



June 8, 2021

Matthew H. Hymel
COUNTY ADMINISTRATOR

Daniel Eilerman
ASSISTANT COUNTY
ADMINISTRATOR

Angela Nicholson
ASSISTANT COUNTY
ADMINISTRATOR

Marin County Civic Center
3501 Civic Center Drive
Suite 325
San Rafael, CA 94903
415 473 6358 T
415 473 4104 F
CRS Dial 711
www.marincounty.org/cao

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Proposed County and Special District Budget

Dear Supervisors,

RECOMMENDATION

1. Accept the Administrator's Proposed FY 2021-22 County Budget for public review, including special districts under the Board (see Schedule 12 attached), pending your Board's formal adoption of the County Budget;
2. Schedule public hearings on the Proposed FY 2021-22 County Budget to begin on Monday June 21, 2021 at 9:00 a.m.; and
3. Authorize the County Administrator and Director of Finance to make technical and other carry forward adjustments as necessary to properly budget and account for grants, projects and year-end fund balances, including:
 - a. designation of assigned and committed year-end fund balances and the carry-forward of prior year administrative designations (Attachments A-C); and
 - b. other technical adjustments as necessary to accurately reflect the budget - including position and required labor agreement adjustments, the roll forward of existing designations, and Budget Change Proposals and other one-time allocations outlined in the Proposed Budget.

OVERVIEW

I present our FY 2021-22 Proposed Budget at a time when the COVID-19 pandemic has had a profound impact on our nation, tested our organization, and revealed the resolve of our entire community. I cannot begin to express my gratitude for our Public Health and Emergency Operations staff, our community partners, and the many County employees that have served as disaster service workers. The County remains focused on effectively responding to this extraordinary public health emergency as we work with our partners and healthcare experts to provide vaccinations and safely reopen business operations.

While county governments are traditionally considered to be providers of health and safety services, we are also at the forefront of local discussions addressing racial equity, climate change, and homelessness. Each of these issues requires a commitment to work toward meaningful, beneficial, and sustainable solutions for all residents.

At the same time, our fiscal landscape has undergone massive shifts, from the brink of a global recession to the beginning of an economic recovery that is temporarily fueled by historic levels of federal fiscal relief. We will have a unique opportunity over the next several years to invest in the future of our community, yet as we prioritize the allocation of federal relief funds to create lasting positive impacts, we must also adhere to the fundamental fiscal discipline of distinguishing between one-time revenue sources and ongoing expenditure commitments.

With the federal American Rescue Plan, we will be able to expand rental assistance programs, house the homeless, support our economic recovery, and improve community health while also making significant investments in critical county infrastructure, climate change, and racial equity. Although the federal funds are restricted for specific purposes, I am confident that we can partner with our cities, towns, community-based organizations, and residents to leverage this opportunity to build a better future for our County.

COMMUNITY PRIORITIES GUIDE BUDGET DECISIONS

Our objective in preparing this Proposed Budget is to present fiscally responsible recommendations that reflect our community’s top priorities. To be a responsive government, we must continue to look ahead, adapt to changing conditions, and build upon the progress we have made to improve services for our residents.

The FY 2021-22 Proposed Budget addresses each of your Board’s highest priorities, which include:

- Improving disaster preparedness
- Building a racially equitable community
- Reducing carbon emissions and adapting to climate change
- Preserving and increasing affordable housing
- Investing in county infrastructure

BUDGET SUMMARY

The Proposed Budget seeks to continue our efforts to curtail the COVID-19 pandemic while making thoughtful investments in our top community priorities to help bring about lasting positive change. The proposed budget is balanced, and the additional one-time funding provides the opportunity to address immediate community needs while also investing in our longer-term goals.

The FY 2021-22 Proposed All Funds budget is \$682.6 million, a 10.1 percent increase compared to the prior year. The ongoing All Funds budget, which excludes one-time expenses, is \$647.8 million, an increase of 7.4 percent compared to last year. The General Fund, which is the primary operating fund for the County, is \$516.9 million, which is a 10.8 percent increase from the prior year. Ongoing General Fund expenses of \$491 million are a 7.8 percent increase compared to FY 2020-21. Including special districts under the Board, the County’s total budget for FY 2021-22 is \$714.9 million, which is an increase of 8.5 percent from the prior year. A schedule of special district sources and uses is attached (Schedule 12 in State Auditor-Controller format).

