

Inter-Departmental Correspondence

Date: July 30, 2020
To: Michael P. Callagy, County Manager
From: Robert Manchia, County Chief Financial Officer
Subject: County Manager's Office Budget Reduction Strategy

The County Manager's Office (CMO) reduction is \$698,628. This reduction will be met through a decrease in Extra-Help salary and benefits expenses, the removal of contract expenditures for services that that can be changed to better meet today's business and deleting one vacant regular position.

- \$220,000 – Regular Hour-Permanent Positions and Extra-Help Hours-Regular Pay
- \$100,000 – Other Special Department Expenses
- \$15,000 – Contract Special Program Services
- \$188,628 – Interagency Agreements-County
- \$25,000 – Trainer and Workshop Expenses
- \$150,000 – Other Professional Contract Expense

The proposed reductions will have minimal impact to the services provided to our clients and customers.



Office of Mark Church
Chief Elections Officer & Assessor-County Clerk-Recorder
County of San Mateo

DATE: July 29, 2020

TO: Mike Callagy
County Manager/Clerk of the Board

FROM:  Mark Church
Chief Elections Officer & Assessor-County Clerk-Recorder

SUBJECT: Impacts of Budget Reductions

The following is ACRE's FY 2020-21 Budget Expenditure Reduction Plan resulting from sales tax revenue decreases as requested by the Board.

ACRE Estimated Budget Reduction

ACRE Estimated Budget Reduction is \$877,242 or 3% of FY 2020-21 budgeted expenditures.

ACRE Budget Reduction Plan

The Department's Budget Reduction Plan can be accomplished through a reduction in Services and Supplies along with the savings from Position Vacancies.

The following table summarizes our proposed reductions:

FY 2020-21 Budget Expenditure Reductions			
Program	Budget	Forecast	Savings
SharePoint Document Library	129,165	49,165	80,000
Continuity of Operations Plan	103,500	43,500	60,000
Runbeck Printing Services	65,750	-	65,750
Hart InterCivic Voting System - Maint & Support	297,740	-	297,740
Position Vacancy Savings	-	(373,752)	373,752
TOTAL			<u>877,242</u>

To: Mike Callagy, County Manager/Clerk of the Board

From: Mark Church, Chief Elections Officer & Assessor-County Clerk-Recorder

July 29, 2020

Page 2 of 2

SharePoint Document Library – The SharePoint Document Library is an essential data management tool that will be scaled back selectively to minimize disruption to the department's data management system.

Continuity of Operations Plan (COOP) - Portions of our COOP Plan can be deferred to allow for future implementation of ACRE emergency prevention and response programs.

HART InterCivic Voting System Maintenance & Support - With the transition to our new Dominion Voting System, there is less of a need to depend on the prior legacy software system. Annual costs for the new Dominion Voting System may be recuperated from the Secretary of State Election equipment grants.

Runbeck Printing Services – The transition to the Dominion Voting System has lessened the need for Runbeck Ballot on Demand printers.

Vacancy Savings – ACRE currently has 13 vacant regular positions resulting from professional labor market shortages. ACRE is working diligently to fill these critical positions for IT, APAS, Commercial Development, Assessment Appeals, and Roll Maintenance Activities.



COUNTY OF SAN MATEO
OFFICE OF THE CONTROLLER

Juan Raigoza
Controller

Shirley Tourel
Assistant Controller

County Government Center
555 County Center, 4th Floor
Redwood City, CA 94063-1665
650-363-4777
<http://controller.smcgov.org>

INTEROFFICE MEMORANDUM

TO: Michael P. Callagy, County Manager

FROM: Juan Raigoza, Controller *JR*

DATE: July 28, 2020

SUBJECT: Controller's Office Net County Cost Reduction

CC: Iliana Rodriguez, Peggy Jensen, Justin Mates, Roberto Manchia

The NCC reduction of \$461,552 (5% of total NCC) will be addressed by salary and benefits savings from vacant positions in the Controller's Audit Division. Keeping these positions vacant will significantly reduce services provided by the Internal Audit Division. Three (3) of the currently vacant positions in our Office are auditor positions. We had to cancel the in-progress recruitment of 2 auditors when the County implemented its hiring freeze. While these positions (half of the audit staff) remain unfilled/vacant, the number of internal control, compliance, and operational audits that we can conduct will be significantly reduced.



