



COUNTY *of* VENTURA

FY 2023-24 PRELIMINARY BUDGET & 3RD QUARTER FY 2022-23 BUDGET UPDATE

County Executive Office – Budget & Finance

June 6, 2023

BUDGET PROCESS

1. Calculation of General Fund Forecast
2. Develop General Fund Department Net Cost Target Budgets
3. Internal Service Funds Rate Presentations – Feb 7, 2023
4. Budget Development Manual – Feb 7, 2023
5. Budget Meetings with Agencies/Departments – Feb-Mar 2023
6. General Fund Target Budget Presentation – Apr 11, 2023
7. Agency/Department Budget Presentations – Mar-May 2023
8. Countywide Rates & Fees – May 23, 2023
9. Preliminary Budget Presentation – Jun 6, 2023
10. Budget Hearings – Jun 21, 2023

BUDGET DEVELOPMENT

- 1. Using Board Established Priorities**
- 2. Departments Evaluate Essential Needs, Positions, Revenues & Expenses**
- 3. Realistic Revenue Projections**
- 4. Department Commitment to Continuing Efforts to Reduce Costs and Capture Revenue to Meet Budget Targets**
- 5. Rigorous Target Budget Development and Refinement Process**

HIGHLIGHTS & KEY BUDGET DATA

- ❑ **Preliminary Budget: \$2.86B***
 - \$162M or 6.0% increase from FY 2022-23
 - General Fund Appropriations \$1.35B
 - \$56.8M or 4.4% increase from FY 2022-23
 - Non-General Fund Appropriations \$1.51B
 - \$105.4M or 7.5% increase from FY 2022-23
 - Internal Service Fund Appropriations \$411M
 - \$780K or 0.2% increase from FY 2022-23

* Excludes Internal Service Fund appropriations

KEY BUDGET ASSUMPTIONS - EXPENDITURES

❑ Salaries and Benefits

- Merit and general salary increases; market-based adjustments, flex credits

❑ Retirement

- Employer Contribution Rate **decreased** 3.09%, from 21.32% to 18.23%
- UAAL (Unfunded Actuarial Accrued Liability) **decreased** from \$507M to \$212M
- Funded ratio **increased** from 92.9% to 97.2%

❑ Services and Supplies

- Internal Service Funds rate increases:
 - Information Technology Services Dept: 8.0%
 - General Services Agency: 8.35%
 - General Liability Insurance and Workers' Compensation: Flat

KEY BUDGET ASSUMPTIONS - REVENUE

❑ **General Fund General Purpose Revenue - \$523.5M**

- \$23.9M increase; up 4.8% from Current Year Projections
- \$39.3M increase; up 8.1% from FY 2022-23 Adopted
 - Property tax related revenues ~87% of GPR
- Assessed Value increase estimated at 3.0% over current year projection

