



Budget Basics

Recommended Budget
FY 2012-13
June, 2012

What is the Recommended Budget?

- A forecast of all planned revenue and expenses
- Provides a model for how the county might perform financially given certain assumptions about the future
- Enables the actual financial performance of the county to be measured against the forecast
- A budget should balance:
 - Total revenue equals total appropriations

Is the Recommended Budget balanced?

- The Recommended Budget is balanced
 - Projected Revenue = Projected Appropriations



What assumptions are built into the Recommended Budget?

- Property tax revenue: \$51.5 million
 - No growth – Same as FY 2011-12 year end projection

- Sales tax revenue: \$6.75 million
 - No growth – Same as FY 2011-12 year end projection

- Vehicle License Fees: \$16 million
 - No growth – Same as FY 2011-12 year end projection

How does the Recommended Budget compare to last year's budget?

- Total budget decreased by \$20 million (-5%)
- General Fund decreased by \$15 million (-7%)
- Increase of 9.1 FTE's from FY 2011-12 current approved allocation (less than 1%)

How big is the Recommended Budget?

- **TOTAL** Recommended Budget = \$382,056,130
 - General Fund = \$194,251,105
 - Non-General Funds = \$187,805,025

Non-General
Funds
\$187,805,025
49%



General Fund
\$194,251,105
51%

What is the General Fund?

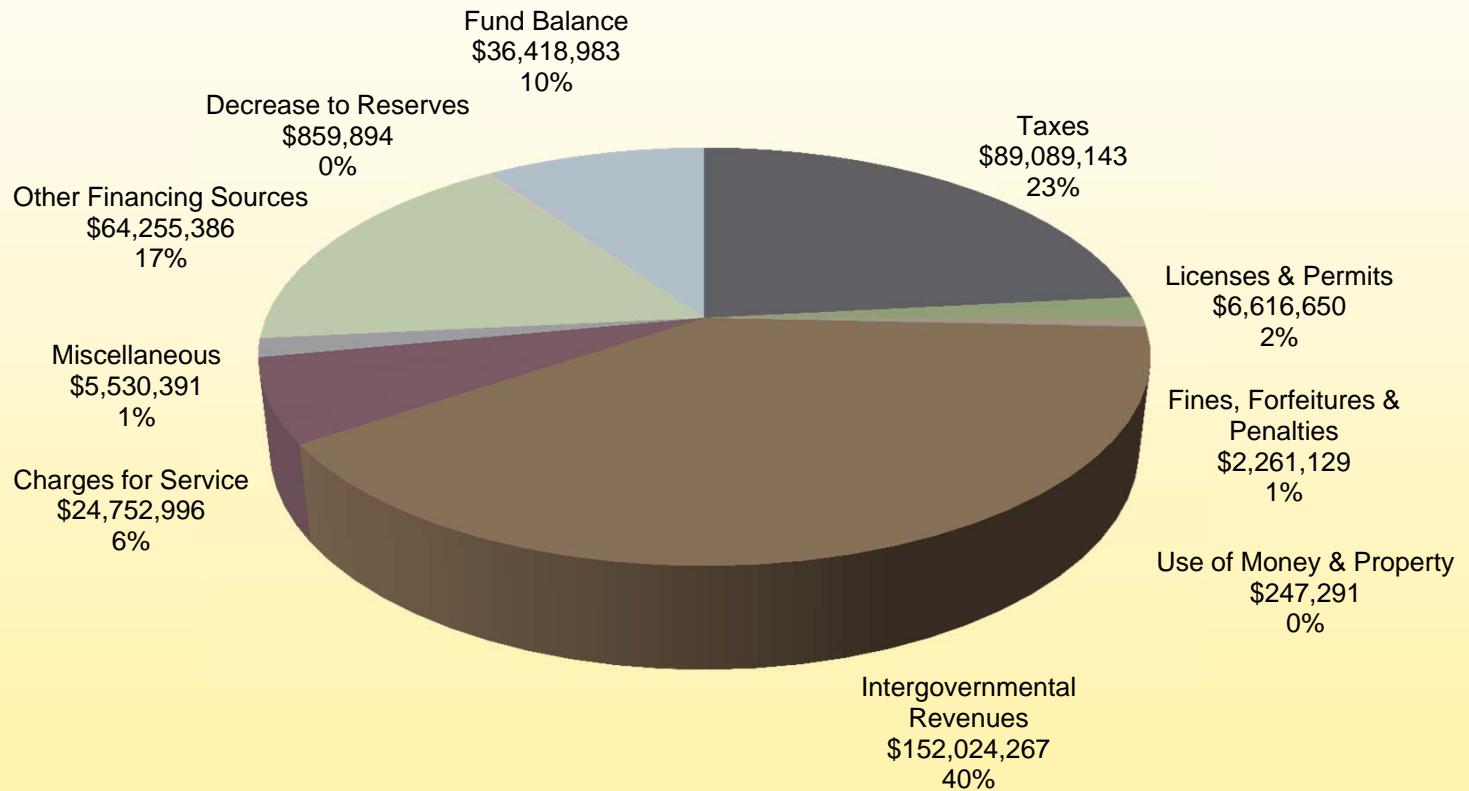
- The General Fund is the slice of the budget primarily funded with discretionary dollars

