



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: May 7, 2019

Subject: APPROVAL OF FY 2019-20 RECOMMENDED BUDGET ACTIONS

RECOMMENDATION(S):

1. ACKNOWLEDGE that the Board of Supervisors held Budget Hearings on April 16;
2. ACKNOWLEDGE that public testimony was heard and considered;
3. ACKNOWLEDGE that pending action by the State regarding its budget may require subsequent adjustments to this Recommended Budget;
4. ACKNOWLEDGE that the County Administrator was directed to return to the Board with a Resolution, authorizing the addition and deletion of certain positions in affected departments (companion item – Resolution No. 2019/47);
5. RECEIVE follow-up information from Health Services, Employment and Human Services, Sheriff-Coroner, District Attorney, Public Defender and Probation
6. ADOPT the County Administrator's recommendations for the FY 2019-20 County and Special Districts Budgets; and

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **05/07/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: May 7, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County
Finance Director, 335-1023

By: Jami Napier, Deputy

7. AUTHORIZE and REQUEST the Auditor-Controller to adjust FY 2018-19 appropriations and revenues

RECOMMENDATION(S): (CONT'D)

by reallocating and balancing budgeted and actual expenditures and revenues as needed for various budget units and special districts, subject to Board approval in September; and

8. AUTHORIZE the Auditor-Controller to make technical adjustments to the FY 2019-20 Recommended Budget when actual amounts are known and return to the Board on September 17 for adoption of the Budget as Finally Determined.

FISCAL IMPACT:

The fiscal impact is described in the Fiscal Year 2019-20 Recommended Budget, which is available on-line at:

<http://www.co.contra-costa.ca.us/DocumentCenter/View/58189/Recommended-Budget-19-20>

BACKGROUND:

On April 16, 2019, the Board of Supervisors adopted the County's FY 2019-2020 State Controller's Office Recommended Budget Schedules for Countywide Funds and Special Districts. These schedules meet the requirements of State law. State law requires that local government adopt a FY 2019-2020 Recommended Budget for Countywide funds and Special Districts prior to June 30, 2019 in order to spend monies for the coming fiscal year. State law also requires that the Recommended Budget Schedules be adopted prior to holding Budget Hearings. These schedules serve as a placeholder until the Board approves a Final budget. The schedules are in a State-required "line item" format as opposed to the program budget format used by the Board during budget hearings. The schedules incorporated the same total net County cost level as is presented in the County Administrator's Recommended Budget. Adoption of these schedules ensured that your Board met the requirements of State law and in no way constrain your discretion with respect to the FY 2019-20 budget.

After adoption of the State Schedules, the Board of Supervisors opened the public hearing on the FY 2019-20 Recommended Budget. The hearings began with an overview of the recommendations in the FY 2019-20 Budget by the County Administrator. The County Administrator advised the Board that the Recommended Budget and the County Administrator's Budget Message contain details on individual department budgets, programs, goals, and recommendations.

The Budget and message represented a work plan to achieve the County's mission and priorities in the coming year. A number of key issues that have informed the development of the Budget were included in the Budget and presentation, such as property tax projections, employment benefits and retiree health care/other post employment benefits, pension benefits, General Fund reserves, infrastructure/facilities maintenance, the status of Labor Negotiations, and the potential impact of other pending issues. Following the County Administrator's presentation, previously selected department heads were asked to present their key issues.

1. Anna Roth presented a summary of the Health Services budget, which can be found on

pages 253-361 of the FY 2019/20 Recommended Budget (Budget). Supervisor Gioia reiterated the need to explore different funding options including possible tax measures to support the Contra Costa Regional Medical Center. Ms. Roth discussed budget priorities and key considerations as well as challenges for the department. Specific challenges include cost increases, slow to no growth in CCHP membership and patient volume, declining revenues, waiver succession and Federal/State uncertainty. Supervisor Mitchoff requested a pie chart showing the percentage of total salaries and benefits as compared to total expenditures for the Hospital and Clinics similar to the pie of total County General Fund Expenditures presented on the County as a whole during the County Administrator's presentation.

2. Director Kathy Gallagher presented her PowerPoint on the Employment and Human Services budget, which can be found on pages 205-251 of the Budget. Ms. Gallagher stated that Adult Protective Services cases have more than tripled in the last 10 years. Supervisor Mitchoff stated that the County may need to focus future funding more on the adult population due to increases in the aging population. The Department was directed to confirm the additional \$300,000 budgeted for Supplemental Security Income (SSI) is leveraging additional federal dollars for fiscal year 2019-20. Supervisor Mitchoff also requested a report on CalFresh Enrollment efforts to be presented to the Board of Supervisors in mid-May.

