SUMMARY OF THE RECOMMENDED BUDGET

The total Recommended Budget for all Governmental Funds for FY 2018-19 is $605.4 million, which is $36.5 million (6.4%) more than the FY 2017-18 Adopted Budget of $568.9 million.

Total General Fund appropriations are recommended at $290 million, which is $10 million (3.6%) more than the FY 2017-18 Recommended Budget of $280 million (submitted at this same time last year); and $4.4 million (1.5%) less than the FY 2017-18 Adopted Budget of $294.4 million approved by the Board in September of 2017.

The charts below provide a summary of total departmental appropriations by expenditure class and by functional group.

TOTAL APPROPRIATIONS BY EXPENDITURE CLASS

Expenditure Class	FY 2017-18 Adopted	FY 2018-19 CAO Recm'd	$ Increase/ (Decrease)	% Increase/ (Decrease)
Salaries & Benefits	210,135,992	216,344,672	6,208,680	3%
Services, Supplies & Other Charges	172,922,375	169,467,660	(3,454,715)	(2%)
Fixed Assets	33,487,057	71,719,922	38,232,865	114%
Transfers	105,038,044	112,932,442	7,894,398	7.5%
Contingencies	26,655,335	23,922,388	(2,732,947)	(10%)
Reserves/Designations	20,627,498	11,004,294	(9,623,204)	(47%)
Appropriations	**$568,866,301**	**$605,391,378**	**$36,525,077**	**6%**

* *Excluding Fund Type 12 – Special Districts*

TOTAL APPROPRIATIONS BY FUNCTIONAL GROUP

Functional Group	FY 2017-18 Adopted	FY 2018-19 CAO Recm'd	$ Increase/ (Decrease)	% Increase/ (Decrease)
General Gov't	93,378,285	96,825,344	3,447,059	4%
Law & Justice	102,207,075	114,839,785	12,632,710	12%
Land Use/Dev Svc	132,675,691	130,453,496	(2,222,195)	(2%)
Health & Human Svc	182,382,780	184,361,383	1,978,603	1%
Appropriations	**$510,643,831**	**$526,480,008**	**$15,836,177**	**3%**

* *Representing Departmental operating appropriations, excluding Non-Departmental/ACO Fund*

GENERAL FUND SUMMARY

General Fund Revenues

The Recommended Budget reflects an increase of $5.4 million (4.35%) in General Fund major revenue sources. Property Tax (Current Secured) is expected to increase by 5% in FY 2018-19, for an increase of $3.2 million, based on the projected increase in total property assessed valuation. Revenue from Sales and Use Tax is anticipated to increase by 2% over the prior year Adopted Budget, or $400,000, based on the recent trend in actual receipts. The Recommended Budget assumes increases in other general fund discretionary revenues as well, including revenue from the Shingle Springs Rancheria, pursuant to the existing agreement, and in Tobacco Tax Settlement revenue. These revenue assumptions are discussed further in the General Fund - Other Operations (Department 15) budget summary.

Carryover Fund Balance

The Recommended Budget includes $20,803,674 in Fund Balance carryover. These are funds that are anticipated to be available at the end of FY 2017-18 as a result of operations and unspent appropriations designated for capital project work, and are recommended to be available for use in the following budget year. It is important to note that, although these funds are considered to be one-time in nature, the County still relies on a portion of these carryover funds to help balance its operating budget, although the reliance on use of fund balance to fund on-going expenses is decreasing.

The Fund Balance available to meet operational funding requirements is estimated at $13,647,510 for FY 2018-19. This carryover estimate reflects $5.0 million in un-spent contingency and approximately $2.0 million in additional non-departmental revenues. The balance of the estimated Fund Balance is due to additional departmental revenues and savings. In concept, $5.0 million of this carryover fund balance is used in the FY 2018-19 Recommended Budget to increase the Designation for Capital Projects, and $5.5 million is re-budgeted to fund the Appropriation for Contingency.

