

# Fiscal Year 2023-2024 Recommended Budget

County Administrator's Office

April 24, 2023





# Agenda – Day 1

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## 1. Presentations

- a. County Administrator's Office
- b. Sheriff-Coroner
- c. District Attorney
- d. Probation
- e. Public Defender
- f. Contra Costa County Fire Protection District
- g. Crockett-Carquinez Fire Protection District
- h. Animal Services

## 2. Public Comment

## 3. Board discussion



# Agenda – Day 2

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1. Department presentations
  - i. Library
  - j. Clerk-Recorder and Registrar of Voters
  - k. Health Services
  - l. Employment and Human Services
  - m. Public Works
2. Public comment
3. Board discussion / action



# New digital budget book format

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1. Optimized for online viewing with more intuitive navigation, interactive graphics, performance measures, and pictures
2. Increased reporting for Special Districts
3. Budgeted positions by agency and job class
4. Reorganized sections
  - a. Office of Racial Equity and Social Justice
  - b. Department of Information Technology
  - c. Risk Management
  - d. General County (Measure X, Capital, Contingency Reserve)
  - e. Justice Programs (Realignment, Superior Court, Conflict Defense)
5. Additional detail for Capital Planning and County Debt



# Budget in brief

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1. Balanced budget of \$5.515 billion in expenditures and revenues for all funds and districts
2. Maintains existing service levels
3. Funds negotiated salary and benefit increases (\$126.3M)
4. Program Enhancements
  - a. \$10M for new Bay Point Library branch
  - b. \$10M for local matches for infrastructure grants
  - c. Supports 85 new positions for Fire Protection, Employment and Human Services, Public Defender, Animal Services, Human Resources (American Disabilities Act administration), and others
5. Normalizing to post-COVID operations



# Critical factors in how we balanced

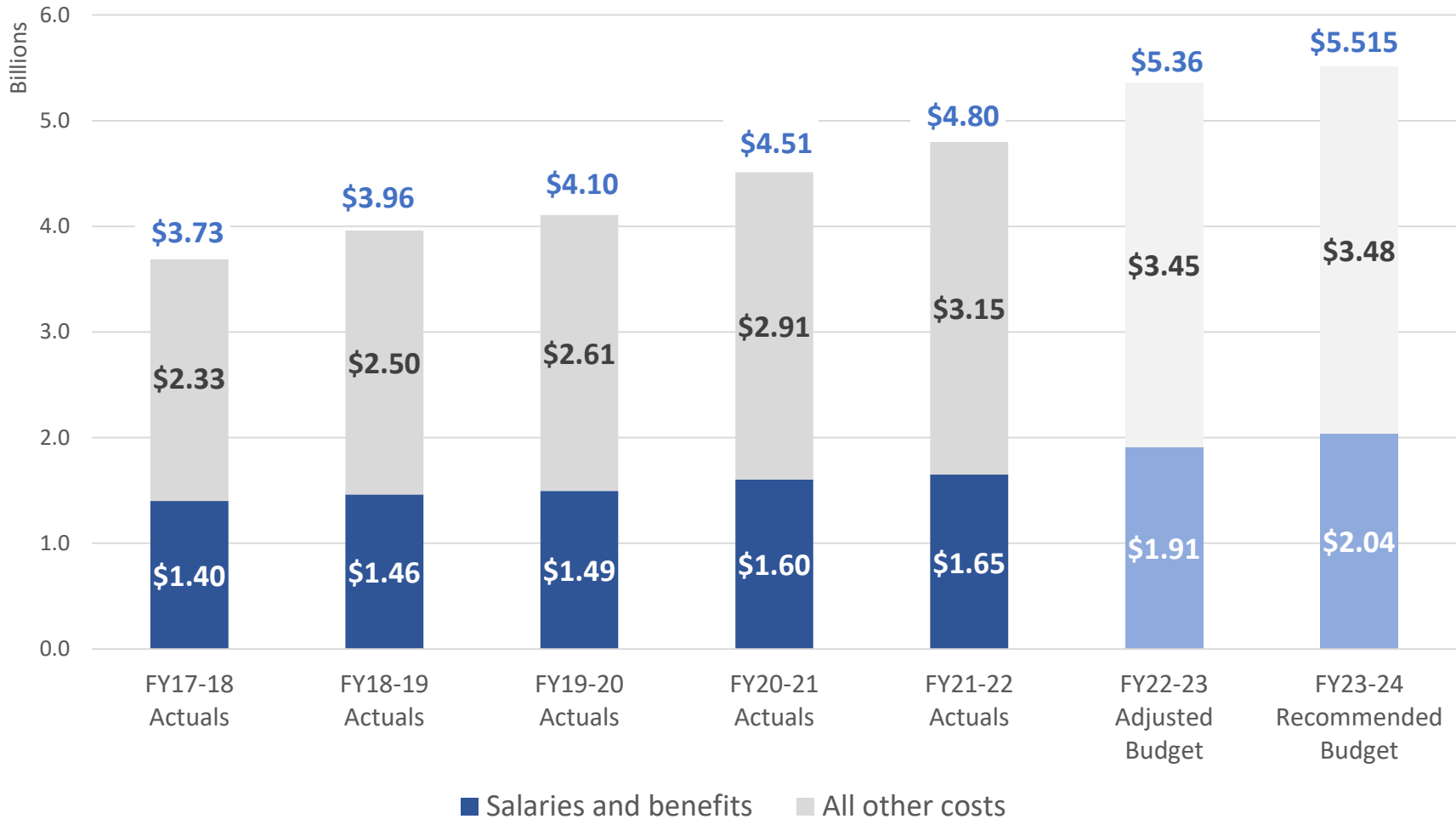
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1. Continued, but slowing, revenue growth of 4% for Property Tax
2. Increased Vacancy Factors (i.e. salary budget reductions)
  - a. Health Services \$81.7M
  - b. Sheriff \$6.5M
  - c. Employment and Human Services \$6.1M
  - d. District Attorney \$1.5M
  - e. Information Technology \$1.5M
  - f. County Clerk \$1.3M
  - g. Probation \$1.3M
  - h. Others: Public Defender \$775k, Animal Services \$400k, Assessor \$342k
3. Increased interest income (\$8M up to \$30M)