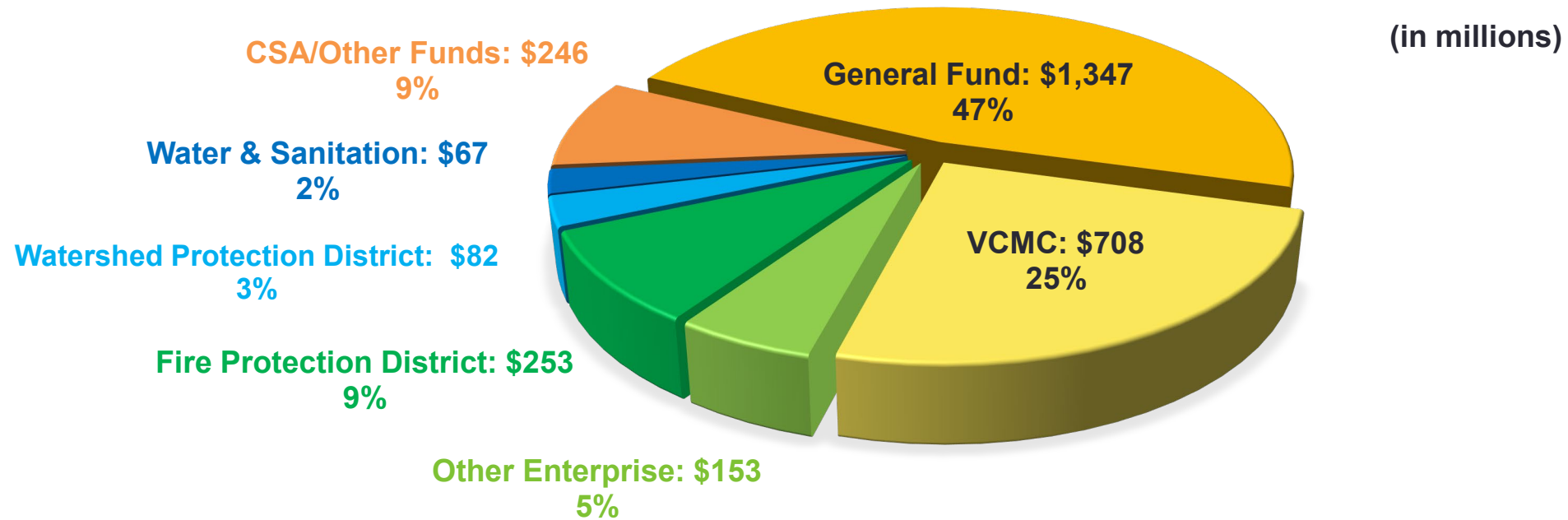
❑ **Prop 172 Public Safety Sales Tax Revenue - \$92.7M**

- \$2.6M increase, up 2.8% from FY 2022-23 Adopted

❑ **Realignment Revenue - \$200M**

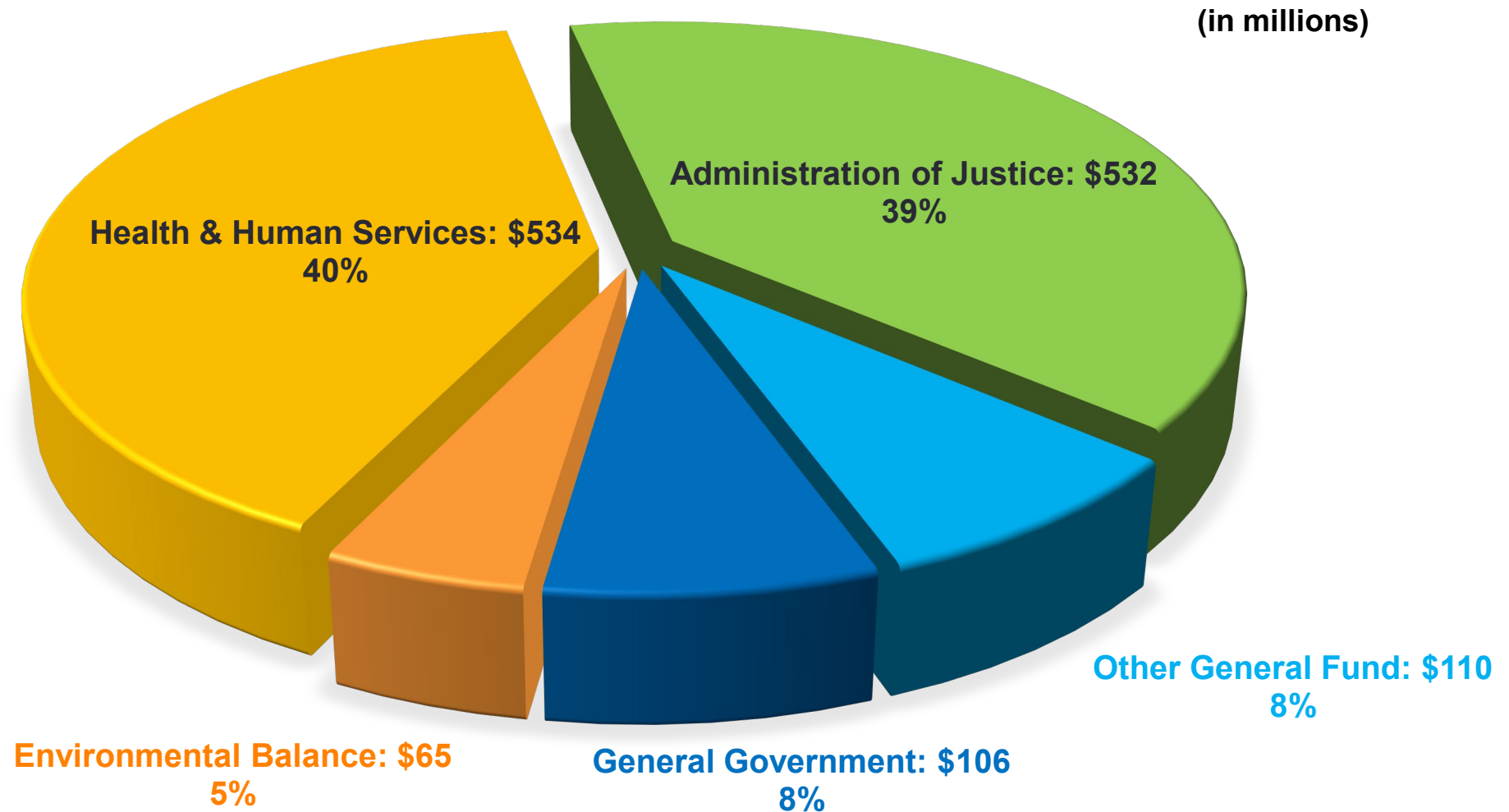
- \$9.2M increase, up 4.8% from FY 2022-23 Adopted

