

and the overall projected net loss for FY 2020-21, along with three proposed options to address the budgetary shortfall.

The Budget Committee is asked to receive the financial condition report and provide direction to HCD/PWFP on the preferred option (either from the three presented or one proffered by the Committee) to bring to the Board of Supervisors for consideration and approval.

OTHER AGENCY INVOLVEMENT:

HCD/PWFP consulted with the County Administrative Office Budget & Analysis Division in the preparation of this report.

FINANCING:

A revenue shortfall of \$2.5 million, a reduction in costs of \$0.3 million, and an increase in GFC from Cares Act funding of \$0.4 million are projected for FY 2020-21, resulting in a net loss of \$1.8 million. To address this gap, the departments are providing three (3) possible options for the Budget Committee's consideration. Two of the options involve unprecedented midyear staff layoffs; the third option proposes the use of Cannabis Tax Assignment revenue to offset the loss. The Cannabis Tax Assignment balance is currently \$8.6 million. If \$1.8 million is designated to address the HCD and PWFP budget shortfall, the Cannabis Tax Assignment remaining balance will be \$6.8 million.

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Attachment:

Attachment A- HCD and PWFP FY 2020-21 Financial Condition Report