

**Presentation to  
Board of Supervisors  
January 25, 2022**

# CONTRA COSTA COUNTY UPDATE BUDGET & KEY ISSUES

# CONTRA COSTA COUNTY FAMILIAR BUDGET DRIVERS AND CHALLENGES

Measure X &  
Freed-Up  
POB/OPEB  
Resources

Economic  
Forecast

Labor  
Negotiations

COVID Cost  
Recovery

ARPA Funds

Fund  
Infrastructure  
Needs (Repair &  
Maintenance)

Adequately  
Fund Health  
Department &  
Public Safety

# 2022/23 Assumptions

- Assuming continuation of the Pandemic and associated expenses and offsetting revenues.
- Will recommend structurally balanced budget including \$107 in Measure X sales tax revenues.
- OPEB managed (unfunded liability reduced from \$2.6 B in 2006 to current \$433.3 million as of 6/30/2021). Will discontinue OPEB pre-pay of \$20 million in FY 2022/23 as target funding level has been achieved.
- Assessed Value, on which general purpose revenue is based, was up 6.34% in 2018/19; 5.3% in 2019/20; 4.87% in 2020/21; 3.44% in 2021/22. The budget will be built on assumption of 6.0% increase in assessed valuations. FY 2022/23 is projected to be significantly higher than 'normal'.
- The final County pension obligation bond (POB) payment will be made in June, freeing up \$47.4 million in annual resources for employee wages.
- We have labor contracts expiring 6/30/2022 for most of our bargaining groups including In-Home Supportive Services and are in bargaining with the California Nurses Association. Only 15% of employees have contracts expiring after 6/30/2022.
- Assuming completion of the Facilities Master Plan and Assessment in FY 2022/23. |

# SOLID PENSION FUNDING STATUS

- CCCERA lowered its investment earnings assumption from 7.25% to 7.00%, beginning in calendar year 2014
- County UAAL as of 12/31/2020 was \$557.373 million
- Final POB payment scheduled for June, 2022

Contra Costa County Employees Retirement Association Pension Funding Status (\$'000s)					
Actuarial Valuation Date	Total CCCERA Unfunded Accrued Liabilities	Actuarial Funded Ratio	County UAAL	CCC Fire Protection District UAAL	
2009	\$1,024,673	83.80%	\$727,578	\$68,294	
2010	1,312,215	80.30%	918,919	104,750	
2011	1,488,593	78.50%	1,037,535	130,737	
2012	2,279,059	70.60%	1,591,610	228,950	
2013	1,823,681	76.40%	1,260,363	180,209	
2014	1,469,942	81.70%	1,003,749	151,686	
2015	1,311,823	84.50%	879,610	154,708	
2016	1,187,437	86.50%	776,396	143,193	
2017	1,059,356	88.50%	689,426	131,765	
2018	1,031,966	89.30%	677,735	123,353	
2019	947,054	90.60%	607,938	132,554	
2020	859,345	91.80%	557,373	121,270	

# OPEB TRUST PREFUNDING STATUS

- The County establishing an OPEB Trust in 2008 and began pre-funding benefits that same year
- Pre-funding has been \$20 million per year
- The funded ratio is at 50.60% as of the most recent valuation date (6/30/2021) and exceeds the minimum goal of 44%
- We are recommending that the \$20 million pre-funding be discontinued beginning July 1, 2022

Other Post Employment Benefit Funding Status (\$000s)			
Actuarial Valuation			
Date	Total Liability	Net Liability	Funded Ratio
2008	\$2,367,023	\$2,367,023	0.00%
2009	1,879,242	1,859,204	1.10%
2010	1,046,113	1,021,065	2.40%
2011	1,078,665	1,016,945	5.70%
2012	1,033,801	948,310	8.30%
2013	1,033,776	968,285	6.30%
2014	923,848	794,422	14.00%
2015	939,053	764,329	18.60%
2016	902,011	706,035	21.70%
2017	928,782	693,566	25.30%
2018	932,187	662,517	28.90%
2019	958,588	650,074	32.20%
2020	865,62	523,933	39.50%
2021	878,049	433,321	50.60%

# Bay Area Unemployment Rate November 2021 (Unadjusted)

- The County's unemployment levels rebounded strongly from the highs experienced during the Financial Crisis in 2008-2010, reaching peak employment in 2019. Subsequent to COVID-19 the county has increased in line with State (5.4%) and national trends.

