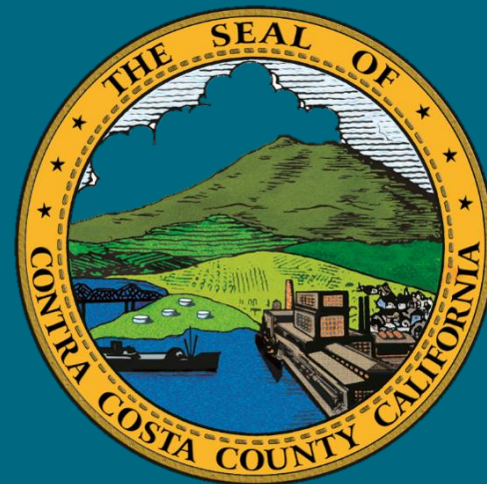




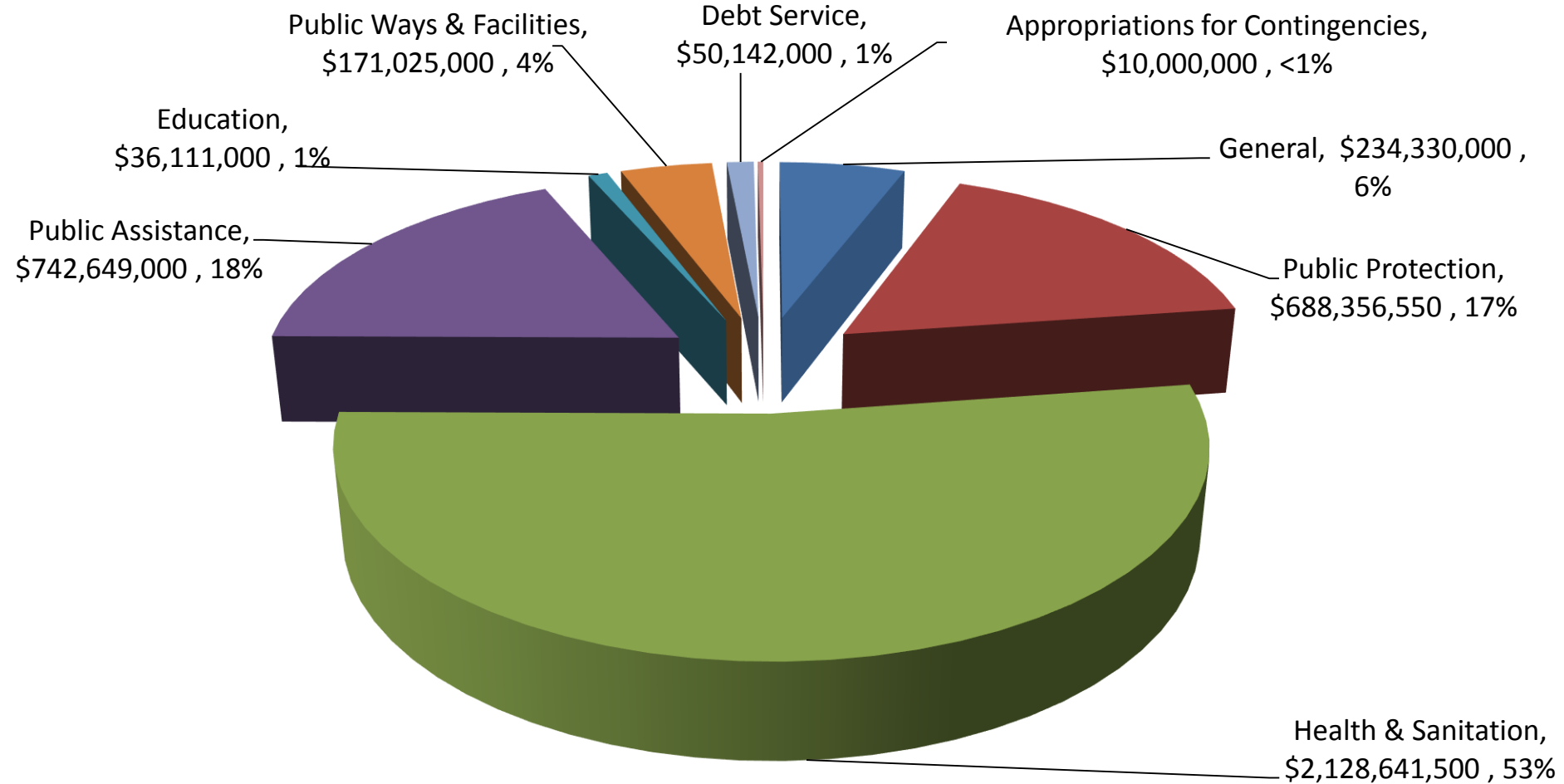
# Fiscal Year 2021-2022 Recommended Budget Hearings April 20, 2021



