



COUNTY OF SAN MATEO

County Manager's Office

DATE: July 31, 2009

TO: Department Heads, Division Directors and Fiscal Officers
FROM: Jim Saco, County Budget Director
SUBJECT: Identifying and Prioritizing Core Services

One of the highest priority resource needs identified by departments at the June 25 Management Retreat was assistance in identifying core services in order to prioritize 10/20/30 reduction scenarios. In response, we've prepared some general definitions and guidelines to assist departments in this effort. In addition, we've assembled some resource materials on mandates from the California Association of Counties (CSAC) and other Bay Area counties.

Attached you will find the following documents:

- 1) General Guidelines for Identifying and Prioritizing Core and Discretionary Services
- 2) Grid #1: Mandated / Discretionary four-quadrant grid
- 3) Grid #2: Prioritizing Net County Cost Allocation four-quadrant grid
- 4) **Deliverable: San Mateo County Core Services Template – Due September 28, 2009**
- 5) Reference Documents:
 - a) Link to Santa Clara County FY 2008-09 Mandate Study
 - b) Santa Clara County Mandated and Non-Mandated Functions/Programs (from Study)
 - c) Contra Costa County Mandatory / Discretionary Program Listing
 - d) State Mandate Information from CSAC
 - e) List of Suspended Mandates (SB90) from Department of Finance
 - f) Link to the County Ordinance Code (local mandates)

Additional information on the reference documents is included in the General Guidelines. If you have any questions regarding these materials, please contact me or your CMO Analyst.

Thank you.

GENERAL GUIDELINES FOR IDENTIFYING AND PRIORITIZING CORE AND DISCRETIONARY SERVICES

In order to accomplish the magnitude of reductions required to bring the County budget back into structural balance, County management and staff will need to rethink how core services are classified. This will require a critical examination of discrete County programs and services based on a set of agreed upon characteristics that indicate a core service. Correct classification of core services will simplify the identification of enhanced (or value-added) core services and discretionary services. Once County programs and services are distilled into the proper categories, County leadership can then recommend funding priorities under the guidance of policies and principles established by the Board of Supervisors.

Attributes of core services are as follows:

- Mandated by federal, State or local law, including the County Charter and the County Ordinance Code
- Mandated regulatory services
- Mandated services above the mandated level only when funded from outside revenue
- Essential state-funded services that the County administers as an agent of the State
- Essential to the health and safety of county residents and for which there are no other organization or institutions able to provide them (i.e., safety net services)
- Infrastructure to support core services

TEN-STEP PROCESS

- 1) Review Department Mission Statement and Program Outcome Statements
- 2) Identify existing major departmental functions, programs and services.
- 3) Identify prevailing federal, State or local law mandating functions, programs and services.
- 4) Determine Net County Cost of functions, programs and services; identify any services provided to cities or other governmental agencies where reimbursements received for providing these services are less than full cost recovery.
- 5) Appropriately designate each function, program or service into one of four categories: Mandated-Mandated, Mandated-Discretionary, Discretionary-Mandated and Discretionary-Discretionary using four-quadrant grid #1 – Mandated/Discretionary Analysis.
- 6) Designate the Mandated-Mandated and the Mandated-Discretionary functions, programs and services into one of three categories – most flexibility, some flexibility or no flexibility (programs with the most flexibility are those that can absorb reductions and still meet legal mandates, while programs with no flexibility cannot accept additional reductions and still meet mandated requirements).
- 7) Report on any negotiated requirements, such as collective bargaining agreements, contracts or leases that would affect the ability to reduce resources for mandated services.
- 8) List the Discretionary-Mandated and the Discretionary-Discretionary functions, programs and services from the most important to least important based on the department's mission, alignment with the County's Shared Vision 2025 Community Outcomes, and program performance.
- 9) Using the analysis performed in steps 5 through 8, categorize and prioritize all functions, programs and services using four quadrant grid #2 – Prioritizing Net County Cost Allocation. The functions, programs and services that fall in the upper quadrants would represent those areas that departments should focus most of their reductions and programs in the lower left hand quadrant could be reduced where there is overmatch or efficiencies can be achieved.
- 10) Enter your findings in the template titled "County of San Mateo Core Services: Board Discretion / Shared Vision 2025 Alignment" and **return it to the County Manager's Office with your 10/20/30 scenario reduction deliverables on September 28, 2009.**

ATTACHMENTS:

- (1) Grid # 1 – Mandated/Discretionary Analysis (Step 5 above)
- (2) Grid #2 – Prioritizing Net County Cost Allocation (Step 9 above)
- (3) Template – County of San Mateo Core Services: Board Discretion/Shared Vision 2025 Alignment (Step 10)

RESOURCES ON MANDATES - (Go to www.co.sanmateo.ca.us and click on Budget tab, then click on Mandates Information to access the following documents):

