



County Administrative Office

2021-22 Budget Workshop

Leonard X. Hernandez
Chief Executive Officer
May 18, 2021

- Budget Kickoff
 - Budget documents will be delivered later today in anticipation of budget hearing on June 8th
 - Staff are available over the next three (3) weeks for questions
- Discretionary General Fund - Overview
 - Five Year Forecast
 - 2021-22 Recommendations
- County Fire Budget Strategy
- Board Input in Advance of Budget Hearing on June 8th
- American Rescue Plan – High Level Overview

- Early Board Engagement
- Frequent Financial Updates
- Focus on Programs and Services

- Rebounding from the Pandemic
 - V-Shaped, not U-Shaped
- Financial Stability
 - Fiscally Prudent Approach
- Strategic Investments
 - Seize the Opportunity

Multi-Year Discretionary Funding Forecast (in millions)

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
1. 2020-21 Ongoing Carryover	57.8				
2. Revenue Change:					
3. Property Tax	26.1	20.4	21.0	21.5	22.2
4. Proposition 172	6.1	6.3	6.4	6.6	6.8
5. Other Revenue	5.5	1.1	1.1	1.1	1.1
6. Total Revenue Change	<u>37.7</u>	<u>27.8</u>	<u>28.5</u>	<u>29.2</u>	<u>30.1</u>
7. Cost Change:					
8. Total Ongoing Costs To Maintain Services	(45.1)	(31.5)	(27.2)	6.6	(0.5)
9. Recommended Changes To Ongoing Costs	(31.4)	(1.0)	-	-	-
10. Total Future Estimated Costs	<u>-</u>	<u>(1.8)</u>	<u>(13.7)</u>	<u>(49.3)</u>	<u>(38.8)</u>
11. Total Cost Change	<u>(76.5)</u>	<u>(34.3)</u>	<u>(40.9)</u>	<u>(42.7)</u>	<u>(39.3)</u>
12. Ongoing Available/(Deficit)	19.0	(6.5)	(12.4)	(13.5)	(9.2)
13. Cumulative Ongoing Available/(Deficit)	19.0	12.5	0.1	(13.4)	(22.5)

Multi-Year Discretionary Funding Forecast (in millions)

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
1. <u>Ongoing Costs to Maintain Services:</u>					
2. Retirement	(4.5)	-	-	15.7	3.8
3. MOU Costs	(23.9)	(21.5)	(12.0)	-	-
4. County Fire - Contractual Requirement (LAFCO 3000)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
5. Human Services Programs	(16.1)	(7.2)	(14.5)	(8.7)	(3.4)
6. Workers Comp Insurance Increases	0.5	(0.7)	(0.7)	(0.7)	(0.7)
7. Other Insurance, Fleet, Central Services Increases	0.5	0.1	0.2	0.5	-
8. Real Estate Services - Utilities	(2.1)	(0.9)	-	-	-
9. Projected SAP Enterprise Costs	-	(2.9)	-	-	-
10. Other (Costs)/Savings	0.7	1.8	-	-	-
11. Total Ongoing Costs To Maintain Services	(45.1)	(31.5)	(27.2)	6.6	(0.5)
12. Recommended Changes To Ongoing Costs	(31.4)	(1.0)	-	-	-
13. <u>Future Estimated Costs:</u>					
14. High Desert Detention Center Staffing - Phase 2*	-	-	-	(14.8)	-
15. High Desert Detention Center Staffing - Phase 3*	-	-	-	-	(12.8)
16. Projected County MOU Costs	-	(1.8)	(13.7)	(26.5)	(26.0)
17. Projected Retirement Costs	-	-	-	(8.0)	-
18. Total Future Estimated Costs	-	(1.8)	(13.7)	(49.3)	(38.8)

*The total combined estimated cost for HDDC Expansion is \$27.6 million.

Recommended New Discretionary General Fund Allocations

- Financial Stability
- Capital Replacement Needs
- Economic Development
- Community Wellness
- Technology Improvements
- Operational Improvements/Efficiencies
- Public Safety
- Mandates
- Prior Board Approval
 - Includes previously approved reserve designations or carryover funding from prior fiscal years

County Budget – What Can We Accomplish?

