



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-497

Board Meeting Date: 6/21/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Manager
Subject: FY 2021-23 Recommended Budget Hearings

RECOMMENDATION:

Adopt a resolution approving the FY 2021-22 Recommended Budget and receiving the FY 2022-23 Preliminary Recommended Budget submitted by the County Manager, including June revisions.

BACKGROUND:

The County Budget Act (codified at 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 relevant provisions of the applicable code sections are as follows:

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(a) - 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.

DISCUSSION:

The Board's public hearings on the FY 2021-22 Recommended Budget and FY 2022-23 Preliminary Recommended Budget are scheduled for June 21, 2021 through June 23, 2021.

The FY 2021-22 Recommended Budget totals \$3.3 billion and provides for 5,642 positions for all County funds, which reflects a net decrease of \$328.7 million (or 8.9 percent) and a net increase of 26 positions from the FY 2020-21 Revised Budget.

The FY 2022-23 Preliminary Recommended Budget totals \$3 billion and provides for 5,642 positions

for all funds, which reflects a net decrease of \$369.2 million (or 11 percent) and no change in the number of positions from the FY 2021-22 Recommended Budget. The decrease in spending from FY 2021-22 to FY 2022-23 is primarily due to the elimination of one-time expenditures.

Significant budget adjustments include:

- **Housing of Our Residents:** The County continues to aggressively invest in affordable housing to prevent residents from falling into homelessness, and to ensure a wide range of affordable housing options to meet the diverse needs of our communities. The County received over \$33.9 million in Project Homekey and \$8 million in C.A.R.E.S. Act funding that was used to acquire three hotels with a total of 230 units to provide housing for some of our most vulnerable residents.
- **County Health Deficit:** Thanks to good stewardship and prudent measures by department leadership and this Board, County Health is in a much stronger financial position. This budget shows a planned \$23 million deficit in FY 2022-23, down significantly from the initial structural deficit of \$57 million. County Health has budgeted one-time solutions of \$7 million and will propose to this Board additional measures to address the remaining gap next year.

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

FISCAL IMPACT:

The FY 2021-22 Recommended Budget for all funds totals \$3,345,424,565 and 5,642 authorized positions. The FY 2022-23 Preliminary Recommended Budget for all funds totals \$2,976,174,423 and 5,642 authorized positions. Reserves amount to \$443.5 million in FY 2021-22 and \$422.9 million in FY 2022-23.

The FY 2021-22 Recommended Budget for the General Fund totals \$2,232,960,727 and 4,470 authorized positions. The FY 2022-23 Preliminary Recommended Budget for the General Fund totals \$2,023,196,128 and 4,470 authorized positions. There is a decrease in ongoing Net County Cost of \$210,375,319 in FY 2021-22 and a subsequent anticipated year-over-year decrease of \$209,764,599 in FY 2022-23 due to the removal of expenditures for one-time projects. General Fund Reserves total \$272.5 million in FY 2021-22 and \$264.9 million in FY 2022-23.