APPROPRIATIONS by FUND: \$2.857B

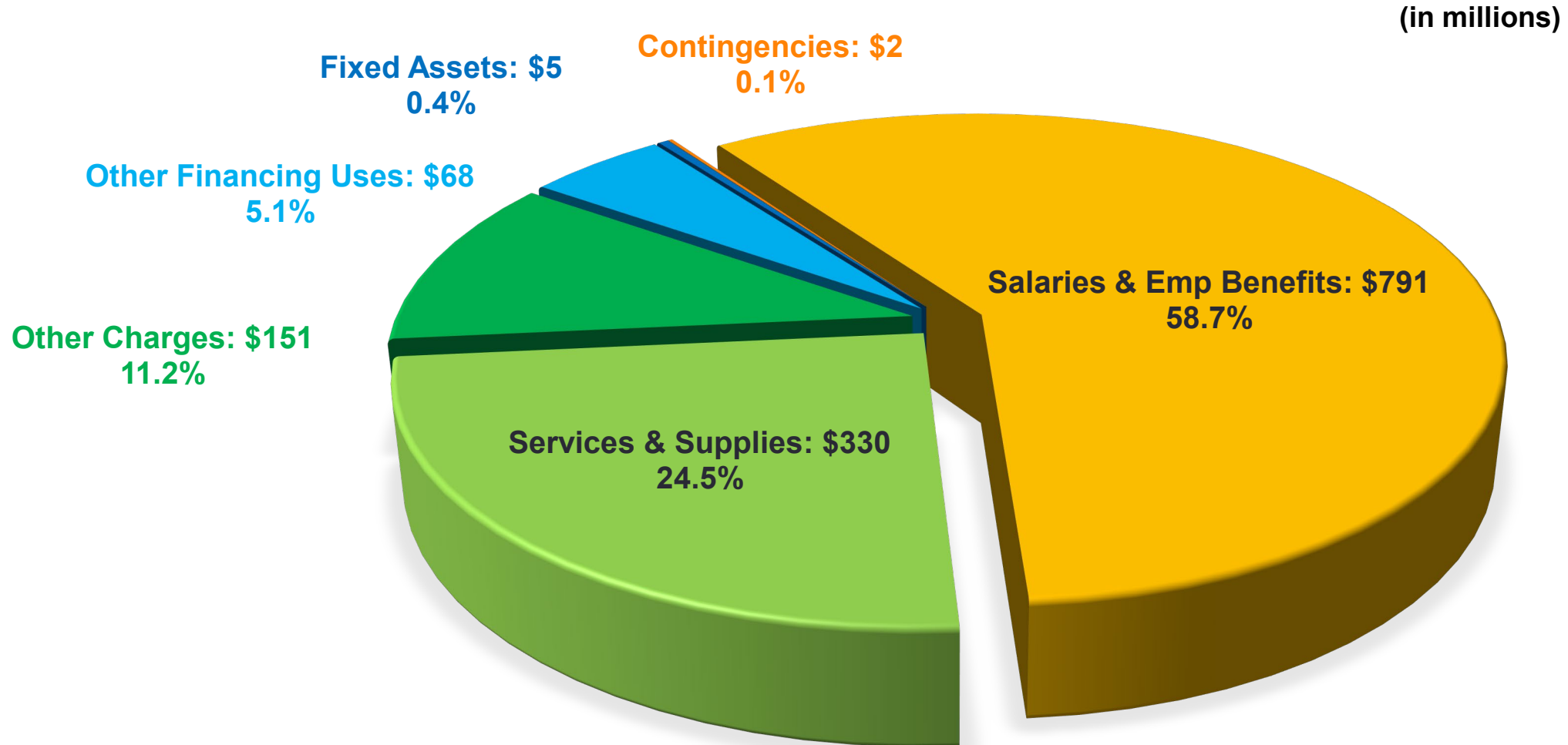


(in billions)	2022-23 Adopted Budget	2023-24 Prelim Budget	Change from Prior Year	% Change Prior Year
