



County of Yolo

www.yolocounty.org

HOWARD H. NEWENS, CIA, CPA

Chief Financial Officer

CHAD RINDE, CPA

Assistant Chief Financial Officer

DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 103
 PO BOX 1268
 WOODLAND, CA 95776
 PHONE: (530) 666-8190
 FAX: (530) 666-8215
 DFS @ yolocounty.org

- Financial Strategy Leadership
- Budget & Financial Planning
- Treasury & Finance
- Tax & Fee Collection
- Financial Systems Oversight
- Accounting & Financial Reporting
- Internal Audit
- Procurement

Yolo County Community Corrections Partnership

Date: February 21, 2018
 From: Tom Haynes, Chief Budget Official, Department of Financial Services, x8162
 Subject: Community Corrections Partnership 2018-19 Budget and Financial Forecast

At the February 2017 Community Corrections Partnership (CCP) meeting, the Department of Financial Services presented a five-year financial projection of CCP revenues and expenditures, which reflected a sustained deficit beginning in fiscal year 2017-18. To achieve a balanced budget for 2017-18, the CCP voted in August 2017 to eliminate funding for local police departments, and to reduce the funding allocations to CCP departments by varying amounts. Attachment A reflects the 2017-18 budget as approved by the CCP.

This memo provides updated five-year revenue and expenditure projections based on current fund balance data and revised State projections of Public Safety realignment data. Since the 2017-18 CCP budget was approved in August 2017, several factors have improved the financial outlook. Statewide CCP revenue projections in the Governor's 2018-19 proposed budget reflect higher growth than in the prior year, as reflected below.

	2016-17			2017-18			2018-19		
	Base	Growth	Total	Base	Growth	Total	Base	Growth	Total
Jan. 2017 Estimate	1,161.6	54.1	1,215.7	1,220.7	59.1	1,279.8	1,296.1	75.4	1,371.5
Jan. 2018 Estimate	1,161.6	79.4	1,241.0	1,241.1	84.3	1,325.4	1,325.3	81.5	1,406.8
<i>Difference</i>	<i>0.0</i>	<i>25.3</i>	<i>25.3</i>	<i>20.4</i>	<i>25.2</i>	<i>45.6</i>	<i>29.2</i>	<i>6.1</i>	<i>35.3</i>

In addition, both the County's 2016-17 growth payment (received in 2017-18) and the 2017-18 beginning fund balance were higher than anticipated. Despite these improvements, expenditures are still projected to exceed ongoing revenues.

One of the key elements in developing expenditure projections is determining the appropriate baseline or starting point upon which future growth projections can be applied. While a natural approach would be to use the 2017-18 approved budget as the baseline, several departments have indicated that their funding requests for 2018-19 will revert back to the full cost of their CCP programs, without maintaining the funding reductions taken in 2017-18.

To provide transparency and to illustrate the impact of different scenarios, two versions of the five-year financial projections are included with this memo. Attachment B reflects five-year projections that are based on the full 2017-18 cost of CCP programs. This scenario assumes that the funding reductions in 2017-18 do not carry forward to future years. In contrast, Attachment C reflects projections that are based on the approved 2017-18 CCP budget, including the funding reductions. This scenario assumes that the 2017-18 budget will be the starting point for future budgetary discussions.

These two versions are being provided so that the CCP can consider the financial impact associated with the different scenarios and determine which approach is most appropriate as we move into the next fiscal year. To ensure clarity in the budget discussions, it is recommended that all CCP departments take a consistent approach in developing their 2018-19 CCP budget requests.

Community Corrections Partnership 2017-18 Budget Summary

Category	2016-17 Adopted	2017-18 Baseline*	CCP Approved	Reduction Amount	Reduction %
Beginning Fund Balance	2,172,429	729,437	879,437		
Revenue					
Base	7,015,790	7,372,736	7,372,736		
Growth	221,316	241,833	241,833		
Innovation Fund	(22,132)	(24,183)	(24,183)		
Total Revenues	7,214,974	7,590,386	7,590,386		
Total Revenues & FB	9,387,403	8,319,823	8,469,823		
Expenditures					
District Attorney	578,406	596,714	477,371	(119,343)	20%
Library	12,044	14,380	12,942	(1,438)	10%
Probation - Supervision	3,328,828	3,682,693	3,552,693	(130,000)	4%
<i>Day Reporting Center</i>	620,000	620,000	620,000	0	0%
<i>Treatment</i>	540,362	540,362	540,362	0	0%
<i>Davis PD</i>	103,125	103,125	0	(103,125)	100%
<i>West Sac PD</i>	103,125	103,125	0	(103,125)	100%
<i>Winters PD</i>	20,625	20,625	0	(20,625)	100%
<i>Woodland PD</i>	103,125	103,125	0	(103,125)	100%
Public Defender	200,690	180,209	144,167	(36,042)	20%
Sheriff	3,047,636	3,219,098	3,058,143	(160,955)	5%
Total Expenditures	8,657,966	9,183,456	8,405,678	(777,778)	8%
<i>Net Revenue</i>	<i>(1,442,992)</i>	<i>(1,593,070)</i>	<i>(815,292)</i>		
Ending Fund Balance	729,437	(863,633)	64,145		

* Reflects expenditure levels that would be required to maintain programs at status-quo.