General Fund and HHS Operating Fund				
	FY 2019-20 Approved	FY 2020-21 Approved	FY 2021-22 Proposed	FY 2021-22 % Change
Revenues				
Revenues	406,263,508	403,971,533	446,799,379	10.6%
Prior Year Fund Balance	33,827,004	31,146,645	45,940,972	47.5%
Use of Reserves	0	2,100,000	0	-100.0%
Net Transfers	34,158,235	29,477,850	24,179,628	-18.0%
Total General/HHS Fund Sources	474,248,747	466,696,028	516,919,979	10.8%
Expenditures				
Ongoing	460,421,743	455,549,383	490,979,007	7.8%
One-Time	13,827,004	11,146,645	25,940,972	132.7%
Total General/HHS Fund Uses	474,248,747	466,696,028	516,919,979	10.8%
Countywide All Funds				
	FY 2019-20 Approved	FY 2020-21 Approved	FY 2021-22 Proposed	FY 2021-22 % Change
Revenues				
Revenues	594,282,507	579,024,923	635,886,171	-2.6%
Prior Year Fund Balance	39,282,836	41,442,506	49,475,695	5.5%
Use of Reserves	0	2,100,000	0	
Net Transfers	(2,792,365)	(2,803,730)	(2,802,725)	0.4%
Total All Fund Sources	630,772,978	619,763,699	682,559,141	-1.7%
Expenditures				
Ongoing	611,789,271	603,364,366	647,816,176	7.4%
One-Time	18,983,707	16,399,333	34,742,965	111.9%
Total All Fund Uses	630,772,978	619,763,699	682,559,141	10.1%
Special Districts				
	FY 2019-20 Approved	FY 2020-21 Approved	FY 2021-22 Proposed	FY 2021-22 % Change
Special District Sources	29,745,700	30,544,082	33,036,442	8.2%
Special District Uses	46,338,283	39,221,145	32,298,642	-17.6%
Total Sources - including Special Districts	660,518,678	650,307,781	715,595,583	10.0%
Total Uses - including Special Districts	677,111,261	658,984,844	714,857,783	8.5%

One-time expenditures total \$34.7 million for All Funds, which is an increase of \$18.3 million from the prior year. This is largely funded by FY 2020-21 savings in the General Fund. Recommended allocations of General Fund one-time expenditures are included on page 22 of the FY 2021-22 Proposed Budget document and include \$5 million for Affordable Housing Projects, \$4 million for Fire Department facility improvements, \$3 million for Emergency Preparation projects, \$3 million for infrastructure investments in Marin City and over \$7 million in department budget change proposals.

Disaster Preparedness

Our recent experiences with COVID-19 and wildfires have reinforced the importance of being prepared for disasters. Throughout the past year, more than 1,300 County staff have served over 350,000 hours as Disaster Service Workers at the Emergency Operations Center, vaccination centers, testing facilities, homeless shelters, and food distribution sites. Along with numerous partners, we have completed over 475,000 tests, identified over 11,500 active cases, and administered over 190,000 vaccinations. We are proud that the efforts of Marin County staff who, alongside our community service partners and local medical organizations, have resulted in 75 percent of eligible residents becoming fully inoculated thus far.

Since the onset of the pandemic, state and federal funding has enabled the County to provide over \$90 million in supportive services to our community. These services have included testing, contact tracing, vaccinations, income relief programs, rental assistance, food delivery, Great Plates, Project Roomkey and Project Homekey, as well as expanded childcare and distance learning services.

State and federal funding has also enabled the Public Health Division to add over 90 employees to facilitate emergency response activities. In addition, on April 20th, your Board approved the addition of 20 grant-funded employees to further strengthen our public health infrastructure over the next two years. This staffing enhancement will further support County capacity for testing, contract tracing, vaccinations, and surveillance, while also improving our electronic health reporting and community outreach efforts.

In the coming year we will transition most of our COVID-19 response to the Health and Human Services Department as we prepare for other potential emergencies such as wildfires, extreme heat events, and public safety power-shutoffs (PSPS) across the county. Part of this preparation has been to increase staffing for wildfire response and mitigation. Over the past year, your Board approved funding for ten additional firefighters to improve emergency response capacity and to increase vegetation management initiatives that reduce fuels within Marin County lands. We will also receive annual allocations from the voter-approved Marin Wildfire Prevention Authority (MWPA) that will support defensible space assessments and provide funding for countywide wildfire prevention projects.