# FY23-24 Recommended expenditure budget of \$5.515 billion

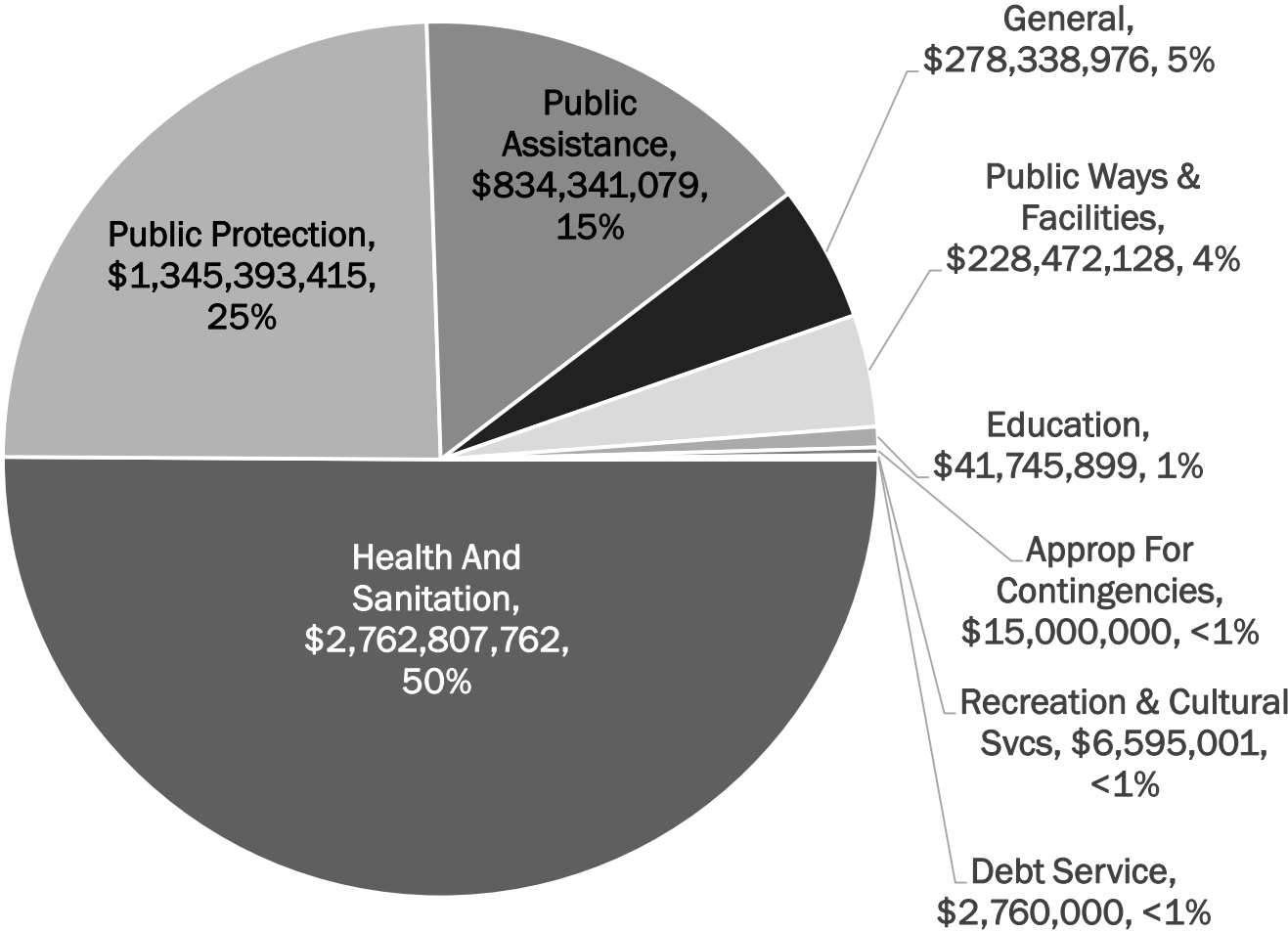


County Expenditure Trends FY17-24 (Billions)





