



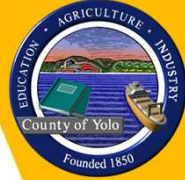
FY 2024-25 BUDGET UPDATE

County Administrator and Financial Services

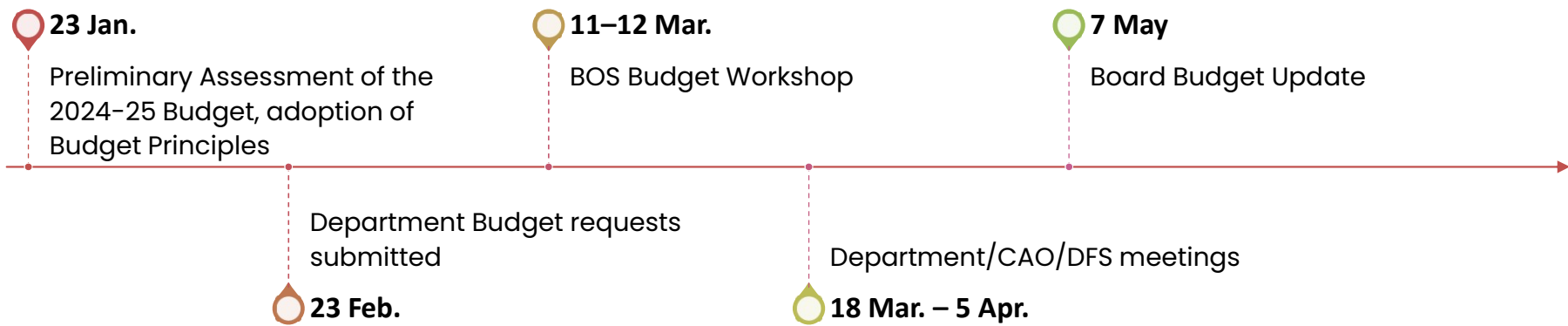
Gerardo Pinedo, County Administrator

Laura Liddicoet, Chief Budget Official

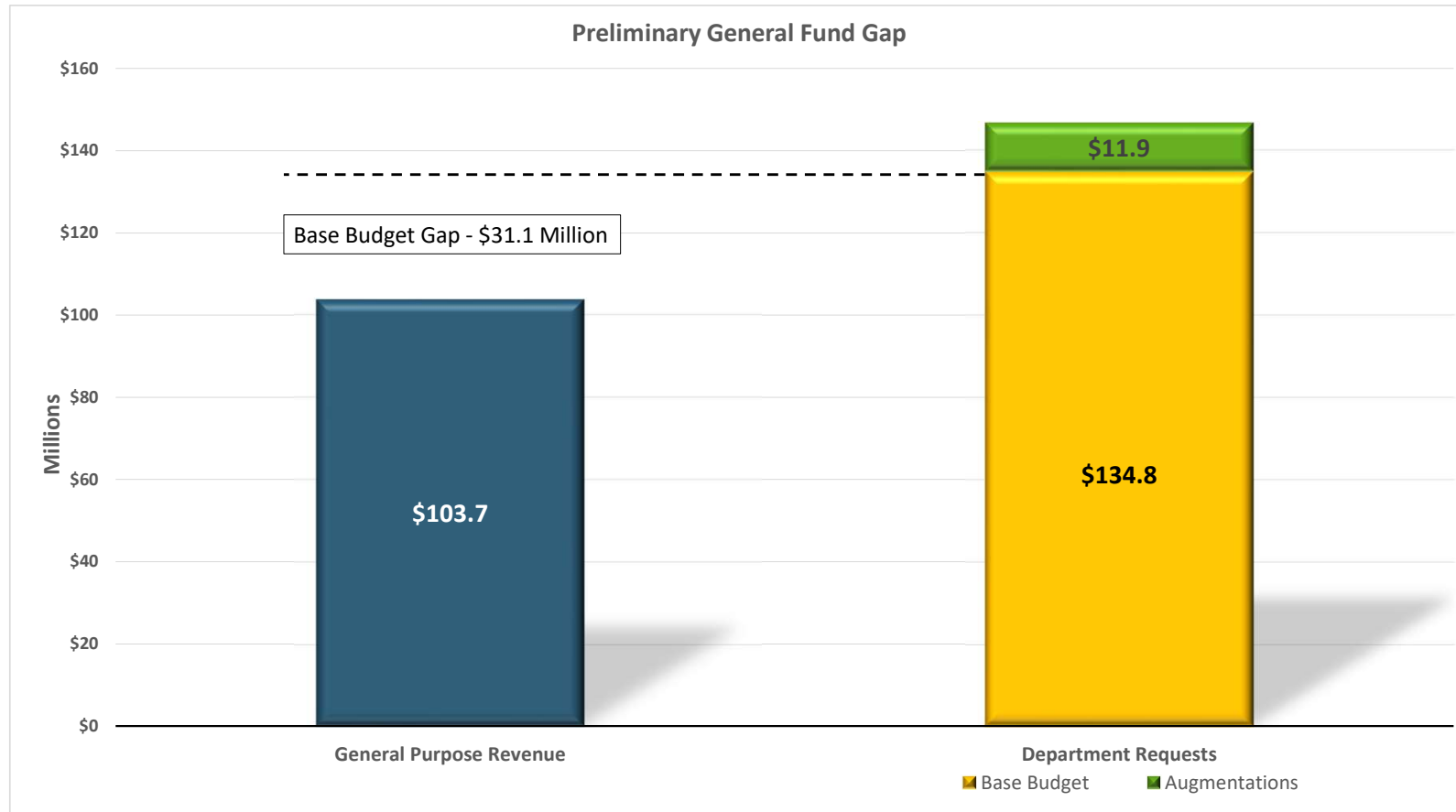
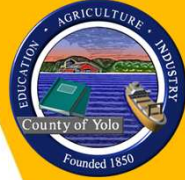
Evis Morales, Deputy Chief Financial Officer