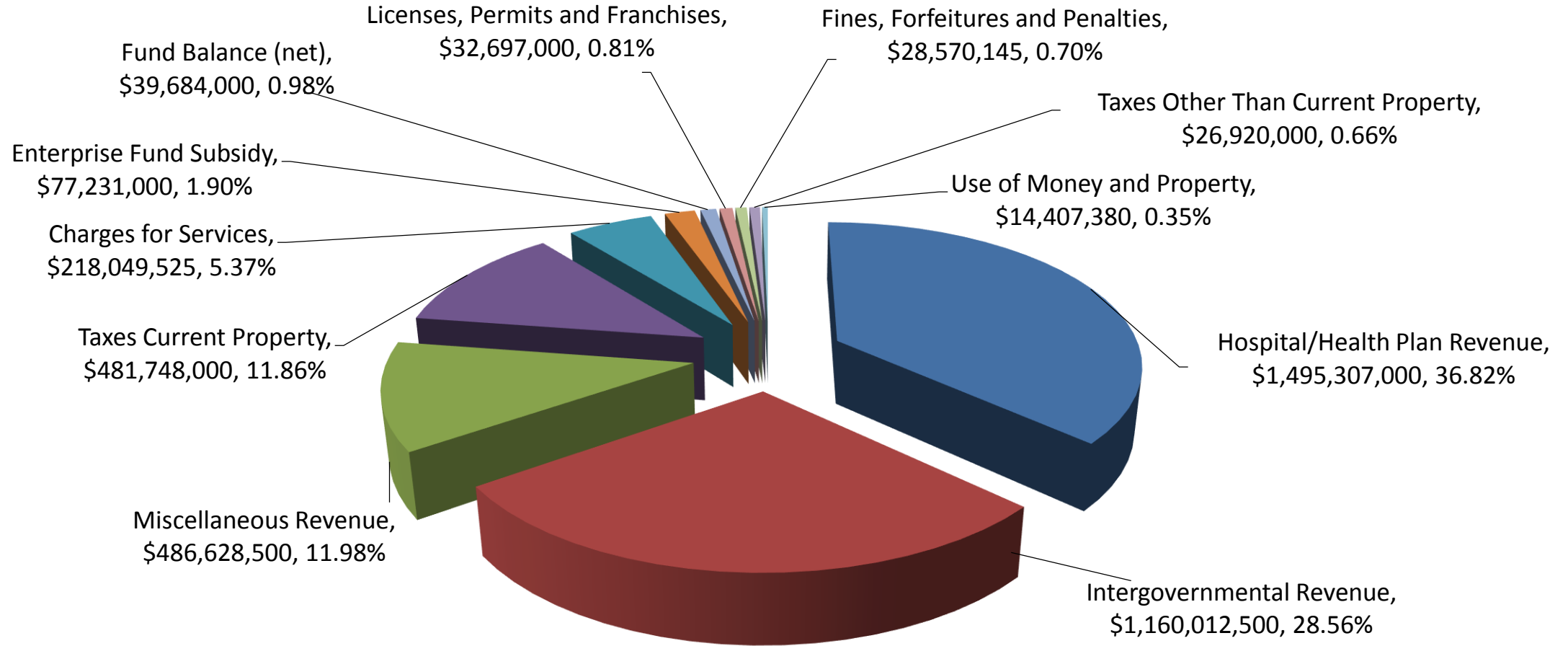
# Budget Hearing Agenda

1. County Administrator Presentation
2. Department Head Presentations
  - Health Services Director, Anna Roth
  - Employment and Human Services Director, Kathy Gallagher
  - District Attorney, Diana Becton
  - Probation Officer, Esa Ehmen-Krause
  - Public Defender, Robin Lipetzky
  - Sheriff, David Livingston
3. Open Public Hearing - Public Comment
4. Board Discussion/Action

# Recommending County Budget of \$4.06 Billion



# Requiring \$4.06 Billion in Revenues and Reserves



# Critical Factors in How We Balanced

- Reduced capital project monies, historically fund \$5 million, we reduced to \$3.7 million. Our intent is to reinstate the full \$5 million in FY 2022-23.
- Growth in Property Tax /Assessed Value – we budgeted 4% for County and 5% for Fire
- Economy in General, positive – longer range impact of economy on pension, very positive
- A vacancy factor accounts for cost savings related to personnel vacancies occurring within departments during the fiscal year.
  - During development of the FY 2021-22 Recommended Budget, there were approximately 879 vacant positions totaling \$114.9 million. Due to difficulties in recruitments, retention, and normal turnover, eight departments are maintaining vacancy factors totaling \$24.8 million. Those impacted are the Assessor, Auditor-Controller, District Attorney, Employment & Human Services, Probation, Sheriff-Coroner, and Treasurer-Tax Collector.
  - The Sheriff has elected to identify specific positions to be counted towards his vacancy factor, however, the County has not specifically allocated the factor and has assured the Sheriff that additional allocations will be made should he manage to fill his authorized positions. It is projected that the Sheriff will underspend his budget in the current year. Additionally, the salary and benefit budget of the Sheriff is recommended to increase by \$11.6 million in FY 2021-22 NET of the vacancy factor.



# What is and Isn't Included in the Recommendation:

## Included:

- \$10.0 million contingency
- \$7.5 million in additional staff costs for mental health services in the jails (40.6 FTE)
- \$1.2 million for Administration Building Security
- \$600,000 for the Office of Racial Equity and Social Justice

## Not Included:

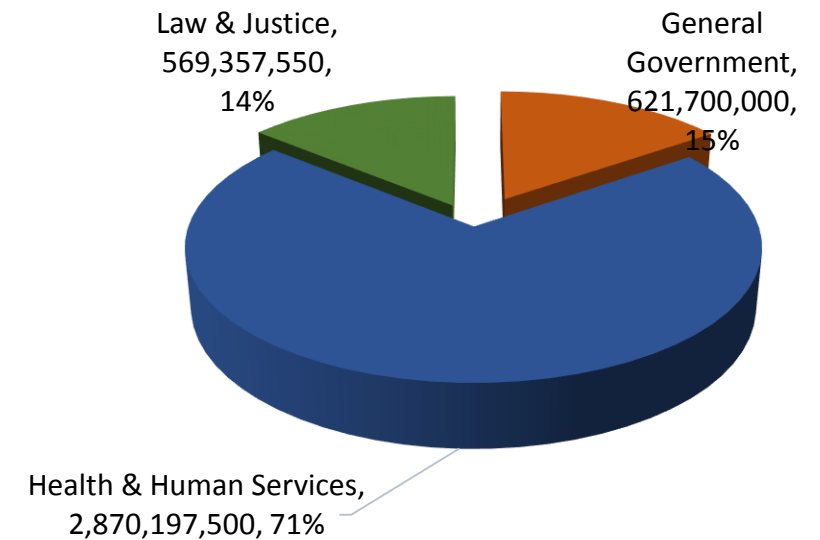
- \$15.3 million for the New Finance System (anticipate funding with one-time reserves)
- \$2.0 million in healthcare reopener costs (anticipate individual departments absorbing)
- \$1.6 million for Detention Security Cameras (anticipate funding with current year dollars)
- \$300,000 for Redistricting costs are not included in the recommended appropriations
- COVID Costs
- Unknown costs associated with labor negotiations

# Exposure to Recommended Budget

- State Budget – May Revise – Unknown
- Cumulative effect of wage increases coupled with significant increases to benefits may exceed projected revenues and stress future year budgets
- California Nurses Association contract expires September 30, 2021, previous contract has an on-going annual cost of \$36 million
- Additional funding requests from Departments and the public in the next few years are likely to be more than can be provided from current general purpose revenues,. Those approved by the Board of Supervisors will likely be funded with Measure X funds
- COVID costs
- Without alternative funding sources or service delivery models, maintaining services in the County Hospital and clinics may force us to identify service level reductions in other County departments to maintain a structurally balanced budget

