Chief Executive Office.

COUNTY OF LOS ANGELES
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CHIEF EXECUTIVE OFFICER
Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

August 04, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF REVISED
BOARD POLICY NO. 4.031 – CARE FIRST AND COMMUNITY INVESTMENT BUDGET POLICY
(ALL DISTRICTS) (3-VOTES)

SUBJECT

Recommendation to approve the enclosed revised Los Angeles County (County) Board of Supervisors (Board) Policy No. 4.031, Care First and Community Investment (CFCI) Budget Policy (Budget Policy), established to ensure provisions for ongoing funding for Direct Community Investments and Alternatives to Incarceration (DCI/ATI).

IT IS RECOMMENDED THAT THE BOARD:

Approve the enclosed proposed revisions to the CFCI Budget Policy, which incorporates Chapter 4.13 and Ordinance No. 2025-0038, removes outdated provisions, reflects the full implementation of the ten percent (10%) set-aside, and strengthens fiscal planning and reporting requirements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Budget Policy, adopted by your Board on August 10, 2021, ensures that the provisions of the CFCI Program for ongoing funding for DCI/ATI are implemented in accordance with the Board's intent under Measure J. Because the Budget Policy included a five-year sunset review, the revised Budget Policy now incorporates updates to reflect current operational needs, clarifies roles, and incorporates lessons learned since implementation. The Chief Executive Office (CEO) has engaged Board offices and the CFCI Advisory Committee to identify the changes that strengthen transparency, consistency, and alignment with Board direction.

Currently, under subsection 6(d) of the CFCI Budget Policy, the Auditor-Controller's Office and the CEO are required to identify and set aside all unspent CFCI funding at the end of each Fiscal Year (FY). The funds are then carried over as one-time CFCI funding into the next FY. The CFCI Budget Policy requires that the CEO recommend allocation of the one-time CFCI funding in a future spending plan.

On May 6, 2025, your Board unanimously adopted a motion establishing a new process for making recommendations for the use of unspent one-time CFCI funding. The motion requires that the CEO prioritize any recommendations of the CFCI Advisory Committee received annually by July 31 and ensure that all proposed reallocations are consistent with the types of programs and priorities previously recommended by the CFCI Advisory Committee for DCI/ATI.

As part of the sunset review of the CFCI Budget Policy, which sunsets on August 10, 2026, the CEO has reviewed the CFCI Budget Policy and recommends the following revisions to ensure it remains current, consistent, and aligned with Measure J/CFCI requirements and your Board's intent:

- Update the Background section to reflect Measure J as legally binding following reinstatement by the Superior Court (Superior Court) in 2024.

- Incorporate Chapter 4.13 and reference to Ordinance No. 2025-0038 to ensure continuity and preservation of Measure J/CFCI funding policy. The Ordinance amends Title 4 – Revenue and Finance of the County Code, by adding Chapter 4.13. The purpose of Chapter 4.13 is to continue setting aside a baseline minimum threshold of at least ten percent (10%) of the County's locally generated unrestricted revenues in the general fund (net County cost) for DCI/ATI, and is consistent with voter approval of Measure J.

- Removal of Section I – Use of Funding Identified for CFCI and defer eligible uses of funding to Measure J (Charter Amendment). Section I of the CFCI Budget Policy is no longer needed as the information is included in the Charter and in the CFCI Budget Policy.

- Removal of outdated provisions related to the FY 2021-2024 phase-in period and reflect full implementation of the ten percent (10%) set-aside.

- Removal of the language that unspent and unencumbered CFCI funds will be committed as obligated fund balance at year end.

- Addition of language that clarifies that unspent, uncommitted, and unencumbered CFCI funds shall be transferred into a separate CFCI budget unit designated for unspent, uncommitted, and unencumbered CFCI funds and shall remain within the CFCI budget designated as one-time funding.

- Addition of language that states the CEO shall establish an annual ongoing funding planning assumption for evaluating recurring commitments, with amounts above the threshold generally treated as one-time funding subject to annual fiscal conditions and Board approval.

- Update the Budget Policy to reflect the Board motion of May 6, 2025, that established a new process for making recommendations for the use of unspent one-time CFCI funding.

