

Board Inquiry Form

Inquiry Number: 11

Board Member	
Carbajal	
Wolf	x
Farr	
Gray	
Lavagnino	

Department: AC/CEO

Date: 6/9/12

Page(s) of Budget Book: D-154 & D-158

Request/ Question:

D-154 and D-158 reference and discuss the impact of the shifting of the “cost allocation revenue” to “General Fund General Revenue”—
what is the reasoning and impact of described change.

Response Prepared by: John Jayasinghe, MPA, CEO Fiscal & Policy Analyst, 805-568-2246

Response:

On 2/21/2012 the Board transferred Cost Allocation Plan (CAP) revenue in the amount of \$9.1 million from the General Fund central service departments to General Revenues of the General Fund. The central service departments (CEO, County Counsel, Parks, Auditor-Controller, General Services, Human Resources, Treasurer-Tax Collector) receive Cost Allocation Plan (CAP) Revenue for services provided to county departments in Special Revenue Funds. This revenue can fluctuate significantly dependent on whether the requesting department is a general fund department or special revenue fund. Further, there is a two year lag in the allocation of these revenues and thus hard to relate to current services and needs. This revision will budget the CAP revenue in the General Fund - General Revenues, in order to mitigate these fluctuations in these departments.

The total cost plan revenue transfers are reflected within the FY 2012-13 Recommended and FY 2013-14 Proposed Budgets and are displayed on page C-5. This revenue account fluctuates significantly within an individual central service department budget from year to year. This change will smooth out the fluctuation in these departmental revenues by replacing it with a fixed General Fund Contribution displayed by department on page C-4.

FY 2012-13 Recommended and FY 2013-14 Proposed Budget Glossary

Page G-4

COST ALLOCATION - A methodology for identifying and allocating overhead (indirect) costs incurred by central services departments to direct