

Attachment 2



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE 6/16/2020		(3) CONTACT/PHONE Emily Jackson, Budget Director 805-781-5011	
(4) SUBJECT Addendum to Item No. 38- Adoption of FY 2020-21 Recommended Budget. The purpose of this addendum is to update the FY 2020-21 budget per actions taken during the budget hearing held on June 8-10, 2020 which includes: 1) a resolution adopting FY 2020-21 budgets for the County and Board governed Special Districts; and 2) a resolution adopting the FY 2020-21 Position Allocation List. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board <ol style="list-style-type: none"> 1. Close the FY 2020-21 budget hearing; 2. Approve a resolution adopting the FY 2020-21 County budget as well as the budget for the Board governed special districts; and 3. Approve a resolution adopting the FY 2020-21 position allocation list. 					
(6) FUNDING SOURCE(S) Various		(7) CURRENT YEAR FINANCIAL IMPACT FY 2020-21 Governmental Funds Budget: \$658,566,951 FY 2020-21 General Fund Budget: \$565,973,397		(8) ANNUAL FINANCIAL IMPACT \$0.00	
(9) BUDGETED? Yes					
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>15 min</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)					
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>6/8/2020-6/9/2020</u>	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Additions, subtractions and corrections to the Board of Supervisors Agenda

FROM: Emily Jackson, Budget Director

DATE: 6/16/2020

SUBJECT: Addendum to Item No. 38- Adoption of FY 2020-21 Recommended Budget. The purpose of this addendum is to update the FY 2020-21 budget per actions taken during the budget hearing held on June 8-10, 2020 which includes: 1) a resolution adopting FY 2020-21 budgets for the County and Board governed Special Districts; and 2) a resolution adopting the FY 2020-21 Position Allocation List. All Districts.

RECOMMENDATION

It is recommended that the Board

1. Close the FY 2020-21 budget hearing;
2. Approve a resolution adopting the FY 2020-21 County budget as well as the budget for the Board governed special districts; and
3. Approve a resolution adopting the FY 2020-21 position allocation list.

DISCUSSION

The public hearing on the County of San Luis Obispo FY 2020-21 Recommended Budget, including Board of Supervisors governed Special Districts, began on June 8, 2020. The total amount of the Recommended Budget for the General Fund was \$576,972,646 and Governmental Funds was \$670,742,223.

Changes to the Recommended Budget:

During the Budget Hearing, your Board made the following changes to the Recommended Budget:

- Decreased the FY 2020-21 recommended level of General Fund support for all non-public safety departments by 4% (reduction amounts by fund center are summarized on Attachment 2).
- Decreased the FY 2020-21 recommended level of General Fund support for all safety departments (Fund Center 136 – Sheriff-Coroner, Fund Center 139 – Probation, Fund Center 132 – District Attorney, and Fund Center 140 – County Fire) by 1% (reduction amounts by fund center are summarized on Attachment 2).
- Authorized the use of \$3,378,672 from the Proposition 172 Trust in order to offset a projected decrease to that revenue source for the Sheriff-Coroner, Probation, District Attorney, and County Fire.
- Cancelled \$3,000,000 from the General Reserve.

- Cancelled \$2,000,000 from the General Government Building Replacement designation.
- Cancelled \$797,952 from the Property Tax Litigation designation (this represents the full amount in this designation).
- Eliminated the FY 2020-21 depreciation contribution (\$3,703,657) to the General Government Building Replacement designation.
- Approved the modified Budget Augmentation Request for the Agricultural Commissioner/Sealer of Weights and Measures as requested by the department (this decreased requested full-time equivalent positions by 1.00 FTE and General Fund support by \$54,523).
- Did not approve the four Budget Augmentation Requests for Probation, due to a request by the department to withdraw these requests (this decreased the requested full-time equivalent positions by 2.00 FTE and both expense and revenue by \$258,601).

The above changes addressed \$19.3M of an expected General Fund gap of \$26.2M as of the start of the new fiscal year. In order to address the remaining \$6.9M expected gap, the County will continue the hiring freeze implemented in April 2020, and staff will work to implement voluntary schedules to reduce salary and benefit expense in FY 2020-21 (including voluntary time off, voluntary schedule reductions, and overtime reduction).

Position Allocation List (PAL) Changes:

The total number of positions tentatively approved during the budget hearing was 2,807.25 FTE, which is a net 10.75 FTE more than the FY 2019-20 Adopted Budget.

OTHER AGENCY INVOLVEMENT/IMPACT

All County departments participated in the budget process.

FINANCIAL CONSIDERATIONS

At the conclusion of the budget hearing on June 9, 2020, the adjusted Governmental Funds County budget for FY 2020-21 is \$658,566,951. The General Fund budget for FY 2020-21 is \$565,973,397. The balance of the General Fund Contingency is \$ 27,026,851 which equates to approximately 5% of the General Fund appropriation.

RESULTS

Approval of the recommendations will formalize the actions taken by the Board during the June 8-10, 2020 budget hearing and will comply with all legal requirements for adoption of the County’s annual spending plan.

ATTACHMENTS

1. FY 2020-21 Budget Resolution
2. Approved General Fund support reductions by fund center
3. FY 2020-21 Position Allocation List Resolution
4. FY 2020-21 Position Allocation List
5. Staff Presentation