FISCAL YEAR 2020/21 RECOMMENDED BUDGET 101

July 14, 2020

Topics for Today

- County Profile
- Budget Mandates
- Budget Process
- Where to find the County Financial Information
- What to expect at the Budget Hearings

Contra Costa County Profile

- Contra Costa County was incorporated in 1850 as one of the original 27 counties of California.
- A five-member Board of Supervisors, each elected to four-year terms, serves as the legislative body of the County, which has a general law form of government.
- Also elected are the County Assessor, Auditor-Controller (the 'County Auditor-Controller'), Clerk-Recorder, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector (the 'County Treasurer').
- The County Administrator, David Twa, is appointed by the Board and is responsible for running the day-to-day business of the County. The County Administrator is also responsible for presenting the Board with a Recommended Budget for consideration of adoption as the Final (Adopted) Budget, which will serve as the foundation of the County's financial planning and control.

Employment by Industry
Annual Averages – Ranked for 2018

	2014	2015	2016	2017	2018	
Wage & Salary Employment						
Educational & Health Services	61,500	64,100	67,400	69,200	70,600	18.9%
Trade, Transportation & Utilities	60,400	62,500	64,800	65,300	64,200	17.2%
Professional & Business Services	53,200	50,900	52,000	54,400	55,200	14.8%
Government	49,200	49,300	49,900	50,400	50,900	13.6%
Goods Producing	37,100	37,800	39,700	41,100	41,800	11.2%
Leisure & Hospitality	36,300	38,300	40,100	40,800	40,500	11.1%
Financial Activities	25,000	26,300	26,900	27,300	26,900	7.2%
Other Services	12,500	12,700	12,900	13,000	13,400	3.6%
Information	8,300	8,300	8,000	8,000	7,800	2.1%
Farm	800	700	800	800	700	0.2%

Source: *State of California, Employment Development Department, Labor Market Information Division, October 2019 data*

Principal Employers: Current and Ten Years Ago (Excluding Government Employers)

Employer	2019[1] Estimated Employees	2009[2] Estimated Employees	Rank
Chevron Corporation	10,000+	4,700	1
Chevron Research & Technology	5,000 - 9,000		
24-hour Fitness		1,300	6
Bio-Rad Laboratories, Inc.	1,000 - 4,999	1,700	4
Chevron Richmond Refinery	1,000 - 4,999		
Job Connections	1,000 - 4,999		
John Muir Health Concord Hospital	1,000 - 4,999	1,500	3
John Muir Health Walnut Creek Hospital	1,000 - 4,999	1,900	5
Kaiser Foundation Hospital		2,300	2
Kaiser Martinez Medical Offices	1,000 - 4,999		
Kaiser Permanente Antioch	1,000 - 4,999		
Kaiser Permanente Walnut Creek	1,000 - 4,999		
La Raza Market	1,000 - 4,999		
St. Mary's College of California	1,000 - 4,999		
USS-POSCO Industries	1,000 - 4,999	975	8
Doctors Medical Center		1,000	7
Bank of the West		800	10
Broadspectrum Americas	500 - 999		
C & H Sugar Co Inc	500 - 999		
Contra Costa Newspapers, Inc.		900	9
Nordstrom	500 - 999		
Robert Half Intl	500 - 999		
San Ramon Regional Medical Center	500 - 999		
Santa Fe Pacific PipeLines	500 - 999		
Shell Oil Products	500 - 999		
Tesoro Golden Eagle Refinery	500 - 999		

[1] Source: *State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.* [2] Source: *Rich's everyday Sales Prospecting Directory (2009) – Contra Costa County*

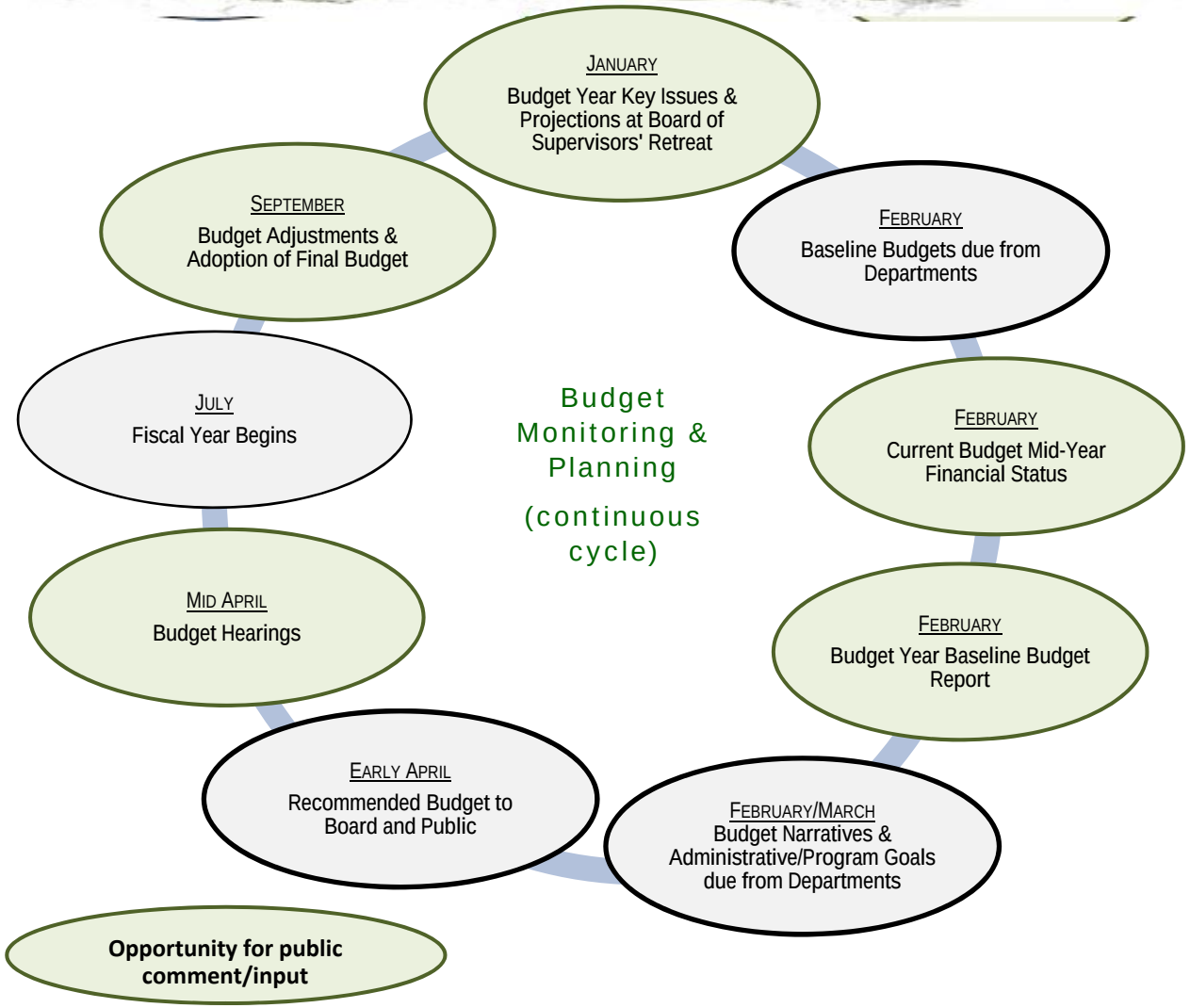
Budget Mandates

- County budgets are not easy to compare. As a General Law County, Contra Costa has more restrictions than a Charter County and therefore has less revenue generating authority than other counties.
- Contra Costa also operates a hospital. Most California county hospitals have closed due to lack of funding.
- Contra Costa has mandated functions, which it is required to provide, regardless of funding. Some of these functions are mandated, but the service level is not.
- Functions identified as 'discretionary' are often those most desired by the community. Homeless programs, Meals on Wheels/senior nutrition, child abuse, disaster planning, administration, economic development, and veterans services as examples.
- The annual budget book has two thorough listings of County programs by discretionary level. One is sorted by department and the other by service and level.