Preparing for disasters of any kind includes ensuring that our key infrastructure is safe, efficient, and resilient. Facilities such as the Marin Center, the Civic Center, and the Marin Health and Wellness Center have proved to be vital community resources during recent disasters. With this in mind, we have begun upgrading core facilities that can be used for evacuation shelters, cooling centers, and emergency backup operations centers. In the past year, the Veterans' Memorial Auditorium and Marin Center Exhibit Hall have installed electrical improvements and upgrades to ensure they can connect to alternative power. The Departments of Public Works and Cultural Services are also leveraging FEMA grants for a seismic retrofit of the Marin Center. Although the retrofit project will limit the facility's capacity during construction in 2022 and 2023, the efforts will ensure that the facility can serve dual use as a cultural resource and emergency facility for many years to come.

This proposed budget builds on previous efforts and includes over \$6.0 million in one-time investments to bolster emergency response capacity, as well as \$9.0 million in set-asides for improvements to fire department facilities across the county.

Racial Equity

The Marin County Office of Equity was created to establish the County of Marin as an anti-racist, multicultural workforce committed to accountability, transformational change, and community engagement. The Office of Equity’s vision is to dismantle inequities and modify systems inherited through centuries of racial, social, and political injustice.

As an organization, we know we have a long way to go towards meeting these goals. Still, since 2017 and the creation of the Race Equity Action Plan, the County has sought to engage our employees with programs and opportunities to learn and discuss equity in transformative ways so that our community services and programs are delivered in an inclusive and culturally competent manner. These initiatives include every employee completing a cultural competence course, delivering the *Safe Space Brave Space* speaker series, launching the *Community at the Table* speaker series with our first guest, Dr. Ibram X. Kendi, and establishing Workforce Equity Champions to foster organizational development. We have transformed our recruiting processes and continue to examine internal barriers that prevent qualified candidates from employment with the County. We have also formed an External Race Equity Planning Committee to make racial equity recommendations to your Board.

In the Emergency Operations Center (EOC), equity remained a core focus throughout the County response as our LatinX community bore a disproportionate share of the pandemic’s impacts. While 16 percent of our population are LatinX, over 50 percent of our COVID cases have been in the LatinX community. With that type of disparate impact, our response has been targeted and intentional to ensure services reach those who need them most. For equity in testing, we opened various testing opportunities in the Canal community. To address inequities in the financial burdens of COVID-19, we coordinated with the Marin Community Foundation to develop a disaster relief program to financially support residents who contracted COVID-19. The EOC staffed food distribution lines to ensure access to healthy food for those experiencing food insecurity. We relocated our hotel services for COVID-positive residents to a more central location and partnered with community-based organizations (CBO’s) across the County to provide culturally competent services where they were needed most. Finally, to ensure equity in vaccine distribution, the EOC utilized mobile teams to reach residents in all our communities. The pandemic has driven us to rethink the way we deliver services and we now have an opportunity to translate those lessons into improved systems, practices, and policies; ensuring that we continue to build toward a stronger and more equitable Marin.

This proposed budget includes \$5 million in set-asides for future Racial Equity initiatives, a fixed-term position in the HHS Equity and Strategy Team, and the creation of a dedicated Equity Division within the County Administrator’s Office to provide ongoing leadership on countywide issues.

Climate Change

Marin was one of the first counties in California to take formal action to address greenhouse gas emissions through a Climate Action Plan. When updated in 2015, the Plan included aggressive goals on emission reductions. As of the 2018 inventory,

the County has reduced unincorporated emissions to 23% below 2005 levels and is currently completing the 2019 inventory. The County has continued to encourage the use of energy from renewable sources, implemented power-saving efficiency programs, encouraged carbon-reducing agricultural practices, supported alternative transportation programs, and promoted water conservation, waste reduction, and recycling programs.

In December 2020, your Board adopted an update to the Marin County Climate Action Plan with targets and measures identified for 2030. The updated goals include a 60 percent reduction in greenhouse gas (GHG) emissions below 2005 levels by 2030 and a commitment to drawing down GHG emissions to zero by 2045. These goals will be accomplished through a combination of 29 solutions across the focus areas of renewable energy, transportation, buildings and infrastructure, local food and food waste, carbon sequestration, and climate resilient communities. Several of the adopted strategies build on existing programs, while others provide new opportunities to address GHG emissions.

