

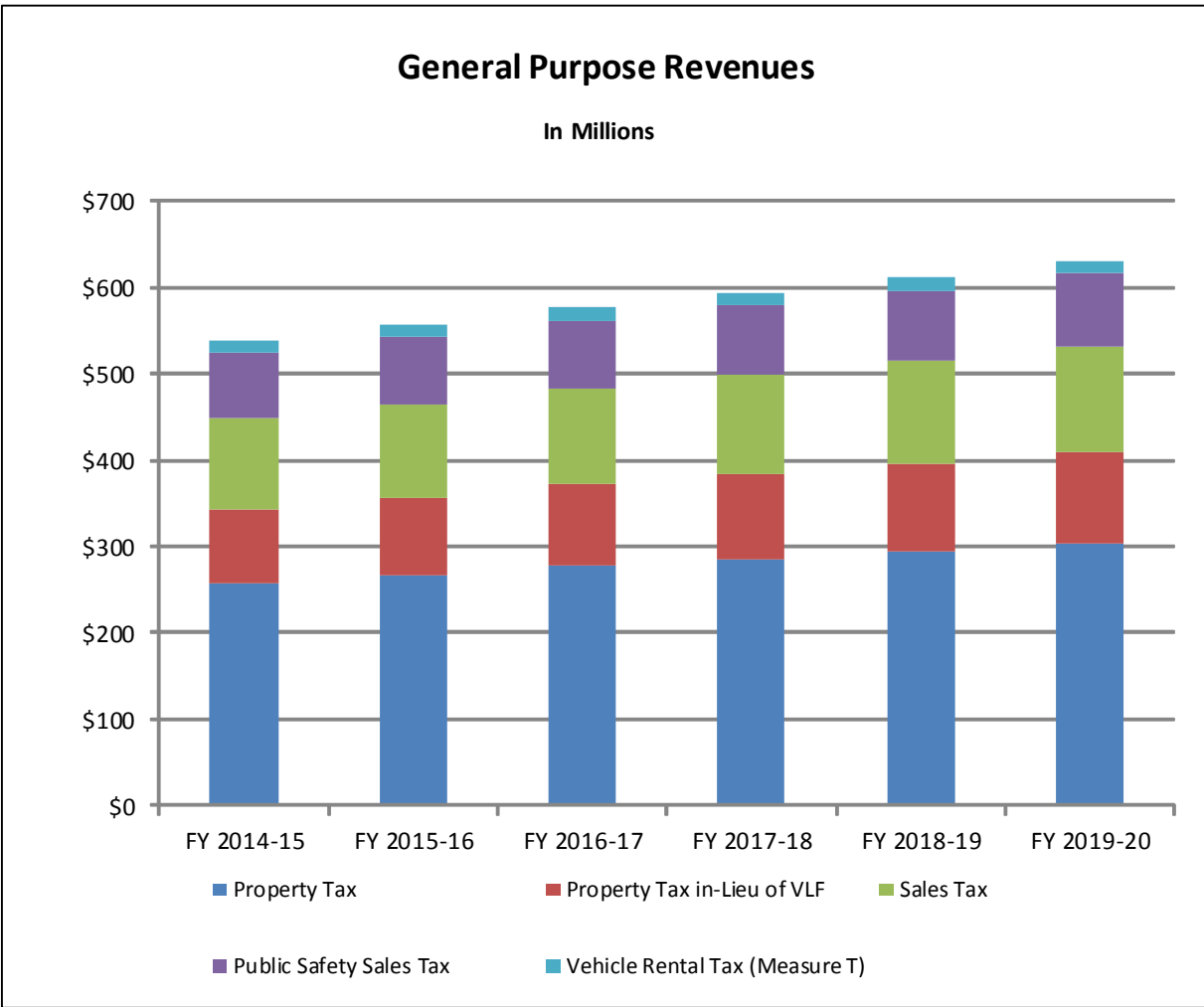
Investing in the Future

Honorable Board of Supervisors:

Herbert Spencer, a 19th Century English political theorist wrote, "The wise man must remember that while he is a descendent of the past, he is a parent of the future." This budget, based on Board direction, invests in the future of our County and in so doing envisages a community that is safer, healthier and more prosperous for everyone.

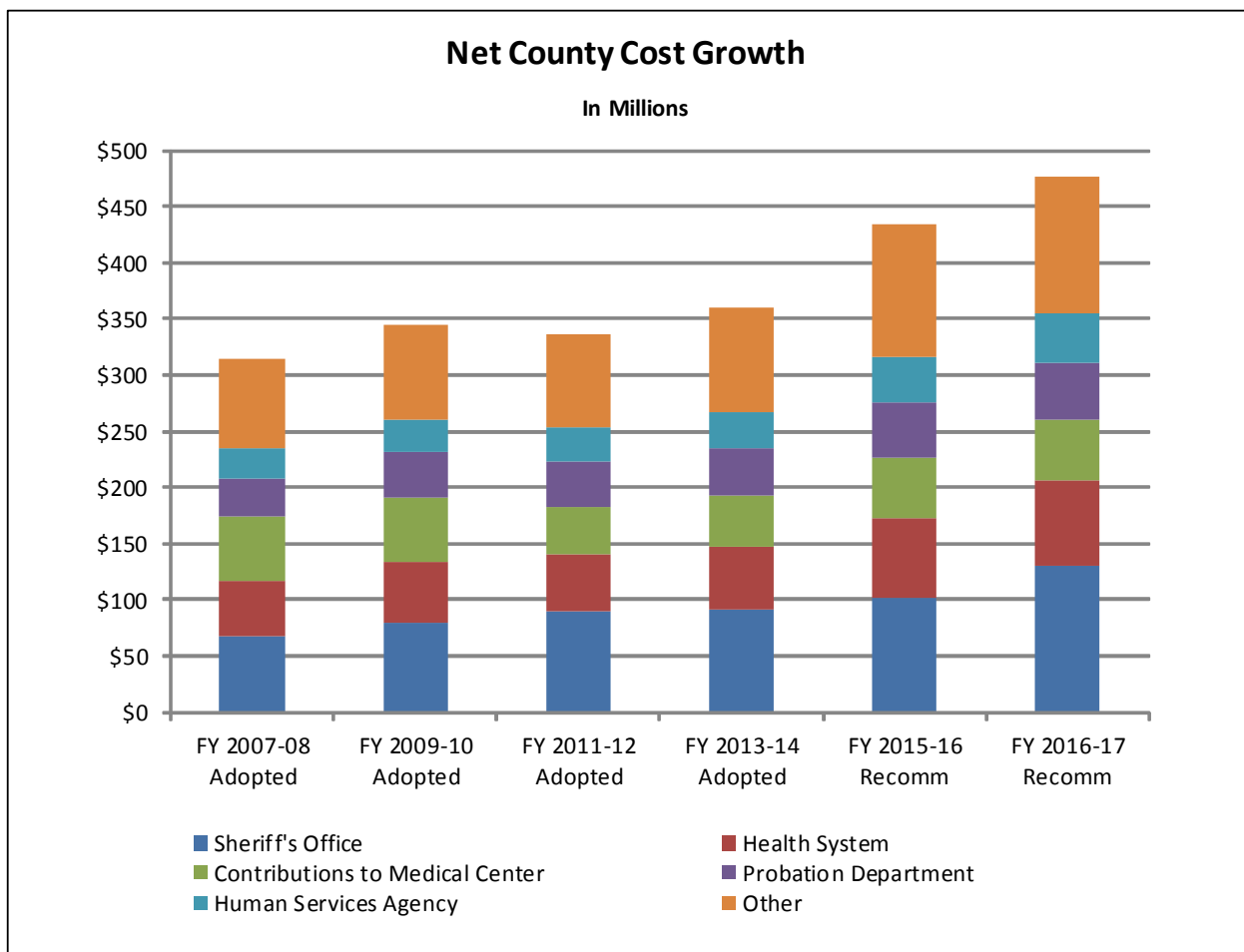
The Recommended Budget for FY 2015-16 is \$2.4 billion and for FY 2016-17 \$2.3 billion. This represents an increase of about 7.5 percent over the revised budget for FY 2014-15. These changes are mainly due to negotiated increases to Salaries and Benefits, \$70.0 million; Capital Improvements, \$96.8 million; new Medi-Cal patients, \$87.4 million; Debt Service/operational costs for the Maple Street Correctional Center, \$87 million; and \$47.8 million in Information Technology (IT), which includes \$22.3 million in Non-Departmental, \$17.3 million in Measure A funding, and \$8.2 million in other funding (Prop 172, grants, etc.).

