

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 13, 2023

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

2023-24 County Budget

RECOMMENDATION(S)

1. Conduct a public hearing on the County's 2023-24 Recommended Budget.
2. Adopt **Resolution No. 2023-81** to approve and adopt:
 - a. The County's 2023-24 Budget, including total appropriation, operating transfers out, contributions to reserves/net position, available reserves and budgeted staffing, and authorization for adjustments for final fund balance listed in Attachment A.
 - b. Recommended changes in total appropriation, operating transfers out, contributions to reserves/net position and budgeted staffing as included in Attachment B.
 - c. Recommended changes in General Fund Reserves for 2023-24 as listed in Attachment C.
 - d. The County General Fund's committed fund balance as of June 30, 2023.
 - e. Any changes to the Recommended Budget that the Board of Supervisors may direct.
 - i. In the event that the Board of Supervisors makes any additions or deletions to the Budget after the public hearing, and the items were not proposed in writing and filed with the Clerk of the Board of Supervisors before the close of the public hearing, a 4/5 vote of the Board of Supervisors is required.
3. Authorize the Chief Executive Officer or County Chief Financial Officer, to release appropriation controls for the Human Resources - Risk Management Division budget units outside the normal quarterly report process, as necessary.
4. Approve the following classification actions detailed in Attachment B.
 - a. Addition of positions
 - b. Reclassification of positions
 - c. Establishment of classifications and salaries for the new classifications
 - d. Deletion of classifications
 - e. Technical Title Changes for existing classifications
 - f. Equity Adjustments for existing classifications
 - g. Direct the Clerk of the Board of Supervisors to amend the County Conflict of Interest Code List of Designated Employees to include the new classifications.
5. Approve the following recommendations to amend Ordinance No. 1904 by adding one new position, incorporating a technical title change for one position and moving 11 positions from Classified to Unclassified Service:
 - a. Consider proposed ordinance amending Ordinance No. 1904:
 - i. Add the position number for the Assistant Director of Children and Family Services position (Position No. 56812) to the Unclassified Service of the County.
 - ii. Incorporate a technical title change from Assistant Director of Real Estate Services to Chief of Facilities Management (Position No. 86241).

- iii. Move the following positions from Classified Service to Unclassified Service of the County: Peer & Family Advocate (Position Nos. 55339, 55554, 55871, 82874, 55873, 83859, 55862, 55863, 55864).
- iv. Move the position number for the Assistant Director of Public Health position (Position No. 56392) to the Unclassified Service of the County.
- v. Move the position number for the Chief Deputy Treasurer (Position No. 17726) from Classified Service to Unclassified Service of the County.
- b. Make alterations, if necessary to proposed ordinance.
- c. Approve introduction of proposed ordinance.
 - i. An ordinance of San Bernardino County, State of California, to amend Ordinance No. 1904 relating to classified and unclassified Service.
- d. SCHEDULE ORDINANCE FOR FINAL ADOPTION ON TUESDAY, JUNE 27, 2023, on the Consent Calendar.

(Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-4811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

The 2023-24 Recommended Budget, as presented in the Recommended Budget Book, includes Requirements for the County General Fund, special revenue funds, capital project funds, internal services funds, and enterprise funds, which total \$8.7 billion (including General Fund Contributions to Reserves and Non-General Fund Contributions to Reserves/Net Position). Of the \$8.7 billion, General Fund Requirements total \$4.8 billion (including General Fund Contributions to Reserves), of which \$1.5 billion is funded with Discretionary General Funding (primarily property tax). Additionally, the 2023-24 Recommended Budget includes 24,993 budgeted staffing.

In addition to the Requirements in the Recommended Budget Book, Attachment B includes changes to the Recommended Budget totaling \$82.5 million, bringing Total Requirements presented to \$8.7 billion. Attachment B changes to the recommended budget include changes to appropriation, operating transfers out, contributions to reserves/net position, and budgeted staffing.