\$228.2 Million New Investments (\$196.1 million one-time, \$32.1 million ongoing)

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- **Financial Stability**

- \$41.0M – Fully Fund General Purpose Reserve @ 20%
- \$82K – Required Debt Service Costs

- **Capital Replacement Needs**

- \$66.1M – Downtown Building Project
- \$19.0M – Sheriff Capital Projects
- \$3.0M – District Attorney High Desert Building Needs
- \$20.0M ongoing – Ongoing Building Replacement Reserve

- **Economic Development**

- \$350K – TOT/Chambers of Commerce Incentive Program
- \$250K – Ontario Airport Partnership

- **Community Wellness**

- \$5.0M – Regional Parks Amenity Upgrades
- \$500K – Trona Building Demolition
- \$2.5M – Homelessness Pilot Programs

- **Technology Improvements**

- \$12.5M – Assessor's Property Information Management System (PIMS)
- \$25.0M – ATC Property Tax System (\$18.0 million reimbursed in the future)
- \$3.0M – Innovation and Technology Government Efficiency Partnership
- \$246K – Accela Maintenance and support
- \$90K – Public Health Animal Control Software Maintenance

- **Operational Improvements/Efficiencies**

- \$1.8M (\$1.5M ongoing) – Human Resources
 - EMACS Improvement
 - Recruitment, Retention, Succession Planning
 - Enhanced Customer Service: Employee Relations and Staff Development

- **Public Safety**

- \$13.0M (\$7.5M ongoing) – Sheriff
 - Coroner's Office
 - Body Worn Cameras
 - Community and Equity
 - Overtime Issues
 - Jail Mandates
 - Crime Suppression Funding
- \$10.4M – Community Concerns Funding
 - Illegal Marijuana Enforcement
 - Short-Term Rental
 - Snow Play Nuisance
 - Illegal Business Activity
 - Illegal Truck Parking Enforcement

- **Mandates**

- \$1.1M – General Litigation
- \$3.2M (\$3.0M Ongoing) – Chino Plume (estimate)
- \$50K ongoing – Clerk Archives Funding

County Budget – Prior Board Approved Projects

\$40.3 million Reserve Usage, \$0.2 million one-time, \$0.6 million ongoing

- DAAS – Public Guardian – \$63K – Lease Cost Reserve (\$49K), Additional one time (\$14K)
- Assessor - \$11.9M – PIMS Replacement Reserve
- Auditor-Controller/Treasurer/Tax Collector
 - \$15.4M – Property Tax System Reserve
 - \$2.5M – SAP Support Services Reserve
 - \$94K ongoing – SAP Maintenance
- Clerk of the Board – \$438K Legistar Reserve
- CAO
 - \$5.5M – Chino Plume Litigation Reserve
 - \$1.0M – California University of Science and Medicine MOU Reserve
 - \$68K – December 2nd Memorial Reserve
 - \$42K – Redistricting Rollover
- Fire Training Center Reserve - \$820K
- Flood Control – Rimforest Drainage Reserve - \$2.6M
- Flood Control – San Bernardino County Transportation Authority Fees - \$25K ongoing
- Various Departments - \$1.0M Bloomington Community Benefit Funding
 - \$671K (\$536K ongoing) – Sheriff Patrol, Code Enforcement, and Park staff
 - \$329K – Contribution to Bloomington Community Benefit/Improvement Reserve

County Fire Budget Strategy

- Memorandum of Understanding for Fire Services
 - Rural Ambulance Service
 - Baker Fire Station
 - Kern County Contract
 - Contract fire services provided by Kern County on our federal lands along the county line
 - Wildland Hand-Crews
 - Joint Helicopter Program
 - Enhanced Services (HazMat & USAR)
- LAFCO Gap
 - Represents amount of property tax revenue (adjusted for assessed valuation growth) that was not transferred to the District when it was formed in 2008 that was required to maintain the then-current level of service

Fiscal Vision for County Fire

1. *Creation* of a Base (Foundation) for Existing Operations Through Stable Funding

- Property Tax and other Revenues combined with Current Base County MOU and Contracts for Services
- Currently, North Desert and South Desert Regional Service Areas Rely on MOU/Contract for Services (Largely Due to Rural and Large Percentage of Federal Owned Land)

2. *Focused* on Additional Funding Opportunities

- Grants (FEMA, Community Risk, Centers for Medicare and Medicaid Services)
- Revenue Generating Enterprises
- Better Cost Recovery and Collection