(1) County of Santa Clara FY 2008-09 Mandate Study (Full Report) – This report includes descriptions of mandated and non-mandated services provided by each budget unit and written assessments by their County Counsel of the legal mandates applicable to each budget unit. The full report, which is 963 pages in length, can be found at the following link:

[http://www.sccgov.org/SCC/docs/Clerk%20of%20the%20Board%20of%20Supervisors%20\(DEP\)/attachments/Mandate%20study%202008-2009.pdf](http://www.sccgov.org/SCC/docs/Clerk%20of%20the%20Board%20of%20Supervisors%20(DEP)/attachments/Mandate%20study%202008-2009.pdf)

(2) Schedules from County of Santa Clara Mandate Study (Excel files) – These two schedules have been sorted by department; from the County of Santa Clara Mandate Study: Schedule 4.2 – Mandated Functions/Programs and Schedule 3.2 – Non-Mandated Functions/Programs. These schedules also include Net Budget (Net County Cost) and staffing information. Please note that every jurisdiction has programs and services that are unique, and as a result, these files may contain some programs and services that your departments do not provide. Conversely, your department may be providing programs and services that are not provided by Santa Clara County. Should your interpretation of mandated and non-mandated programs differ, please note this in your analysis.

(3) Contra Costa County Mandatory/Discretionary Program Listing (Excel files)– This is Contra Costa County's programs segregated into the four mandated / discretionary categories: MM – Mandated-Mandated, MD – Mandated-Discretionary, DM – Discretionary-Mandated, and DD – Discretionary-Discretionary. Like the Santa Clara County schedules, this includes General Fund Net County Cost and FTE information. Again, their interpretations of mandated vs. discretionary programs may differ from our interpretation or Santa Clara County's interpretation.

(4) TEMPLATE – County of San Mateo Core Services: Board Discretion / Shared Vision 2025 Alignment - This is the template that departments will be completing to document the results of their analysis. These templates will be forwarded to the County Manager's Office along with the department's 10/20/30 reduction scenarios. The template provides program information regarding the level of Board discretion, high/low alignment with the Shared Vision 2025 Community Outcomes, mandated / discretionary services and service levels, Net County Cost and staffing information.

(5) Big "M" Mandates – This is a list of all State mandates by major functional area (General, Public Protection, Public Ways and Facilities, Health, Public Assistance, and Transfers Out to Enterprises). This list was compiled by the California State Association of Counties (CSAC) and is limited to State mandates. It does not include federal or local mandates.

(6) Suspended Mandates – This is a list of all suspended SB90 mandates, meaning that the State no longer reimburses counties for these services. Deciding whether to continue activities on suspended mandates is an interesting dilemma. The State Controller's Office is on record for stating that suspended programs become optional when suspended. However, the underlying statute that required the mandated activity is still in California statute. Which takes precedence is unclear. We recommend that you get County Counsel's interpretation before eliminating or reducing these programs, but it is an option worth exploring. Mandate law is primarily in Article XIII B, Section 6 of the California Constitution and Government Code Sections 17500-17582.

County Ordinance Code – Local mandates established by the Board of Supervisors can be found at the following link: <http://www.municode.com/Resources/gateway.asp?pid=16029&sid=5>

County Charter - http://www.co.sanmateo.ca.us/Attachments/countycounsel/pdfs/san_mateo_co_charter-2004.pdf

