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# COUNTY OF TULARE MID-YEAR BUDGET REPORT FISCAL YEAR 2009/2010

March 16, 2010



# County of Tulare

## Topics of Discussion

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- Mid-Year Budget Fiscal Year 2009/2010
- Fiscal Outlook Fiscal Year 2010/2011
- State Budget Impacts
- Budget Development Schedule
- Recommendations



# County of Tulare

## Global Budgetary Protocols

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- Budget Historically Normal Revenue Amounts Not Inflated Revenue Amounts
- Discipline Adherence to Structural Fund Balance Target
- Continue to Improve Structural Budget
- Use of One Time Revenues for One Time Purposes **and for Future Budgetary Challenges**
- Sale of Assets Proceeds Designated for Future Capital Needs



# County of Tulare

## Standard Budget Principles

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- The General Fund is Tulare County's Primary Operating Fund
- The General Fund must Balance in that Appropriations must Equal Revenues
- Net County Cost is the Difference or Gap between Departmental Appropriations and Departmental Revenues
- Net County Cost Dollars come from Carryover Fund Balance and General County Revenues



# County of Tulare

## General Fund Overview

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- General Fund Had a \$12.7 Million Shortfall
- All General Fund Department Budgets Reduced by 7.5% up to 11%
- Department Heads Given Discretion to Meet Targets with Using Savings from Labor Actions and Other Operational Efficiencies
- Negotiations Include Suspension of:
  - 1.) Merit/Step Increases,
  - 2.) Deferred Comp Match,
  - 3.) Sick Leave Buyback, and
  - 4.) Week Long Furlough.
    - Some Variations Were Necessary for Law Enforcement Depts.
- Non-Subvented Departments Holding 71 Positions Unfilled for a Total Savings of Approximately \$5 Million



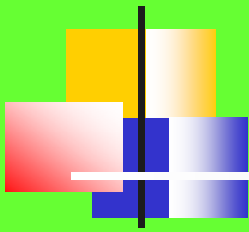
# County of Tulare

## General Fund

### Current Year Fiscal Activities

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- CONTINUED ADDRESSING COSTS DRIVERS:
- **Establishment of County Fire Department**
- **Converted to Self Insured for Worker's Compensation**
- **Created County Information Technology (IT) Department**
- Established Countywide "Protecting the Bottom Line" Committees
- Converted to Self Insured for Health Insurance
- Asked for Cooperation from TCERA to Smooth Investment Losses Over a Longer Period of Time
- Reached out to Local Superior Court For Better Coordination of Justice System Assets
- Restructuring General Services Department