The economy in the County remains strong: unemployment is at 3.2 percent, San Francisco Airport boardings are at an all-time high of 35 million passengers per year, retail sales grew by over 5 percent last year, and the Assessor estimates that 6.6 million square feet of new commercial buildings will be constructed in the next two years. All of this leads to strong projected revenue growth.



Financial Overview

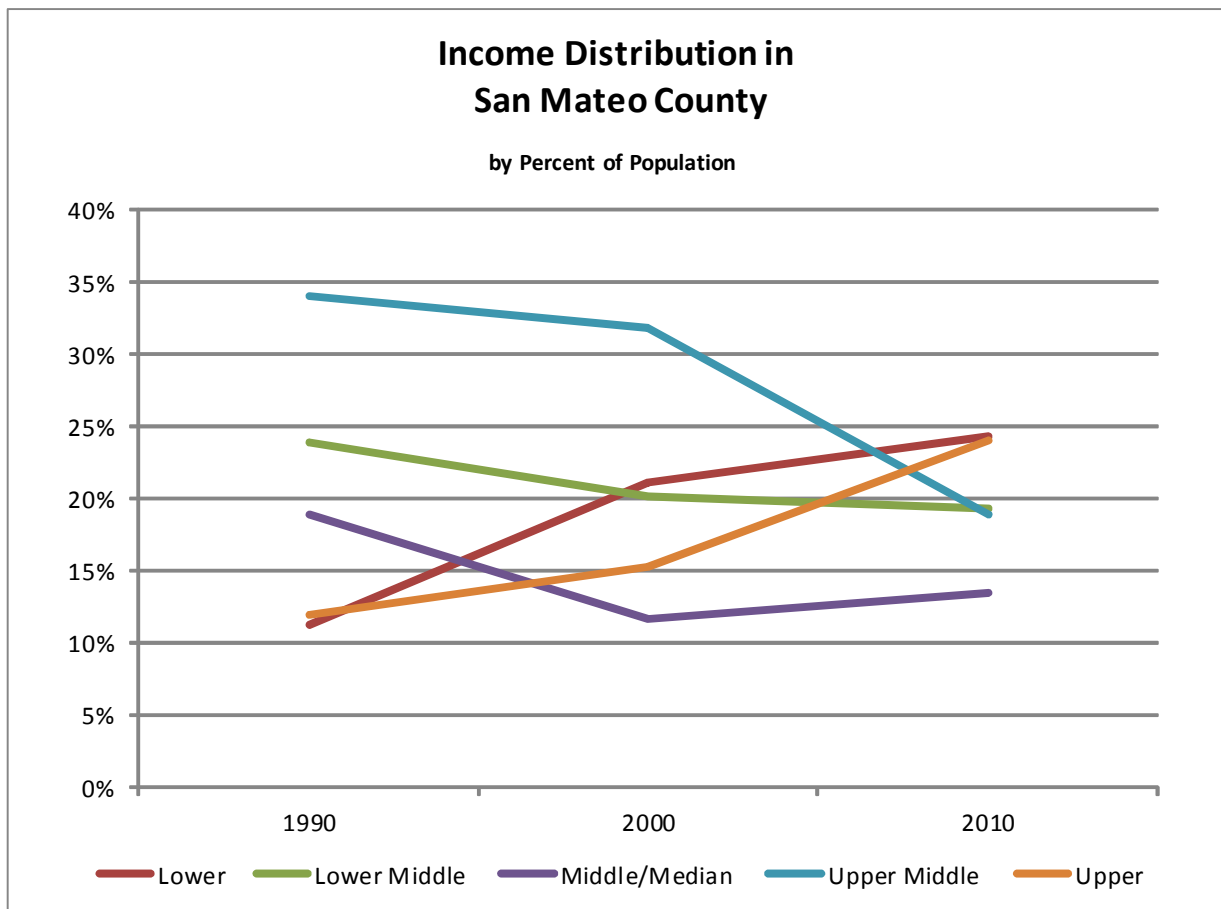
The primary reason for the \$150 million increase in Net County Costs is negotiated Salary and Benefit increases and the corresponding increase in charges by internal services departments to recoup the higher wages. Combined, negotiated Salaries and Benefits and internal service charges increase by \$78 million over the two years, of which \$48 million results in increased Net County Cost, as some departments like the Human Services Agency, Health System and Child Support Services can recoup costs through Federal and State claims and other cost-driven revenues. In addition to Salary and Benefit increases, Net County Cost also reflects approximately \$5.6 million for added staff, including the new Office of Sustainability, the Human Service Agency's continuing efforts to enroll residents in ACA, and staff to support the County's growing IT infrastructure and Parks system. Further, Parks Administration previously funded by Measure A has been shifted over to the General Fund. The opening of the MSCC will significantly increase Net County Costs including \$25.8 million for debt service beginning in FY 2016-17 and for food and facility maintenance costs (both of which are factored into internal service charges). Some of the staffing costs for MSCC were added in the previous budget. Most of the remaining staffing for MSCC will be shifted from within the Sheriff's budget. Finally, with the Board's approval, non-profit contractors received a 3% increase effective January 1, 2015 and will receive a 2% increase effective January 1, 2016, amounting to an increased Net County Cost of \$3.3 million. The "Other" category lumps together the remaining 15 County departments and increases in these budgets are primarily due to Salary and Benefit adjustments.



Shared Prosperity

In America one of our enduring values is that everyone has the opportunity to get ahead through hard work and initiative. Throughout history each succeeding generation of Americans has lived longer and enjoyed greater prosperity than the previous generation. But today for too many hard working people the “American Dream” is slipping further and further away.

Despite the booming economy and great wealth in San Mateo County we see middle incomes stagnating and poverty growing.

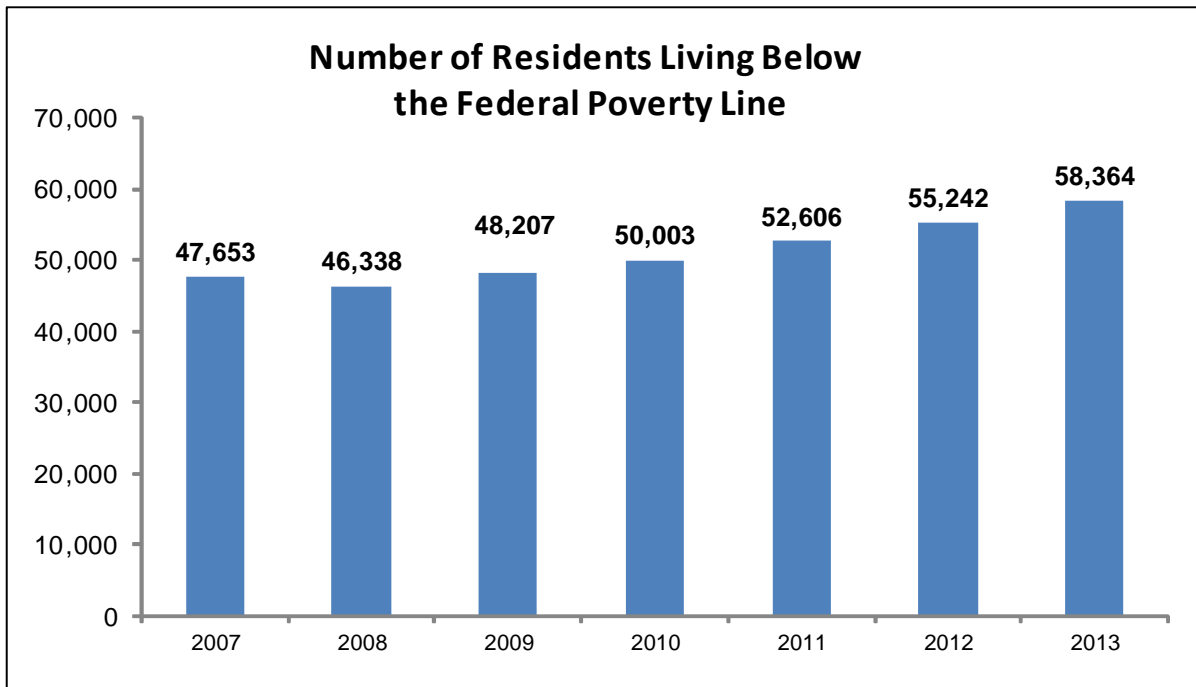


Rents have increased by 46 percent in four years driving the average rent for a 2-bedroom apartment to \$2,700/ month and pushing more working families into overcrowded, substandard housing or out of the County altogether.

