



# GENERAL COUNTY REVENUES SUPPLEMENTAL BUDGET • FY 2020-21

## SUPPLEMENTAL BUDGET SUMMARY

All Funds	Projected 2020-21	Recommended 2020-21	Change from Projected	Revised 2020-21	Change from Proposed
<b>Total Revenues</b>	160,150,309	164,967,105	5.3%	141,893,735	(23,073,370) -14.0%
<b>Less Expenditures</b>	(3,633,259)	(3,093,571)	-14.9%	(14,539,152)	(11,445,581) 370.0%
<b>General Fund Financing *</b>	<i>163,783,568</i>	<i>168,060,676</i>	<i>2.6%</i>	<i>156,432,887</i>	<i>(11,627,789) -6.9%</i>

\*General Fund Financing represents the change in available funding for the General Fund contribution to offset General Fund departments' Net County Cost.

## SUPPLEMENTAL BUDGET OVERVIEW

### 2020-21 REVISED BUDGET

The 2020-21 Revised Budget updates the Proposed Budget (shown in the Recommended column) provided before COVID-19 financial impacts were available. The Revised recommendation provides for a decrease of \$11,445,581 in expenditures and a decrease of \$23,073,370 in revenues, resulting in a decrease of \$11,627,789 or 7% in General Fund contribution to finance County departments' Net County Cost.

### EXPENDITURES

The expenditure reduction of \$11,445,581 results from a decrease in Salaries and Benefits estimating the net cost savings from the 7.5% to 10% furlough with each bargaining unit to address the County's financial constraints. A Last Day report will transfer and detail the furlough savings to departments.

### REVENUES

The revenue reduction of \$23,073,370 is primarily due to general revenue losses of \$15,543,513 anticipated from the economic impacts on businesses related to restrictions placed during the Shelter in Place order to address the COVID-19 pandemic. In addition, State realignment revenues are expected to decline by \$11,975,289, which is offset by \$4,445,432 (75%) of the State realignment backfill for a net loss of \$7,529,857. An additional \$1.5 million may be received if the State receives additional federal stimulus funding. A Last Day report will transfer the realignment revenue losses from the County General Revenues budget to departments.

## SUPPLEMENTAL BUDGET OVERVIEW CONT'D

To date, counties have not received federal stimulus funding to assist with revenue losses for 2020-21. However, the County of Santa Cruz is estimated to receive approximately \$28 million in Coronavirus Relief Funds (CRF) from the State to address COVID-19 related costs through December 30, 2020. It is estimated that \$2.5 million of the CRF funds will be used to reimburse the County for eligible non-FEMA or grant reimbursed COVID-19 related costs through June 30, 2020. A Last Day report will provide a plan for using the remaining funding for the emergency response to COVID-19.

The table below provides a comparison of general revenues by source in the Recommend and Revised Budgets. The Recommend Budget revenue growth totaled \$8.3 million (5%) compared to the Revised Budget revenue loss of \$15.5 million (9%). Declining revenues include sales tax, transient occupancy (hotel) tax, and Proposition 172 for Public Safety based on State pooled sales tax. Overall, the estimated revenue loss has improved slightly since the preliminary estimate of \$23.3 million (10%); however, the estimate is hindered by limited data resulting from the delayed payment of sales tax collection due to COVID-19.

In addition, the Revised Budget reflects the loss of realignment revenues, which is offset by \$4.4 million (75%) of the State realignment backfill leaving a loss of \$7.5 million. If the State receives additional federal stimulus funding, the remaining \$1.5 million (25%) of the backfill will be restored. The Revised Budget sets aside \$1.5 million for the realignment trigger cuts in Contingencies. A Last Day report will transfer these revenue losses to departments.