# County of Tulare

## General Fund

### Budget/Employees Over Last 5 Years

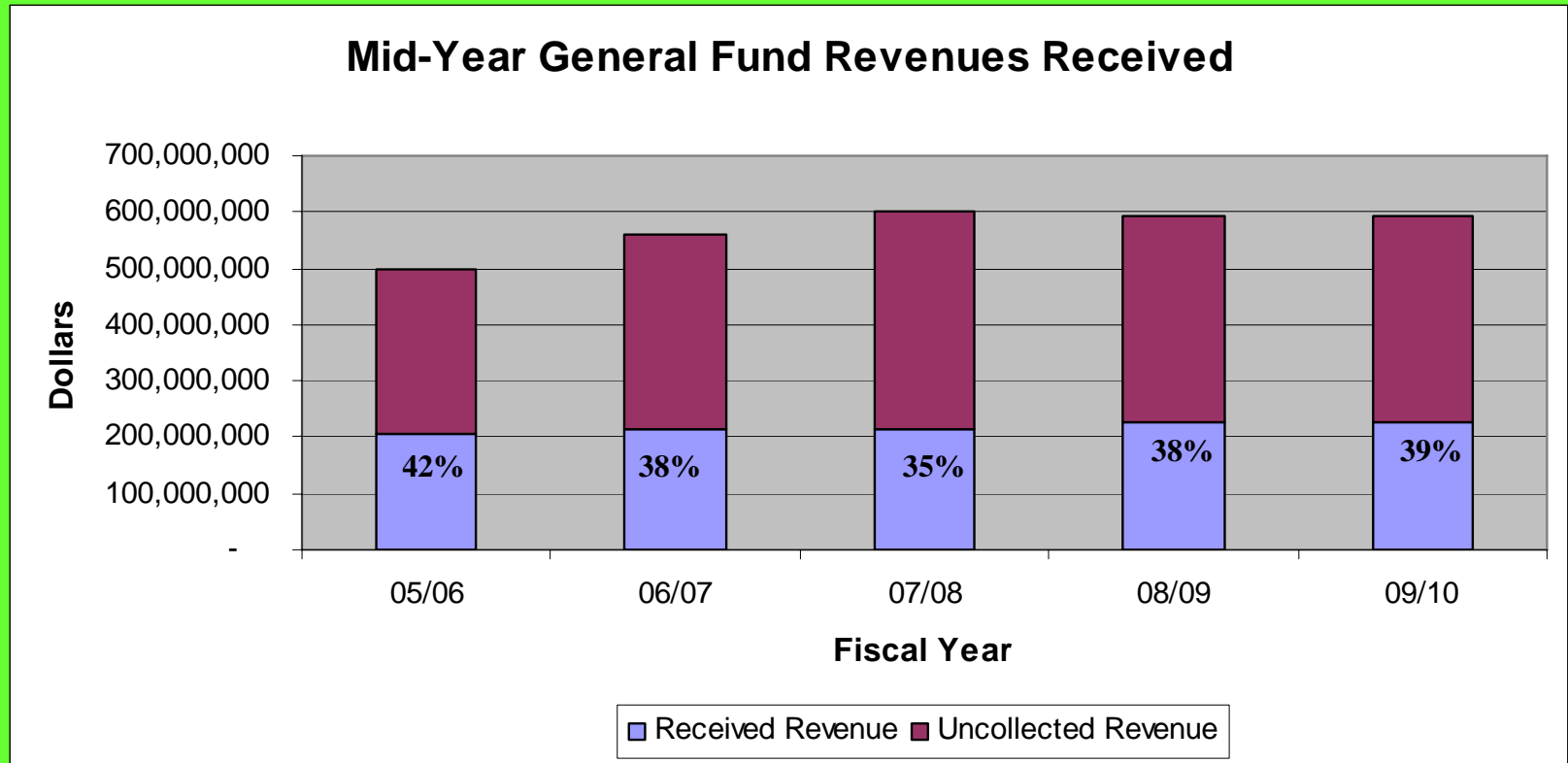
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FISCAL YEAR 2005/06	\$507,261,814	3,855
FISCAL YEAR 2006/07	\$573,153,345	4,032
FISCAL YEAR 2007/08	\$622,990,630	4,129
FISCAL YEAR 2008/09	\$613,855,783	4,065
FISCAL YEAR 2009/10	\$597,239,956	3,524