What are Non-general funds?

- Non-General Fund spending is determined by state law or other special conditions
- **Most** of the County's budget consists of General Fund money (51%)

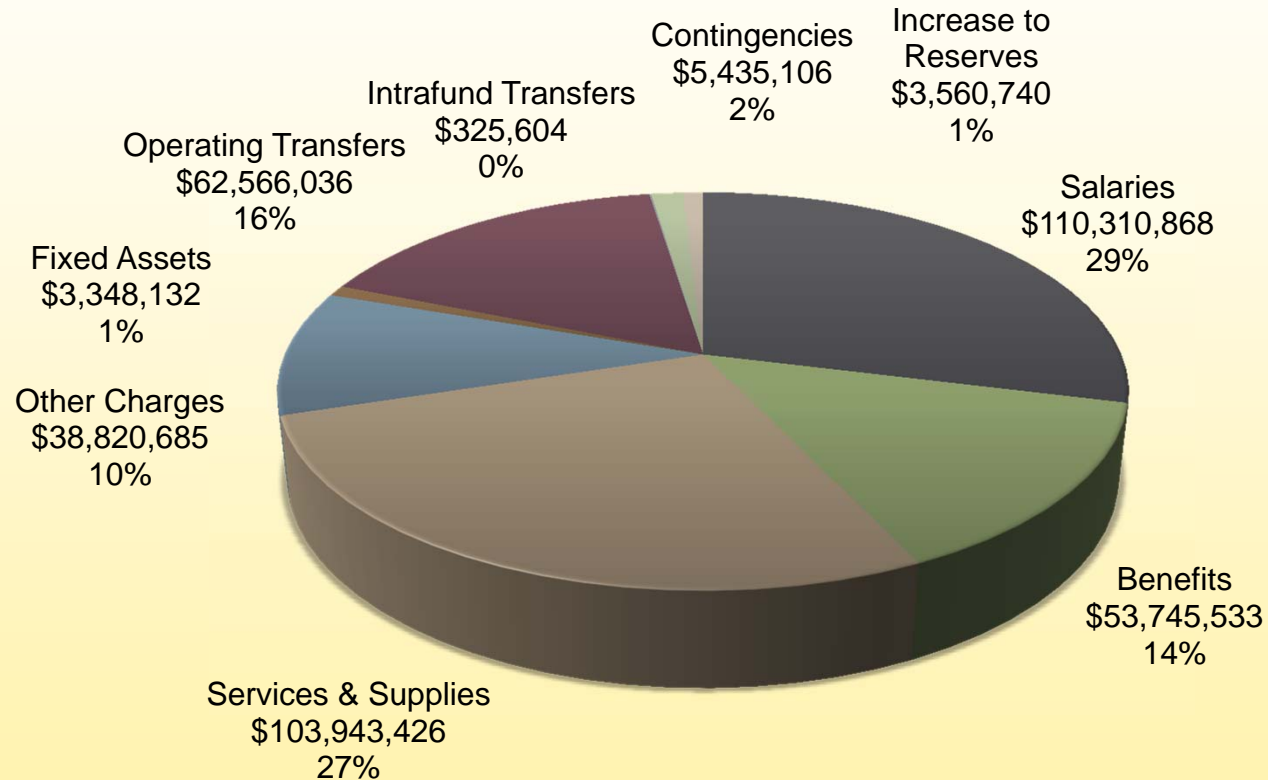


Where does all the money come from in the Recommended Budget?