The carryover Fund Balance designated for capital projects is estimated at $7,156,164 for FY 2018-19. These estimates are subject to change with the close of the FY 2017-18 financial records in August.

General Fund Cost & General Fund Contributions

The General Fund Cost (also referred to as Net County Cost) represents the part of a budget unit's expenses that are financed by general purpose revenues, which are predominantly made up of property taxes, sales taxes, general purpose fees, and interest earnings. Many departments that are budgeted in funds other than the General Fund also receive a General Fund Contribution. Funding for the General Fund Contributions to other funds is also financed by general purpose revenues.

The overall cost to the General Fund, made up of General Fund/Net County Cost and General Fund Contributions to other funds, is increasing 3%. The chart on the following page reflects the distribution of increases and decreases in General Fund Cost/General Fund Contribution by functional group.

From a total dollar perspective, the majority of the increase in General Fund cost is in the Law and Justice Functional Group. Details of increases and decreases in individual departments within these functional groups are discussed in the Departmental Budget Narratives in the following sections of the Recommended Budget.

GENERAL FUND COST BY FUNCTIONAL GROUP

Functional Group	FY 2017-18 Adopted	FY 2018-19 CAO Recm'd	$ Increase/ (Decrease)	% Increase/ (Decrease)
General Gov't	34,770,923	35,894,977	1,124,054	3%
Law & Justice	75,846,061	79,092,341	3,246,280	4%
Land/Dev Svc	4,857,639	5,804,426	946,787	20%
Health/Human Svc	16,104,699	15,296,002	(808,697)	(5%)
Total	**$131,579,322**	**$136,087,746**	**$4,508,424**	**3%**

** representing Departmental operating appropriations, excluding Non-Departmental/ACO Fund*

STRATEGIC PLAN & SERVICE INDICATORS

The County continues to prioritize services based on the following five Strategic Plan Goals:

- Public Safety
- Good Governance

- Infrastructure
- Economic Development
- Healthy Communities

Progress was made to complete objectives within each strategic plan goal, and when necessary to update the goal with new objectives. FY 2018-19 budget requests from departments were considered based on their relevance to the strategic plan goals.

In addition, during FY 2017-18 the County made progress in identifying and measuring key service and workload indicators. At this time, indicators for the following departments are included on the County's website:

> Ag Commission, Air Quality Management District, Chief Administrative Office, Child Support Services, Clerk of the Board of Supervisors, County Counsel, Environmental Management, Human Resources, Library/Museum, Planning & Building, Public Defender, Recorder/Clerk, Transportation, Sheriff and Veteran's Affairs.

Each indicator will continue to be monitored and used to make informed service level decisions. In addition, the Chief Administrative Office will continue to work with those departments who have not yet identified service and workload indicators.

BOARD POLICIES & FUNDED PRIORITIES

The Board of Supervisors adopted ten budget policies in 2015. Those policies were updated and expanded in 2017. For FY 2018-19, the Chief Administrative Office approached the development of the Recommended Budget with the direction and intent to follow these policies and to recommend funding in line with these policies. The first two budget policies direct staff to "pursue operational efficiencies" and to "maximize the Board's discretion." In keeping with these policies, the Chief Administrative Office, in conjunction with departments, took a close look at actual needs and expenditure patterns across all County departments, and worked with departments to identify and, where possible, implement efficiencies.

Policies three, four and five direct that new revenues should be pursued where possible, proposals to accept new grant funding must identify any future County funding obligations, and that new or enhanced programs should not be considered unless dedicated revenue is identified. Therefore, readers of the budget will see an emphasis on not only adjusting department expenditure budgets to "actual expenditures," but also appropriately budgeting department revenues. Readers will also see a number of requests for additional staff or new items that are not recommended for funding, primarily because sufficient dedicated revenue does not exist to support the new expenditures. Additionally, Policy six requires that if outside funding is reduce, there should be no increase in County cost unless the Board has determined the program to be a high priority for use of limited General Fund dollars. Readers will see instances where programs or services are reduced where funding has been reduced.