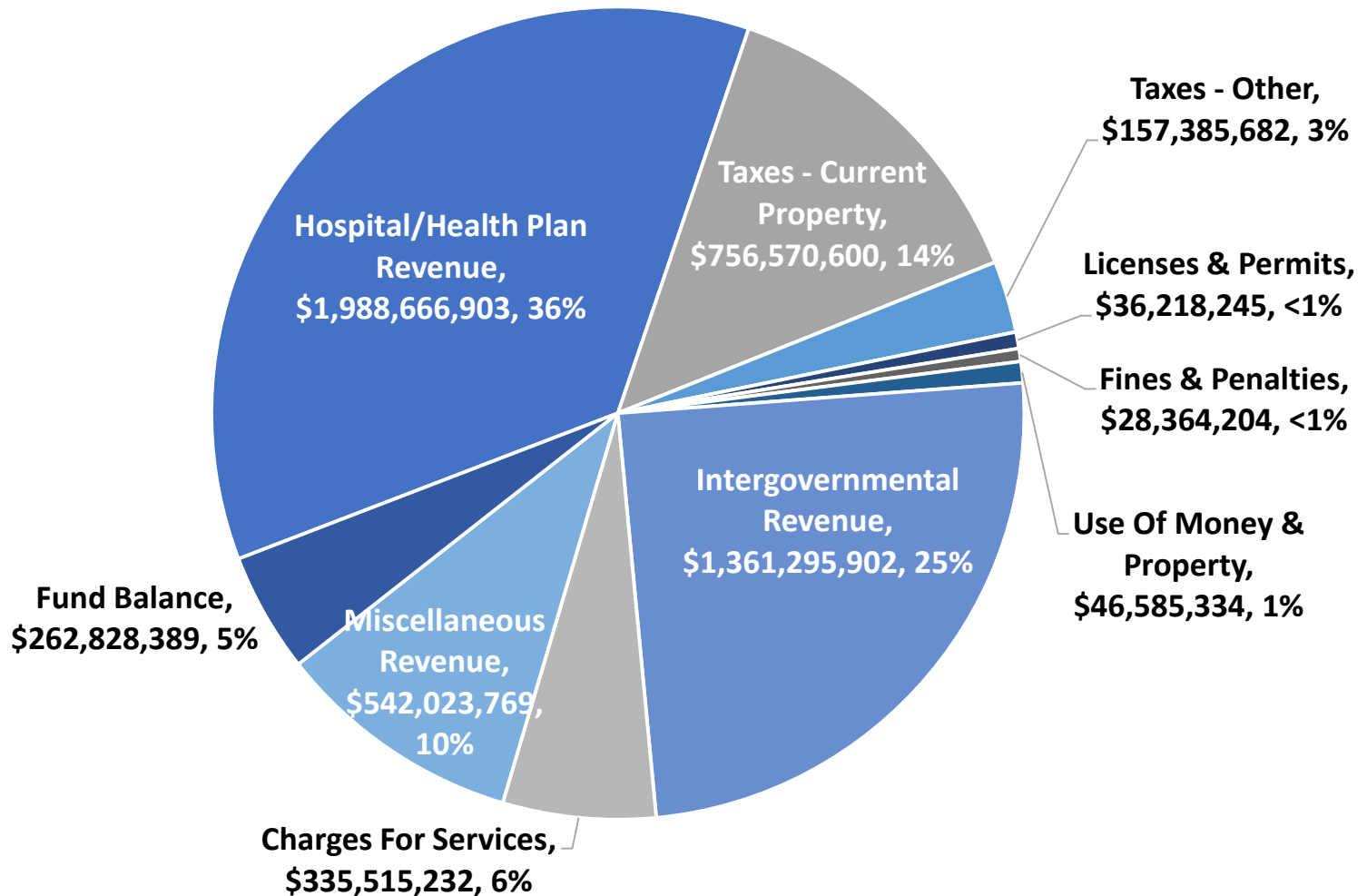
# Budgeted expenditures by state categories