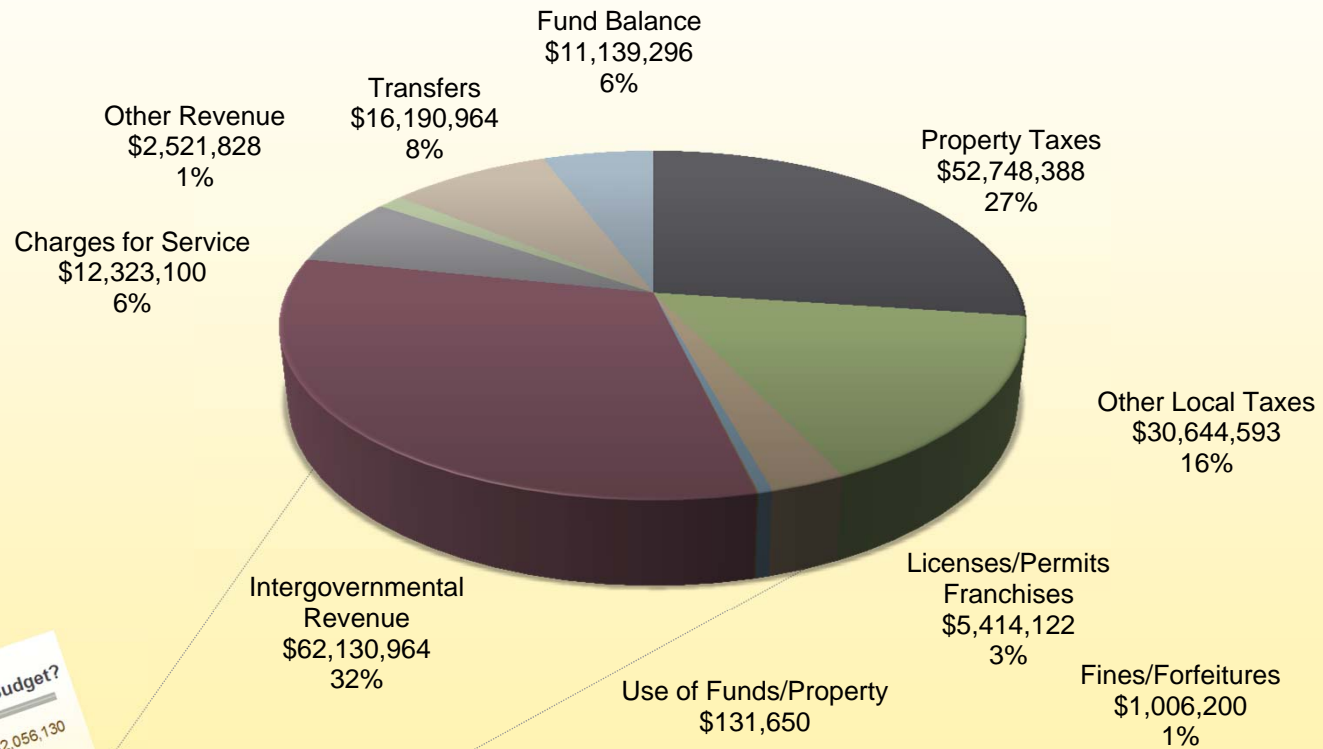
(revenue sources across all funds)

What does the Recommended Budget pay for?