Budget Process

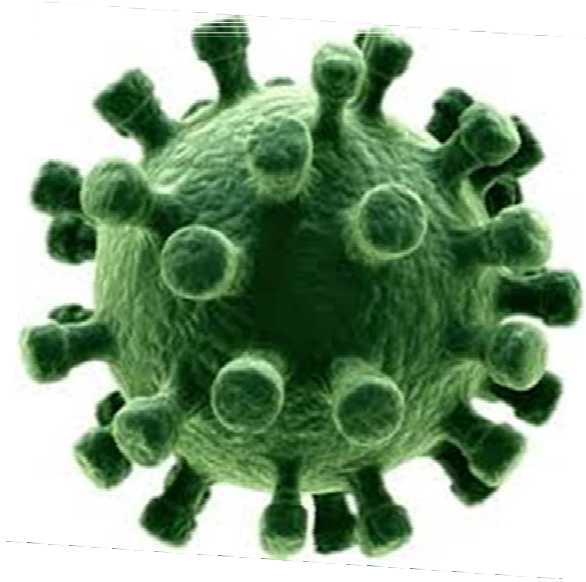
‘Normal Budget Process’

The County budget process is a continuous cycle of developing, monitoring and planning, with specific steps each year to achieve adoption of the Final Budget



‘COVID Budget Process’

- October, 2019 –April, 2020 – Prepared pre-COVID FY 2020/21 Recommended Budget
- April 10 – Published Recommended Budget
- April 28 – Adopted Budget Schedules for July 1 spending authority
- July 14 – Budget 101
- August 4 – Begin Budget Hearings
- August 11 – Adopt Changes to Recommended Budget including any Lay-Off Resolution
- September 1 – Lay-offs Effective
- September 15 – Adopt Budget as Finally Determined
- October-December – Review/revise as needed



Financial Information

County Finance website Includes: https://www.contracosta.ca.gov/756/Financial-Information

- **Budget Information**
- Learn about the budget process and review current year and past years' budget documents.
- **Debt Information**
- Read about Tax Revenue Anticipation Notes (TRANs), Bonds and other County debt.
- **Financial Policies**
- Access current County policies regarding budget, investment, reserves, debt, and workers compensation.
- **Other Post Employment Benefits (OPEB)**
- Learn about OPEB, read Board Orders & reports regarding how Contra Costa is handling the OPEB liability.
- **PARS Public Agencies Post Retirement Health Care Plan Trust Agreement**
- Access current County policies, reports, meeting information and materials.
- **Pension**
- Learn about County Pension issues and changes.
- **Sales Tax**
- Access Sales Tax information for Contra Costa County.
- **Board Administered Special Revenues**
- See a list of Board Administered Special Revenues

County Auditor website Includes: https://www.contracosta.ca.gov/6543/Divisions

- Administration / Systems Support

  To provide general management of the financial information and accounts of all departments, districts, and other agencies governed by the Board of Supervisors.

- Property Tax

  To build the countywide tax roll and allocate and account for property tax apportionments and assessments for all jurisdictions in the County.

- Payroll

  To process payroll for all County departments, most fire districts, some special districts, and some non-county regional agencies.

- General Accounting / Accounts Payable

  To manage the countywide Financial System and process various types of fiscal information for county departments, special districts, and other non-county agencies. To maintain the general ledger. To enforce accounting policies, procedures, and processes.

- Internal Audit

  To develop and execute audit programs for the examination, verification, and analysis of financial records, procedures, and internal controls of the county departments.

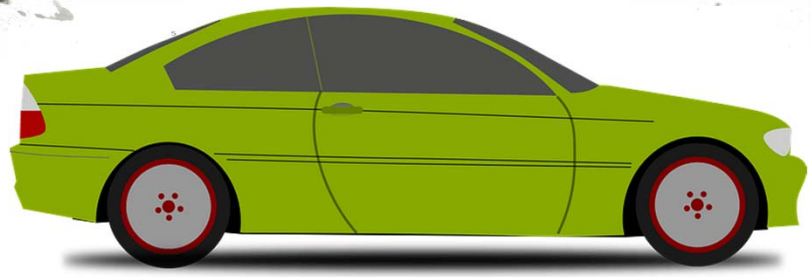
- Special Accounting

  To assist in preparing the budget documents for the County and special districts, including monitoring expenditures for budget compliance. To prepare the countywide Cost Allocation Plan.

Difference between a Budget and the Comprehensive Annual Financial Report (CAFR)

CAFR shows where we have been – Rearview Window

Budget shows where we are going – Windshield



COVID-19 Impacted Budget Hearing Starting Point

Fiscal Year 2020 – 2021

Recommended Budget

County of Contra Costa
California

The Recommended Budget as printed does not include <u>ANY</u> Financial/Programmatic Impacts of COVID-19

What is does include is over 650 pages of easy to access(pdf searchable) information:

- A Budget Message and County Profile,
- An overview of the County including it financial policies, historic perspective, Org chart, Standing Committees of the Board, Advisory Bodies, etc.
- Detailed descriptions of programs operated by the County from Airports to Zoning
- In-depth discussion of major revenue sources
- Changes in Projected Fund balance, history, and definitions
- Capital Improvement Projects
- Current Debt Position
- List of programmatic changes from the previous budget
- Mandatory/discretionary listings by program
- Fund definitions
- Budgetary Fund Structure
- Table of Funds
- Glossary of Acronyms & Terms
- Subject Index
- and more

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Agriculture
General Government

2

General Fund	2018-19 Actuals	2019-20 Budget	2020-21 Baseline	2020-21 Recommended	Change
Expenditures					
Salaries and Benefits	4,271,295	5,507,573	5,118,571	5,114,235	(4,336)
Services and Supplies	1,602,536	1,206,208	1,454,799	1,454,799	
Fixed Assets	80,296	0	8,500	8,500	
Expenditure Transfers	478,175	477,425	485,455	485,455	
Expense Total	**6,432,302**	**6,972,206**	**7,067,326**	**7,063,990**	**(4,336)**
Revenue					
Other Local Revenue	911,863	1,182,828	1,185,606	1,185,606	
State Assistance	2,053,207	3,274,172	3,377,164	3,377,164	
Total Revenue	**2,965,070**	**4,457,000**	**4,562,800**	**4,562,800**	
Net County Cost (NCC)	**3,467,231**	**2,515,206**	**2,504,526**	**2,500,990**	**(4,336)**
Allocated Positions (FTE)	**44.8**	**46.8**	**46.8**	**43.5**	**(3.3)**
FINANCIAL INDICATORS					
Salaries as % of Total Exp	66%	73%	72%	72%	
% Change in Total Exp		8%	1%	0%	
% Change in Total Rev		15%	2%	0%	
% Change in NCC		(27%)	0%	0%	
Compensation Information					
Permanent Salaries	2,746,648	3,374,556	3,397,790	3,337,335	(60,425)
Temporary Salaries	28,386	0	0	0	0
Permanent Overtime	12,866	0	0	0	0
Deferred Comp	32,890	36,798	35,700	37,581	1,881
FICA/Medicare	211,515	259,116	258,723	267,032	8,309
Bus Exp/Per Diem/Mileage	6,870	5,350	5,350	5,350	0
Retirement Expense	680,994	719,000	767,050	798,868	31,818
Employee Group Insurance	267,743	317,657	336,564	349,469	12,905
Retiree Health Insurance	166,557	209,832	183,255	183,255	0
OPEB Pre-Pay	59,179	91,662	82,252	82,252	0
Unemployment Insurance	1,050	1,626	5,398	5,507	109
Workers Comp Insurance	18,679	78,376	44,170	45,582	1,412

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Department Description

The preceding table is a summary of expenditures, revenues and net County costs for five budget units administered by the Agriculture/Weights and Measures Department. Included are data for the following cost centers: Agriculture/Weights & Measures Admin, Agriculture & Pest Management, Weights & Measures, and Cooperative Extension.

Major Department Responsibilities

The Agriculture/Weights and Measures Department promotes and protects the County's agricultural interests while protecting the public health and environment; protects the public interest in the commercial exchange of goods where value is determined by weights and measures; educates the public and targeted clientele, including other County departments, in commercial agriculture, urban agriculture/horticulture, youth development, nutrition, and natural resources; and directs service programs including 4-H Youth Development, Master Gardeners, and two federally-funded nutrition education programs.

Administration

Description: Provides direction and financial control, and develops and implements policies and procedures in support of the operations of the Department.

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The Agriculture Commissioner/Director of Weights and Measure (Commissioner) was permanently filled mid fiscal year 2018-19. This action team more stable and consistent administration and guidance for the Department. The fiscal year 2020-21 budget includes a new Deputy Agricultural Commissioner, which will provide for additional management support and succession planning.