# County of Tulare

## Mid-Year General Fund Revenues

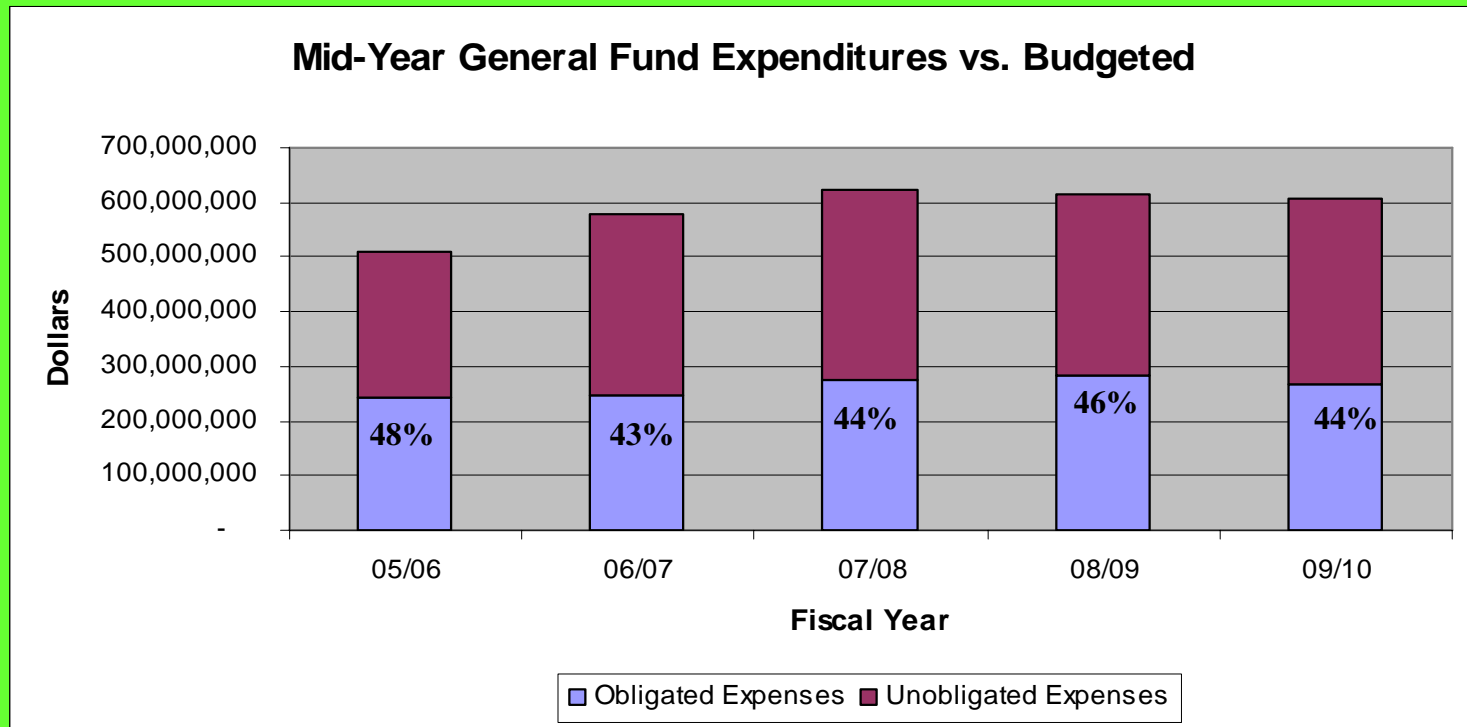
### Received Over Last 5 Years – Exhibit A





# County of Tulare

## Mid-Year General Fund Expenditures Obligated Over Last 5 Years – Exhibit B





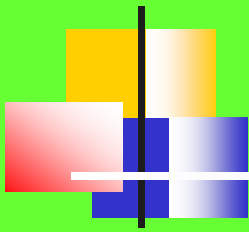
# County of Tulare

## General Fund Mid-Year Budget Review

### Fiscal Year 2009/2010 Summary

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- All General Fund Departments Are Projected to Meet Budget Targets Except Resource Management Agency
- Reduced County-wide Revenue Estimates Holding Up
- Most Importantly Structural Carryover Fund Balance Is Projected to Be Met At Fiscal Year-end



# County of Tulare

## General Fund Fiscal Outlook for Fiscal 2010–2011

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- Stalled Housing Market
- Climbing Unemployment Rate
- Static Overall Retirement Costs Due to Actions on Investment Losses Smoothing
- Ongoing State Budget Problems