• Marin	2.9%
• San Mateo	3.1%
• Santa Clara	3.2%
• San Francisco	3.3%
• Sonoma	3.7%
• Napa	4.2%
• Alameda	4.3%
• <b>Contra Costa</b>	<b>4.6%</b>
• Solano	5.4%

- 9 County Average 3.9% (5.9% Last Year)

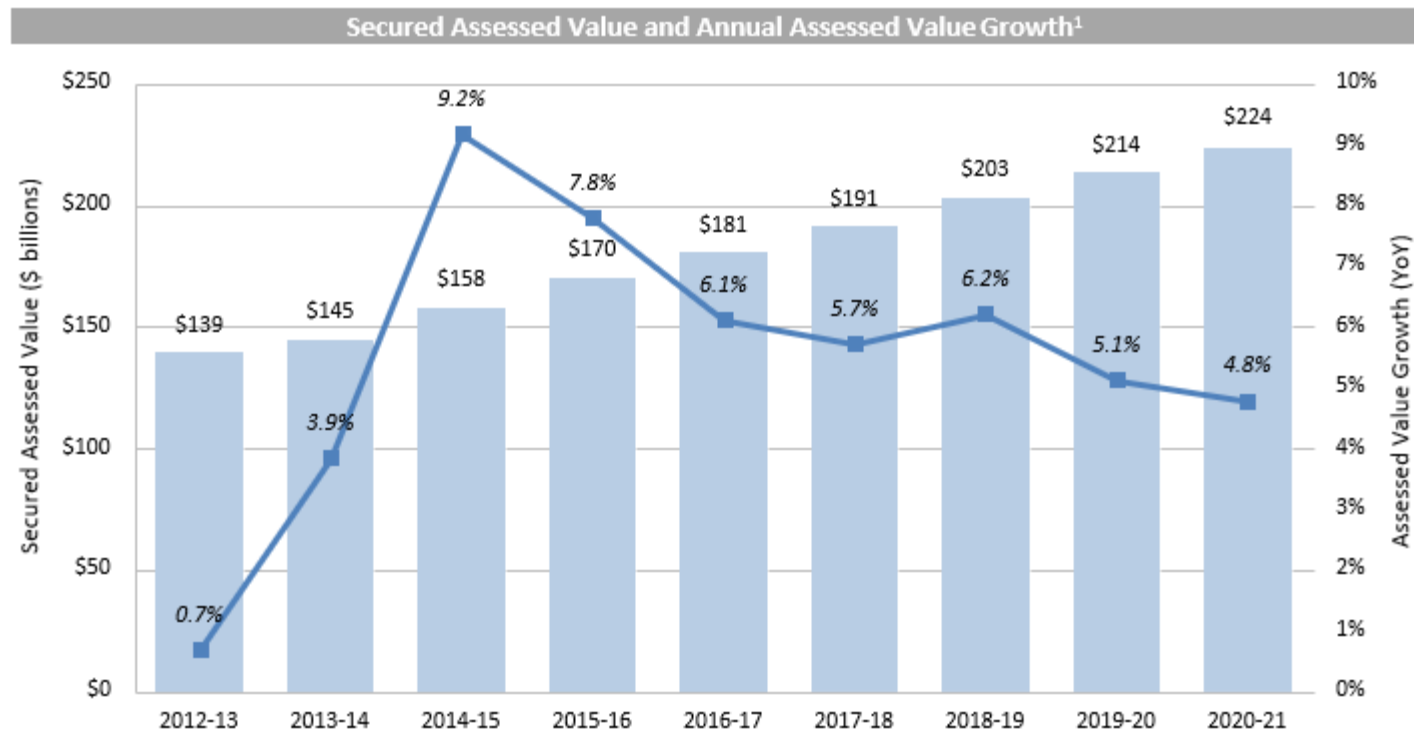
County property taxes declined by over 11% between 2009 and 2012 and then grew significantly between 2014 and 2019. Projecting an increase of 6% for fiscal year 2022/23. Actual County and Contra Costa County Fire Protection District experience below:

# PROPERTY TAX

Fiscal Year	County	CCC Fire Protection
2009-10	(7.19%)	(7.8%)
2010-11	(3.38%)	(2.4%)
2011-12	(0.49%)	(1.9%)
2012-13	0.86%	(1.2%)
2013-14	3.45%	5.9%
2014-15	9.09%	9.3%
2015-16	7.53%	6.9%
2016-17	6.01%	6.32%
2017-18	5.78 %	5.53%
2018-19	6.34%	6.44%
2019-20	5.30%	5.50%
2020-21	4.87%	5.22%
2021-22	3.44%	3.82%