Sandie Arnott

TREASURER - TAX COLLECTOR

Tiffany Htwe
INVESTMENT & FINANCE OFFICER

Robin N. Elliott
ASSISTANT TAX COLLECTOR

Date: July 28, 2020
To: Michael Callagy – County Manager
From: Sandie Arnott – Treasurer-Tax Collector
Subject: Impacts of Budget Reductions

In order to be in the best position to weather potential economic uncertainty, the Treasurer-Tax Collector will address its Net County Cost reduction of 5% or \$159,532 as reflected below. In fiscal year 2020-2021, Salaries and Benefits and Services and Supplies will be reduced as follows:

- \$15,953.20 Extra Help Hours Regular Pay (10%)
- \$30,311.08 Benefit Adjustments (19%)
- \$23,929.80 Outside Printing & Copy Services (15%)
- \$1,595.32 Computer Supplies (1%)
- \$1,595.32 PC/LAN Software (1%)
- \$47,859.60 Microfilming & Imaging Expense (30%)
- \$9,571.92 Legal Notices (6%)
- \$15,953.20 Other Contract Maintenance (10%)
- \$7,976.60 Telephone Charges (5%)
- \$1,595.32 Meetings & Conference Expense (1%)
- \$3,190.64 Other Special Dept Expenses (2%)

Please advise if you have any questions or concerns.

555 County Center, 1st Floor, Redwood City, CA 94063

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COUNTY COUNSEL

JOHN C. BEIERS

CHIEF DEPUTIES

CLAIRE A. CUNNINGHAM
JOHN D. NIBBELIN
PAUL A. OKADA
DAVID A. SILBERMAN

LEAD DEPUTIES

REBECCA M. ARCHER
AIMEE B. ARMSBY
JUDITH A. HOLIBER
BRIAN E. KULICH
DANIEL J. VALIM
BRIAN J. WONG



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COUNTY OF SAN MATEO

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DEPUTIES

MELISSA D. ANDRIKOPOULOS
CRAIG N. BAUMGARTNER
GINA J. BELTRAMO
KATHERINE F. BRODERICK
JOSEPH F. CHARLES
LISA Y. CHO
PETER H. CRUZ
ANDREA N. DONAHUE
JAN E. ELLARD
ADAM W. ELY
TIMOTHY J. FOX
TARA E. HEUMANN
JENNIFER S. KRASKE
ILANA P. MANDELBAUM
KIMBERLY A. MARLOW
DANIEL T. McCLOSKEY
ROSENDO PADILLA, JR.
KRISTINA M. PASZEK
KAREN ROSENTHAL
PAUL S. SHENG
MONALI S. SHETH
SARAH H. TRELA

To: Michael P. Callagy, County Manager
From: John C. Beiers, County Counsel
Subject: Impacts of Budget Reductions
Date: July 29, 2020

Background: The County Counsel's Office has been notified of a 5% reduction in Net County Cost in the amount of \$419,629. In consulting with my fiscal officer, I have identified the following measures in order to meet the revised target. Please contact me if you would like to discuss this matter further.

Revenue: The Office anticipates an increase in external client revenue in the amount of \$43,500 due to a scheduled 2% rate increase.

Salary & Benefits: The position of Legal Office Services Manager I will remain vacant throughout FY2020/2021 and a current employee is Working Out of Class in the role. The vacancy represents a savings of \$169,454. The office anticipates additional salary savings of \$73,200 due to the planned retirement of a Lead Deputy County Counsel.

Services and Supplies: The Office has identified a new vendor to provide e-discovery services, presenting an annual savings of \$39,500.

Departmental Reserves: The Office will reduce reserves in the amount of \$93,975.



COUNTY OF SAN MATEO

HUMAN RESOURCES DEPARTMENT Inter-Departmental Correspondence

DATE: July 28, 2020

TO: Michael Callagy, County Manager

FROM: Rocio Kiryczun, Human Resources Director

SUBJECT: **Impact of Budget Reductions**

As requested, the Human Resources Department, along with most County departments, will decrease its Net County Cost as part of September Revisions in order to assist in closing the County's budget deficit. HR will decrease Net County Cost by 5%, reflecting a reduction of \$497K. In addition, Measure K funding for the STEP internship program for foster youth will be reduced by \$13K.

