County of San Joaquin



2014-2015 Proposed Budget

Development of 2014-15 Budget



- Long-standing Board-established fiscal/budget/ reserve policies
- ➤ Limited local resources → highest priority areas in meeting community services
- ➤ Update Multiyear Budget Outlook thru 2018-19
- > Slow economic recovery
 - □ Not structurally-balanced
 - □ Reduction in reliance on one-time solutions

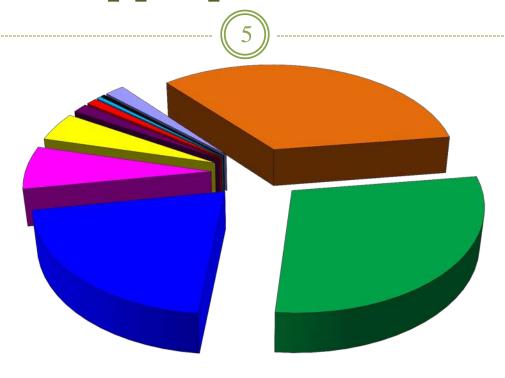
2014-15 Proposed Budget (\$\\$\\$\ in Millions)

		(3)			
	2013-14	2014-15	Increase/(D	Decrease)	% of
	Adopted	Proposed	Amount	Percent	Total
Appropriations	\$1,307.4	\$1,323.2	\$15.8	1.2%	98.1%
Contingencies	18.9	26.0	7.1	37.7%	1.9%
Total Approp	\$1,326.3	\$1,349.3	\$23.0	1.7%	100.0%
Sources of Funding					
Deptal Revenue	\$1,027.6	\$1,059.0	\$31.4	3.1%	78.5%
General Purpose	207.2	215.2	8.0	3.8%	15.9%
Fund Balance					
General Fund	16.1	11.0	(5.0)	-31.3%	0.8%
Contingency Fund	18.5	25.6	7.1	38.7%	1.9%
All Other Funds	56.9	38.4	(18.5)	-32.5%	2.8%
Total Sources	\$1,326.3	\$1,349.3	\$23.0	1.7%	100.0%

2014-15 Appropriation (\$\\$\\$in Millions)

	2013-14	2014-15	Increase/(Decrease)		% of
	Adopted	Proposed	Amount	Percent	Total
General Government	\$68.4	\$61.7	(\$6.7)	-9.8%	4.6%
Capital Maintenance	18.9	20.1	1.2	6.3%	1.5%
Environ Protection	15.3	14.0	(1.3)	-8.5%	1.0%
Law & Justice	266.3	278.9	12.6	4.7%	20.7%
Roads & Facilities	117.4	91.1	(26.3)	-22.4%	6.8%
Health Services	440.5	458.2	17.7	4.0%	34.0%
Human Services	369.5	388.0	18.5	5.0%	28.8%
Education	5.8	6.2	0.4	6.9%	0.5%
Parks & Recreation	5.3	5.1	(0.2)	-3.8%	0.4%
Contingencies	18.9	26.0	7.1	37.6%	1.9%
Total Approp	\$1,326.3	\$1,349.3	\$23.0	1.7%	100.0%

2014-15 Appropriation: \$1.35 Billion

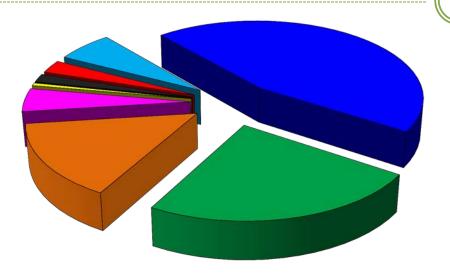


- **■** Health Services (\$458.2M, 34%)
- Law & Justice (\$278.9M, 20%)
- □ General Government (\$61.7M, 4.6%)
- **■** Environmental Protection (\$14.0M, 1%)
- **■** Parks & Recreation (\$5.1M, 0.4%)

- **■** Human Services (\$388.0M, 29%)
- Road & Facilities (\$91.1M, 7%)
- Capital Maintenance (\$20.1M, 1.5%)
- Education (\$6.2M, 0.5%)
- **■** Contingencies (\$26.0M, 2%)