# Assessed Valuation and Assessment Roll Growth

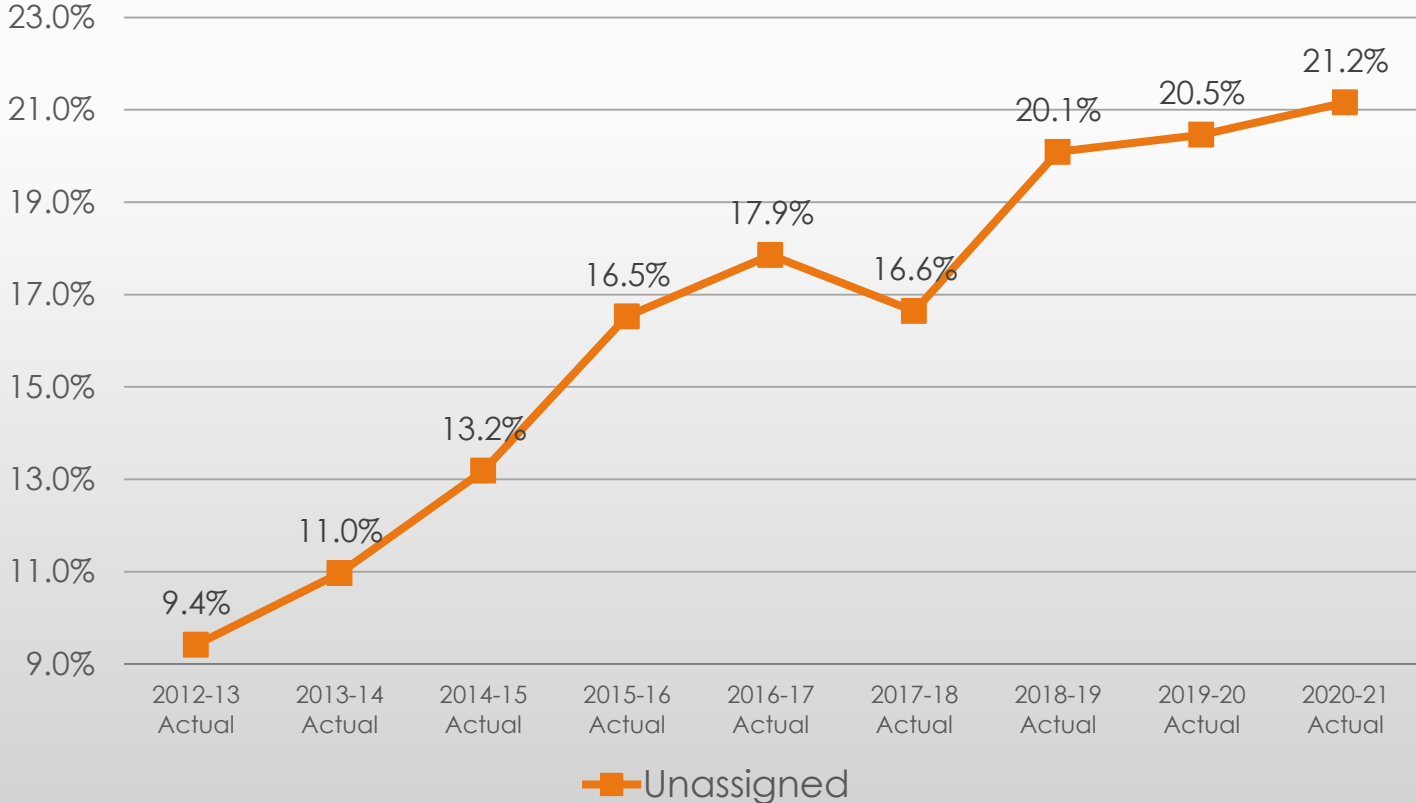
- The County's assessed valuation has rebounded from the recession with nine consecutive years of growth
- For FY 2021-22, the County's assessed valuation increased 3.4% to \$233.5 billion
- The County projects FY 2022-23 assessed valuation will grow 6.0%
- The delinquency rate on tax collections was less than 1% (.83%) in FY 2020-21
- Secured AV represents 97.4% of total AV in the County





# GENERAL FUND RESERVES PERFORMANCE IN SYNC WITH POLICY

- For FY 2020-21, total General Fund revenues were \$1.905 billion, and the total fund balance was \$720.966 million, or 37.83% of total General Fund revenue
- Of the \$720.966 million:
  - \$403.304 million was unassigned – 21.16% of total General Fund Revenues
  - \$317.662 million was assigned, committed, restricted or nonspendable