**Community Corrections Partnership
5-Year Projection**

Version 1 - Full Cost Baseline

Updated to Reflect 2018-19 Governor's January Budget Projections

Category	2016-17 Actual	2017-18 Budget	2017-18 Full Cost**	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Beginning Fund Balance	2,172,429	1,081,865	1,081,865	629,083	0	0	0	0
Revenue								
Base	7,021,748	7,372,736	7,372,736	8,004,397	8,496,631	8,836,496	9,189,956	9,557,554
Growth	221,316	644,623	644,623	683,488	661,276	456,581	474,844	493,838
Innovation Fund	(22,132)	(64,462)	(64,462)	(68,349)	(66,128)	(45,658)	(47,484)	(49,384)
Other Revenue	0							
Total Revenues	7,220,932	7,952,897	7,952,897	8,619,536	9,091,780	9,247,419	9,617,316	10,002,008
Expenditures								
District Attorney	577,659	477,371	596,714	620,583	645,406	671,222	698,071	725,994
Library	12,044	12,942	14,380	14,955	15,553	16,176	16,823	17,495
Probation	3,027,816	3,552,693	3,682,693	3,830,001	3,983,201	4,142,529	4,308,230	4,480,559
Public Defender	185,080	144,167	187,192	194,680	202,467	210,566	218,988	227,748
Sheriff	3,018,536	3,058,143	3,219,098	3,347,862	3,481,776	3,621,047	3,765,889	3,916,525
Day Reporting Center*	620,000	620,000	620,000	620,000	620,000	620,000	620,000	620,000
Treatment*	540,362	540,362	540,362	540,362	540,362	540,362	540,362	540,362
Local Police Depts.*	330,000	0	0	0	0	0	0	0
IGT House	0	0	0	35,550	35,550	35,550	35,550	35,550
Court Portal	0	0	0	22,000	0	0	0	0
CCP Analyst	0	0	0	127,830	132,943	138,261	143,791	149,543
Total Expenditures	8,311,497	8,405,678	8,860,439	9,353,822	9,657,258	9,995,712	10,347,704	10,713,776
<i>Net Revenue</i>	<i>(1,090,564)</i>	<i>(452,781)</i>	<i>(907,542)</i>	<i>(734,286)</i>	<i>(565,479)</i>	<i>(748,293)</i>	<i>(730,389)</i>	<i>(711,768)</i>
Ending Fund Balance	1,081,865	629,083	174,322	(105,203)	(565,479)	(748,293)	(730,389)	(711,768)

* Pass Through funds under Probation

** 2017-18 baseline expenditures at 100%

**Community Corrections Partnership
5-Year Projection**

Version 2 - 2017-18 Budget Baseline

Updated to Reflect 2018-19 Governor's January Budget Projections

Category	2016-17 Actual	2017-18 Budget	2017-18 Full Cost**	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Beginning Fund Balance	2,172,429	1,081,865	1,081,865	629,083	367,749	294,139	57,390	0
Revenue								
Base	7,021,748	7,372,736	7,372,736	8,004,397	8,496,631	8,836,496	9,189,956	9,557,554
Growth	221,316	644,623	644,623	683,488	661,276	456,581	474,844	493,838
Innovation Fund	(22,132)	(64,462)	(64,462)	(68,349)	(66,128)	(45,658)	(47,484)	(49,384)
Other Revenue	0							
Total Revenues	7,220,932	7,952,897	7,952,897	8,619,536	9,091,780	9,247,419	9,617,316	10,002,008
Expenditures								
District Attorney	577,659	477,371	596,714	496,466	516,324	536,977	558,457	580,795
Library	12,044	12,942	14,380	13,460	13,998	14,558	15,140	15,746
Probation	3,027,816	3,552,693	3,682,693	3,694,801	3,842,593	3,996,296	4,156,148	4,322,394
Public Defender	185,080	144,167	187,192	149,934	155,931	162,168	168,655	175,401
Sheriff	3,018,536	3,058,143	3,219,098	3,180,469	3,307,687	3,439,995	3,577,595	3,720,699
Day Reporting Center*	620,000	620,000	620,000	620,000	620,000	620,000	620,000	620,000
Treatment*	540,362	540,362	540,362	540,362	540,362	540,362	540,362	540,362
Local Police Depts.*	330,000	0	0	0	0	0	0	0
IGT House	0	0	0	35,550	35,550	35,550	35,550	35,550
Court Portal	0	0	0	22,000	0	0	0	0
CCP Analyst	0	0	0	127,830	132,943	138,261	143,791	149,543
Total Expenditures	8,311,497	8,405,678	8,860,439	8,880,871	9,165,389	9,484,168	9,815,698	10,160,490
<i>Net Revenue</i>	<i>(1,090,564)</i>	<i>(452,781)</i>	<i>(907,542)</i>	<i>(261,335)</i>	<i>(73,609)</i>	<i>(236,749)</i>	<i>(198,383)</i>	<i>(158,481)</i>
Ending Fund Balance	1,081,865	629,083	174,322	367,749	294,139	57,390	(140,993)	(158,481)

* Pass Through funds under Probation

** 2017-18 baseline expenditures at 100%