BACKGROUND INFORMATION

As the largest political subdivision of the State, counties are vested by the California State legislature with the powers necessary to provide for the health and welfare of the people within their borders. The \$8.7 billion 2023-24 Recommended Budget reflects the planned allocation of resources necessary to carry out this mission for the citizens of San Bernardino County. This budget has been developed in accordance with the Countywide Vision, which promotes a sustainable system of high-quality education, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure. The County's 24,993 budgeted positions are responsible for a wide variety of services to residents, from responding to calls for emergency services (Sheriff/Coroner/Public Administrator), to giving businesses the tools they need to succeed (Economic Development Agency), to providing resources for those who are homeless or at-risk of becoming homeless (Community Revitalization Group), and providing a home for children in need (Human Services – Subsistence).

The 2023-24 Recommended Budget has been crafted to serve as the foundation for continued excellence in the pursuit of the Countywide Vision with an emphasis on adding to the many amenities provided to communities, increasing the County's status as an attractive destination for employers, and continuing to serve County residents and visitors with innovation, integrity, and an unrivaled passion for public service.

The following is a summary of the priorities identified by the Board of Supervisors (Board) that are addressed in the 2023-24 Recommended Budget.

Infrastructure

Making County unincorporated communities safe and livable and investing in infrastructure to spur economic growth and improve the delivery of County services is a high priority for the Board. The 2023-24 Recommended Budget allocates \$30.0 million from the General Fund for improvements that will create safer neighborhoods, as well as road improvements, enhancements to key County-owned assets, additional conversions from septic to sewer service – a necessity for businesses seeking to locate their facilities within County unincorporated communities.

Support Vulnerable Populations

In support of the County's Homeless Strategic Action Plan and \$72.7 million Homeless Initiatives Spending Plan, the 2023-24 Recommended Budget seeks to invest \$20.0 million from the General Fund to support the County's various initiatives aimed at reducing homelessness, including efforts to partner with cities and builders to increase the bed capacity needed to move County residents from the streets toward eventual permanent housing solutions.

Economic Development

With the pandemic now behind us, the County team is eager to move its efforts to attract and retain high-quality employment opportunities with the County. The 2023-24 Recommended Budget seeks to set aside \$2.6 million in one-time funding to commission a study that would evaluate the needs of the County's Economic Development department; attract, retain, and support businesses; secure international trade opportunities; and support the Transient Occupancy Tax /Chambers of Commerce Incentive Program, which invests lodging revenues into the communities where they are generated to promote tourism, creating additional revenue for the County and local employers.

Development Assistance

Providing first-rate customer service to those seeking assistance from the County on land-use matters is essential to the County's economy and quality of life, and supports all four pillars of the County's Organizational Culture – Value, Innovation, Service, and Vision. That is why the 2023-24 Recommended Budget allocates \$1.0 million in ongoing funding to support concierge services in Land Use Services, project coordinators, process improvement, and potential partnerships with outside firms to ensure the County provides the highest levels of service to customers, from residents seeking to improve their homes to builders looking to make a measurable impact on the availability of affordable and quality housing in San Bernardino County.

Capital Needs

The Board has admirably committed itself to making visible progress on many long-needed capital improvements, primarily the replacement of aging, costly, and inadequate County Government facilities. The Board wisely grasps the notion that the County residents and visitors judge the quality of the services they receive and the value they gain from their tax dollars on

the state of the facilities from which those services are provided. The 2023-24 Recommended Budget sets aside \$123.1 million in one-time General Fund resources and \$10.0 million in ongoing General Fund revenue to support the County's Master Plan (\$68.1 million), bolster the Building Acquisitions Reserve (\$30.0 million one-time and \$10.0 million ongoing), construct a headquarters for a replacement fire station (\$20.0 million), and invest toward the construction of a new animal shelter (\$5.0 million).

Regional Parks

The County's system of nine regional parks is a key amenity maintained for County residents and visitors from throughout Southern California at locations in every area of the county. Maintaining facilities in outdoor environments in a manner visitors expect and deserve is a constant challenge. Regional Parks depend on new visitors and repeat customers for their fiscal survival. The 2023-24 Recommended Budget invests \$30.0 million in one-time General Fund revenue toward large-scale improvements that will encourage the patronage needed for maximum revenue, and \$1.0 million in ongoing General Fund resources in additional staff to ensure parkgoers have the best experience possible.

