



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: August 4, 2020

Subject: Recommended County and Special District Budgets FY 2020/21

RECOMMENDATION(S):

1. OPEN and CONDUCT a public hearing to receive input on the FY 2020-21 Recommended Budget as adjusted by \$35 million in line-item changes (Attachments A-AG);
2. ACKNOWLEDGE that significant economic issues including impacts from Covid-19 will continue to challenge the Board of Supervisors in its effort to finance services and programs which Contra Costa County residents need, or expect will be provided to them;
3. ACKNOWLEDGE that wage and benefit increases when coupled with the lack of increased funding from the State and Federal Governments will challenge the County's ability to deliver essential services to our residents;
4. DIRECT the County Administrator to continue to meet with the County's union representatives and employees to explain the size, scope and anticipated length of the County's fiscal challenges and to gain their input/suggestions;
5. DIRECT the County Administrator to continue to make this information readily available to the residents of the County;
6. ACKNOWLEDGE that the Recommended Budget as originally published did not include any funding changes that occurred in the State of California's 2020-21 fiscal year budget nor losses to revenues due to the pandemic;
7. RE-AFFIRM the Board of Supervisors' policy prohibiting the use of County General Purpose Revenue to back-fill State revenue cuts;
8. ACKNOWLEDGE that retirement expenses are expected to decrease in the short run, but are likely to increase in future years should market returns not meet or exceed the Assumed Rate of Return;

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/04/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: August 4, 2020

Contact: Lisa Driscoll, County Finance
Director, 335-1023

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: All County Departments (via CAO)

RECOMMENDATION(S): (CONT'D)

9. ACKNOWLEDGE that the County has prepared a FY 2019/20 interim CARES claim of \$83.158 million and a planned FEMA claim of \$3.534 million;
10. ACKNOWLEDGE that the County plans a FY 2020/21 CARES claim of \$144.669 million and planned FEMA claims of approximately \$30 million;
11. ACKNOWLEDGE that the Recommended Budget as adjusted by the attached line-item changes recognizes COVID-19 impacts and rebalances annual estimated expenditures with one-time reductions to expenditures and one-time adjustments to revenues in FY 2020-21, and is both technically and structurally balanced;
12. ACKNOWLEDGE the future fiscal impacts from COVID-19 and its long-term impact on the economy are unknown;
13. ACKNOWLEDGE that the Recommended Budget includes a specific appropriation for contingency, and that the Board also maintains its ability to manage General Fund contingencies during the fiscal year by use of reserve funds set aside for that purpose;
14. ACKNOWLEDGE that any restoration of any recommended program reductions will require an equivalent reduction in funds from other County priorities in order to adhere to the County's balanced budget policy;
15. ACKNOWLEDGE that the safety of our employees, maintaining core services, maintaining an improved credit rating, minimizing debt, and maintenance of the County's physical assets remain a priority of the Board of Supervisors over the long term;
16. DIRECT the County Administrator to prepare for consideration by the Board of Supervisors on August 11, 2020, position additions and eliminations necessary to carry out Board action on the Recommended Budget; and
17. DIRECT the County Administrator to prepare for Board adoption on September 15, 2020, the FY 2020-21 County and Special District Budgets, as modified, to incorporate the recommended changes presented by the County Administrator during these public hearings.

FISCAL IMPACT:

See attached FY 2020-21 Recommended Budget document, which includes the Budget Message and Overview. The document can also be found at this link: cccouny.us/770-Documents. The specific fiscal changes to these documents are a net decrease to appropriations of \$23.9 million, a net decrease to revenue of \$4.9 million, and a net use of fund balance of \$4 million. The explanation is included in the background below, and is also described in the attached Budget Hearing PowerPoint presentation. Additionally, CARES and FEMA funding will play a large part in helping to keep our budget in balance during 2020/21. The following chart describes our interim CARES claim through June 30, 2020. The \$83.1 million claim is in addition to a \$3.53 million FEMA claim, and \$30 million in CARES Act Provider Relief Fund monies. The Provider Relief Funds supports American families, workers, and the heroic healthcare providers in the battle against the COVID-19 outbreak by distributing \$175 billion to hospitals and healthcare providers on the front lines of the coronavirus response.

