

Options for Measure X Oversight

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May 16, 2023





Agenda

1. Measure X background
2. Comparison of county sales tax oversight committees
3. Key considerations for a new oversight body
4. Finance Committee recommendations
 - a. Measure X Fiscal Oversight
 - b. Measure X Community Advisory Board Bylaws revisions
5. Board discussion and direction



Measure X background

1. On November 3, 2020, voters in Contra Costa County approved Measure X, a Countywide, 20-year, half-cent sales tax.
2. The intent of Measure X is “to keep Contra Costa’s regional hospital open and staffed; fund community health centers; provide timely fire and emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services”
3. Collection of the tax began on April 1, 2021
 - a. \$217.6M has been collected through March 31, 2023
 - b. \$347.4M has been allocated through FY23-24 for 34 projects and funding areas



Measure X Community Advisory Board

On February 9, 2021, the Board of Supervisors created the MXCAB to:

1. Oversee an annual assessment of community needs, focusing on the priority areas identified in the Measure X ballot language
2. Create a detailed priority list of the top service gaps based on the results from the Needs Assessment;
3. Use the Needs Assessment to make general funding priority recommendations to the Board of Supervisors; and
4. Provide an Annual Report on the outcomes and impact of allocated funds.



Comparison of county sales tax oversight committees

1. On November 8, 2022 the Board requested that staff return with recommendations for the creation of an oversight body
2. CAO conducted a review of oversight structures for county sales tax measures, including Alameda, Marin, San Mateo, Santa Clara, Sonoma, Los Angeles, San Francisco Bay Restoration Authority [See Attachment A]
3. San Mateo's Measure K most closely resembles Contra Costa's Measure X. All but Santa Clara have an oversight committee.
4. Common responsibilities: financial audits, performance measurement, annual reports
5. Meeting frequency – Most meet 2 or 4 times annually



Potential benefits of an oversight body

1. Transparency – Independent auditing
 - a. Confirms the accuracy of the County’s reported sales tax revenues
 - b. Verifies that expenditures by County departments, external agencies, and subrecipients were spent appropriately and for their intended purposes as approved by the Board of Supervisors
2. Separation of duties – Eliminates conflicts of interest and incompatible activities
3. Objective analysis – Potentially provides expert, external review of departments’ performance and outcomes
4. Accountability – Increases public information about Measure X activities, progress, and impacts



Key considerations for Measure X oversight

1. Role and responsibilities – What does oversight entail?
 - a. Annual financial audit
 - b. Performance measurement & program evaluation
 - c. Annual report

2. Membership – Who should provide oversight?
 - a. How many seats and for what term?
 - b. Who represents (e.g. experts such as Auditor-Controller, Public Works Capital Projects Manager, County Administrator, business and financial representatives from public)?
 - c. How are members selected (e.g. application, appointed, by role)?
 - d. Avoid conflicts of interest and incompatible activities (e.g. making funding recommendations and then applying for those funds)

3. Deliverables: Year-end report(s), public discussion



Key considerations for Measure X oversight (continued)

4. How often to meet?
 - a. Quarterly at launch
 - b. Semi-annual afterwards

5. What resources are needed?
 - a. Contracted services for an external auditor
 - b. Staffing to support reporting, public information, website development, program evaluation, and Measure X related meetings

6. How do the Measure X Community Advisory Board and their bylaws align?



Finance Committee Recommendations

1. Create a Measure X fiscal oversight body responsible for reviewing and confirming Measure X revenues and expenditures
 - a. Oversee financial audits conducted by an external auditor
 - b. Verify conformance with the Measure's language and intent and with the Board's direction for specific allocations
 - c. Produce an associated annual report
 - d. Would not do performance measurement or program evaluation; role is solely financial accountability
2. Membership
 - a. 2 seats for each county supervisor's district (10 total), with recommendations by each district supervisor and appointment by the Board of Supervisors
 - b. Serving 3-year terms, up to 2 terms (6 years) total
3. Meeting frequency: Quarterly to start, semi-annual afterwards



MXCAB & Finance Committee proposed changes to the MXCAB bylaws

1. Role

- a. Shifts annual needs assessments to every 3 years, or as needed
- b. Specifies that the MXCAB makes funding recommendations on any net revenues available for allocation (after cost-of-living adjustments are made for existing allocations)
- c. Creates a joint session between the Board of Supervisors and MXCAB to receive an annual report from county staff on implementation, milestones, impact, and outcomes of Measure X

2. Membership

- a. Prioritizes MXCAB eligibility based on lived experience of the harms caused by racial and economic inequities
- b. Allows public officials (with membership on other County bodies) to serve on the MXCAB, and clarifies restrictions apply to elected officials and County department heads



MXCAB & Finance Committee proposed changes to the MXCAB bylaws (continued)

3. Meetings and Administration

- a. Enables a majority of the members to call for a special meeting
- b. Clarifies definitions for quorum and voting
- c. Reiterates rules about participation, requiring members to recuse themselves from discussing or voting if doing so would constitute a conflict of interest
- d. Authorizes the MXCAB to create subcommittees, with assigned alternate members having voting rights
- e. Enumerates specific responsibilities to County staff to support MXCAB meetings and administration, including simultaneous interpretation at a minimum for American Sign Language and Spanish, maintaining member rosters and attendance, and responding to the MXCAB Chair's questions and requests between meetings



CAO recommendations

1. RECEIVE the report
2. PROVIDE DIRECTION on Measure X oversight
3. PROVIDE DIRECTION on proposed changes to the Measure X Community Advisory Board bylaws
4. DIRECT staff on next steps