# County of Tulare

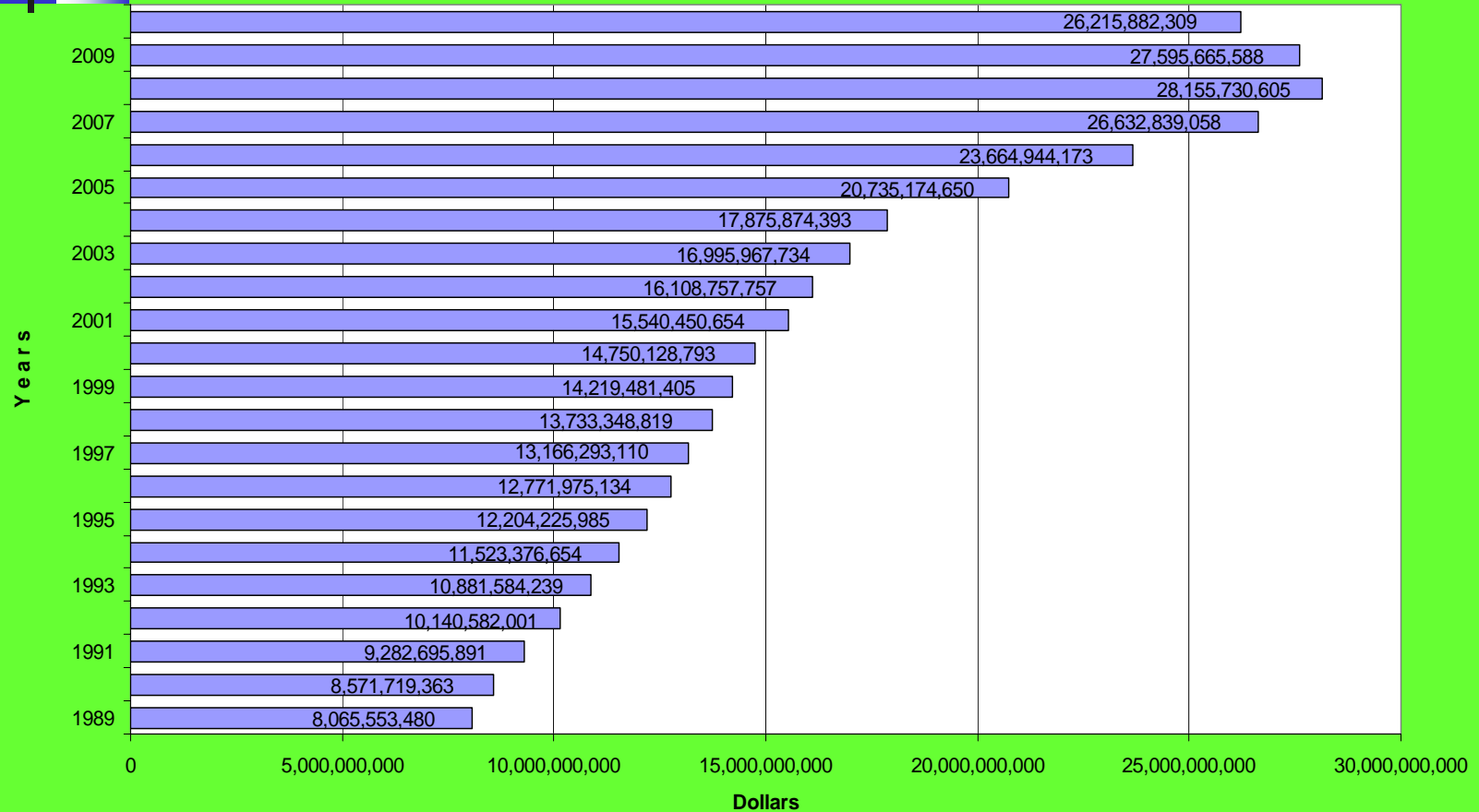
## Fiscal Outlook for Fiscal 2010-2011

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- Assessor Projects a 5% Decline in Countywide Assessed Value
- For Tulare County that Translates into a \$4.5 Million Dollar Countywide Revenue Reduction
- Remaining Williamson Act Revenue Reduction of \$1.5 Million to Structural Fund Balance
- Overall Retirement Costs Consistent with Prior Year But Spread Over Reduced Subvented Positions
- Necessary Reduction to Structural Carryover Fund Balance of \$1 Million