	State Allocation	Federal Allocation	Total
Funding Source	\$ 26,546,000	\$ 201,281,392	\$ 227,827,392
Payroll for public health and safety employees	\$ 26,546,000	\$ 28,990,641	\$ 55,536,641
Personnel & Services/substantially different use		\$ 2,519,995	\$ 2,519,995
Improvements to telework capabilities of employees		\$ 2,416,531	\$ 2,416,531
Medical expenses		\$ 7,772,257	\$ 7,772,257
Public health expenses		\$ 14,913,272	\$ 14,913,272
Total Claimed for FY 2019/20	\$ 26,546,000	\$ 56,612,696	\$ 83,158,696
Balance for FY 2020/21:		\$ 144,668,695	\$ 144,668,695

We are cautiously optimistic that funds available for the balance of FY 2020/21 will get us through the remainder of FY 2020/21.

BACKGROUND:

Explanation of the reasons behind the County Administrator's recommendations is presented in the attached FY 2020-21 Recommended Budget, as modified with the departmental detail listed below. Material from the County Administrator and departments invited to make a presentation is also attached: Sheriff-Coroner, District Attorney, Clerk-Recorder, Health Services, Employment and Human Services, Probation, Public Defender, Library, Animal Services, and Contra Costa County Fire Protection District.

The FY 2020/21 Budget, which incorporates adjustments recommended to your Board below, is balanced. The Final Budget for all funds totals \$3.959 billion and provides funding for 9,915 full-time equivalent positions (FTEs). The General Fund Budget totals \$1.76 billion and supports 6,271 FTEs.

Use of All Funds excluding Special Districts	2018-19 Actuals	2019-20 Budget	Originally Recommended FY 2020-21	Revised Recommended FY 2020-21
Health and Human Services	\$2,641,040,699	\$2,801,908,354	\$2,861,027,630	\$2,857,643,630
General Government	500,510,920	688,392,139	580,251,202	\$561,110,629
Law and Justice	497,331,595	564,505,919	542,084,858	\$540,639,909
Total Requirements	\$3,638,883,214	\$4,054,806,412	\$3,983,363,690	\$3,959,394,168

The Revised Recommended Budget closes a \$35.06 million funding gap through a combination of mostly one-time spending reductions, revenue increases, and the use of prior year fund balances. To the extent possible, reductions were made without significant impacts to our workforce. Budget balancing strategies include more conservative estimates for adding positions (67.9 FTE rather than 88.8 original recommended). Additionally, 93 vacant/unfunded FTEs were eliminated within the Assessor, Employment and Human Services, and Probation.

The following table summarizes the reductions required to close the funding gap (note Health and Human Services' reduction would have been significantly higher without COVID relief funds (CARES, FEMA, grants, etc).

General Fund	Reductions in Millions
Health and Human Services	\$5.42
General Government	\$12.54
Law and Justice	\$17.09
Total	\$35.06

The Final Budget is balanced with almost entirely one-time solutions which were primarily generated through Fiscal Management Program savings (vacancy factors).

State and Federal Budget Impact/Pending Factors

Over the past 10 years, the Board of Supervisors has planned for the realization that the growth of the past decade would come to an end. This has allowed the County to place itself in a position to weather the current recession. However, none of us could have predicted that the current recession would be predicated upon a pandemic nor that the economic impact would be so swift and severe. COVID-19 has resulted in substantial declines in revenue, historic job losses and continued economic volatility. The County serves as the arm of the State and Federal Government to provide essential services to our residents. As such this also means that we are heavily reliant on federal and State revenue, and this also requires that we closely monitor potential State and federal funding changes and proposed program and cost shifts to counties.

In addition to the impact of COVID-19, there are other federal policy areas we are closely monitoring:

- In 2020, the federal government is conducting its decennial census. Census data informs several funding streams including formulas for safety net programs. An undercount of Contra Costa County residents would negatively impact funding formulas for the next decade.
- Medi-Cal is currently operating under a federal waiver that expires December 31, 2020. The current waiver provides significant supplemental funding for the County, the County Health System, and other delivery partners - including the Whole Person Care pilot program.

At the federal level, both states and local governments have sought additional federal funding to mitigate the significant revenue declines and unanticipated expenditure increases related to COVID-19. While federal stimulus funds through the CARES Act have provided one-time relief, it is insufficient to offset our unanticipated reduction in resources and the possibility of an extended recession. It is also unknown at this time if or when Congress might pass additional stimulus programs for local governments. Current Congressional proposals do not provide any additional funding to counties.