• Addition of language that directs County departments and other non-County entities receiving CFCI funds to submit quarterly programmatic and fiscal reports to the Justice, Care and Opportunities Department, the CFCI program administrator, which shall report to the Board and the CFCI Advisory Committee.

• Extend the sunset review date to August 8, 2031.

Implementation of Strategic Plan Goals

Approval of the CEO's recommendations support the goals of the County's Strategic Plan, specifically North Star III Goal — Realize Tomorrow's Government Today to pursue operational effectiveness, fiscal responsibility and accountability.

FISCAL IMPACT/FINANCING

No fiscal impact. The revisions to the Budget Policy will ensure that budget recommendations are consistent with your Board's budget priorities with respect to CFCI programs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Ballot Measure J is a Charter Amendment approved by County voters on November 3, 2020. The Measure requires the County to "[s]et aside a baseline minimum threshold of at least ten percent (10%) of the County's locally generated unrestricted revenues in the general fund (net County cost), as determined annually in the budget process or as otherwise set forth in the County Code or regulations, to be allocated on an annual basis…" (Measure J, section (8)(A)).

On June 17, 2021, the Superior Court ruled that Measure J was constitutionally invalid. The Superior Court determined that Measure J interfered with the Board's authority under State law to establish the County's budget. On July 14, 2021, the Superior Court issued the final statement of decision.

On June 22, 2021, your Board directed County Counsel to appeal the Superior Court's decision and to request that Measure J be reinstated. On July 28, 2023, the County prevailed and the Superior Court judgment invalidating Measure J was reversed by the California Second District Court of Appeal (Court of Appeal). The Court of Appeal found that Measure J is a permissible exercise of the County electorate's authority to amend the County Charter that neither impairs the exercise of essential government functions nor violates State law.

On September 7, 2023, the Coalition of County Unions filed a petition to the California Supreme Court (Supreme Court) seeking to overturn the Court of Appeal's decision that reinstated Measure J. On October 25, 2023, the Supreme Court declined to hear the appeal, which resulted in the Court of Appeal's decision becoming binding. The Court of Appeal's decision was then returned to the Superior Court, which entered a judgement formally reinstating Measure J on March 26, 2024. As of this date, Measure J became effective once more.

In the Superior Court's June 17, 2021, decision, the Superior Court made clear that "this case does not involve any evaluation of the policy choices embedded in Measure J nor does the Court's resolution of this case prohibit in any way the current Board, or any future Board, from adopting a budget wholly in line with Measure J's provisions."

Because the Superior Court's decision did not prohibit your Board from adopting the types of budget investments called for in Measure J (i.e., DCI/ATI), on August 10, 2021, your Board adopted the CFCI Budget Policy to provide guidance in preparing the County budget to ensure that the aims of Measure J were implemented in accordance with your Board's intent. The CFCI Budget Policy is a regulation implementing Measure J, as approved by County voters, and is known and cited as the Measure J/CFCI Budget Policy.

The initial CFCI Budget Policy provided details on your Board’s intent to adhere to the spirit of Measure J by allocating at least ten percent (10%) of the County's locally generated unrestricted revenues in the general fund (net County cost) to support the same set of community-based programs in DCI/ATI. The adopted Board Policy No. 4.031 - CFCI Budget Policy stipulated that the ten percent (10%) set-aside be phased in over a three-year period, beginning July 1, 2021, and incrementally grow to the full set-aside by June 30, 2024, consistent with Measure J.

Based on the initial down payment of $100.0 million in ongoing funding included in the CEO’s Recommended Budget for FY 2021-22, County departments and community-based organizations began administering Measure J/CFCI programs in FY 2021-22. The CEO’s Recommended Budget for FY 2022-23 included an additional down payment of $100.0 million in ongoing funding (for a total of $200.0 million in ongoing funding in FY 2022-23) and the CEO’s Recommended Budget for FY 2023-24 included an additional $88.3 million in ongoing funding to reach the full FY 2023-24 ten percent (10%) set-aside amount of $288.3 million in ongoing funding. The three-year phase in and growth in the CFCI budget occurred on the same timeline and in compliance with Measure J had the measure been in place between the Court decision on June 17, 2021, and Measure J’s reinstatement on March 26, 2024. The set-aside amount is updated annually, as stipulated in Measure J.