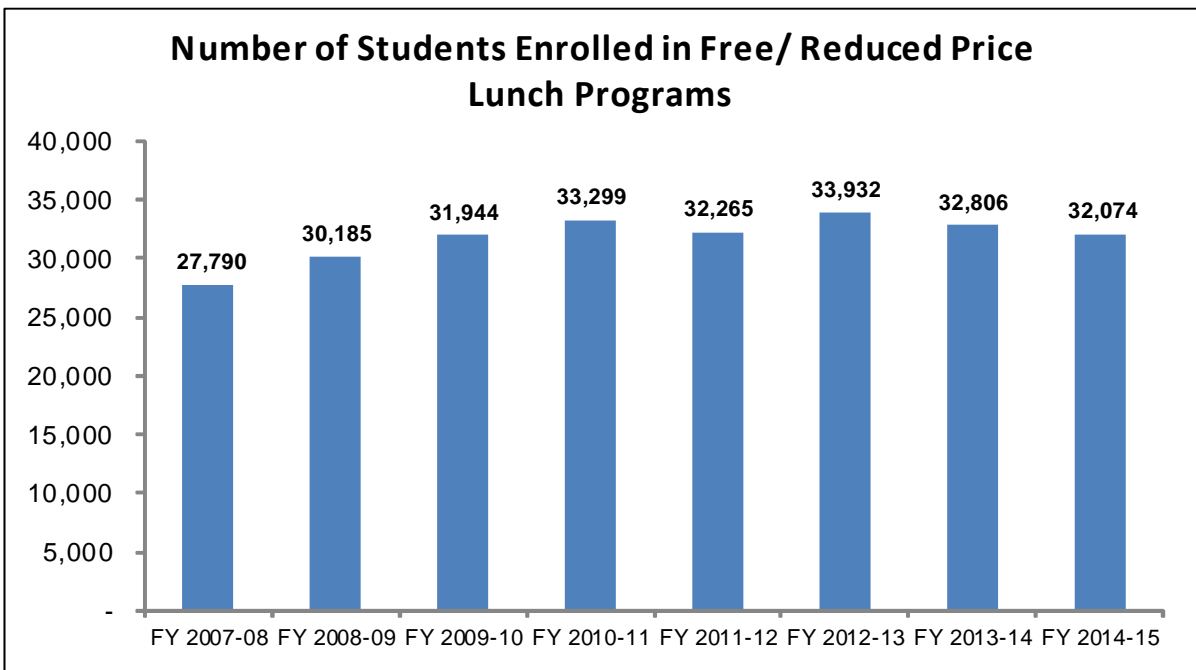
Another intrinsic American value is that there is equal opportunity for all and that the proper role of government in a democracy is to “level the playing field.” While there have always been disparities in wealth and income these disparities have grown wider in recent years. In the past the gap between the “haves” and the “have-nots” has been bridged with public services, particularly education, that gave people the opportunity to get ahead - - or at least the belief that their children could succeed.

But the planks (of public services) in that bridge of opportunity are being slowly eroded leaving many to wonder if the “playing field” is really level and if the promise of equal opportunity is an illusion.

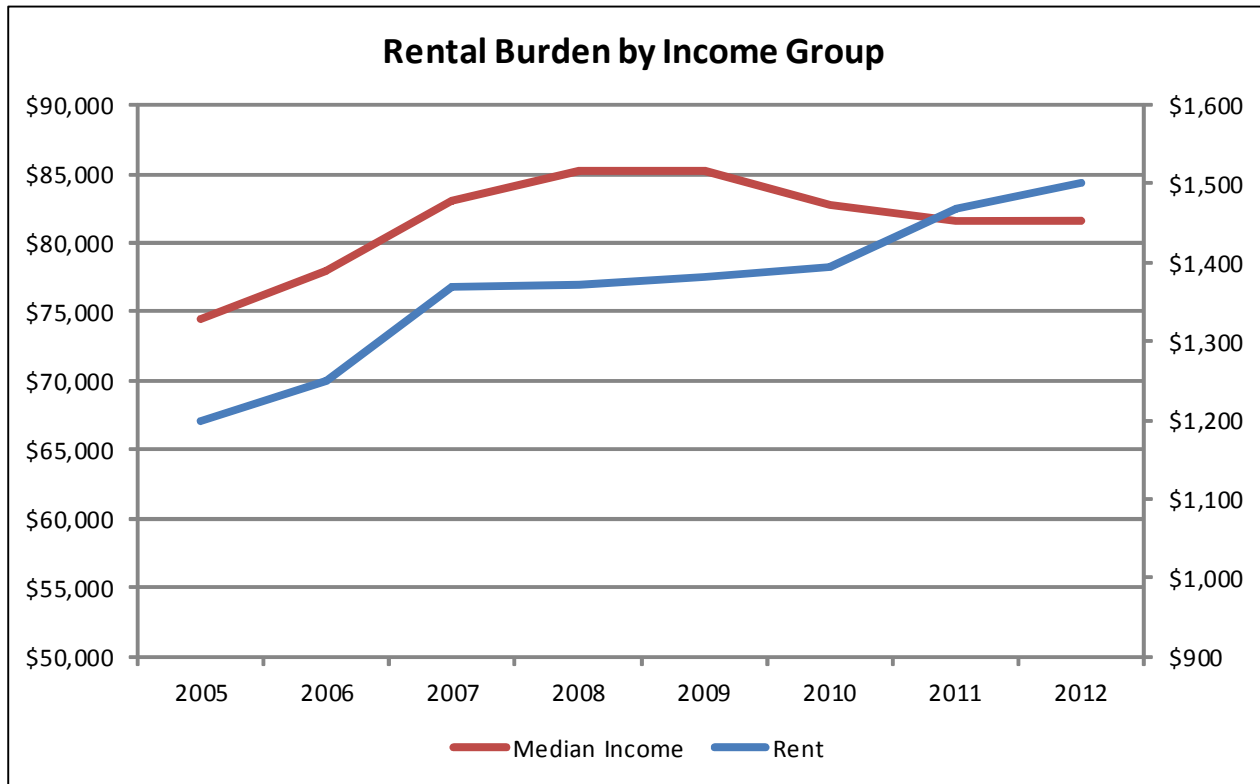
In San Mateo County today, there are more people living below the Federal poverty level,



more children receiving free school lunches, and



the rental burden is worse than at the beginning of the Great Recession.



The Board has set three goals to address income inequality and promote more broadly shared prosperity in our community:

By 2020 the County will:

- End homelessness;
- Ensure that all foster children graduate from high school or its equivalent and complete two years of college or vocational training; and
- Improve school reading scores so that 80 percent of third graders are reading at grade level.