Budget Policies numbers eight, ten and eleven establish targets for funding the General Fund Appropriation for Contingency and critical Reserve funds. It is with these policies in mind that the following Board priorities are recommended for funding in the FY 2018-19 Recommended Budget.

> ***General Fund Contingency fully funded at $5.5 million:*** The General Fund Appropriation for Contingency is recommended at $5.5 million. Board Budget Policy #8 directs that the Contingency be set at a minimum of 3% of the adjusted General Fund appropriations. This funding is a set aside to provide resources in the event of unforeseen fiscal issues throughout the year.

> ***General Reserve fully funded at $8.63 million:*** The General Fund General Reserve is recommended at $8,632,408. Board Budget Policy #10 directs that the General Reserve be set at an amount equivalent to approximately 5% of the adjust General Fund appropriations. The General Reserve is established to provide for additional resources in the event of significant emergency situations where additional funds are required, and functions as a cash flow reserve during the year.

Contribution to Capital Reserves fully funded at $5 million: The Recommended Budget includes an increase to the General Fund Designation for Capital Projects in the amount of $5 million. Board Budget Policy #11 directs that, once General Reserves and General Fund Contingency equal 8% of adjusted General Fund appreciations, the Board may transfer remaining discretionary resources to the Designation for Capital Projects. The $5 million that is reflected in Board policy and recommended to be set aside each year is approximately 2% of the estimated replacement value of the County's buildings as of 2013. As the value of County facilities increases, the target annual set-aside should be reconsidered and potentially increased.

Other priorities that are recommended for funding in the FY 2018-19 Recommended Budget include:

Vacation Home Rental Regulation/Enforcement Augmentation
In FY 2018-19, $315,000 is recommended as a set-aside in the General Fund Other Operations (Department 15) to be re-appropriated for possible staffing augmentation, equipment needs, and permitting/monitoring software and contracts related to the Vacation Home Rental policy issue. A recommendation for the proper structure and services to ensure efficient and effective permitting, regulation, and enforcement of the Vacation Home Rental industry in the unincorporated areas of El Dorado County will be brought to the Board for consideration during FY 2018-19. An update fee structure will also be developed, which may help offset the cost of regulation and enforcement efforts.

El Dorado County Homelessness
Homelessness in the State of California and in El Dorado County is a growing concern. The FY 2018-19 Budget includes $82,000 in County General Fund funding to support a homelessness coordinator contract, included in the Health and Human Services Agency. Several community partners have offered support to this contract and it is expected that additional funding contributions will be received to partially offset to the cost of this community effort.

Enterprise and Industrial Drive Intersections
Related to the Public Safety Facility project, two major intersections have been identified as either warranted by traffic impacts or necessary to efficient public safety operations. In April of 2018, the Board approved a funding arrangement to ensure the completion of intersections at Enterprise Road at Missouri Flat Road, and Industrial Drive at Missouri Flat Road. The cost for these projects is estimated at $2.5 million and $2.1 million, respectively. The two projects will be funded with a combination of TIM Fees, Tribe funding, Public Safety Facility project funding, and contributions from the Sheriff's Office budget.

Community Planning
In FY 2017-18, the Board approved $250,000 in funding for efforts towards community planning. This was the first year of a four year approach, with cost estimated at $1 million over the four year period. The Recommended Budget includes $250,000 for year two of this effort, with $125,000 included in the Planning and Building budget, and $125,000 funded through the Economic Development budget.

IT Deferred Infrastructure & Maintenance
In support of the Good Governance Strategic Plan Infrastructure Objective 3.4.2 and 3.4.3, it is recommended that IT purchase several mission-critical assets in FY 2018-19. This is the second year of a three-year plan to bring the County in line with industry standards and to reduce risk to County data. Updating our network infrastructure is a continuous process, so it should be noted that further purchases will likely be recommended in future budgets, as IT continues to review, assess and prioritize their most critical needs.