On October 7, 2025, your Board adopted Ordinance No. 2025-0038, effective November 6, 2025, adding Chapter 4.13 DCI/ATI Minimum County Budget Allocation, to the County Code, to establish a baseline minimum set-aside in the County’s annual budget relating to DCI/ATI. Through Chapter 4.13 of the County Code, the Board reaffirms and preserves the voter-approved funding commitment, ensures continuity of implementation, and provides clear administrative direction consistent with its responsibilities under the Measure J Charter Amendment.

Per the recommendation of the Audit Committee, the revised CFCI Budget Policy has been reviewed and approved by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No impact on current services and/or projects. Approval of the revised CFCI Budget Policy will incorporate Chapter 4.13 and Ordinance No. 2025-0038, remove outdated provisions, reflect the full implementation of the ten percent (10%) set-aside, and strengthen fiscal planning and reporting requirements.

CONCLUSION

Upon approval of the revised recommendations, the CFCI Budget Policy will be updated to ensure it remains current, consistent, and aligned with Measure J/CFCI requirements and your Board’s intent.

Respectfully submitted,

Joseph M. Nicchitta
Chief Executive Officer

JMN:JG:MRM
EB:JA:VA:gl

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Justice, Care and Opportunities
Care First and Community Investment Advisory Committee

ENCLOSURE

Los Angeles County

Policy #:	Title:	Effective Date:
4.031	Measure J / Care First and Community Investment (CFCI) Budget Policy	08/10/~~21~~26

BACKGROUND

Ballot Measure J ~~was~~ is a charter amendment approved by Los Angeles County (County) voters on November 3, 2020. The Measure requires~~d~~ the County to "[s]et aside a baseline minimum threshold of at least ten percent (10%) of the County's locally generated unrestricted revenues in the general fund (net County cost), as determined annually in the budget process or as otherwise set forth in the County Code or regulations, to be allocated on an annual basis…" (Measure J, section (8)(A)).

On June 17, 2021, the Superior Court (Court) ruled that Measure J wa~~i~~s constitutionally invalid. The ~~c~~Court determined that the Measure interfered~~s~~ with the Board of Supervisors' (Board) authority under State law to establish the County's budget. On July 14, 2021, the court issued the final statement of decision.

On June 22, 2021, the Board directed County Counsel to appeal the ~~Superior~~ Court's decision and to request that Measure J be reinstated. On July 28, 2023, the County prevailed and the ~~Superior~~ Court judgment invalidating Measure J was reversed by the California Second District Court of Appeal (Court of Appeal). The Court of Appeal found that Measure J is a permissible exercise of the County electorate's authority to amend the County Charter that neither impairs the exercise of essential government functions nor violates ~~S~~state law.

On September 7, 2023, the Coalition of County Unions filed a petition to the California Supreme Court seeking to overturn the Court of Appeal's decision that reinstated Measure J. On October 25, 2023, the California Supreme Court declined to hear the appeal, which resulted in the Court of Appeal's decision becoming binding. The Court of Appeal's ~~Court~~ decision was then returned to the ~~Superior~~ Court, which entered a judgement formally reinstating Measure J on March 26, 2024. As of this date, Measure J became effective, once more.

In the ~~Superior~~ Court's June 2021~~its~~ decision, the ~~c~~Court made clear that "this case does not involve any evaluation of the policy choices embedded in Measure J. Nor does the C~~c~~ourt's resolution of this case prohibit in any way the current Board~~ of Supervisors~~, or any future Board, from adopting a budget wholly in line with Measure J's provisions."

Because the ~~c~~Court's decision ~~does~~ did not prohibit the Board ~~of Supervisors (Board)~~ from adopting the types of budget investments called for in Measure J (i.e., direct community investments and investments in alternatives to incarceration), ~~a~~ on August 10, 2021, the Board adopted a budget policy ~~is needed~~ to provide guidance in preparing the County budget to ensure that the aims of Measure J ~~are~~ were implemented in accordance with the

Board's intent. This Board Policy is a regulation implementing Measure J, and ~~The Board budget policy shall be~~ is known and cited as the Measure J / ~~Care First and Community Investment (~~CFCI~~)~~ ~~Program~~Budget Policy.

