

County of Yolo

VICTOR SINGH
County Administrative Officer



COUNTY ADMINISTRATIVE OFFICE

625 Court Street, Room 202 Woodland, CA 95695
(530) 666-8150 FAX (530) 666-8147
www.yolocounty.org

To: The Honorable **MIKE McGOWAN**, Chairman, and
Members of the Board of Supervisors

From: **SHARON JENSEN**, Assistant County Administrative Officer
by **DON ISHIKAWA**, Principal Administrative Analyst;
JOHN CLARK, Principal Administrative Analyst
ELIZABETH KEMPER, Principal Administrative Analyst
DON HOFF, Principal Administrative Analyst;

Date: January 27, 2004

Subject: **2003/04 Midyear Budget Monitor Report**

RECOMMENDED ACTION

That your Board receive and file the midyear budget report for 2003/04.

FISCAL IMPACT

Most departments are managing well within their budgeted finances. The projected year-end, general fund carryover balance is approximately \$2.0 million. Staff will be working with departments with significant shortfalls to reduce the negative fiscal impacts. There may also be the need to make limited year-end transfers from the contingency fund to some departments. These transfers will require the approval of the Board.

REASON FOR RECOMMENDED ACTION

To provide your Board a midyear report of the county's financial status, including information on the status of departmental revenues and expenditures.

BACKGROUND

The County Administrative Office annually provides the Board of Supervisors with a midyear budget report. This report is a compilation of information submitted by departments. The report tracks countywide and departmental expenditures and revenues for the first part of the fiscal year, which ended December 31, 2003. Year-end budget revenues are forecasted to exceed projected expenditures, maintaining a balanced budget.

The most notable budget issues (over \$75,000) are summarized on this memo by service area (i.e., General Government). Attachment 1 is the 2003/04 Midyear Budget Report, which

provides greater budget detail on all programs. The table sorts program expenditures and revenues into General Fund and Other Funds columns. The General Fund column presents the surplus or shortfall amounts projected to impact unrestricted local county resources. The Other Funds column presents amounts that impact grant, state, federal or other restricted resources.

General Government

1. **General Fund Contingency:** The unspent balance is projected to be approximately \$1.6 million. Pending issues that may require an appropriation from contingencies include the general ledger MIS transition project and jail medical pre-booking costs. This amount is the primary source for the anticipated \$2.0 million year-end carryover fund balance.
2. **Countywide Expenditures:** The budget included funds to finance countywide costs for an increase in employee health insurance premiums and potential litigation settlements. The cost for these issues was undetermined at the time the budget was adopted. Actual costs for health insurance premiums have now been determined and the uncertainty regarding potential settlements has been reduced resulting in projected savings of approximately \$445,000.
3. **Countywide Revenues:** This budget unit contains various unrestricted revenue sources and is projected to be \$450,000 less than originally budgeted. The revenue shortfall is primarily the result of the state's miscalculation of the vehicle license fee (VLF) "gap". The estimates for revenues in the budget assume moderate economic growth for the remainder of the fiscal year.
4. **Human Resources:** Unfilled positions are projected to provide general fund savings of approximately \$110,000.
5. **Central Services - Facility Maintenance:** Savings of \$175,000 are anticipated from the deferral of projects planned for the former Yolo General Hospital building. Any unspent revenue from these projects will remain in the Pomona fund.
6. **Central Services Utilities - Gas & Electricity:** Savings of approximately \$361,000 are projected as a result of the energy project. As provided in the budget, these savings will be transferred to the Pomona fund.
7. **County Clerk Recorder:** The department anticipates significant savings from vacant positions, which will reduce the transfer of funds from the restricted recording fee revenue fund by \$259,000.

Law and Justice

1. **District Attorney;** The criminal division is anticipating savings of approximately \$268,000 primarily attained through unfilled positions.
2. **Probation Department:** The department's combined budgets are anticipated to be balanced. Overtime costs in the juvenile hall will be offset by an increase in contract revenues in the work program budget and savings in other Probation budgets.

3. Sheriff/Coroner Department: Department staff is projecting budget shortfalls of \$156,000 in the patrol budget and \$227,000 in the detention budget. High amounts of overtime have been used to fill in for vacant positions in both programs. An \$101,000 increase in out-of-county inmate housing costs also contributes to the detention budget shortfall.
4. Public Defender: Savings from unfilled positions are anticipated to conserve approximately \$131,000 in general funds.

Health and Human Services

1. Alcohol, Drug and Mental Health: The department indicates it expects to be balanced at the end the fiscal year. However, revenues in the department have been lagging due in part to the implementation of the department's new Management Information System, and costs in some programs continue to run ahead of budget projections. Budget Office staff continues to work with the department to refine year-end projections, which in some county-wide indicators show a likely deficit. A further update on the department's fiscal situation will be provided at the Board's March 23, 2004 meeting, along with the PRSC implementation update.
2. Community Health: Cost savings from unfilled positions is projected to save \$250,000 in realignment funds.
3. Jail/Juvenile Hall Medical: Pre-booking medical costs are primarily responsible for a projected shortfall of approximately \$149,000. A year-end transfer of general fund contingency has historically financed these expenses.
4. The Department of Employment and Social Services: Department staff have made significant progress in reducing costs and leveraging federal/state funds. The department is projecting net budget savings of approximately \$612,000. The savings are primarily the result of cost savings in salary and benefits, cost reductions in services and supplies and the reallocation of costs to maximize federal and state reimbursements.