# All Funds Recommendations FY 2021-22

	County Funds (Excluding Special Districts)	General Government	Health & Human Services	Law & Justice
<b>Expense</b>				
Salaries And Benefits	1,612,311,500	239,453,500	984,420,000	388,438,000
Services And Supplies	1,662,530,224	298,318,500	1,303,807,500	60,404,224
Other Charges	547,985,050	122,104,000	398,247,000	27,634,050
Fixed Assets	48,256,000	30,628,000	14,537,000	3,091,000
Provisions For Contingencies	10,000,000	10,000,000	0	
Net Expenditure Transfers	180,172,276	(78,804,000)	169,186,000	89,790,276
<b>Expense Total</b>	<b>4,061,255,050</b>	<b>621,700,000</b>	<b>2,870,197,500</b>	<b>569,357,550</b>
<b>Revenue</b>				
Other Local Revenue	1,169,942,230	361,743,832	656,656,553	151,541,845
Federal Assistance	418,879,724	59,983,871	356,025,296	2,870,557
State Assistance	1,903,749,096	45,642,297	1,669,190,651	188,916,148
General Purpose Revenue	529,000,000	116,550,000	188,325,000	224,125,000
<b>Revenue Total</b>	<b>4,021,571,050</b>	<b>583,920,000</b>	<b>2,870,197,500</b>	<b>567,453,550</b>
<b>Net Fund Cost (NFC):</b>	<b>39,684,000</b>	<b>37,780,000</b>	<b>0</b>	<b>1,904,000</b>
<b>Allocated Positions (FTE)</b>	<b>9,577.0</b>	<b>1,576.1</b>	<b>6,117.3</b>	<b>1,883.6</b>





# All Funds Increase of 60.4 FTEs Recommended

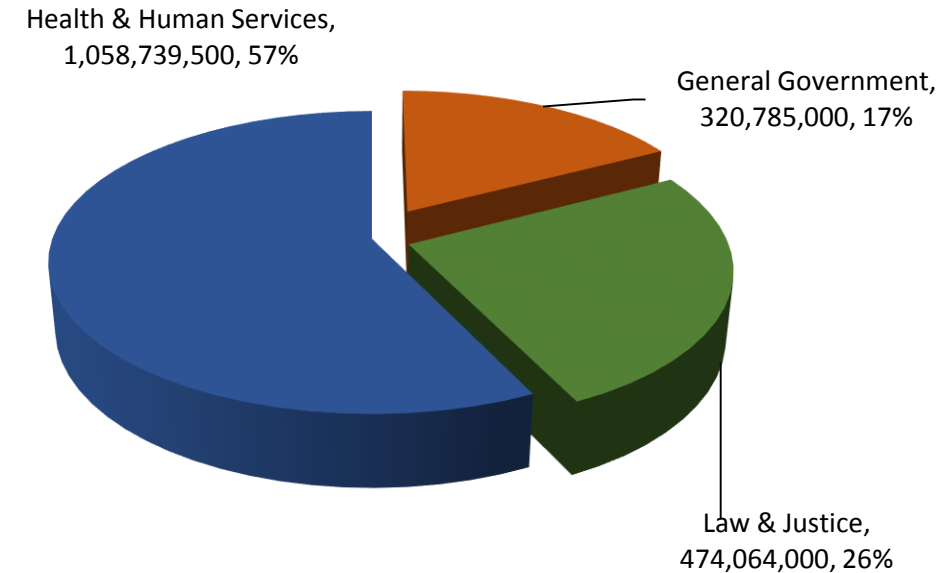
Of the 56.4 FTE added to the County, 53.4 FTE are added in the General Fund. Note that these numbers are rounded/funded FTEs.

- Department of Information Technology an increase of 2.0 FTE,
- District Attorney an increase of 1.0 FTE,
- Health Services an increase of 34.4 FTE,
- Public Works an increase of 9.0 FTE,
- Sheriff-Coroner an increase of 10.0 FTE, and
- Contra Costa County Fire Protection District an increase of 4.0 FTE.

	2021-22 Recommended	Net Change
Agriculture-Weights/Measures	44.3	
Animal Services	71.0	
Assessor	112.0	
Auditor-Controller	60.0	
Board Of Supervisors	31.8	
Central Support Services	43.0	
Child Support Services	134.0	
Clerk-Recorder Elections	81.5	
Conservation & Development	191.0	
County Administrator	34.6	
County Counsel	52.0	
Dept of Information Technology	90.0	2.0
District Attorney	226.6	1.0
Employ't and Human Services	1,900.0	
Health Services	4,075.8	34.4
Human Resources	50.0	
Justice System Dev/Planning	5.0	
Library	192.5	
Probation	338.5	
Public Defender	145.0	
Public Works	559.0	9.0
Sheriff-Coroner	1,097.5	10.0
Treasurer-Tax Collector	30.5	
Veterans Service	11.5	
<b>Total County FTE</b>	<b>9,577.0</b>	<b>56.4</b>
CCC Fire District-Consolidated	422.6	4.0
CCCYPD Ems Transport Fund	13.0	
Special Districts (Not Fire)	17.0	
<b>All Funds FTE</b>	<b>10,029.6</b>	<b>60.4</b>

# General Fund Recommendations FY 2021-22

	Total General Fund	General Government	Health & Human Services	Law & Justice
<b>Expense</b>				
Salaries And Benefits	1,027,636,500	175,336,500	466,829,000	385,471,000
Services And Supplies	634,233,000	196,990,500	377,888,500	59,354,000
Other Charges	303,692,000	49,600,000	232,137,000	21,955,000
Fixed Assets	22,146,000	17,046,000	2,009,000	3,091,000
Provisions For Contingencies	10,000,000	10,000,000	0	0
Net Expenditure Transfers	(144,119,000)	(128,188,000)	(20,124,000)	4,193,000
<b>Expense Total</b>	<b>1,853,588,500</b>	<b>320,785,000</b>	<b>1,058,739,500</b>	<b>474,064,000</b>
<b>Revenue</b>	<b>0</b>			
Other Local Revenue	547,444,143	164,423,000	251,903,848	131,117,295
Federal Assistance	334,769,853	36,301,000	295,599,296	2,869,557
State Assistance	442,374,504	3,511,000	322,911,356	115,952,148
<b>Revenue Total</b>	<b>1,324,588,500</b>	<b>204,235,000</b>	<b>870,414,500</b>	<b>249,939,000</b>
<b>Net County Cost (NCC):</b>	<b>529,000,000</b>	<b>116,550,000</b>	<b>188,325,000</b>	<b>224,125,000</b>
<b>Allocated Positions (FTE)</b>	<b>6,317.9</b>	<b>1,139.6</b>	<b>3,317.8</b>	<b>1,860.6</b>



