



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office



DATE: June 17, 2015
BOARD MEETING DATE: June 24, 2015
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: John L. Maltbie, County Manager
SUBJECT: **FY 2015-17 Recommended Budget Hearings**

RECOMMENDATION:

Adopt a resolution approving the FY 2015-16 Recommended Budget, submitted by the County Manager, including June revisions.

BACKGROUND

The County Budget Act (Government Code §§ 29000-29144 and § 30200) requires that counties have a Recommended budget, approved by the Board of Supervisors, in place on July 1 of each fiscal year. The prevailing code sections are:

GC § 29062 – The recommended budget shall be submitted to the board by the administrative officer or auditor as designated by the board, on or before June 30 of each year, as the board directs.

GC § 29063 – Upon receipt of the recommended budget the board shall consider it and, on or before June 30 of each year, at such time as it directs, shall make any revisions, reductions, or additions.

GC § 29064 – On or before June 30 of each year the board, by formal action, shall approve the recommended budget, including the revisions it deems necessary for the purpose of having authority to spend until the budget is adopted.

GC § 29088 – After the conclusion of the hearing, and not later than October 2 of each year, and after making any revisions of, deductions from or increases or additions to, the recommended budget it deems advisable during or after the public hearing, the board shall by resolution adopt the budget as finally determined.

DISCUSSION

The Board's public hearings on the FY 2015-17 Recommended Budget are scheduled for June 22 through June 24, 2015. Attached are the June Revisions to the Recommended Budget released on Friday, June 1, 2015.

For the FY 2015-16 Recommended Budget, June revisions result in a net increase of 12 positions; however, the overall budget is reduced by \$11.35 million or 0.5% for all County funds, for a revised total of \$2,436,090,327. The reason for the decrease is the removal of the Maple Street Correctional Center (MSCC) warm shell build-out from the Capital Projects Budget. The project budget will instead be administered out of the MSCC Construction Fund, a non-appropriated fund used exclusively to

account for MSCC construction costs. There is a net increase of \$14.26 million without this change. The increases are primarily due to new Measure A allocations totaling \$11.82 million. Ongoing Net County Cost increases by \$1.05 million for the new two-year agreement with the Bar Association for Private Defender Program (PDP) services and by \$34,000 for an increased contribution to the Arts Commission. There is also a one-time appropriation of \$1 million from Non-Departmental Reserves for the PDP's indigent defense costs associated with the Sunny Day case. The remaining adjustments are funded by operating department revenues and reserves.

For the FY 2016-17 Recommended Budget, June revisions result in a net increase of \$9.28 million or 0.4%. This increase is almost exclusively due to Measure A adjustments totaling \$9.36 million, with minor adjustments accounting for the difference. Ongoing Net County Cost in year two increases an additional \$370,056 due to the new agreement for PDP services.

County Counsel has reviewed and approved the Budget Resolution as to form.

The adoption of the FY 2015-17 Recommended Budget contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that resources are allocated in accordance with the law, that services to the community – especially the most vulnerable – are maintained without interruption, and that the County's financial future remains strong.

Significant budget adjustments include:

1. Supported Training and Employment Program (STEP) for Emancipated Foster Youth (Measure A) - \$539,507 in Measure A and department contributions is added to expand STEP from a 3-month summer program to a year-round program. STEP offers emancipated foster youth job readiness and skills training, job shadowing and employment coaching, hands-on work experience in a County department and transition planning.
2. Support Costs for Criminal Justice Integration (CJI) Portal – \$173,423, in total, is appropriated within the Sheriff's Office, Probation Department and District Attorney Office budgets to provide ongoing support for the CJI portal, which will integrate data from each of the individual case management systems into one system called Social Solutions. These amounts are funded by department resources.
3. South San Francisco Grand Avenue Library (Measure A) - \$500,000 in Measure A Board grant funding is added to continue support for improvements to the South San Francisco Grand Avenue Library.
4. Support Services for Older Adults (Measure A) - \$1.8 million in Measure A is added to increase supportive services for older adults. Contracts have been executed with the Alzheimer's Association, Daly City Peninsula Partnership, Edgewood Center, Institute on Aging, and Ombudsman Services of San Mateo County.
5. Elder Dependent and Adult Protection Team (EDAPT) (Measure A) - \$655,595 in Measure A is added to create EDAPT, which will coordinate outreach, training, identification, prosecution and prevention of financial abuse.
6. StarVista Early Childhood Community Team Expansion (Measure A) - \$660,000 in Measure A is added to provide comprehensive prevention, early intervention, and treatment services to families with young children.