Organization of the Recommended Budget Book

This Fiscal Year 2020-21 Recommended Budget book is designed to be both informative and easy-to-use and is divided into the sections described below:

Budget Message

The opening pages of the FY 2020-21 Recommended Budget book is the official transmittal document for the Recommended Budget to the Board of Supervisors and citizens of Contra Costa County from the County Administrator, David Twa.

Overview

Information contained in this section includes a general profile of Contra Costa County, (size, population, employment and income, etc.); long-term financial planning and policies adopted to manage County operations; the process used for developing and adopting the Recommended Budget, key budget issues, historical perspective and the County's organizational chart.

Departmental Budget Summaries by Functional Group

In this section, County Departments are divided into three Functional Groups: General Government, Health and Human Services and Law and Justice. The *General Government* Functional Group includes those Departments or Funds that provide general governmental services to residents and/or support services to other County Departments and/or are not included in the other two Functional Groups. The *Health and Human Services* Functional Group includes those Departments that provide health and family, individual and child supportive services. The *Law and Justice* Functional Group includes those departments that provide public protection and/or provide services to the criminal justice system.

Each Departmental Summary provides a variety of information about each Department including: expenditure and revenue information; narrative explanation of Department's programs and its administrative and program goals; number of allocated positions; a summary of County Administrator's recommendations; and summary of recommended service modifications by program, if applicable. (See *Navigation Information for Department Budget Summary* below for further information.)

The Departmental Summaries include financial information for All County Funds, unless otherwise noted, the summaries do not include financial information of component units. Component units are legally separate organizations for which the elected officials of a primary government are financing accountable. Component units are blended (i.e. treated as if they are funds of the County) or discretely presented (i.e. reported in a separate column in the County's financial statements.) Blended component units include the Successor Agency to the County Redevelopment Agency, the County Public Financing Authority, the In-Home Supportive Services Public Authority, Special Districts and Service Areas whose Board is the County Board of Supervisors. The only blended component units reported on in the Recommended Budget document are the Contra Costa County Fire Protection District, the Crockett-Carquinez Fire Protection District and the In-Home Supportive Services Public Authority.

Rounding

All figures are shown in whole numbers; therefore, due to independent rounding, figures shown may not sum to subtotals and totals.

CHANGES IN PROJECTED FUND BALANCE

Major Governmental Funds (in thousands)

	Beginning Fund Balance June 30, 2016	Beginning Fund Balance June 30, 2017	Beginning Fund Balance June 30, 2018	Ending Fund Balance June 30, 2019	% Change	Projected Fund Balance June 30, 2020	% Change
General Fund (Major Fund)							
Nonspendable	6,807	7,301	8,867	4,414	(50.6%)	4,414	0.0%
Restricted	8,999	8,233	30,038	38,838	32.8%	38,838	0.0%
Committed	1,442	1,442	1,386	1,228	(11.7%)	1,228	0.0%
Assigned	119,088	133,932	188,872	208,628	9.5%	208,628	0.0%
Unassigned	232,893	288,937	294,346	335,454	31.9%	340,454	1.5%
Total	372,198	442,012	488,260	584,511	19.7%	593,511	1.7%
CCC Fire Protection District Special Revenue							
Nonspendable	1,805	843	1,063	1,415	(33.8%)	1,415	0.0%
Restricted	5,280	8,562	14,275	24,407	71.0%	24,407	0.0%
Committed					0.0%		0.0%
Assigned	31,729	53,346	56,757	56,757	0.0%	56,757	0.0%
Unassigned					0.0%		0.0%
Total	38,814	62,751	72,095	82,579	15.2%	82,579	0.0%
All Other Non-Major Governmental Funds in the Aggregate							
Nonspendable	3,823	4,111	4,045	3,058	(24.4%)	3,058	0.0%
Restricted	356,203	352,498	460,807	470,079	2.0%	470,079	0.0%
Committed	341	342	342	342	0.0%	342	0.0%
Assigned	40,628	98,144	90,561	97,148	7.2%	97,148	0.0%
Unassigned		(5,798)	(4,521)	(825)	(82.2%)	(825)	0.0%
Total	403,043	447,297	571,236	570,360	(0.2%)	570,360	0.0%
Total Governmental Funds							
Nonspendable	16,995	12,455	15,126	9,286	(38.7%)	9,286	0.0%
Restricted	404,507	517,321	524,912	531,315	1.2%	531,315	0.0%
Committed	1,781	1,782	1,740	1,577	(9.4%)	1,577	0.0%
Assigned	187,845	232,764	350,020	363,531	3.9%	363,531	0.0%
Unassigned	232,893	284,948	290,327	334,778	15.3%	340,778	1.8%
Total	842,931	1,058,491	1,142,427	1,240,470	8.6%	1,250,470	0.8%

Fund balance represents unconstrained resources or other liquid/cash convertible assets in excess of fund liabilities. For budgetary purposes, this represents the sum of over-realized or unanticipated revenues and unspent appropriations or reserves at the end of each fiscal year. The County Administrator's Office reviews variances in projected fund balances each year over or under 10%. Presented in the table above are the County's Major Governmental Funds individually (General Fund and CCC Fire Protection District Special Revenue Fund), all other Non-Major Funds in the aggregate, and the total Governmental Fund balance.

The County's General Fund had a FY 2019-20 beginning fund balance of $584.5 million, which represented 16.9% growth over the previous year. Revenues rebounded strongly recently especially due to property taxes and property taxes in lieu of vehicle license fees. Intergovernmental revenue increased mainly due to revenue for state-mandated costs reimbursed for the Handicapped and Disabled Students Program and Seafarers Earning Deduction. Use of money and property increased due to higher than anticipated interest earnings, and other revenue increased due to a reimbursement for energy efficiency improvements in plant acquisition. In total, General Fund revenues increased by 9.0% ($138.2 million) and expenditures increased by 7.1% ($101.0 million).

CAPITAL IMPROVEMENT PLAN

The County policy for capital asset accounting and budgeting conforms to State definitions and regulations as set forth in the manual of Accounting Procedures for Counties and reflects current values. The policy establishes the basis for financial classification.

Capital assets are assets of significant value having a utility that extends beyond the current year. An improvement is replacement of a component part of a capital asset by an improved or superior part, an addition of new parts, or an alteration or a structural change to a capital asset that results in a functional improvement over its original state that materially adds to the value of the asset or appreciably extends its life.

Land improvements enhance the value of land itself (such as grading or ditching for drainage). Ground improvements add other items to the basic land. Examples of grounds improvements are lawns, trees and shrubs, sprinkler systems, and paving.

The following capital assets are to be capitalized and individually budgeted and controlled:

Land. All land acquisitions and land improvements, without regard to cost.

Structures and Improvements. Permanent structures costing $100,000 or more; additions, structural betterments and ground improvements that cost $100,000 or more.

Equipment. Equipment includes movable personal property with a unit cost of $5,000 or more, including sales tax, and delivery and installation charges; additions to capitalized equipment costing $5,000 or more per item.

Infrastructure. Infrastructure assets are long-lived assets that normally are stationary in nature and can be preserved for a significantly greater number of years than other capital assets; infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Intangibles. Intangible assets lack physical substance, have a non-financial nature, and have a useful life that extends beyond a single reporting period; examples of intangible assets include easements, water rights, timber rights, patents, trademarks, and computer software, including internally generated software. Capitalization thresholds for intangible assets are as follows:

$100,000 for all intangible assets acquired after June 30, 2009 – excluding internally developed or modified software and other internally developed intangibles.

$1,000,000 for all internally developed intangible assets acquired after June 30, 2009

$1,000,000 for retroactive reported intangible assets.

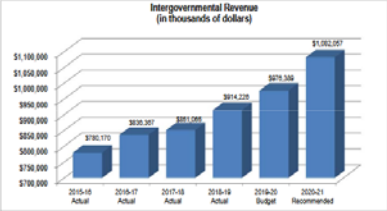
Per Budget Policy, the FY 2020-21 budget process again includes strategic planning and financing elements for facilities renewal and new construction projects (short and long term capital budgets) and a comprehensive management program for the County's general government real estate relative to acquisition, use, disposition and maintenance. This element includes funding decisions for maintaining the County's facility assets, allowing the Board of Supervisors to weigh competing funding decisions using credible information.