Approach to Meet Reduced Budget Target

To meet the reduced Net County Cost target, HR anticipates:

- Reducing Extra Help and Utilizing Vacancy Savings (\$200K) – generated from prior year and current year salary and benefits vacancy savings and reductions in extra help
- Reducing Contract/Meetings and Conferences Expenses (\$237K) – primarily since we are offering remote learning and not offering in person sessions/events
- Deferring Technology/Computer Replacements (\$60K)

Impact to Service/Performance

We anticipate there may be some impact to services (response times and new projects) as a result of keeping positions unfilled, particularly in Procurement. (We'll monitor, identify, and address any potential issues.) However, for the most part, we anticipate that we'll have the ability to continue to focus on:

- Supporting Workforce during COVID-19, including telework, safety, learning, engagement, wellness, etc.
- Promoting Workforce and Strategic Talent Management
- Enhancing the Employee Experience
- Driving Innovation/HR Excellence

Please let me know if you have any questions or would like additional information.

cc: Justin Mates, Deputy County Manager; Robert Manchia, Chief Financial Officer;
Lisa Okada, HR Deputy Director; Michael Carignan, HR Finance Manager



Koren J. Widdel

Agricultural Commissioner
Sealer of Weights & Measures
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To: Michael Callagy, County Manager

From: Koren Widdel, Director of Agriculture/Weights & Measures

Subject: Impacts of Budget Reductions

The Agriculture/Weights & Measures Department will meet the \$142,818 decrease to our Net County Cost (NNC) through multiple tactics to not impact any one element of our budget.

First, we will take most of the reduction from the Contract Special Program Services account by way of our ongoing contract with a software vendor. In past years, we have had an ongoing contract with a vendor to update our individualized Daily Tracking software. Due to the need for a program statewide, this software company has been in the process of creating a new program for use by all the Agriculture/Weights & Measures departments in the state. This new software was scheduled to be rolled out in Spring 2020 and as such we paid our subscription dues for FY 20/21. However, the software company has had delays and the program will not be fully implemented until the end of 2020. We will have short term savings for half the year of dues. We will need to pay the full amount of dues in future fiscal years and will have to reallocate to this account at that time.

Secondly, we will meet the remaining amount of our NNC reduction in Overtime and the Regular Pay Adjustment accounts. We can accommodate a slight reduction in these accounts because we spend a majority of our overtime hours doing inspections at Certified Farmers' Markets (CFM). Due to COVID, the number of operating CFMs in the County has dropped. We had 24 markets prior to COVID and we now have 16 open markets. We expect that some of these markets may never reopen. In addition, we will not backfill vacancies should we have retirements.

Memorandum

July 30, 2020

TO: Michael Callagy, County Manager

FROM: Steve Monowitz, Community Development Director

SUBJECT: Planning and Building's Plan for Addressing Revenue Shortfalls

The Planning and Building Department will absorb the planned reduction in its General Fund allocation by using salary savings, reducing extra help expenditures, and, if necessary, making use of reserves. This will enable the Department to meet reduction targets without adversely impacting current levels of service during the 2020-2021 Fiscal Year.

Specifically, the salary and benefit savings that will be realized as a result of the hiring freeze, combined with a reduction in extra help expenditures of approximately \$80,000, is expected to enable the Department to implement the budget reduction and maintain current service levels. If necessary, any additional funds needed to offset the budget reduction without reducing current service levels will be taken from reserves. The Department currently has \$1,190,956 in contingency funds, which provide an ample cushion to address any budget shortfalls that cannot be achieved through salary savings and reduced extra help expenditures.

Cc: Justin Mates, Deputy County Manager
Robert Manchia, Chief Financial Officer
Ellie Dallman, Management Analyst



To: Michael P. Callagy, County Manager

From: Nicholas J. Calderon, Parks Director

Subject: Impacts of Budget Reductions

The San Mateo County Parks Department (“Parks”) has seen an unprecedented increase in park visitors due to the COVID-19 pandemic. As a result, there is a greater need for garbage services, litter pickup, cleaning and restocking of restrooms, and trail maintenance. And, if county and state health orders authorize special events, use of large-group reservation sites, and the opening of playgrounds, the need for these services will likely increase exponentially.