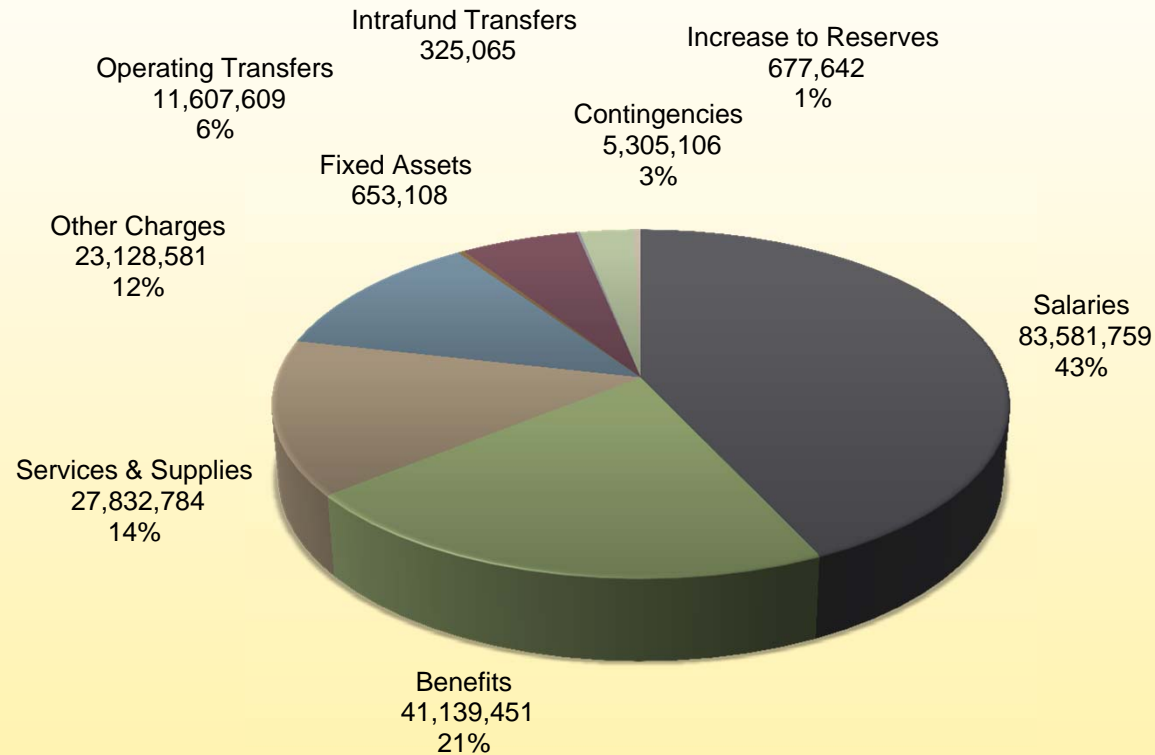
Salaries & Benefits = People = Services to the Public

Where does the *General Fund* money come from?



General Fund
\$194,251,105

What does the General Fund pay for?