The current State budget framework is partially dependent upon the receipt of federal funds in October 2020. The State budget includes a realignment backfill of \$750 million, with another \$250 million contingent upon the receipt of additional federal funds. While further details of this realignment backfill are pending negotiations with the Department of Finance, we know that the total amount of backfill will not fully cover our projected realignment losses.

Given the many uncertainties, including State and federal funding levels, we will continue refining the Final Budget throughout the year. These first adjustments rebalance only the current known impacts. Although the State budget includes funding for partial realignment backfill, all-mail elections, homelessness, Project Roomkey, and support for probation departments related to early releases, these discrete funding sources will not fully offset our projected revenue losses. The State's commitment to backfill for realignment losses and restoration of some of the other funding cuts are contingent on the State's receipt of additional federal funds. This will require continued active engagement and advocacy in Sacramento and Washington D.C., and the flexibility to adjust our budget as new details emerge.

Even with the significant impacts of COVID-19 on the County and its budget, there are a number of key accomplishments this past year to be justifiably proud of:

- Contra Costa Regional Medical Center has been named one of the top hospitals in the nation for maternity care by Newsweek and the Leapfrog Group. CCRMC is one of only 231 hospitals in the U.S. to receive this prestigious distinction based on our high performance in key quality and safety standards, including low rates of C-section, episiotomy and elective early delivery. This latest accolade comes on the heels of CCRMC earning an official designation as a baby-friendly hospital, the highest accreditation for birth centers.
- In support of the Clerk of the Board of Supervisors, Contra Costa Television (CCTV) worked to enable closed captioning for the Board of Supervisors, County Planning Commission, and the Veterans' Voices show, the County's original programming, on cable TV and online. Meetings can be seen live or recorded on broadcast television and online via the County website and on the CCTV YouTube channel.
- The State's Board of State and Community Corrections awarded the Contra Costa County District Attorney's Office \$1 million to establish a county-wide juvenile diversion pre-filing program. This diversion program will be the first countywide program for Contra Costa County.
- The Housing and Disability Income Advocacy Program (HDAP) offers Supplemental Security Income (SSI) advocacy and housing assistance to General Assistance (GA) clients who are homeless. The program, which is a partnership between EHSD General Assistance and Contra Costa Health Services Department, Health Homelessness and Housing, has permanently housed 29 GA recipients.
- Upgraded the EBRCs Radio System to a newer technology called Time Division Multiplexing, which includes dedicated channels. This upgrade provides emergency personnel the ability to have simultaneous calls. Dispatchers can communicate with different emergency services (i.e. ambulance, sheriff, fire etc.) concurrently, without overtalking each other.
- Health, Housing and Homeless expanded City and County inter-departmental partnerships to successfully secure \$3.3 million to expand outreach services and housing assistance to homeless older adults, CalWORKS families, and transition-age youth – including the re-entry population and persons with severe mental illness.
- Health, Housing and Homeless obtained \$9.2 million emergency funding primarily targeted to support expansion of homeless services or infrastructure development.
- In cooperation with the Contra Costa Transportation Authority, the County co-led initiation of an Accessible Transportation Plan to evaluate and guide potential improvement in, and perhaps transformation of, the provision of transit services to the disabled and seniors, including recruiting a coalition of public and private partners for the effort and securing outside grant funding.
- The Sheriff's Office, in cooperation with Public Works, completed a full renovation of F Module at the Martinez Detention Facility. F Module is now being used to house incarcerated individuals with behavioral health issues resulting in better programming and therapy. The renovations also allowed for the female and male populations to be separated during programming and free time while on the same intensive treatment module.
- Despite another year of volatile financial markets, the Treasurer's Investment Pool received a AAAf/S1+, S&P Global's highest credit quality rating.
- The County received the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation awards.

The County's long-term, strategic goal continues to be the provision of public services that improve the quality of life of our residents and the economic viability of our businesses. This goal provides the context for decisions regarding this Recommended Budget.

As stated, since compilation of the FY 2020/21 Recommended Budget documents, a \$35.0 million funding gap has been identified due to COVID-19 expenses and its economic impacts. Of this amount \$15 million is due to a projected decrease in

General Purpose Revenue from earnings on investments (\$14.0 million) and sales tax (\$1.0 million), city revenues (\$1.271 million), proposition 172 statewide sales tax (\$11.204 million), state allocation of child support revenues (\$2.591 million), Employment and Human Services realignment revenues (\$400,000 net after using fund balance), Road Funds (\$4.182 million), and AB 109 revenues (\$176,000).