DISCUSSION OF MAJOR REVENUE SOURCES

All County Funds

Intergovernmental Revenue: $1.082 Billion/27.4% of Total Sources

This major revenue source includes allocations from other government entities, primarily Federal and State, a large portion of which is various State Realignment revenue streams and Public Safety Services (commonly referred to as Prop 172) revenue. The State has achieved significant policy improvements several times over the past 20 years by reviewing State and local government programs and realigning responsibilities to a level of government more likely to achieve good outcomes. During years of fiscal difficulty, realignment proposals by the legislature or administration often included additional revenues earmarked for the transferred programs, such as health, mental health and various social service programs. Note that a significant portion of the increase in FY 2020-21 is due to recategorizing $72.2 million from the "Charges for Services" revenue category to the "Intergovernmental" revenue category.



State Aid Realignment-Sales Tax ($229.0 million): Contra Costa's total Realignment-Sales Tax revenue is budgeted at $229.0 million, 78.9% of which is comprised of 2011 Realignment Fund revenues. The 2011 realignment plan shifted the responsibility and funding for a series of major programs from the State to local level. In total, the realignment plan provides $8.3 billion to local governments to fund various criminal justice, mental health and social services programs in the current year and $8.6 billion is estimated in FY 2020-21. In FY 2020-21, Contra Costa County's share of community corrections base allocation will be increased; however, while our "Base" is increasing in FY 2020-21 over FY 2019-20, the percentage share that our County receives of the statewide allocation remains fixed. Realignment revenue is dependent on a statewide pool of funds, which is derived from Vehicle License Fees and a portion of the State sales tax. It is projected to increase in FY 2020-21, based on current estimates in the Governor's January Proposed Budget.

CURRENT DEBT POSITION

The most recent Debt Report was issued by the Debt Affordability Advisory Committee on March 1, 2020. Information on the current Debt Position of the County follows:

Outstanding Debt. As of June 30, 2019, the County had a total of $384.409 million of outstanding Pension Obligation Bonds (POBs) and Lease Revenue Bonds (LRBs)/Lease Revenue Obligations (together the LRBs). As of June 30 for each year the total amount of County outstanding POBs and LRBs was $447,584 million (2018); $506.98 million (2017); $456.8 million (2016); $489.4 million (2015); $532.7 million (2014); $606.1 million (2013); $634.3 million (2012); $717.9 million (2011); and $729.6 million (2010). The County's entire debt portfolio is comprised of fixed-rate debt issues. The County Debt Management Policy permits variable rate financial products such as variable rate demand obligations (VRDOs) only under special circumstances and does not presently permit derivatives such as swaps at any time. Even prior to the implementation of its formal Debt Management Policy, the County took a conservative approach to its debt portfolio and had issued only fixed rate debt. This continued approach shields the County from the various risks associated with derivative instruments ensuring a level of certainty in long term financial and capital project planning. It should be noted that POBs are taxable securities whereas the majority of the County's Lease Revenue Bonds are tax-exempt securities. The exceptions are the 2010 Series A-2 and A-3 bonds, which were issued as Build America Bonds (BABs) and Recovery Zone Economic Development Bonds (RZEDBs), and are taxable, but receive a federal subsidy to offset a portion of the taxable interest on the bonds. Thus, the True Interest Costs (TIC) for the taxable POBs and LRBs are generally higher than those for tax-exempt LRBs. A detailed, audited list of outstanding lease revenue and pension obligation bonds as of June 30, 2019 is shown below.

County of Contra Costa (County Only)
Outstanding Lease Revenue and Pension Obligation Bonds and True Interest Cost
(as of June 30, 2019)
($ in thousands)

Bond Issues	Date of Issue	Final Maturity Date	Principal Amount Issued	Outstanding Principal	True Interest Cost (%)
Lease Revenue Bond and Obligation Issues (LRBs and LROs):					
2010 Series A-1 (Capital Project I – Tax Exempt)	11/16/10	06/01/20	6,790	1,080	4.15%[1]
2010 Series A-2 (Capital Project I – Taxable BABs)	11/16/10	06/01/30	13,130	13,130	4.15%[1]
2010 Series A-3 (Capital Project I – Taxable RZBs)	11/16/10	06/01/40	20,700	20,700	4.15%[1]
2010 Series B (Refunding)	11/16/10	06/01/25	17,435	8,730	3.84%
2012 Lease Revenue Obligations	11/11/12	06/01/27	13,102	8,074	2.68%
2015 Series A (Refunding and Capital Projects)	08/25/15	06/01/35	19,055	15,865	3.18%
2015 Series B (Refunding and Capital Projects)	08/25/15	06/01/28	52,080	36,354	2.40%
2017 Series A (Refunding and Capital Projects)	03/03/17	06/01/27	99,810	69,000	2.33%
2017 Series B (Capital Projects)	05/26/17	06/01/32	100,285	88,900	2.39%
	Total LRBs and LROs		***$342,367***	***$261,824***	
Pension Obligation Bond Issues (POBs):					
Series 2003 A (Taxable)	05/01/03	06/01/22	322,710	122,585	5.38%
	Total POBs		***$322,710***	***$122,585***	
	Grand Total		***$665,077***	***$384,409***	

1. The yield shown is the blended TIC for all three indicated series, net of the receipt of federal subsidies of interest cost.

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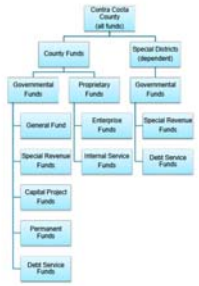


	Program	Service	Level	Expenditures	Funding Source	General Fund W.C.	FTE	Support	Explanation
Agriculture/Weights and Measures									
1	Administration	M	D	2,105,398	0	2,105,398	9.0	No	Provides direction and financial control, develop and implement policies and procedures in support of the operations of the department
2	Agricultural Division	M	D	3,814,433	3,870,255	(55,822)	22.0	No	Provides enforcement of pesticide use and worker safety regulations; enforcement of quarantine regulations; Certified Farmer's Market and organic program regulations; nursery and pest exclusion regulations; pest management; and pest eradication activities. Provides quality assurance programs involving fruits, nuts, vegetables, eggs, honeybees, stock feed, and seed. Provides pest exclusion with pest identification and control techniques using environmentally safe integrated pest management practices.
3	Weights and Measures	M	D	1,115,484	892,770	222,714	7.0	No	Provide assurance of fair business practices by performing inspection of all point-of-sale systems (scanners) used in commercial transactions; and inspection of services to ensure commercial sales are made in compliance with State laws. Provide protection for consumers by enforcing State laws designed to prevent deceptive packaging and ensure accurate weights and measures. Ensure designmasters for compliance with State law. Administer exams to for licensing of device service agents.
4	Cooperative Extension	D	D	224,733	0	224,733	1.0	No	Program works with County farmers to absorb sustainable safe, productive, environmentally friendly and economically viable food system; provides educational programs for youth-serving organizations, including 4-H, positive youth development, civic engagement, and adolescent development; administers the 4-H Youth Development Program, which focuses on science. We MAP program provides nutrition education, provides research and education on critical nutrition issues including childhood obesity and anemia, especially for low-income families with young children.

