



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-570

Board Meeting Date: 8/4/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Departmental Responses to FY 2020-21 Revenue and Net County Cost Reduction Targets and Budget Study Session III

RECOMMENDATION:

Receive the responses provided by County Departments to the FY 2020-21 Revenue and Net County Cost Reduction Targets issued at the July 21, 2020 Board of Supervisors study session and conduct Budget Study Session III regarding potential impacts to the FY 2020-21 Adopted Budget.

BACKGROUND:

On June 23, 2020 at hearings for the FY 2020-21 Recommended Budget, this Board received estimates of revenue shortfalls for the coming year due to economic effects of the COVID-19 pandemic.

Following the Recommended Budget hearings, a series of Board study sessions were scheduled for Summer 2020 to review the latest information on revenue shortfalls and to prepare for the resulting expenditure reductions that will be necessary for FY 2020-21. These reductions will be reflected in the FY 2020-21 Budget which, pursuant to State law, must be published by September 8, 2020, and adopted by this Board no later than October 2, 2020.

At the Board study session on July 21, 2020, staff shared the latest estimates of sales tax and other revenue reductions for FY 2020-21. This Board requested a one-page document from each County department describing how it plans to address its projected revenue shortfall and Net County Cost reduction. These Department responses are enclosed.

DISCUSSION:

Departments' responses to the Revenue and Net County Cost Reduction Targets are enclosed as an attachment to this memo. Because salary and benefits comprise the largest share of requirements for most departments, many departments, particularly those with large reduction targets, plan to utilize Reserves to mitigate for the revenue losses and to avoid staffing reductions in the current year.

Following acceptance by this Board of the Revenue and Net County Cost Reduction Targets

for FY 2020-21, and discussion of departments' responses, departments will proceed with preparing these reductions through the September Revisions to the FY 2020-21 Adopted Budget.

FISCAL IMPACT:

There is no Net County Cost associated with the acceptance of this informational report.