Reimbursing Public Safety Facility Loan Reserve
$220,000 is included in the Recommended Budget to re-fund the Public Safety Facility Payment Reserve. This Reserve was previously set at $2.2 million; however, funds were drawn down in FY 2016-17 to cover the County's increased contribution to the project, as required by the USDA for approval of the

financing loan. This reserve is required to be set at $2.2 million, equal to one-year's principal payment. Therefore, this fund will be replenished at $220,000 a year, over the next 9 years.

Replacement of Property Tax System - Megabyte
The Recommended Budget includes the final appropriations for the purchase and implementation of the Megabyte property management system, to replace the aging, main-frame based system. The FY 2017-18 included $1.2 million in the Accumulated Capital Outlay fund for the purchase of the system. $119,600 is included in FY 2018-19, with the General Fund cost partially offset with a transfer from the Assessor Special Revenue Fund ($69,600).

Funds Public Safety Charter Section 504 Salary Increases
Charter Section 504 requires annual review of salary levels for public safety classifications. The 2017 review resulted in an increase to salaries, with an estimated budget impact of $475,000 (partial year impact). The Recommended Budget reflects this cost increase.

Progress on Facility ADA Improvements
For FY 2018-19, $350,000 is specifically included in the Accumulated Capital Outlay fund for progress on required ADA improvements. In addition, major facility replacements and expansion projects, such as the Public Safety Facility, are intended to resolve existing ADA concerns in those aging facilities.

BUDGET PRESSURES & POLICY CONSIDERATIONS

This section includes discussion of a number of issues which have had a significant impact on the Recommended Budget or which have the potential to impact the County budget in the near-term. Some of these issues were discussed in the prior year, yet continue to evolve and impact the County's annual budget and priorities.

Additionally, several departments have identified pending issues and policy considerations unique to their operations. These policy matters are outlined in the respective department budget summaries.

CalPERS Retirement Plan Changes and Cost Increase

El Dorado County is under contract with the California Public Employees' Retirement System (CalPERS) for employee retirement benefits. Like most public agencies, El Dorado County has experienced continued increases in its employer costs for its two retirement plans (Safety and Miscellaneous). While significant cost increases resulted from marked losses during the Great Recession, the funded status of the County's plans had begun to improve. However, in recent years, the CalPERS Board of Administration has taken several actions that have effectively taken back any of the plan's funding improvements and have set public agencies, in general, on a course for continued significant cost increases for many years into the future.

In March 2012, the pension fund lowered its discount rate from 7.75 percent to 7.5 percent, citing economic conditions. A year later, CalPERS changed its policies to recognize gains and losses over a shorter period and to use a 30-year fixed amortization period instead of a rolling 30-year period. In February 2014, the CalPERS Board approved new demographic assumptions, assuming that pubic employees will be living longer. The Board also adopted an asset allocation mix that lowered the CalPERS investment risk but largely kept its investment strategy unchanged, holding the fund's long-term assumed rate of return at 7.5 percent.

In December of 2016, the CalPERS Board adopted a reduction in the plan's long-term assumed rate of return, lowering that rate from 7.5 percent to 7 percent. Because the resultant cost increases to its member public agencies would be so great and so sudden, the Board approved phasing in this change over a three year period, beginning with FY 2018-19. The cost increase is reflected in the FY 2018-19 Recommended Budget, with the first year of implementation of the new assumption an estimated increase of $4.4 million to the employer cost. Similar increases will follow in FY 2019-20 and FY 2020-21. This cost increase is in addition to the natural increase in costs.

In December of 2017, the CalPERS Board adopted revised actuarial assumptions – including assumptions about mortality and retirement rates (service and disability) of member, and the assumed changes in salary scale and inflation rates. These changes will affect employer contributions requirements effective July 1, 2019, although it is not clear at this time whether the impacts will be entirely negative.