Disaster Relief

The 2023 February Storm event was a reminder that with the unique nature of the County's environmental diversity can come unique challenges in responding to disasters. The 2023-24 Recommended Budget sets aside an additional \$15.0 million from the General Fund to meet community needs that will not be covered by other forms of relief, such as that provided by the Federal Emergency Management Agency and the U.S. Small Business Administration.

Innovation

Through consistent investment and support by the Board, the County has developed into a leader among government agencies in the encouragement and implementation of the latest technologies and bold thinking in the delivery of services to County residents. Numerous national and state awards stand testament to this. To ensure that the County's culture of innovation continues to thrive and delivers results, the 2023-24 Recommended Budget allocates \$16.0 million from the General Fund to support the County's Innovation and Technology Development efforts, specifically a Human Capital Management System (\$15.0 million) and \$1.0 million for Opportunity Funds.

Human Services Programs

The County has no higher priority than fulfilling its role in protecting children from abuse and neglect, maintaining and strengthening families, and ensuring the children in the County's care are healthy and safe. Due to a pandemic driven increased demand for services and a national scarcity of trained professionals, the County faces challenges in making sure caseloads allow for the best level of services possible. Therefore, the 2023-24 Recommended Budget invests \$5.4 million in ongoing funding to support eighty-five staff positions for the Department of Children and Family Services.

Financial Security

The County's consistent record of prudent, forward-thinking budgeting and insistence on maintaining healthy rainy-day funds has set a standard that few other jurisdictions have been able to match. This has proven to be of the utmost importance in a region susceptible to wildfires, earthquakes, floods, drought, and now blizzards. It is also key to maintaining the County's excellent credit rating and providing the Board with the means to respond to urgent community needs. The 2023-24 Recommended Budget continues this important tradition by setting aside \$20.0 million for General Purpose Reserves, meeting the required level of funding

for mandatory contingencies, an additional \$2.9 million ongoing Earned Leave Reserve contribution, and \$10.0 million in ongoing retirement reserves.

Public Safety

Public Safety continues to be a top concern for the County in the upcoming fiscal year. Similar to the prior year the County continues to experience increases in public safety-related sales tax through Proposition 172 and 2011 Public Safety Realignment (AB 109), allowing the County to deploy these resources towards strategic priorities that improve the ability of the County to provide for the public safety of County residents. The 2023-24 Budget (Including Attachment B) makes the following notable investments to improving public safety:

- **Department of Behavioral Health** will utilize both ongoing and one-time AB109 funding (\$1.0 million ongoing and \$1.4 million one-time) to expand mental health and substance use treatment and reduce recidivism through screening treatment, linkage and referrals.
- The **District Attorney** is allocated \$3.8 million (\$2.9 million ongoing Prop 172 and \$0.9 million Use of Community Concerns Reserves) to establish a Homicide Unit, support the Marijuana Task Force activities, and funding for additional office space.
- The **Public Defender** is requesting to utilize \$0.6 million of ongoing AB109 funding for the addition of two Deputy Public Defender IV Positions to improve the Department's ability to meet American Bar Association guidelines to provide competent representation and increase attorney hours available to perform professional obligations specific to each case (\$400,000 PD Specific AB 109) and to fund a contract with a community-based organization to facilitate scheduled and safe transportation services for court participants.
- The **Probation Department** is requesting \$6.4 million (\$1.0 million ongoing AB109 and \$5.4 million one-time AB109) for programmatic job-training expansion of the Multi-Dimensional Anti-Recidivism Partnership (MAP) program (\$1.0 million ongoing) and expansion of the MAP program into the Barstow area (\$5.4 million one-time).
- The **Sheriff's Department** is utilizing additional Proposition 172 and AB 109 funding for numerous initiatives planned in the upcoming year including:
 - \$28.6 million in additional funding (\$17.5 million in additional Prop 172 \$10.6 million in additional AB 109 funding and \$0.5 million in additional discretionary general funding) for the addition of 71 positions (\$14.4 million), Inflationary funding (\$7.2 million) and \$7.0 million for various programs detailed in the Identified Needs section of the Recommended Budget Book.
 - \$40.8 million of additional Prop 172 (\$40.0 million) and AB 109 (\$0.8 million) funding to finance various Sheriff projects, including \$37.4 million listed in Exhibit G of the Recommended Budget Book.
 - \$25.0 million in AB 109 Funds set aside for a potential West Valley Detention Center Infirmary.
 - \$17.0 million from the Asset Replacement Reserve to fund the replacement of an existing Sheriff's Department Rescue Helicopter.

