Civics 101

The County Budget
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2-Year Budget and Performance Cycle

- Implemented in 2013
- Facilitate longer-term financial planning
- Allow time to focus on performance improvements
- Year 1 Budget, Year 2 Performance
Overview of the Two-Year Cycle
From Vision to Results

Shared Vision
Community Goals

Planning

Goals and Priority-Setting

Budget Resource Allocation

Performance Measurement & Evaluation

Progress/Goal Achievement
Highlights of Budget Cycle

- Review goals and set priorities
- Mid-Year financial update
  - 5 Year projections
  - Major trends
  - Budget Issues
- Get Board direction
- Prepare budget
  - Line-item budgets for 2 years
- Minimal changes in Year 2
Key Stakeholders

- County Residents
- Board of Supervisors
- County Manager’s Office
- Department Heads
- Program Managers
- County Staff
- State and Federal Government
Budget Components
Total Sources

Combination of revenues to fund expenditures

Where the money comes from
FY 2021-22 Total Sources

- Taxes: 22%
- Intergovernmental Revenues: 24%
- Fund Balance: 30%
- Charges for Services: 10%
- Other: 14%
Total Requirements

Expenditure appropriations, intrafund transfers and reserves

Where the money is spent
FY 2021-22 Total Requirements

Administration and Fiscal: 29%
Community Services: 25%
Health: 25%
Criminal Justice: 13%
Social Services: 8%
Net County Cost (NCC)

NCC = Total Requirements - Total Sources

Non-Departmental or general purpose revenue (property taxes, sales tax, vehicle license fees)
NCC Targets

- Most Non-General Fund departments have no Net County Cost, meaning they don’t depend on General Fund to operate

- Targets are based on a number of factors, including growth in revenue and costs, Countywide priorities, and other needs
FY 2021-22 NCC

Criminal Justice 40%
Administration and Fiscal 12%
Social Services 31%
Community Services 7%
Health 10%
Reserves Policy

- Established 1999
- Department minimum = 2%
- Overall reserves = 10% + $4 million for Capital & IT
- 50/50 fund balance split
- One-time use of funds or pay-down of liabilities
FY 2015-23 County Reserves (in millions)

<table>
<thead>
<tr>
<th>FY</th>
<th>Adopted</th>
<th>Non-Departmental Services Reserves</th>
<th>Departmental Reserves</th>
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<tbody>
<tr>
<td>FY 2015-16</td>
<td>$216</td>
<td>$38</td>
<td>$178</td>
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<tr>
<td>FY 2016-17</td>
<td>$170</td>
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<tr>
<td>FY 2021-22</td>
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<tr>
<td>FY 2022-23</td>
<td>$376</td>
<td>$132</td>
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Highlights of Performance Cycle

- Prioritize resources for next two-year cycle
- Continuous evaluation and improvement
- Compare to benchmarks/best practices
- Dashboards to monitor and communicate performance
SMC Performance

Shared Vision 2020

Measure K

Department Performance
Equity-Focus

To achieve equity, we must create the conditions that allow all to reach their full potential.
Our Shared Vision for 2025 is for a healthy and safe, prosperous, livable, environmentally conscious and collaborative community.
Community Impact Goals

Prosperous
- Improve Affordability
- Close Achievement Gap

Healthy and Safe
- Reduce Crime
- Increase Life Expectancy

Livable
- Transit Accessibility
- Community Engagement

Environmentally Conscious
- Greenhouse Gases
- Natural Resources

Collaborative
- Effective and Collaborative Government
Priorities

- Homelessness/Affordable Housing
- Foster youth – high school graduation and 2 years community college
- Reading proficiency - 3rd graders reading at grade level
- Older adults – aging in place
Questions?