Powering The Priorities

2024-25 Recommended Budget

July 1, 2024 - June 30, 2025

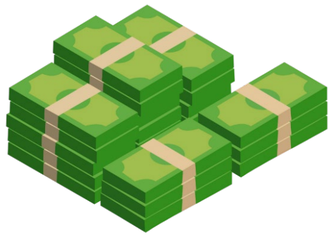
CEO.

Fesia Davenport
Chief Executive Officer

April 23, 2024

A Large Budget with Even Larger Needs

TOTAL BUDGET: $45.4 BILLION



$1.4 Billion less than last year's Final Adopted Budget

- **$1.9 billion+** requests from County departments
- **$833 million** of those deferred to future budget phases
- **$1.1 billion** in unmet needs remaining

Most of the County's budget comes from federal, State and other sources tied to specific uses and may not be repurposed.

This phase in our budget process does not yet include any unspent funds or over-realized revenues from last fiscal year. Any year-end surplus funds will be allocated in the Final Adopted Budget in October.

Targeted Workforce Growth

The County's disciplined fiscal approach enables us to add targeted programs and services and increase our workforce to meet critical public needs.

TOTAL BUDGETED POSITIONS: 116,159

835 more than last year's Final Adopted Budget

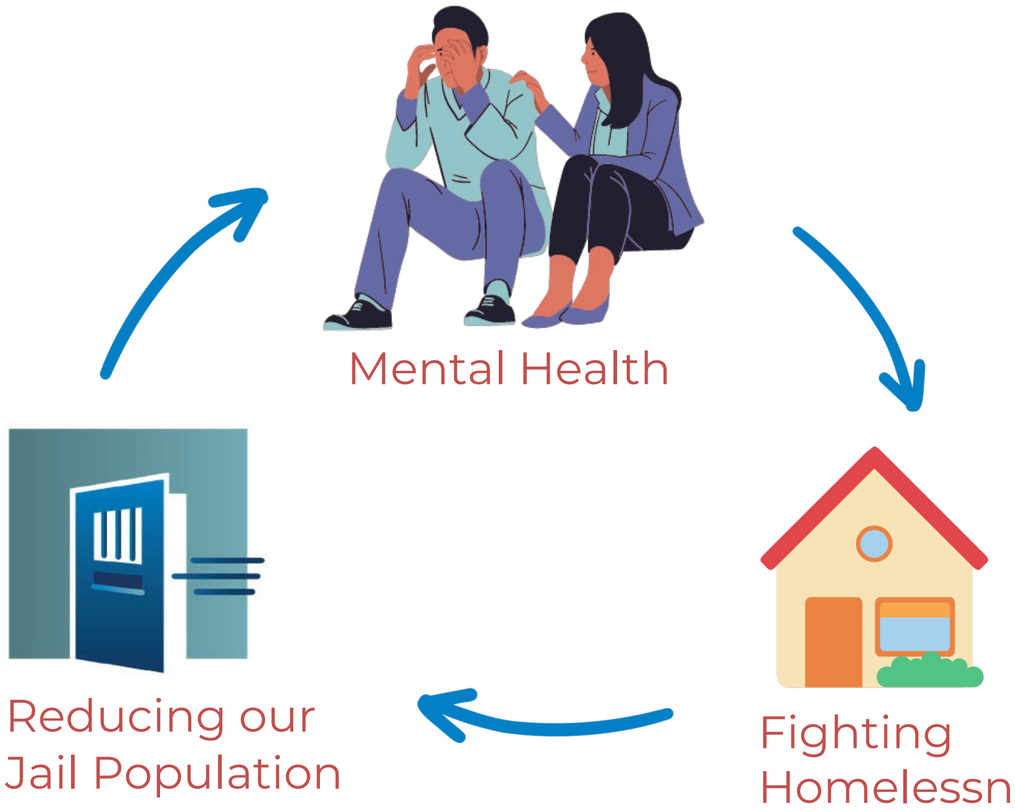
These positions are funded almost entirely by federal and State dollars.

Mental Health Leads the Way

More than ½ of these new positions are for positions in the Department of Mental Health, which is a critical component driving multiple Board priorities.