As a Community Service Department, Parks has been tasked with reducing its operating budget by five percent. This translates to a Net County Cost reduction of \$753,642. To satisfy this reduction, Parks will forgo filling the Assistant Parks Director position and three Park Ranger II positions; make administrative budget adjustments; and suspend the Parks Executive Leadership Academy. In addition to the Net County Cost reduction, Parks will realize less revenue as a result of the pandemic. Parks closed last fiscal year approximately \$700,000 short of its projected revenue from reservation fees, special events, and vehicle entrance fees.

Under Parks’ proposed reduced operating budget, all parks will remain open and current hours of operations will be sustained (in accordance with the Department’s COVID-19 Reopening Plan). However, on account of the actions the County has had to take to respond to the COVID-19 pandemic and correlating economic recession, each park district will operate at a reduced staffing level.

Because of the greater need for garbage services, litter pickup, cleaning and restocking of restrooms, and trail maintenance, these activities will be prioritized, but offered on a less-frequent basis than under full staffing levels. Placing a focus on these tasks will ensure the parks remain as clean and litter-free as practicable, and trails are well maintained. Parks will also continue to focus on natural resource management, which includes, but is not limited to fire fuel reduction and habitat restoration. High- and mid-priority natural resource management projects will proceed, while low-priority projects will be suspended until further notice.

Due to current staffing levels, maintenance of certain facilities may be reduced or deferred. This includes, but is not limited to, inspection and clearing of culverts; repairing and replacing fencing; patching of drive aisles and parking lots; and repairs of broken and obsolete utilities. Non-essential tree work will be deferred. Parks will also only staff gatehouses during summer weekends instead of all weekends and busy days, and will conduct patrols on a less-frequent basis.

July 29, 2020

Mike Callagy, County Manager

RE: FY 2020-2021 OOS Budget Reduction Recommendation

Dear Mr. Callagy,

Below is an overview of the recommended FY 2020-21 budget reduction strategies for the Office of Sustainability. Included is a description of the expected programmatic impacts.

A series of three budget reductions strategies were used to achieve the \$406,000 (5%) reduction to the Office of Sustainability general fund programs. These include: \$125,000 through ongoing program cuts (31% of cuts); \$127,000 ongoing cost recovery shift to AB939 (31% of cuts); and a \$154,228 one-time use of reserves (38% of cuts).

Programmatic activities in some areas are naturally being curtailed due to COVID impacts. OOS is focusing the cuts to align with these changes. The following program reductions are being recommended:

- Attendance at in-person conferences (no longer occurring),
- Support for Green Business certifications (lower demand from businesses),
- Sea level rise assessments for County capital projects (fewer projects, adequate amount in budget for current expected demand),
- Financial support for the SHIFT alternative commutes (employees working primarily from home),
- Water conservation programs (lack of public interest).

The secondary strategy of shifting ongoing cost recovery to AB 939 funding has no programmatic impacts and is in alignment with funding criteria. A conservative use of reserves is being recommended anticipating further reductions in coming years. Please let me know if you require additional information.

Sincerely,



Carolyn Bloede
Director, Office of Sustainability

cc: Robert Manchia, Chief Fiscal Officer
Justin Mates, Deputy County Manager



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Department of Public Works

DATE: July 28, 2020

TO: Michael Callagy, County Manager

FROM: James C. Porter, Director of Public Works

SUBJECT: **Impacts of Revenue Reductions**

Although the Department of Public Works (Department) did not receive Non-Departmental budget reductions, we will be impacted by reductions in user fees and tax revenue that supports our operations. The following outlines areas of concern in each functional area.

Facilities

In FY 2019/2020 the Construction Services Section (CSS) struggled to balance their budget due to the Shelter in Place (SIP) order. Several client projects were postponed as project sites were shut down by the clients. Going forward the viability of Construction Services will be determined by the FY20-21 budgets of our clients and their ability to fund smaller capital projects. Currently the Capital Programs group is reviewing this year's larger projects to identify opportunities for CSS to perform segments of work within those projects. Another strategy would be to utilize CSS staff to assist in FM&O work over the course of the year, which would help offset any gaps in the groups project load.

