



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** County Executive Office

**Subject:** 2024-25 Mid-Year Realignment of Appropriations

**Meeting Date:** June 10, 2025

**Formal Title:** Approve the realignment of appropriations for Fiscal Year 2024-25 for various County departments, and take related actions

### **Recommended Actions**

1. Approve transfer of appropriations in the amount of \$16,022,338 in various General Fund departments, including General Fund Contingency of \$205,500 for Board-directed uses, and transfer of appropriations in the amount of \$1,443,560 in the General Services Internal Services Fund and \$90,000 in the Community Development and Infrastructure Internal Services Fund;
2. Adopt resolutions accepting unanticipated revenue in the:
  - a. General Fund in the amount of \$1,026,029 for the Public Defender and Sheriff-Coroner, as a reallocation of General County Revenues, and \$130,000 for the Parks, Open Space, and Cultural Services,
  - b. Capital Projects Fund in the amount of \$162,000,
  - c. Special Revenue Fund in the amount of \$655,907,
  - d. Property and Liability Fund in the amount of \$4,800,341,
  - e. Internal Service Fund in the amount of \$265,000 for General Services and \$117,571 for Community Development and Infrastructure; and
3. Authorize the Auditor-Controller-Treasurer-Tax Collector to make the necessary budget adjustments.

### **Executive Summary**

As a normal course of year-end preparation for the Adoption of the Budget, the County Budget Manager reviews current year department budget units that may require a realignment of budget appropriations from one budget unit to another. Board approval is requested to realign appropriations for various General Fund departments, to accept unanticipated revenue for the General Fund, Capital Projects Fund, Property and Liability Fund, and Internal Service Funds for General Services and Community Development and Infrastructure (CDI).

### **Discussion**

Realignment of appropriations is routinely necessary within the current year's budget to meet year-end obligations as they become due. Utilizing a combination of expenditure savings, unanticipated revenue, and available General Fund contingencies, when appropriate, County departments are expected to have sufficient appropriations to meet current year expenses without the need for unplanned additional contributions.

However, within certain department budget units, individual divisions, service levels, and some character objects require intradepartmental realignment of unused appropriations from one division, service, or character to another. These are detailed in the attached resolutions (Auditor 74 forms) for the various funds and departments as shown in Table 1. Table 2 summarizes the attached resolutions (Auditor 60 forms) to

accept revenue within each applicable department.

<b>Table 1</b>	<b>Realignment within all Departments</b>			<b>Amount</b>
<b>Fund</b>	<b>Department</b>	<b>Division</b>	<b>Description</b>	<b>Appointed/To</b>
General Fund	Board of Supervisors	Board of Supervisors	Replace failed copier using General Fund Contingency	\$ 5,500
General Fund	Clerk/Elections	Elections	Transfer \$246,000 in Budget appropriations from Character 60 to 50 to cover overtime and extra help costs incurred during the November 2024 Presidential Election.	\$ 246,000
General Fund	County Fire	County Fire	Provide for General Services annual realignment,	\$ 23,954
General Fund	Health Services Agency	Behavioral Health	Transferring appropriations from Character 50 and Character 60 to Character 70 Opioid Settlement Funds Intra Fund Transfer-In and Intra Fund Transfer-Out Transferring appropriations from Character 50 to Character 80.	\$ 3,520,501
General Fund	Health Services Agency	Administration	Provide a reduction of \$200,000 from General Fund Contingency for \$100,000 for undocumented immigrant legal services and \$100,000 for LGBTQ+ community support services, following February 25, 2025 Board Direction.	\$ 10,000
General Fund	Human Services Department	Social Services		\$ 190,000
General Fund	Human Services Department	Social Services	This mid-year realignment primarily reflects administrative corrections to align the Human Services Department budget with actual service delivery costs. Under the County's updated Internal Service Fund model, departments now receive direct invoices from GSD for facility services and utilities. The realignment accounts for an additional \$1.05M in County overhead charges that support internal services.	\$ 3,433,592
General Fund	Human Services Department	Homeless Assistance		\$ 347,920
General Fund	Human Services Department	Workforce Innovation		\$ -
General Fund	Human Services Department	Entitlements		\$ 2,089,287
General Fund	Human Services Department	Veterans Services		\$ 18,500
General Fund	Various	Various	Annual realignment of Information Services Department charges.	\$ 5,642,084
General Fund	Personnel and Risk Management	Personnel	Realignment of 2024-25 appropriations for personnel administration are necessary to ensure sufficient appropriations are available to meet financial obligations.	\$ 350,000
General Fund	Parks, Open Space, and Recreation	Parks Operations	Transfer of \$130,000 from CSA11 fund balance to POSCS SERVICES to allow for additional support to Parks operation.	\$ 130,000
General Fund	Parks, Open Space, and Recreation	Art in Public Places	Transfer from fund balance to expenditures to allow for additional administrative support of Public Art Projects.	\$ 15,000
Capital Projects	Community Development	Transportation	Realignment of 2024-25 appropriations within Fund 40-Capital Projects from a project account to an operating transfer out (to Public Works Transportation).	\$ 50,000
Capital Projects	Community Development	Transportation	Realignment of 2024-25 appropriations within Fund 40-Capital Projects from a project account to an operating transfer out (to Public Works Transportation).	\$ 40,000
ISF-GSD Fleet	General Services Department	Service Center and Fleet	Several departments have requested vehicles whose costs were not budgeted in Fleet's expenditures. This transfer of appropriations is moving appropriations from the Fleet Depreciation Mobile Equipment capital asset account to the account the Enterprise lease payment account.	\$ 400,000
ISF-GSD	General Services Department	General Services	Provide for General Services annual realignment.	\$ 1,043,560
			<b>TOTAL</b>	<b>\$ 17,555,898</b>