The following reductions/actions are necessary to tentatively rebalance the budget and close the revenue loss:

Agriculture (\$107,000)

To achieve the targeted reduction of \$107,000, the Department will hold vacant two (2) positions for approximately six months. This action will have little impact on operations as the positions are currently vacant.

Animal Services (\$388,000)

To achieve the targeted reduction of \$388,000 the Department will permanently close the Pinole shelter. Also, the Department will delete two (2) vacant positions associated with the Pinole Shelter closure.

Assessor (\$334,500)

To achieve the targeted reduction of \$334,500 the department will hold vacant two (2) Associate Appraiser positions and two (2) Clerk Specialist positions for approximately 9 months. The positions are currently vacant but a delay in hiring may negatively impact the workload in the residential appraisal division and the Homeowner's exemption division.

Auditor-Controller (\$241,000)

To achieve the targeted reduction of \$241,000 the department will hold vacant for approximately 6 months two (2) Accountant-Auditor and one (1) Payroll System Administrator. The positions are currently vacant but a delay in hiring will continue to result in redistribution of work among existing staff in the payroll, administration and systems divisions.

Board of Supervisors (\$87,000)

To achieve the targeted reduction of \$87,000 the department will make various reductions based on trend analysis from prior years in temporary salaries and service and supply accounts. These reductions will have little to no impact on the department but will reduce flexibility to funding unforeseen expenditures that may arise during the year.

Capital Improvements (\$1,650,000)

To achieve the targeted reduction of \$1,650,000 to capital improvements the department will reduce resources available for minor repairs and improvements to facilities by \$250,000 and reduce funding for capital improvements by \$1,400,000. Non-emergency repairs and improvements may need to be delayed due to the reduction in funding.

Child Support (\$2,591,000)

The State reduced the Department's Fiscal Year 2020/21 allocation by \$2,591,000. The Department rebalanced the budget by reducing these State Aid Family Support revenues and appropriations supported with those revenues. The appropriation reductions include: 1) Salary and benefit costs to reflect the Board's action of July 14th to eliminate 16 existing positions effective August 1; 2) Funding for six positions intended to be added in the originally proposed FY 2020/21 Recommended Budget; and 3) other modifications to balance.

Clerk of the Board (\$30,000)

Clerk of the Board will permanently reduce expenditures in services and supplies in the amount of \$30,000. This reduction will have no impact on current operations. However, the department will have limited resources should unforeseen circumstances arise.

Clerk-Recorder-Elections (\$400,000)

The department will achieve one-time FY 2020/21 cost avoidance of \$400,000. Prior year funds were used at year-end to replenish postage accounts for upcoming elections, which will not be replenished in the current fiscal year. This action is expected to have no negative impact on election operations as the remaining postage appropriations for FY 2020/21 year will be enough for the expected costs for the November 2020 Election.

The Clerk Recorder-Registrar was recently notified that Contra Costa has been allocated up to \$2,466,688 of state and federal funds for reimbursement of unanticipated costs for the November Presidential Election due to COVID-19. This will be reflected in a contract with the Secretary of State. An appropriation adjustment will be forthcoming later in the year, when costs and revenues are known.

Conservation and Development (\$103,000)

To achieve the targeted reduction of \$103,000, the department will delete one (1) vacant position in the Housing Rehabilitation Program. This action will have no impact on current operations as the position is vacant and has been for over five years.

County Administrator (\$775,000)

The County Administrator will reduce expenditures by a total \$775,000 in several of its Divisions. The costs in these Divisions fluctuate from year to year in response to unfunded mandates and requests of the Board of Supervisors.

County Counsel (\$145,000)

To achieve the targeted reduction of \$145,000 the Office of the County Counsel reviewed pending and upcoming legal services to estates administered by the Public Administrator and was able to increase projected statutory revenues by that amount. The Department provides legal services to the Office of the Public Administrator in connection with the administration of the estates of persons who are residents of Contra Costa County at the time of death and who die without a qualified person willing or able to assume the responsibility.

Debt Service (\$1,500,000)

The department is used to account for the West Contra Costa Healthcare District's reallocation of property tax revenue through an exchange agreement. This source of revenue has been budgeted at \$2.5 million per year and is expected to be complete in FY 2021/22. Trend analysis of these revenues supports an increase in FY 2020/21.