The initial CFCI Budget Policy provided details on the Board’s intent to adhere to the spirit of Measure J by allocating “at least ten percent (10%) of the County's locally generated unrestricted revenues in the general fund (net County Cost (NCC))” to support the same set of community-based programs in ~~Alternatives to Incarceration and Direct Community Investments~~ Direct Community Investments and Alternatives to Incarceration (DCI/ATI). The adopted Board Policy stipulated that the ~~10~~ten percent set-aside be phased in over a three-year period, beginning July 1, 2021, and incrementally grow to the full set-aside by June 30, 2024, consistent with Measure J.

Based on the initial “down payment” of $100.0 million in ongoing funding included in the Chief Executive Officer’s (CEO) Recommended Budget for Fiscal Year (FY) 2021-22, County departments and community-based organizations began administering Measure J/CFCI programs in FY 2021-22. The CEO’s Recommended Budget for FY 2022-23 included an additional “down payment” of $100.0 million in ongoing funding (for a total of $200.0 million in ongoing funding in FY 2022-23) and the CEO’s Recommended Budget for FY 2023-24 included an additional $88.3 million in ongoing funding to reach the full FY 2023-24 ten percent set-aside amount of $288.3 million in ongoing funding. The three-year phase-in and growth in the CFCI budget occurred on the same timeline and in compliance with Measure J had the measure been in place between the Superior Court decision in June 2021 and Measure J’s reinstatement in 2024. The set-aside amount is updated annually, as stipulated in Measure J.

On October 7, 2025, the Board adopted Ordinance No. 2025-0038, effective November 6, 2025, adding Chapter 4.13 Community Investment and Alternatives to Incarceration Minimum County Budget Allocation, to the County Code, to correct an administrative error that unintentionally resulted in the technical repeal of Measure J following the adoption of Measure G in 2024. Through Chapter 4.13 of the County Code, the Board reaffirms and preserves the voter-approved funding commitment, ensures continuity of implementation, and provides clear administrative direction consistent with its responsibilities under the Measure J Charter amendment.

PURPOSE

Effective July 1, 2021, establishes a budget policy to ensure that provisions of the CFCI Program, ~~for~~ providing ongoing funding for ~~alternatives to incarceration and direct community investments~~DCI/ATI are implemented in accordance with the ~~Board's intent.~~Measure J County charter amendment and Chapter 4.13 of the County Code and/or Board adopted Ordinance No. 2025-0038. This policy does not address the process for determining which eligible programs, services, and other investments are funded with ~~CFCI~~Measure J/CFCI.

REFERENCE

July 21, 2020, Board Order No. 51-C

July 28, 2020, Board Order Nos. 1, 2, and 3

August 10, 2020, Board Order No. 73-E

August 10, 2021, Board Motion

May 6, 2025, Board Motion

Los Angeles County Charter, Article III, Section 11(8)

Los Angeles County Code, Chapter 4.13

POLICY

Subsection 8 of Section 11 of the County Charter and/or Board adopted Ordinance No. 2025-0038 ~~This policy consists of two parts. Section I~~ establishes ~~a~~ the minimum funding set-aside ~~for~~ required by ~~CFCI~~Measure J/CFCI and ~~specifies~~ the programs, services, and other investments that are eligible for ~~CFCI~~Measure J/CFCI funding. ~~Section II~~This Board policy regulates ~~specifies~~ how the County will determine the amount of locally generated unrestricted revenues available for ~~CFCI~~Measure J/CFCI purposes.