Administration and Airports

The Airports have seen a significant reduction in revenues since the SIP order was issued. The main areas of immediate concern are Concession Fees and Transient Use Fees (Landing fees and aircraft overnight fees), which represent approximately \$250,000+ reduction in revenues. Most businesses have paid the minimum permit fee each month since they are not operating, which represents approximately \$20,000 a month for those months in which a SIP order is in place. Many businesses will increase sales when the SIP order ends; others will take time to re-establish their base business. Another concern is the impact of the expiration of CARES Act funding as many of the airports' tenants and users are airline pilots whose jobs are in jeopardy. This has the potential for significantly impacting revenues from hangars, tiedowns, fuel sales, business demand, etc. over the next one to two years.

Roads and Engineering

The Road Fund pays for both road maintenance operations and Engineering Division services. Based on reduced revenue projections from the California State Association

of Counties (CSAC) that project Gas Tax revenue losses of over \$2M this calendar year, projects have been deferred and reprioritized based on their status, and project scopes and schedules will be adjusted accordingly. Maintenance activities will be reprogrammed into maintenance “projects” in order to meet the SB1 (RMRA) project definition so that SB 1 funds can be used to support these activities. Due to current vacancies, maintenance activities will be consolidated with corresponding negative impacts to response time.

Projects with grant funding sources will receive high priority. Projects with local funding sources will continue into design and construction but may be deferred until funding becomes available. Projects that address drainage issues, public safety/access, etc. will be prioritized over routine maintenance projects.

In the event the pandemic extends through this fiscal year, revenue losses could approach \$5M or more depending on the extent movement is restricted statewide. Should this occur, Road Fund staff may need to be reassigned to work on projects funded by other sources such as Utilities, Parks, or projects on the Capital Improvement Project list. Additional budget savings are anticipated by not filling current vacancies or planned retirements.

Utilities and Watershed Protection

Utilities relies on user fees and should not be appreciably impacted. Watershed protection activities may see a decrease in workload due to a reduction in capital projects.



Main Office - Department of Housing
264 Harbor Blvd., Building A Belmont, CA 94002-4017

Housing & Community Development (HCD)
Tel: (650) 802-5050

Housing Authority of the County of San Mateo (HACSM)
Tel: (650) 802-3300

Board of Supervisors:
Dave Pine
Carole Groom
Don Horsley
Warren Slocum
David Canepa

Director:
Raymond Hodges

MEMORANDUM

To: Mike Callagy
From: Ray Hodges
CC: Robert Manchia, Peggy Jensen
Date: July 28, 2020
Re: Department of Housing Budget

At its July 21, 2020 meeting, the Board of Supervisors requested one-page summaries from County departments outlining operating plans given projected revenue shortfalls. The Department of Housing is made up of two separately funded units: the County's Housing and Community Development (HCD) division and the Housing Authority of the County of San Mateo (HACSM). Plans for both sides of the Department are summarized below.

HACSM's operations and programs are funded by the Federal Government through HUD, so its administration is not directly affected by Net County Cost adjustments or State and County revenue projections. However, HACSM staff is monitoring rising program costs due to increasing voucher payments needed to offset lost income on the part of voucher holders. The Department is also monitoring the federal policy and budget picture as it relates to HUD and will apprise the Board of any future HACSM budget concerns.

HCD's operations are largely funded by admin fees collected from HOME, CDBG, Measure K and other sources administered by the Department. Only a small portion of HCD's admin costs are charged as Net County Cost, and the proposed 5% reduction can be covered through resource shifts and reserves. To backfill the projected \$5M reduction in Measure K funding for the Affordable Housing Fund (AHF), DOH will utilize a new infusion of State Housing for a Healthy California (HHC) funds awarded to the Department in partnership with our Health System earlier this year. The HHC award will ensure this summer's AHF is fully funded at \$25M+ and will result in additional units for homeless clients of County BHRS supportive services.

COUNTY OF SAN MATEO
PUBLIC SAFETY COMMUNICATIONS

Daniel T. Belville
Director

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TO: Honorable Board of Supervisors

FROM: *DTB* Daniel T. Belville, Director

REGARDING: Revenue shortfall for Public Safety Communications resulting from a reduction in Proposition 172 receipts.