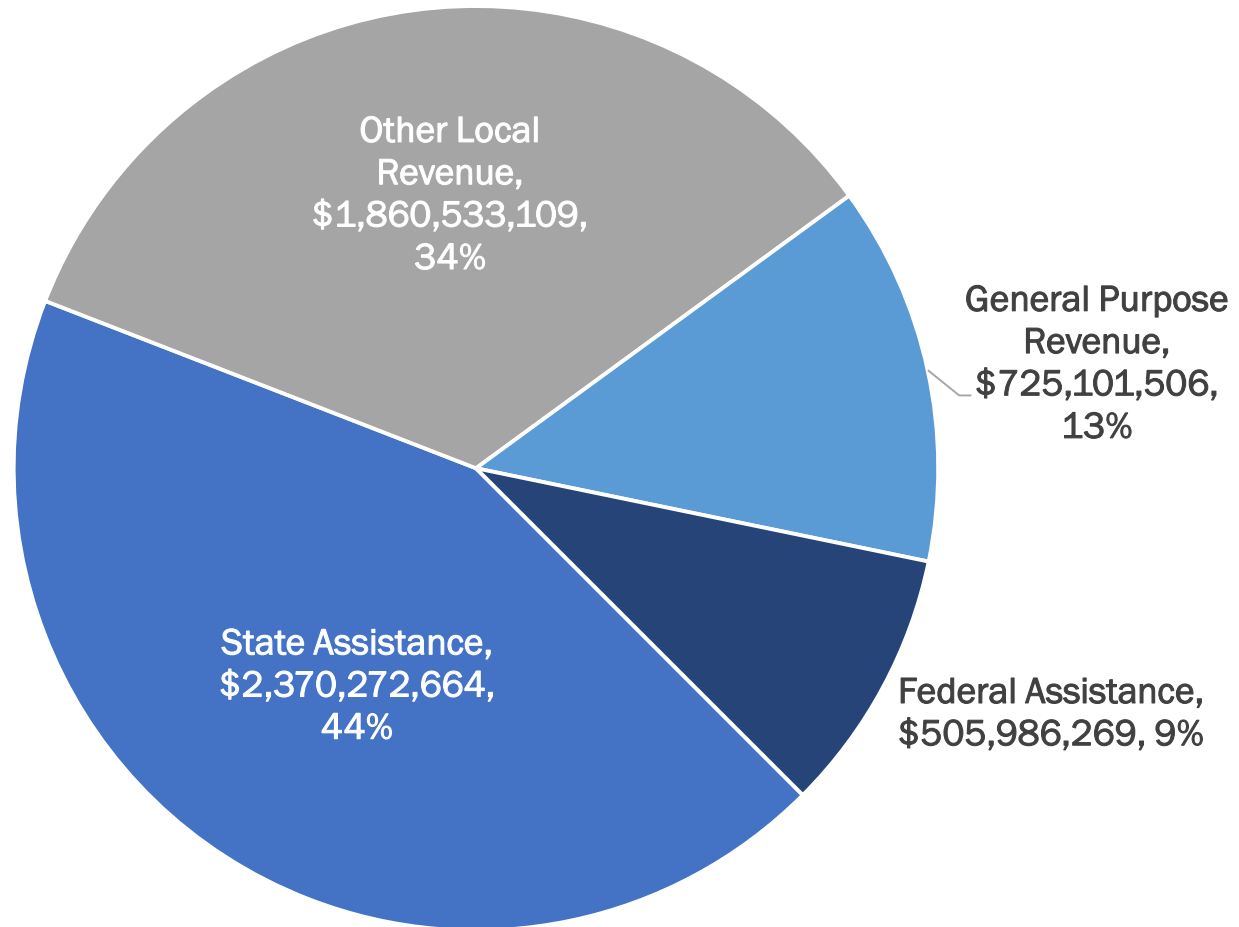


# Requiring \$5.515 billion in revenues





# Revenues by source





# Recommended Budget FY23-24 – All funds

	<b>Total All County - All Funds</b>	<b>General Government</b>	<b>Health &amp; Welfare</b>	<b>Law &amp; Justice</b>	<b>Special Districts</b>
<b>Expense</b>					
Salaries And Benefits	2,039,648,428	268,665,043	1,146,872,849	438,333,309	185,777,228
Services And Supplies	2,446,870,828	334,219,501	1,729,115,387	83,805,756	299,730,184
Other Charges	653,925,052	62,938,779	512,686,849	40,549,544	37,749,880
Fixed Assets	98,863,517	36,564,133	12,424,474	5,480,871	44,394,039
Provisions For Contingencies	15,000,000	15,000,000	0	0	0
Expenditure Transfers	261,146,435	-89,940,126	194,780,563	109,716,103	46,589,895
<b>Expense Total</b>	<b>5,515,454,260</b>	<b>627,447,330</b>	<b>3,595,880,122</b>	<b>677,885,583</b>	<b>614,241,226</b>
<b>Revenue</b>					
Other Local Revenue	2,585,634,615	1,027,355,793	769,666,281	178,265,562	610,346,980
Federal Assistance	505,986,269	43,945,108	455,375,264	4,027,897	2,638,000
State Assistance	2,370,272,664	53,954,120	2,096,652,877	218,409,421	1,256,246
General Purpose Revenue	0	-538,355,449	274,185,700	264,169,749	0
<b>Revenue Total</b>	<b>5,461,893,548</b>	<b>586,899,572</b>	<b>3,595,880,122</b>	<b>664,872,629</b>	<b>614,241,226</b>
<b>Net Fund Cost (NFC):</b>	<b>53,560,712</b>	<b>40,547,758</b>	<b>0</b>	<b>13,012,954</b>	<b>0</b>
<b>Allocated Positions (FTE)</b>	<b>11,127.6</b>	<b>1,677.7</b>	<b>6,826.7</b>	<b>2,004.6</b>	<b>618.6</b>



# Recommended Budget FY23-24 – General Fund

	Total General Fund	General Government	Health & Welfare	Law & Justice
<b>Expense</b>				
Salaries And Benefits	1,178,626,719	193,434,690	550,241,499	434,950,530
Services And Supplies	821,978,745	231,279,218	509,370,842	81,328,685
Other Charges	360,589,951	34,203,818	294,937,229	31,448,904
Fixed Assets	36,341,478	28,853,133	2,007,474	5,480,871
Provisions For Contingencies	15,000,000	15,000,000	0	0
Expenditure Transfers	-175,214,130	-130,782,435	-47,920,165	3,488,470
<b>Expense Total</b>	<b>2,237,322,763</b>	<b>371,988,424</b>	<b>1,308,636,879</b>	<b>556,697,460</b>
<b>Revenue</b>				
Other Local Revenue	627,873,584	883,480,758	313,564,321	155,930,011
Federal Assistance	418,566,883	21,539,574	392,999,412	4,027,897
State Assistance	465,780,790	5,323,541	327,887,446	132,569,803
<b>Revenue Total</b>	<b>1,512,221,257</b>	<b>910,343,873</b>	<b>1,034,451,179</b>	<b>292,527,711</b>
<b>Net County Cost (NCC):</b>	<b>725,101,506</b>	<b>-538,355,449</b>	<b>274,185,700</b>	<b>264,169,749</b>
<b>Allocated Positions (FTE)</b>	<b>6,836.4</b>	<b>1,180.7</b>	<b>3,674.1</b>	<b>1,981.6</b>



# General Purpose Revenue allocations

Just eight departments comprise 79% of the discretionary budget source of \$725M.

Agency Name	FY23-24	
	Recommended Net County Cost	Share of Total
Health Services	231,742,000	32.0%
Sheriff-Coroner	130,587,249	18.0%
Probation	49,457,000	6.8%
Employment & Human Services	42,441,700	5.9%
Public Works	38,047,000	5.2%
Public Defender	34,318,000	4.7%
District Attorney	24,743,000	3.4%
Assessor	20,358,293	2.8%

} 79%



# General Purpose Revenue allocations

The balance of departments' allocations total 21% of General Purpose Revenue.

If Capital, Contingency Reserve, and Measure X funds (ConFire, DCD, ORESJ) are excluded, the remaining departments total just 10.5% of the discretionary budget.