~~**SECTION I – USE OF FUNDING IDENTIFIED FOR CFCI**~~

~~1. The County shall set aside a baseline minimum threshold of at least ten percent (10%) of the County's locally generated unrestricted revenues in the general fund (net County cost), as determined annually in the budget process or as otherwise set forth in the County Code or regulations, to be allocated on an annual basis, after input from, among others, the public and County departments at a public meeting, for the following primary purposes:~~

~~Direct Community Investment~~

~~a) Community-based youth development programs.~~

~~b) Job training and jobs for low-income residents focusing on jobs that support the implementation of the "Alternatives to Incarceration" workgroup recommendations as presented to the Board on March 10, 2020, especially construction jobs for the expansion of affordable and supportive housing, restorative care villages, and a decentralized system of care.~~

~~c) Access to capital for small, minority-owned businesses.~~

~~d) Rent assistance, housing vouchers, and accompanying supportive services for those at risk of losing their housing or without stable housing.~~

~~e) Capital funding for transitional housing, affordable housing, supportive housing, and restorative care villages with a priority for shovel-ready projects.~~

~~Alternatives to Incarceration~~

~~a) Community-based restorative justice programs.~~

~~b) Pre-trial non-custody services and treatment.~~

~~c) Community-based health services, health promotion, counseling, wellness and prevention programs, and mental health and substance abuse disorder services.~~

~~d) Non-custodial diversion and reentry programs, including housing and services.~~

~~2. The set-aside shall not be used for any carceral system or law enforcement agencies, including the County Sheriff's Department, District Attorney's Office, Superior Courts, or Probation Department, including any redistribution of funds through those entities. This restriction does not extend to State law requiring the County to fund court facilities and expenditures, including, but not limited to, the Trial Court Facilities Act of 2002 (2002 Senate Bill 1732) and Lockyer-Isenberg Trial Court Funding Act of 1997 (1997 Assembly Bill 233), other mandatory fines and fees, or any other County commitments to the extent required by law.~~

~~3. The unrestricted revenues that are set aside shall phase in over a three-year period, beginning July 1, 2021, and incrementally grow to the full set-aside by June 30, 2024, pursuant to the procedures codified in the County Budget Act in the Government Code.~~

~~4. The set-aside cannot supplant monies otherwise allocated for the same categories listed above in paragraph 1 as direct community investment or alternatives to incarceration.~~

~~5. The Board shall establish an inclusive and transparent process on the allocation of funds set aside for CFCI.~~

~~6. The Board may, by a four-fifths vote, reduce the set-aside for a one year period in the event of a fiscal emergency, as declared by the Board, that threatens the County's ability to fund mandated programs.~~

~~7. The implementation of this policy must comply with all applicable State and federal law.~~

~~SECTION II –~~ CALCULATION OF LOCALLY GENERATED UNRESTRICTED REVENUES

"*Locally generated unrestricted revenues in the general fund (NCC)"* means ongoing revenues generated from local revenue sources that the Board has substantial flexibility in budgeting or spending. These funds are referred to in this Policy as "Unrestricted NCC."

As set forth in this Policy, Unrestricted NCC excludes Restricted NCC spending categories where the Board lacks substantial flexibility and/or discretion in the spending amount or obligation. These restricted or required spending categories generally include, but are not limited to, legal settlements, maintenance of effort (MOE) requirements, State and federal mandates, legally or contractually required payments, previously incurred debt service, unfunded pension or retiree health obligations, prior-year unfunded workers' compensation costs, and similar categories as determined by the ~~Chief Executive Officer~~ ~~(~~CEO~~)~~ and approved by the Board as part of the budget approval process. Such restricted or required spending categories reduce the amount of revenues that can be made available for the ~~CFCI~~Measure J/CFCI set-aside.

1. Annually, the CEO will determine the gross amount of ongoing locally generated revenues (Gross NCC).

   a) Gross NCC excludes one-time or non-recurring revenues, such as available fund balance and cancelled obligated fund balance.

   b) Examples of locally generated revenues include, without limitation, property taxes, deed transfer taxes, transient occupancy taxes, license fees, permit fees, franchise fees, penalties, and vehicle license fee revenues.