<b>Table 2</b>	<b>Accept Revenue within all Departments</b>			
<b>Fund</b>	<b>Department</b>	<b>Division</b>	<b>Description</b>	<b>Amount Appointed/To</b>
General Fund	Public Defender	Conflicts Contract	Previously, the General County Revenues budget included ongoing State funding from Assembly Bill (AB) 177 in the amount of \$402,651 and one-time State funding from AB 1869	\$ 551,454
General Fund	Sheriff-Coroner	Corrections Bureau	in the amount of \$523,379 related to criminal justice e fees that were eliminated. These revenues have been used to support the Public Defender's Office since it was established and are being	\$ 474,575
General Fund	General County Revenues	General County Re	realigned to the department budget. Other departments that lost criminal justice fees have been supported by General Fund contributions.	\$ (1,026,029)
General Fund	Parks, Open Space, and C	Parks Operations	Accept transfer-in from County Service Area 11 for Simpkins utilities.	\$ 130,000
Capital Projects	Parks, Open Space, and C	Parks and Open Sp	Accept unanticipated donation for Floral Park Playground Upgrade (\$30,000) Project and various park improvements (\$42,000).	\$ 72,000
Capital Projects	Community Development &	Transportation	Provide from District 3 funding in 2024-25 for Public Works to conduct a feasibility study for a controlled parking area on Highway 1 adjacent to Shark Fin Cove Beach (1/14/25). Board item did not include any appropriations from District 3.	\$ 50,000
Capital Projects	Community Development &	Transportation	Provide from District 4 funding in 2024-25 for Public Works resurface Scurich Road.	\$ 40,000
Special Revenue: CSA	Community Development &	Administrative Serv	Accept unanticipated federal disaster reimbursements across various County Service Areas.	\$ 655,907
ISF- Public Works	Community Development &	Transportation	Accept unanticipated revenue from Green Waste Recovery - Vehicle Impact Mitigation fee for Buena Vista Road Rehabilitation Project.	\$ 117,571
ISF-Risk	Personnel and Risk Manag	Risk Management	Accept unanticipated revenue from county portfolio interest earnings, from county internal charges, and from the County's risk pool PRISM.	\$ 4,800,341
ISF-GSD	General Services Departm	General Services	Receive \$265,000 from General Fund's Parks, Open Space, and Cultural Services (\$15,00) and Internal Service Fund's Public Works Division (\$250,000) to provide General Service Department funding to manage the Impact Fee Study project beginning in 2024-25.	\$ 265,000
			<b>TOTAL</b>	<b>\$ 7,156,848</b>

## Financial Impact

The General Fund Contingency will be reduced by \$205,500 with the transfer of appropriations in the amount of \$10,000 to the Health Services Agency, \$190,000 to the Human Services Department, and \$5,500 to the Board of Supervisors.

The General Fund will reallocate General County Revenues of \$1,026,029 to the Public Defender and Sheriff-Coroner and accept unanticipated revenue of \$130,000 in Parks, Open Space, and Cultural Services.

The general Capital Projects Fund will receive unanticipated donations for Floral Park Playground Upgrade (\$30,000) and various park improvements (\$42,000).

The CDI Public Works Capital Fund will receive \$90,000 from the Measure K District Sales Tax contributions for environmental and parks improvements, including \$50,000 for Shark Fin Cove Beach (District 3) and \$40,000 for Scurich Road (District 4).

The CDI Public Works Special Revenue Funds will receive \$655,907 in unanticipated federal disaster reimbursements across various County Service Areas.

The CDI Public Works Internal Service Fund will receive \$117,571 in unanticipated revenue from Green Waste Recovery - Vehicle Impact Mitigation fee for Buena Vista Road Rehabilitation Project.

The County's self-insured Property and Liability Fund will receive \$4,800,341 in unanticipated revenue from County portfolio interest earnings, internal charges, and risk pool PRISM.

The General Services Internal Services Fund will receive \$265,000 from the General Fund's Parks, Open Space, and Cultural Services (\$15,00) and CDI Public Works Internal Service Fund (\$250,000).

The realignment actions include a total of \$17,350,398 of reallocations of existing budget authority within departments to meet year-end obligations.

**Strategic Initiatives**

Operational Plan - Operational Excellence

**Submitted By:**

Carlos J. Palacios, County Executive Officer

**Recommended By:**

Carlos J. Palacios, County Executive Officer

**Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.