In addition to these goals the Board is also studying the issues of Affordable Housing and Minimum Wage. This summer the Board will appoint two “Blue Ribbon” Commissions to study both of these subjects. Any subsequent actions taken regarding the findings of these Commissions will only affect the unincorporated areas of the County. That’s one of the reasons why it is important to include cities among a broad cross section of stakeholders in these discussions so that future policy actions can be undertaken jointly by the County and cities.

This budget document includes the expenditure of Measure A and other County funds to address these goals as follows:

Homelessness

Based on the most recent Homelessness Count the number of unsheltered homeless individuals in San Mateo County has declined by 40 percent since 2013. Through the focused use of family shelters and temporary motel vouchers, we have been able to house almost all homeless families. Homelessness among veterans will be significantly reduced, if

not eliminated, with the opening of the 60-unit Willow Housing project in Menlo Park in 2016. The Department of Housing is also working on an additional 50-unit veterans housing project in Colma, planned to begin construction in FY 2016-17. This budget includes additional funding for "HOT Teams" (\$150,000 during FY 2015-16 and FY 2016-17 to expand outreach Countywide) and continued funding for emergency housing assistance to prevent homelessness. An RFP utilizing Measure A funds will be issued this summer to fund additional services to prevent and address homelessness.

Also, there is \$11 million earmarked for affordable housing emphasizing the need to house clients of County programs – the homeless, mentally ill, disabled, foster youth and those in recovery. It is critical that these funds be leveraged with other state and local resources to maximize the number of housing units built. Also, any surplus County property that's suitable for housing should be used for this purpose.

As a follow-up to the Board's study session on homelessness last year, Focus Strategies was engaged to recommend systemic improvements in the County's approach to homelessness. Those recommendations were received by your Board and The HOPE Interagency Council in March. The Human Services Agency is re-designing the system of care for homelessness utilizing the services of Focus Strategies in close consultation with our community partners. A draft plan will be presented to your Board in December. I want to acknowledge and thank both Bill Lowell and Iliana Rodriguez for their exemplary leadership on affordable housing and homelessness issues.

Foster Care

The County provides child welfare services to approximately 750 children at any point in time, of whom 350 are children living in out-of-home placement. Consistent with state law the vast majority of these children are reunited with their families. Younger children who can't be reunited with their families are often adopted. Those children that remain in the system are older and/or have multiple needs.

Of the children in Foster Care about 5 to 15 emancipate every year. Usually these are the children who spend the longest time in the system and often have experienced significant trauma in their lives. Unlike other 18-year-olds foster youth have very little, if any, safety net to fall back on as young adults. They experience incarceration, homelessness and inadequate medical care at much higher rates than the general population. Helping these children successfully transition to adulthood is critical. This budget provides \$147 million in child welfare services for FY 2015-16 and FY 2016-17 including more housing for emancipating foster youth, expanding the Supported Transition to Employment Program (STEP), increasing information sharing between schools and social workers and enhancing Public Health Nurse services for foster youth. An RFP will be issued this summer to fund additional services for at-risk foster youth aged 14-21 utilizing Measure A funds.

Reading Scores

Benjamin Franklin once said, "an investment in knowledge pays the best interest." Multiple studies have concluded that children who read at grade level by the end of the third grade do better in school and in life. Countywide, about 57 percent of children now meet this criterion. Most affluent schools usually meet this standard, while less affluent schools do not.

The Big Lift proposal builds on previous studies showing that children receiving two years quality pre-school have a greater likelihood of reading at grade level by third grade. This proposal also includes funding for summer and after-school enrichment programs and parental involvement programs. The Big Lift has a rigorous evaluation component.

This budget provides \$15 million in Measure A funding to "match" \$17 million in Federal Social Innovation Fund grants. To date, about \$1.9 million has been raised from foundations. This fall the Big Lift partners – Silicon Valley Community Foundation, County Office of Education and San Mateo County – will launch a campaign to raise funds from the private sector.

Four school districts - Jefferson, South San Francisco, Cabrillo and Pescadero - have been awarded funds to launch the Big Lift. It is anticipated that approximately 900 children will be initially enrolled in the program with additional children to be added as capacity becomes available. Other components of the program will be added in 2016.

In addition to funds for the Big Lift this budget also includes \$8.8 million for FY 2015-16 and FY 2016-17 for early childhood learning support, after-school homework centers and summer programs in libraries, recreation centers and schools throughout the County.

By making these investments in affordable housing, foster care and child care, we can make this a better community for everyone and keep the "American Dream" alive in San Mateo County.

Parks

As the County becomes increasingly urbanized the demand for parks and open space will intensify. We are fortunate to have many Federal, State, and County parks as well as publically-owned open space within the County.

Two years ago the Board began re-investing in parks by re-establishing the Parks Department and addressing the \$100 million in deferred parks maintenance. Since then the Devils Slide trail was completed, more than 880 acres of new land was acquired and incorporated into existing parks, including Memorial Park, Pescadero Creek Redwoods and Quarry Park. Additionally, Friendship Park in North Fair Oaks and Moss Beach Park have been added to our parks system, and represent a new opportunity to serve those residents that may have difficulty accessing regional parks. A Mini-Parks Policy was adopted by the Board in May to help guide future acquisitions in this area.

This budget includes \$40.2 million over two years for Parks, of which \$331,000 is for additional parks staffing to maintain and operate the expanding parks system.

The Parks Department will undertake a significant number of capital projects over the next two years, which will continue to improve safety as well as the visitor experience within our parks and open spaces. The general fund has approximately \$3 million in projects including restoration work at the Sanchez Adobe historical site, additional work on the Crystal Springs trail, and a water storage project at Memorial Park. The latter project will be matched with \$2.5 million in funding from the San Mateo County Resource Conservation District. Six million dollars in Measure A funds will be spent on projects for Flood Park, the Green Valley Trail near Devil's Slide and new mini parks.

Investments in parks are investments in people, intended to make San Mateo County a safer and healthier place by giving all residents and visitors the opportunity to experience the beauty of our County. In doing so we strengthen bodies and lift spirits.

Office of Sustainability

The Office of Sustainability was established by the Board in 2014 to centralize the County's sustainability initiatives in response to climate change, drought, greenhouse gas emissions and air and water pollution. The County's success in the 21st Century and beyond depends on its ability to adapt to these changes while prudently managing our existing resources. Over 100 years ago Theodore Roosevelt said,

"We have become great because of the lavish use of our resources...but the time has come to inquire seriously what will happen when our forests are gone, when the coal, the iron, the oil, and the gas are exhausted..."

This budget includes \$40.5 million for the Office of Sustainability over the next two years, of which \$10.2 million is in the general fund. Core work programs for this office include: Stormwater Management, Commute Alternatives, Climate Action Plan, Community Choice Energy (CCE), Sea Level Rise/Climate Change Adaptation, and active transportation outreach and coordination with cities and unincorporated communities to improve health through walking and bicycling activities.

The CCE efforts are currently focused on a technical study analyzing Countywide electrical needs, potential procurement of electricity from renewable energy sources and the feasibility of forming a JPA to purchase electricity. Also, the Office has recently filled a new position to oversee the County's Sea Level Rise Adaptation efforts and to work in collaboration with the State Coastal Conservancy on a Countywide vulnerability assessment and adaptation strategy to address this issue.

This budget merges staff from the Department of Public Works RecycleWorks Program, which totals \$18.3 million, into the Office of Sustainability. RecycleWorks promotes recycling, composting, waste prevention, procurement, sustainability, green building programs, and outreach at County facilities and for residents, employees, businesses, and visitors in the unincorporated area of the County. Staff from RecycleWorks have also formed a partnership with City/County Association of Governments (C/CAG) and PG&E to manage a local energy watch program with the goal of reducing electricity use among cities, businesses, special districts and residents in San Mateo County. The Office of Sustainability will also include outreach staff for North Fair Oaks Forward and Pescadero Forward as part of the Livable Communities Programs.

In addition, staff from the Health System will be co-assigned to the Office of Sustainability next year to work on two collaborative projects - - the analysis and potential redesign of the County employee commute alternatives program modeled on the Health System's Way2Go initiative and a joint environmental education project. Permanent assignment of Health System staff to the Office of Sustainability will be assessed mid-year.