# FY 2021/22 MID-YEAR PRELIMINARY STATS

## BUDGET PERFORMING AS EXPECTED

			Mid-Year 21-22 Percent	Mid-Year 20-21 Percent	Mid-Year 19-20 Percent	Mid-Year 18-19 Percent	Mid-Year 17-18 Percent
<b>ALL FUNDS</b>	<b>Budget</b>	<b>Actual</b>					
Expenditures	\$4,748,058,636	\$1,811,140,499	38.14%	43.6%	40.7%	41.0%	41.6%
Revenues	\$4,355,929,320	\$1,870,266,215	42.94%	44.5%	39.2%	44.3%	43.6%
<b>GENERAL FUND</b>	<b>Budget</b>	<b>Actual</b>					
Expenditures	\$2,266,831,891	\$838,350,038	36.98%	42.7%	40.5%	41.2%	37.5%
Revenues	\$2,057,672,840	\$931,095,521	45.25%	46.4%	37.1%	40.5%	40.4%
Wages & Benefits	\$1,048,798,080	\$473,505,268	45.15%	45.11%	45.7%	45.9%	46.0%
Services & Supplies	\$763,831,335	\$269,829,193	35.33%	42.88%	37.4%	38.6%	38.3%
Other Charges	\$424,951,200	\$140,087,703	32.97%	45.59%	40.4%	43.9%	40.4%
Fixed Assets	\$171,633,592	\$17,491,193	10.19%	24.84%	23.5%	23.1%	14.4%
Inter-departmental Charges	(\$150,502,916)	(\$62,563,318)	41.57%	43.78%	41.0%	45.8%	46.5%
Contingencies	\$8,120,600						
<b>Total Expenses</b>	<b>\$2,266,831,891</b>	<b>\$838,350,038</b>	<b>36.98%</b>	<b>40.5%</b>	<b>40.5%</b>	<b>41.2%</b>	<b>40.4%</b>
Taxes	\$674,641,200	\$413,528,837	61.30%	62.45%	64.0%	63.8%	59.7%
License, Permits, Franchises	\$12,602,000	\$3,499,925	27.77%	23.17%	29.5%	31.7%	31.2%
Fines, Forfeitures, Penalties	\$24,461,000	\$2,134,126	8.72%	4.52%	8.1%	11.0%	7.6%
Use of Money & Property	\$5,471,000	\$1,689,786	30.89%	42.16%	28.5%	82.9%	48.8%
Federal/State Assistance	\$784,380,606	\$346,395,821	44.16%	50.17%	28.2%	37.3%	33.0%
Charges for Current Services	\$195,378,923	\$93,087,102	47.64%	43.75%	31.8%	37.9%	38.8%
Other Revenue	\$360,738,111	\$70,759,924	19.62%	23.28%	27.4%	23.4%	22.4%
<b>Total Revenues</b>	<b>\$2,057,672,840</b>	<b>\$931,095,521</b>	<b>45.25%</b>	<b>46.39%</b>	<b>37.1%</b>	<b>40.5%</b>	<b>38.0%</b>

Figures are shown in whole numbers; therefore, due to independent rounding, figures shown may not sum to subtotals and totals.

# CONTRACT STATUS

	<u>Total Number of Permanent Employees</u> <sup>1</sup>	<u>Contract Expiration Date</u>
AFSCME Local 512, Professional and Technical Employees	233	6/30/2022
AFSCME Local 2700, United Clerical, Technical and Specialized Employ	1,454	6/30/2022
California Nurses Association	817 <sup>2</sup>	9/30/2021
CCC Defenders Association	92	6/30/2022
CCC Deputy District Attorneys' Association	88	6/30/2022
Deputy Sheriffs Association, Mgmt Unit and Rank and File Unit	808	6/30/2023
Deputy Sheriffs Association, Probation Peace Officers Association	215	6/30/2023
District Attorney Investigator's Association	14	6/30/2023
IAFF Local 1230	355	6/30/2023
IHSS SEIU - 2015		6/30/2022
Physicians and Dentists of Contra Costa	243	10/31/2022
Professional & Technical Engineers – Local 21, AFL-CIO	1,167	6/30/2022
Public Employees Union, Local One & FACS Site Supervisor Unit	512	6/30/2022
SEIU Local 1021, Rank and File and Service Line Supervisors Units	858	6/30/2022
Teamsters, Local 856	1,806	6/30/2022
United Chief Officers' Association	13	6/30/2023
Western Council of Engineers	22	6/30/2022
Management Classified & Exempt & Management Project	433	n/a
	Total <u>9,130</u>	

<sup>1</sup> Permanent number of filled Positions as of January 5, 2022 (not FTE)

<sup>2</sup> Currently in Negotiations

# COVID COST RECOVERY



# APPROACH TO COST RECOVERY

## ➤ **Primary Financial Goals During Pandemic**

- Keeping County financial position stable (avoid layoffs, keep CBO contracts funded)
- Maximizing cost recovery from all eligible revenue sources (CARES Act, FEMA , American Rescue Plan Act, etc.)

## ➤ **Contract with Cost Recovery Consultant**

- Board approved contract with Ernst & Young LLP on June 2, 2020
- Cost Recovery Working Group has been meeting bi-weekly
- Primarily concentrating on FEMA claims, but also assists with overall cost recovery strategy
- Consultant costs covered by FEMA Public Assistance reimbursement

## ➤ **Achievements During Emergency Response**

- County finances have remained stable (specifically social safety net functions)
- Minimal layoffs of County employees (all impacted employees offered employment in other areas of the County)
- CBOs remained fully funded during 2020 shelter in place
- County upgraded by Moody's during pandemic, in part, due to strong financial position

# COVID-19 FUNDING LANDSCAPE

## ➤ **Comparison of Congressional Spending Packages**

- \$2.2 Trillion - CARES Act (March 2020)
- \$1.9 Trillion - American Rescue Plan Act (ARPA) (March 2021)
- \$0.9 Trillion - Consolidated Appropriations Act, 2021 (December 2020 Stimulus)
- \$0.8 Trillion - American Recovery and Reinvestment Act (2009)
- \$0.7 Trillion - Emergency Economic Stabilization Act (aka TARP, 2008)