9 Departments  
receive 85.5% of the  
General Purpose  
Revenue, and 2  
receive over half

	2021-22 Baseline	Share of Total	2021-22 Recommended	Share of Total	
Health Services	162,456,000	30.2%	162,456,000	30.7%	85.5
Sheriff-Coroner	107,303,000	19.9%	104,668,000	19.8%	
Probation	45,681,000	8.5%	45,000,000	8.5%	
Public Works	30,552,000	5.7%	30,552,000	5.8%	
Public Defender	30,548,000	5.7%	30,548,000	5.8%	
Employment and Human Services	32,694,194	5.4%	26,073,000	4.9%	
District Attorney	22,368,000	4.2%	21,730,000	4.1%	
Assessor	17,797,417	3.3%	16,666,000	3.2%	
Capital Improvements	14,850,000	2.8%	14,850,000	2.8%	14.5%
Superior Court Related Functions	11,506,000	2.1%	11,506,000	2.2%	
Contingency Reserve	10,000,000	1.9%	10,000,000	1.9%	
Central Support Services:	7,760,000	1.4%	7,760,000	1.5%	
Board <u>Of</u> Supervisors	7,316,000	1.4%	7,316,000	1.4%	
County Administrator	6,750,000	1.3%	6,750,000	1.3%	
Clerk-Recorder Elections	5,600,000	1.0%	5,600,000	1.1%	
Conflict Defense Services	5,561,000	1.0%	5,561,000	1.1%	
Animal Services	4,112,000	0.8%	4,112,000	0.8%	
Auditor-Controller	4,192,940	0.8%	3,309,000	0.6%	
Employee/Retiree Benefits	2,796,000	0.5%	2,796,000	0.5%	
Treasurer-Tax Collector	2,822,969	0.5%	2,633,000	0.5%	
Human Resources	2,613,000	0.5%	2,613,000	0.5%	
Agriculture-Weights/Measures	2,393,000	0.4%	2,393,000	0.5%	
Veterans Service	1,475,000	0.3%	1,475,000	0.3%	
County Counsel	1,305,000	0.2%	1,305,000	0.2%	
Justice System Development/Planning	1,000,000	0.2%	1,000,000	0.2%	
Conservation & Development	682,000	0.1%	682,000	0.1%	
Crockett-Rodeo Revenues	560,000	0.1%	560,000	0.1%	
Department <u>Of</u> Information Technology	86,000	<0.1%	86,000	<0.1%	
Debt Service	(1,000,000)	(0.2%)	(1,000,000)	(0.5%)	
	<b>537,880,520</b>	<b>1</b>	<b>529,000,000</b>	<b>100.0%</b>	

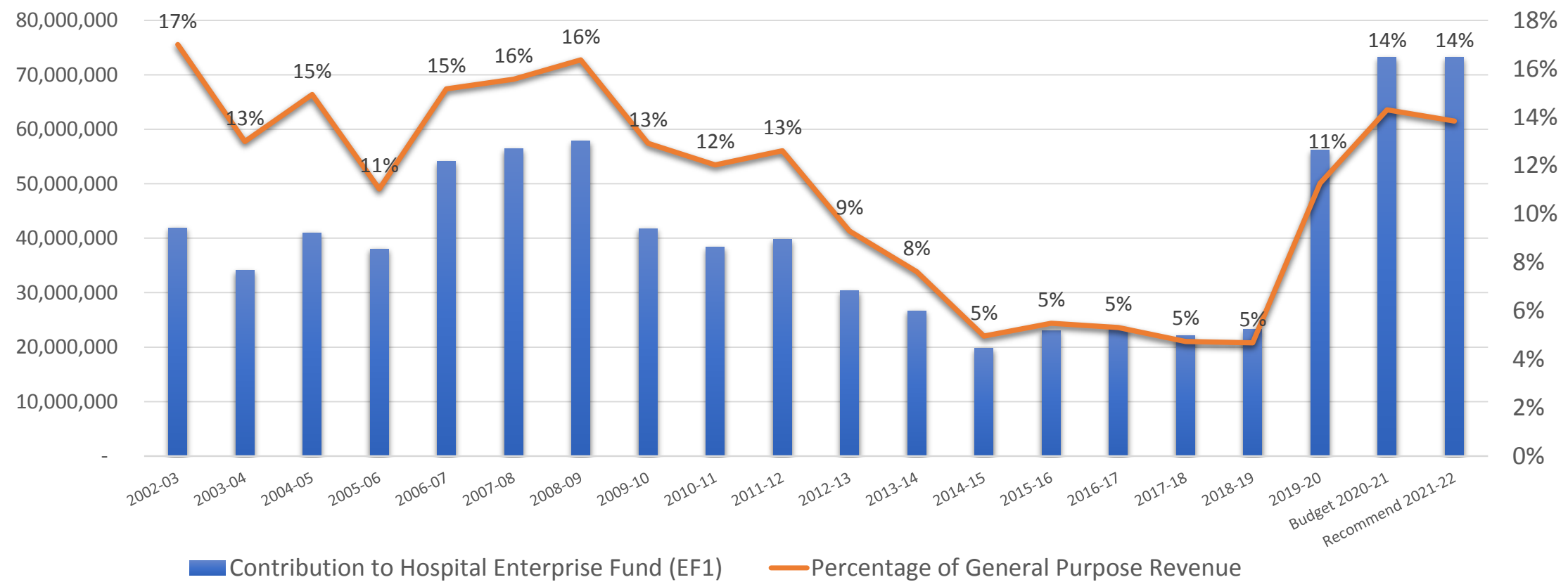
# County's Four Largest Departments

	Public Works	Sheriff-Coroner	Employment & Human Services	Health Services	Hospital Enterprise Fund <sup>2</sup>
<b>Expense</b>					
Salaries And Benefits	82,615,000	238,928,000	246,816,000	719,189,000	457,309,000
Services And Supplies	177,350,000	22,498,724	138,142,000	1,168,342,500	210,448,000
Other Charges	54,218,000	902,050	163,326,000	234,399,000	13,240,000
Fixed Assets	12,822,000	3,031,000	800,000	13,737,000	12,228,000
Net Expenditure Transfers	(53,281,000)	8,388,226	15,159,000	29,126,000	0
<b>Expense Total</b>	<b>273,724,000</b>	<b>273,748,000</b>	<b>564,243,000</b>	<b>2,164,793,500</b>	<b>693,225,000</b>
<b>Revenue</b>					
Other Local Revenue	155,486,956	85,711,295	118,838,000	539,201,553	243,382,000
Federal Assistance	22,523,871	1,593,009	183,518,393	154,568,903	40,454,000
State Assistance	41,784,173	82,199,696	235,813,607	1,308,567,044	336,144,000
General Purpose Revenue	30,552,000	104,668,000	26,073,000	162,456,000 <sup>1</sup>	73,245,000
<b>Revenue Total</b>	<b>250,347,000</b>	<b>274,172,000</b>	<b>564,243,000</b>	<b>2,164,793,500</b>	<b>693,225,000</b>
<b>Net Fund Cost (NFC):</b>	<b>23,377,000</b>	<b>(424,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Allocated Positions (FTE)</b>	<b>559.0</b>	<b>1,074.5</b>	<b>1,900.0</b>	<b>4,075.8</b>	<b>2,390.5</b>