2. To determine the amount of unrestricted NCC subject to the ~~CFCI~~Measure J/CFCI set-aside, the CEO will deduct from Gross NCC those restricted or required spending categories where the County lacks flexibility in the spending amount or obligation. These non-flexible items are restrictions on discretionary spending, and include the following categories:

   a) Revenue sources with significant restrictions or mandates on spending. Examples include, without limitation, vehicle license fee revenues.

   b) Unfunded liabilities, including but not limited to annual budget requirements for underfunded and/or legacy costs for pensions, retiree health, workers' compensation, and fixed employee benefits.

   c) Other restricted, non-flexible costs, including but not limited to "Maintenance of Effort" requirements or commitments required to draw down or otherwise receive the benefit of federal and/or State funding sources; and other mandatory costs, such as, but not limited to, judgments and damages, legal settlements, legally required or contractually required payments to County sponsored organizations and programs (e.g., museums), and debt service.

   ~~c)~~

3. In addition, the CEO will review and validate the categories and amounts of mandated versus discretionary programs as reflected in departmental budgets.

   a) Programs identified by CEO as discretionary are considered "unrestricted" and are subject to the ~~CFCI~~Measure J/CFCI set-aside.

   b) Programs identified by CEO as mandated, with a required level of service, are considered "restricted" and will be excluded from the amount subject to the ~~CFCI~~Measure J/CFCI set-aside.

   c) If departmental programs are mandated by federal or State law, but the level of service is discretionary, such programs will generally fall into the "unrestricted" category subject to the ~~CFCI~~Measure J/CFCI set-aside. Exceptions include:

i. When the Board directs, through a motion or other action, a specific level of service, the program will be considered "restricted" and will be excluded from the amount subject to the ~~CFCI~~Measure J/CFCI set-aside.

ii. When a program's level of service is not legally mandated, but the CEO determines that the County lacks discretion in its ability to control program costs, then the required program costs will be considered mandated/restricted, and not subject to the ~~CFCI~~Measure J/CFCI set-aside. Examples include but are not limited to indigent defense costs in the Public Defender, Alternate Public Defender, and the Trial Courts Operations budget units.

4. In addition, the ten percent (10%) set-aside cannot be used to supplant County funds that are already budgeted for the nine DCI/ATI program categories identified ~~above in paragraph 1 of Section I~~in Measure J and/or Board adopted Ordinance No. 2025-0038. That is, ~~CFCI~~Measure J/CFCI funding must be *additive to*, and not *replace*, the existing budgeted NCC levels for these nine DCI/ATI program categories.

   a) The CEO will identify the total existing NCC budgeted amounts in the ~~Fiscal Year (~~FY~~)~~ 2020-21 Final Adopted Budget for the nine DCI/ATI program categories.

   b) The budgeted funding in the FY 2020-21 Final Adopted Budget will constitute the CFCI base year funding for NCC for these categories.

   c) Since existing NCC funding in the~~se~~ nine DCI/ATI categories cannot be reduced, except as provided in Paragraph 8~~7~~ below, the CEO will continue to budget the base year NCC funding amount for these programs outside the ~~CFCI~~Measure J/CFCI set-aside, unless otherwise directed by the Board. These amounts will be subtracted from the unrestricted NCC available for the CFCI allocation. This provision does not impose any restrictions on the County's determination as to how to utilize the funding, provided the programs, services and investments funded with the base year NCC fall within one of the nine DCI/ATI categories identified ~~above~~in Measure J and/or Board adopted Ordinance No. 2025-0038.

5. In addition, the CEO will advise the Board if additional spending categories should be excluded from Gross NCC based on the restricted nature of the expenditure.

6. Fiscal Provisions:~~The 10 percent set-aside required by Section I, Paragraph 1, shall phased in over a three-year period, beginning July 1, 2021, and incrementally grow to the full set-aside by June 30, 2024.~~

   a) During the annual budget process, the CEO will set aside an amount of unrestricted NCC that is available for ~~CFCI~~Measure J/CFCI programs in the upcoming budget year.

   b) The CEO shall establish an annual ongoing funding planning assumption for the Measure J/CFCI program to support prudent multi-year budgeting and evaluation of ongoing commitments. Each year, as part of the budget development process, the CEO shall determine an appropriate planning assumption for ongoing commitments and shall identify the portion of the anticipated funding to be treated as ongoing funding and the portion to be treated as one-time funding for non-recurring investments and programming opportunities.

