

# NEWS

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For Immediate Release

## Board of Supervisors to Consider FY2020-21 Budget

*Proposed \$3.7B budget includes funds for COVID-19 response & recovery*

**Redwood City** — As the Bay Area and nation struggle with the economic shutdowns and resulting job losses caused by the coronavirus, the San Mateo County Board of Supervisors will consider a spending plan for the 2020-21 Fiscal Year that relies heavily on reserves to maintain safety-net services.

The Board on Tuesday, September 29, is scheduled to adopt a \$3.7 billion budget that includes an estimated \$180 million in increased County spending to help pay for the response to the COVID-19 pandemic. The September Revisions proposed in the budget are 16 percent higher than the Recommended Budget presented in June as the impacts of the pandemic's shutdown and the need for increased public health and safety programs were still largely developing. To help meet immediate needs, the County has delayed numerous capital projects, including energy upgrades and building renovation projects, leading to a rollover of \$49.5 million in unspent funds from the previous fiscal year.

In June, County Manager Mike Callagy informed the Board that the Recommended Budget he brought before them was expected to undergo substantial changes once the full health and economic impacts of the global pandemic were known. At the time, he projected a budget deficit of approximately \$65 million to \$100 million in lost taxes and realignment revenues.

The September Revisions to the Approved Recommended Budget include the following immediate reductions and changes:

- Net County cost reductions: \$16.8 million
- Capital projects deferrals: \$12 million, including renovation of the Human Resources department and development of a countywide strategic energy master plan;
- Prop. 172 and Realignment revenue reductions: \$61 million, spanning public safety, health and social service programs to be partially backfilled by the use of one-time reserves

- Measure K reductions: \$20.5 million, including deferral of the Pescadero Fire Station, a \$5 million reduction in the Affordable Housing Fund and reduction of the Board of Supervisors district-discretionary allocations.

The budget for County Health has increased, in part due to the COVID-19 response, but a deficit remains as expenditures outpace resources, and the department will update the Board prior to its January 2021 study session.

Overall, the County has appropriated an estimated \$180 million in response to COVID-19 for needs including personal protective equipment, shelter facilities, health care costs, staffing and increased telecommuting.

For instance, County Health and Human Services Agency are responding to the urgent needs to limit the spread of COVID-19 and assist those who have contracted the virus. In addition to testing in medical facilities in the County, mobile testing of those not showing symptoms has been conducted on a rotating basis in cities throughout the County, including San Mateo, East Palo Alto, Redwood City, Half Moon Bay, Daly City, and San Bruno.

The County has received \$134 million in federal CARES Act funding of which \$24.8 million was spent in FY 2019-20.

Based on the COVID-19 emergency, the County claimed \$39 million and received and spent \$18.6 million in FEMA funding in FY 2019-20. The County anticipates claiming an additional \$48 million (at minimum) in FEMA funds related to COVID-19 and the CZU Lightning Complex fires in FY 2020-21.

Despite the financial challenges of responding to the pandemic and fires, Callagy heralded County departments for their innovative methods of delivering critical public services and using resources wisely. For example, the San Mateo Medical Center converted over 75 percent of its ambulatory care to telehealth within just a few days, County Parks launched a virtual version of its popular “Take a Hike! Challenge” and the district attorney and Courts are conducting almost all court proceedings by Zoom remote video.

The FY 2020-21 September Revisions book is available at:

[https://cmo.smcgov.org/sites/cmo.smcgov.org/files/documents/files/FY\\_2020-21\\_September\\_Revisions\\_Hyperlink\\_2.pdf](https://cmo.smcgov.org/sites/cmo.smcgov.org/files/documents/files/FY_2020-21_September_Revisions_Hyperlink_2.pdf)

When available prior to the meeting, the full agenda packet will be at:

<https://sanmateocounty.legistar.com>

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