3. Sheriff David Livingston presented a PowerPoint on the Sheriff-Coroner Budget, which can be found on pages 429-450 of the Budget. Supervisor Mitchoff asked the Department to come back with a full-time equivalent count (sworn/nonsworn) that equates to the \$5.65 million vacancy factor budgeted for FY 2019-20. Supervisor Gioia asked the Department to return with a 10 year history of total bookings and average daily population.

4. District Attorney Diana Becton presented a PowerPoint on the District Attorney's Office budget, which can be found on pages 377-391 of the Budget. At the conclusion of the presentation, Supervisor Mitchoff requested that the Department return with a chart showing the total budget allocated by functional area. Supervisor Gioia requested historical data showing the number of filings (misdemeanor and felony) as well as number of attorneys.

5. Public Defender Robin Lipetzky presented a PowerPoint on the Public Defender's departmental operations and accomplishments, the Public Defender narrative can be found on pages 419-425 of the Budget. Supervisor Gioia requested historical data on the number of cases handled by the Office. At the conclusion of Ms. Lipetzky's presentation, Supervisor Mitchoff requested a breakdown of the total budget by program area and Supervisor Burgis requested historical felony overload data.

6. County Probation Officer Todd Billeci, presented a PowerPoint on the Probation Department's budget, narrative can be found on pages 403-417 of the Budget. Mr. Billeci discussed the declining numbers of youth on probation and youth in detention and how the trends correlate to a decrease in funded positions. Supervisor Gioia thanked him for the transparency in his budget. Supervisor Mitchoff requested numbers of adults on probation as well as a breakdown of the numbers of AB 109 probationers versus non AB 109 probationers.

7. Public Works Director Brian Balbas presented a PowerPoint on the Public Works Department's budget, narrative can be found on pages 161-191 of the Budget, and explained the many varieties of tasks his department performs. Mr. Balbas emphasized the challenges

with recruitment and retention for the department as well as the efforts in capital improvement planning and the continued implementation of Transportation funding and Gas Tax (Senate Bill 1) revenue.

At the conclusion of the presentations, the Board opened the Public Hearing and asked for and received public comment. Public comments were made regarding understaffing at the Health Services and Employment and Human Services Departments. Additionally, the Human Services Alliance requested the Board reconsider an 8% cost of living increase for community-based organizations (up from the 3% recommended for the FY 2019-20 budget) as well as enhanced future engagement in the budget process. Supervisor Mitchoff requested statistics on the Contra Costa CARES program showing utilization for each of the years and how it ties to the annual funding as well as clarification on how the funds are distributed. The Board closed the Public Hearing.

Taking into consideration the testimony it had received from staff and the public, the Board made no changes to the FY 2019-20 Recommended Budget as presented. The Board directed the County Administrator to prepare for Board adoption on May 7, 2019, the FY 2019-20 County and Special District Budgets including the position resolution necessary to carry out the Board's direction and return to the Board on May 7, 2019 for adoption of the FY 2019-20 Recommended Budget.

Follow-Up

1. Board members asked for an update on the activities of the Contra Costa CARES Program. The Health Services Department reports the Contra Costa CARES Program provides comprehensive primary health care coverage and medical homes to low-income, uninsured adults 19 years of age or older residing in Contra Costa County who are ineligible for full-scope Medi-Cal or Covered California and whose household gross income does not exceed 138% of the Federal Poverty Level. A \$28 capitated, per participant, per month payment is made to cover primary care services including basic laboratory and radiology services. Payments are made on a prospective basis at the beginning of the month. No co-payments are charged. Average monthly membership in: Fiscal Year 2016/17 was 2,832; Fiscal Year 2017/18 was 2,507; Fiscal Year 2018/19 projected is 3,154. Annual funding: the fiscal year 2019/20 funding of \$1,500,000 will finance an average monthly enrollment of 4,464. Any unspent funds are rolled over for inclusion and use in the subsequent years budget. Contra Costa CARES provided the attached two-page summary of year Three of the Program (**Attachment A**). They are working on the full report and expect to have that available by the end of May, 2019.

2. Health Services was directed to return with a chart depicting total salaries and benefits costs as a percentage of the total expenditures for the Hospital and Clinics for fiscal year 2019-20 (**Attachment B**). Health Services was also asked to provide a comparison, accounting for inflation, of what the Net County Cost from the FY 2008-09 Adopted Budget (\$61,071,724) could fund as compared to what it is able to fund in the FY 2019-20 Recommended Budget (\$56,358,712). Based on the Department of Labor and Statistics Consumer Price Index Inflation Calculator, \$61,071,000 in July 2008 has the same buying power as \$70,576,000 in March 2019.

3. The Employment and Human Services Department presented its annual update on CalFresh to the Family and Human Services Committee on Monday, April 22nd. Please see item C.174 for that report and presentation. A follow-up analysis, assessing the CalFresh enrollment efforts will be presented to the Family and Human Services Committee at their June 10th meeting. This presentation will likely be referred to the full Board for discussion at a July meeting. Employment and Human Services and County Administration staff confirmed the additional \$300,000 for the CalFresh expansion to include Supplemental Security Income recipients will be leveraged by federal funds. Total expenses are subject to a 50% federal participation and 50% County cost. Effectively, that results in a 1:1 match.