Revenue Type	Recommended 2020-21		Preliminary 2020-21			Revised Budget 2020-21	
	% of Growth	Revenue Growth	% of Loss	Estimated Revenue Loss (April 2020)	% of Loss	Revenue Loss	Change from Recommended
Property Taxes	5%	\$5,223,806	-	-	-	(\$595,256)	\$4,628,550
Sales Tax – Unincorporated Area	-2%	(\$125,808)	-25%	(\$4,806,278)	-15%	(\$3,085,754)	(\$3,211,562)
Transient Occupancy Tax	9%	\$901,036	-45%	(\$4,760,453)	-48%	(\$4,901,036)	(\$4,000,000)
Deed Trsf Tax	8%	\$216,633	-25%	(\$700,739)	-25%	(\$686,766)	(\$470,133)
Cannabis Business Tax	3%	\$844,460	-25%	(\$1,148,549)	-3%	(\$124,245)	\$720,215
Other Taxes & Penalties	-6%	(\$285,009)		\$0	-30%	(\$1,328,291)	(\$1,613,300)
Franchise Fees	3%	\$148,011		\$0	6%	\$351,978	\$499,989
Interest Earnings	-1%	(\$44,504)	-25%	(\$858,408)	-38%	(\$1,305,178)	(\$1,349,682)
Prop 172	5%	\$884,546	-15%	(\$3,024,997)	-18%	(\$3,667,442)	(\$2,782,896)
Other Revenues and Charges*		\$541,273	-25%	(\$8,000,000)		(\$201,523)	\$339,750
Subtotal Revenue Growth (Loss)	5%	\$8,304,444	-14%	(\$23,299,424)	-9%	(\$15,543,513)	(\$7,239,069)
Realignment Revenue Losses **				(\$12,725,289)		(\$7,529,857)	(\$7,529,857)
<b>Total General Revenues</b>	<b>5%</b>	<b>\$8,304,444</b>	<b>-22%</b>	<b>(\$36,024,713)</b>	<b>-14%</b>	<b>(\$23,073,370)</b>	<b>(\$14,768,926)</b>

\* The preliminary estimate included other revenue losses for various department impacts on Charges for Services.

\*\* Realignment revenue losses included in the County General Revenues budget for purposes of presentation. Actual losses will be realigned to department budgets in a Last Day report.

## REVISED ACCOUNTING DETAIL

All Funds	Projected 2020-21	Recommended 2020-21	Change from Projected	Revised 2020-21	Change from Recommended	
<b>Revenues</b>						
Taxes	147,185,526	147,381,099	0.1%	137,988,042	(9,393,057)	-6.4%
Licenses & Permits	4,915,495	5,461,156	11.1%	5,813,134	351,978	6.4%
Fines & Assessments	1,319,826	4,399,096	233.3%	3,070,805	(1,328,291)	-30.2%
Use of Money	3,432,511	3,433,631	0.0%	2,128,453	(1,305,178)	-38.0%
Intergovernmental	1,356,616	2,182,938	60.9%	(8,188,231)	(10,371,169)	-475.1%
Charges for Services	156,603	410,663	162.2%	410,663	0	0.0%
Miscellaneous	1,759,732	1,674,522	-4.8%	1,563,422	(111,100)	-6.6%
Other Financing	24,000	24,000	0.0%	(892,553)	(916,553)	-3819.0%
<b>Total Revenues</b>	<b>160,150,309</b>	<b>164,967,105</b>	<b>5.3%</b>	<b>141,893,735</b>	<b>(23,073,370)</b>	<b>-14.0%</b>
<b>Less Expenditures</b>						
Salaries & Benefits	0	0	0.0%	(11,445,581)		
Services & Supplies	393,172	393,172	0.0%	393,172	0	0.0%
Other Charges	532,586	415,473	-22.0%	415,473	0	0.0%
Other Financing	0	195,000	0.0%	195,000	0	0.0%
<b>Subtotal</b>	<b>925,758</b>	<b>1,003,645</b>	<b>8.4%</b>	<b>(10,441,936)</b>	<b>(11,445,581)</b>	<b>-1140.4%</b>
<i>IntraFund Transfers</i>	<i>(4,559,017)</i>	<i>(4,097,216)</i>	<i>-10.1%</i>	<i>(4,097,216)</i>	<i>0</i>	<i>0.0%</i>
<b>Total Expenditures</b>	<b>(3,633,259)</b>	<b>(3,093,571)</b>	<b>-14.9%</b>	<b>(14,539,152)</b>	<b>(11,445,581)</b>	<b>370.0%</b>
<b>General Fund</b>						
<b>Financing *</b>	<b>163,783,568</b>	<b>168,060,676</b>	<b>2.6%</b>	<b>156,432,887</b>	<b>(11,627,789)</b>	<b>-6.9%</b>