Expanding mental health services powers other critical solutions with:

- More mental health clinics
- More homeless outreach
- More support for pretrial services
- More opportunities for diversion



CEO. Focus On Homelessness Emergency

$728.2 million

Is allocated to fund the County's multi-layered approach to combatting homelessness facilitated by the Homeless Emergency Declaration, including …

3,838 Housing navigation slots	↑ 23%
6,266 Interim housing beds	↑ 17%
5,000 households assisted with permanent housing in the private rental market	↑ 25%
8,332 permanent housing subsidies	↑ 65%
Wrap-around services for **27,500** people who are in permanent housing	↑ 21%

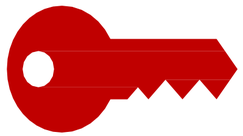
And more ….

Accelerating Our Response, Intensifying Our Focus

The Homeless Emergency Declaration has allowed the County to:

- Accelerate service delivery
- Cut red tape
- Jumpstart changes in processes to scale and fast-track work

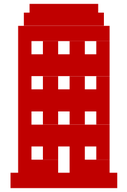
The County is laser-focused on four key missions:



ENCAMPMENT RESOLUTION

HOUSING

MENTAL HEALTH AND SUBSTANCE USE DISORDER TREATMENT



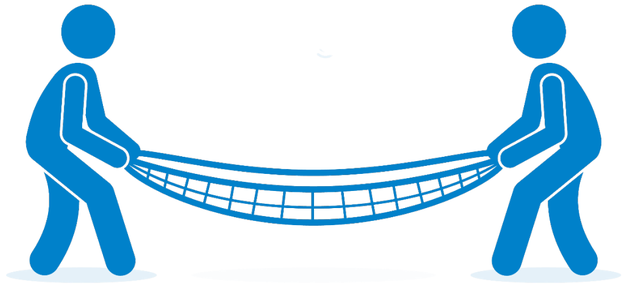
EVICTION PREVENTION

Sustaining Vital Services & Innovating for the Future

Maintaining the Safety Net…

Much of the County's budget is fixed and used in service of our foundational safety net services such as health care and child welfare. This budget includes new funding for:

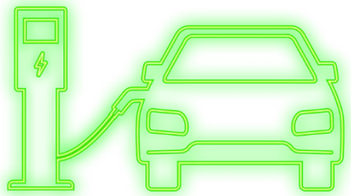
- ***Additional staffing*** *for the departments of Public Social Services, Health Services, and Children and Family Services*
- ***Foster care*** *and adoption Assistance*
- *Refunds to replace stolen* ***EBT funds***
- *Support for the* ***Elderly Nutrition*** *Program*



…While Investing in Innovative Opportunities

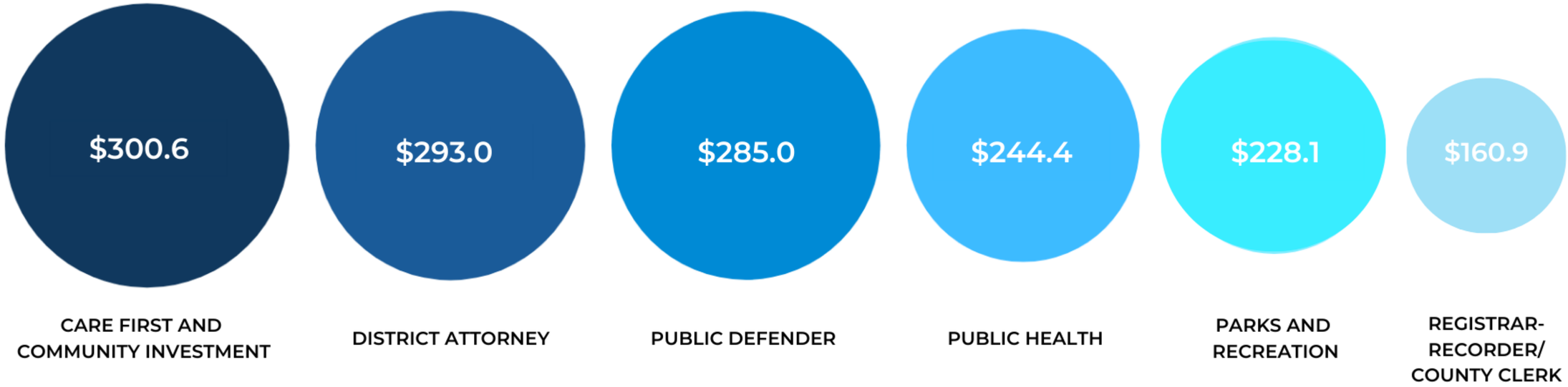
But we also have a more limited set of funding to support new programs and expand the scope of services for our County residents, including:

- ***Breathe Guaranteed Income***
- ***Youth jobs*** *programs*
- *Access to entry-level* ***County jobs***
- ***Electric vehicle infrastructure***



CEO. Putting the 10% CFCI Set Aside Into Context

The Board first set aside 10% of locally generated unrestricted revenues for CFCI three years ago, in response to Measure J. CFCI has already outstripped 33 of 38 departments' budgets in terms of the County's fiscal contribution.