BACKGROUND: The Office of Public Safety Communications provides high quality law enforcement, fire and emergency medical dispatch and communications services throughout San Mateo County. The importance of the 911 Calltakers and Dispatchers cannot be overstated, as they act as the first, first responders during life-threatening situations. The current pandemic is no exception. Our Essential Employees have been on duty providing 24/7 emergency services in the new Regional Operations Center.

For Fiscal Year 2020-21, the total budget for Public Safety Communications and Message Switch is \$20,630,807. We have been asked to absorb a Net County Cost reduction of \$233,269.

OUR PLAN: We plan to reduce our Salary and Benefits - Extra Help Recommended Budget by \$233,269 in order to offset the reduction to Net County Cost.

This approach will allow us to keep moving forward with our new Computer-Aided Dispatch (CAD) project at a critical time in our implementation.



COUNTY OF SAN MATEO
DISTRICT ATTORNEY'S OFFICE
INTERDEPARTMENTAL MEMO

DATE: Wednesday, July 29, 2020

TO: Michael Callagy, County Manager
Roberto Manchia, County Chief Financial Officer

FROM: Stephen M. Wagstaffe, District Attorney

SUBJECT: Board of Supervisors Budget Reduction Information

The Board has requested information regarding how each county department will address revenue shortfalls for the budget year 2020-2021. The revenue shortfall for the District Attorney's Office falls into three categories. (1) \$2,540,616 shortfall by the 25% reduction in Proposition 172 sales tax revenue from the state of California. This budget reduction would have been devastating to the ability of this office to properly prosecute cases and serve victims. The County Manager's Office has graciously provided funding to cover the \$2,540,616 shortfall and prevent the catastrophic impact on achieving justice and serving victims of crime. (2) \$235,910 reduction in Criminal Justice Realignment funding from the state of California. In the last state budget iteration, the state provided a realignment backfill of \$235,910 and thus covered this potential revenue shortfall. (3) \$785,382 reduction in the Net County Cost revenue provided to the District Attorney's Office. This reduction in Net County Cost constitutes a 3.5% reduction in the District Attorney's Office Net County Cost expenditures for the 2020-2021 budget. The District Attorney's Office budget is based almost entirely (80%) on employee salaries and benefits. The following steps will be taken to meet the targeted reduction.

1. Two Deputy District Attorney positions are presently unfilled due to one departure from the office and one appointment as a superior court judge. Keeping these positions vacant will result in a budget reduction of \$517,491. This step would result in one less general felony prosecutor and one less misdemeanor prosecutor. The impact would be an increase in workload for the other prosecutors in those divisions, but I believe the increase can be managed without affecting the high quality of our case presentation.

2. One District Attorney Inspector position is presently unfilled due to the departure of one inspector. By not filling this position, there will be a budget reduction of \$248,499. This step would result in spreading the inspector caseload among other inspectors, causing some delays in completing sensitive investigations. But the impact is one that can be absorbed by the Investigative Bureau and not significantly reduce or eliminate the service provided to the community and law enforcement.

The remaining \$19,392 reduction will be met by a reduction utilization of extra help funding.



COUNTY OF SAN MATEO
OFFICE OF THE SHERIFF

A TRADITION OF SERVICE SINCE 1856

CARLOS G. BOLANOS, SHERIFF
MARK C. ROBBINS, UNDERSHERIFF

Date: July 28, 2020
From: Carlos G. Bolanos, Sheriff
Subject: FY 20-21 Revenue Shortfalls

Below is a breakdown of revenue shortfalls anticipated in the Sheriff's Office in FY 20-21.

Realignment Funding	\$4,965,053	A portion of this funding (\$1,249,808) is being backfilled by the State. The County is backfilling the balance (\$3,715,245). Realignment revenue supports jail operations, investigative services, and court security services.
AB109 Funding	\$1,135,167	The County is backfilling the anticipated loss of AB109 funding. This revenue supports programming services provided to inmates in the jails.
Prop 172 Funding	\$10,843,898	The County is backfilling the anticipated loss of Prop 172 funding. This revenue supports operations throughout the Sheriff's Office including jail operations, investigative services, crime lab operations, inmate transportation, and patrol services.
NCC Target Reduction	\$5,088,087	The Sheriff's Office is utilizing Department Reserves accumulated over time to cover the loss of NCC in FY 20-21.