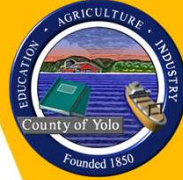


TIMELINE



INITIAL BUDGET GAP





CHALLENGES

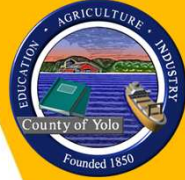
Most major revenues reflect modest but slowing growth

Declining Prop 172 revenue

Cost drivers, particularly labor, growing at higher rate

Uncertain economic outlook

Impact of upcoming labor negotiations and equity adjustments



STRATEGIES

Deferral of nearly all augmentation requests

Salary/Vacancy Savings Factors

Significant Use of Fund Balance

Targeted Revenue & Expense Adjustments

Minimal Contingencies

Deferral of Reserve Contribution

Pause on Supplemental Pension Charge

ARPA Interest Earnings

LOOKING FORWARD

1

BUDGET HEARING

Staff will present a balanced budget on June 11. The budget will rely heavily on Salary Savings and Use of Fund Balance to bridge gap.

2

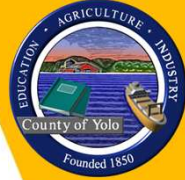
ADOPTED BUDGET HEARING

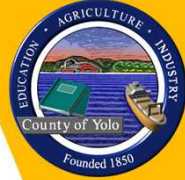
Staff will return to BOS with Adopted Budget on September 24.

3

FY 2025-26 BUDGET DEVELOPMENT

Staff anticipate beginning to work on FY 2025-26 budget development immediately following adoption of the FY 2024-25 budget.