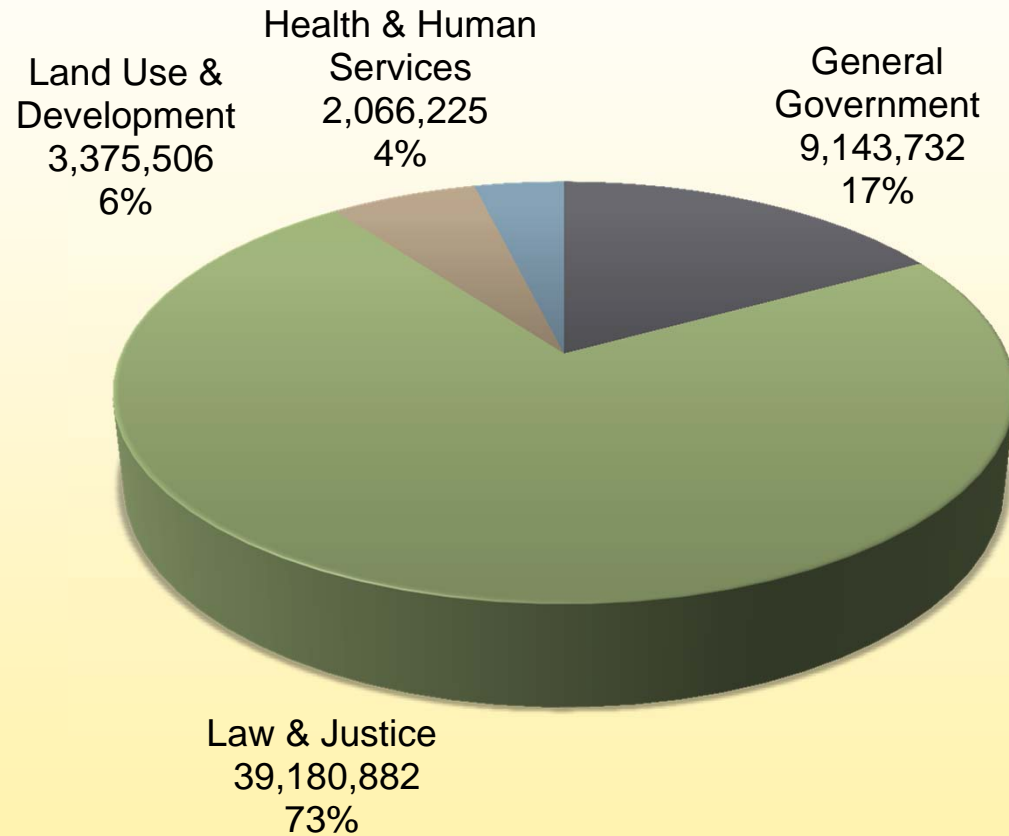


Salaries & Benefits = People = Services to the Public

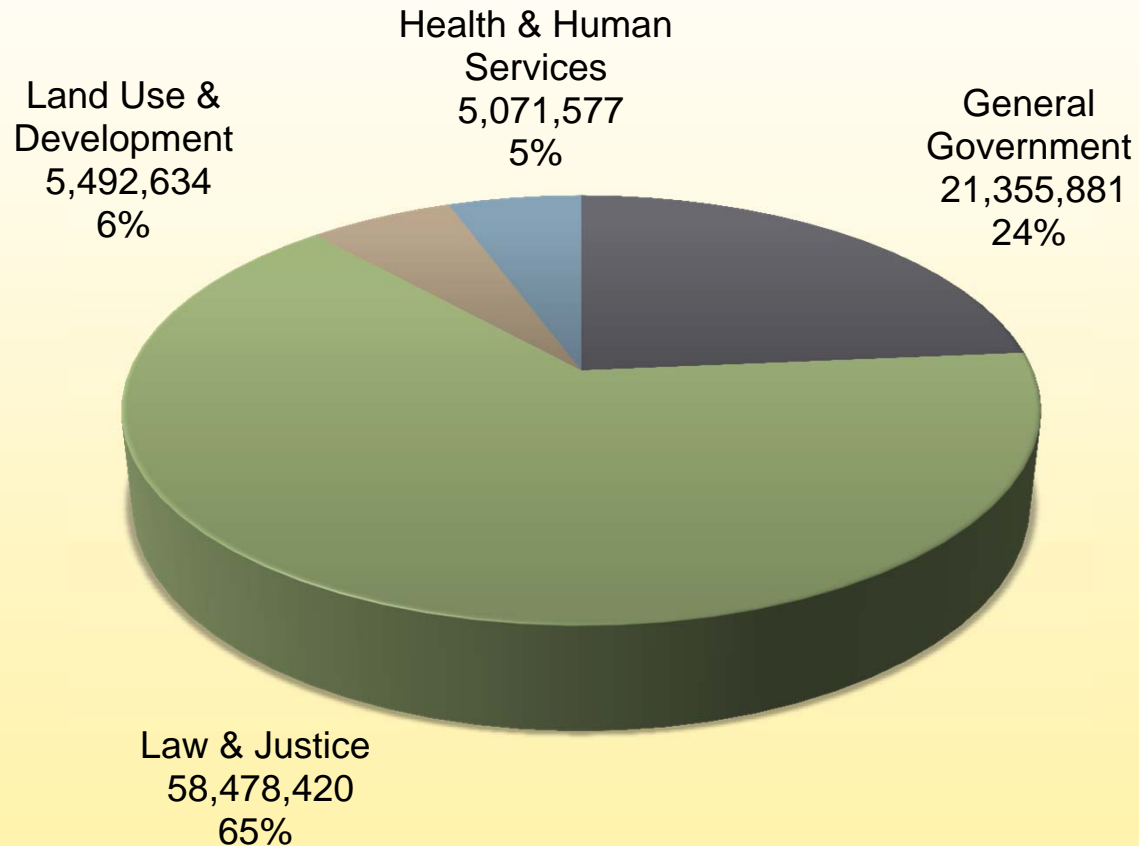
How does the General Fund support county programs?

