



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 24-516

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Jei Africa, Director, Behavioral Health, and Recovery Services
Heather Forshey, Director, Environmental Health Services

Subject: Appropriation Transfer Request between Behavioral Health and Recovery Services and Environmental Health Services to allow a transfer of funds between the two divisions

RECOMMENDATION:

Approve an Appropriation Transfer Request (ATR) between Behavioral Health and Recovery Services, transferring from Other Charges and Increasing Intrafund Transfers in Environmental Health Services in the amount of \$1,400,000.

BACKGROUND/DISCUSSION:

In September 2023, Environmental Health Services (EHS) projected a revenue shortfall of \$2,600,000, based on a number of factors. Chief among the contributing factors was that the FY 2019-20 expense-based Fee Study implemented in FY 2023-24 was based on pre-pandemic inventory levels. Moreover, pursuant to state law, the Fee Study was not allowed to include potential increases in expenses, nor could it be significantly adjusted for inflation without starting the whole fee study over again. In light of this projected shortfall, EHS implemented various cost-cutting measures, such as freezing open inspection positions in the food, housing, and hazmat program and reducing Household Hazardous Waste services, which reduced the projected loss to \$1,400,000 by the end of FY 2023-24.

Behavioral Health and Recovery Services (BHRS) is projecting savings due to vacancies, resulting in available funds to be transferred to EHS to cover EHS's \$1,400,000 shortfall. This transfer will allow the restoration of a majority of inspection based EHS staff until a new fee ordinance can be approved. An exemption to the 50/50 share of fund balance was allowed so that this transfer could occur.

A new EHS fee schedule is expected to be approved by the start of FY 2025-26. This ATR will allow the transfer of savings from BHRS to EHS in the designated accounts listed.

FISCAL IMPACT:

With approval of this ATR, both units will proceed through the FY23-24 year-end process with the needed budget. Net County Cost in the amount of \$1,800,000 will be transferred between the two Health divisions for the Recommended FY 2024-25 Budget.