Land, Education and Recreation

1. Planning and Public Works - Roads: A year-end carryover balance of \$368,000 is projected. This balance is linked to projects that will not be completed in the current year. The projects and associated costs will be completed and financed by the carryover funds in the next fiscal year

OTHER AGENCY INVOLVEMENT

The County Administrative Office worked with all county departments to identify financial issues and take corrective measures.

Attachments: 2003/04 Midyear Budget Report

I:bud03-04/monitor/monitor.memo

| Department and Budget Unit | Budget Status | General Fund | Other Funds |
|------------------------------------|--|-----------------------|-----------------------|
| | | Surplus/ (-)Shortfall | Surplus/ (-)Shortfall |
| GENERAL GOVERNMENT | | | |
| Assessor | increase in salary & benefit costs | -\$8,945 | \$0 |
| Assessor Grant | increase in salary & benefit costs | -\$8,867 | \$0 |
| Auditor-Controller | service & supply savings | \$1,769 | \$0 |
| Tax & Revenue Anticipation Notes | balanced | \$0 | \$0 |
| Board of Supervisors | balanced | \$0 | \$0 |
| Contingencies | anticipated year-end balance, budgeted \$2,066,282 | \$1,666,282 | \$0 |
| County Administrative Office | balanced | \$0 | \$0 |
| Clerk to the Board of Supervisors | balanced | \$0 | \$0 |
| Countywide Expenditures | savings from employee health insurance premiums & anticipated legal settlements | \$445,150 | \$0 |
| Countywide Revenues | state miscalculation and decrease in VLF "gap" funds | -\$450,000 | \$0 |
| Economic Development | salary savings | \$17,000 | \$0 |
| Justice Collections | balanced | \$0 | \$0 |
| Dental Insurance | balanced, modest decrease in both costs & revenues | \$0 | \$0 |
| Disaster Expenditures | balanced | \$0 | \$0 |
| Human Resources | salary savings | \$110,091 | \$0 |
| Organizational Development | balanced | \$0 | \$0 |
| Information Technology | operational savings | \$25,275 | \$18,459 |
| LAFCO | balanced | \$0 | \$0 |
| Office of Revenue & Reimbursement | operational savings | \$72,648 | \$0 |
| Purchasing | increase in revenue from surplus equipment sales | \$25,214 | \$0 |
| Risk Management | balanced | \$0 | \$0 |
| Special Employee Services | service and supply savings | \$8,488 | \$0 |
| Unemployment Insurance | balanced | \$0 | \$0 |
| Central Services - Administration | balanced | \$0 | \$0 |
| Facility Maintenance | decrease in hospital bldg projects and corresponding decrease in the use of Pomona funds | \$0 | \$175,000 |
| Utilities - Gas & Electricity | budgeted savings of \$361,000 for the Pomona Fund | \$0 | \$0 |
| Graphics | balanced | \$0 | \$0 |
| Telecommunications | balanced | \$0 | \$0 |
| County Clerk-Administration | balanced | \$0 | \$0 |
| Elections | balanced | \$0 | \$0 |
| Recorder | salary savings | \$0 | \$259,000 |
| County Counsel | balanced | \$0 | \$0 |
| Indigent Defense | balanced, modest risk from pending homicide cases | \$0 | \$0 |
| Grand Jury | balanced | \$0 | \$0 |
| Treasurer-Tax Collector | service and supply costs | -\$5,000 | \$0 |
| Subtotal General Government | | \$1,899,105 | \$452,459 |