Future projects include: ground water management assessment in collaboration with Environmental Health; environmental purchasing policy and battery recycling/ purchasing; outreach and collaboration with County departments, employees, schools and community stakeholders; and strengthening partnerships with cities, including continuing efforts to reduce greenhouse gas emissions.

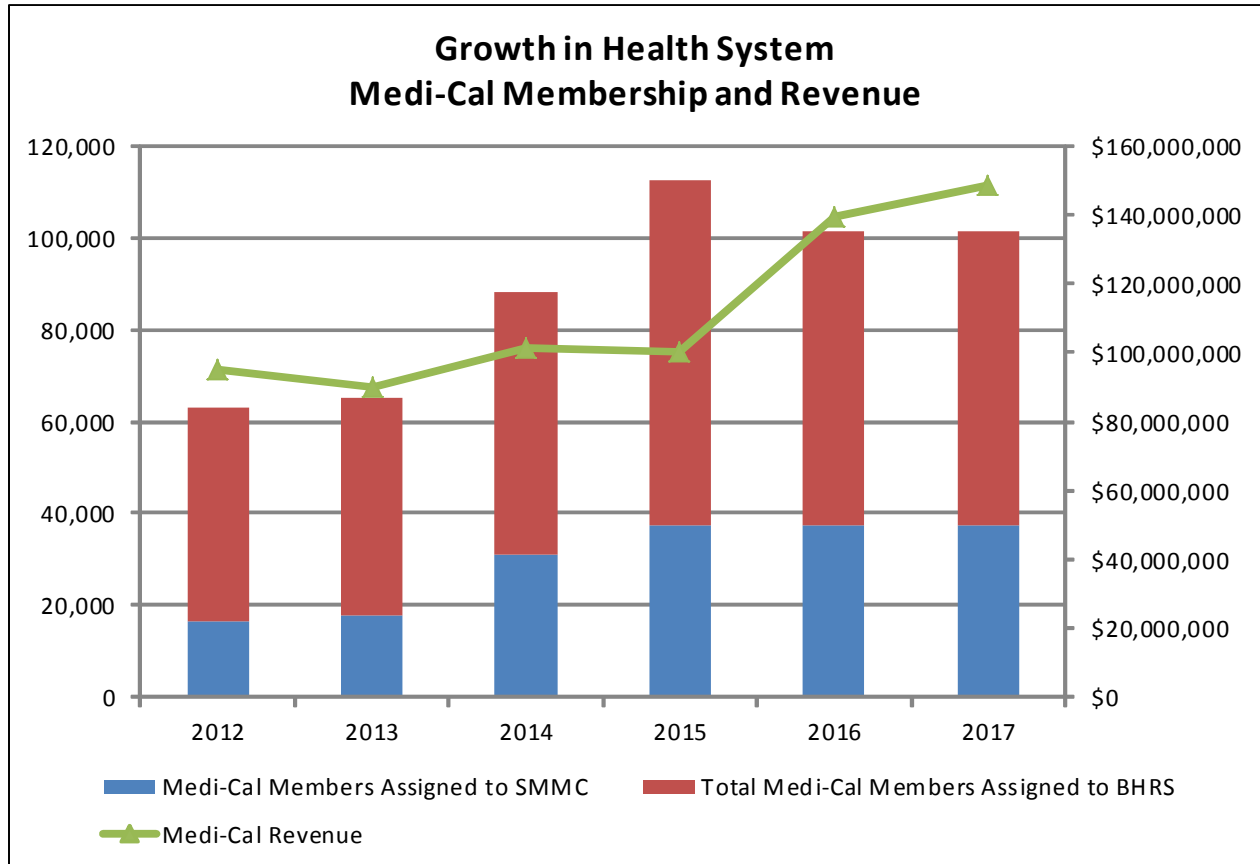
Affordable Care Act

This budget includes \$1.3 billion for the Health System for two years of which \$600 million is for the San Mateo Medical Center (SMMC) Enterprise Fund including a \$106 (\$53 million/year) general fund contribution which remains the same as in FY 2013-14. The implementation of the Affordable Care Act (ACA) in San Mateo County has been a great success. In 2013, there were 83,000 people uninsured in the County, 30,000 of whom were enrolled in the County-funded Access to Care (ACE) program that provides limited benefits from County medical providers including our partners – Ravenswood Health Center and North East Medical Services. The Health System and HSA pre-qualified 10,000 ACE members who were newly eligible for Medi-Cal under the Affordable Care Act, and on January 1, 2014, these 10,000 ACE members were transferred to Medi-Cal. This change gave some of our lowest income residents a wider range of benefits and access to a much larger network of doctors and hospitals.

Despite more choices under Medi-Cal the vast majority our patients have remained with the San Mateo Medical Center (SMMC), and an additional 8,000 new Medi-Cal members have selected or been assigned by the Health Plan of San Mateo to SMMC for their care. SMMC is now responsible for providing medical care to 37,000 Medi-Cal members – 19,000 more than in 2013.

In addition to the expansion of Medi-Cal coverage, the Affordable Care Act also added treatment for moderate mental illness and for substance use as Medi-Cal benefits. In the past, no substance use treatment was available to Medi-Cal beneficiaries, and only people with serious mental illness (defined as schizoaffective disorder, bi-polar disorder, and major depression) qualified for mental health treatment. Our strong partnership with the Health Plan of San Mateo led to the Health Plan contracting with the Health System for all of these behavioral health services for Medi-Cal members. The increased mental health coverage has already made a big difference; the number of County residents able to obtain treatment for moderate mental health issues has increased four-fold.

The increase in Medi-Cal membership has led to an agreement with the Health Plan for capitation payments (per member, per month) for these new patients. This budget reflects these new costs and revenues for SMMC and Behavioral Health to treat increased patient caseloads over the next two years. The “net” of these changes has enabled the Health System to have sufficient funds to cover some of the costs for rebuilding the Cordilleras Center.



In addition to the expansion of Medi-Cal coverage and benefits, the Affordable Care Act also offered uninsured San Mateo County residents with slightly higher incomes subsidized private health insurance through California Covered, the State health insurance exchange. The Health System's Health Coverage Unit and the Human Service Agency collaborated on extensive outreach to all uninsured residents providing them with information about the new health insurance programs. As of May 2015, 63,000 people in the County were enrolled into affordable health insurance coverage, with 31,000 enrolling in Medi-Cal coverage and 32,000 enrolling in subsidized private health insurance through California Covered. In a tribute to our success, the Health System's Health Coverage Unit was recognized as the #1 government enrollment entity in California. In particular I want to thank Srija Srinivasan and Clarisa Simon for their work in making this such a success. I also want to acknowledge Jean Fraser for her leadership in this as well as so many other efforts over the last 6-years.

Public Safety

This budget includes \$789 million in FY 2015-16 and FY 2016-17 for criminal justice departments representing a 9.5 percent increase over the prior budget. This increase is primarily due to the opening of the Maple Street Correctional Center (MSCC) \$39 million, in addition to \$7 million that was added in FY 2014-15 to ramp up staffing; bringing on-line the new Criminal Justice Information (CJI) system, \$20.4 million, and constructing the new Public Safety

Communications/Office of Emergency Services (PSC/OES) Facility, \$33.2 million. These costs are partially offset by increased use of Proposition 172 sales tax and AB 109 revenue.