<sup>1</sup> Detention Health (\$35.0 million), Public Health (\$22.2 million), Mental Health (\$17.3 million), Others (\$14.6 million)

<sup>2</sup> Included in Health Services Total

# History of Contributions to Hospital Enterprise Fund from General Purpose Revenue



# General Fund Reserve Assumptions

- June 30, 2020:
  - Total general fund revenues were \$1,728,214,000 and total fund balance including reserves were \$637,170,000.
  - Total fund balance is 36.8% of total revenue
  - Of the \$637.17 million in reserves
    - \$353.5 million was unassigned
    - \$283.6 million was assigned, committed, restricted or nonspendable
  - The county Reserve policy calls for 5% of general fund revenues for the unassigned balance and 10% for total reserve balance. Minimum fund balances would be \$86.4 million and \$172.8 million respectively. There was \$464.3 million available over the 10% reserve minimum.
- June 30, 2021:
  - As of April, 2021 of this fiscal year, the Board of Supervisors has not approved transfers from reserves and no transfers are anticipated; however, outstanding FEMA claims exist in the amount of \$1.6 million (related to the Great Plate program).
- June 30, 2022:
  - No fund balance use is included in the Recommended Budget for FY 2021-22; however, Health and Public Safety may require use of fund balance to provide support of the COVID-19 pandemic.



# Importance of Reserves for Cash Flow

- Although revenues are volatile, expenses (majority for salaries) are normally quite smooth.
- General Fund Reserve of \$637.2 Million, (\$353.5 Million Unassigned) has eliminated General Fund negative cash flow during the year.
- The General Fund cash balance no longer begins the year with a negative cash balance. The large disbursements for advances, pension pre-pay costs, and accrued expenses are now covered by the available cash balance (reserves).
- Prior to fiscal year 2014-2015 the cash flow was not positive until the second installment of property tax receipts are received in late spring.

# Labor



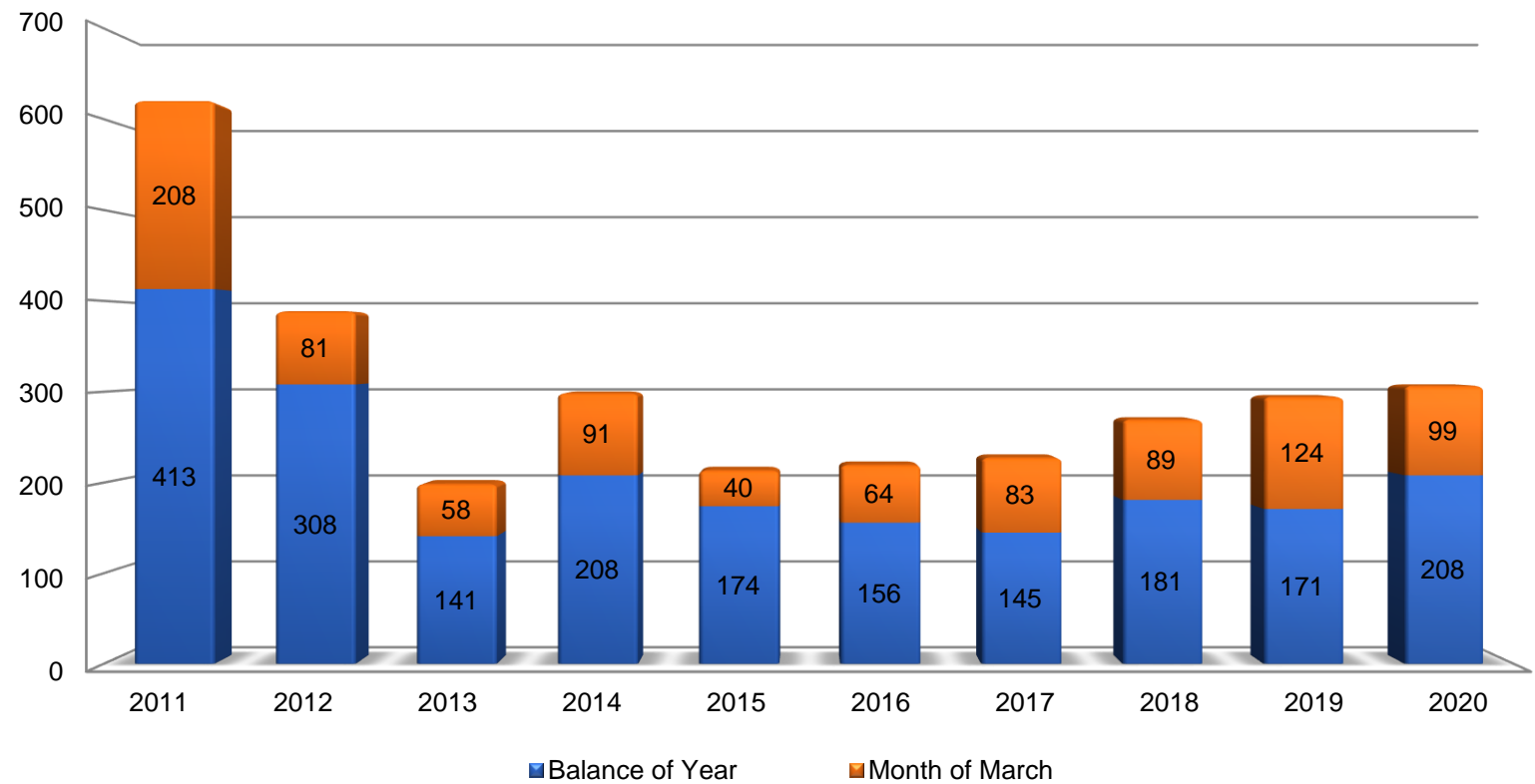
# Labor Contracts

	<b>Total Number<sup>1</sup> of Permanent Employees</b>	<b>Contract Expiration Date</b>
AFSCME Local 512, Professional and Technical Employees	230	6/30/2022
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	1,462	6/30/2022
California Nurses Association	812	9/30/2021
CCC Defenders Association	94	6/30/2022
CCC Deputy District Attorneys' Association	93	6/30/2022
Deputy Sheriffs Association, Management Unit and Rank and File Unit	838	6/30/2023
Deputy Sheriffs Association, Probation Peace Officers Association	192	6/30/2023
District Attorney Investigator's Association	15	6/30/2023
IAFF Local 1230	335	6/30/2023
IHSS SEIU - 2015		6/30/2022
Physicians and Dentists of Contra Costa	242	10/31/2022
Professional & Technical Engineers – Local 21, AFL-CIO	1,124	6/30/2022
Public Employees Union, Local One & FACS Site Supervisor Unit	540	6/30/2022
SEIU Local 1021, Rank and File and Service Line Supervisors Units	867	6/30/2022
Teamsters, Local 856	1,819	6/30/2022
United Chief Officers' Association	12	6/30/2023
Western Council of Engineers	25	6/30/2022
Management Classified & Exempt & Management Project	412	n/a
<b>Total</b>	<b>9,112</b>	

