



# SANTA CRUZ COUNTY

## MITIGATING ECONOMIC IMPACTS OF COVID-19

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August 6, 2020

# AGENDA

- Major Economic Impacts of COVID-19
- County Revenue Sources
- Proposed Budget Revisions
  - Funding Changes
  - Staffing Changes
  - Program Changes
- Uncertainties
- Community Feedback



# MAJOR ECONOMIC IMPACTS OF COVID-19

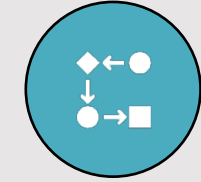


# MAJOR ECONOMIC IMPACTS



## GLOBAL / NATIONAL IMPACTS

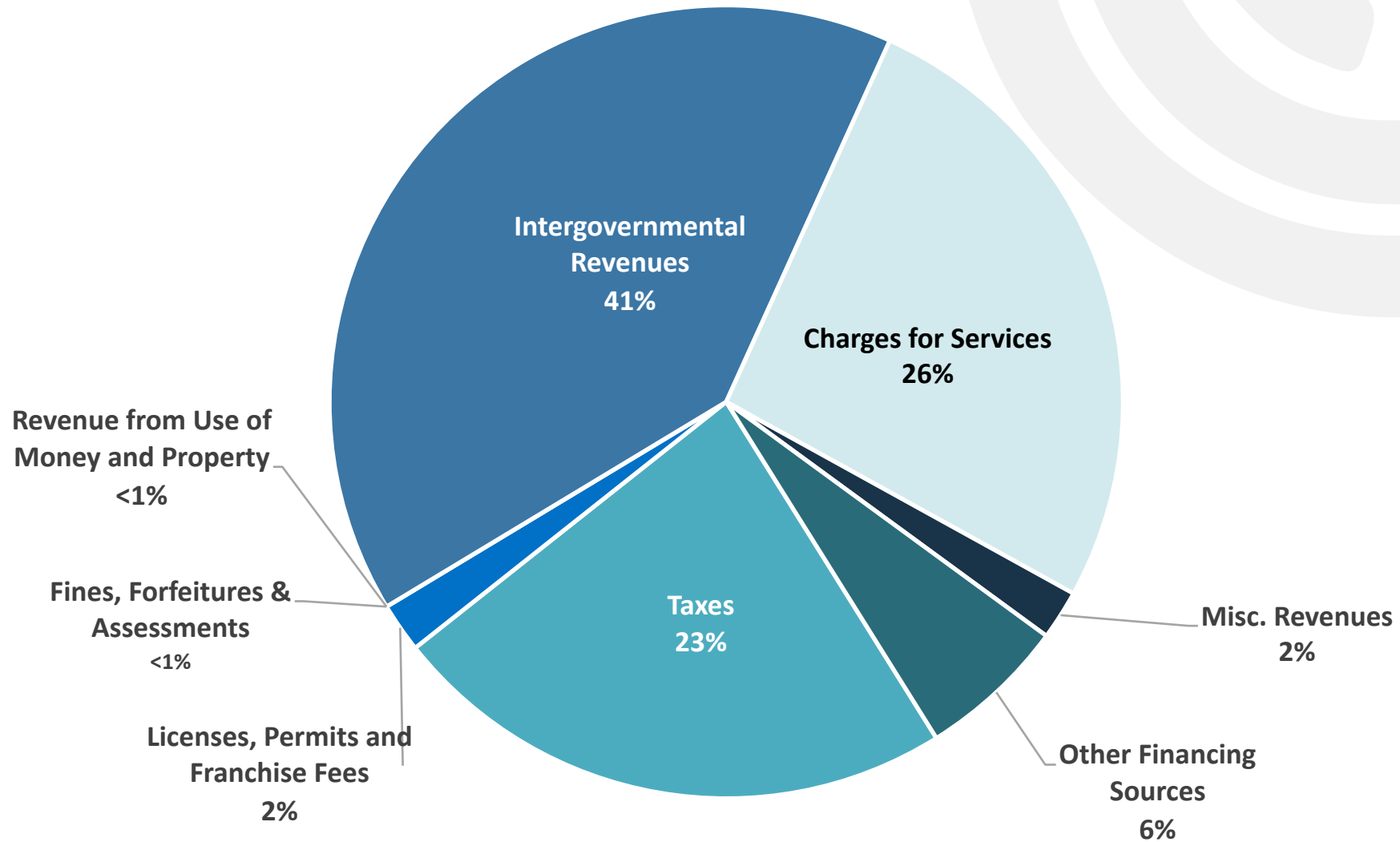
- Services and manufacturing sectors plunged to record lows
- Travel and tourism sectors the hardest hit
- Drop in foreign direct investment and global trade
- Lower energy demands
- Government bailouts and budget deficits
- Higher unemployment
- Worldwide restrictive measures which vary widely by country and state