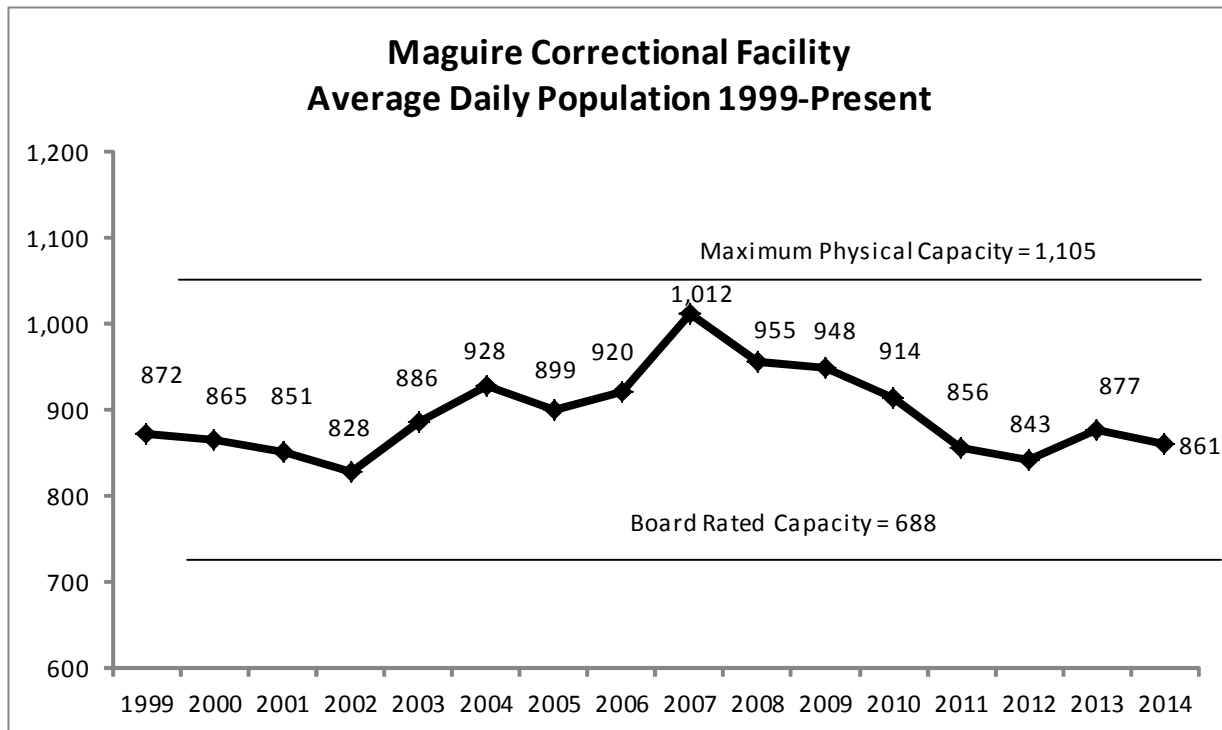
Public safety begins long before the first police officer is hired or the first jail is built. It begins with decent housing, nutritious food, good schools, quality health care and a nurturing family environment. In FY 2013-14 and FY 2014-15, \$522.4 million was allocated for children and family services in San Mateo County. These funds represent an investment in the future by ensuring that children get a good start in life and become productive citizens.

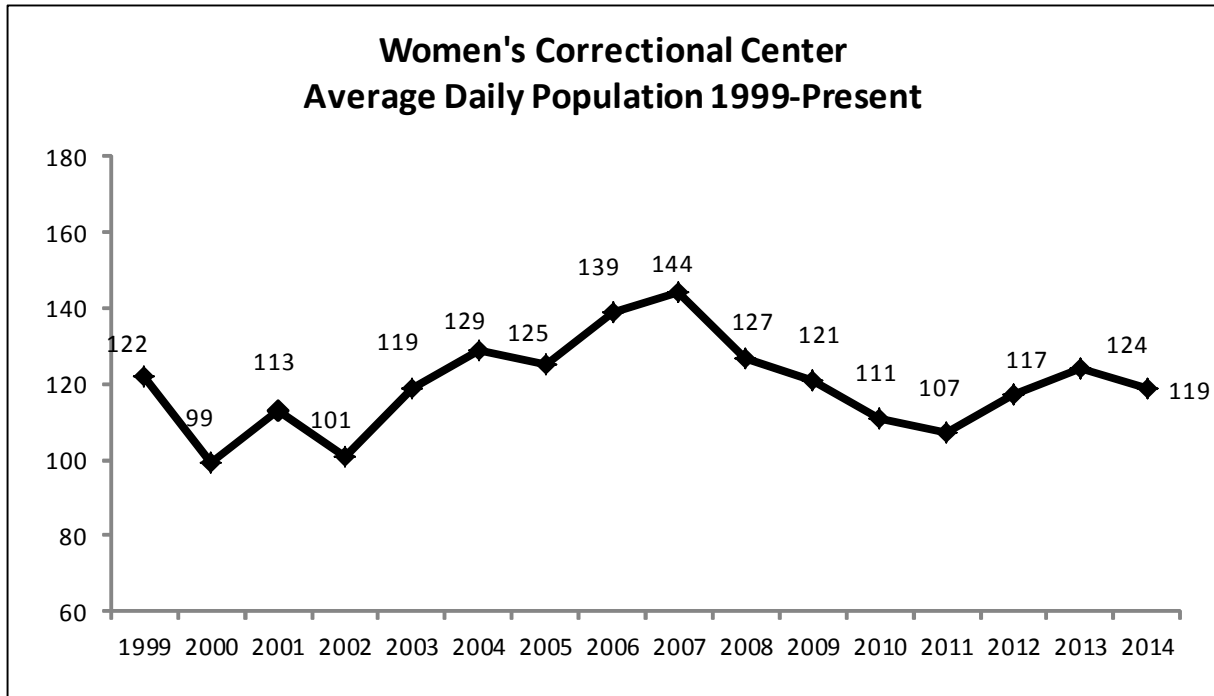
Although our Countywide crime rate is low, there are still too many crimes and too many victims. When an offender comes into the criminal justice system it gives us a unique opportunity and responsibility to intervene in that person's life so that he/she doesn't commit a new crime. The criminal justice system has two aspects – holding people accountable for their actions and providing them the opportunity for rehabilitation.

The construction of the Maple Street Correctional Center will play a pivotal role in both aspects – accountability and rehabilitation. MSCC is expected to be completed late in 2015. Inmates will be phased in during 2016. I want to acknowledge and thank Lt. Deb Bazan for her oversight of this project from inception until her recent retirement.

Staffing for the MSCC will come from a combination of new hires, shifting of existing staff from facilities to be closed and absorbing current Jail Planning staff. Training for correctional staff will start in September 2015 and for various user groups in February 2016.

The passage of Proposition 47 in November requiring some crimes previously charged as felonies to be charged as misdemeanors has reduced the adult census in the jails. In June 2016, the staffing levels at both Maguire and MSCC will be reevaluated as a result of these trends.





The lowered census enabled the Sheriff to recommend closing the “Old” Maguire Facility and building out the “warm shell” at MSCC thereby reducing the overall jail capacity by 140 beds. As a result more inmates will have the opportunity to participate in rehabilitation services in order to successfully re-enter community life.

Despite limited rehabilitation space in the existing jails the Community Corrections Partnership has had success in lowering the recidivism rate to 30 percent, which is the current goal of the Partnership. The Partnership will work to sustain or further reduce the recidivism rate in the next two years. If successful, future criminal justice costs can be reduced, and the community will be safer.

Capital and Maintenance Projects

Investing in the future requires the infrastructure necessary to deliver services. The Capital Budget for the next two-years is \$278 million. The major projects funded in this budget are:

Maple Street Corrections Center — \$165 million

The project was funded with lease/revenue bonds issued by the San Mateo County Joint Powers Financing Authority and is not included in the FY 2015-17 Capital budget. Debt service will commence beginning FY 2016-17. The project is due to be completed in November and is within budget. In April, the Board decided to buildout the “warm shell” space at an additional estimated cost of \$25.6 million.

Cordilleras Mental Health Center — \$85 million

On November 18, 2014, the Board of Supervisors accepted the Feasibility Study for the replacement of the facility. The Department of Public Works (DPW) retained HGA Architects for the development of design bridging documents. The Health System is confirming the programming with the stakeholders as part of the ongoing development of the bridging documents. Site investigations are underway to meet the CEQA requirements and identify accessible non-intrusive areas for geo-tech testing. The new facility is projected for completion by FY 2019-20.