FUND CATEGORY

Fund Type	Fund Number	Fund Title	Fund Description
COUNTY - Governmental			
General	10000	GENERAL	To account for resources traditionally associated with governments, which are not required legally to be accounted for in another fund. The General Fund is the primary operating fund of the County.
Special Revenue	10500	COUNTY LAW ENFORCEMENT CAPITAL PROJECT	To account for expenditures and revenues for the replacement and enhancement of a Countywide law enforcement message switching computer and Sheriff's communications equipment replacement.
Capital Project	10600	JUVENILE HALL - CAPITAL PROJECT	To account for expenditures and revenues for planning the replacement of the County Juvenile Hall.
Capital Project	10900	ELLINWOOD CAPITAL PROJECT	To account for expenditures and revenues for the Ellinwood - EHS capital project.
Special Revenue	11000	RECORDER MODERNIZATION	To account for the process converting records and maintaining computerized systems in the County Recorder's Office.
Special Revenue	11010	COURT / CLERK AUTOMATION	To account for the cost of automating the Court's recordkeeping system.
Special Revenue	11020	FISH AND GAME	To account for expenditures and fines levied for violation of the California Fish and Game Code. Fund is restricted to the propagation and conservation of fish and game in the County, and education and youth activities related to fish and game.
Special Revenue	11030	LAND DEVELOPMENT FUND	To account for funding related to land development and to regulate subdivision and public improvement development in compliance with Subdivision Map Act and other state and local laws.
Special Revenue	11040	CRIMINALISTICS LABORATORY	To account for revenue generated from fines levied for various controlled substance violations to be used for laboratory analysis.
Special Revenue	11050	SURVEY MONUMENT PRESERVATION	To account for funding used to retrace major historical land division lines upon which later surveys are based.
Special Revenue	11060	CRIMINAL JUSTICE FACILITY CONSTRUCTION	To account for the expenditures and revenues for projects funded by criminal assessment levied on court fines for criminal justice facility construction, systems development and operations.
Special Revenue	11070	COURTHOUSE CONSTRUCTION	To account for the expenditures and revenues from penalty assessments levied on court fines for the purpose of courthouse construction.
Special Revenue	11080	ROAD	To account for funding for road construction and improvement projects to provide the public with a safe, cost-effective, and environmentally acceptable road system. Funding from state highway taxes and other revenues.
Special Revenue	11090	TRANSPORTATION IMPROVEMENT	To account for the development, implementation and maintenance of a County Growth Management Program.
Capital Project	11100	SANS CRANITE DRAINAGE	To fund design and construction of drainage improvements for the Sans Crainte Drainage area.
Special Revenue	11110	PRIVATE ACTIVITY BOND	To account for County Private Activity Bond fees received from single and multiple-family housing programs that are used to fund program costs and finance property acquisition related to affordable housing and economic development projects.
Special Revenue	11130	AFFORDABLE HOUSING SPECIAL REVENUE	To account for funding received from the federal affordable housing program used to provide financial assistance for affordable housing projects and economic development.
Special Revenue	11140	NAVY TRANSPORTATION MITIGATION	To account for the implementation of various transportation improvement projects near the Concord Naval Weapons Station.
Special Revenue	11150	TOSCO/SOLANO TRANSPORTATION MITIGATION	To account for financing from TOSCO used to implement various transportation improvement projects near Solano Avenue.

Glossary of Acronyms & Terms

AAS – Adult and Aging Services. Within the Employment and Human Services Department assists older adults and people with disabilities to maximize self-sufficiency, safety and independence.

AB – Assembly Bill

ACA – Affordable Care Act. The short name for the Patient Protection and Affordable Care Act, a federal overhaul of the U.S. healthcare system.

ACCJIN – All County Criminal Justice Information Network

Accrual – an accounting adjustment that recognizes revenues and expenses in the period earned or spent, regardless of the timing of related cash flows.

ACER – Arraignment Court Early Representation

ACR – Ambulatory Care Redesign

Actuarial Accrued Liability (AAL) – as assessed by an actuary, relating to benefits, represents the present value of fully projected benefits attributable to service credit that has been earned (or accrued) as of the valuation date. The portion attributed to future employee service is excluded. For retirees, this is equal to the present value of benefits. For active employees, this is equal to the present value of benefits prorated by service to date over service at the expected retirement age.

Ad Valorem Tax (AV) – An ad valorem tax is a tax based on the assessed value of real estate or personal property. Ad valorem taxes can be property tax or even duty on imported items. Property ad valorem taxes are the major source of revenue for state and municipal governments.

Adjusted Budget – the spending authority for a fiscal year, adjusted pursuant to State statute and/or County policy, to reflect actual expenditures and/or revenue realized to ensure the budget remains in balance.

ADL – Activities for Daily Living

AED – Automated External Defibrillator

AFDC – Aid to Families with Dependent Children

Agreed-upon Temporary Absences (ATA) – temporary absence program bargained with the majority of the County's employee groups. The program runs from July 1, 2009 through June 30, 2011 and reduces the hours worked and compensation received by 48 hours in each of the two fiscal years.

AIM – Access for Infants and Mothers

County Fund Definitions

Fund: a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental Funds are generally used to account for tax supported activities; it accounts for the majority of funds; except for those categorized as proprietary or fiduciary funds.

Types of Governmental funds include:

General Fund is used to account for the general operations of government and any activity not accounted for in another fund.

Special Revenue Funds are used to account for resources legally designated for specific purposes and separately reported.

Debt Service Funds are used to account for resources dedicated to pay principal and interest on general obligation debt.

Capital Project Funds are used to account for resources dedicated to acquiring or constructing major capital facilities.

Permanent Funds are used to account for resources legally restricted so only earnings (and not principal) may be used to support governmental programs.

Proprietary Funds are used by governmental activities that operate in a manner similar to that of private sector businesses in that they charge fees for services. Proprietary Funds rely on the full accrual basis of accounting where revenues are recognized when earned and expenditures are recorded when incurred.

Types of Proprietary funds include: Enterprise and Internal Service Funds

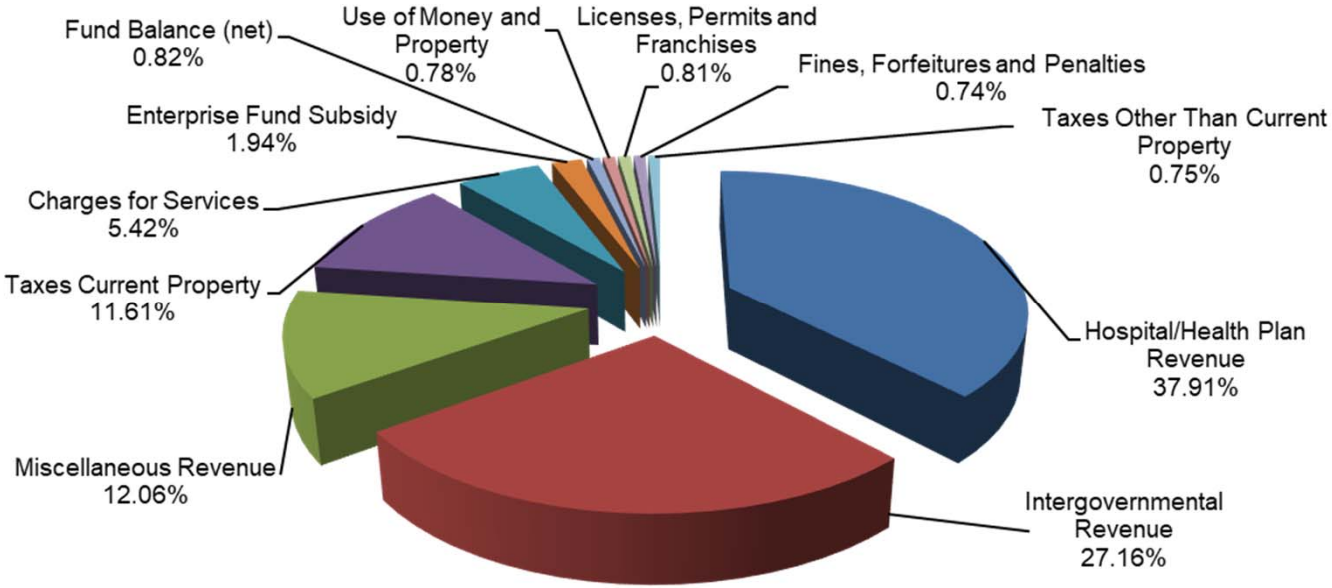
Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (e.g. water, gas and electric utilities; airports; parking garages; or transit systems). The governmental body intends that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds are proprietary funds used to account for the financing of goods or services provided by one department to other departments of the County or other governmental units, on a cost reimbursement basis.