In April 2021, your Board approved the formation of a new non-profit, Drawdown: Marin. This new partner will collaborate with the County to serve as an environmental innovation hub while leveraging, amplifying, and supporting existing organizations and bold climate solutions across the county. Ongoing programs such as C-SMART and BayWAVE also continue to develop partnerships in the community to advance climate change adaptation and mitigation planning.

The Proposed Budget includes ongoing funding for two positions in the Community Development Agency's Sustainability Program, an additional fixed-term position in Public Works to support BayWAVE, and over \$6 million in funds for grant matching and future adaptation and mitigation projects.

Affordable Housing

Throughout the COVID-19 pandemic, Marin County has continued to prioritize housing accessibility and tenant protections. In summer 2020, Victory Village, a low-income senior housing project in Fairfax, opened 53 new one-bedroom units. Progress also continues at the former Coast Guard site in Point Reyes Station with county staff focusing on predevelopment work to convert the property to permanent affordable housing.

In addition to approving new housing developments, your Board prioritized tenant protections through new policies such as the Emergency Rental Assistance Program and eviction moratoriums. Initially, the Emergency Rental Assistance Program was a partnership between the County of Marin, local community-based organizations, and the Marin Community Foundation with the goal of preventing evictions and homelessness. Over the past few months, we have received \$16 million in additional State funding to supplement rental assistance programs that enable low-income residents and landlords to receive unpaid back rent related to the pandemic. As of May 2021, more than 3,000 people have contacted the County for help with unpaid rent. With similar goals of preventing homelessness, your Board has banned evictions through at least September 2021 for residents economically impacted by the coronavirus and has implemented a temporary freeze on residential rent increases in Marin City and West Marin.

Looking to the future of housing in Marin County, the Community Development Agency has begun updating the Housing Element of the Marin Countywide Plan for

2022-2030. The Housing Element identifies how the County will meet our housing needs at all income levels and includes Marin County's Regional Housing Need Allocation (RHNA). Marin County's RHNA is expected to increase significantly, from 185 units for the current Housing Element cycle to 3,510 units recommended for the upcoming cycle, or approximately 19 times our prior housing element requirement. To meet deadlines established by the State, the County will need to adopt the forthcoming Housing Element no later than December 31, 2022.

The proposed budget includes \$5 million in additional set-asides for future affordable housing projects, and 1.0 FTE fixed term staff in the Community Development Agency to be dedicated for project management of existing initiatives.

Infrastructure

Investments in County-owned infrastructure remain a long-term top priority. While we are fortunate to own many of our facilities, most are aging and will require additional maintenance investments. With over \$200 million in deferred maintenance, your Board has been steadfast in prioritizing one-time and ongoing funds to address the most critical needs. In addition to building a new fire station in Tomales, refurbishing the West Marin Service Center, and replacing the Civic Center roof, we have also invested over \$90 million in discretionary funds toward improving road conditions in unincorporated areas over the past ten years. Progress on large-scale roadway improvement projects continues, including the rehabilitation of Sir Francis Drake Boulevard, safety enhancements to the Lucas Valley Curve, and paving projects on federally owned roads in West Marin as part of the Federal Land Access Program (FLAP).

Recent data show that the pavement condition index (PCI) of unincorporated roads has increased over the past ten years, however, the estimated deferred maintenance of the existing road system still exceeds \$65 million and is projected to increase to \$80 million under current funding levels.

The Proposed Budget includes an additional \$5 million in ongoing General Fund support for summer road infrastructure projects. Combined with annual SB1 Gas Tax revenues of \$4.5 million and allocations from the Transportation Authority of Marin (TAM), the increased General Fund contributions will fully fund ongoing rehabilitation projects to maintain the current PCI in the County's unincorporated areas.

Current estimates of deferred maintenance for County-owned buildings exceed \$150 million. The proposed FY 2021-22 Capital Improvement Plan (CIP) includes a \$7 million contribution from the General Fund (an increase of \$2 million on an ongoing basis) and \$3 million for Marin City infrastructure investments. The additional ongoing funds will initially be used to accelerate annual maintenance projects and can eventually support additional debt service for larger-scale improvements. In addition, we are recommending \$14 million for future facility improvements, including seismic upgrades, new fire department facilities, and updated electrical systems for the Civic Center.