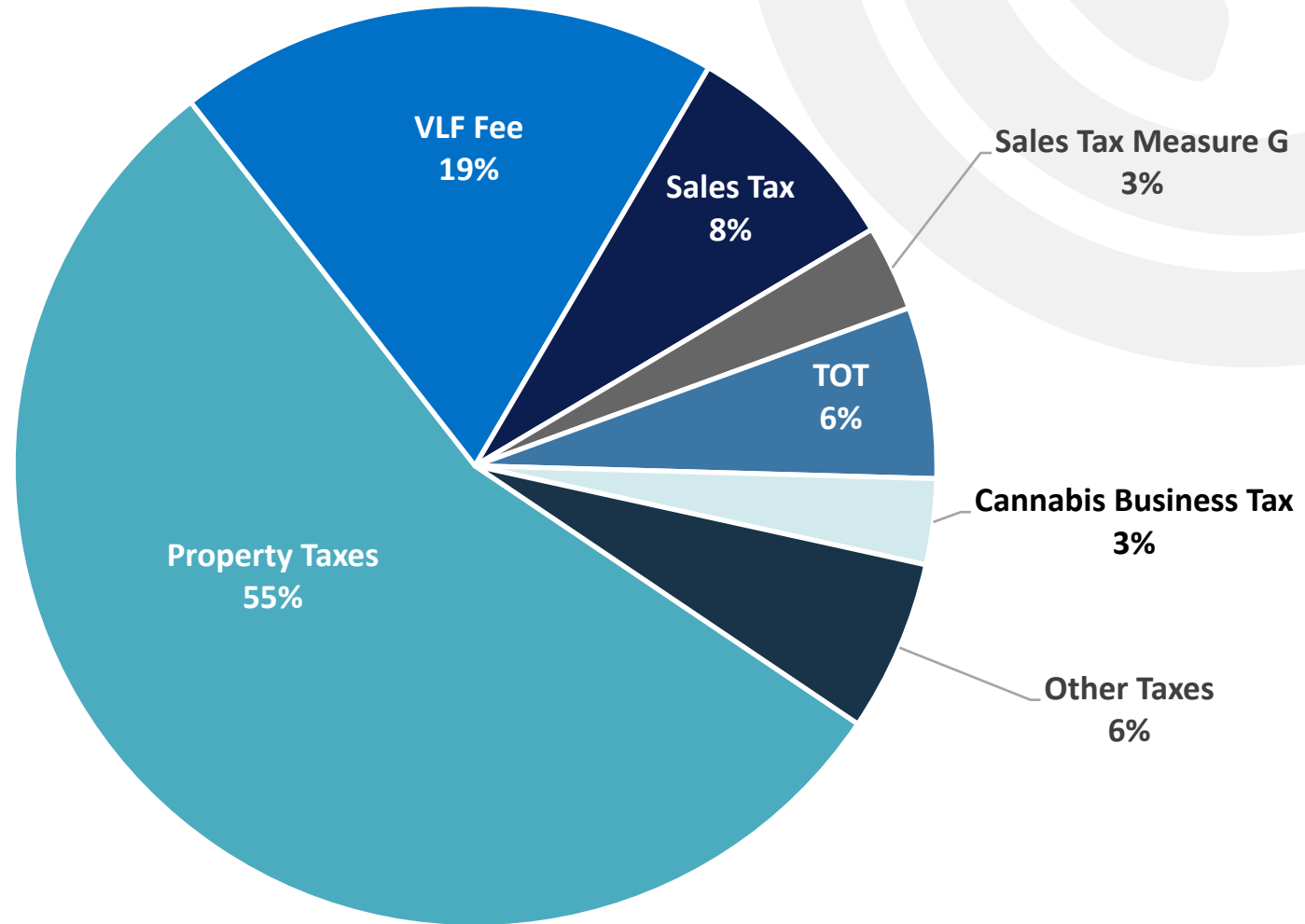
## COUNTY IMPACTS

- Largest economic sectors impacted differently
- Small businesses heavily impacted
- High unemployment
- Higher assistance needs
- Reduced revenues resulting in staffing and service changes