General Fund	\$1.290	\$1.347	\$0.057	4.4%
Non-General Funds	1.405	1.510	0.105	7.5%
Total Budget	\$2.695	\$2.857	\$0.162	6.0%

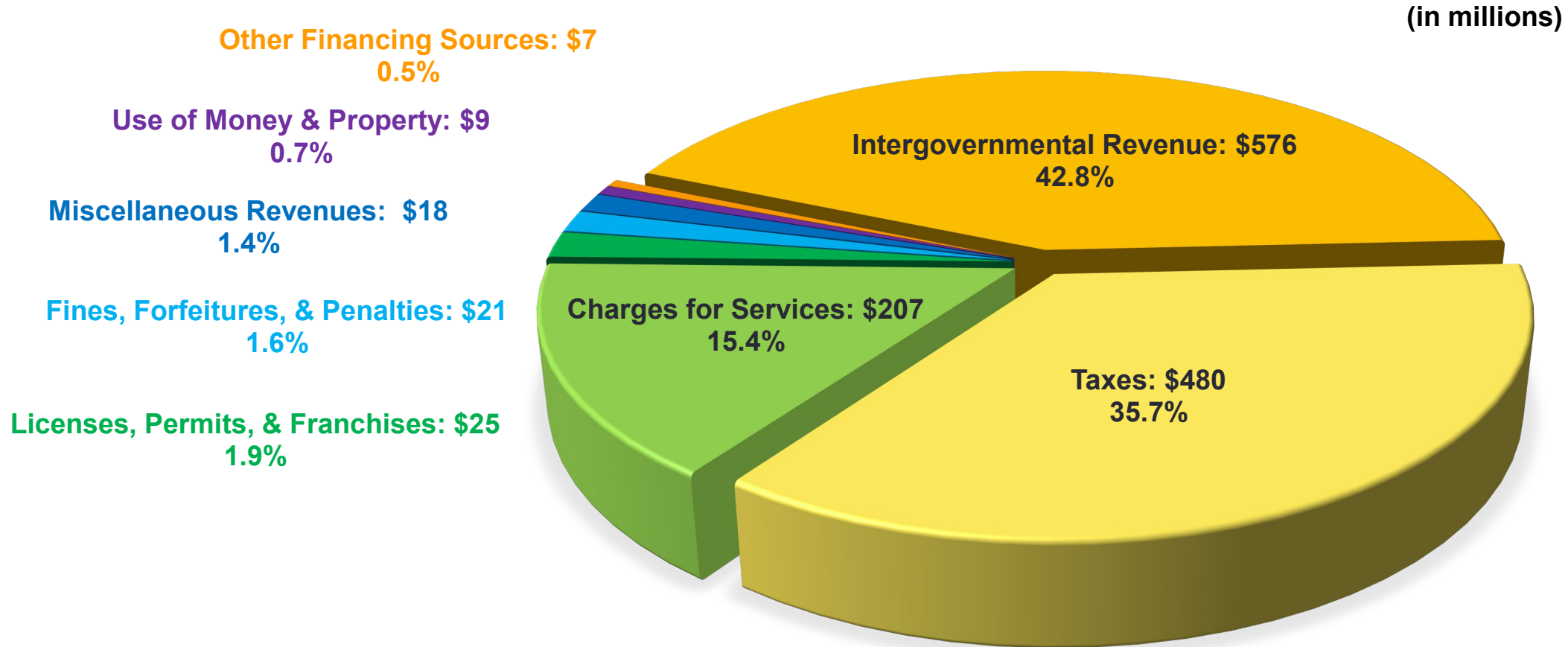
GF APPROPRIATIONS by PROGRAM AREA: \$1.347B