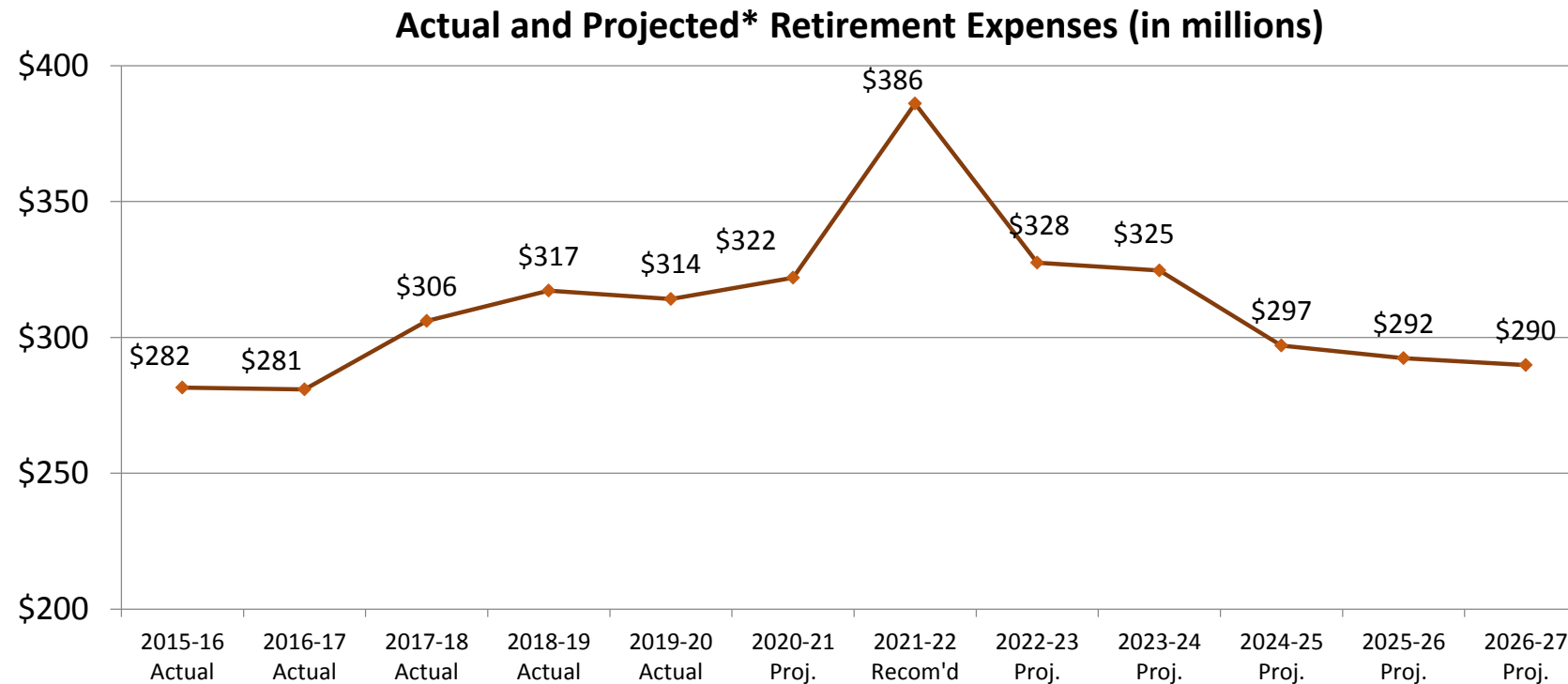
<sup>1</sup> Permanent number of filled Positions as of April 12, 2021 (not FTE)

# Retirements

The County continues to carry a number of vacant positions due, in part, to unprecedented numbers of retirements during calendar year 2011 and 2012, which was exacerbated by the Great Recession. The chart below provides the last ten years of retirement history by year and for the month of March. Historically March retirements are the highest because retirees must be retired by March 31 in order to receive a cost-of-living adjustment from the Contra Costa County Employees' Retirement Association.



# Pension Cost Management



The chart includes five years of actual data, straight-line projection of current year (based on eight months of actual data), Recommended Budget for FY 2020-21, and projection of future years based upon actuarial data provided by CCCERA's actuary (letter dated March 12, 2021). **Assumes we meet the Assumed Rate of Return each year.**

# OPEB Liability Significantly Reduced due to Board Actions and Collective Bargaining

- The OPEB financing plan includes a \$20 million annual allocation of resources for pre-funding the OPEB liability.
  - The County has included this allocation in each adopted annual budget since FY 2008-2009.
- Health plan changes, caps on County contributions and labor concessions, in addition to annual pre-funding contributions, have assisted in reducing the County's Unfunded Actuarial Accrued Liability (UAAL) since 2006: from \$2.57 billion to \$523.9 million, and
- With a Market Value in the trust as of December 31, 2020 in excess of \$399.0 million, the County has pre-funded approximately 39.5% of its OPEB obligation.
- The Board's actions have made it possible for the County to continue to provide much needed services, including health services, to County residents including the indigent.
- The Board has also been able to significantly increase the subsidy of employee health benefits over the last three years.



# Contra Costa County Fire Protection



# CCC Fire Protection District

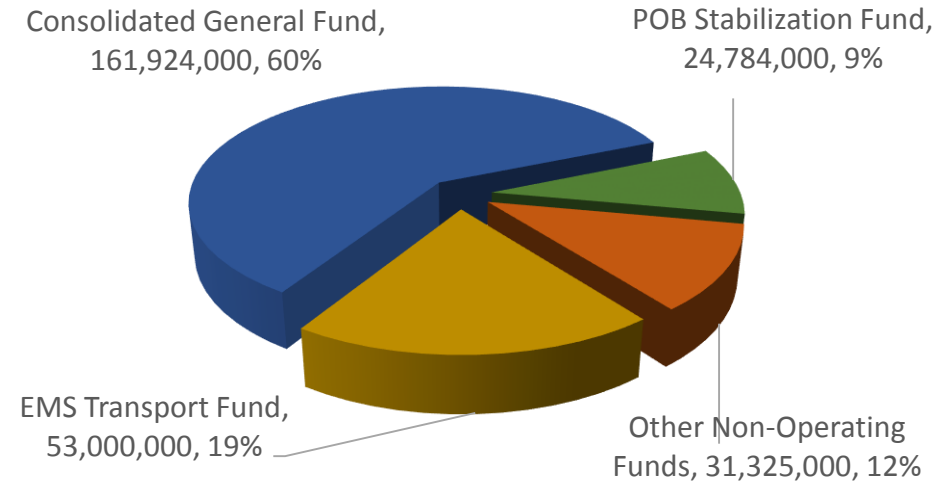
- **FY 2021-22 Recommended Budget Summary**

- Balanced assuming 5% increase in property tax revenue
- Continues to meet the fund balance goal of 50% reserves for the EMS Transport Fund and requires no use of fund balance.
- Net increase of 4 FTEs, including three (3) Fire Captains to increase staffing at Fire Station 70 in San Pablo, and one (1) Driver Clerk for the Training and Safety Division.
- Total District fund balance reserves total \$102.7 million as of the end of FY 2019-20, this includes \$15.2 million and \$19.5 million from the District's Pension Obligation Bond (POB) Debt Service Fund and POB Stabilization Fund respectively.