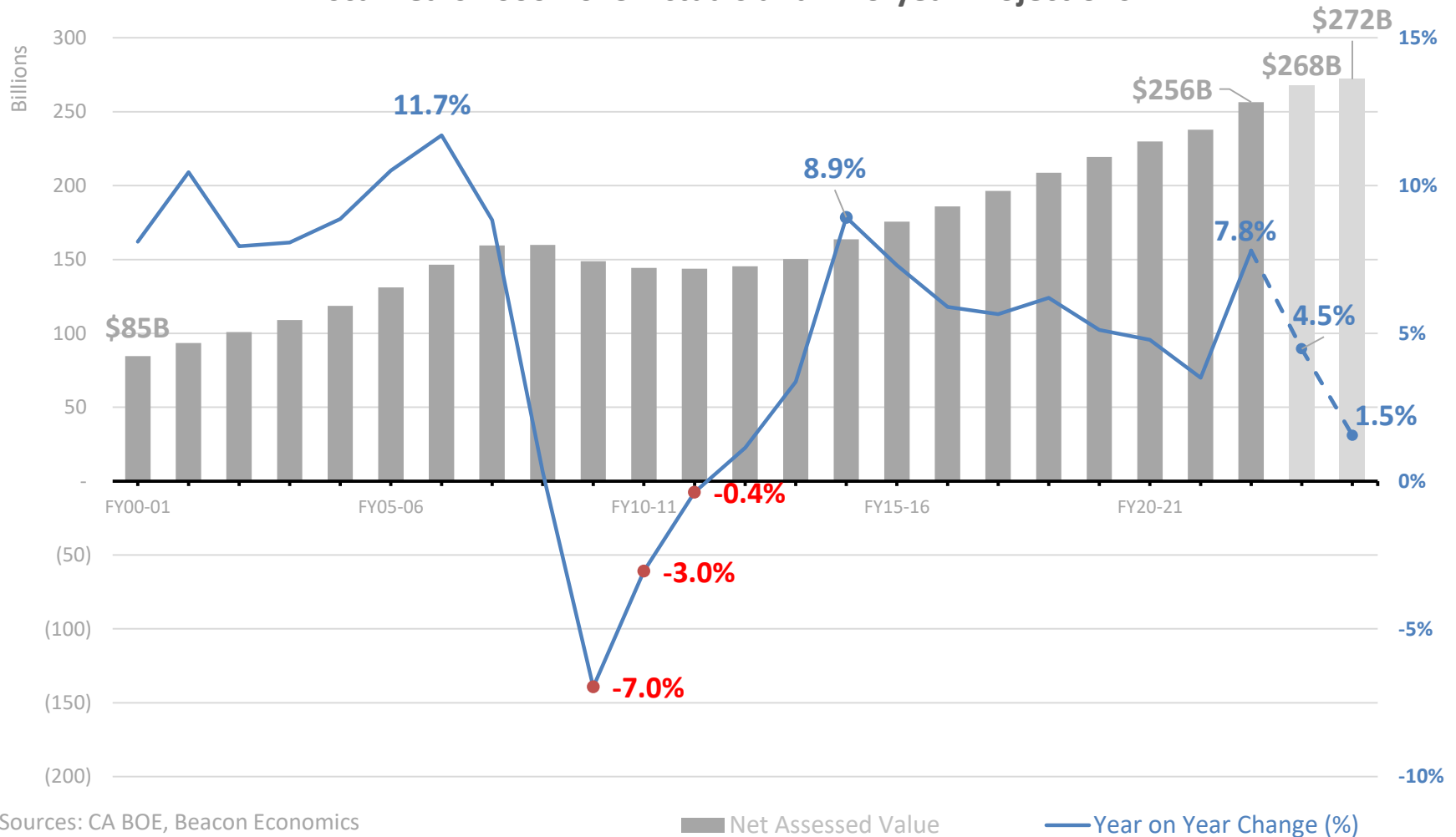
Agency Name	FY23-24	
	Recommended Net County Cost	Share of Total
Consolidated Fire District	19,967,356	2.8%
Conservation & Development	15,907,000	2.2%
Superior Court Related Functions	13,205,500	1.8%
County Administrator	11,854,238	1.6%
Clerk-Recorder / Elections	10,305,000	1.4%
Board Of Supervisors	7,718,028	1.1%
Auditor-Controller	5,011,560	0.7%
Justice Programs - Conflict Defense	5,000,000	0.7%
Animal Services	4,859,000	0.7%
Treasurer-Tax Collector	3,739,672	0.5%
Human Resources	3,714,994	0.5%
Agriculture-Weights/Measures	3,045,054	0.4%
General County Services	2,935,500	0.4%
County Counsel	2,335,091	0.3%
Veterans Service	1,681,000	0.2%
Racial Equity Social Justice	1,260,000	0.2%
Information Technology	527,654	0.1%
Insurance And Risk Mgmt	340,616	0.0%
Capital Improvements	25,000,000	3.4%
Contingency Reserve	15,000,000	2.1%
<b>Total</b>	<b>725,101,506</b>	<b>100%</b>