PROBATION DEPARTMENT COUNTY OF SAN MATEO

MEMORANDUM

DATE: July 24, 2020
TO: Honorable Board of Supervisors
CC: Michael Callagy, County Manager
FROM: John Keene, Chief Probation Officer
SUBJECT: Probation Department Budget Reduction
Pages: 2

As indicated in the County Manager's Office calculation regarding sales tax and NCC reductions, Probation is anticipating a budget reduction in the amount of \$6,687,577 in FY 2020-21, of which, \$4,861,247 comes from an estimated 25% decrease in the state's Prop 172 allocation, and \$2,025,451 from the Net County Cost reduction. As outlined below, the Department is planning to use department reserves as well as prior year savings set aside in trust funds from various funding sources to backfill this reduction.

- 1) Food Services Costs for institutional youth will be reduced by \$300,000. Starting FY 2020-21, the Sheriff's Office will be delivering meals from the jail facility instead of from the YSC kitchen. Accordingly, per meal cost is expected to be decreased.
- 2) With the sunset of Bridges Program, approximately \$200,000 estimated savings will be generated from discontinued contracted services as well as operating costs.
- 3) \$4,162,127 will be covered by prior year savings from various state funding sources including SB 678, JPCF, PRCS 2nd Striker, and YOBG.
- 4) The remaining of \$2,025,451 in NCC reduction, will be backfilled by department reserves. Currently, the Department's reserves is about 18% of its Net Appropriations, which exceeds the 2% county requirement.

Probation Budget Reduction Backfill Plan:			
Cost savings from Food Services			300,000
Cost savings from Bridges Program			200,000
<i>Prior Year Savings from Various Funding Sources Set Aside in Trust Funds:</i>			
JPCF savings			1,749,274

PRCS 2nd Striker			686,750
SB678 budget increase to 80% of State allocation (current budget \$728,051)			212,797
SB678 savings			856,213
YOBG savings			<u>657,093</u>
<i>Total from Savings</i>			4,662,127
<i>Department Reserves</i>			<u>2,025,451</u>
Total Funds			6,687,577



COUNTY OF SAN MATEO
OFFICE OF THE CORONER

Robert J. Foucrault
Coroner
K'Lynn D. Solt
Chief Deputy Coroner

TO: Michael Callagy
FROM: Robert Foucrault
SUBJECT: Impacts of Budget Reductions

The Coroner's Office (3300D) submitted a 2020-21 May Recommended Budget of \$4,164,317. The proposed NCC Target reduction (\$105,436) will reduce the Coroner's Office expenditures by a total of approximately 3% of total department expenditures.

Funding

The Coroner's Office revenue shortfall due to the NCC Target reduction (\$105,436) will be funded by salary savings from the following positions:

- Fiscal Office Assistant II - E347 (Position #000932)
 - Total Salary Savings: \$98,524
- Office Assistant I – B069 (Position #428127)
 - Total Salary Savings: \$85,661

Total Available Funding to Cover Shortfall from Salary Savings: \$184,185

Impact

The Coroner's Office was granted the Fiscal Office Assistant II position to handle accounting and accounts payable tasks in house; however, by not filling this position, there will be a continued impact on the County Manager's Office and Controller's Office who currently assists the Coroner's Office in these tasks. The Fiscal Office Assistant II position was originally granted to the Coroner's Office to reduce the impact this work had on these departments after expressed concerns of their continued impact on department operations.