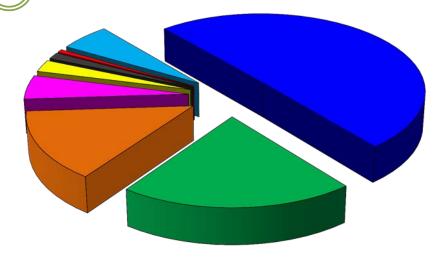
Use of Funds \$1.35B

Source of Funds \$1.35B





- **■** Services & Supplies (\$367.5M, 27%)
- **■** Other Charges (\$230.5M, 17%)
- Structures & Improvements (\$72.9M, 5%)
- □ Equipment (\$8.5M, 1%)
- **■** Contingencies (\$26.0M, 2%)
- Operating Transfers (\$40.8M, 3%)
- Expense Reimbursements (-\$96.5M, -7%)



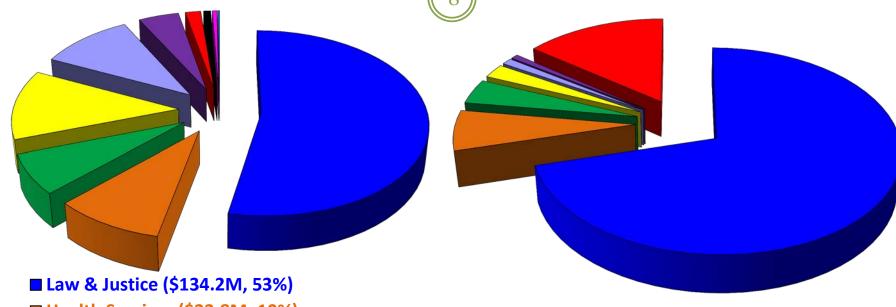
- **■** Gov'tal Aid (\$678.9M, 50%)
- Charges for Services (\$278.8M, 21%)
- **■** Property Taxes (\$190.4M, 14%)
- **□** Operating Transfers In (\$66.3M, 5%)
- □ Sales Taxes (\$33.2M, 3%)
- Other Taxes/Revenues (\$18.3M, 1%)
- **■** Fines/Forfeitures/Penalties (\$8.4M, 1%)
- **■** Fund Balances (\$75.0M, 5%)

2014-15 Net County Cost (\$ in Millions)

		(7)			
	2013-14	2014-15	Increase/(D	Decrease)	% of
	Adopted	Proposed	Amount	Percent	Total
General Government	\$32.1	\$30.9	(\$1.2)	-3.7%	12.3%
Capital Maintenance	13.8	11.2	(2.6)	-18.8%	4.4%
Environ Protection	3.8	4.3	0.5	13.2%	1.7%
Law & Justice	128.1	134.2	6.1	4.8%	53.3%
Roads & Facilities	1.6	1.3	(0.3)	-18.8%	0.5%
Health Services	25.6	23.8	(1.8)	-7.0%	9.5%
Human Services	15.0	17.6	2.6	17.3%	7.0%
Education	0.5	0.5	0.0	0.0%	0.2%
Parks & Recreation	2.3	2.0	(0.3)	-13.0%	0.8%
Contingencies	18.9	26.0	7.1	37.6%	10.3%
Total NCC	\$241.7	\$251.8	\$10.1	4.2%	100.0%

Net County Cost \$251.8M

General Purpose \$251.8M

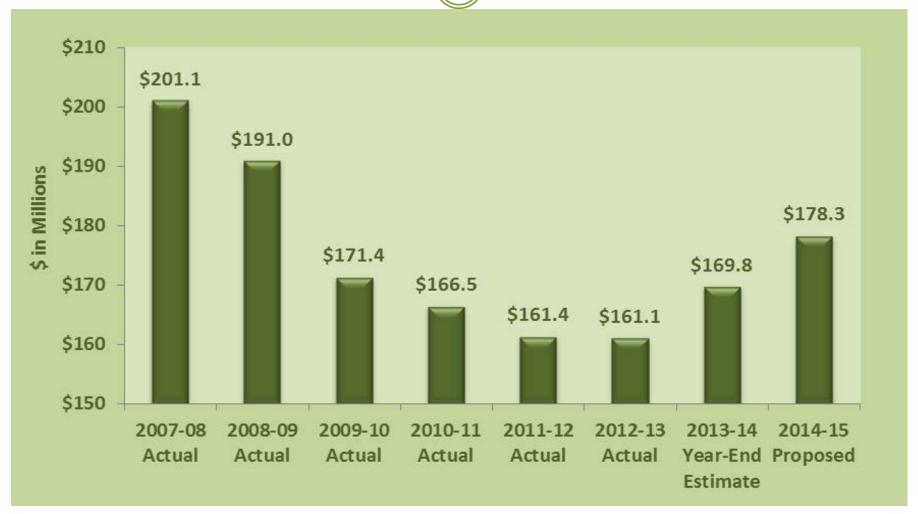


- **■** Health Services (\$23.8M, 10%)
- **■** Human Services (\$17.6M, 7%)
- ☐ General Government (\$30.9M, 12%)
- Contingencies (\$26.0M, 10%)
- Capital Improvements (\$11.2M, 4.5%)
- **■** Environmental Protection (\$4.3M, 2%)
- **■** Parks & Recreation (\$2.0M, 0.8%)
- Road & Facilities (\$1.3M, 0.5%)
- **■** Education (\$0.5M, 0.2%)