Department of Information Technology (\$9,500)

The department will reduce the amount of funding available to offset unreimbursed costs related to the East Bay Regional Communications System in order to achieve the targeted reduction of \$9,500.

District Attorney (\$2,635,000)

The department will achieve a net reduction of \$550,000 by delaying hiring 7 positions for approximately 6 months, and other operational economies/revenues. A reduction of \$1,949,000 from anticipated loss of Proposition 172 sales tax is expected. Realignment revenue reductions account for \$136,000, and appropriations have been reduced to balance. As we are now able to make claims for salary and benefits costs through the Coronavirus Aid, Relief, and Economic Security Act, increased investigation and health order enforcement and other support is now claimable. The net fund adjustment is \$550,000.

Employee/Retiree Benefits (\$524,000)

To achieve the targeted reduction of \$524,000 the department will reduce appropriations for unanticipated costs related to the County payroll/personnel system. Additionally, health costs for certain retirees are anticipated to be lower than originally planned.

Employment and Human Services (\$2,427,000)

To achieve a targeted General Fund reduction of \$2,427,000, the Department will cut capital projects by \$788,000 and utilize unbudgeted revenue increases totaling \$2,039,000. These cuts are not expected to have negative impacts on current year operations. The total targeted reductions anticipate a \$2.7 million reduction in 2011 Realignment Revenue and a \$400,000 reduction in 1991/1992 Realignment Revenue. The Department's FY 2020/21 Recommended Budget included \$76.9 million in 2011 Realignment Revenue, which included \$21.7 million of reserves. The State revenue cut of \$2.7 million from 2011 Realignment revenues will be backfilled with the use of additional reserves, leaving a projected reserve balance at the end of FY 2020/21 of \$5 million. If the County receives an allocation from the possible \$250 million backfill from the State, the reserve balance will be approximately \$6.25 million. The anticipated \$400,000 shortfall in 1991/92 Realignment Revenue, will be backfilled with budgeted capital project dollars (As previously noted, the Department is reducing capital project expenditures by a total of \$788,000). The 1992/1992 \$400,000 reduction assumes that the second backfill of \$250 million will be allocated from the State. If this does not materialize, we will return to the Board with additional recommendations to fill the \$1 million gap.

General Purpose Revenue (\$15,000,000)

As stated above, it is anticipated that the General Fund's share of earnings on investments will be \$14.0 million less than the \$18.1 million included in the FY 2020/21 Recommended Budget. The projected reduction is due to reduced interest rates. Additionally, sales tax is projected to be \$1.0 million less than expected.

Health Services

The Health Services Agency claimed in excess of \$63.19 million from both the CARES Relief Fund and FEMA in FY 2019/20. Additionally, the Agency received \$30 million in CARES Provider Relief Funds which were utilized primarily to offset revenue losses from the March – June 2019 time frame. Based on the current spending rate it is anticipated that the

Agency will need a minimum \$100 million of the CARES Relief fund and \$30 million from FEMA for the first six months of FY 2020/21. This amount is a conservative estimate. The cost of the Tracer program is growing daily and may push the cost beyond current estimates. As of this writing no additional CARES Provider Relief Funds have been Federally authorized. Although the Agency is not yet back to pre-COVID productivity levels it is believed that with the continued State approval of paying FQHC rates for Telemedicine services the revenue generating components of the Agency will approach the budgeted FY 2020/21 revenue amounts.

The FY 2020/21 Recommended Budget appropriations are spread to ten funds totaling in excess of \$2.043 billion which are financed with \$1.87 billion in external revenue (92.2%) and \$158 million in County General Purpose Revenue (7.8%). The Agency's budget operates as a system not only with itself but with all the service providing departments in the County. Changes are complicated. Although much depends upon surge conditions, each of the funds in the department is expected to balance at year-end. An appropriation adjustment will be completed as needed throughout the year to rebalance expenses and revenues.

Included in the Recommended Budget is an increase of 29.1 FTE to support overall improvement in Detention Health Services. These planned changes will include efforts and personnel to support best clinical practices across physical and behavioral health services. These positions will support behavioral health evaluation and programming, expansion of primary and specialty care access and delivery, including behavioral health and release planning. Program improvements are aimed at ensuring the community standard of care is maintained for those individuals who are experiencing incarceration and increasing the safety for staff and inmates.