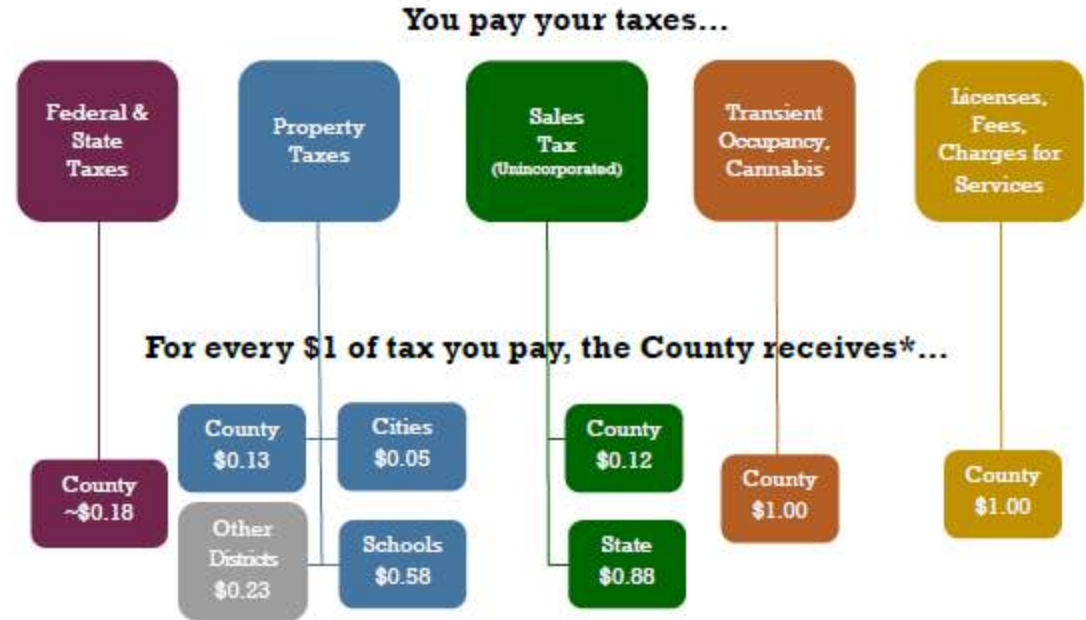
# COUNTY REVENUE SOURCES



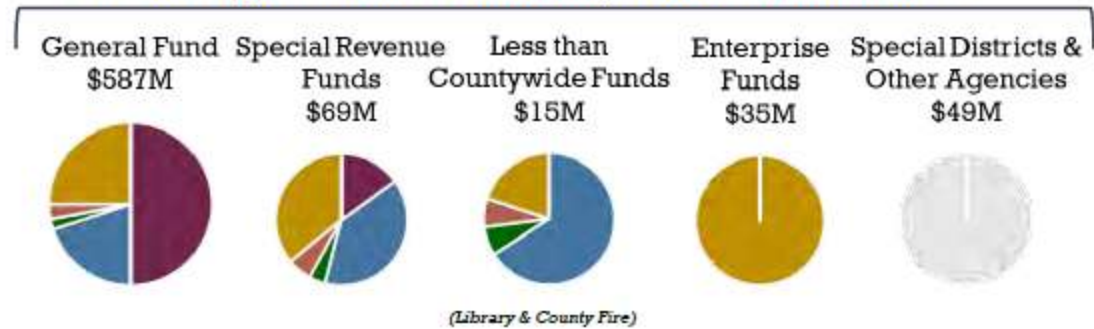
# COUNTY TAX SOURCES



# COUNTY FINANCING



## The County distributes the money into different funds\*\*...



**The average County property tax payer contributes \$5,505 annually.