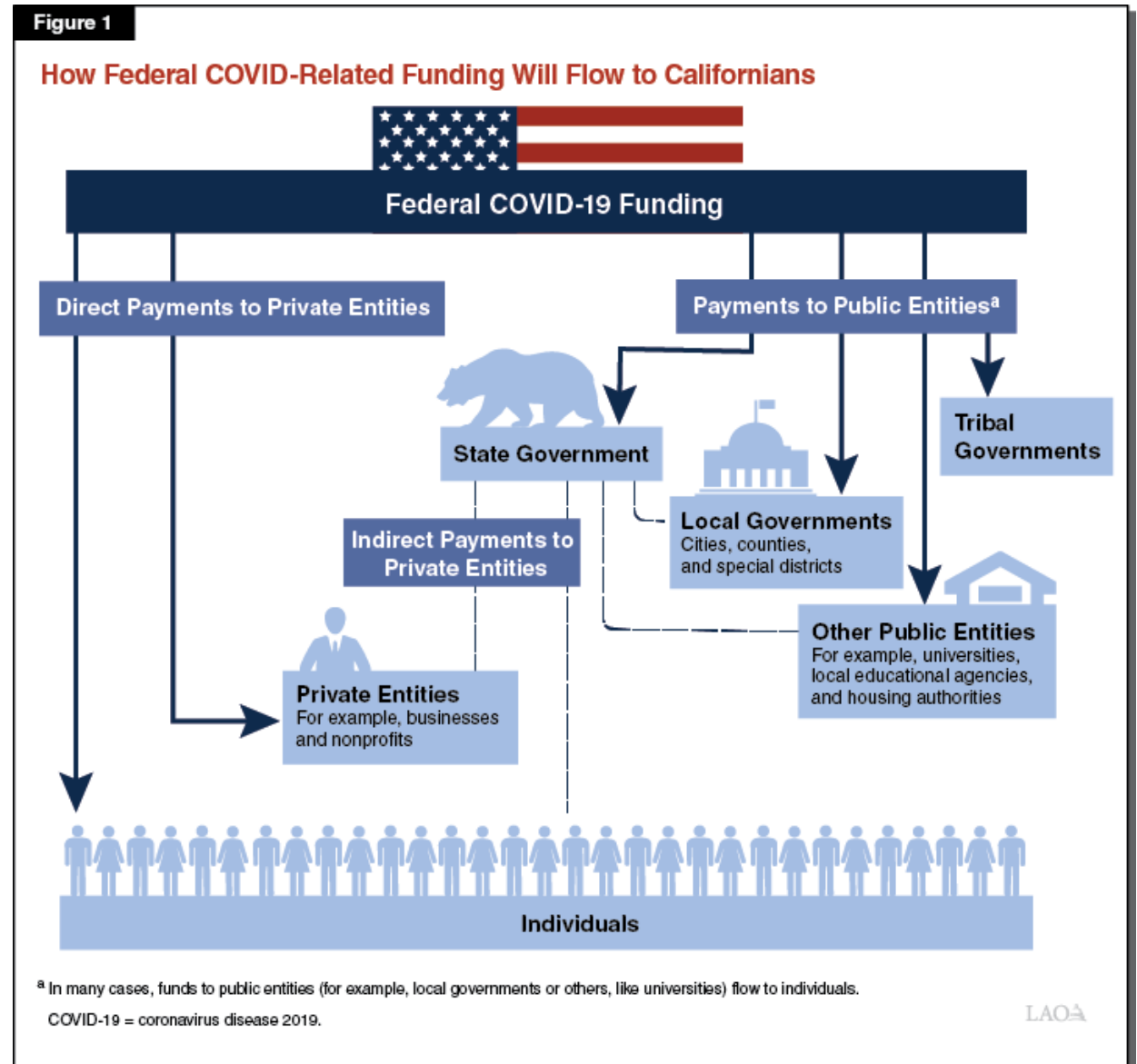
## ➤ **Challenge is lining up funding to maximize cost recovery**

- Requires constant coordination between departments
- Will continue for at least the next 3-5 years as funds from above legislation is spent down (e.g., certain ARPA revenue must be obligated by 2024 & spent by 2026)
- CAO will continue to provide quarterly ARPA spending reports to the Board with the next report at the March 1, 2022 meeting

# FUNDING LANDSCAPE

## ➤ Major Takeaways

- Unprecedented levels of funding over the last 22 months
- Federal agencies slow to put out guidance regarding funding streams
- Most of the revenue sources flow through the States causing further bottlenecks in getting resources to local government



# COVID-19 COST RECOVERY FUNDING SOURCES

Program	Allocation
Coronavirus Relief Fund	\$227,827,652
ARPA Fiscal Recovery Fund	224,058,903
Emergency Rental Assistance Program	147,427,324
FEMA Public Assistance Program (Est.)	67,743,013
<b>Total</b>	<b>\$667,056,892</b>

➤ **Key Takeaways:**

- Four revenue drivers impact vast majority the County's cost recovery
- Contra Costa receiving significant Federal assistance, including the cities!
- County responsible for pandemic response, including associated costs
- All COVID-19 revenue sources are one-time only funds!