In February of 2018, the CalPERS Board adopted a further change to the plan with a new Amortization Policy. Most significantly, the new policy reduces the amortization period for losses from 30 years to 20 years. Spreading costs over a shorter period of time will have a negative impact on employer contribution rates; however, is anticipated to reduce annual costs in the long-term. The new Amortization Policy will first impact employer contribution rates with FY 2021-22.

CalPERS will likely distribute new valuation reports by mid-summer, which will set the contribution rates for FY 2019-20. Staff will update the future cost estimates once the new valuation reports are available, and any changes to the assumed costs will be reported with the adoption of the Budget in September.

Industry professionals continue to anticipate that the CalPERS Board will likely consider a further reduction in the assumed rate of return in future years, possibly bringing that rate to 6 percent. Such a reduction would trigger even greater increases to public agencies.

It is important to note that these are costs that the County cannot avoid or elect to not pay. Similar to long-term debt, providing for the payment of these costs will take precedence in future years' budgets.

With the adoption of the FY 2017-18 Budget, the Board approved a budgeting philosophy of establishing and funding a reserve equal to the General Fund's estimated additional contribution for the following two years. In concept, this reserve serves as a revolving fund, with funds being drawn down in the immediate budget year's Recommended Budget based on the budgeted General Fund cost increase, and subsequently replenished in the same year, once the carry-forward fund balance amount is known, and based on the updated 2-year estimated cost. Maintaining this reserve, and using funds to help cover the increase in CalPERS costs in each subsequent budget year, will help ensure the County is able to fund those required contributions in future years. Therefore, staff is again recommending that any available fund balance that may be available following the close of the County's accounting books in September, and which is in addition to that which is already counted on to balance the Recommended Budget, be placed in the designated reserve fund to be drawn down in future years to help offset the impact to the budget.

Elimination of IHSS Maintenance of Effort, Transfer of Cost to Counties

Perhaps the most significant budget issue for counties in FY 2017-18 was the elimination of the Coordinated Care Initiative (CCI) and the resulting reversal of the Administration's plan for managing In Home Supportive Services (IHSS) costs. The CCI and the IHSS Maintenance of Effort (MOE) arrangement, which was enacted in 2012 and 2013, had limited county IHSS costs to a base year calculation of 2011-12 costs plus an annual 3.5 percent inflator.

For El Dorado County, it was estimated that the shift would increase costs by approximately $1.6 million in FY 2017-18, with more significant cost increases in future years as the cost shift was phased in. This was in addition to cost increases driven by general program growth. Since its realignment to counties in 1991, the IHSS program has been generally underfunded relative to caseload and cost increases. The anticipated increase includes costs related caseload increases that have occurred over the past several years (during the time that the state had been covering these program costs), as well as costs anticipated due to the minimum wage increase recently enacted by the state, the state's extension of three paid sick leave days to IHSS workers, and required implementation of new federal overtime regulations.

In FY 2017-18, the County planned to absorb the IHSS cost shifted from the State to the County in numerous ways, including eliminating vacant positions in the Health and Human Services Agency, utilizing the 10% transfer authority from Public Health 1991 Realignment revenue, and reducing operating expenditures. The cost shift was also offset by short term funding solutions offered by the State, including the redirection of growth from Public Health and Mental Health 1991 Realignment subaccounts, as well as accelerated case growth during the fiscal year.

The Governor's 2018-19 budget proposes no changes to the structure of the new county maintenance of effort (MOE) that was negotiated last year. The budget proposal does assume increased Realignment revenue, which will help counties better manage the increased costs in the current year. The Governor's proposal assumes no net fiscal impact to counties through FY 2019-20; however, county representatives continue to project cost impacts beginning in FY 2019-20, anticipating that projected revenue will not cover the increased county IHSS costs. The future of IHSS funding is still a major concern, as no long term solutions or impacts have been clearly identified by the State. HHSA is actively involved with state organizations to remain informed, and will continue to communicate impacts and concerns as they are identified.

