

Attachment D

General Fund Revenue and Expenditure Projections

	FY22 Adopted Budget	FY22 Revised Budget	FY22 Projections	\$ Variance (Proj-Rev)	% Variance (Proj/Rev)
GENERAL FUND REVENUE					
Current Real Estate and Personal Property Tax	204,643,683	217,958,608	221,473,147	3,514,539	101.6%
Business-Driven Taxes	14,236,506	16,720,564	17,726,584	1,006,020	106.0%
Consumer-Driven Taxes	37,932,756	42,575,508	44,544,508	1,969,000	104.6%
Other Local Taxes	11,591,893	13,597,521	14,145,945	548,424	104.0%
Other Local Revenue	8,816,114	9,773,428	10,623,434	850,007	108.7%
Subtotal, Local	277,220,952	300,625,629	308,513,618	7,887,989	102.6%
State	24,802,726	25,346,067	24,640,234	(705,833)	97.2%
Federal	7,135,311	7,275,641	7,071,610	(204,031)	97.2%
Transfers	2,780,227	4,487,918	4,396,917	(91,001)	98.0%
TOTAL, GENERAL FUND REVENUE	311,939,216	337,735,255	344,622,379	6,887,124	102.0%
	FY22 Adopted Budget	FY22 Revised Budget	FY22 Projections	\$ Variance (Proj-Rev)	% Variance (Proj/Rev)
GENERAL FUND EXPENDITURE					
Administration	18,188,382	22,264,876	21,589,607	(675,269)	97.0%
Judicial	5,958,384	6,870,825	6,544,537	(326,288)	95.3%
Public Safety	48,073,990	50,804,533	50,188,646	(615,887)	98.8%
Public Works	6,901,972	8,105,136	7,838,215	(266,921)	96.7%
Health & Welfare	22,620,823	22,823,823	21,743,555	(1,080,268)	95.3%
Parks, Recreation & Culture	8,521,456	8,948,546	8,886,269	(62,277)	99.3%
Community Development	11,073,404	12,525,830	12,157,980	(367,850)	97.1%
City/County Revenue Sharing	15,411,834	15,411,834	15,411,834	-	100.0%
Transfer to School Operations	141,108,965	152,894,248	152,894,248	-	100.0%
Transfers to Capital & Debt	30,547,608	37,537,389	41,637,389	4,100,000	110.9%
Other Transfers	1,761,448	1,860,216	9,960,216	8,100,000	535.4%
Other Non-Departmental	4,706,808	10,961,528	9,088,829	(1,872,699)	82.9%
Subtotal, Non-Departmental	193,536,663	218,665,215	228,992,516	10,327,301	104.7%
TOTAL, GENERAL FUND EXPENDITURES	314,875,074	351,008,784	357,941,325	6,932,541	102.0%
Budgeted/Projected Use of Fund Balance	2,935,858	13,273,529	13,318,946		

Discussion

General Fund Revenue Projections

The County's General Fund revenues, excluding use of fund balance, are projected to total \$344.6 million at the end of FY 22, or approximately \$6.9 million or 2.0% above budget. Primary drivers of the projection include the following:

- **Current Real Estate and Property Taxes** are projected at \$221.5 million, \$3.5 million or 1.6% above budget. This is primarily due a Calendar Year (CY) 22 real estate

reassessment greater than the projected CY 22 reassessment in the FY 22 Revised Budget.

- **Business-Driven Taxes** are projected at \$17.7 million, \$1.0 million or 6.0% above budget. This is due primarily to year-to-date and projected collections for Business, Professional, and Occupational Licenses (BPOL) and the Bank Franchise Tax, for which substantial data is not available until March and May, respectively. BPOL revenues are primarily driven by stronger than anticipated local economic activity during CY 2021.
- **Consumer-Driven Taxes** are projected to end the year at \$44.6 million, \$2.0 million or 4.6% above budget. This is primarily due to the year-to-date trends in revenues such as sales, meals, and transient occupancy taxes, which are stronger than anticipated in the FY 22 Revised Budget. Actual collections for those three revenues are 12.1% greater than first three pre-pandemic quarters of FY 20, and 25.8% greater than the same pandemic period of FY 21.
- **Other Local Taxes** are projected to end the year at \$14.1 million, \$0.6 million or 4.0% above budget. This is due primarily to stronger than anticipated year-to-date collections in delinquencies, penalties, and interest.
- **Other Local Revenues** are projected to end the year at \$10.6 million, \$0.9 million or 8.7% above budget. This is primarily due to revenue related to the Community Development Department and interest earnings on investments, both of which exceed the FY 22 Revised Budget.
- **State Revenues** are projected to end the year at \$24.6 million, \$0.7 million or 2.8% below budget. This is primarily due to corresponding projected expenditures in the Department of Social Services.
- **Federal Revenues** are projected to be \$7.1 million, \$0.2 million or 2.8% below budget. This is primarily due to corresponding projected expenditures in the Department of Social Services.
- **Transfers** are projected to end the year at \$4.4 million, \$0.1 million or 2.0% below budget. This is due primarily to the transfer for the Water Resources Fund based on corresponding projected expenditures in the General Fund.

General Fund Expenditure Projections

General Fund expenditures are forecast to total \$357.9 million at the end of FY 22. This amount is \$6.9 million or 2.0% above appropriations through the third quarter. This amount above appropriations is because the projections include the impact of June 1, 2022 requested supplemental appropriations, while the revised budget does not. The June 1 appropriations include \$12.2 million to provide one-time funding for the Capital Improvements Program, Economic Development Fund, and Housing Fund based on direction from the Board of Supervisors during the FY 23 budget development process. The difference between appropriated and projected expenditures is due primarily to the following:

- **Departmental operational** savings of approximately \$3.4 million across all departments the majority of these savings are based upon salary and related benefit savings above the budgeted salary lapse; \$0.8 million in the Department of Social Services savings related to changes in the source of payments for foster care and adoption support; as well as other smaller operating savings across departments primarily based on year-to-date activity.
- **Transfers to Capital and Debt** actuals are projected at \$4.1 million above the FY 22 revised budget, due to the pending June 1, 2022 supplemental appropriation mentioned in the introductory statements for General Fund Expenditure Projections. That request

includes a one-time transfer of \$4.1 million to the Capital Budget.

- **Other Transfers** include actuals are projected at \$8.1 million above the FY 22 revised budget, due to the pending June 1, 2022 supplemental appropriation mentioned in the introductory statements for General Fund Expenditure Projections. That request includes a one time-transfer of \$3.1 million to the Housing Fund, and a one-time transfer of \$5.0 million to the Economic Development Fund. The balance of the Housing Fund and Economic Development Fund remaining at the end of FY 22 will be recommended to be re-appropriated to FY 23.
- **Other Non-Departmental** is estimated to be approximately \$1.8 million under the revised budget due to projected unspent funds primarily in the Reserve for Contingencies.

Projected Change in Fund Balance

The result of the anticipated revenues less the anticipated expenditures is the projected usage of \$13.3 million in fund balance at the end of FY 22. This projected use of the General Fund's fund balance does not represent a structurally unbalanced budget and is within the amounts that were budgeted to be used as part of the FY 22 Budget development process and mid-year adjustment. The usage of this amount of fund balance will not reduce it to a level that is below the County's 10% unassigned fund balance and 1% Budget Stabilization Reserve and keeps the total fund balance amount at, or above, the County's policy requirements and other obligated uses in FY 22.