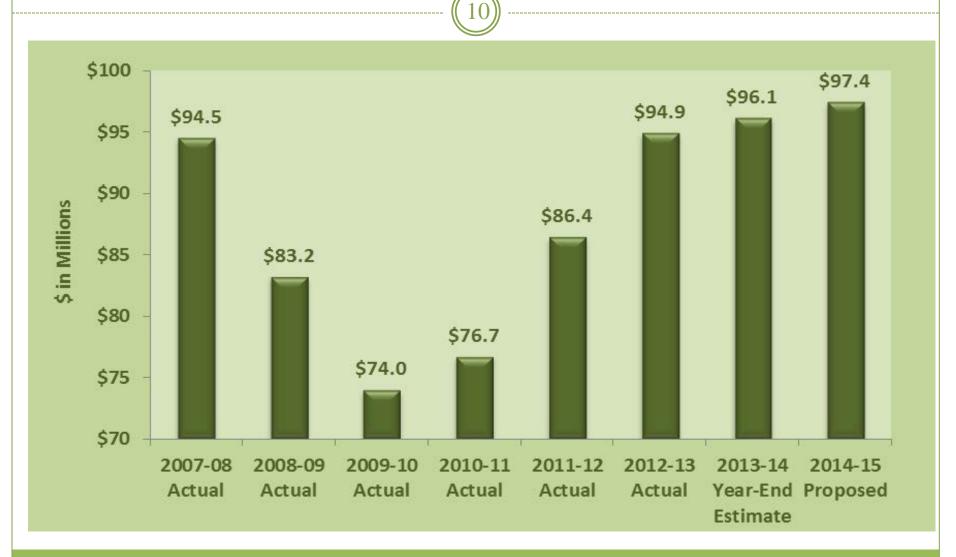
- **■** Current Property Taxes (\$178.3M, 71%)
- **■** Sales Taxes (\$16.4M, 6%)
- Property Tax-Related Revenues (\$10.2M, 4%)
- □ Tobacco Settlement (\$5.8M, 2%)
- Franchise Fees (\$2.6M, 1%)
- Other Taxes/Revenues (\$1.9M, 1%)
- **■** Fund Balance (\$36.6M, 15%)

Property Taxes 2007-08 to 2014-15





Sales Taxes (GPR, Prop 172 & Realignment) 2007-08 to 2014-15



One-Time Solutions (\$\\$\ in Millions)

-	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
Reduce Contingencies	\$17.1	\$6.1	\$6.2	\$0.3			
Defund capital projects	21.3	8.4	10.9	3.3	\$0.4		
General Fund balances		3.9	7.3	16.0	15.5	\$11.0	
Tobacco Settlement	6.6	5.1					
Cut 2008-09 spending	8.5						
Deferred maintenance	1.1						
One-time ARRA funds	10.2	16.0	2.0				
Criminal Fac Trust	3.1	3.1	3.1	2.5			
Airport reserve		0.6	0.2	0.3			
Parks trust funds	0.6	1.9	1.9	1.2	1.2	0.8	
Total One-Time	\$68.5	\$45.1	\$31.6	\$23.6	\$17.1	\$11.8	
				6-	Year Total	\$197.7	



2014-15 Staffing

(12)

	2013-14 2014-15		Increase/(D	% of	
	Adopted	Proposed	Amount	Percent	Total
General Government	456.2	444.7	(11.5)	-2.5%	6.8%
Capital Maintenance	48.9	49.3	0.4	0.8%	0.8%
Environ Protection	136.6	135.2	(1.4)	-1.0%	2.1%
Law & Justice	1,650.3	1,640.8	(9.5)	-0.6%	25.2%
Roads & Facilities	225.2	228.4	3.2	1.4%	3.5%
Health Services	2,486.5	2,535.3	48.8	2.0%	39.0%
Human Services	1,302.9	1,408.1	105.2	8.1%	21.7%
Education	4.0	4.0	0.0	0.0%	0.1%
Parks & Recreation	51.1	53.0	1.9	3.7%	0.8%
Total Staffing	6,361.7	6,498.8	137.1	2.2%	100.0%