County Facilities

The Board has identified addressing the County's infrastructure deficiencies as a Strategic Plan goal. In FY 2016-17, the Board set aside funding in the Capital Reserve, and also provided funding for the initial stages of the Public Safety Facility and setting aside grant matching funds for the West Slope Juvenile Hall. In the coming years, staff will be working to identify solutions and necessary funding for the remaining facility priorities, including the El Dorado Center and the District Attorney offices. Providing for these facility priorities will place further pressure on other programs and services.

Deferred Facility Maintenance

Prior to FY 2016-17, the County had not maintained a consistent practice for setting aside adequate reserves to ensure sufficient funding is available to meet long-term facility needs. In 2013 the County contracted with VANIR for a facilities assessment report. The report indicated that, while maintenance and repairs had been taking place annually, the rate of accumulating deferred maintenance had exceeded the investment being made.

Of the facilities that were included, the study identified $55 million worth of deferred maintenance projects that would need to be completed over a period of years, with increased investment in these years in order to correct the deferred maintenance backlog. In 2016, the Facilities Division completed an assessment of 20 additional buildings and identified an additional $7.6 million in deferred maintenance needs. When these costs are adjusted for construction inflation, the total deferred maintenance identified is approximately $76 million. Since 2013, the County has completed approximately $22 million in deferred maintenance projects and identified roughly $11 million that will not need to be completed due to new construction, leaving a balance of approximately $43 million in identified deferred maintenance projects to be completed.

The FY 2018-19 Recommended Budget includes $7 million in deferred maintenance projects, plus funds to keep pace with new repairs and maintenance needs. The Facilities Division continues to work each year to prioritize and complete projects identified in the plan with fire/life/safety projects taking precedence.

Additionally, the FY 2018-19 Budget includes a recommended $5,000,000 increase to the General Fund's Designation for Capital Projects, to set funds aside to fund future capital projects and deferred maintenance.

The County has made progress toward reducing the backlog of maintenance needs; however, continued progress will require diligence in setting aside funding and developing strategies for facilities in need of replacement.

Public Safety Facility

The County was approved for a $57,140,000 loan from the United State Department of Agriculture (USDA). In addition to this loan, the County will be required to spend $11,000,712 in County match funding prior to being able to draw down the USDA loan funds. By the end of FY 2017-18, the County estimates spending all but $2,483,000 of the required $11 million match. The $2.4 million will remain set aside to cover interest payments over the next eighteen months while construction is being completed. The Recommended Budget includes $39,134,000 in USDA loan funds to cover the majority of construction in FY 2018-19.

It is currently anticipated that the County will make its first payment in July of 2019, which will be interest only, with the first principal payment due July 2, 2021. The annual payment is estimated at $2.3 million.

West Slope Juvenile Hall Replacement

The County was been awarded a $9.6 million grant from the Board of State and Community Corrections for the replacement of the West Slope Juvenile Hall. In FY 2016-17, the Board set aside $1.2 million as the County contribution and grant match for the replacement of the West Slope Juvenile Hall facility. Construction of the new juvenile hall will not begin until the Public Safety Facility is complete, as the new Juvenile Hall is slated to go on the existing Sheriff Administration Building site.

Placerville Jail Expansion

The County has also received a $25 million SB 844 grant from the Board of State and Community Corrections for the expansion/improvement of the Placerville Jail facility. The FY 2018-19 Recommended Budget includes $7.5 million for the initial stages of this project. The County is working towards project establishment and anticipates issuing and awarding a RFP for design/build services and beginning construction in FY 2018-19.

HHSA SLT Campus Project

In FY 2017-18, the County will likely complete the purchase of a building in South Lake Tahoe to serve as a core facility within the Health and Human Services Agency’s planned campus project. For FY 2018-19, $2.5 million is included to refurbish the newly acquired building on Sandy Way and to begin renovations on the County’s El Dorado Center. Public Health has $5 million set aside in a Reserve fund for this project.