21%



# Contra Costa County Assessed Values

Fiscal Years 2000-2023 Actuals and Two-year Projections



Sources: CA BOE, Beacon Economics

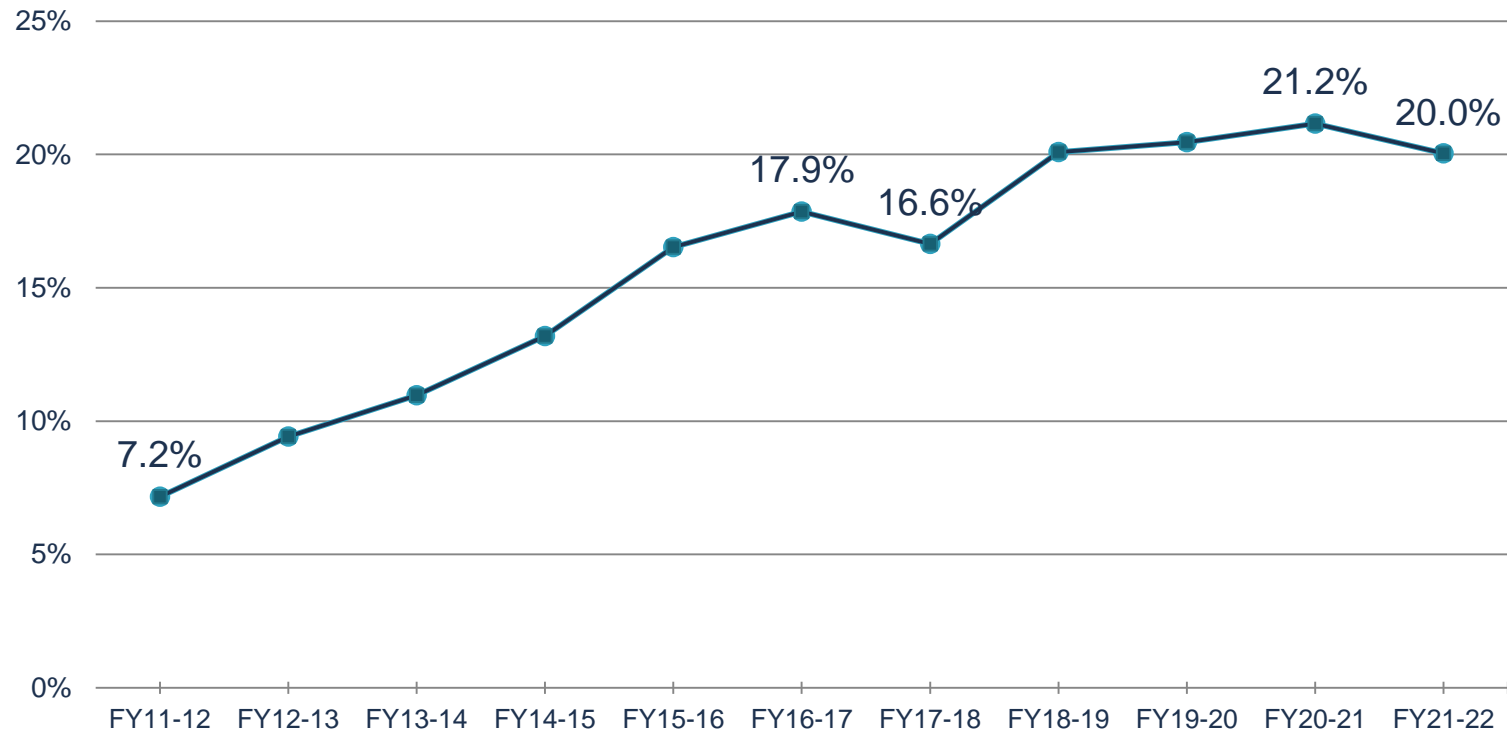
■ Net Assessed Value

— Year on Year Change (%)



# General Fund reserves

1. For FY 2021-22, total General Fund revenues were \$1.94 billion, and the total fund balance was \$710.2 million, or 36.5% of total General Fund revenue
2. Of the \$710.2 million:
  - a. \$391.2 million was unassigned – 20.0% of total General Fund Revenues
  - b. \$319.0 million was assigned, committed, restricted or nonspendable







# Budgeted positions changes

Agency	FY22-23 Adjusted Budget	FY23-24 Recommended Budget	Change
Fire Protection	570.60	601.60	31.00
Employment & Human Services	1,911.50	1,937.50	26.00
Public Defender	172.50	180.50	8.00
Public Works	562.00	570.00	8.00
Animal Services	78.00	83.00	5.00
Assessor	114.00	118.00	4.00
Information Technology	99.00	101.00	2.00
Probation	356.00	358.00	2.00
County Administrator	44.00	45.00	1.00
County Counsel	55.00	56.00	1.00
Human Resources	51.00	52.00	1.00
Agriculture-Weights/Measures	44.30	44.70	0.40
Health Services	4,747.20	4,743.20	(4.00)
			<b>85.40</b>



# Labor contracts

	Filled Positions	Contract End Date
AFSCME Local 512, Professional and Technical Employees	225	6/30/2026
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	1,425	6/30/2026
California Nurses Association	1,144	9/30/2025
CCC Defenders Association	93	6/30/2026
CCC Deputy District Attorneys' Association	91	6/30/2026
<b>Deputy Sheriffs Association, Mgmt Unit and Rank and File Unit</b>	794	<b>6/30/2023</b>
<b>Deputy Sheriffs Association, Probation Peace Officers Association</b>	242	<b>6/30/2023</b>
District Attorney Investigator's Association	26	6/30/2026
<b>IAFF Local 1230</b>	408	<b>6/30/2023</b>
Physicians and Dentists of Contra Costa	289	10/31/2025
Professional & Technical Engineers – Local 21, AFL-CIO	1,168	6/30/2026
Public Employees Union, Local One & FACS Site Supervisor Unit	487	6/30/2026
SEIU Local 1021, Rank and File and Service Line Supervisors Units	861	6/30/2026
Teamsters, Local 856	1,798	6/30/2026
<b>United Chief Officers' Association</b>	17	<b>6/30/2023</b>
Western Council of Engineers	23	6/30/2026
Management Classified & Exempt & Management Project	848	N/A
	<b>9,939</b>	



# Measure X sales tax revenues

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Contra Costa County voters passed Measure X, a ½ cent sales tax levied countywide, in November 2020. The ballot measure language stated the intent of Measure X is “to keep Contra Costa’s regional hospital open and staffed; fund community health centers, support timely emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.” The tax became effective April 1, 2021.

1. \$217.6M in actual revenue has been collected through March 31, 2023.
2. Measure X is anticipated to generate approximately \$118.2M in FY23-24.
3. The total Measure X funded appropriations through the end of FY23-24 is \$347.4M, including \$136.9M for one-time expenditures and \$112.3M ongoing.
4. \$5.58M on-going remains available for allocation in FY23-24.
5. Approximately \$30M in one-time revenue surplus is projected by June 30, 2024, but is uncertain and not recommended for appropriation until actually collected.



# Measure X financials

## Revenue projections through FY23-24

	Budget	Actuals/Projection
FY20-21	\$ 24,078,616	\$ 27,659,018
FY21-22	\$ 104,000,000	\$ 117,721,524
FY22-23	\$ 107,000,000	\$ 120,155,659
FY23-24	\$ 118,169,856	\$ 118,169,856
<b>Total</b>	<b>\$ 353,248,472</b>	<b>\$ 383,706,057</b>

## Measure X adopted allocations through FY23-24

	Budget
Reserve	\$ 20,000,000
One-time	\$ 136,895,200
FY22-23	\$ 78,150,000
FY23-24	\$ 112,312,500
	<b>\$ 347,357,700</b>



# COVID-19 Major funding sources update

Revenue Program	Allocation
Emergency Rental Assistance Program	\$229,877,596
Coronavirus Relief Fund	227,827,652
ARPA Fiscal Recovery Fund	224,058,903
FEMA Public Assistance Program (Estimate)	77,964,320
<b>Total</b>	<b>\$759,728,471</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!



