



For Immediate Release

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San Joaquin County Releases 2021-2022 Proposed Budget

Structurally-balanced budget to begin the rebuilding process following destructive pandemic

STOCKTON – San Joaquin County today released a proposed \$2.14 billion structurally-balanced budget for Fiscal Year 2021-2022, which provides a \$158.4 million increase from the previous year. The Proposed Budget reflects the County’s continuing determination to achieve a structurally-balanced budget while continuing to increase County reserves and invest in local resources to address required mandates. The Proposed Budget also focuses on carrying out the Board’s directive that all departments establish homelessness as an operational priority and implement the five Board strategic priorities of fiscal responsibility, good governance, public safety, economic development, and water.

“The 2021-2022 Proposed Budget has been carefully designed to advance the public interest, while at the same time remain fiscally sound. The \$2.14 billion budget demonstrates that San Joaquin County is well governed and financially stable,” said San Joaquin County Administrator, Jay Wilverding. “This Proposed Budget was crafted during uncertain times with the ongoing pandemic but with the knowledge that we are slowly moving out of the pandemic and starting to reopen as a County.”

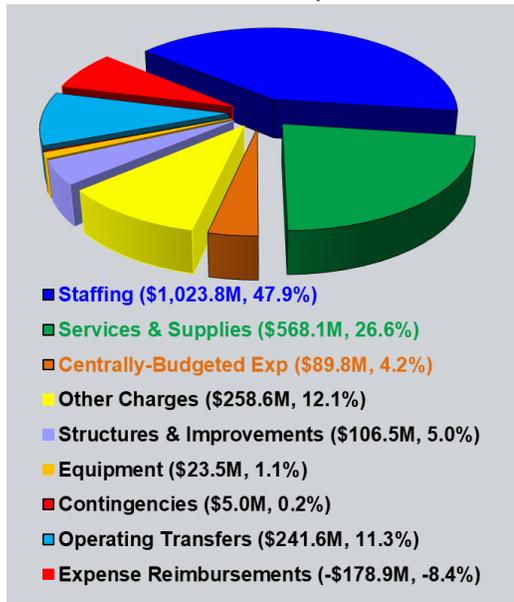
The 2021-2022 Proposed Budget

Wilverding noted that the Governor’s May Revision to the State Budget now projects a \$75.7 billion state surplus and in addition, the County is anticipating \$148.0 million in Federal American Rescue Plan Act funds to also help in the COVID-19 recovery. “While the County does seem to be in a good position, we want to be good stewards of these funds and ensure that the funding is one-time in nature and be prepared for any other possible downturns that may occur,” Wilverding noted. In addition, the Proposed Budget contributes five percent towards the County’s Reserve for Contingencies (\$11.4 million) and directs \$17.4 million to fund an additional five percent to the County’s unfunded pension liability reserve for a total of approximately \$58.1 million.

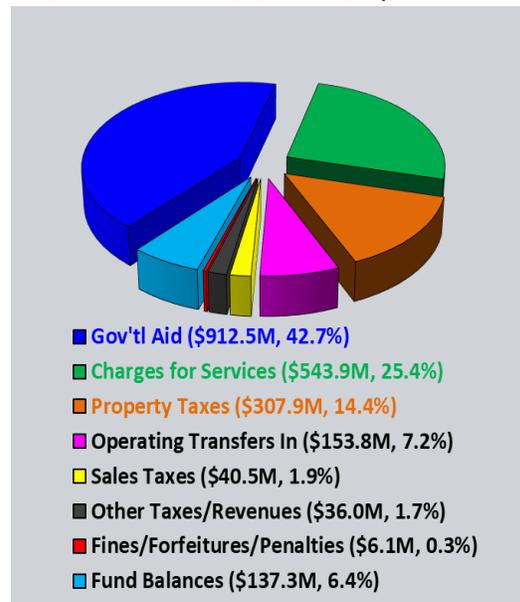
2021-2022 PROPOSED BUDGET HIGHLIGHTS

- The 2021-2022 Proposed Budget is a structurally balanced budget totaling \$2.14 billion. This represents an increase of \$158.4 million from the 2020-2021 Adopted Budget. Costs and revenues by account include:

2021-2022 Use of Funds - \$2.14 Billion



2021-2022 Source of Funds - \$2.14 Billion



- **General Fund:** The estimated general fund year-end balance for June 30, 2021 is estimated at \$177.8 million.
- **Reserve for Contingencies:** The Proposed Budget adds \$11.4 million to the Reserve for Contingencies in order to achieve the Board's policy of five percent of total appropriations.
- **Unfunded Retirement Liability:** Funds the full five percent contribution toward the unfunded retirement liability at a cost of \$25.9 million, with a net County cost of \$8.5 million, primarily financed from ongoing funding sources.
- **Staff Positions:** Net staff positions increased by 204.5 which includes San Joaquin General Hospital (34 positions), Public Health (32 positions), and Sheriff (31 positions).
- **Investment in Public Improvement Projects (new or multiyear):** Projects include Behavioral Health Services Adult Residential Treatment Modular Building; County Detention (SB 1022 Facility); Public Health Services Facility Replacement; and the County Facilities Master Plan.
- **Homelessness Response:** The 2021-2022 Proposed Budget includes funds to build a low-barrier shelter in the County to accommodate 250-400 homeless individuals. In addition, the Crossways Residences Project is now open and fully occupied – this project began in 2019 and converted offices to 35 housing units and on-site supportive services for Behavioral Health Services clients.

OTHER NOTABLE 2021-2022 PROPOSED BUDGET ITEMS:

- **Law and Justice:** \$416.0 million, which is an increase of \$29.9 million.
- **Health Services:** \$834.4 million, an increase of \$24.9 million.
- **Environmental Protection:** \$24.8 million, an increase of \$1.7 million.
- **Human Services:** \$472.0 million, a decrease of \$10.9 million.
- **Roads and Facilities:** \$107.7 million, a decrease of \$2.7 million.
- **Capital Maintenance and Improvements:** \$25.1 million, a decrease of \$7.7 million.
- **Water:** Directs \$670,000 toward the County's effort to defeat the California Delta Conveyance single tunnel project.
- **Economic Development:** Directs \$152,230 of transient occupancy tax to \$2.3 million economic development reserve.

Other Major Impacts

- **Labor Costs:** Employee salary and benefit costs comprise approximately 47.9% of the County's Proposed Budget. The County has current labor agreements with 96.7% of the County labor force leaving 3.3% expired or near expiration by June 30, 2021. The potential costs resulting from these negotiations are unknown, therefore, are not included in the Proposed Budget.

June 8, 2021

- **Realignment of Division of Juvenile Justice (DJJ):** Last year, the Legislature passed legislation which eliminated the DJJ realigning responsibility for youth offenders to County Probation Departments beginning January 1, 2021. However, in May 2021, SB 92 (Committee on Budget) was passed, which delayed the realignment until July 1, 2023.
- **LPS Conservatorship Realignment to Counties:** In the Governor’s May Revision, he proposed halting contracts with counties to the State Hospital for Conservatorship, which would realign these individuals back to counties. This would increase costs to counties since most counties do not have the appropriate treatment facilities for these patients. It is unclear at this time whether this proposal will be passed.

“The COVID-19 pandemic has brought about a variety of effects. Among them, San Joaquin County has experienced an increase in property taxes due to the influx of residents from the Bay Area taking advantage of the home prices in the County, which has resulted in an increase in our revenues,” Wilverding concluded. “As the State and County reopen on June 15, we are doing everything possible to ensure the current windfall is spent correctly and spent on the needs of the community.”

Further deliberation and adoption of the Final Budget is expected at 9:00 a.m. on June 22 and 23 where public comment is welcome. To review the full budget proposal or for additional budget highlights and details, please visit the [website](#).

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