FUTURE BUDGET BALANCING OPTIONS

Elimination of vacant positions

Hiring Review

Hiring Freeze

Department Reductions Plans

Furlough

Mandatory/Discretionary Program Analysis

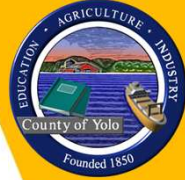
Reduce/Eliminate discretionary programs

Use of Reserves

HHSA FISCAL COORDINATION

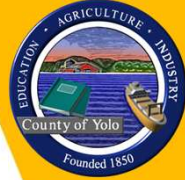
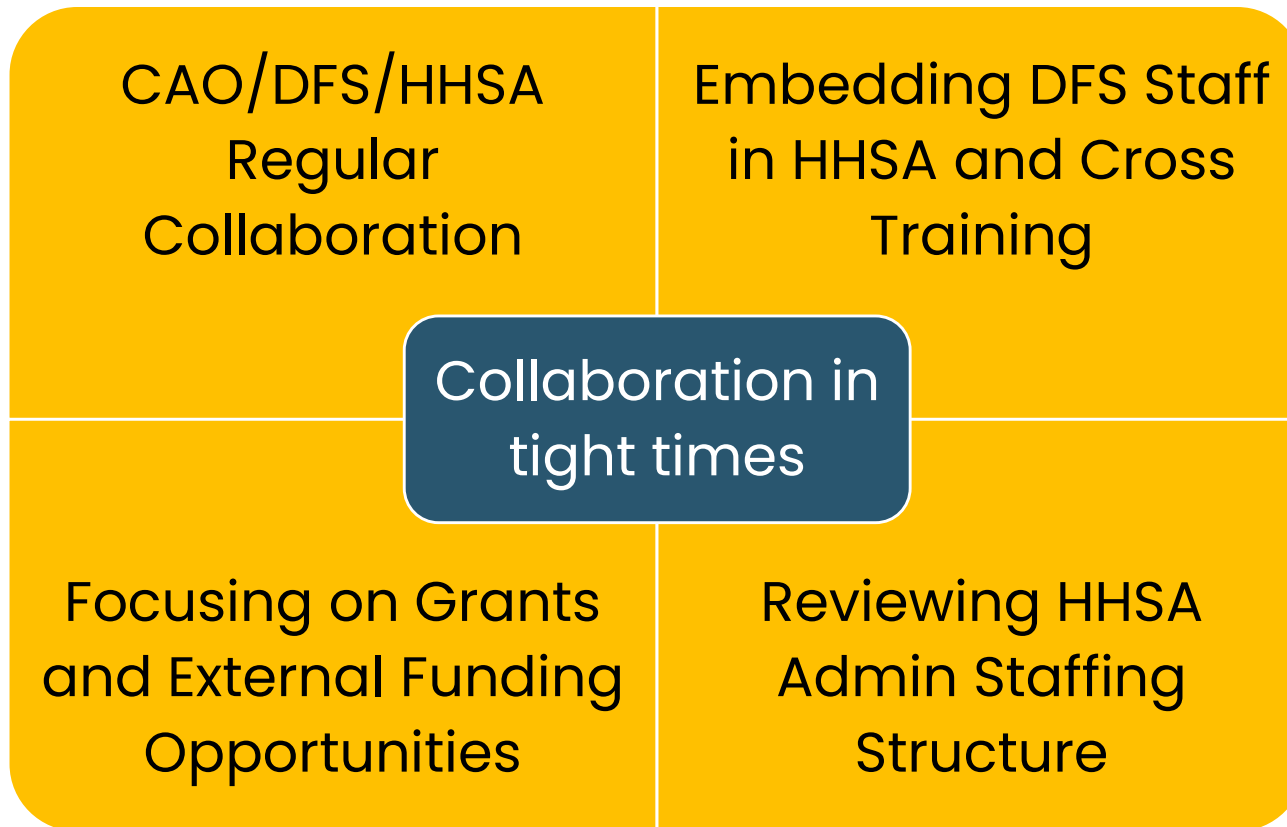


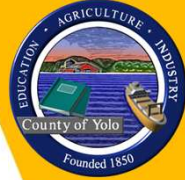
YEAR OVER YEAR FUNDING COMPARISON



	FY2023-24 Adopted	FY2024-25 Recommended	YtY Change
Revenues:			
1991 Realignment	38,262,184	43,091,319	4,829,135
2011 Realignment	24,647,235	24,633,363	(13,872)
MHSA	26,215,328	16,267,611	(9,947,717)
General Fund	16,367,355	17,000,000	632,645
IGT	3,961,960	5,232,442	1,270,482
Grants	5,591,381	4,042,715	(1,548,666)
Other Revenue	150,834,826	151,232,648	397,822
Total Revenue	265,880,269	261,500,098	(4,380,171)
Expenditures:			
Salary Benefits	99,593,488	104,230,037	4,636,549
Professional Services	74,323,890	63,445,288	(10,878,602)
Travel/Training	1,513,292	1,157,820	(355,472)
Other Expenses	90,449,599	92,666,953	2,217,354
Total Expenditures	265,880,269	261,500,098	(4,380,171)

INCREASED COLLABORATION





STRATEGIC DECISION MAKING

To address funding challenges, staff will be bringing more visibility to HHS Financials by working on the following items in the near term:

- Multi-year forecasting for Major Revenue Sources.
- Utilization of Major Funding sources by Branches and Programs.
- Utilization of General Fund to leverage other funding sources.
- Identify Mandatory vs. Discretionary Programs.
- Work with Branch Directors to identify areas of improvement
- Discussions on staffing levels/structure, customer service standards, and operations of programs.
- Develop opportunities for cross training staff in order to implement financial best practices that will align with the Department of Financial Services.