# COVID-19 FEMA cost recovery update

Claim Category	Estimate	Claimed	Obligated	Received
Non-Congregate Shelter	\$32,414,836	\$32,414,836	\$0	\$0
COVID-19 Testing	20,728,141	20,728,141	0	0
Incremental Cleaning	12,688,588	12,688,588	0	0
Great Plates	6,415,043	6,415,043	6,415,043	6,415,043
General Materials (PPE, Other)	3,579,956	3,579,956	1,240,517	0
Consultant (Ernst & Young)*	1,500,000	0	0	0
Vaccination (Fire Mutual Aid)	637,756	637,756	0	0
<b>Total</b>	<b>\$77,964,320</b>	<b>\$76,464,320</b>	<b>\$7,655,560</b>	<b>\$6,415,043</b>

## ➤ What's it mean?:

- FEMA reimbursement process cumbersome and could take years before reimbursement is received (typically 24-36 months, but likely longer);
- The County General Fund is advancing the vast majority of the \$78 million in FEMA eligible costs until reimbursement is received - this figure has stabilized with all COVID related claims submitted through June 30, 2022;
- ARPA CSLFRF funds eligible to backfill any reduced claim amounts determined by FEMA.

\* Consultant costs are claimed at conclusion of cost recovery period established by FEMA

# Significant FEMA cost recovery issue: Non-Congregate Sheltering – “Project Roomkey”



- FEMA Region IX pursuing a definition change of “asymptomatic”, requiring that an “asymptomatic, high risk” individual receiving NCS shelter services must have been COVID-19 positive
- Proposed change results in close to 90% of County claimable costs becoming ineligible - \$29 million for Contra Costa County
- **What are we doing about it?**
  - Board Chair and Congressional Delegation have sent letters to FEMA beginning in December 2022;
  - Top priority of Supervisors during Congressional visits in Washington D.C. during NACo Conference;
  - Providing leadership to industry groups such as CACE, CSAC, CalSACA, NACo and GFOA about the issue.

## The Board of Supervisors

County Administration Building  
1025 Escondido St., 4<sup>th</sup> floor  
Martinez, California 94553

John Giola, 1<sup>st</sup> District  
Candace Andersen, 2<sup>nd</sup> District  
Diana Buegler, 3<sup>rd</sup> District  
Karen Mitchell, 4<sup>th</sup> District  
Federal D. Glover, 5<sup>th</sup> District

December 21, 2022

The Honorable Deanne Criswell  
Administrator  
Federal Emergency Management Agency  
500 C Street, SW  
Washington, DC 20472

Dear Administrator Criswell,

On December 2, 2022, Contra Costa County representatives to assess the status of \$43 million directly related to the COVID-19 pandemic shelter (NCS), incremental cleaning, and estimated FEMA project application claim.

As part of that discussion, FEMA staff and Headquarters (FEMA HQ) to provide the purposes of evaluating NCS project application. Public Assistance funding of NCS program CalOES Director Mark Ghilarducci in the was provided for three, specific populations FEMA’s FAQs on “Coronavirus (COVID-19)”:

- Individuals who test positive for COVID-19 quarantine (including those exiting from quarantine); or
- Individuals who have been exposed to official, or medical health profession quarantine; or
- Individuals who are asymptomatic, but underlying health conditions (respiratory) Emergency NCS as a social distancing

Contra  
Costa  
County



Monica Nino  
Clerk of the Board  
and  
County Administrator  
(925) 656-2000

Congress of the United States  
Washington, DC 20515

February 8, 2023

The Honorable Deanne Criswell  
Administrator  
Federal Emergency Management Agency  
500 C Street, SW  
Washington, DC 20024

The Honorable Robert Fenton, Jr.  
Administrator  
FEMA, Region 9  
1111 Broadway, #1200  
Oakland, CA 94607

Dear Administrators Criswell and Fenton:

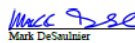

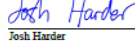
We are writing regarding reimbursements for Non-Congregate Shelter (NCS) services incurred by local jurisdictions during the COVID-19 pandemic.

It is our understanding that FEMA Region 9 is reviewing or has determined it will make a modification in its policy for reimbursing communities that provided NCS services for residents who were in need because of the COVID-19 pandemic. This would put a significant financial burden on our local communities throughout California. Specifically, we are told that this policy change would modify written pre-approval guidance from Region 9 to the California Governor’s Office of Emergency Services (Cal OES), dated March 27, 2020, explicitly providing that FEMA would reimburse emergency NCS costs incurred for three populations of people, including the third bulleted class, “Individuals who are asymptomatic, but are at ‘high-risk’, such as people over 65 or who have certain underlying health conditions (respiratory, compromised immunities, chronic disease), and who require Emergency NCS as a social distancing measure.”

Pursuant to this directive, communities throughout California advanced hundreds of millions of dollars in costs to providing non-congregate shelter for such residents with the understanding that these costs would be reimbursed by FEMA. We are told that FEMA Region 9 is proposing a modification that would – in an ex post facto manner – impose a qualification that the asymptomatic, high risk population served needed to have tested positive for COVID-19 to be eligible for reimbursement from FEMA. If this proposed retroactive modification were to take effect, our understanding is that it would unfairly force local communities to incur significant unexpected costs. As just one example, the county we represent, Contra Costa County, shared with us that it would have its reimbursement reduced by about \$30 million should the retroactive FEMA Region 9 policy change be implemented.

We strongly oppose this retroactive modification, seemingly being considered almost three years after the initial guidance was provided. We respectfully request that our views and those of local jurisdictions be given a full and thorough review, and trust that they will receive the serious consideration they deserve.