2014-15 Staffing



- ➤ Net staffing increase = 137.1 FTE positions
 - □ Add 194 new positions
 - * 118 Human Services Agency
 - ❖ 31 Behavioral Health Services
 - ***** 23 SJGH
 - □ Delete 76 full-time positions
 - **❖** Most positions have been vacant for 12+months
 - ❖ 5 filled positions → layoffs
 - ✓ 4 in Revenue & Recovery
 - ✓ 1 in Child Support Services



Budget Highlights Employee Relations

- (14)
- ≥ 16 rep units representing 96% of workforce
 - □ 2 units agreements expired
 - □ 3 units agreements expire 6/30/2014
 - □ 3 units agreements expire 6/30/2015
 - □ 1 unit agreement expires 12/31/2015
 - □ 7 units agreements expire 6/30/2016
- ➤ Negotiations with 5 units 13% of workforce

Budget Highlights Termination of Court Services

- ➤ July 1, 2014, collections services → \$1.2M revenue loss; eliminate 7 positions (4 are filled)
- >IT support as Court migrates to State system
 - □ April 1, 2015, CJIS & Automated Minor Offense System
 - **□** Communications
 - □ Negotiating MOU for full reimbursements

Budget Highlights Criminal Justice Strategies

- ➤ Pretrial Assessment & Monitoring Program → reserving jail space for high-risk offenders
 - □ Added 11 positions in 2013-14; implementation in 2014-15
- ➤ Community Corrections Center → reentry assistance last 30-90 days of sentence
 - □ Feasibility study
- > Honor Farm Replacement; prepare for future State funds
 - □ Includes \$1M for double-bunking → adds 248 beds

Budget Highlights San Joaquin General Hospital

- >2014-15 Proposed Budget
 - □ \$250.2M; 1,378 FTEs
 - **⋄**Net increase of 22 positions
 - □ General Fund support at \$9.6M (\$2M less) → net income \$10.3M by June 30, 2015
 - □ FQHC-LAL application for six clinics
 - *HRSA completed review in March 2014
 - Annual revenue \$9M
 - Not included in budget pending federal approval

Budget Highlights San Joaquin General Hospital

- □1991 Health Realignment Take-Back
 - State estimate \$3.3M; true up 18 months after fiscal year
 - ❖Residual \$15.4M will be booked as liability
- □DSRIP November 2010 to October 2015
 - ♦\$93.8M available based on performance
 - ❖Received \$45M thru 2012-13; expects to receive full \$19.4M in 2013-14
 - **❖Budget includes \$14.6M**

Budget Highlights Mental Health Services



- >2014-15 Proposed Budget
 - □ \$110.2M; 600 FTEs
 - Net increase of 19 positions
 - □ Mental Health Services Act (Prop 63)
 - **♦**\$29.4M **→** 31% of MHS budget
 - **□** System Redesign & Expansion
 - *Replaced 40-bed PHF → to 16-bed PHF, 12-bed Crisis Stabilization, & 6-bed Crisis Residential Treatment

Budget Highlights Human Services Agency

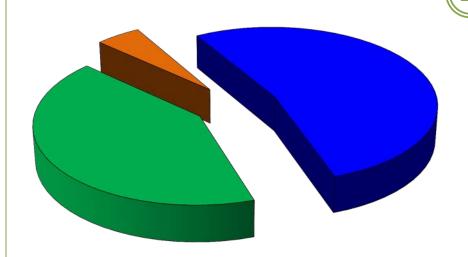
- > Administration
 - □ \$150.2M; 1,174 FTEs
 - **⋄**Net increase of 101 positions
 - Caseload growth
 - *ACA & Medi-Cal Expansion
 - **✓** Call Center operational October 2013
 - ✓ Received 4,400 calls thru March 2014
 - ✓70,000 eligible; twice the initial estimate
 - **✓** Additional office space needed
- > Head Start Program \$26M

Budget Highlights Capital/Infrastructure Investments

- ➤ No further project de-funding is recommended (2009-10 = \$21.3M; 2010-11 = \$8.4M; 2011-12 = \$10.9M; 2012-13 = \$3.3M; 2013-14 \$400K)
- >2014-15 public improvement program at \$12.4M
 - □ Fund balance
 - □ Federal/State funds
 - □ Tobacco Settlement allocations
- >\$9.1M unallocated/not programmed in 2014-15