STATE BUDGET PROPOSALS

The Governor released his revised 2018-19 budget on May 11, cautioning that the State has been in a near-decade long recovery and that a recession may be forthcoming. The revised budget proposal continues to assume increased revenues, with a high priority on limiting new on-going commitments and building reserves. The proposal relies heavily on an improved long-term revenue forecast, including a 4.2% average annual growth in the Personal Income Tax and a 3.5% average increase in the Sales and Use Tax revenues, although the total annual revenue increase is projected to slow beginning with 2019-20. The State budget affects funding for a significant number of El Dorado County programs. Staff will continue to watch closely for relevant developments that would affect the County.

Some of the more significant proposals in the Governor’s proposed budget are summarized below. Details of the budget proposals can be found at www.ebudget.ca.gov.

Mandate Debt Reimbursement

The Governor’s revised budget proposal includes funding to repay decades old debt for mandated programs that have been repealed or have expired. The majority of the repayment will be for AB 3632 mandates, for services to seriously emotionally disturbed children, and will be returned to county Mental Health/Behavioral Health programs. It is important to note that debt owed for suspended mandates is not proposed for payment.

Affordable Housing

The budget projects that $258 million in tax revenues will be generated via SB 2’s recording fee in 2018-19. Of the revenue generated between Jan. 1, 2018, and Dec. 31, 2018, half will go toward statewide grants for homeless services and half will go directly to local governments for planning activities that promote housing development.

Homelessness

The Governor's proposed budget includes a significant general fund investment to assist counties and cities in managing homelessness. However, this funding is presented as "bridge funding" to assist local governments to continue or initiate local efforts, with long-term funding anticipated from the SB 2 real estate recording fee and the SB 3 housing bond (November 2018 ballot). The Senate is also in support of a large investment. There is an expectation in the proposal that cities and counties work together in order to qualify for funding to address this community issue. The budget also includes funding for the CalWORKs Housing Support Program and the CalWORKs Homeless Assistance Program, as well as a Homeless Mentally Ill Outreach and Treatment program.

Transportation and Infrastructure

The Governor's January budget included a variety of proposed spending on maintenance and rehabilitation of state and local transportation systems and investments in transit. The budget allocates $4.6 billion in transportation spending, consistent with SB1. Revenues resulting from SB1 are estimated to provide $5,440,000 to El Dorado County in 2018-19, with revenues increasing each fiscal year thereafter. However, there is a proposed ballot measure aimed for the November 2018 ballot (Attorney General #17-0033) that would repeal the new transportation revenues provided by SB 1 and make it more difficult to increase funding for state and local transportation improvements in the future.

Tree Mortality and Forest Health Programs

The proposed budget includes funding for a number of programs that will further the implementation of the Governor's Executive Order that addresses protecting communities from wildfire and climate impacts. This is tied directly to the Tree Mortality Crisis.

Courthouse Funding

In prior years, the Judicial Council was forced to pause court planning and construction projects. The budget proposal invests $32.2 million for courthouse projects; however, the Placerville Courthouse was not included in the funding list. As you may recall, a letter was sent to the Governor earlier this year to request that the Placerville Courthouse be reconsidered for funding. As of this writing, the Placerville Courthouse has not been included on the State's funded list.

Assessor and Elections Programs

The Governor's proposal also provides $5 million annually for the next three years for a new initiative to assist county assessors in the maintenance and equalization of property tax rolls, as well as dollar-for-dollar matching funds for Counties to purchase new equipment for county voting systems. It is important to note that the proposal for purchasing new voting systems will require the County to cover 50% of the cost with local funds.

ALLOCATED POSITIONS & STAFFING CHANGES

The FY 2018-19 Recommended Budget includes 1,876.32 full-time equivalent positions (FTEs). This represents an 7.3 FTE net increase from the current FY 2017-18 Position Allocation. It should be noted that, in most areas of the budget, where it appears that new positions are recommended, the increases are offset by like eliminations of vacant positions or a reduction in other staffing areas, or are associated with new funding sources and approved programs.