The 5 departments allocated greater ongoing NCC include the Sheriff's Department and the departments of Health Services, Children and Family Services, Public Social Services, and Probation, ranked in that order.

Big Challenges Ahead

Looking forward, the County faces sobering budget challenges:

- Potential liability and settlements from Child Victims Act claims under AB 218
- Uncertainty in the real estate market could negatively impact property taxes in future years
- DOJ consent decree and other jail-related court actions could mandate new funding commitments
- Homeless and housing crisis continues while Measure H is set to expire in 2027
- Structural deficits in the Departments of Children and Family Services, Fire, Library and Health Services may require new commitments
- Need to retrofit or replace County buildings deemed seismically challenged

Fiscal Resilience Process

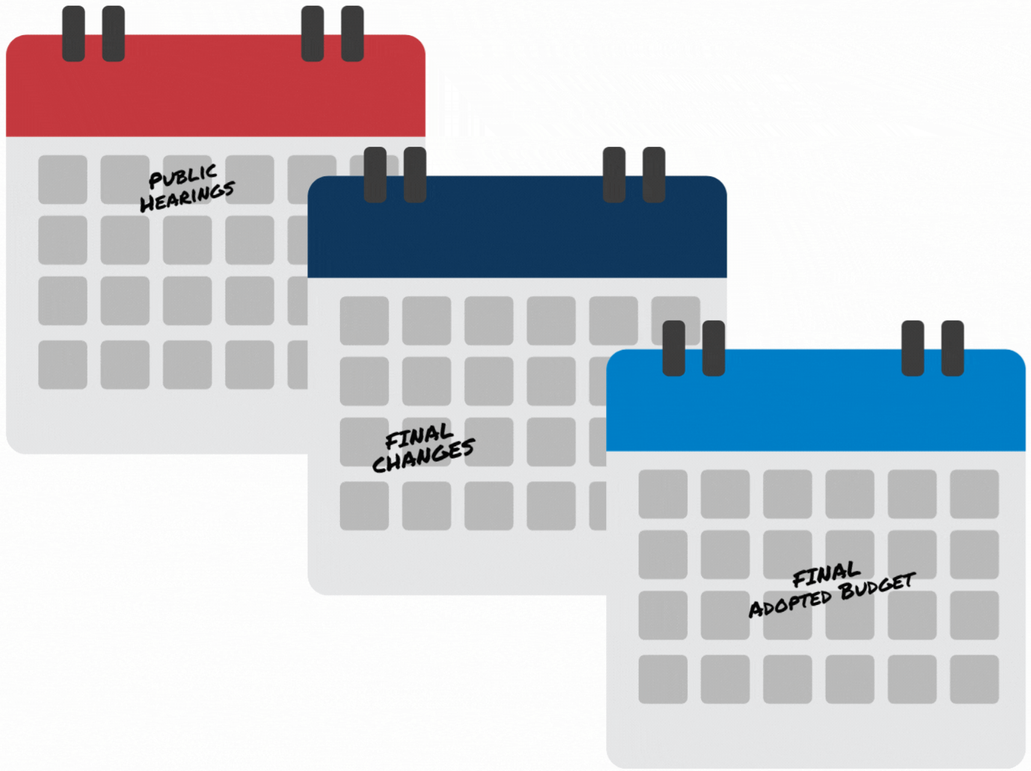
The Board has adopted a new process to improve the County's fiscal resilience.

It uses a tiered readiness system to determine which of dozens of motions adopted each year are ready for implementation.

Other factors -- such as a strong connection to the new Strategic Plan and the availability of alternate funding -- are part of a detailed checklist to determine funding recommendations.

CEO.

Next Steps



Key dates:

- **Public Hearings begin May 15**
- **Final Changes Budget set for June 24**
- **Supplemental/Final Adopted Budget scheduled for October 8**

Questions?

Thank you.