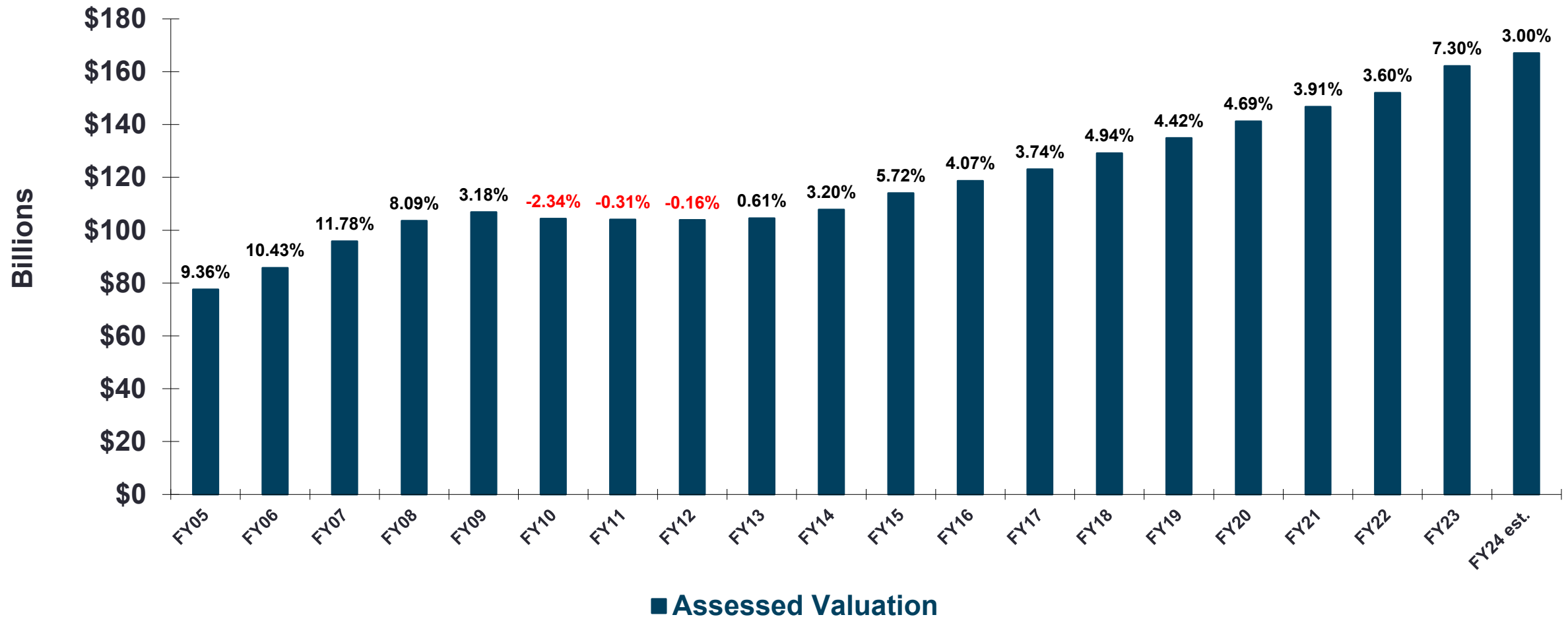
GF APPROPRIATIONS by EXPENDITURE TYPE: \$1.347B