The Coroner's Office was granted the Office Assistant I position to begin digitization of case files in order to adhere with the five years on-site case file requirement of International Association of Coroners & Medical Examiners (IACME) Accreditation. The proposed space for case file storage in the Coroner's Office Investigations and Administration Office in the new San Mateo Medical Center (SMMC) Administration Wing will be inadequate to store five years of case files on site in addition to on-site storage of all homicide, undetermined, and John Doe case files. It is critical that this project is started now as there are more than 4000 cases that will need to be digitized prior to the move. Additionally, this position would supplement the loss of critical clerical support for the Coroner's Office over the last 10 years. There are currently no full time clerical positions supporting the Coroner's Office despite the need for public reception and interface, filing, and other clerical duties. Clerical work is performed by part time extra-help interns who generally stay with the

Accredited By



department for approximately six months. Additional clerical work has been allocated to positions such as the Executive Assistant, Deputy Coroners, and Forensic Autopsy Technicians. The clerical duties performed by these highly specialized positions are outside of their normal job duties and impact their efficiency and work load.



DATE: July 28, 2020

TO: Mike Callagy, County Manager
Robert Manchia, County Chief Financial Officer

FROM: Louise Rogers, Chief of Health
Srija Srinivasan, Deputy Chief

SUBJECT: Update on FY 20-21 Adopted Budget

Here is the information you requested for the report back to the Board of Supervisors regarding the FY 2020-21 budget:

As we summarized in a members' memo to the Board on June 16th, County Health submitted the Recommended FY 2020-21 Budget with a structural deficit of \$57M that was addressed by \$10.1M in expense reductions including the elimination of 87 positions, \$27.3M in revenue enhancements, \$14.1M in reserves and \$5.5M in additional one-time County support. We reported those impacts extensively over many months. We are continuing with our budget planning (Phase 3) for the FY 21-23 cycle to resolve the remaining gaps.

On July 21, 2020, the Board held a budget study session to review the new major revenue impacts as a result of the evolving economic downturn due to COVID-19. The major areas identified for Health were the various Realignment sources and Measure K.

Originally, the Realignment reduction was estimated at 2.5% of our budget, or \$23.3M. We have been able to update the projections for Mental Health realignment, reducing our shortfall to \$18.2M. The State will provide a "back-fill" of \$6M, and an additional \$1.8M if we are able to receive additional federal money. This would leave us a balance of \$10.4M to solve. We expect to use \$4.7M of Mental Health Services Act funding to offset the reductions in Behavioral Health and Recovery Services, leaving a balance for Health of \$5.7M to be covered by reserves.

We will add an estimate for this loss to our existing gap to solve during our Phase 3 planning for FY 2021-22. This update could increase our gap for FY 2021-22 to approximately \$30M.

The Measure K budget for Health for FY 20-21 totals to \$13.2M. The removal of the COLA results in a reduction of \$326k. We expect to absorb that reduction and amend





our agreements with the nonprofit organizations to reflect the removal of the Measure K COLA. In order to notify all contractor partners affected by the reduction, we are aiming for a September 1 effective date for amended contracts.

The schedule for our Phase 3 planning is as follows:

Tasks	Date
Divisions Develop Plans	August
Review with County Manager	September
Review with Board of Supervisors Budget Subcommittee	October
Notify partners (HR, ISD, Unions, CBOs, impacted EEs, advisory boards, etc.)	November
Study Session with Board of Supervisors	End of January
Beilenson Hearing	March
Plans Implemented	July 1, 2021

As always, let us know if you have any questions or need further information.

To: Michael Callagy, County Manager
From: Ken Cole, Agency Director, Human Services Agency
Subject: Impacts of Budget Reductions
Date: July 29, 2020

Overview: Given the direction to reduce HSA Net County Cost by 5% in the amount of \$ 3,074,286 I have worked with our departmental leadership team to identify the following adjustments to our FY 2020-21 budget. Our goal was to find reductions/savings which would not adversely impact the direct services and assistance provided by our various agency programs.

Revenue: State Realignment revenue levels are uncertain and could result in a potential shortfall of nine million dollars for HSA. Agency reserves are adequate to backfill and will be used, if needed, until the economy recovers.

Expenses: Agency wide the major portion of the 5% budget savings will be achieved with reductions in extra help, overtime and recently identified contingencies or service contracts no longer required. A small amount of agency reserves will also be utilized.

Salary and Benefits

Extra Help	\$1,016,069
Overtime	\$ 425,704

Services & Supplies

Training	\$ 300,000
Program Activities	\$ 93,756
Contracts	\$ 820,000
Software	\$ 100,000
General Services/Supplies	\$ 20,000

Reserves \$ 298,757

Total \$3,074,286

