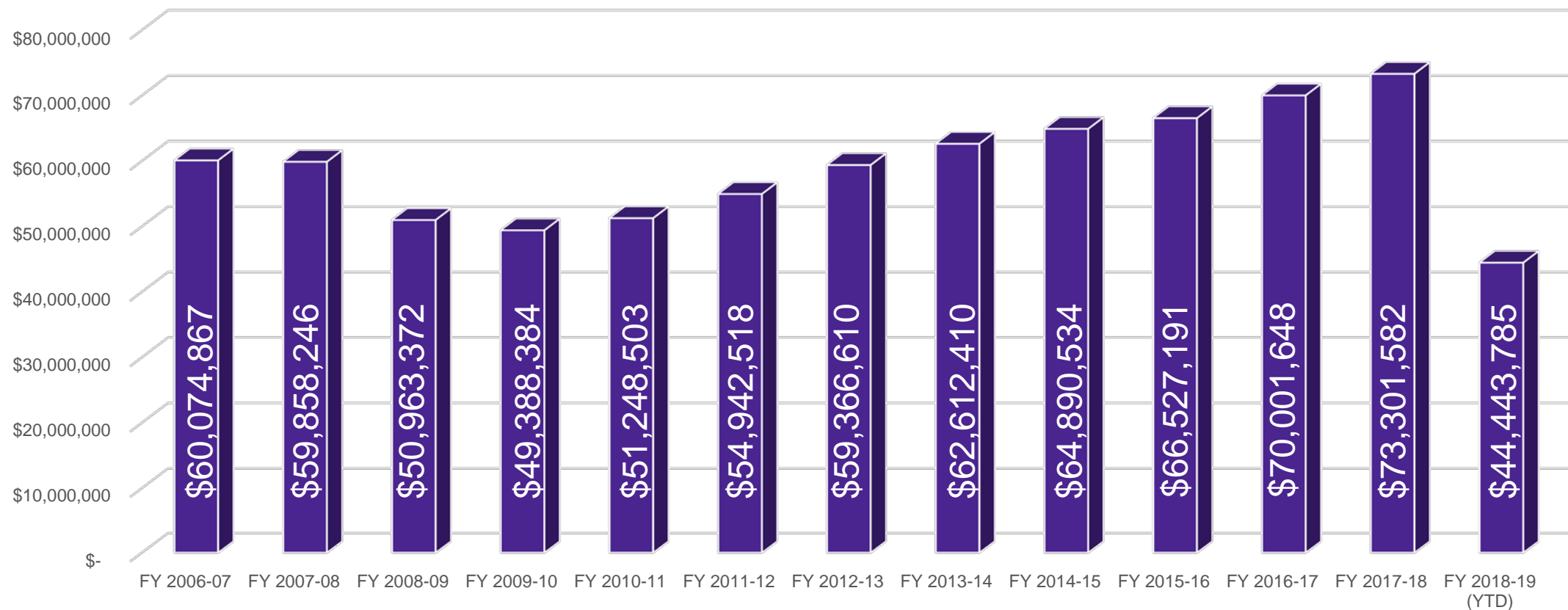
- Will begin the year with adequate fund balance and some level of one-time monies available for one-time purposes
- Growth in the housing and commercial markets continues at a steady rate (assessed value growth is everything)
- Local sales tax revenues remain static
- Existing labor agreements and planned labor negotiations along with planned increase in Public Defender staffing will most likely exceed growth in ongoing discretionary revenues
- Recently found out FCERA costs will spike significantly in FY 2020-21 so we must be cautious in future labor negotiations



# Local Assessed Value



# Proposition 172 - ½ Cent Public Safety Sales Tax



Source: [https://www.sco.ca.gov/ard\\_payments\\_pubsafe.html](https://www.sco.ca.gov/ard_payments_pubsafe.html)



# FY 2019-20 State Budget Impacts

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## Governor's proposed budget

- Proposed General Fund budget is \$144.2 billion, approximately the same as last year's revised \$144.1 billion
- Allocates 86% of estimated surplus or \$20.6 billion going into FY 2019-20
  - \$9.7 billion to paydown pension and post-employment benefit liabilities
  - \$3 billion to discretionary reserves
  - \$5.1 billion to one-time or temporary programmatic increases
  - \$2.8 billion in ongoing spending (LAO recommended \$3.0 billion)
- Total Reserves are proposed to total \$18.5 billion in FY 2019-20

# FY 2019-20 State Budget Impacts - continued

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## Emergency Preparedness and Response

- Budget includes \$213 million pursuant to SB 901 for fuels reduction, prescribed burns, and illegal fireworks disposal. First investment for of a total of \$1 billion over the next five years
- Additional monies for property tax backfill, CDAA augmentation, 9-1-1 improvements, mutual aid improvements, emergency communication enhancements, and public education



# FY 2019-20 State Budget Impacts - continued

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## Homelessness

- Additional \$500 million for siting emergency shelters, navigation centers, and supportive housing
  - Proposal includes \$200 million to local Continuums of Care
  - \$100 million to State's 13 largest cities
  - \$200 million for “meeting milestones” grants
  - Expedite the allocation of No Place Like Home grants



# FY 2019-20 State Budget Impacts - continued

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## Health and Human Services-IHSS

- Fixed the IHSS issue for at least the next three fiscal years by establishing a new IHSS MOE base for 2019-20 of \$1.56 billion
- Applies a 4% CPI instead of 7% and stops the redirection of 1991 Health and Mental Health VLF growth monies to the program

## Housing, Land Use and Transportation

- Budget includes \$4.8 billion in SB 1 monies, of which \$600 million for counties road maintenance and rehabilitation needs
- Cities and counties will share an additional \$332 million in price based excise tax for road purposes along with ongoing HUTA funding





# Budget Development Schedule

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Action	Date	Responsible Person
Recommended Budget to the Board of Supervisors	6/18/2019	County Administrative Officer
Final Budget Hearing begins and may proceed to September 20, 2019	9/16/2019	Board of Supervisors

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# Requested Actions

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1. Receive Mid-Year Budget Report for FY 2018-19
2. Approve proposed schedule for the Recommended Budget and adoption of the FY 2019-20 budget, which incorporates a Recommended Budget by June 18, 2019 with proposed adjustments to the Recommended Budget to be presented beginning September 16, 2019