Public Safety Communications/OES Facility — \$35 million

On November 18, 2014, the Board of Supervisors approved bridging documents prepared by MWA Architects and directed DPW to proceed with issuing Requests for Qualifications and Proposals (RFQ-P) as required by SB785. On April 14, 2015 the Board approved the CEQA document for the facility and the new Motor Pool sites. Work is in progress and efforts are continuing to expedite the relocation of the Motor Pool from the County Government Center to Grant Yard by late summer 2015. The new building is projected to be completed by fall 2017.

Animal Control Shelter — \$20 million

The project will include demolition, site preparation, utilities, infrastructure, parking, and landscaping. Public Works is scheduled to complete bridging documents by summer 2015 and is currently working with the CEQA consultant to meet the environmental requirements. The County has an agreement with the cities to repay their share of the capital costs related to this project.

Skylonda Fire Station Replacement — \$8.1 million

The project will consolidate the functions and operations of two existing structures into a single building. A new primary vehicular access connection will be provided on Skyline Boulevard to facilitate improved traffic sightlines and vehicle turning movements. DPW has completed bridging documents and an RFQ has been issued for Design Build entities.

Pescadero Fire Station Replacement — \$8 million

This project involves demolishing and replacing the existing building but does not include the cost of land if a new site is required, nor significant earthwork. The project design is on hold pending the outcome of the ongoing community engagement process and further investigation of possible sites. Public Works continues to assist the County Manager's Office with these efforts.

County Facilities Master Plan — \$2.7 million

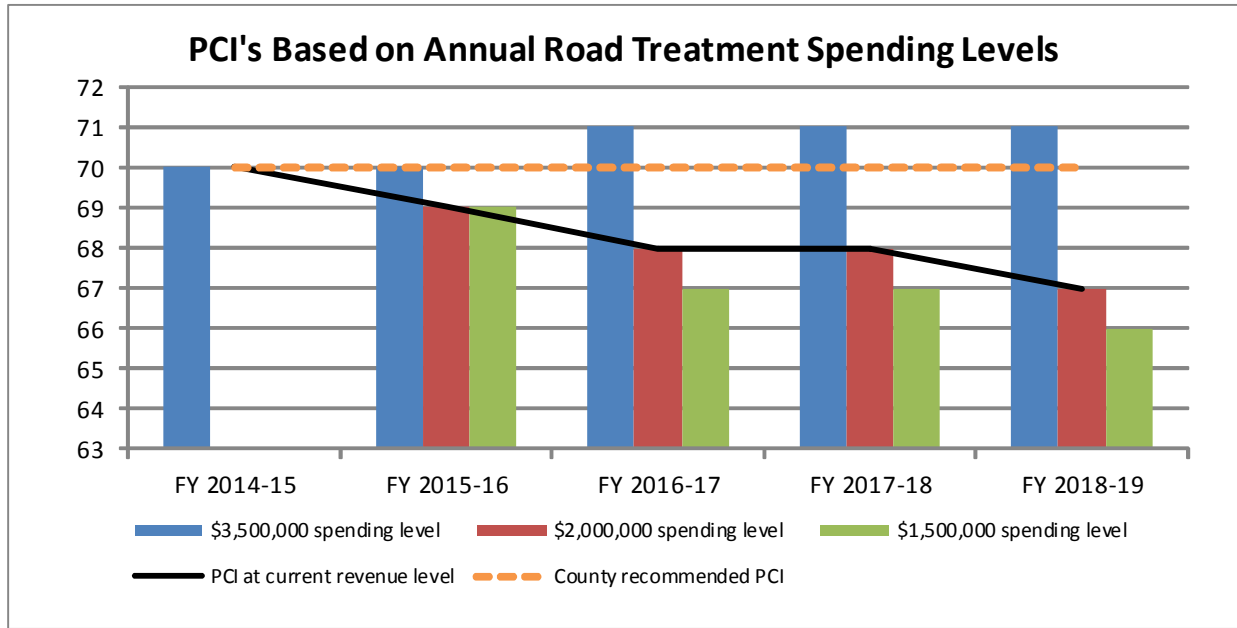
The "San Mateo County 2011 Facility Master Plan" (Master Plan) was adopted by the Board as a road map toward coordinated and sustainable use of County facilities. The intent of the Master Plan is to promote efficiency in the use of County owned property and facilities, keeping in mind the need to maintain satellite facilities throughout the County to serve our residents.

Over the next two years, the remaining Master Plan funds will be used for detailed evaluations and studies of the options presented in the Master Plan, e.g., a feasibility study to validate assumptions made in the Master Plan for the new Government Center Parking Garage. After the Board provides further direction late this summer regarding the use and potential development of the Government Center, DPW will pursue detailed planning regarding major renovations and/or new buildings on this campus.

Roads — \$8 million

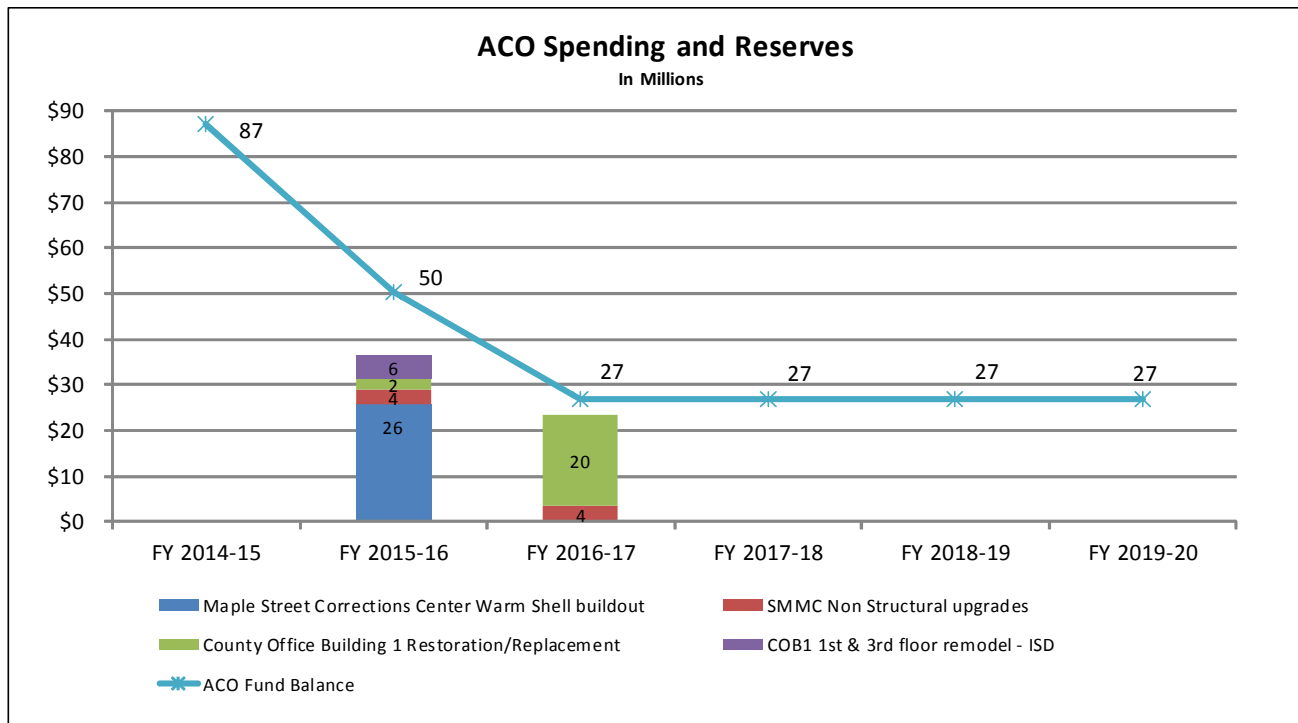
The County maintains approximately 315 miles of roads in the unincorporated area and relies on Highway Use Taxes to fund road maintenance and improvements. The purchasing power of the Highway Use Taxes has been reduced due to the improved fuel economy of cars and trucks resulting in reduced tax revenue and the increased cost of road improvements.