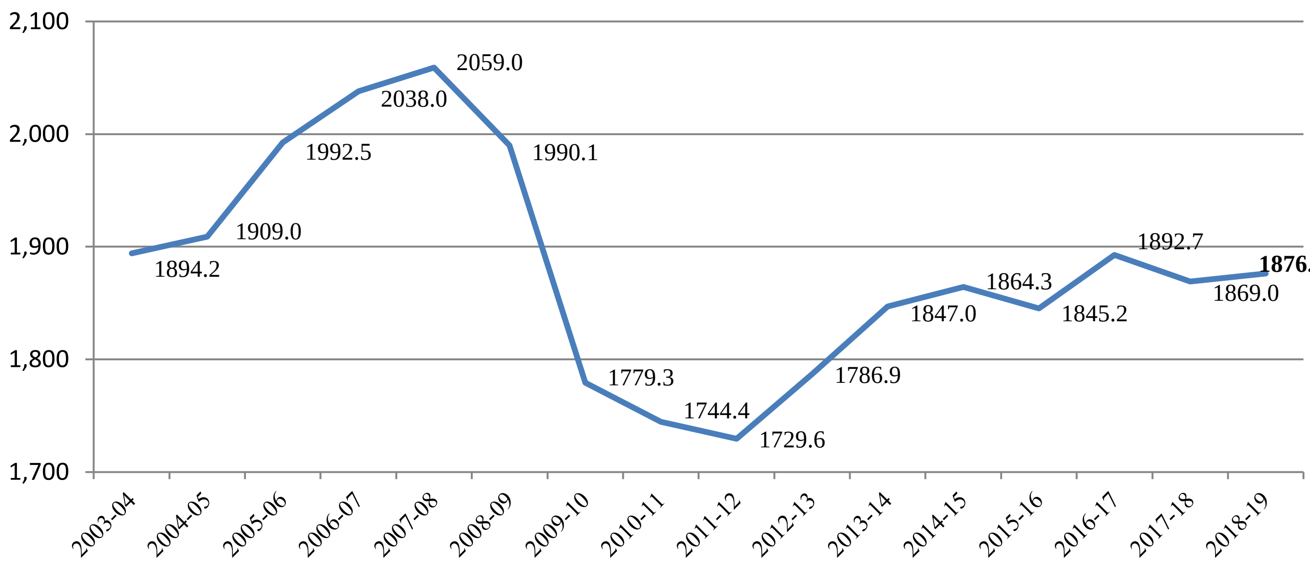
The following chart summarizes the recommended staffing changes. Detail of all allocated positions and recommended position changes is included in a later section of the Recommended Budget.

Summary of Recommended Position Changes

Department	Addition	Deletion	Total
CAO Central Fiscal/Admin, Facilities, Procurement	1	-1	0
Child Support Services		-5	-5
Community Development Services Admin & Finance	3.4		3.4
County Counsel	1	-1	0
District Attorney		-2	-2
Environmental Management	1	-1	0
Health and Human Services	16.2	-6.4	9.8
Human Resources (limited term)	1		1
Library	0.5	-0.5	0
Planning & Building	2	-4.8	-2.8
Probation	4.5	-4	0.5
Public Defender	2	-2	0
Registrar of Voters	1		1
Sheriff	4		4
Transportation	10.8	-13.4	-2.6
Totals	48.4	-41.1	7.3

The chart below presents the total authorized positions, countywide, by fiscal year, since 2003-04. Total authorized positions decreased significantly during the recession, beginning in FY 2008-09, and gradually increased during the recovery.

Total County Positions by Fiscal Year



NEXT STEPS FOR BUDGET ADOPTION

The final adoption of the FY 2018-19 Budget will take place in September of 2018. The final budget recommendations presented for approval during the September meeting will incorporate any State or federal actions that affect the County's budget and will reflect final fund balance carryover figures, based on the close of the County's financial records in August of 2018.