3. *Control* Expenditures

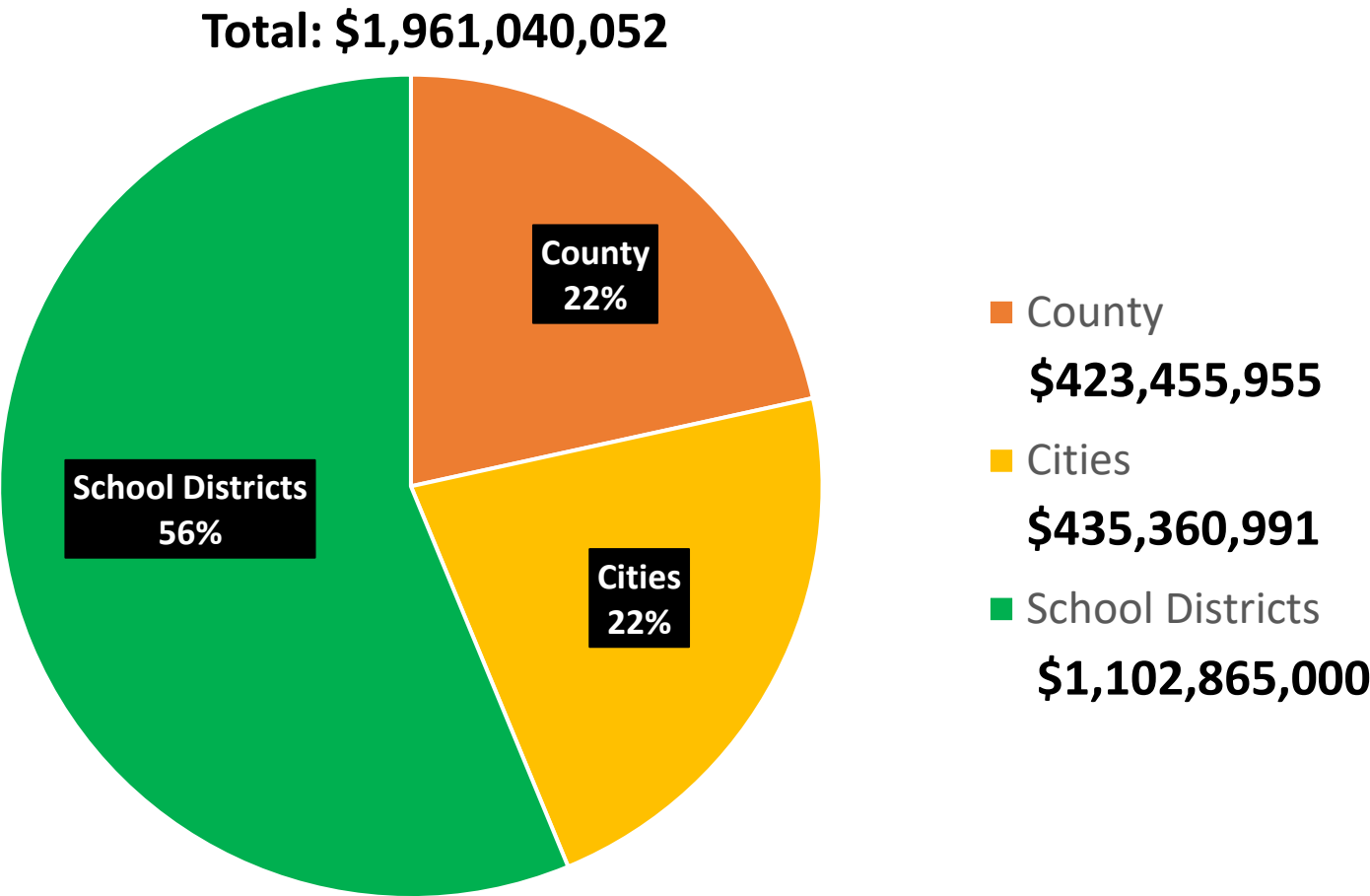
- Community Risk Reduction Activities (Cost Avoidance) Constrain
- Careful Monitoring of Expenses
- Sustainable Funding as a Mechanism to Encourage Conservation
- Partnerships to Create Cost-Sharing Opportunities

4. *Implement* Service Enhancements

- Adopted Reserve Policies to Ensure Sustainable Growth
- Responsible Implementation (SAFER Grant, Regionalization of Services, Cost-Neutral Enhancements)



- Limited Information Originally Provided
- Overview of What is Currently Known
- Reviewing Guidelines Provided May 10th
- Will Come Back for Future Board Discussion



American Rescue Act

Estimated American Rescue Act Funding

All States and Local Governments	\$	360,000,000,000
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State of California		
California (State)	\$	26,614,641,093
California (Counties)	\$	7,663,152,218
California (Cities)	\$	8,356,006,112
California (Total)	\$	42,633,799,422

San Bernardino County		
County	\$	423,455,955
Cities	\$	435,360,991
School Districts	\$	1,102,865,000
San Bernardino County (Total)	\$	1,961,681,946