The planning assumption is intended solely as a budgeting and forecasting tool and shall not establish a guaranteed minimum funding level or alter the Board-adopted CFCI calculation methodology. Actual annual CFCI funding levels shall continue to be determined based on locally generated unrestricted General Fund revenues, restricted NCC obligations, and broader fiscal conditions. In years where the annual calculation falls below the planning assumption, the CEO may consider available underspend, carryover, or other one-time resources to support continuity of approved commitments, subject to available funding and Board approval. The CEO shall review the planning assumption annually and may adopt changes as necessary to ensure continued fiscal prudence and sustainability.

~~a)~~ The Justice, Care and Opportunities Department (JCOD) administrative allocation shall be adjusted accordingly consistent with the adopted CFCI methodology and annual budget actions approved by the Board.

~~b) Starting in FY 2021-22 and continuing for two additional fiscal years, the amount of the CFCI funding set-aside will be phased in. To develop funding recommendations during the phased in period, the CEO will consult with those responsible for implementing the CFCI program regarding expected timing and ability to expend funding.~~

c) ~~On November 10, 2020, the Board established an Advisory Committee and stakeholder process to provide spending recommendations to the CEO.~~On August 10, 2021, the Board expanded and reconstituted the CFCI Advisory Committee to provide annual spending ~~After considering the Advisory Committee's~~ recommendations to the CEO as part of the budget development process.~~, and~~ After considering the Advisory Committee's recommendations and consistent with State budget law, the CEO will present a recommended ~~CFCI~~Measure J/CFCI ~~budget~~ spending plan to the Board for their consideration. Upon approval by the Board, the CEO will allocate funding to appropriate budget units.

d) As part of ~~book closing each~~the fiscal year-end closing process, the Auditor-Controller, in coordination with the ~~and~~ CEO shall ~~will~~ identify ~~and~~ all unspent, uncommitted, ~~as obligated fund balance any unspent~~ and unencumbered CFCI funds across ~~from the various~~ budget units. All such unspent, uncommitted, and unencumbered CFCI funds shall be transferred into a separate CFCI budget unit designated for unspent, uncommitted, and unencumbered CFCI funds and shall remain within the CFCI budget designated as one-time funding. These funds shall be subject to reallocation through a Measure J/CFCI spending plan recommended by the CEO to the Board, informed by and prioritizing recommendation from the CFCI Advisory Committee, consistent with Board direction per the May 6, 2025, motion. In a subsequent period, the CEO will make budget recommendations to the Board to allocate this one-time funding component of future CFCI spending plan(s).

~~d)~~ Beginning with the FY 2025-26 Supplemental Changes Budget phase, and annually thereafter, the CEO shall submit to the Board, one or more CFCI spending plan recommendations, which, to the extent feasible, shall be presented as a consolidated spending plan. Such recommendations shall include the allocation of one-time funds derived from unspent, uncommitted, and unencumbered balances and for adjustments to the annual ongoing CFCI set-aside.

7. All funding recipients receiving CFCI funding shall submit programmatic and fiscal reports quarterly to JCOD, the CFCI program administrator, which shall report to the Board and the CFCI Advisory Committee and maintain a publicly accessible dashboard, providing timely and transparent information on CFCI allocations, expenditures, and outcomes through relevant data.

~~7.~~8. The Board may, by a four-fifths vote, reduce the set-aside in the event of a Board-declared fiscal emergency that threatens the County's ability to fund mandated programs. In such an event, the CEO will seek Board authorization to reduce the CFCI set-aside to less than ten percent (10%) of unrestricted NCC. Any such authorization will expire at the end the applicable fiscal year. In the event of a severe mid-year economic downturn, the CEO may seek mid-year budget reductions, the use of obligated fund balance, or other measures to close any budget gap in CFCI available funding.

RESPONSIBLE DEPARTMENT

Chief Executive Office

DATE ISSUED/SUNSET DATE

Issue Date: August 10, 2021 | **Sunset Date: August 10, 2026**
Review Date: June 10, 2026 | **Sunset Review Date: August 8, 2031**