Budget Highlights

Public Improvements Program (\$12.4M)



- New Construction & Facilities Planning (\$6.6M, 53%)
- Existing Facilities & Park Projects (\$5.2M, 42%)
- **■** CDBG Projects (\$612K, 5%)

- Health Facilities (\$2.9M)
- > Replacement Morgue (\$3.4M)
- ➤ Jail Double-Bunking (\$1.0M)
- ➤ Probation HVAC (\$700K)
- > HSA 5th Floor TI (\$610K)
- > Parks (\$500K)
- > Energy Plan (\$500K)
- ➤ Ardell Ave Sidewalk (\$325K)
- ➤ Woodbridge Street Storm/ Drainage (\$227K)

Budget Highlights Fee Issues-Cost Recovery

- ➤ Special public services e.g. property development, business/animal ownership — funded by special revenues
- > Fees based on actual costs
- Less than full cost recovery deprives County resources for general services
- > Fee increases to keep pace with costs
- > Revenue adjustments included in various budgets

Multiyear Budget Outlook 2014-15 to 2018-19

Multiyear Budget Outlook Summary (\$ in Millions)

		25)			
	2014-15	2015-16	2016-17	2017-18	2018-19
Funding					
General Purpose	\$214.8	\$224.4	\$233.5	\$242.0	\$250.9
One-Time Sources	36.6	31.2	31.4	32.0	34.5
Dedicated Sales Taxes	81.0	82.9	84.9	87.0	89.2
Total Funding	\$332.4	\$338.5	\$349.8	\$361.0	\$374.6
Net County Cost					
Labor	\$191.4	\$200.3	\$206.3	\$210.3	\$214.0
Others	141.0	142.4	142.8	145.2	148.2
Total NCC	\$332.4	\$342.7	\$349.1	\$355.5	\$362.2
Surplus/(Deficit)	\$0.0	(\$4.2)	\$0.7	\$5.5	\$12.4
Contingency Reserve	\$26.0	\$26.4	\$26.8	\$29.2	\$32.1
General Reserve	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
Excess Tax Loss Reserve	\$10.2	\$10.7	\$11.2	\$11.6	\$12.1

Budget Highlights Conclusion



- ➤ 2014-15 budget continues to be balanced with one-time solutions
- **≻**Concerns with base budget
 - □ Final State Budget
 - □ Labor contracts under negotiations
 - □ Grant funding federal COPs Hiring

Supplemental Requests – Departments **Unfunded: \$3.0M**

	Amount	Amount	Amount
County Departments	Requested	Funded	Unfunded
Auditor-Controller	\$112,350	\$112,350	\$0
Information Systems	126,773	0	126,773
Human Resources	279,238	0	279,238
Facilities Management	161,229	80,615	80,614
Office of Emergency Services	98,271	13,792	84,479
District Attorney	581,887	163,385	418,502
Public Defender	267,082	133,541	133,541
Sheriff-Coroner	1,848,117	1,621,692	226,425
Probation	379,638	0	379,638
Public Works-Delta Activities	320,000	0	320,000
Public Health	893,046	0	893,046
Parks & Recreation	92,763	0	92,763
Total	\$5,160,394	\$2,125,375	\$3,035,019

Supplemental Requests – Non-County *Unfunded: \$0.5M*

		26)		Other
	Amount	Amount	Amount	County
Organization	Requested	Funded*	Unfunded	Funds
Bread of Life	\$25,000	\$25,000	\$0	\$0
CAPC	70,000	37,000	33,000	820,000
Collaborative Courts	250,000	0	250,000	1,300,000
Comm Partnership	122,000	50,000	72,000	1,581,467
Downtown Alliance	40,000	0	40,000	70,841
EDA	77,409	77,409	0	0
Fathers & Families	25,000	0	25,000	160,000
PUENTES	35,000	25,000	10,000	5,000
Historical Society	349,965	303,000	46,965	0
SJ Partnership	75,000	55,000	20,000	0
Women's Center	175,735	175,735	0	1,252,046
	\$1,245,109	\$748,144	\$496,965	\$5,189,354

*Current year's base funding level.

Recommended Actions



- 1. Approve Proposed 2014-15 Budget for consideration
- 2. Set Final Budget Hearing to begin June 24th at 1:30 p.m.
- 3. Direct Human Resources to issue a layoff notice to the impacted employee