Human Resources (\$137,500)

The department will hold three (3) positions vacant for 6 months in the Personnel Services Unit: two (2) Clerk-Senior and one (1) Human Resources Technician positions in order to achieve the targeted reduction of \$137,500. The positions are currently vacant, but the delayed hiring may lead to a slow-down in recruitments, classification studies and other related processes.

Justice Systems Development Planning (\$500,000)

The County Administrator will reduce resources allocated for development and implementation of mission-critical justice department case management systems and related data interfaces.

Library (\$1,271,000)

A reduction of revenue from partner cities in the amount of \$1,271,000 has resulted in the elimination of 48 positions in community library services. The Library has modified its operating hours to reflect this reduction in workforce, and to better serve the community. The Board took action on the library hours and position reductions on June 16th and July 14th. The line-item changes realign the Library budget by reducing city revenues and salary and benefit costs to reflect those adopted changes.

Local Agency Formation Commission County Funding (\$31,000)

The Local Agency Formation Commission adopted their final budget with a 11% reduction in local agency contributions. In recognition of the financial constraints due to the global pandemic, the Commission opted for the most significant budget reduction presented to them. The County's share will be reduced by \$31,000.

Management Information Systems (\$50,000)

To achieve the targeted reduction of \$50,000 the department will reduce appropriations available for countywide automation projects.

Probation (\$1,053,500)

To achieve the targeted reduction, the Department will increase the vacancy factor by approximately eight (8) positions at the Juvenile Facilities. This action will have little impact on operations as the positions are currently vacant. Realignment revenue reductions account for \$53,000, and appropriations have been reduced to balance. The net fund adjustment is \$1,000,500.

Public Defender (\$330,000)

The Department reduced expenditures by decreasing temporary salaries and holding one (1) Deputy Public Defender-Fixed Term vacant for six months. Realignment revenue reductions account for \$129,000, and appropriations have been reduced to balance. The net fund adjustment is \$201,000.

Public Safety Realignment

Public Safety Realignment (2011 Local Revenue Fund) funding is also appropriated in various County department operating budgets. 2011 Local Revenue Fund will have an increased net fund cost of \$4.0 million due to reductions in 2011 Realignment revenue which will be funded by use of fund balance. This includes a one-time State Realignment Public Safety backfill of \$2.9 million.

Public Works (\$4,688,000)

To achieve the targeted reduction of \$506,000 the department will redirect services to projects funded by Road, Flood Control and various Special Districts and commit to a 3-month delay in hiring for one (1) vacant Buyer position in the Purchasing Division. Additionally, the department anticipates a reduction in utility costs related to electricity and water.

To achieve the known State revenue impact of \$4,182,000 from Gas Tax and Measure J – Contra Costa Transportation Authority, the Road maintenance program will be revised to prioritize work with lower material costs, reduce service levels and postpone projects and maintenance as needed. Approximately \$30 million in projects remain funded in FY 2020/21.

Risk Management (\$327,000)

The department will reduce the General Fund subsidy of the Self-Insurance Internal Service Funds in order to achieve the targeted reduction of \$327,000.

Sheriff-Coroner (\$11,688,000)

Included in the Recommended Budget is an increase of 25 positions within the Sheriff's Office. As we are now able to make claims for salary and benefits costs through the Coronavirus Aid, Relief, and Economic Security Act, these detention positions are now claimable as part of the COVID-19 response throughout the detention system. The positions will be used to support mandated mental health services in the jails. This includes 23 deputy sheriff and 1 Lieutenant position in the Martinez detention facility. These positions will improve the experience of all inmates by providing more escort deputies, allowing for more out of cell time, increased visitation, general programming, and broader provision of medical and mental health services. Due to the seriousness of crimes committed, the positions are sworn deputies rather than non-sworn personnel to provide a safer environment for Deputies, Health Services staff, and inmates. In addition, 1 deputy sheriff position is being recommended by the Community Corrections Partnership that will staff a Mental Health Evaluation Team (MHET) in concert with behavioral health staff from the Health Services Department.

The Sheriff's Office will achieve a reduction of \$2,337,000 through increasing the vacancy factor by \$1,797,000, and a reduction in fixed-asset expenses and other operational economies/revenues. The County may lose \$9,254,000 from anticipated loss of Proposition 172 sales tax, which supports baseline detention operations. Realignment revenue reductions account for \$97,000, and appropriations have been reduced to balance. The net fund adjustment is \$2,337,000.