CSLFRF Allocations Contra Costa County, By City		
	Population*	Allocation
Antioch	112,236	\$ 21,550,900
Brentwood	66,097	\$ 6,923,339
Clayton	11,268	\$ 2,934,049
Concord	129,273	\$ 27,040,883
Danville	43,906	\$ 10,647,738
El Cerrito	24,846	\$ 6,102,056
Hercules	25,864	\$ 6,285,778
Lafayette	25,358	\$ 6,372,376
Martinez	36,827	\$ 9,161,456
Moraga	16,820	\$ 4,254,072
Oakley	42,895	\$ 10,177,190
Orinda	19,078	\$ 4,766,723
Pinole	19,369	\$ 4,605,009
Pittsburg	74,498	\$ 16,290,477
Pleasant Hill	34,133	\$ 8,334,229
Richmond	110,130	\$ 27,740,723
San Pablo	31,041	\$ 7,416,467
San Ramon	83,863	\$ 8,115,425
Walnut Creek	71,317	\$ 8,327,653
<b>Total</b>		<b>\$ 197,046,543</b>

\* Population figures based on 2021 Estimates from the CA Department of Finance.



# AMERICAN RESCUE PLAN

## ➤ Departments have identified...

- \$324,714,012 in known ARPA allocations coming into the County
  - \$190,628,841 has been received
  - \$92,553,836 has been spent
    - Includes \$20,816,824 of CSLFRF allocated to the Health Services Department
- \$16,882,139 in previously unfunded COVID-19 costs or underrealized revenues
- \$71,655,531 in one-time needs



**AMERICAN RESCUE PLAN  
ACT OF 2021**

# AMERICAN RESCUE PLAN

## AMERICAN RESCUE PLAN FY 2021/22 - 1st Quarter Financial Report

PROGRAM INFORMATION	FINANCIAL INFORMATION		
Program Title	Est. Federal Grant Allocation to County	Federal Grant Allocation Received	Federal Grant Allocation Expended
Coronavirus State and Local Fiscal Relief Fund (CSLFRF)	\$224,058,903	\$112,029,452	\$20,816,824
Emergency Rental Assistance Program (ERAP) 2 - Federal Direct Allocation	\$38,941,950	\$38,941,950	\$38,941,950
Emergency Rental Assistance Program (ERAP) 2 - State Subrecipient Allocation	\$32,663,062	\$32,663,062	\$32,663,062
Head Start	\$ 2,300,000	\$2,302,066	\$0
Low Income Home Energy Assistance Program (LIHEAP)	\$ 4,692,311	\$4,692,311	\$0
American Rescue Plan Act Funding for Health Centers	\$ 3,355,250	\$0	\$132,000
Community Mental Health Services Block Grant (MHBG)	\$2,604,182	\$0	\$0
Substance Abuse Prevention and Treatment Block Grant (SABG)	\$ 2,508,139	\$0	\$0
Public Health Workforce	\$ 1,500,000	\$0	\$0
HOME-ARP: HOME Investment Partnerships American Rescue Plan Program	\$ 12,090,215	\$0	\$0
<b>Total</b>	<b>\$324,714,012</b>	<b>\$190,628,841</b>	<b>\$92,553,836</b>

# STATE AND LOCAL FISCAL RECOVERY FUND

## ➤ Eligible Use Guiding Principles

- Unless otherwise noted, covered period is March 3, 2021-December 31, 2024 ([IFR p. 88](#))
- Costs can be incurred by December 31, 2024 but must be expended by December 31, 2026 ([IFR p. 122](#))
- Cannot spend funds on pension deposits ([IFR p. 71](#))
- States cannot spend the funds to reduce taxes or delay a tax increase ([IFR p. 69](#))
- May not be used as non-Federal Match for other Federal Programs ([IFR p. 86](#))

## ➤ Four Eligible Use categories

- COVID-19 or a negative economic impact
- Premium pay for eligible workers
- For government services to the extent of the loss of revenue
  - Based on Treasury provided calculation; or
  - \$10 million allowance in lieu of calculation (New provision in final rule)
- Investments in water, sewer and broadband infrastructure

**Coronavirus  
State and Local  
Fiscal Recovery Funds**



U.S. DEPARTMENT OF THE TREASURY

# RENTAL ASSISTANCE UPDATE

## \$147,427,324 for Contra Costa

- ERAP 1: \$75,822,311
- ERAP 2: \$71,605,012

## as of January 18, 2022

- 23,795 active cases
- \$407,841,468 in relief requested
- \$183,754,816 in relief approved
- \$112,763,999 in relief paid
- 9,231 cases paid

## Gap of \$36.3 million and growing

- County continuing to advocate in lockstep with the State for reallocation of Federal dollars

RACE		ETHNICITY		AGE GROUP		GENDER		INCOME*	
Not Reported	11.96%	Hispanic or Latino	21.53%	21-30	16.93%	Female	58.65%	30% AMI	61.03%
Native Hawaiian or Other Pacific Islander	1.55%	Non-Hispanic or Latino	66.98%	31-40	30.66%	Male	41.35%	50% AMI	24.81%
Other Multi-Racial	14.50%	Not Reported	11.49%	41-50	21.74%			60% AMI	6.65%
Asian	5.80%			51-60	16.49%			80% AMI	7.51%
American Indian or Alaska Native	1.20%			61-70	8.21%				
Black or African American	34.14%			71-80	2.46%				
White	30.85%			Not Reported	3.50%				

## Are you at risk of eviction?

Eligible applicants who have applied to the program cannot be evicted.