The County plans on investing approximately \$4 million per year in road surfacing and reconstruction improvement projects, \$3.5 million of which would be targeted at surface treatments recommended by the County's Pavement Management System. The budget includes about \$1.8 million per year in Highway Use Taxes. As a result, Public Works will begin spending down the \$3.2 million Road Fund reserves to maintain the pavement condition at current levels. The attached graph depicts the decline in Pavement Condition Indexes over time based on different spending levels for road treatments, absent new revenue streams that would supplement gas taxes.



Accumulated Capital Outlay Fund

In May of 2014, the County sold the Circle Star Plaza office complex. After paying commissions and other fees, approximately \$87 million was deposited into the Accumulated Capital Outlay (ACO) Fund. Several projects are slated for funding from the ACO Fund in the next two years, which will draw down the balance to just under \$27 million by FY 2016-17.



Major IT Projects

Yogi Berra once said, "The future isn't what it used to be." Today, infrastructure involves more than "bricks and mortar." To be successful in the future County government must use technology to better communicate with citizens and employees, provide more on-line services and improve performance analytical capabilities. This requires not only substantial initial investments in hardware and software but also on-going maintenance and update costs.

This budget includes \$61.4 million in technology related costs in the next two years. The following is an update on the status of major IT projects, including total project costs:

Workday — \$14 million

The Workday project is complete and went live on April 3, 2015. The project finished on time and under budget. Accordingly, no funds are budgeted in FYs 2015-17. The County has successfully processed four payroll cycles using Workday with no significant issues. The project replaced the County's 25-year old mainframe application and consolidated a number of standalone Human Resource processes. Workday Performance Management functionality will be used later this year to support the County's Performance Management System (CPMS) process. San Mateo County is the first County in California to configure this cloud-based application.

Assessment and Property Tax System (ATS) — \$2.9 million (through August, 2015)

In 2014 the Assessor's Office, Tax Collector's Office, Controller's Office and the Information Services Department partnered to begin the process of replacing the old assessment and tax payment systems. Gartner Consulting was selected to help define the system requirements, documenting our processes and requirements, and assisting in the development of an RFP for the long-term solution. This first phase, documenting current system(s) processes among the three departments has been completed. The second phase, now underway, will define future needs for an integrated ATS solution. The third phase will be a market scan of potential solutions that could meet the needs of the three departments and will end with a solution strategy and roadmap. The last phases will finalize requirements and costs, develop an RFP, and select a vendor or vendors by the end of 2015.

Criminal Justice Information (CJI) — \$20.4 million

The Sheriff's Office and District Attorney's Office have completed implementation of their case management systems. These two systems are now exchanging data. The Courts and Probation case management projects are also underway. Currently the CJI project is over 50% complete and the project budget is in alignment with the 5-year budget developed by the CJIS Finance Committee during the fall of 2013. This budget includes \$8 million in implementation costs for Probation, \$2 million in startup costs for the web portal and approximately \$1.1 in departmental operational costs.

In 2015, the County engaged an independent consulting firm - MTG Management Consultants, LLC - to review CJI one-time costs, on-going operational costs, etc. After review, MTG concluded that the CJI project was progressing well. The report recommended that the County accelerate the implementation of the new CJI portal to reduce operational costs resulting from staff support of both the old CJIS System and the new CJI system while development is underway. The CJI Steering Committee (ISD, CMO, DA, Probation, Courts, and SO) supported that recommendation. The projected timeframe to complete the web Portal is November 2015. The selection of a vendor to implement the Portal is currently underway.

Clarity System — \$1 million

The Clarity Human Services System was implemented in 2014 to create a shared performance management system for the County's Core Service Agencies and Homeless Service Providers. This enhanced system, which now contains over 30,000 client records, allows cross agency sharing of client information regarding who receives services from the County's homeless and safety net system and provides a streamlined assessment process to improve the clients' experience. The Clarity system also provides comprehensive demographic data and performance reports which will

inform County departments and contracted service providers on trends in service needs, the population seeking services, frequency and type of services provided and performance outcomes.

In July 2014, the eight Core Service Agencies transitioned from their individual agency databases into a single web based system. This required a large investment of time from the staff of the Core Service Agencies. The County is grateful for their thoughtful participation.

In November 2014, the 12 Homeless Service Providers transitioned from the previous Homeless Management Information System (HMIS) to the Clarity System's HMIS module. The conversion of data from the old HMIS system to the new Clarity HMIS system resulted in duplicate client records that are now being cleaned up. The merging of client records will allow the County and the Homeless Service Providers to do a better job in meeting a client's service needs and achieve permanent housing.

Conclusion

As always I want to thank the staff of the County Manager's Office for their dedication and hard work in the preparation of this document – specifically I want to acknowledge Jim Saco, Reyna Farrales, Peggy Jensen, Mike Callagy, Danielle Lee, Heather Ledesma, Michael Bolander, Jessica Silverberg, Matthew Chidester, Mary-Claire Katz, Jason Escareno, Alicia Garcia, Michelle Durand, Connie Juarez-Diroll and Kim Hurst. I also want to thank the County's department heads and all the men and women of San Mateo County who work so hard each and everyday to make this County a better place for everyone.

We are at a critical time in our Nation's and in our County's histories. The central question facing us is – Can democracy survive the growing income gap between the wealthy and everyone else? The stability of our system of government has depended on a vibrant middle class, but as the types of jobs that once supported the middle class disappear we are left with a bi-model distribution of jobs and incomes – knowledge workers and service workers. The disparity in incomes is exacerbated in this County by the high cost of housing. The Federal poverty level for a family of four in San Mateo County is \$33,000. The average salary of a first-year teacher is \$39,972. If a first-year teacher cannot afford to live in this County what about other workers making even less than a teacher's salary? These workers perform jobs that are critical to our families and critical to our economy. They contribute immensely to our quality of life. Yet we are asking them to subsidize us in one of three ways – (1) live in substandard housing, (2) pay a disproportionate share of their incomes toward housing, or (3) commute long distances to work. This isn't right. We can do better. We must do better!

Although this budget refocuses our efforts on the homeless, foster care and childcare, the work that the Board will undertake with the Blue Ribbon Commissions on Affordable Housing and Minimum Wage is critical to achieving a community with more broadly shared prosperity that works for all residents.

Robert Kennedy once said,

"The future doesn't belong to those who are content with today, apathetic toward common problems and their fellow man alike, timid and fearful in the face of new ideas and projects. Rather it belongs to those who can blend vision, reason and courage."

It will take the combined leadership of the Board of Supervisors, City Councils, School Boards, organized labor, and the faith, not-for-profit and business communities to achieve this vision. Most of all it will take the entire community seeing one another as neighbors with whom they share a place and time and whose success and wellbeing is critical to their own.

The living political experiment in self-government we call "America" is a work in progress. Each generation is called upon to make this a better place for the next generation. The faces that make up our communities are constantly changing as the "American Dream" draws new people to its promise of freedom and opportunity.

Here in San Mateo County we are at a cross roads – we can allow our community to become a wealthy enclave increasingly isolated from the real problems and issues of the less affluent or we can work together to achieve the themes of Shared Vision 2025 – for San Mateo County to be a healthy, livable, prosperous, environmentally conscious and collaborative community for everyone.

If the promise of the “American Dream” can’t be realized in San Mateo County – one of the wealthiest counties in the Country, during an unprecedented economic boom, with people known for their innovation and entrepreneur skills where can it be realized?

It has been an honor and privilege to be asked to return as your County Manager. I am absolutely convinced that we can do the things that are necessary to keep this a vibrant, prosperous, multi-cultural community that works for everyone and where everyone has the opportunity to succeed. This budget lays a strong foundation to restore the “American Dream” in San Mateo County and in so doing show the rest of the Country what can be done when people of differing political philosophies, races and creeds work together in pursuit of the common good. I look forward to beginning this journey with you!

Sincerely,



John L. Maltbie,
County Manager