



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 22-461

Board Meeting Date: 6/28/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive
Subject: FY 2022-23 Recommended Budget Hearings

RECOMMENDATION:

Adopt a resolution approving the FY 2022-23 Recommended Budget submitted by the County Executive.

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 relevant Government Code provisions are the following:

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. Any official or person whose budget requests have been revised shall be given the opportunity to be heard thereon before the board during or prior to the hearings required by Section 29080.

GC § 29064(a) - Except as provided in subdivision (c), 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 FY 2022-23 Recommended Budget totals \$3.4 billion and 5,616 positions for all County funds, a net increase of \$452 million (or 15.2 percent) and a net decrease of 11 positions from revisions made to the FY 2022-23 Preliminary Recommended Budget. The increase in the FY 2022-23 Recommended Budget is primarily associated to rollover in Capital Projects (\$111.5 million), funding adjustment for County Office Building 3 (\$65 million), salary and benefit increases (\$25.5 million), and the County's receipt of the second tranche of the American Rescue Plan Act funds (\$74 million).

Additional changes, including final Fund Balance adjustments, will be made in the September Revisions that will form the County's Adopted Budget.

Notable budget adjustments include:

- Position Adjustments: The Probation Department deleted 31 vacant positions. This reduction was driven by the continued decreases in adult caseloads due to changes in legislation, such as AB1950, that limits the length of probation as well as a decline in the number of juveniles held at the Youth Services Center during this same period. Other significant position adjustments included the deletion of four vacant positions within the Department of Child Support, the addition of 11 positions in County Library, the addition of six positions in Aging & Adult Services (County Health), and the addition of three positions in the District Attorney's Office. Additional position changes can be found in the Position Adjustment Summary within the Recommend Budget Book.
- Measure K rollover: The FY 2022-23 Recommended Budget includes \$37.3 million in **Measure K** rollover to advance capital projects during the summer, including \$19.8 million for the North Fair Oaks General Plan Implementation, \$4.5 million for Technology Infrastructure and Open Data, and \$7 million in Building and Facility Infrastructure. **Measure K** rollover, along with other minor adjustments bring the total **Measure K** appropriations in the FY 2022-23 Recommended Budget to \$124.9 million.
- Health Structural Deficit and County Aid
County Health's budget was balanced with continued provision of the \$5.5 million for San Mateo Medical Center that was first added in FY 2020-21 to assist with increasing operational costs. More specifically, the funds sustain retail pharmacy services whose revenues do not cover its costs and provide additional time for various improvement projects that were delayed due to the pandemic.
- Behavioral Health and Recovery Services
Behavioral Health and Recovery Services received one-time Substance Abuse Block Grant (SABG) as well as Coronavirus Response and Release Supplemental Appropriations Act (CRRSAA) and ARPA funding, totaling \$2,386,873. This funding will be used to expand the Strategic Prevention plan to reduce cannabis and alcohol use, conduct Prenatal and Substance Use community assessments and outreach campaigns, pilot implementation of Prescription Digital Therapeutics (PDT), and minor maintenance and remodeling of residence recovery program facilities. A portion of the funding (\$283,326) will also be used for suicide prevention, mechanisms to track immediate and follow-up crisis response timelines and outcomes, analysis of the population served for trends in crisis service utilization, and identification of gaps and underserved sub-populations to discover potential barriers to adequate crisis response and follow up.

The County Attorney has reviewed and approved the Resolution as to form.

FISCAL IMPACT:

The FY 2022-23 Recommended Budget for all funds totals \$3,431,316,070 and 5,616 authorized positions. Reserves total \$458,175,903.

The FY 2022-23 Recommended Budget for the General Fund totals \$2,303,397,419 and 4,443 authorized positions. General Fund Reserves total \$284,622,341.