Recommended Budget FY 2020/21

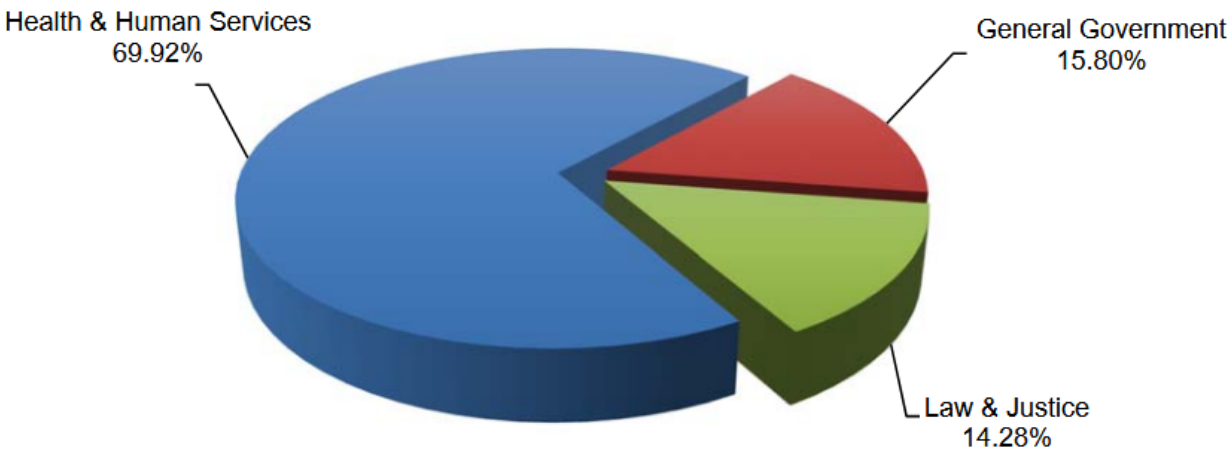
- Began with position allocations as of 1/1/20
- Projected salaries & benefits based upon FY 2020/21 data
- Thoroughly reviewed all revenues – for the most part increased revenues
- Updated allocations for occupancy, telephone, data processing, etc.
- Increased or decreased positions based upon funding available
- Finalized Recommended Schedules
- Long-term impact of COVID-19 began to emerge

FY 2020-21 Recommended Sources



Source of Funds	Recommended FY 2020-21	Percent of Total
Hospital/Health Plan Revenue	$1,509,902,542	37.91%
Intergovernmental Revenue	1,082,057,270	27.16%
Miscellaneous Revenue	480,262,733	12.06%
Taxes Current Property	462,541,793	11.61%
Charges for Services	215,771,806	5.42%
Enterprise Fund Subsidy	77,231,000	1.94%
Fund Balance (net)	32,670,746	0.82%
Use of Money and Property	31,142,890	0.78%
Licenses, Permits and Franchises	32,123,904	0.81%
Taxes Other Than Current Property	30,014,225	0.75%
Fines, Forfeitures and Penalties	29,644,782	0.74%
TOTAL RECOMMENDED SOURCES	**$3,983,363,690**	**100.00%**

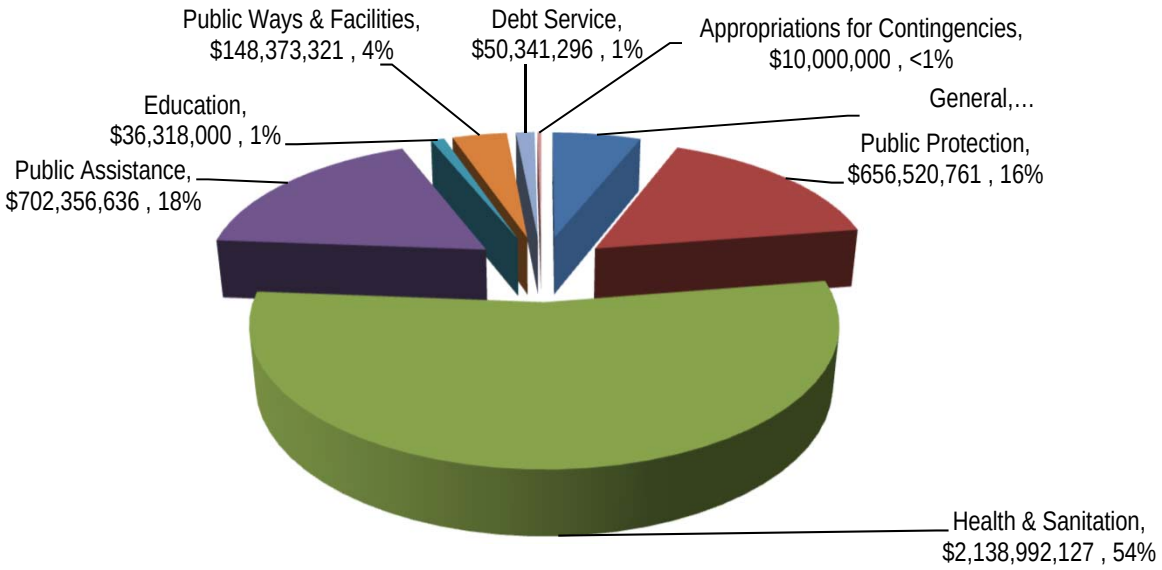
Appropriations by Function



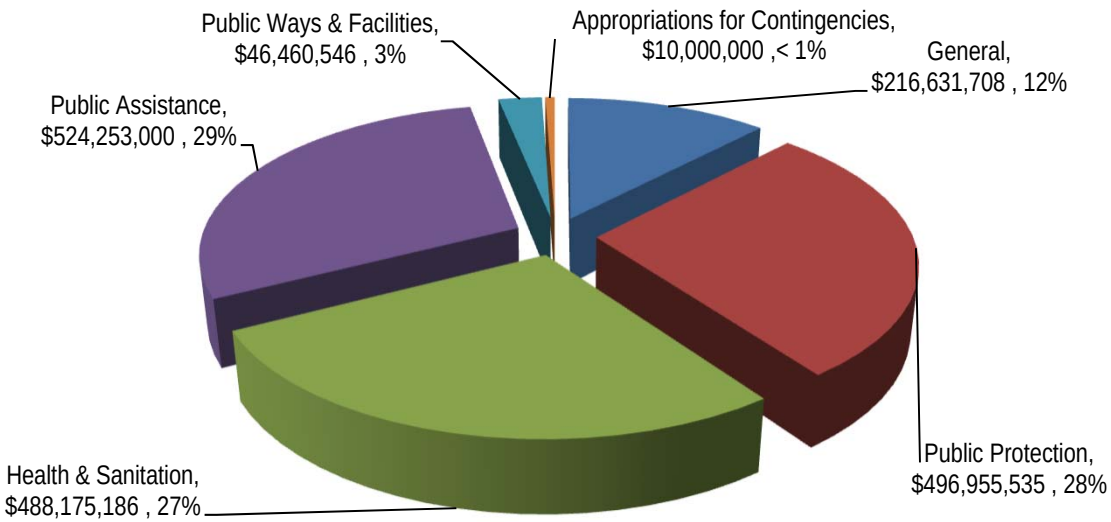
Use of Funds	2016-17 Actuals	2017-18 Actuals	2018-19 Actuals	2019-20 Budget	Recommended FY 2020-21	Percent of Total
Health and Human Services	$2,390,101,826	$2,520,789,772	$2,641,040,699	$2,801,908,354	$2,861,027,630	71.82%
General Government	418,537,995	463,470,888	500,510,920	688,392,139	580,251,202	14.57%
Law and Justice	465,874,059	484,479,138	497,331,595	564,505,919	542,084,858	13.61%
Total Requirements	**$3,274,513,881**	**$3,468,739,798**	**$3,638,883,214**	**$4,054,806,412**	**$3,983,363,690**	**100.00%**