**Apply Now: [HousingIsKey.com](https://HousingIsKey.com) or call 833-430-2122**

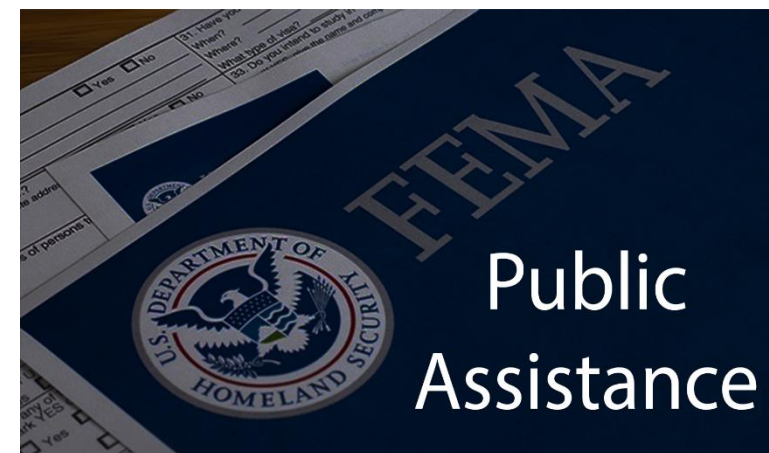
 CA COVID-19 RENT RELIEF



You have 15 days to tell your landlord you are applying for rent relief.

# FEMA COST RECOVERY UPDATE

Claim Category	Estimate	Claimed	Obligated	Received
Non-Congregate Shelter	29,966,832	17,425,870	-	-
COVID Testing Costs	17,958,576			
Incremental Cleaning Costs	9,546,103	-	-	-
Great Plates	6,415,043	6,415,043	3,609,873	3,464,038
Cleaning, Materials, PPE	2,000,000			
Consultant Costs (Ernst & Young)	1,000,000			
Vaccination (Fire Mutual Aid)	820,000	-	-	-
General Costs - Rental Equipment, Other Costs	36,459			
<b>Total</b>	<b>67,743,013</b>	<b>23,840,913</b>	<b>3,609,873</b>	<b>3,464,038</b>



*as of January 18, 2022*

## ➤ Reminders:

- FEMA reimburses 100% of eligible costs, which does not mean 100% of actual costs. (Salary and Benefit costs of permanent staff not eligible!)
- FEMA is the reimbursement source of last resort (after applying cascading funding) and sometimes disallows a portion of requested reimbursement

## ➤ What's it mean?:

- FEMA reimbursement process cumbersome and could take years before reimbursement is received (typically 24-36 months)
- The County General Fund is fronting \$66.9 million (does not include Fire Mutual Aid figure above) in FEMA eligible costs and has only received \$3.5 million to date in reimbursement - this figure will continue to grow

HEALTH  
SERVICES  
AMERICAN  
RESCUE PLAN  
ACT &  
CORONAVIRU  
S STATE AND  
LOCAL FISCAL  
RECOVERY  
FUNDS

July 2021 through June 2022	PROJECTED EXPENDITURES *
<b>PAYROLL COSTS FOR PUBLIC HEALTH EMPLOYEES*</b>	
PERMANENT SALARIES AND BENEFITS	\$ 42,439,500
TEMPORARY SALARIES (include Emergency Service Workers)	7,418,874
OVERTIME PAY	1,278,100
<b>TOTAL PAYROLL COSTS FOR PUBLIC HEALTH EMPLOYEES</b>	<b>\$ 51,136,474</b>
<b>SERVICES AND SUPPLIES</b>	
REGISTRY/MEDICAL PERSONNEL	\$ 7,510,800
TESTING MACHINES AND OTHER TESTING COSTS	6,741,306
MEDICAL AND OTHER RELATED EXPENSES	5,526,139
MATERIALS & SUPPLIES	3,947,899
IT SYSTEMS SUPPORT SERVICES	1,992,168
CLEANING AND DISINFECTING	1,342,997
LAB SPECIMEN TESTING	896,683
TRAINING AND MISC. COST	875,942
SECURITY & SAFETY	716,249
REPAIRS AND MAINTENANCE	661,157
EQUIPMENT RENTAL, EQUIPMENT REPAIR/MAINTENANCE	584,266
TELEWORK	465,264
EQUIPMENT ACQUISITION	360,384
COVID-19 TRANSLATION SERVICES	171,439
COMPUTER AND OTHER MINOR EQUIPMENT	53,832
COMPUTER SOFTWARE	10,886
PERSONAL PROTECTIVE EQUIPMENT	6,115
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$ 31,863,526</b>
<b>TOTAL COVID RELATED EXPENSES</b>	<b>\$ 83,000,000</b>

\*Projection based on five months of actual experience.