4. The Sheriff's Office reports the vacancy factor of \$5.65 million to equate to 34 sworn positions or 56 civilian positions. The vacancy factor remains unchanged from FY 2018/19. With the increased salary and benefits costs in FY 2019/20, the net number of vacant positions needed to meet the vacancy factor is fewer than in 2018/19. The Sheriff's Office has also reported historical data on total bookings and the average daily population (ADP) over the last 10 years (**Attachment C**). It should be noted that individuals participating in Custody Alternative Facility (CAF) programs have been sentenced to jail, but are eligible to serve their sentence through alternative means, such as the Work Alternative and Electronic Home Detention programs, effectively diverting them from physical custody. Since CAF participants are technically "in-custody" with the Sheriff's Office, they are reported as a separate line item in ADP. In addition, the rated bed capacity and 2018 ADP have also been provided in **Attachment C** to illustrate the most recent utilization rate of beds by facility. The low utilization of the medium and low security facilities is largely due to two primary factors: (1) The impacts of public safety realignment, including AB 109 and the decriminalization of many low-end offenses through subsequent legislation, over the past decade. As an illustration, the Marsh Creek Detention Facility is designed to house low security, sentenced, male inmates that must serve their sentence in a County jail. Currently, much fewer inmates fall into that category than in prior years; and (2) For the West County Detention Facility, the discontinuation of the U.S. Immigration and Customs Enforcement portion of the US Marshal's contract in the middle of 2018 resulted in a reduction to the number of beds used for that purpose. This contributes to a reduced ADP for 2018.

5. The District Attorney's Office was requested to provide historical data on the number of filings and the number of attorneys. In **Attachment D**, the District Attorney's Office has reported 10 years of historical data on the number of misdemeanor and felony filings and trials, as well as the number of attorneys. **Attachment D** also provides a breakdown of the FY 2019-20 budget by functional area.

6. A breakdown of the total budget by program area and historical trends in referrals were requested of the Public Defender's Office. **Attachment E** shows graphic depictions of the FY 2019-20 Recommended Budget for the Public Defender as well as bar charts depicting caseload trends.

7. The Probation Department has provided historical data on the number of adult probationers over the last five (5) years (**Attachment F**). In 2017, there was a small increase that was due to improved record keeping practices which resulted in higher counts compared to prior years. It should be noted that the number of adult probationers has remained relatively

consistent over the past five (5) years. **Attachment F** also shows the breakdown of the number of regular probationers and those mandated by AB 109. AB 109 mandates county probation departments to supervise two (2) distinct populations: (1) Post-Release Community Supervision (PRCS) - Inmates released from the California Department of Corrections and Rehabilitation after serving a commitment for non-serious, non-violent, or non-high-risk sex offenses. State parole had previously supervised this population; and (2) Mandatory Supervision (MS) – A population of offenders, which under Section 1170(h) of the Penal Code are not eligible for incarceration in prison but rather can serve a sentence in county jail. The Court can order this group to serve their sentence in jail or to “split” the sentence between jail custody and a separate period of MS.

Position Resolution

A position resolution is required to effectuate the position modifications, additions and deletions identified in the Recommended Budget. The resolution is provided to the Board as a companion item (Resolution No. 2019/47) on today's agenda. Resolution No. 2019/47 includes positions in the departments: Agriculture, Board of Supervisors (Merit Board), Child Support Services, County Administrator, District Attorney, Employment and Human Services, Human Resources, Probation, Public Defender, Public Works, and Contra Costa County Fire Protection District departments. Additional positions in various departments will be held vacant in order to achieve prescribed vacancy factor dollar savings.

CONSEQUENCE OF NEGATIVE ACTION:

Changes to any recommended programs will require an equivalent reduction in funds from other County priorities in order to adhere to the Budget Policy to adopt a balanced budget.

CLERK'S ADDENDUM

Public Speakers: Suzanne Llewellyn (article provided and attached), Kathy Greene, Jaime Cader, Vickey Dominguez, Catrinci Beverly, Yen Do, Rosa Vargas, William Casey, Francisco Torres, Melvin Willis, Patricia Aguia, Elsa Stevens, Audrey Jenkins, Rebecca Ruiz, Dan Geiger.

Adopt the budget as presented with the following referrals: Direct a BOS subcommittee to examine service gaps and unmet needs, from both a funding and a staffing perspective. Establish a workgroup that includes Health Services, Employment and Human Services, and community based organizations to discuss issues related to the county budget and funding.

ATTACHMENTS

FY 2019-20 Recommended Budget

Attachments A-F