**

# REVISED BUDGET

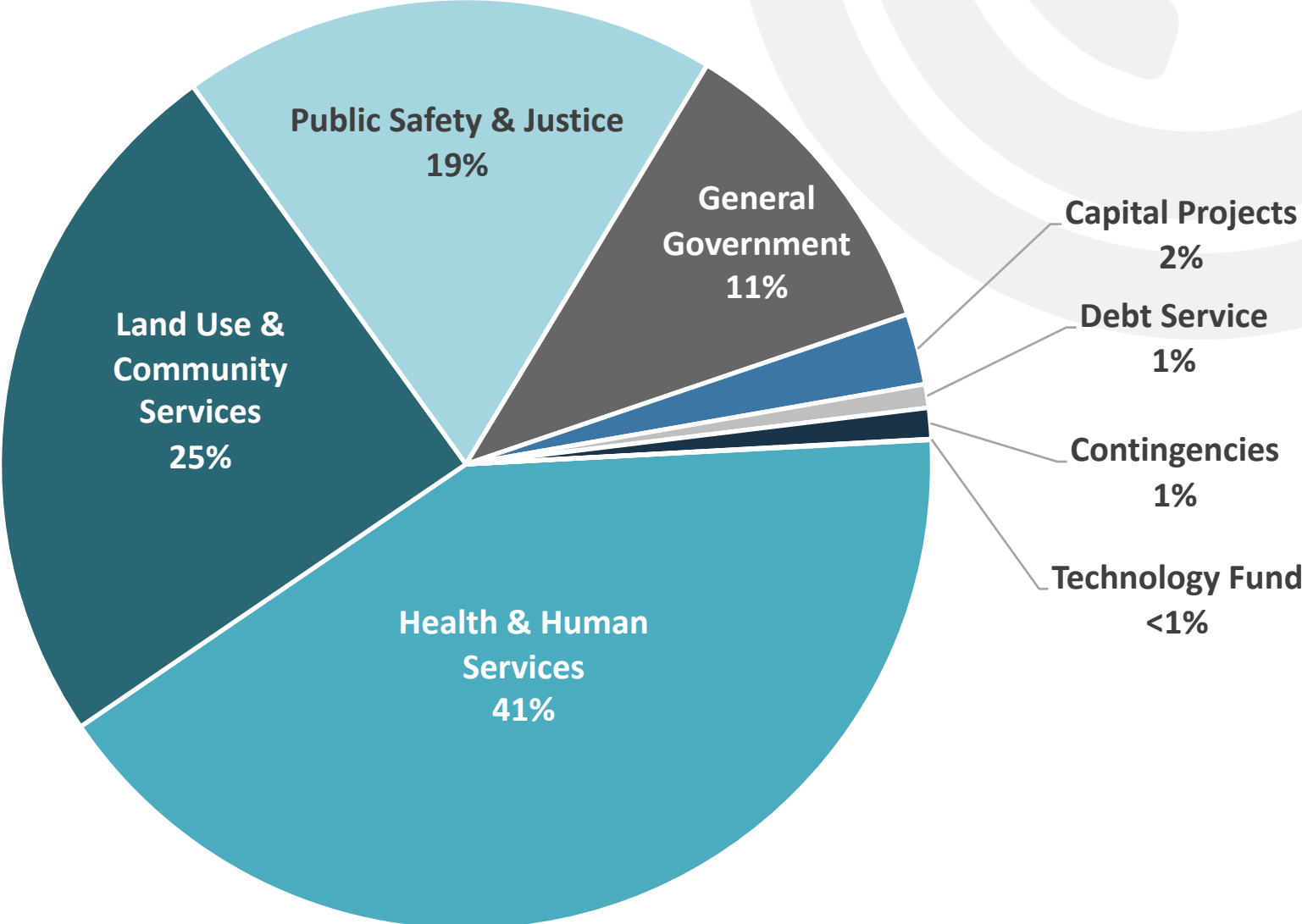




# FISCAL STEWARDSHIP

- Tripled Reserves
- Improved Credit Rating
- Reduced Pension Obligations
- Controlled Employee Growth
- Advanced Deferred Maintenance