Department Programmatic Needs/State & Federal Mandates

Also included in this action is a recommendation to approve Attachment B to this item which reflects key departmental programmatic priorities and mandated funding items. These key departmental funding requests promote the organizational pillars of service, vision, and innovation for County departments.

Recommendations

Recommendation No. 1 calls for the public hearing on the 2023-24 Recommended Budget for the County, as required by Government Code Sections 29080 and 29081. Prior to adopting the County 2023-24 Budget, a notice was published on May 24 and May 30, 2023, setting forth the date of the public hearing for the purpose of making a determination regarding the Recommended Budget. The Recommended Budget documents were made available to the public at the Clerk of the Board of Supervisors' Office on May 23, 2023, and the public hearing is occurring at least 10 days after the documents were made available. The notice further sets forth that all interested persons may appear at the public hearing and be heard. The budget hearing is designed to discuss and implement any direction or changes to the Recommended Budget. Any requests for increases, decreases or omission of any item in the budget or inclusion of any additional items shall not be made after the public hearing, unless the items were proposed in writing and filed with the Clerk of the Board of Supervisors before the close of the public hearing or unless approved by the Board by four-fifths vote.

Recommendation No. 2 adopts the Resolution approving and adopting the County's 2023-24 Budget, which includes any changes made to the Recommended Budget as detailed in Attachment B, and Recommended Changes in General Fund Reserves for 2023-24 as detailed in Attachment C. Additionally, the Resolution seeks adoption of the June 30, 2023, additional committed fund balances for the General Fund as listed in the Resolution.

Recommendation No. 3 requests approval to lift appropriation controls for the Human Resources -Risk Management Division budget units at the discretion of the Chief Executive Officer, or County Chief Financial Officer, outside of the normal quarterly reporting process in order to pay settlements throughout the fiscal year in a timely manner. Risk Management is able to estimate some of these settlement costs and make the appropriate quarterly budget adjustments prior to the settlement being finalized. However, some of these costs are unknown until the final settlement, which could impact the department's ability to pay the claim if required to wait until the next quarterly budget report. Many times, there are legal ramifications (such as not complying with a court order) if the settlement is not paid in a timely manner.

Recommendation Nos. 4 and 5 address actions needed related to the budgeted staffing and personnel actions of the 2023-24 Recommended Budget. Budgeted staffing totals for 2023-24, as presented in the Recommended Budget Book, include 24,993 positions, of which 16,511 positions are in the General Fund and 8,482 positions are in all other funds. The recommended staffing includes an increase of 396 General Fund positions and a decrease of 333 positions in all other funds. In addition to staffing in the Recommended Budget Book, Attachment B includes a net increase of 58 positions in the General Fund and 17 positions in other funds bringing the total budgeted staffing presented to 25,068. Budgeted staffing and personnel actions are summarized in the 2023-24 Recommended Budget Book and Attachment B.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Human Resources (Gina King, Deputy Director, 387-5571) on June 2, 2023; County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on June 2, 2023; and County Finance and Administration (Robert Saldana, Deputy Chief Executive Officer, 387-5423) on May 31, 2023. This item has been coordinated with the Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on June 6, 2023.

2023-24 County Budget
June 13, 2023

Record of Action of the Board of Supervisors
San Bernardino County

Hearing Opened

Public Comment: Maribel Nunez, Michael Dickerson, Christine Tran, Kath Rogers

Hearing Closed

APPROVED

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 13, 2023



cc: File – Final BAI

JLL 06/14/2023