Appropriations by State Code

All Funds:
$3.98 Billion



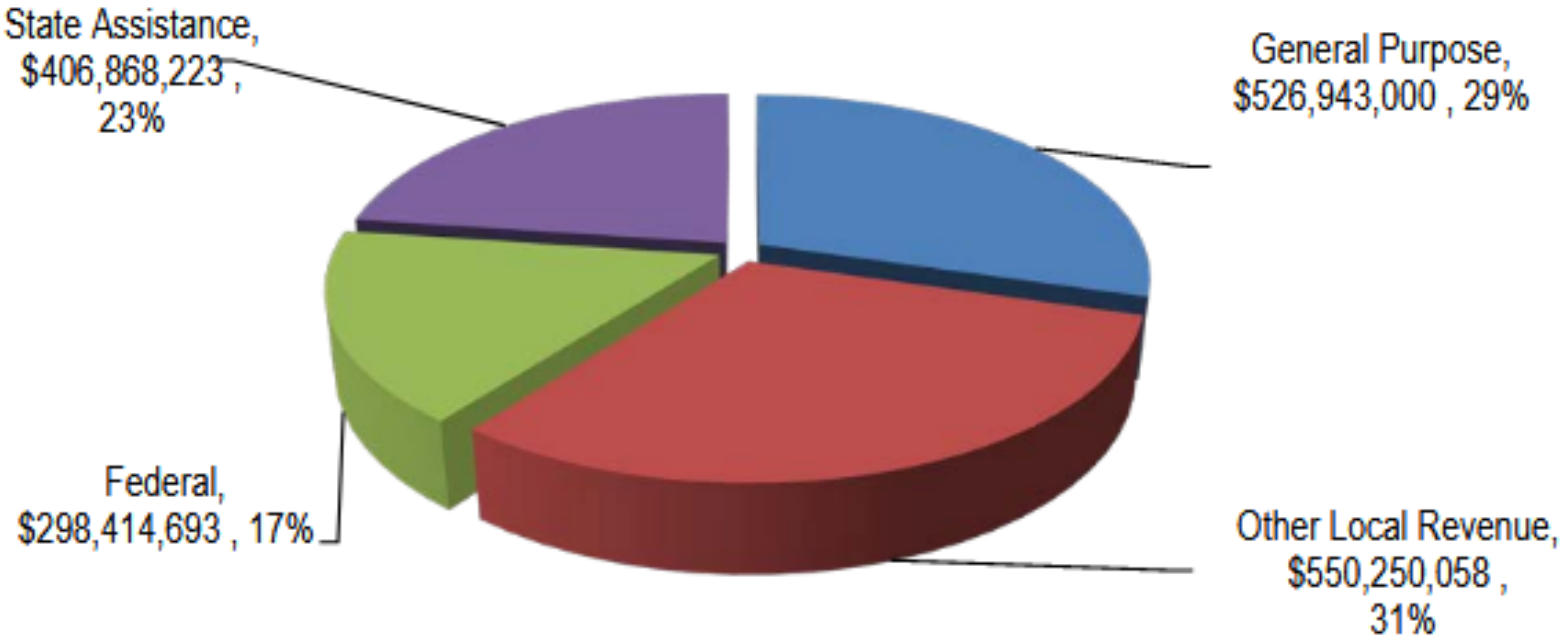
General Fund:
$1.78 Billion



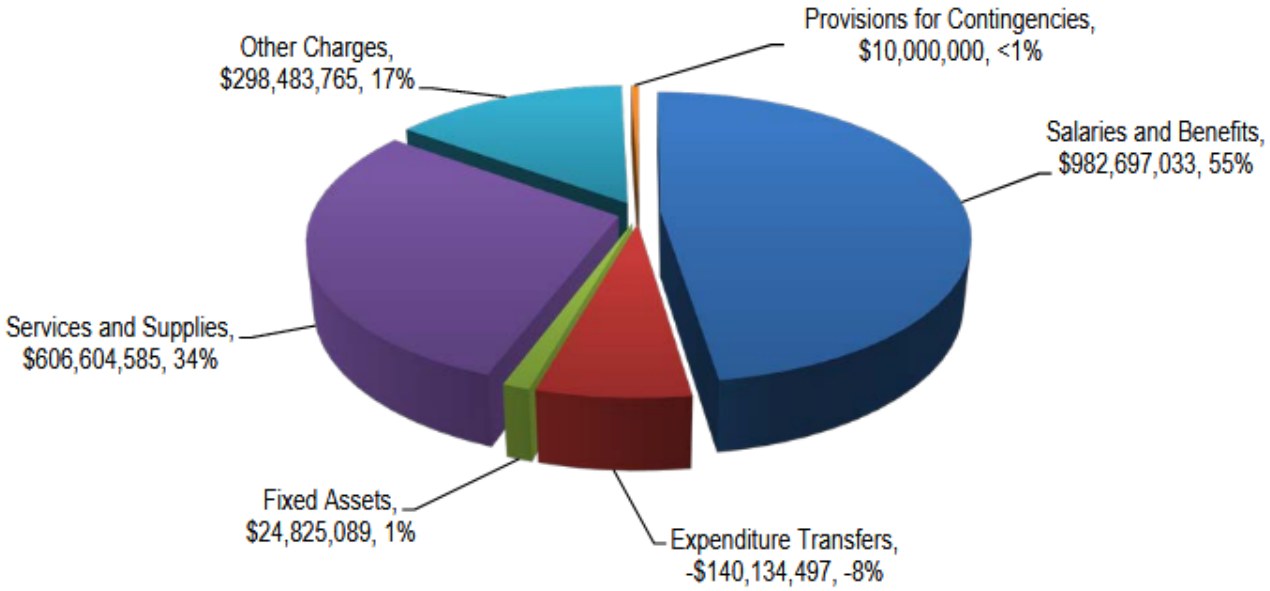
General Purpose Revenue
Pre-COVID-19 Projected $526.9 Million

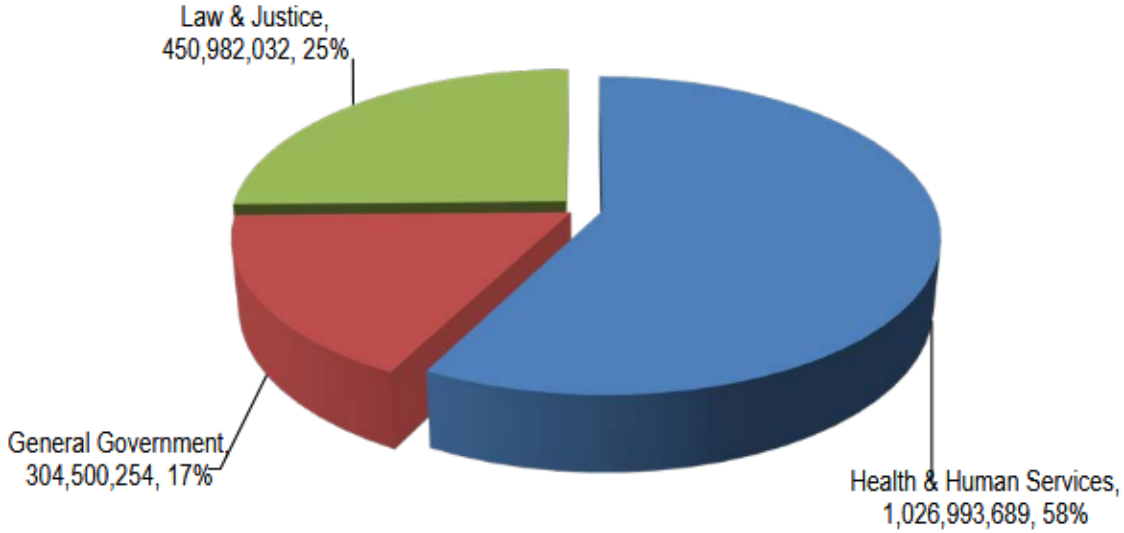
Funding Sources:		
Property Taxes	81.30%	$428,253,00
Other Taxes	5.70%	30,060,000
Fines Penalties	3.90%	20,600,000
Use of Money	3.40%	18,100,000
License Franchise	1.90%	9,800,000
Intergovernmental	1.80%	9,700,000
Charges for Service	1.70%	8,900,000
Miscellaneous Rev	0.30%	1,530,000

General Fund Revenue - $1.782 Billion



General Fund Appropriations $1.782 Billion





Net County Cost

- Net County cost is an Agency's share of general purpose revenue
- Non-General Fund Departments have a net Fund cost.
- The total net County cost of all general fund agencies is the total general purpose revenue (if the budget is balanced) – if there is a difference – that remainder is either fund balance or reserve use

Where is the net County Cost? 9 Departments receive 85.1% of the General Purpose Revenue