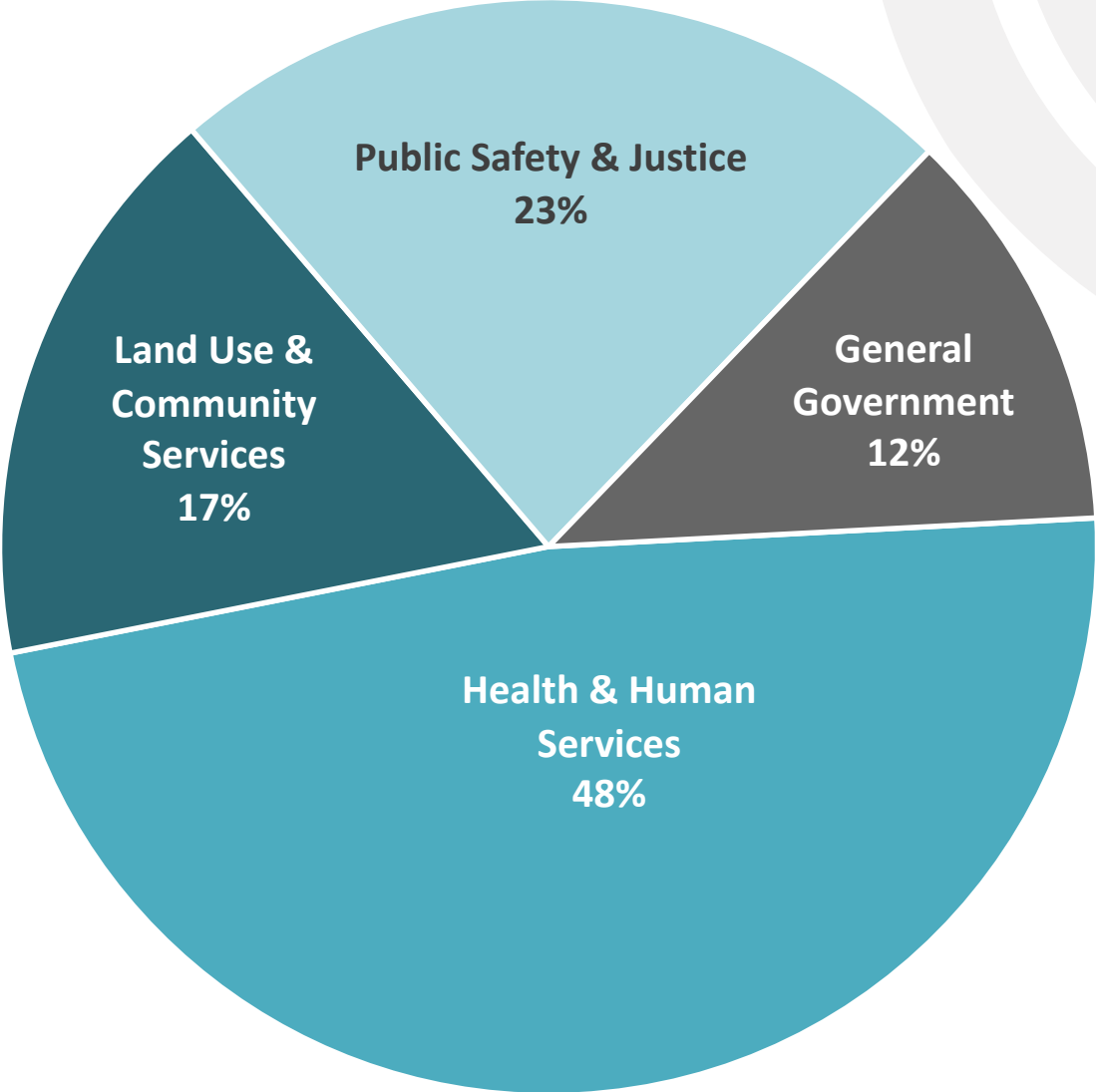
# REVISED BUDGET SUMMARY: \$874.4 M



# REVISED BUDGET OVERVIEW

	Proposed 2020-21	Revised 2020-21	Change from Proposed	
General Fund	583.7 M	571.2 M	-12.3 M	-2.1%
All Other Funds	<u>295 M</u>	<u>303.2 M</u>	<u>8.2 M</u>	<u>89.7 M</u>
Total Budget	878.7 M	874.4 M	-4.3 M	-.5%
Funded Staffing	2477.31	2,388.86	-88.65	-3.6%

# REVISED BUDGET STAFFING OVERVIEW: 2,388.66 POSITONS



# OPPORTUNITIES FOR RELIEF

- CARES Act Funding: \$28M
- Federal Relief
  - House Bill
  - Senate Bill



# RELIEF FUNDS: FEDERAL FUNDING

## HEROES ACT



State and local aid

Hazard pay to essential workers

Economic impact payments of \$1200 per family member / \$6,000 per household

Emergency grants to small businesses

COBRA subsidies

Extension of unemployment payments

Funds to assist with rent, mortgage, utilities and other housing-related costs

Provides flexibility in use of CARES Act funding use

Additional funding for testing, hospitals/providers

Additional funding for childcare

Investments in the 2020 Census and workforce training that Counties could utilize



## HEALS ACT

# OPERATIONAL IMPACTS



# PROGRAM CHANGES

## OPPORTUNITIES



Increases for Health Services

Increases for CalWorks & CalFresh &  
Child Welfare allocations

Increases for Homeless Services

Operational reorganizations

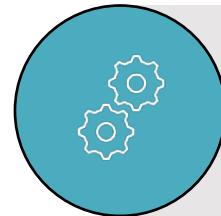
Reimagining service models

Reductions to some programs

- Less parks maintenance
- Curtailed public counter hours
- Response time delays
- Capacity reduction

Elimination of some programs

- Cannabis Compliance Unit