Superior Court Related Functions (\$500,000)

The County Administrator will achieve the targeted net County cost reduction through a combination of expenditure reductions and revenue increases. Allocations for outside counsel and expert witnesses for capital homicide trials and for collection of court ordered fees, fines and forfeitures are reduced and certain court revenues are increased. It should be noted that Superior Court programs are mandated and most of the service level is mandated. Should the recommended budget prove to be insufficient, mid-year augmentations will be required from the County's reserves or through mid-year reductions in other County programs.

Treasurer-Tax Collector (\$134,000)

The department will hold vacant one (1) Accounting Clerk, one (1) Accounting Technician and one (1) Tax Compliance Officer for approximately six months in order to achieve the targeted reduction of \$134,000. The delay in filling these positions might potentially impact customer service, accounting support and revenue collections.

Veterans Services (\$5,000)

The department has limited resources. The modest savings will be achieved by reducing planned use of temporary hours.

Contra Costa County Fire Protection District

There are no recommended changes to the District's Recommended Budget. The District is cautiously optimistic that assessed values will be close to what was originally projected in the Recommended Budget. However, the District will only add a net six (6) of the ten (10) positions included in the Recommended Budget in the event the assessed values are lower than projected. The net number includes the transfer of a position to EMS Transport operations.

MEET AND CONFER/LAY-OFF RESOLUTIONS

For the last several years at this point in the budget cycle, County Departments, in cooperation with Labor Relations, have begun the meet and confer process with employee representatives regarding the impact of program reductions on the terms and conditions of employment for affected employees. Due to changes in funding for the Department of Child Support and the Library, position reductions took place on July 1 and August 1. Pending Final Budget adoption on August 11, Position Addition and Elimination lists may be presented to the Board for adoption on that day; however, no additional layoffs are included in these recommendations. The position modification list for August 11 will include the addition of 67.9 FTE. This

figure differs from the original 88.8 FTE included in the FY 2020/21 Recommended Budget due to the recommended closure of the Pinole Animal Shelter, changes in funding for the Departments of Child Support and Conservation and Development, early adoption of positions in Health Services, a new grant for Veterans Services, and more conservative growth for the Contra Costa County Fire Protection District . The recommended total changes for FY 2020/21 are: Agriculture-Weights/Measures increase of 1.0 FTE, Animal Services decrease of 6.0 FTE, Conservation and Development increase of 1.0 FTE, Department of Information Technology increase of 1.0 FTE, District Attorney increase of 2.0 FTE, Employment and Human Services a net increase of 20.0 FTE (after elimination of 62.0 vacant/unfunded FTE), Health Services an increase of 29.1 FTE, Human Resources increase of 1.0 FTE, Probation decrease of 15.0 vacant/unfunded FTE, Public Works increase of 1.0 FTE, Sheriff-Coroner increase of 25.0 FTE, Veterans Services increase of 1.0 FTE, Contra Costa County Fire Protection District increase of 5.0 FTE, and CCC Fire Protection District EMS Transport an increase of 1.0 FTE.

Finally, while this 2020/21 Budget requires some reductions and deferral of some of the promises made for 2020/21 it does provide a path forward that will allow the Board to achieve a stable base for the future. The unprecedented challenges we now face, during the COVID-19 pandemic and health emergency, also offer opportunities to look forward and reimagine our priorities, programs, and services. Beyond technology, we must reimagine and redesign our programs and services as we adjust to the new norm.

Despite the challenges and uncertainty that surround us, the Board continues to provide strong financial and strategic leadership that enables the County to continue providing critical health, social services, public safety, and general government services to support our residents, workforce, and diverse communities.

CONSEQUENCE OF NEGATIVE ACTION:

Adoption of the County budget may be delayed, and the FY 2020/21 Recommended Budget will not be balanced.

ATTACHMENTS

FY 2020/21 Recommended Budget Prior to Recommended Revisions (Line Item Changes)

Recommended Line-Item Changes

County Administrator Presentation

Sheriff-Coroner Presentation

District Attorney Presentation

Clerk-Recorder Presentation

Health Services Presentation

Employment and Human Services Presentation

Probation Presentation

Animal Services Presentation

Contra Costa County Fire Protection District Presentation