- Departments get money from different sources
 - For example: grants, state & federal agencies, and charges for service
- When that doesn't cover all of the department's costs, the difference is made up with other General Fund discretionary dollars
- These other discretionary dollars are a department's **"Net County Cost"**
- Departments are required to live within their "Net County Cost" to ensure that no additional General Fund support is required

Distribution of Net County Cost by Program Area FY 2003-04



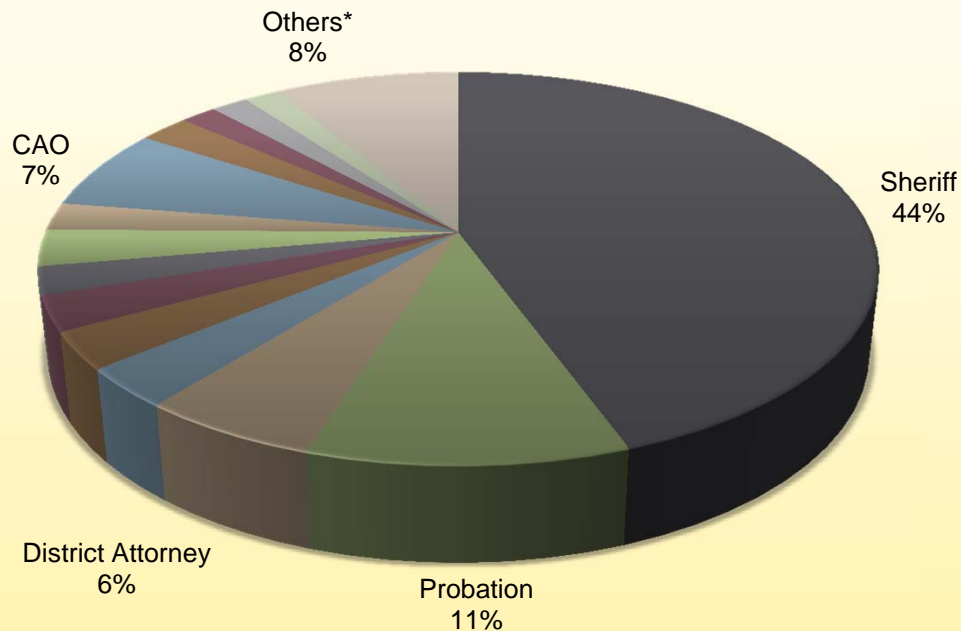
Distribution of Net County Cost by Program Area FY 2012-13



Distribution of Net County Cost by Department FY 2012-13

2%
 Human Services
 County Counsel
 Information Technologies
 Board of Supervisors
 Surveyor
 Library

3%
 Development Services
 Public Defender
 Auditor-Controller
 Assessor



*Departments with less than 1% of total Net County Cost: Animal Control, Recorder-Clerk, Treasurer/Tax Collector, Court, Human Resources, Economic Development, Agriculture, Veterans, Environmental Management, Grand Jury, Department of Transportation

Does the Recommended Budget contain reserve funds?

- 8% set aside for “rainy day” including:
 - \$8.8 million in reserves
 - 5% of adjusted General Fund appropriations
 - \$5.3 million for contingency
 - 3% of adjusted General Fund appropriations
- \$8.7 million set aside as designation for Capital Projects

What does the Recommended Budget mean for the future?

- Future year deficits assume:
 - No growth in Discretionary Revenues
 - \$2 million in operational savings each year
 - Maintaining 8% reserve/contingency
 - Annual appropriations growth of approx. 3.5%
 - Does not account for potential effects of State actions

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Total Revenues	\$194,111,809	\$191,094,529	\$193,354,454	\$195,632,756	\$198,073,574
Total Appropriations	\$193,573,463	\$199,345,226	\$206,472,821	\$213,881,353	\$221,458,680
Total Revenue Surplus/Shortfall	\$ 677,642	\$ (8,250,697)	\$ (13,118,367)	\$ (18,248,597)	\$ (23,385,106)