Budget Outlook

Facing a General Fund budget shortfall caused by the COVID-19 pandemic, your Board approved \$7.8 million in budget adjustments on November 17, 2020, summarized in Appendix A, which included the elimination of 22 vacant positions across County departments.

Combined with Board-approved budget reductions, recent growth in the local and statewide economy has improved the County’s fiscal outlook and the General Fund is balanced for FY 2021-22. Countywide property tax growth is expected to be four percent in FY 2021-22, which reflects a continued trend of slowing growth rates from this revenue source (see below). Local sales tax and hotel tax (TOT) receipts are expected to see significant growth next year as regional economic activity returns to pre-pandemic levels.

Despite a historic level of one-time funding from state and federal sources, the County’s structural operating shortfalls are expected to persist over the next five years. Baseline expenditure commitments for current services are projected to grow faster than our ongoing revenue base can support, which is a characteristic of a slow-growth county. Recent State Department of Finance population data suggest that Marin’s population declined by approximately one percent in 2020 and long-term projections indicate that our population will continue to decline steadily over the next twenty years.

Over the past year, one-time state and federal funding allocations enabled the County to maintain and enhance emergency response operations without making additional reductions to community services. Initially through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and Federal Emergency Management Agency (FEMA) reimbursements, and now through the federal \$1.9 trillion American Rescue Plan Act (ARPA) of 2021, the County has been able to fund investments in rental assistance, homelessness prevention, small business assistance, educational services, public health response and other areas to support our recovery from the unprecedented public health emergency. As part of the American Rescue Plan, the County of Marin will receive \$50 million in direct federal allocations over the next two years, while cities and towns in Marin will receive an additional \$36 million. We are also expecting additional funding opportunities from federal infrastructure spending bills and the State budget. We will work with your Board to allocate these one-time funds in a manner consistent with current community priorities and long-term strategic plans.

State Budget

In just one year, the State has transitioned from a projected \$54 billion shortfall that incorporated the anticipated economic effects of the COVID-19 pandemic to a nearly \$76 billion surplus, including the current fiscal year and next. The May Revision provides tremendous opportunities in many areas, perhaps most notably in homelessness, mental health, childcare, and broadband infrastructure. The State now expects to have over \$100 billion in new discretionary spending in FY 2021-22, including approximately \$26 billion in federal relief funds to the State. Approximately 90 percent of all proposed increases in spending are one-time.

Included in the Governor’s May Revision were several improved economic assumptions for the coming year. Because the state budget relies heavily on high-income earners, who have done well along with the stock market, revenues far outpaced initial recessionary fears despite broad service sector job losses that

contributed to high unemployment in 2020 - and an uneven recovery since. Overall, the State expects the economy to recover to pre-pandemic employment levels by 2023, though recovery in low-wage sectors will take longer.

Improved economic conditions have enabled the Governor to propose significant increases in nearly every area of the state budget, including:

- \$12 billion in homelessness funding that supports systems-level solutions to end homelessness, including Project Homekey and Family Housing Support programs.
- \$8 billion in direct monetary aid to middle-class families.
- \$7 billion in broadband funding that would fill infrastructure gaps for middle and last-mile network connections.
- \$5 billion in drought and water rate relief programs that will support residents and water supply agencies.
- \$2 billion for past-due utility payments for renters most impacted by the pandemic.
- \$1.5 billion for small business grants to aid with reopening.
- \$650 million in community resilience program funding that will support infrastructure for emergency evacuation shelters and cooling centers, including county fairgrounds and other local facilities.

We will monitor events in the coming weeks and months and keep your Board updated. The Legislature will have until June 15th to adopt a State budget, though many items may require budget trailer bill resolution throughout the summer.

Justice Partnerships

The County’s public safety departments and their partners in Health and Human Services continue to work collaboratively to keep the entire community healthy and safe. These efforts have served to advance racial equity, save lives, increase accountability, and link clients to vital services.

At the onset of the COVID-19 pandemic, public safety departments worked together to comply with evolving public health guidance by establishing criteria to reduce the jail population and modifying legal proceedings. Throughout the pandemic, the Sheriff’s Office, District Attorney, Public Defender, and Probation Department have worked collaboratively and have made significant headway on programs such as the Re-Entry Team, which seeks to reduce recidivism by connecting clients with mental health, addiction, and employment services.