# COUNTY OF TULARE

## County Of Tulare Local Assessed Value





# County of Tulare

## State Budget Impacts

### Current and Next Fiscal Year

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## Governor's Proposed Budget

- Administration of Justice
- Government Finance and Operations
- Health and Human Services
- Transportation and Land Use



# County of Tulare

## State Budget Impacts on Tulare County

### Next Fiscal Year - 2010/2011

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#### Administration of Justice

- Vehicle License Fee (VLF) Revenue Support for Local Public Safety Programs Significantly Less than Budgeted
- Early Release of Lower-Risk Convicted Offenders into Local Communities
- Expansion of Crimes with Local Jail Penalties



# County of Tulare

## State Budget Impacts on Tulare County

### Next Fiscal Year - 2010/2011

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#### Government Finance and Operations

- Deferral of SB 90 Mandate Payments
- Additional “Trigger Cuts” to Health and Human Services and Public Safety Programs if Federal Government Does Not Increase New Funding to State by \$6.9 Billion





# County of Tulare

## State Budget Impacts on Tulare County

### Next Fiscal Year - 2010/2011

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## Health and Human Services

- Deferral, Reduction and Elimination of Various Programs in Health, Mental Health, Social Services, Human Services, and Realignment
- Redirection of Counties' Savings Resulting From Reductions and Eliminations of These Programs to Other State Funded Programs



# County of Tulare

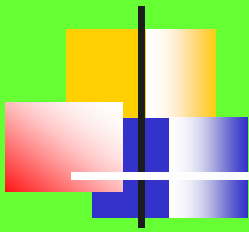
## State Budget Impacts on Tulare County

### Next Fiscal Year - 2010/2011

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#### Transportation and Land Use

- Funding Swap of Gasoline Sales Taxes (Prop 42) for Gasoline Excise Tax (HUTA)
- No Williamson Act Subventions
- Delay of HUTA Payments



# County of Tulare

## Future Budget Challenges

### Fiscal Year – 2010/2011 and Beyond

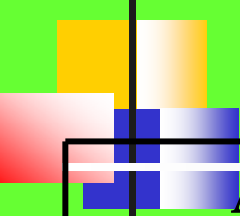
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- Health and Human Services Program Reductions
- Cash Flows
- Increasing Retirement Costs
- Structural Fund Balance Challenges

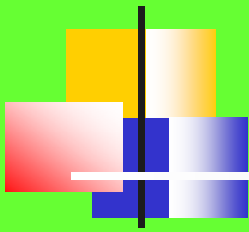
# County of Tulare

## Budget Development Schedule

### Exhibit C



<b>ACTION</b>	<b>DATE</b>	<b>RESPONSIBLE PERSON</b>
Final Budget Hearing materials to Board of Supervisors and public	September 08, 2010	County Administrative Officer
Recommended Budget to the Board of Supervisors	September 09, 2010	County Administrative Officer
Final Budget Hearing begins and may proceed to September 27, 2010	September 14, 2010	Board of Supervisors
Resolution with all Personnel changes to Board of Supervisors	October 8, 2010	Human Resources Department
Budget Book to Board of Supervisors and Public	December 1, 2010	County Auditor



# County of Tulare

## Ongoing Sunshine Activities

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- February 26, 2006 – Implemented Online BOS Agenda Management System
- October 31, 2006 – Implemented Online Audio Streaming of BOS Meetings
- March 27, 2008 – Put Digitized and Easily Searchable Tulare County Ordinance Online Development Services
- February 22, 2010 - Started [www.aroundtularecounty.com](http://www.aroundtularecounty.com) and Twitter Updates of County Activities



# County of Tulare

## Requested Actions

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- Receive Mid-Year Budget Report for Fiscal Year 2009/2010
- Approve Budget Schedule and Rollover Budget for Fiscal Year 2010/2011
- Approve the continuance of a hiring freeze providing the County Administrative Office enhanced discretion to hold positions vacant
- Authorize Auditor-Controller, with the Concurrence of the County Administrative Officer, to Process any Budget Adjustments Resulting from this Report