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# REVISED BUDGET DETAIL

GL Key	GL Object	Description	2020-21 Supplemental Request	2020-21 Supplemental Recommend
131220	40100	PROPERTY TAX-CURRENT SEC-GEN	63,495	63,495
	40104	IN LIEU VLF FEE R&T97.7 2004	35,406	35,406
	40106	RESIDUAL DISTRIBUTION	(425,322)	(425,322)
	40110	PROPERTY TAX-CURRENT UNSEC-GEN	1,401	1,401
	40130	PROPERTY TAX-PRIOR UNSEC-GEN	19,060	19,060
	40150	SUPP PROP TAX-CURRENT SEC	(240,704)	(240,704)
	40151	SUPP PROP TAX-CURRENT UNSEC	(59,407)	(59,407)
	40160	SUPP PROP TAX-PRIOR SEC	10,503	10,503
	40161	SUPP PROP TAX-PRIOR UNSEC	4,771	4,771
	40168	SALES & USE TAX-MEAS G 1/4	(1,114,597)	(1,114,597)
	40173	SALES & USE TX UNINCRP AREA1%	(1,971,157)	(1,971,157)
	40190	AIRCRAFT TAX	165	165
	40194	DEED/DOCUMENTARY TRANSFER TAX	(686,766)	(686,766)
	40197	IN-LIEU TAXES OTHER	(4,624)	(4,624)
	40206	TRANSIENT OCCUPANCY TAX	(5,037,036)	(5,037,036)
	40207	TRANSIENT OCCUP TAX PRIOR YR	136,000	136,000
	40213	COUNTY CANNABIS BUSINESS TAX	(394,346)	(394,346)
	40214	COUNTY CANNABIS BUSINESS TAX 2	270,101	270,101
	40284	GARBAGE COLLECTION-SAN ANDREAS	204,036	204,036
	40288	PUBLIC UTILITY FRANCHISE	151,733	151,733
	40290	TV TRANSCRIPT FRANCHISE	(3,791)	(3,791)
	40400	PARKING METER FINES	(78,291)	(78,291)
	44142	PENALTIES FOR DELINQUENT TAXES	(500,000)	(500,000)
	44143	REDMPTN PNLTIES FOR DELINQ TXS	(750,000)	(750,000)
	40430	INTEREST	(1,079,785)	(1,079,785)
	40434	INTEREST-TRANS	(229,839)	(229,839)
	40435	INTEREST-NON COUNTY TREASURER	467	467
	40440	RENTS & CONCESSIONS	3,979	3,979
	40470	ST-MOTOR VEHICLE IN LIEU TAX	70,641	70,641
	40471	ST-MOTOR VEHIC HSA REALIGNMENT	(842,882)	(842,882)
	40495	ST AID-PROP 172 FR FD72406	(3,667,442)	(3,667,442)
	40830	ST-HOMEOWNERS' PROP TAX RELIEF	708	708
	40852	ST-OTHR TAX RELIEF SUBVENTIONS	(48,617)	(48,617)
	40901	ST-AB109 PROGRAM	(1,495,000)	(1,495,000)
	40902	ST-AB118 LOCAL REV FD PROG	(4,275,422)	(4,275,422)
	41162	RDA PASS-THROUGHS	(113,155)	(113,155)
	42310	TOBACCO INDUSTRY SETTLEMT	(111,100)	(111,100)
	42462	OPERATING TRANSFER IN	(916,553)	(916,553)
		General Fund Contribution	11,627,789	11,627,789
		Total Financing	<u>(\$11,445,581)</u>	<u>(\$11,445,581)</u>
131220	51000	Regular Pay	(8,584,186)	(8,584,186)
	52010	OASDI	(686,735)	(686,735)
	52015	PERS	(2,174,660)	(2,174,660)
		Total Expenditures	<u>(\$11,445,581)</u>	<u>(\$11,445,581)</u>