Other efforts have been in progress for several years, including the Stepping Up Initiative, which was started in 2017 to reduce the number of clients with behavioral health conditions within the criminal justice system and to increase mental health staffing within the County jail. Additionally, we have increased crisis intervention training for first responders. Currently, 70 percent of patrol officers are trained in crisis intervention, with a goal of reaching 90 percent by the end of this calendar year.

Moving forward, public safety partners will strive to expand restorative justice opportunities, maintain a reduced jail population, and enhance collaborations to provide mental health diversion services. We are also evaluating recent trends,

including the average daily census at the County Jail and Juvenile Hall, to develop options for modifying future service models.

This proposed budget includes funding for a pilot Marin-based Sexual Assault Response Team (SART), which works to provide a dedicated legal team to investigate and prosecute sexual assault cases, as well as provide comprehensive support for survivors of assault. It also includes \$500,000 to provide additional resources for hate crime investigations and the redaction of racially identifiable data from criminal justice proceedings.

Homelessness

Since 2018 the County has received over \$11.5 million in state and federal funding for homeless response initiatives including the Homeless Emergency Aid Program (HEAP), Homeless Housing, Assistance and Prevention (HHAP) Grant, and the Emergency Solutions Grants (ESG) program. The pandemic has only emphasized the need for stable and sustainable housing for all residents. Early in the pandemic, the County provided temporary housing at three motels to reduce the risk of COVID-19 for vulnerable individuals experiencing homelessness. The State initiative, Project Roomkey, largely supported the motel-based housing programs. The program has continued throughout the pandemic and currently provides 40 rooms at a Marin County motel and case management support and connections to health care coordination. Project Roomkey will continue to operate until state funding expires on September 30, 2021.

Project Homekey, the second phase in the State's response to protect Californians experiencing homelessness and at high risk for serious illness caused by COVID-19, provided over \$750 million statewide to create interim and permanent housing for people experiencing or at-risk of experiencing homelessness. In October 2020, Marin County received \$8.6 million in grant funding through Project Homekey to acquire locations in Corte Madera and San Rafael. These locations are being renovated to provide 63 new units of permanent supportive housing. Governor Newsom announced additional state funding for Homekey 2.0 as part of the proposed FY 2021-22 State budget, for which the County is actively seeking proposals and community support.

This proposed budget includes the addition of five ongoing staff in the Whole Person Care Division, \$5 million for future investments for permanent housing with supportive services, and \$1.2 million in set-asides for potential countywide homelessness partnerships with cities and towns.

Mental Health

The County has significantly expanded funding for mental health resources in recent years and we continue to seek innovative ways to improve services. Throughout the past year, the mental health impacts of the pandemic have further emphasized the need for enhanced prevention, outreach, and supportive services.

In September 2020, your Board approved an updated Mental Health Services Act (MHSA) 3-Year Plan, which included an additional seven full time positions and funding for mental health programs including the Stepping Up Initiative, the Mobile Crisis Team, and expansion of the Community Health Advocates Program. Marin's Mobile Crisis Response Team (MCRT) is a free service that provides an immediate response to emergency mental health, substance abuse, and crisis situations. As an

alternative to calling 9-1-1, the Team responds to emergency situations with trained professionals specializing in managing mental health crises and distress situations. While the team partners with law enforcement, approximately 80 percent of calls do not involve law enforcement. We remain committed to funding the existing MCRT team after grant funding expires, and we are currently working with the cities and towns across Marin to develop a plan for expanded service hours and improved regional services.

Your Board recently approved additional funding from the Mental Health Student Services Act (MHSSA) grant, which provides \$4 million in funding over four years, and the Mental Health Services Act (MHSA) Innovation Plan. The MHSSA grant will allow the County’s Behavioral Health and Recovery Services (BHRS) to build on partnerships with Marin County Office of Education and the San Rafael and Novato school districts to fund Health and Wellness coordinators. The MHSA Innovation Plan focuses on the re-entry community for women and focuses on healing-centered and holistic support for women with serious mental illness who have been incarcerated.

