

Third Quarter Budget Update

Report to the Board of Supervisors
May 22, 2007

Third Quarter Budget Update

- General Fund overall is a positive \$6.8 million
 - Discretionary Revenue is +\$3.76 m
 - Sheriff's budget is -\$1.79 m
 - Salary and Benefit cost increase will require significant contingency transfer
 - Revenues are lower than anticipated due to lower Public Safety Sales Tax (Prop. 172) revenues
 - Lower Prop. 172 revenues affects all public safety and law and justice departments
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□ Other Funds

- Public Health – Because of additional revenues, the department expects to end the year with a positive \$1 to 1.2 m, and will not release any of its designation for general operations. (+\$955,000 now)
 - Mental Health – Additional revenues, including one-time shifts of funding from the Mental Health Services Act fund, and the \$1 million Strategic reserve loan, have resulted in a positive variance. (+\$883,000 now)
 - Court Services – Negative trend due to lower fine and fee revenues continues. Action needed to balance the fund before year-end. (-\$885,000 now)
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Latest State Budget Developments:

- The Governor's May Revision to his Proposed FY 2007-08 Budget was released on May 15
 - Key issue areas:
 - Corrections
 - Presidential Primary – no reimbursement, estimated \$1.45 million county cost
 - Eliminate Williamson Act Subvention - \$650,000
 - Health and Human Services
 - An oral presentation will be provided at the May 22 Board meeting
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Third Quarter Budget Update

- FY 2007-08 Budget Preview
 - General Fund Unreserved, Undesignated Fund Balance estimated at \$6.84 million
 - Make final allocation of \$1.82 m during budget hearings
 - Put the remaining \$5.02 m in Strategic Reserve for now
 - Final allocation of remaining \$5.02 m and \$0.5 m in Capital Designation later
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