

# NEWS

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**For Immediate Release**

## **Pandemic Recovery, Homelessness, Advancing Equity Focus of 2022-23 Recommended Budget**

**Redwood City** — County Executive Officer Mike Callagy today released a [\\$3.4 billion recommended budget](#) for the 2022-23 fiscal year that focuses on economic recovery from the pandemic, ending homelessness and advancing social justice and equity.

“The economic fallout caused by the COVID-19 pandemic hit many of our communities particularly hard,” Callagy said. “This budget seeks to help put those individuals and those families – and indeed all vulnerable families – on a more secure financial footing by making investments in programs and services that lead to long-term recovery.”

While the recommended budget is balanced, Callagy cautions the County’s faces risks from potential changes in state law and factors beyond the County’s control. These risks include the state diverting significant revenues away from the County while inflation threatens to raise the cost of numerous capital projects.

The release of the Fiscal Year 2022-23 Recommended Budget is the first step in the budget process. Callagy will present his recommendations to the Board of Supervisors over three days of public hearings starting June 28, 2022. The Board will adopt the final budget in September after considering revisions.

The Recommended Budget emphasizes investments in four priority areas:

**Pandemic Recovery:** Providing continued relief to residents, small businesses and nonprofit organizations economically impacted, including \$20.5 million for housing-related needs and \$9 million for child care and after-school learning programs for students who are socio-economically disadvantaged. (Note: As of May 2022, the County and partners have invested more than \$357 million in pandemic-relief efforts.)

**Equity and Social Justice:** Addressing equity and social justice by implementing decision-making tools to help guide investments toward communities most in need. This

includes adding resources to help overcome barriers (such as language, cultural and social barriers) to community engagement. County departments are also developing strategies outlined in the County's first Racial and Social Equity Action Plan.

**Homelessness:** Seeking to effectively [end homelessness](#) with the completion of the County's first [Navigation Center](#), a 240-unit complex with an array of services designed to help place individuals in permanent housing, while five hotels purchased recently are utilized as either temporary or permanent housing.

**Capital Projects:** Ensuring the County is prepared to care for the most vulnerable by continuing the revamp of the [San Mateo County Health campus](#) in San Mateo and replacing the [Cordilleras Mental Health Facility](#). Inflation and supply-chain issues threaten to raise the costs of these projects.

“This budget is consistent, steady, and aligned with this Board's priorities: to end homelessness; continue economic recovery efforts focused on socially vulnerable populations, children and families, housing needs, and support of local business communities; and emphasize racial and social equity,” Callagy said in a message accompanying the recommended budget.

At the same time, Callagy cautions “significant resources” are at risk. This is due to potential changes in state law that could change funding formulas for the County's share of vehicle license fees (VLF) and excess Educational Revenue Augmentation Fund revenues, or excess ERAF, which are excess local property taxes returned by the state after local school districts are fully funded to mandated funding levels. For context, in FY 2021-22 the County's share of excess ERAF was approximately \$230 million.

In his budget message, Callagy outlines three significant changes:

- Eliminating 31 positions within the Probation Department due to decreases caseloads as a result of changes to state law and a decrease in the population at juvenile hall, returning a total of \$4.8 million to the General Fund.
- Adding a \$2.38 million one-time grant to Behavioral Health and Recovery Services to expand programs that seek to reduce cannabis and alcohol use and support additional programs.
- Balancing a deficit at San Mateo Medical Center with \$5.5 million to assist with operational costs.

The complete Fiscal Year 2022-23 Recommended Budget is available at <https://www.smcgov.org/ceo/budget-publications>.