Mental Health Residential services continue to be a major cost driver of the County budget, with cost increases projected to exceed five percent annually. To mitigate future cost increases, we are working with non-profit organizations to expand local service options, including the development of County-owned property at 920 Grand Avenue in San Rafael. The proposed budget includes \$2.5 million in increased ongoing funding for mental health residential facilities and \$1.2 million in set-aside funds for potential expansion of MCRT services as part of the partnership with cities and towns.

2020 Census and Redistricting

Every ten years, the United States Census Bureau conducts a count of every person living in the United States. Information from the U.S. Census helps determine where to locate schools, roads, hospitals, and other facilities; informs decisions regarding business growth and housing needs; and influences geographically defined state legislative districts, which initiates a “redistricting” process that begins in the year following a Census.

Following a Census, county officials use the data to realign supervisorial districts, considering shifts in population growth since the last Census and assuring equal representation in compliance with the constitutional “one person, one-vote” principle and of the Voting Rights Act. Each supervisorial district must be “substantially equal” in the number of residents.

Census data is typically received in the spring of the following year, but the COVID-19 pandemic caused significant delays in the federal Census count. We do not anticipate receiving the final adjusted Marin County data until October 2021. Despite the delay, California counties must submit final supervisorial district boundaries to the State no later than December 15, 2021. Staff will be working with your Board and the public during the first half of the new fiscal year to consider any adjustments that may be necessary to reflect population shifts within the County.

EQUITY IMPACT STATEMENT

The County of Marin strives to be an anti-racist, multicultural organization committed to accountability, transformational change, and community engagement. The Office

of Equity’s vision is to dismantle inequities and modify systems inherited through centuries of racial, social, and political injustice.

This proposed budget includes a revised County Mission that incorporates equity into each focus area, as well as \$5 million in set-asides for future Racial Equity initiatives, the creation of a dedicated Equity Division within the County Administrator’s Office to provide ongoing leadership on countywide issues, and staffing enhancements in the Health and Human Services department to support equity initiatives.

We will work with your Board and County Departments to ensure that the budget allocation process is informed by a racial equity lens that evaluates the potential impacts on unserved and underserved populations within our community.

FINANCIAL ATTACHMENTS

This letter includes several attachments. The attached Schedule 12 summarizes special district sources and uses in State Auditor-Controller format. We are also requesting your Board’s approval to make technical adjustments as necessary to properly budget and account for grants, projects and other financial allocations, including properly accounting for authorized position allocation adjustments and unspent purchase orders, associated requisitions and related appropriation authority to open the new fiscal year as part of the Final Budget for FY 2021-22.

Attachments A-C detail carryforward administrative designations and designations of fund balance. Consistent with Governmental Accounting Standards Board (GASB) Statement No. 54, these carryforward designations are categorized as either “Commitments,” which require your Board’s approval to establish, change or utilize, or “Assignments,” which require County Administrator approval. The Assignments category includes administrative designations, and some operating reserve accounts – such as the vehicle replacement or radio replacement accounts and stabilization funds. The Commitments category includes reserves for self-insurance, economic uncertainty, contracts, a state/federal budget reserve, and one-time project set-asides.

CONCLUSION

For a more detailed overview of the FY 2021-22 Proposed Budget, please refer to the Proposed Budget document. Copies of the Proposed County Budget are available for public review on the County’s website (www.marincounty.org/budget). Detailed information is available from the Department of Finance relating to special districts under the Board and it will be published online as well.

We are working to wind down the COVID-19 pandemic emergency response in a measured and data-driven way so that we do not lose any of the ground we gained this past year. At the same time, we are working across the organization and with our community and regional partners to prepare for future emergencies, enhance our homelessness and mental health services, and continually improve our justice system.

I want to thank your Board for your guidance, support, and determination over the past year. I also want to thank all our employees who have worked so hard, either filling new roles as disaster service workers or working to ensure that core government functions and programs were delivered under difficult and trying circumstances. I especially want to thank the County Administrator's Office budget team, the Department of Finance, Information Services and Technology, and all our department's budget and fiscal staff for their work preparing this budget.

Please feel contact me or my staff with any questions or concerns.

Respectfully submitted,



Matthew H. Hymel
County Administrator



Roy Given, CPA
Director of Finance

Attachments:

FY 2020-21 Administrative Designation Carryforward

FY 2020-21 Year End Fund Balance Commitments and Assignments

FY 2021-22 Schedule 12 Special Districts Sources and Uses