

Welcome to the Recommended Budget for the Fiscal Year 2018-19, which begins July 1, 2018. This section of the budget book is designed to help readers understand the purpose and content of the budget, as well as to locate data and/or information they may be looking for.

## THE PURPOSE OF THE BUDGET

The budget is the County’s annual operating plan for how it will provide services to the public within available resources, and is developed based upon policy direction given by the Board of Supervisors. It is a vehicle for presenting plans and strategies that will ensure the long-term provision of necessary services, provide recommendations for new opportunities when possible, and provide a foundational record of decisions and policy directions recommended to and approved by the Board of Supervisors.

El Dorado County acts as an administrative agent for three types of services: municipal services; countywide local services; and countywide services provided on behalf of the state and federal governments.

Municipal services pertain mainly to unincorporated areas of the County and include emergency services and planning, Sheriff’s law enforcement, building and land use regulations, road maintenance, parks, and refuse collection and disposal. These are services that will also be found in incorporated cities, provided by the city government.

The County also provides a number of local services that are common to most counties in the state. These include services of the County Clerk, Elections, Assessor, Auditor-Controller, Tax Collector, as well as criminal prevention and prosecution, public defense, probation, and detention.

Services provided on behalf of the state and federal governments, for the most part, impact all County residents and are generally related to health and human services. These programs are funded primarily through state and federal revenue sources.

## BALANCED BUDGET REQUIREMENT

County budgets are prepared pursuant to and in conformance with the State of California, County Budget Act, Chapter 1, Division 3, Title 3 of the Government Code (§29000, et. sec.). Government Code §29009 requires that,

***“In the recommended, adopted, and final budgets the funding sources shall equal the financing uses. This is known as the balanced budget requirement.”***

## BUDGET DEVELOPMENT PROCESS

Each year, the County goes through a collaborative budget development process between the County Administrator’s Office and the County’s departments/agencies to ensure the preparation of a balanced budget for the coming fiscal years.

The El Dorado County Charter, Article III 304C, states that the Chief Administrative Officer shall:

***Recommend an annual budget after reviewing requests of all departments and agencies for which the Board is responsible or which request County funds.***

The Budget Development process generally begins in late Fall of each year with the development of the Master Budget Calendar. This Calendar outlines important budget deadlines and dates for Board meetings during the development process. The development of the budget can last up to six months, with the Recommended Budget being made available to the public in June of each year.

Each year, all County departments prepare and submit a “budget request” to the Chief Administrative Office, including financial and program information relative to the department programs and goals. Once received, the

Chief Administrative Office reviews and analyzes each request along with other factors that may impact County operations. Examples of factors that are considered in the development of the Recommended Budget are: Board of Supervisors' policy direction, available financing, state and federal policies, changes in the cost of doing business, capital asset needs, Strategic Plan Goal areas, and the Board of Supervisors policy priorities. Once produced, the Chief Administrative Officer's Recommended Budget represents a comprehensive financial operating plan, which fits within the constraints of available financing and conforms to established policy.

**Government Code requires that the Recommended Budget be submitted to the Board on or before June 30 of each year, as the Board directs.**

During their consideration of the Recommended Budget, the Board of Supervisors may direct modifications to the Recommended Budget as it sees fit or as may be necessary for the furtherance of County priorities. The Board of Supervisors holds a public hearing in September of each year, at which final adjustments are incorporated. At the conclusion of this public hearing, the Board approves the result as the Adopted Budget for the fiscal year.

## READING THE BUDGET BOOK

The budget document includes a wide range of financial information and analysis concerning every aspect of County functions. The budget is divided into tabs to assist the reader in navigating the document.

### Summary of the Recommended Budget

Provides an overview of the budget process, assumptions used in preparing the budget, revenue sources and major areas of County spending.

### County Profile and Demographic Data

This section provides some information about the structure and functions of County government, plus demographic information.

### County Strategic Plan & Budget Policies

The Strategic Plan including the Countywide Vision, Mission, Core Values, and Strategic Goals guiding the work of the Chief Administrative Office and all departments in order to achieve our primary goal of improving services to our community and becoming the Gold Standard of Public Service.

This section also includes a list of the Board adopted Policies guiding budget development and outlining funding priorities.

### Budget Narratives by Functional Group

The departmental budgets are categorized by functional area as noted on each tab. These include:

- General Government
- Law and Justice
- Land Use and Development
- Health and Human Services

The first page in each section provides a list of departments within each functional area.

### *Department Budget Narrative*

Each Department has its own Budget Narrative, which provides basic information about the department and its programs and discusses the recommended budget. Each budget narrative includes the mission of the department or program, a budget summary, major budget changes, 10-year staffing trend, program summaries, and details and analysis in the CAO recommendation.

### *Net County Cost / General Fund Contribution*

Many County programs do not have a dedicated revenue stream to fully offset operating costs. As a result, these programs are supported by general purpose revenues such as property or sales taxes. The difference between program expenditures and program revenues is known as the “Net County Cost” (NCC). Some departmental programs are able to generate substantial revenues, such as state or federal reimbursements for social services programs. The County also uses general purpose revenues to provide a required match to receive these state or federal revenues. This is often referred to in the budget document as a “General Fund contribution.” When appropriate, departments charge fees for services. The County’s reliance on general purpose revenues increases if the County loses revenue from state and federal sources, or if fee revenue does not keep pace with the cost of providing services.

### FY 2018-19 Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These schedules represent Countywide Special Revenue Funds. The majority of the special revenue funds collect specific revenue sources and transfer those funds to County operating department budgets (i.e., Sheriff) for expenditure. The purpose of any associated expenses is therefore discussed in each Department’s budget narrative.

Due to current system limitation, the schedules are presented in their direct output format. Please note that Revenues are reflected at the top of each schedule, and expenses (primarily in the form of Operating Transfers Out) are shown at the bottom of the schedule. Each special revenue fund balances revenue and expenses.

### Countywide Personnel Allocation

In addition to lists of recommended positions in each department budget narrative, the Budget Book contains a comprehensive listing of all positions that are recommended to be approved along with the Recommended Budget. This listing is found in a separate tab following the Summary Schedules section of the book and is organized by Department.

### Glossary + Index

Refer to these sections for definitions of terms and quickly navigating the documents using key words.