GF REVENUE by FINANCING SOURCE: \$1.344B



ASSESSED VALUATION TREND



FULL-TIME EQUIVALENT POSITIONS

❑ Total Full Time Equivalent (FTE) Positions: 10,268

- 89 FTEs or 0.9% increase from 2022-23
 - Non-General Fund: 4,784, net increase of 41 or 0.9%
 - General Fund: 5,484, net increase of 48 or 0.9%

Agency/Dept.	FTE	Description
Non-General Fund		
Child Support	(13)	Administrative clean-up: delete long-term vacant positions
MHSA	(9)	Expiration of fixed-term positions
VCHCP	9	Necessary activities to achieve required National Committee for Quality Assurance accreditation
Fire	37	Primarily Fire Control Worker positions funded by the State

FULL-TIME EQUIVALENT POSITIONS

Agency/Dept.	FTE	Description
General Fund		
AAA	11	CalAIM implementation: coordination of care for older adults and adults with disabilities
CEO	11	Grants Coordinator, Sustainability, DEI (2 fixed-term) for Probation Juvenile program, Capital Projects, Fiscal Admin support, HR staff (5) to support HCA, Fire, HSA, Probation
Sheriff	11	4 th Assistant Sheriff, Grant Administrator, Risk/Safety Administrator, HPU Jail Captain, and positions for various grant programs
DA	9	Address criminal cases COVID backlog (2), paperless case file migration (2), grants positions for Ventura and Oxnard Family Justice Centers (5)
Public Defender	5	Public Defense Pilot program (2), address criminal cases COVID backlog (2), manage social worker unit (1)

GENERAL FUND RESERVES

	Balance as of May 15, 2023	Prelim Budget Allocation of Fund Balance	Prelim Budget Use of Reserves FY 2023-24	Prelim Budget FY 2023-24
Non-Spendable	\$2,051,385			\$2,051,385
Restricted	11,190,918			11,190,918
Assigned	85,188,728	\$40,000,000	(\$3,310,000)	121,878,728
Unassigned	160,000,000	10,000,000		170,000,000
Total	\$258,431,031	\$50,000,000	(\$3,310,000)	\$305,121,031

GENERAL FUND – ASSIGNED FUND BALANCE DETAIL

	Balance as of May 15, 2023	Prelim Budget Allocation of Fund Balance	Prelim Budget Use of Reserves FY 2023-24	Prelim Budget FY 2023-24
Attrition Mitigation	\$3,000,000			\$3,000,000
Audit Disallowance	10,000,000			10,000,000
Bike Lane Projects	4,500,000			4,500,000
Fixed Asset Acquisitions	3,738,810	\$16,261,190		20,000,000
Fixed Asset Acquisitions-TRJ HPU	1,100,000			1,100,000
Pension Mitigation	15,000,000	10,000,000		25,000,000
Program Mitigation	46,976,328	13,381,000	(\$3,310,000)	57,047,328
Other	873,590	357,810		1,231,400
Total Assigned Fund Balance	\$85,188,728	\$40,000,000	(\$3,310,000)	\$121,878,728

FINANCING

❑ Credit Rating

- Long Term credit rating
 - Moody's: Aaa
 - Standard & Poor's: AAA

❑ Annual Tax and Revenue Anticipation Notes (TRANs)

- Highest Short Term credit rating
 - Moody's: MIG 1
 - Standard & Poor's: SP-1+
- Cashflow borrowing - \$90M
 - Prefund annual retirement contribution - \$151M

AMERICAN RESCUE PLAN ACT (ARPA) FUNDING

❑ **Total Allocation: \$164M**

- Housing & Homelessness - \$30.5M
- Infrastructure - \$27.3M
- Parks, Recreation, Facility Improvements - \$24.7M
- Mental Health - \$22M
- Public Health - \$15M
- Emergency Preparedness - \$14.5M
- Economic Recovery - \$9.5M
- Early Learning/Childcare - \$8.5M
- Sustainability - \$3.5M/ Farmworker - \$3M/ Arts - \$1M
- Contingency- \$4.9M