7. Supportive Housing for Adults with Serious Mental Illness (Measure A) - \$500,000 in Measure A is added to amend an existing contract for furniture replacement and repairs for the Industrial Hotel in South San Francisco.
8. Public Health Nurses for Children and Family Services Clients (Measure A) - \$807,605 in Measure A and federal and state funding is added to increase capacity of the Public Health Nurse program to provide services to youth in Children and Family Services' care. This includes a transfer of \$693,871 from the Human Services Agency to Family Health Services for staffing.
9. Housing for Foster Youth (Measure A) - \$1 million in Measure A is added to acquire housing units for AB 12 foster youth and former foster youth.
10. Commercially Sexually Exploited Children (Measure A) - \$250,000 in Measure A and federal funding is added to provide specialized services to CSEC youth, provide training to staff, and to create a needs portal to help staff locate appropriate services.
11. Services for At-Risk Foster Youth (Measure A) – \$1 million in Measure A is added for a Request for Proposal for services for at-risk foster youth aged 14 to 21.
12. Housing Locator and Rapid Re-Housing (Measure A) - \$2.5 million in Measure A is added to implement services related two nationally recognized strategies focused on ending homelessness: Housing Locator Services and Rapid Re-Housing.
13. Second Harvest Food Bank (Measure A) - \$150,000 in Measure A is added for an agreement with Second Harvest Food Bank to purchase and distribute additional food to families and individuals in need.
14. Affordable Housing Initiatives (Measure A) - \$1.8 million in Measure A is added as a result of the Affordable Housing Study Session and subsequent follow-up discussions, including funding for the Landlord/Tenant information and referral program RFP, the Housing Innovation Project, adding a term staff position to support affordable housing initiatives and the Affordable Housing Task Force, as well as funding for various other programs aimed at providing affordable housing opportunities to residents of the County. This funding is in addition to \$9.7 million already budgeted for affordable housing initiatives.
15. Maple Street Correctional Center (MSCC) Warm Shell – \$25.6 million to fund the build out of the warm shell is changed from Accumulated Capital Outlay Fund reserves to Non-Departmental ERAF reserves. In addition, the appropriation has been removed from the Capital Projects budget as the funds will instead be transferred to the MSCC construction fund. This change will allow Public Works to utilize the expenditure tracking systems already in place to track the MSCC bond funds. Any unspent funds at the end of the warm shell project will be returned to the County's General Fund.
16. Private Defender Program – \$1.4 million in ongoing Net County Cost is added over the next two years to cover the increases in the new two-year agreement with the Bar Association for PDP services. In addition, a one-time adjustment of \$1 million from Non-Departmental Reserves is appropriated to cover the costs of the Sunny Day case.

FISCAL IMPACT

With these revisions, the FY 2015-16 Recommended Budget for all funds totals \$2,436,090,327 and 5,381 authorized positions. The FY 2016-17 Recommended Budget for all funds with these revisions totals \$2,305,700,186 and 5,383 authorized positions. Reserves amount to \$367.4 million or 17.8% in year one and \$309.6 million or 15.5% in year two.

The FY 2015-16 Recommended Budget for the General Fund totals \$1,639,138,390 and 4,225 authorized positions. The FY 2016-17 Recommended Budget for the General Fund totals \$1,530,499,262 and 4,227 authorized positions. There is an increase in ongoing Net County Cost of \$1,081,327 in year one and an additional \$370,056 in year two. Reserves amount to \$184.9 million or 12.7% in year one and \$168.7 million or 12.4% in year two.

Finally, Measure A appropriations amount to \$126.3 million in FY 2015-16 and \$101.2 million in FY 2016-17, including \$500,000 in Board grants and \$130,000 in District-specific allocations.