| Department and Budget Unit | Budget Status | General Fund | Other Funds |
|----------------------------------|---|-----------------------|-----------------------|
| | | Surplus/ (-)Shortfall | Surplus/ (-)Shortfall |
| LAW AND JUSTICE | | | |
| Child Support Services | balanced, salary savings to offset cut in state funding | \$0 | \$0 |
| District Attorney | salary savings | \$0 | \$268,283 |
| Child Abduction Unit | balanced | \$0 | \$0 |
| Criminal Grants | balanced | \$0 | \$0 |
| Insurance Fraud Grants | balanced | \$0 | \$0 |
| Special Investigations (YONET) | salary savings | \$0 | \$3,728 |
| Victim Witness | salary savings | \$0 | \$10,399 |
| Probation | | | |
| Administration | salary savings | \$0 | \$21,675 |
| Care of Court Wards | cost savings | \$0 | \$0 |
| Detention | overtime costs for juvenile hall | \$0 | -\$179,501 |
| Service Unit | salary savings | \$0 | \$23,246 |
| AB 1913 Grant | balanced | \$0 | \$0 |
| Work Program | Increase in contracted work revenues | \$0 | \$115,010 |
| Public Administrator/Guardian | operational savings & increase in PA/PG fees | \$0 | \$0 |
| Public Defender | operational savings & increase in state grant | \$131,792 | \$0 |
| Sheriff | | | |
| Animal Services | operation cost increases | \$0 | -\$23,636 |
| Boat Patrol | balanced | \$0 | \$0 |
| Civil Process | salary savings & revenue increase | \$0 | \$21,102 |
| Coroner | cost increases | \$0 | \$0 |
| Court Security | salary savings | \$0 | \$69,171 |
| Detention | overtime costs and out-of-county inmate housing | \$0 | -\$227,686 |
| Management | service and supply savings | \$0 | \$25,430 |
| Patrol | overtime costs | \$0 | -\$156,201 |
| Training | operational savings | \$0 | \$10,434 |
| Public Safety Sales Tax Revenue | | \$0 | \$0 |
| Subtotal Law and Justice | | \$131,792 | -\$18,546 |
| HEALTH AND HUMAN SERVICES | | | |
| Alcohol, Drug and Mental Health | | | |
| Alcohol and Drug | balanced | \$0 | \$0 |
| Mental Health - Administration | balanced | \$0 | \$0 |
| Mental Health - Utilization Mgmt | balanced, significant decrease in federal funds offset by a reduction in operational costs | \$0 | \$0 |
| Mental Health - Adult Care | balanced | \$0 | \$0 |
| Mental Health - Children's Care | balanced | \$0 | \$0 |

| Department and Budget Unit | Budget Status | General Fund | Other Funds |
|--|---|-----------------------|-----------------------|
| | | Surplus/ (-)Shortfall | Surplus/ (-)Shortfall |
| Health Services | | | |
| Community Health | salary savings reduce need for realignment funds | \$0 | \$250,000 |
| Children's Medical Services | balanced | \$0 | \$0 |
| Environmental Health | operational savings offset by decrease in state funds | \$0 | \$0 |
| Indigent Healthcare | impact from the reduction in state CHIP funds | \$0 | -\$38,069 |
| Health Care Financing - CHIP | balanced | \$0 | \$0 |
| Emergency Medical Services | balanced | \$0 | \$0 |
| Jail/Juvenile Hall Medical | pre-booking costs | -\$149,000 | \$0 |
| Department of Employment and Social Services | | | |
| Administration and Services | operational savings | \$0 | \$458,906 |
| TANF/CalWORKS & Foster Care | operational savings | \$0 | \$30,873 |
| Community Contract Programs | balanced, cost reduction and revenue decrease | \$0 | \$0 |
| General Assistance | improved cost allocation to state/federal programs | \$114,000 | \$0 |
| Veterans Service Office | salary savings & increase in state/federal revenue | \$10,061 | \$0 |
| Community Partnership | balanced | \$0 | \$0 |
| Subtotal Health and Human Services | | -\$24,939 | \$701,710 |
| LAND, EDUCATION & RECREATION | | | |
| Agriculture | salary savings & increase in state funds | \$39,000 | \$0 |
| Cooperative Extension | balanced | \$0 | \$0 |
| Fish & Game | balanced | \$0 | \$0 |
| Library | balanced | \$0 | \$0 |
| Archives | balanced | \$0 | \$0 |
| YoloLINK | balanced | \$0 | \$0 |
| Contingency | no year-end balance anticipated | \$0 | \$0 |
| Planning & Public Works | | | |
| Airport | balanced | \$0 | \$0 |
| Building/Planning | balanced | \$0 | \$0 |
| Resources Management | balanced | \$0 | \$0 |
| Fleet Services | balanced | \$0 | \$0 |
| Housing Grants | balanced | \$0 | \$0 |
| Parks, Grounds and Museum | balanced | \$0 | \$0 |
| Fish And Game | balanced | \$0 | \$0 |
| Roads | savings from change in project schedules | \$0 | \$368,492 |
| Sanitation Enterprise | balanced | \$0 | \$0 |
| Surveyor and Engineer | balanced | \$0 | \$0 |
| Transportation | balanced | \$0 | \$0 |
| Subtotal Land, Education and Recreation | | \$39,000 | \$368,492 |
| Total Operations Funds | | \$2,044,958 | \$1,504,115 |

| Department and Budget Unit | Budget Status | General Fund | Other Funds |
|-----------------------------------|-------------------------------|-----------------------|-----------------------|
| | | Surplus/ (-)Shortfall | Surplus/ (-)Shortfall |
| CAPITAL IMPROVEMENTS | | | |
| Accumulative Capital Outlay | balanced | \$0 | \$0 |
| DEBT SERVICE | | | |
| Davis Library | balanced | \$0 | \$0 |
| Davis Library Expansion | refunding of Davis bond issue | \$0 | \$50,007 |
| Davis Building | balanced | \$0 | \$0 |
| District Attorney Building | balanced | \$0 | \$0 |
| Library Central Services | balanced | \$0 | \$0 |
| Rolling Acres & Brentwood Village | balanced | \$0 | \$0 |
| West Sacramento Building | balanced | \$0 | \$0 |