Estimated School District Funding	
Adelanto Elementary School District	\$26,304,000
Alta Loma Elementary School District	\$5,383,000
Apple Valley Unified School District	\$41,800,000
Baker Valley Unified School District	\$537,000
Barstow Unified School District	\$30,884,000
Bear Valley Unified School District	\$5,391,000
Central Elementary School District	\$7,785,000
Chaffey Joint Union High School District	\$38,169,000
Chino Valley Unified School District	\$40,636,000
Colton Joint Unified School District	\$61,018,000

San Bernardino County CDBG Cities		
Apple Valley	\$	14,875,333
Chino	\$	14,003,707
Chino Hills	\$	10,392,935
Fontana	\$	52,337,523
Hesperia	\$	25,475,469
Ontario	\$	46,480,231
Rancho Cucamonga	\$	25,629,074
Rialto	\$	30,269,489
San Bernardino	\$	84,899,600
Upland	\$	15,921,778
Victorville	\$	34,346,136
Total CDBG Cities	\$	354,631,276

Estimated School District Funding, continued	
Cucamonga Elementary School District	\$6,219,000
Etiwanda Elementary School District	\$10,679,000
Fontana Unified School District	\$101,817,000
Helendale Elementary School District	\$1,029,000
Hesperia Unified School District	\$68,694,000
Lucerne Valley Unified School District	\$4,672,000
Morongo Unified School District	\$23,809,000
Mountain View Elementary School District	\$27,980,000
Mountain View Elementary School District	\$3,120,000
Needles Unified School District	\$4,171,000
Ontario-Montclair School District	\$67,415,000

Non-Entitlement Cities		
Adelanto	\$	6,408,979
Barstow	\$	4,501,475
Big Bear Lake	\$	993,656
Colton	\$	10,319,417
Grand Terrace	\$	2,368,662
Highland	\$	10,431,037
Loma Linda	\$	4,608,200
Montclair	\$	7,544,747
Needles	\$	936,623
Redlands	\$	13,460,756
Twentynine Palms	\$	4,907,671
Yucaipa	\$	10,149,447
Yucca Valley	\$	4,099,043
Total Non-Entitlement Cities	\$	80,729,715

Estimated School District Funding, continued	
Redlands Unified School District	\$32,896,000
Rialto Unified School District	\$73,265,000
Rim of the World Unified School District	\$9,964,000
San Bernardino City Unified School District	\$253,725,000
Silver Valley Unified School District	\$3,916,000
Snowline Joint Unified School District	\$14,035,000
Trona Joint Unified School District	\$918,000
Upland Unified School District	\$18,856,000
Victor Elementary School District	\$44,951,000
Victor Valley Union High School District	\$56,926,000
Yucaipa-Calimesa Joint Unified School District	\$15,901,000
Total School Districts Estimate	\$1,102,865,000

American Rescue Act – County Recovery Fund Spending Proposal (\$423.5 million)

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Year 1 (\$160 million)

Pandemic Response-\$80 million

- Homeless Services
- Housing
- Testing
- Vaccinations

Economic Recovery-\$40 million

- Business Recovery
- Economic Development Strategy
- Key Strategic Infrastructure Improvements
 - Broadband
 - Water/Sewer
 - Other Allowable Investments

Government Ops-\$40 million

- County System Improvement
- Strategic District Priorities
- Pandemic Based Tech
- Innovation/Efficiency
- Service Delivery Enhancements
- Administration

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Year 2 (\$160 million)

Economic Recovery-\$80 million

- Key Strategic Infrastructure Improvements
 - Broadband
 - Water/Sewer
 - Other Allowable Investments
 - Economic Development Strategy

Pandemic Response-\$40 million

- Homeless Services
- Housing
- Testing
- Vaccinations

Government Ops-\$40 million

- Digital Transformation Hub
- Strategic District Priorities
- Strategic Business Partnerships
- “After Action” Planning Improvements
- Administration

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Year 3 (\$75 million)

Government Ops-\$40 million

- “After Action” Planning Improvements
- Strategic District Priorities
- Administration

Economic Recovery-\$25 million

- Key Strategic Infrastructure Improvements
 - Broadband
 - Water/Sewer
 - Other Allowable Investments

Pandemic Response-\$10 million

- Homeless Services
- Housing
- Testing
- Vaccinations

Year 4 (6 months) (\$28.5 million)

Economic Recovery-\$10 million

- Key Strategic Infrastructure Improvements
 - Broadband
 - Water/Sewer

Government Ops-\$10 million

- “After Action” Planning Improvements
- Strategic District Priorities
- Administration

Pandemic Response-\$8.5 million

- Homeless Services
- Housing
- Testing
- Vaccinations

QUESTIONS?