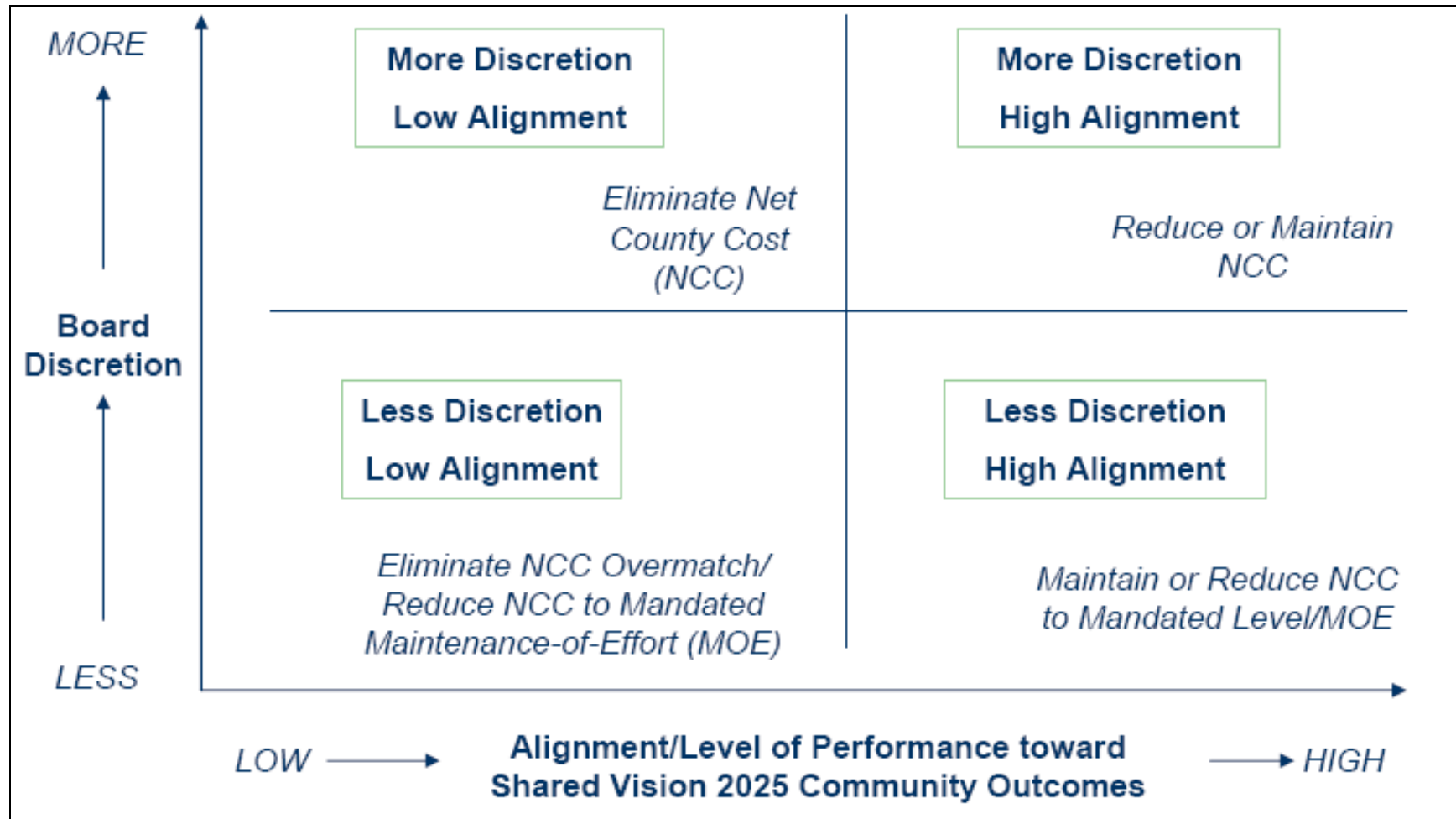
In addition to these materials, the County Manager's Office and County Counsel are available to departments for assistance and guidance in determining mandates and mandated service levels.

Grid #1 – Mandated / Discretionary Analysis

	Mandated	Discretionary
Mandated	<p><u>Mandated-Mandated (M/M)</u></p> <p>Program and service levels are required by Federal or State statute, local ordinance, or Court ruling.</p> <p>Examples:</p> <ul style="list-style-type: none"> - General Assistance - Indigent Health Care - Public Safety up to MOE Level 	<p><u>Discretionary-Mandated (D/M)</u></p> <p>County is not required to operate these programs. If County chooses to operate them, then service level is generally stipulated as condition of funding.</p> <p>Examples:</p> <ul style="list-style-type: none"> - Grant Funded Programs - Dispatch Services to Contract Agencies - Sheriff's Patrol Services to Contract Agencies
Discretionary	<p><u>Mandated-Discretionary (M/D)</u></p> <p>Required by law (Federal or State statute, local ordinance, or Court ruling), but the level of service or the NCC is mainly left to discretion of the Board of Supervisors.</p> <p>Examples:</p> <ul style="list-style-type: none"> - Mental Health - Planning - Public Safety over MOE Level 	<p><u>Discretionary-Discretionary (D/D)</u></p> <p>Programs and activities County is not required to operate and for which the service level is optional.</p> <p>Examples:</p> <ul style="list-style-type: none"> - Parks and Recreation - Substance Abuse Recovery - Staff Training

SOURCE: Marin County

Grid #2 – Prioritizing Net County Cost Allocation



TEMPLATE - County of San Mateo Core Services: Board Discretion / Shared Vision 2025 Alignment

Count	Budget Unit	Program Description	Board Discretion	SV 2025 Alignment	Program/ Service	Service Level	ESTIMATE Net County Cost	Estim. #FTEs	Explanation
1	County Support of the Courts	Trial Court Funding MOEs	LD	HA	M	M	0	0	Contains statutory Fine & Forfeiture revenues as well as CRC Rule 810 costs and mandated MOE and CFP payments to the State. No discretion in this area.
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

MD - More Discretion	HA - High Alignment	M - Mandated
LD - Less Discretion	LA - Low Alignment	D - Discretionary

HA - High Alignment
 LA - Low Alignment
 MD - More Discretion
 LD - Less Discretion
 M - Mandated
 D - Discretionary