ATTACHMENT C to PRELIMINARY BUDGET LETTER - CAPITAL PROJECTS

2022-23 Accomplishments

- ❑ Health & Programming Unit at Todd Road Jail (Medical/Mental Health Housing) (\$61.2M)
- ❑ Acquisition of Oxnard Family Justice Center Property (\$4.1M)
- ❑ Completion of New Ojai Valley Fire Station #20 (\$10.6M)
- ❑ VCMC Fainer Wing Remodel (\$6.3M)

Projects In-Process

General Fund

- ❑ Property Tax Assessment & Collection System (\$18.8M)
- ❑ Government Center Fuel Tank Replacement Project (\$4.5M)
- ❑ Tenant Improvements in Sheriff Administrative Building (Camarillo) (\$8M)
- ❑ Ventura County Integrated Justice Information System (VCJIS) Upgrade (\$55M)

ATTACHMENT C to PRELIMINARY BUDGET LETTER - CAPITAL PROJECTS

Projects In-Process, continued

- ❑ South Lewis Road Multiple Development Projects (\$TBD)
- ❑ Saticoy Park Improvements (\$5M)
- ❑ Nyeland Acres Community Center (\$5.5M)
- ❑ East County Crisis Stabilization Unit/Psychiatric Hospital Facility (\$7M)

Non-General Fund

- ❑ Piru Wastewater District #16 Tertiary Treatment Facility (\$6M)
- ❑ Thousand Oaks Fire Station #34 (\$14M)
- ❑ Santa Paula Fire Station #29 (\$11.7M)
- ❑ Fire Department Training Facility at Camarillo Airport (\$20M)

ATTACHMENT C to PRELIMINARY BUDGET LETTER - CAPITAL PROJECTS

Projects In-Process, continued

- ☐ Saticoy Facility & Maintenance Building Improvement Project (\$5M)
- ☐ VCMC Helipad (\$4.5M)
- ☐ Behavioral Health Youth and Wellness Center (\$6.4M)

Recommended Priority Projects

- ☐ County Financial Management System Upgrade (\$5M)
- ☐ Next Generation Public Safety Radio Communication System (\$50M)
- ☐ Broadband Middle-Mile (\$20M)
- ☐ Vanguard Property Conversion-Permanent Support Housing/Other Vital Services (\$40M)

3RD QUARTER 2022-23 BUDGET UPDATE

- ❑ **On Track**
- ❑ **General Fund: Fund Balance Estimate \$50M**
 - Based on projections at end of 3rd quarter
 - One-time savings resulting from FEMA reimbursement, Property Tax revenue, and Expenditure savings
 - Recommendation: increase reserves
- ❑ **PEPRA Impact**
 - 5,071 employees or 56.0%
 - 10% increase from prior year

POTENTIAL COST IMPACTS

- ☐ **Labor Costs**
- ☐ **Retirement Contributions**
- ☐ **Cost of Elections**
- ☐ **Capital Requirements**
- ☐ **Cost of Debt**
- ☐ **Health & Human Services**
 - CalAIM, Mental Health Services, Homelessness
- ☐ **Public Safety**
 - Elimination of Criminal Fees/Fines, Dept of Juvenile Justice realignment, Incompetent to Stand Trial, Health & Programming Unit Staffing, Unfunded realignment costs, CARE Court
- ☐ **State May Revise**

SUMMARY

- ❖ **Diligent Management and Employee Efforts**
 - Agencies/Departments managed their budgets
- ❖ **Board Direction and Support**
- ❖ **Managing Salary and Services & Supplies Cost Increases**
- ❖ **Service Excellence Program**

Have Resulted In:

- ❑ **A Balanced Budget**
 - Sustains core County services such as health, social services and safety
 - Significantly enhances public/mental health capacity long term

RECOMMENDATIONS

- 1. Receive Budgets**
- 2. Publish Notice**
- 3. Schedule Budget Hearings**
- 4. Approve Grant Applications and Acceptances**
- 5. Receive and File Capital Projects Recommendations**
- 6. Direct CEO to Make Revisions to Budget as Necessary During Budget Hearings**
- 7. Receive and File FY 2022-23 3rd Qtr Budget Update**