



Legislation Details (With Board Report)

File #: 15-0415 **Name:** Update Report on FY 2015-16 Budget Development
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On agenda: 4/29/2015 **Final action:**
Title: Receive an Update on FY 2015-16 Budget Development.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Departmental Augmentation Requests - 04-22-15

Date	Ver.	Action By	Action	Result
4/29/2015	1	Budget Committee		

Receive an Update on FY 2015-16 Budget Development.

RECOMMENDATION:

It is recommended that the Budget Committee receive an update on FY 2015-16 Budget Development.

SUMMARY:

On April 20, 2015, the County Administrative Office held a budget workshop to share perspectives on budget challenges facing the County and to seek direction from the Board of Supervisors. This report is provided to the Board of Supervisors’ Budget Committee for further consideration of preliminary budget considerations as staff begins preparing the recommended budget for Fiscal Year (FY) 2015-16.

DISCUSSION:

In March, departments submitted “baseline” requested budgets for next fiscal year, detailing the staffing and operating expenditures they can afford with expected financing. Proposed expenditures total \$572.1 million, an increase of \$21.9 million over the current year adopted budget. Requested budgets with increased expenditures are balanced with growth in program revenues or, in some cases, financed by reserves set aside for planned one-time needs. The baseline budget also includes a \$5.7 million contingency appropriation for critical, unplanned operational needs next fiscal year. The uncommitted balance after financing requested baseline expenditures and taking into account expected revenue is \$12.8 million. This amount represents growth in non-program revenue after meeting County commitments (e.g., formula-based increases to economic development agencies and the road fund) and is the amount available to finance departmental augmentation requests.

When necessary to balance requested baseline budgets to expected revenue, departments cut operating expenditures and vacant positions. In total, departments unfunded 63.5 vacancies for an estimated expenditure savings of \$4.5 million. Some departments had already exhausted opportunities for cost savings because they have lost their budgetary flexibility due to cost pressures and/or do not have vacant positions. These departments cut a combined total of 66 positions to balance their budgets and submitted augmentation requests for additional general fund contributions, valued at \$7.5 million, to restore these positions.

The County Administrative Office received augmentation requests totaling \$50.0 million, offset by \$6.3 million in revenue, and a requested \$43.7 million in general fund contributions. Included in these totals are requests to

restore filled and vacant positions, add new positions, replace, maintain, or improve infrastructure, run the new Schillings Place buildings, and various other needs. Specific departmental requests are detailed in the attachment.

During the workshop, the County Administrative Office provided an overview of augmentation requests. The overview included “level 1” priority considerations that can be funded within the constraints of the available growth in discretionary monies, and “level 2” priority considerations that represent important needs for which funding is not available. Options for funding the level 2 considerations included removing items from the level 1 list, asking the County Administrative Office to re-prioritize current base levels of funding, or reducing next year’s contingency appropriation.

Following the workshop, the County Administrative Office will employ Board direction and priorities to prepare the recommended budget for “print” by May 15. The recommended budget will be presented to the Budget Committee on May 27, with budget hearings commencing June 2nd. Budget adoption is scheduled for June 23rd.

OTHER AGENCY INVOLVEMENT:

Development of the recommended budget is a collaborative effort between the County Administrative Office and all County departments, with overall direction provided by the Board of Supervisors.

FINANCING:

This is an informational report and as such there is no fiscal impact that would result from the receipt of this report.

Prepared by:

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Date:

Date:

Attachments: Departmental Augmentation Requests