- Climate Action Manager

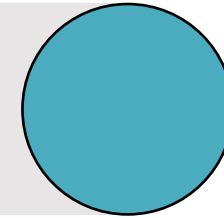


## CHALLENGES



# OPERATIONAL IMPACTS

## STAFFING CHANGES



Staff furloughs of 5%, 7.5%, or 10%

Reduction of 88.65 positions (10 due to State mandated changes)

52.10 unfunded

37.25 potential eliminations

# CONTINUED UNCERTAINTIES



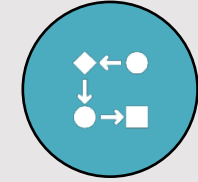
## FUNDING

State budget / trigger cuts

Realignment funding

No CARES Act funding after  
12/30/20

Potential property tax payment  
delays



## ECONOMY

COVID-19 surge

Other revenues in decline

Unemployment

Federal responses

November election

Census

# COMMUNITY FEEDBACK

- Budget Hearings
  - Comment in-person or on-line
- Email or call your Supervisor

## RESOURCES

- Revised Budget
  - [https://sccounty01.co.santa-cruz.ca.us/supplemental\\_budget\\_2020-21/2020-2021\\_revised\\_budget.pdf](https://sccounty01.co.santa-cruz.ca.us/supplemental_budget_2020-21/2020-2021_revised_budget.pdf)
- On-line tool
  - [www.sccbudget.com](http://www.sccbudget.com)



# BUDGET HEARING SCHEDULE

- August 10 Health & Human Services
- August 11 Public Safety & Justice
- August 11 Evening session at 6:00 pm
- August 12 General Government
- August 13 Land Use & Community Services
- August 18 Concluding Actions & Last Day Reports
  
- Adopted Budget 2020-21 – By September 15

# SUMMARY

- Revenue losses of \$23.1m or 13.9%
- Use of \$14.2m from reserves
- Increased contingencies
- Staffing losses of 88.65 positions
- Uncertainties remain
- Fiscal prudence continues to be necessary





**THANK YOU!**

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**QUESTIONS?**