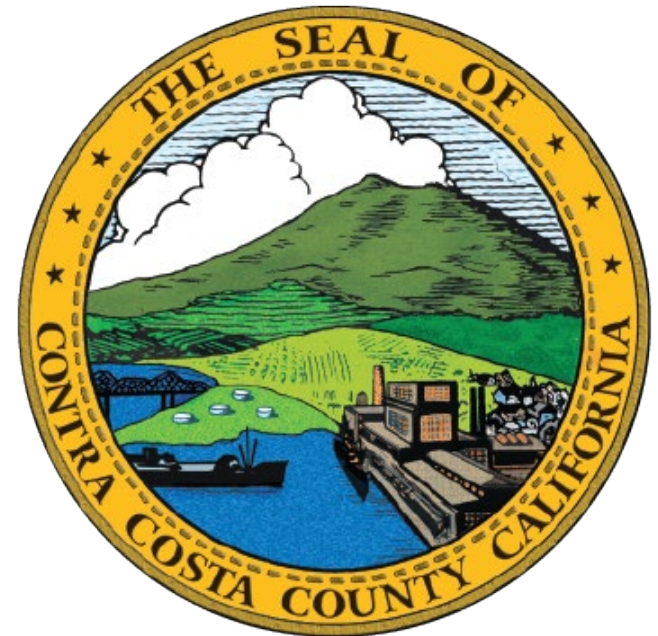


Options for Measure X oversight

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May 1, 2023





Agenda

1. Measure X background
2. Comparison of county sales tax oversight committees
3. Key considerations



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 to 9 departments encompassing 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 funding priority recommendations to the Board of Supervisors annually; 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, and Los Angeles [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. Improves transparency through objective financial audits
 - a. Confirm the accuracy of reported sales tax revenues received
 - b. Verify that expenditures by County departments, external agencies, and subrecipients were spent appropriately on their intended purposes
2. Mitigates concerns about potential conflicts of interest and incompatible activities
3. Potentially provides objective, expert, external review of departments' performance and the impact of Measure X funding
4. Increase public information about Measure X activities and impacts



Key considerations for Measure X oversight

1. Role and responsibilities – What does oversight entail?
 - a. Annual financial audit
 - b. Performance measurement
 - 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, CAO, business and financial representatives from public)?
 - c. How are members selected (e.g. application, appointed by role)?
 - d. Avoid incompatible activities (e.g. funding recommendations, directing department activities)

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. Staffing to support reporting, public information, website development, program evaluation, and Measure X related meetings
- b. Contracted services for an external auditor

6. How does the Measure X Community Advisory Body align?



Finance Committee Recommendations

1. Create a Measure X oversight body responsible for reviewing Measure X revenues and expenditures, verifying conformance with the Measure's intent and Board direction
 - a. Financial audits would be conducted by an external auditor
 - b. The oversight body would produce an associated annual report
2. Membership: two seats for each county supervisor's district, serving three-year terms
3. Meeting frequency: Quarterly to start, semi-annual afterwards



CAO recommendations

1. RECEIVE the report
2. CONSIDER options for Measure X oversight
3. DIRECT staff on next steps