	2020-21 Baseline	Share of Total	2020-21 Recommended	Share of Total	
Health Services	155,816,000	29.7%	158,356,000	30.1%	
Sheriff-Coroner	99,645,000	19.0%	101,605,000	19.3%	
Probation	44,500,000	8.5%	44,500,000	8.4%	
Employment and Human Services	31,383,089	6.0%	31,000,000	5.9%	
Public Defender	29,148,000	5.6%	29,310,000	5.6%	85.1
Public Works	27,000,000	5.2%	27,200,000	5.2%	
District Attorney	23,000,000	4.4%	23,180,000	4.4%	
Assessor	17,000,000	3.2%	17,000,000	3.2%	
Capital Improvements	16,500,000	3.1%	16,500,000	3.1%	
Superior Court Related Functions	11,320,000	2.2%	11,320,000	2.1%	
Contingency Reserve	10,000,000	1.9%	10,000,000	1.9%	
County Administrator	8,116,000	1.5%	8,116,000	1.5%	
Board Of Supervisors	7,260,000	1.4%	7,260,000	1.4%	
Central Support Services:	7,022,000	1.3%	7,022,000	1.3%	
Clerk-Recorder Elections	6,000,000	1.1%	6,000,000	1.1%	
Conflict Defense Services	5,400,000	1.0%	5,400,000	1.0%	
Animal Services	4,870,000	0.9%	4,500,000	0.9%	
Employee/Retiree Benefits	3,694,000	0.7%	3,694,000	0.7%	
Auditor-Controller	4,237,855	0.8%	3,550,000	0.7%	14.9
Human Resources	2,828,113	0.5%	2,750,000	0.5%	
Treasurer-Tax Collector	2,675,000	0.5%	2,675,000	0.5%	
Agriculture-Weights/Measures	2,504,336	0.5%	2,500,000	0.5%	
Justice System Development/Planning	1,790,000	0.3%	1,790,000	0.3%	
County Counsel	1,991,698	0.4%	1,450,000	0.3%	
Veterans Service	1,325,000	0.3%	1,325,000	0.3%	
Conservation & Development	785,000	0.1%	785,000	0.1%	
Crockett-Rodeo Revenues	560,000	0.1%	560,000	0.1%	
Department Of Information Technology	95,000	<0.1%	95,000	<0.1%	
Debt Service	(2,500,000)	(0.5%)	(2,500,000)	(0.5%)	
	523,966,091	**100.0%**	**526,943,000**	**100.0%**	

All Fund - Position Summary

	2017-18 Actuals	2018-19 Actuals	2019-20 Budget	2020-21 Baseline	2020-21 Recommended	Net Change
County Departments						
Agriculture-Weights/Measures	41.6	44.60	45.6	45.6	44.3	-1.3
Animal Services	77	77.00	77	77	73	-4
Assessor	122	122.00	122	112	112	0
Auditor-Controller	60	60.00	60	60	60	0
Board Of Supervisors	31.9	32.30	31.8	31.8	31.8	0
Central Support Services	45	44.00	43	43	43	0
Child Support Services	144	144.00	153	152	157	5
Clerk-Recorder Elections	82.5	82.50	81.5	81.5	81.5	0
Conservation & Development	173	177.00	186	186	186	0
County Administrator	34	34.00	36.3	36.3	36.3	0
County Counsel	51	52.00	52	52	52	0
Dept of Information Technology	82	84.00	84	85	86	1
District Attorney	205.5	221.50	222.6	222.6	224.6	2
Employ't and Human Services	2,008.60	1902.50	1,903.50	1,852.00	1,872.00	20
Health Services	3,809.70	3917.10	3,879.70	3,879.70	3,908.80	29.1
Human Resources	52	52.00	51	51	52	1
Justice System Dev/Planning	5	5.00	5	5	5	0
Library	197.8	200.70	204.3	204.3	204.3	0
Probation	366.5	367.50	345.5	330.5	330.5	0
Public Defender	115.3	137.10	143	143	143	0
Public Works	527.8	542.80	548.8	549	550	1
Sheriff-Coroner	1,062.50	1058.50	1,062.50	1,062.50	1,087.50	25
Treasurer-Tax Collector	29.5	29.50	30.5	30.5	30.5	0
Veterans Service	9.5	9.50	9.5	10	10	0
Total County FTE	9,333.70	9397.00	9,378.00	9,302.20	9,381.00	78.8
Special Districts						
CCC Fire District-Consolidated	360.6	397.60	413.6	413.6	422.6	9
CCCFPD Ems Transport Fund	7	11.00	12	12	13	1
Special Districts (Not Fire)	16	17.00	17	17	17	0
All Funds FTE	9,717.30	9822.60	9,820.60	9,744.80	9,833.60	88.8

General Fund - Position Summary

	2017-18 Actuals	2018-19 Actuals	2019-20 Budget	2020-21 Baseline	2020-21 Recommended	Net Change
General Fund Departments						
Agriculture-Weights/Measures	41.6	44.6	45.6	45.6	44.3	(1.3)
Animal Services	77.0	77.0	77.0	77.0	73.0	(4.0)
Assessor	122.0	122.0	122.0	112.0	112.0	0.0
Auditor-Controller	60.0	60.0	60.0	60.0	60.0	0.0
Board Of Supervisors	31.9	32.3	31.8	31.8	31.8	0.0
Central Support Services	45.0	44.0	43.0	43.0	43.0	0.0
Clerk-Recorder Elections	71.5	71.5	70.5	70.5	70.5	0.0
Conservation & Development	2.0	3.0	5.0	5.0	5.0	0.0
County Administrator	34.0	34.0	36.3	36.3	36.3	0.0
County Counsel	51.0	52.0	52.0	52.0	52.0	0.0
Dept Of Information Tech	82.0	84.0	84.0	85.0	86.0	1.0
District Attorney	205.5	221.5	222.6	222.6	224.6	2.0
Employment and Human Svc	1,890.6	1,792.5	1,793.5	1,751.0	1,769.0	18.0
Health Services	1,344.8	1,385.7	1,413.7	1,413.7	1,442.8	29.1
Human Resources	52.0	52.0	51.0	51.0	52.0	1.0
Justice System Dev/Planning	5.0	5.0	5.0	5.0	5.0	0.0
Probation	366.5	367.5	345.5	330.5	330.5	0.0
Public Defender	115.3	137.1	143.0	143.0	143.0	0.0
Public Works	489.8	504.8	509.8	510.0	511.0	1.0
Sheriff-Coroner	1,039.5	1,035.5	1,039.5	1,039.5	1,064.5	25.0
Treasurer-Tax Collector	29.5	29.5	30.5	30.5	30.5	0.0
Veterans Service	9.5	9.5	9.5	10.0	10.0	0.0
Total General Fund FTEs	6,166.1	6,165.0	6,190.7	6,125.0	6,196.8	71.8

Homeless/Mental Health/Housing from all Sources - $421.88 Million

$2.86 Billion on Health and Human Services, including **$391.8 million** on services directly related to homeless; mental health, and housing. And, an **additional $30.0 million** on homeless housing and wraparound services directly related to COVID-19.

	Recommended Budget FY 2020/21	COVID Additional Programs	Federal/ State	General Fund	CARES Act/ FEMA Funding*
Homeless	$51,166,663	$11,301,285	$43,393,969	$7,772,694	$11,301,285
Mental Health	$281,928,180	$227,000	$261,316,587	$20,611,593	$227,000
Housing	$39,272,627	$0	$38,328,627	$944,000	$0
Homeless/Housing	$19,465,761	$18,521,628	$18,007,259	$1,458,502	$18,521,628
Total	$391,833,231	$30,049,913	$361,046,442	$30,786,789	$30,049,913
Appropriations			Sources		

This is what is happening now

- Carefully reviewing State Budget Impacts by Program
- Carefully reviewing potential impacts on all revenues
- Working closely with departments to rebalance programs given limitations of local and State revenues
- Preparing Recommended Reductions for items with ‘known’ impact

COVID 19 BUDGET IMPACTS

- State Budget Cuts
- 1991 Realignment Reductions
- 2011 Realignment Reductions
- AB 109 Reductions
- General Sales Tax Reductions
- Prop 172 Reductions
- Property Tax Reductions
- Hospital/Clinics loss of Revenue
- Library loss of Revenue due to Cities Cuts
- Loss of fees & other Revenues
- Increased Pension Costs???
- COVID 19 costs

2020/21 BIG TICKET ITEMS
Costs Already Projected

- Mandated Mental Health Services in Correction Facilities - $13.5 Million
- Homelessness Services - $100.4 Million
- CCP continuing to spend down Reserves – Will Exhaust by 2023
- Hospital support from General Fund increasing to $77 Million
- DoIT Security Enhancements - $3.5
- IHSS – new labor agreement - $5.1 Million
- Finance/Tax Systems - $18 Million Each
- All Unions under Contract – CNA comes open in Oct 2021

Budget Hearing Agenda

1. County Administrator Presentation
2. Department Head Presentations
   - Sheriff, David Livingston
   - District Attorney, Diana Becton
   - Clerk-Recorder, Deborah Cooper
   - Health Services Director, Anna Roth
   - Employment and Human Services Director, Kathy Gallagher
   - Probation Officer, Esa Esa Ehmen-Krause
   - Public Defender, Robin Lipetzky
   - Library, Melinda Cervantes
   - Animal Services, Beth Ward
   - Contra Costa County Fire Protection District, Lewis Broschard
3. Open Public Hearing - Public Comment
4. Board Discussion/Action

Questions?