Sincerely,

  
 Mark DeSaulnier  
Member of Congress
   
 John Garza  
Member of Congress
   
 Josh Harder  
Member of Congress



# American Rescue Plan Act update

ARPA - CSLFRF Allocation				
Projected Expenditures, thru 6/30/24	FY 2021/22	FY 2022/23	FY 2023/24	Total
Funding Sources:	\$ 112,029,452	112,029,452	\$0	\$224,058,903
Funding Uses:				
Health Services (COVID-19)	79,214,397	68,000,000	15,000,000	162,214,397
Pandemic Service Relief Payment	0	24,300,111	0	24,300,111
<b>Total Claimed</b>	<b>\$ 79,214,397</b>	<b>\$ 92,300,111</b>	<b>\$ 15,000,000</b>	<b>\$186,514,508</b>
<b>Fund Balance</b>				<b>\$ 37,544,395</b>

## ➤ What's it mean?:

- Projected FY 2022/23 expenditures are \$92.3 million, including \$68 million to HSD and \$24.3 million to County departments for PSRP payments;
- Based on current allocations authorized by the Board through June 30, 2024, \$37.5 million remains unallocated.





# American Rescue Plan Act Options for Board consideration

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- The FEMA Non-Congregate Shelter (NCS) definition change issue will likely take significant time and effort to resolve;
- The County's maximum exposure to NCS claims is \$32.4 million and \$37.5 million of ARPA CSLFRF funding remains unallocated;
- The County must obligate ARPA CSLFRF funds by December 31, 2024 and spend all funds by December 31, 2026
- Recommendation is to continue to reserve the remaining \$37.5 million of ARPA CSLFRF funding until November 2023 at which time the County Administrator's Office will provide an update.



# Infrastructure, Investment & Jobs Act (IIJA)

- County Administrator developed a qualified pool of seven (7) Grant Writer firms to build capacity for departments to pursue grant opportunities
- FY23-24 Recommended Budget includes \$10 million appropriation to leverage General Fund dollars to maximize grant receipts
- As of March 30th, the Public Works Department has made 28 applications for IIJA funded grant programs totaling \$176.5 million (including \$17.6 million of required match funds) and been awarded 14 grant awards totaling \$73.8 million (including \$11 million of required match funds)

Granting Agency	Application	Grant Award	Amount Expended
<i>No. of Applications</i>	28	14	
CA Dept of Transportation	\$125,207,317	\$72,800,297	\$0
US Army Corps of Engineers	47,402,000	0	0
CalOES	2,870,909	0	0
CA State Water Board	1,000,000	1,000,000	0
<b>Total</b>	<b>\$176,480,226</b>	<b>\$73,800,297</b>	<b>\$0</b>



# Risks to the Recommended Budget

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- a. High inflation rate and tightening credit market conditions likely to continue to slow growth in county assessed values and property tax growth
- b. Unanticipated impacts from the State May Revised proposed budget
- c. Significant negotiated salary increases over the next three years, plus unknown costs associated with upcoming labor negotiations
- d. Potential re-litigation of closed criminal justice cases
- e. FEMA reimbursement – Winter storms



# Budget enhancement requests: RJA / Antioch Police misconduct related work

## 1. District Attorney

Position	Job Code	FTE	S&B Cost per FTE	Total S&B
DEPUTY DISTRICT ATTORNEY-FT	2KWD	2.00	182,000	364,000
DEPUTY DISTRICT ATTORNEY-BASIC	2KTF	3.00	256,000	768,000
				<b>1,132,000</b>

## 2. Public Defender

Position	Job Code	FTE	S&B Cost per FTE	Total S&B
DEPUTY PUBLIC DEF-FIX TERM	25WB	2.00	175,000	350,000
DEPUTY PUBLIC DEFENDER III	25TB	3.00	278,000	834,000
				<b>1,184,000</b>



# Budget enhancement requests: Stand Together Contra Costa

## 1. Public Defender

Position	Job Code	FTE	S&B Cost per FTE	Total S&B
DEPUTY PUBLIC DEFENDER II	25VA	3.00	206,000	618,000
LEGAL ASSISTANT	2Y7B	1.00	128,000	128,000
CLERK-EXPERIENCED LEVEL	JWXB	1.00	83,000	83,000
				<b>829,000</b>



# FY23-24 Budget technical adjustment

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1. Fire Protection District – Division 7040 EMS TRANSPORT
  - a. \$5M decrease to Object E4000 – Fixed Assets, Account 4275
  - b. \$5M decrease to Object R9900 – Fund Balance, Account 9990



# FY23-24 Budget recommendations

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1. OPEN and CONDUCT a public hearing to receive input on the Fiscal Year 2023-2024 Recommended Budget;
2. ACKNOWLEDGE that delivering core services, maintaining top credit ratings, minimizing debt, and maintenance of the County's physical assets remain a priority of the Board of Supervisors over the long term;
3. ACKNOWLEDGE that the Recommended Budget balances annual estimated expenditures with estimated revenues in FY23-24;
4. ACKNOWLEDGE that the Recommended Budget does not include any funding changes that may occur in the State of California's FY23-24 budget;
5. RE-AFFIRM the Board of Supervisors' policy prohibiting the use of County General Purpose Revenue to backfill State and Federal revenue cuts;
6. PROVIDE direction to the County Administrator on how to allocate the available \$5.58M balance for FY23-24 Measure X;
7. ACKNOWLEDGE that the Recommended Budget includes a specific appropriation of \$15M for contingency, and that the Board also maintains its ability to manage General Fund contingencies during the fiscal year by use of fund balance and reserve funds;
8. ACKNOWLEDGE that any program increases or 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;
9. DIRECT the County Administrator to prepare for consideration by the Board of Supervisors on May 23, 2023, position additions and eliminations necessary to carry out Board action on the Recommended Budget;
10. DIRECT the County Administrator to prepare for Board adoption on May 23, 2023, the FY23-24 County and Special District Budgets, as modified, to incorporate any changes directed by the Board during these public hearings.