# Recommendations FY 2021-22

	Total Consolidated Fire	Consolidated General Fund	EMS Transport Fund	POB Stabilization Fund	Other* Non- Operating Funds
<b>Expense</b>					
Salaries And Benefits	155,524,000	127,023,000	3,718,000	24,783,000	0
Services And Supplies	57,243,000	10,964,000	45,687,000	0	592,000
Other Charges	27,567,000	9,182,000	1,660,000	1,000	16,724,000
Fixed Assets	15,642,000	698,000	935,000	0	14,009,000
Net Expenditure Transfers	15,057,000	14,057,000	1,000,000	0	0
<b>Expense Total</b>	<b>271,033,000</b>	<b>161,924,000</b>	<b>53,000,000</b>	<b>24,784,000</b>	<b>31,325,000</b>
<b>Revenue</b>					
Other Local Revenue	228,829,000	160,074,000	53,000,000	2,611,000	13,144,000
Federal Assistance	1,038,000	1,038,000	0	0	0
State Assistance	812,000	812,000	0	0	0
<b>Revenue Total</b>	<b>230,679,000</b>	<b>161,924,000</b>	<b>53,000,000</b>	<b>2,611,000</b>	<b>13,144,000</b>
<b>Net Fund Cost (NFC):</b>	<b>40,354,000</b>	<b>0</b>	<b>0</b>	<b>22,173,000</b>	<b>18,181,000</b>
<b>Allocated Positions (FTE)</b>	<b>435.6</b>	<b>422.6</b>	<b>13.0</b>	<b>0.0</b>	<b>0.0</b>

\* Capital Outlay Fund, Pittsburg Special Fund, CCCFPD New Development Fee Fund, POB Debt Service Fund, Capital Construction Fund



# CCC Fire Protection District

- For fire, property taxes declined by over 13% between 2009 and 2013. These taxes then significantly increased between 2014 and 2016. Now returning to a more normal increase of around 5% going into the next few years.
- Actual District experience:

• 2009-10	(7.8%)
• 2010-11	(2.4%)
• 2011-12	(1.9%)
• 2012-13	(1.2%)
• 2013-14	5.9%
• 2014-15	9.3%
• 2015-16	6.9%
• 2016-17	6.3%
• 2017-18	5.5%
• 2018-19	6.4%
• 2019-20	5.5%
• 2020-21	5.2%

# CCC Fire Protection District

- **Reasons for optimism**
  - Settled with Local 1230 and UCOA through June 2023
  - Net decrease of \$3.8 million in debt service payments in FY 2021-22
    - Payments on existing Pension Obligation Bonds decreasing by approximately \$5.7 million in FY 2021/22
    - New debt service on capital construction projects is scheduled at \$1.9 million annually
  - Station 70 (San Pablo) opened in April 2021 and Station 86 (Bay Point) construction contract was awarded in January 2021
- **Reasons for concern**
  - Cost of labor contracts
    - \$8.7 million in FY 2021-22 (total three-year cost of \$26.2 million)
  - Property tax revenue increases may slow
  - Continued financial strains and unknowns on:
    - Capital and non-capital equipment replacement (e.g., heavy fire apparatus)
    - Future construction project for Station 9 (Pacheco)

# CCC Fire EMS Transport Fund

- Reasons for optimism
  - “Alliance” Ambulance program stable (for now)
  - The District has met its fund balance reserve goal of maintaining 50% of annual operating cost of ambulance services
  - Ground Emergency Medical Transportation (GEMT) Quality Assurance Fee (QAF) is providing net revenue of approximately \$2 million annually under the current funding and fee parameters.
  - The District continues to be financially stable despite reduced health care utilization due to COVID-19, transport volume has recovered and is steady
- Reasons for concern
  - Future of healthcare funding continues to be uncertain
- EMS Transportation Reserve
  - The District had ended FY 19/20 with a fund balance of \$39 million which exceeded its fund balance goal of 50% of annual operating costs (goal of approximately \$27 million for FY 21/22)
  - FY 21/22 budget does not include an annual reserve contribution as the fund balance goal has been exceeded



# COVID Cost Recovery



# Summary - Coronavirus Relief Fund (CARES Act)

	State Allocation	Federal Allocation	Total
<b>Funding Sources:</b>	<b>\$ 26,546,260</b>	<b>\$ 201,281,392</b>	<b>\$ 227,827,652</b>
<b>Funding Uses:</b>			
General Fund (includes Public Health and H3)	26,546,260	107,272,824	133,819,084
Enterprise Fund I (Hospital/Clinics)		93,607,580	93,607,580
Land Development Fund		227,229	227,229
Library Fund		173,759	173,759
<b>Total Claimed as of December 31, 2020</b>	<b>\$ 26,546,260</b>	<b>\$ 201,281,392</b>	<b>\$ 227,827,652</b>
<b>Balance Available</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Key Takeaways:

1. No additional funds available for County COVID response programs funded with Coronavirus Relief Funds after December 31, 2020
2. It will be necessary to use American Rescue Plan funds to bridge the gap over the next two years

# Emergency Rental Assistance Program (ERAP)

- **\$75,822,311 for Contra Costa**
  - \$75,307,866 to the State for implementation (Option A County)
  - \$514,445 for local programming
- **As of April 12, 2021**
  - 2,156 active cases
  - \$29,572,486 in relief requested
  - \$590,238 in relief approved
  - First set of relief checks distributed statewide on April 12<sup>th</sup>
- **American Rescue Plan includes ERAP Phase II**
  - Not a direct allocation - application is needs based
  - No negative impact associated with partnership with State for ERAP Phase I