\*Costs are for services substantially dedicated to mitigating or responding to the COVID-19 health emergency.

# CONTRA COSTA REGIONAL MEDICAL CENTER

- Contra Costa Regional Medical Center (CCRMC) is a 164-bed acute care public hospital owned and operated by the County. It is inclusive of ten ambulatory health care centers, which are licensed as outpatient departments of the hospital.
- Operation of the CCRMC is financially administered primarily with Hospital/Health Plan revenues, with the County General Fund subsidizing approximately 11% of CCRMC's budget
  - The County General Fund allocation had been significantly reduced over the last five years following the implementation of the Affordable Care Act (ACA)
  - The subsidy will continue at \$73.2 million in FY 2022/23
  - ACA membership and related revenue declined in FY 2018-19; the ACA impact coupled with new labor agreement costs created a need for additional subsidy in FY 2019-20
  - Measure X general purpose revenue will support \$40 million beginning in FY 2022/23
  - No other changes in general fund subsidy are anticipated over the next few years
- Significantly increased costs, due to the Pandemic, have been offset with CARES, ARPA, and FEMA funding

# CONTRA COSTA FIRE PROTECTION DISTRICT

- **East Contra Costa Fire Protection District Annexation**
  - The annexation of East Contra Costa Fire continues to move through the LAFCO process and is anticipated to be finalized before July 1, 2022.
  - Measure X funding will support service expansion through the construction of Fire Station 51 (Brentwood) and construction/staffing of Fire Station 54 (Brentwood).
- **Pinole Fire Contract for Service**
  - Initial discussions have been held between the City of Pinole and CCCFPD
  - Measure X is also supporting this initiative through funding to reopen Fire Station 74.
- **Fire Station Construction**
  - Fire Station 86 (Bay Point) on track for December 2022 opening.
  - Fire Station 9 (Pacheco) is in the planning/pre-construction phase.
- **CCCFPD Measure X Funding**
  - \$1.6 million (one-time) and \$3.5 million (ongoing) to acquire apparatus and staff a second unit at Fire Station 81 (downtown Antioch).
  - Wildland Fire Mitigation and Fuel Reduction – \$2.5 million annually for a year-round hand crew program; \$2.0 million annually for Fuels Reduction Projects throughout high fire hazard zones countywide.



# REASONS FOR CONTINUED CONCERN

- Cost and impact of the Pandemic will exceed one-time funding
- Rental Assistance – there is a greater need for rental assistance than resources support
- Aging Facilities – there is a need to identify funding for the next three years (minimally)
- Aging Technology – countywide needs including hardware and security are significant - Finance & Tax systems replacement in process
- Unknown to what level the Federal government will continue to respond to counties needs
- Inflation is here
- Real long-term issues coming due to excessive stimulus funds
- Unincorporated Patrol – funding of \$10 million must be identified
- Ongoing funding for County Hospital, Clinics, and Health Plan - it continues to be difficult to support the hospital with increased costs. We continue to dedicate new revenue to support Hospital needs. We must continue to consider alternative revenue streams and right size services to resources available.

# FY 2022-23 BUDGET HEARING FORMAT

- Draft agenda for discussion purposes
  - Introduction/summary by County Administrator
  - Departmental presentations:
    - Sheriff-Coroner
    - District Attorney
    - Public Defender
    - Health Services Director
    - Employment and Human Services Director
    - Animal Services Director
  - **Suggested changes for this year?**
  - Deliberation
- Budget Hearing on April 12<sup>th</sup> (hearing can be continued if needed)
- Budget Adoption on May 10<sup>th</sup>
  - The Fire Board will receive a budget presentation on the District's budget on April 26. Per the norm the Fire Budget Hearing and Adoption will occur along with the Countywide Budget on May 10<sup>th</sup>.

# RECOMMENDATIONS

- ACCEPT report on Budget and Key Issues for FY 2022/23 and beyond;
- ACKNOWLEDGE that at the American Rescue Plan Act Workshop on August 3, 2021, the Board postponed decisions related to the allocation of Year 2 American Rescue Plan - CSLFRF funds in the amount of \$112 million until more information was known about other American Rescue Plan revenue sources and the status of the COVID-19 pandemic response and related impacts on Contra Costa County.
- ACKNOWLEDGE that the County Administrator will be recommending approximately \$53 million in Year 2 allocation of American Rescue Plan – CSLFRF funds for continued Health Services Department response to the COVID-19 pandemic in the FY 2022/23 Recommended Budget.
- POSTPONE decisions related to the remaining \$59 million of Year 2 allocation of American Rescue Plan - CSLFRF funds until the status of the COVID-19 pandemic response and related impacts on Contra Costa County is better understood in January 2023 and
- REPEAL Ordinance Code section 62-10.002, Other Post-Employment Benefits Funding, waiving reading, and fixing February 1, 2021, for adoption