# Summary – FEMA Reimbursement Activity

	Obligated	Claimed	In Progress	Total
<b>Eligible Programs (Guidance):</b>				
Great Plates	\$ 144,796	\$ 1,458,346	\$ 2,000,000	\$ 3,603,142
Non-Congregate Shelter	0	0	14,100,000	14,100,000
Vaccination (3/15/2021, Interim)	0	0	0	0
Reopening (4/5/2021, Interim)	0	0	0	0
<b>Total as of March 30, 2021</b>	<b>\$ 144,796</b>	<b>\$ 1,458,346</b>	<b>\$ 16,100,000</b>	<b>\$ 17,703,142</b>

## Key Takeaways:

1. FEMA does not reimburse 100% of actual costs (100% of eligible costs does not mean 100% of actual costs; Salary and Benefit costs of permanent staff not eligible!)
2. FEMA is the reimbursement source of last resort (after applying cascading funding)
3. Strategy is to focus on FEMA programs with finalized guidance first to avoid duplication of resources
4. FEMA reimbursement process cumbersome and could take years before reimbursement is received (typically 24-36 months)

# Homeless/Mental Health/Housing from all Sources - \$439.3 Million

\$2.87 Billion on Health and Human Services, including **\$411.8 million** on services directly related to homeless; mental health, and housing. And, an **additional \$27.5 million** in homeless housing and wraparound services directly related to COVID-19 assuming current level of programming continues in FY 2021/22.

	FY 2021/22 Recommended Budget			COVID-19 Non-Congregate Shelter		
	Appropriations	Federal/State	General Fund	Annualized Expenditures	Unidentified Funding	FEMA Funding*
Homeless	\$76,937,245	\$68,977,305	\$7,959,940	\$8,640,291	\$6,480,218	\$2,160,073
Mental Health	\$270,031,451	\$240,203,234	\$29,828,217	\$0	\$0	\$0
Housing	\$47,125,120	\$46,284,653	\$840,467	\$0	\$0	\$0
Homeless/Housing	<u>\$17,736,719</u>	<u>\$15,452,719</u>	<u>\$2,284,000</u>	<u>\$18,845,721</u>	<u>\$14,134,291</u>	<u>\$4,711,430</u>
<b>Total</b>	<b>\$411,830,535</b>	<b>\$370,917,911</b>	<b>\$40,912,624</b>	<b>\$27,486,012</b>	<b>\$20,614,509</b>	<b>\$6,871,503</b>

\* Current FEMA reimbursement authority for Non-Congregate Shelter programs will terminate on September 30, 2021.

# COVID-19 Cost Recovery Final Comments

- **Coronavirus Relief Fund (CARES Act)**
  - \$227.8 million fully spent
- **Emergency Rental Assistance Program**
  - Off to a good start
  - More funds on the way, but will be very different than Phase 1 funding
- **American Rescue Plan**
  - 1<sup>st</sup> allocation anticipated in May 2021
  - \$110 million necessary to balance FY 2021/22
  - \$110 million necessary to balance FY 2022/23
  - These are one-time funds!
- **FEMA Reimbursements**
  - Slow to receive funding, General Fund covers costs for several months or years (typically 24-36 months)
  - **100% of eligible costs does not mean 100% of actual costs!**



# **Measure X**

## **Sales Tax Dollars**



# Measure X Sales Tax Funding

- Measure X is anticipated to generate approximately \$90 million in FY 2021-22.
- Measure X funding is not anticipated to be received until October 2021 for the first quarter of collections, starting in April 2021.
- The Measure X Community Advisory Board has begun to meet to develop funding priorities for presentation to the Board of Supervisors.
- The FY 2021-22 Recommended Budget included \$665,000 in Measure X revenue:
  - \$600,000 for the new Office of Racial Equity and Social Justice, and
  - \$65,000 for sales tax auditors.

# Office of Racial Equity and Social Justice (ORESJ)

- Authorized by the Board of Supervisors on November 10, 2020 after the Board declared *Racism as a Public Health Crisis*.
- Community Engagement process launched by an initial planning team of County and Community leaders.
- Information session held Dec. 16, 2020.
- Training offered Jan. 21, 2021 on “Preparing and Practicing Racial Justice and Healing with Dr. Ken Hardy.”
- Community engagement “Host Table” developed. Convened on Jan. 28. Task Teams also developed.
- Listening Sessions currently underway with goal of May 2021 completion.
- CAO included \$600,000 placeholder for ORESJ in FY 2021-22 Recommended Budget (Measure X).

# Recommendations



# Recommended Budget Actions

1. OPEN and CONDUCT a public hearing to receive input on the FY 2021-22 Recommended Budget;
2. 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;
3. DIRECT the County Administrator to continue to make this information readily available to the residents of the County;
4. ACKNOWLEDGE that the Recommended Budget does not include any funding changes that may occur in the State of California's 2021-22 fiscal year budget or in the manner in which the Medi-Cal Waiver is implemented and these two events may have an unknown impact on the drawdown of federal funds for services and facilities;
5. RE-AFFIRM the Board of Supervisors' policy prohibiting the use of County General Purpose Revenue to back-fill State revenue cuts;
6. ACKNOWLEDGE that the Recommended Budget balances annual estimated expenditures with estimated revenues in FY 2021-22, and is both technically and structurally balanced;
7. 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;
8. 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 our balanced budget policy;

# Recommended Budget Actions

9. ACKNOWLEDGE that 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;
10. ACKNOWLEDGE the intended use of approximately \$110 million from American Rescue Plan year 1 funds for Health Services COVID-19 expenses, pending future discussion with the Board of Supervisors and final guidelines released by the US Treasury;
11. DIRECT the County Administrator to prepare for Board adoption on May 11, 2021, the FY 2021-22 County and Special District Budgets, as modified, to incorporate any changes directed by the Board during these public hearings; and
12. DIRECT the County Administrator to prepare for consideration by the Board of Supervisors on May 11, 2021, position additions and eliminations necessary to carry out Board action on the Recommended Budget.



# Budget Hearing Agenda

1. County Administrator Presentation
2. Department Head Presentations
  - Health Services Director, Anna Roth
  - Employment and Human Services Director, Kathy Gallagher
  - District Attorney, Diana Becton
  - Probation Officer, Esa Ehmen-Krause
  - Public Defender, Robin Lipetzky
  - Sheriff, David Livingston
3. Open Public Hearing - Public Comment
4. Board Discussion/Action



# Contra Costa County

## Mission

Contra Costa County is dedicated to providing public services which improve the **quality of life** of our residents and the economic viability of our businesses.

## Vision

Contra Costa County is recognized as a

**world-class**  
service **organization**

where innovation and partnerships merge to enable our residents to enjoy a safe, healthy and prosperous life.

## Values

Contra Costa County **serves people,**

businesses and communities. Our organization and each one of our employees value:

- Clients and communities
- Partnerships
- Quality Services
- Accountability
- Fiscal prudence
- Organizational excellence

