

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 10, 2023  
Timed: 2:00 PM

To: Board of Supervisors

Through: Ann Edwards, County Executive

From: Amanda Thomas, Chief Fiscal Officer  
Office of Budget & Debt Management

Subject: Budget Priority Focus Groups Presentation And  
Recommended FY 2023-24 Budget Priorities

District(s): All

**RECOMMENDED ACTION**

1. Receive a presentation on budget priority focus groups conducted with County residents.
2. Approve recommended budget priorities to be used in the development of the FY 2023-24 Recommended Budget.

**BACKGROUND**

On June 9, 2021, County staff presented, and the Board approved, a Community Engagement Plan for the FY 2022-23 budget in order to increase public engagement in and understanding of the County's budget, as well as to develop priorities for the County's budget that are based on public input. This plan included hiring a professional public opinion firm to conduct a scientific public opinion survey to determine County residents' priorities for the County's budget.

**FY 2022-23 Budget Priorities**

On December 7, 2021, as part of the approved Community Engagement Plan and after extensive outreach and engagement described below, the Board approved priorities for the use of General Fund discretionary resources (discretionary revenues and Available Fund Balance) in order to guide development of the FY 2022-23 budget.

Before identifying priorities for funding new or enhanced programs, the priority framework first considered the County's compliance obligations and policy commitments, followed by the goal of maintaining existing budgeted service levels for County programs to ensure that the relative satisfaction

expressed by County residents for many services provided by the County is not diminished. Funding for new or enhanced programs is focused on the most critical and urgent needs.

Based on the framework described above, the budget priorities adopted by the Board for FY 2022-23 are:

1. Complying with the County's legal, financial, regulatory and policy obligations, including providing mandated services, ensuring collection of revenues, and complying with the General Reserves policy.
2. Maintaining existing service levels budgeted for County programs, improving effectiveness and efficiency where possible and limiting the extent to which reductions in categorical revenue are backfilled with discretionary resources.
3. Funding new or enhanced programs that focus on the most critical and urgent needs, with the following priority focus areas identified in a survey of County residents:
  - A Countywide focus area of addressing homelessness and its impacts, including housing, mental health and substance use
  - An unincorporated focus area of improving the condition of streets and roads

These approved priorities guided the County Executive's budget recommendations for FY 2022-23, which, in addition to ensuring compliance with the County's obligation and maintaining existing service levels, included substantial new and expanded investments in the priority focus areas of homelessness and housing, behavioral health, and improving the condition of streets and roads.

### Community Engagement

As part of the Community Engagement Plan leading up to the adoption of budget priorities, County staff engaged in efforts over the summer of 2021 to understand potential priorities to test in the survey of County residents. County departments conducted outreach with the County's advisory boards and commissions, on which almost 600 people serve, with each Board or Commission given the opportunity to identify their top five priorities for the County's budget. All told, 59 boards and commissions provided responses, with key themes including affordable housing, homelessness, health and human services, safety, and parks and road infrastructure.

Additionally, to increase public understanding of the County's budget and engagement in the budget process, County staff implemented and continue to support the following elements of the Community Engagement Plan:

- A "Budget in Brief" 8-page high level summary of the County's budget was published for both the FY 2021-22 and FY 2022-23 Adopted Budgets and is available on the County's website. This easy to understand document includes charts showing where the County's funding comes from and where it goes and includes an operating budget summary for each major functional area.
- A "Budget Explorer Tool" is also available on the County's website that allows users to drill down into the County's budget to see budget unit and expenditure type detail in a graphical format.
- Multiple public budget workshops were held on October 27, 2021 and December 15, 2022 in order to provide information about the County budget and budget process as well as an opportunity for the public to ask questions and provide input.

### 2021 Budget Priority Survey

On October 5, 2021, the Board approved a contract award to FM3 Research (FM3) to develop a survey instrument and administer the public opinion survey. FM3 conducted the survey of adult residents of Sacramento County from October 27 through November 8, 2021 by telephone and online interviews with 1,153 respondents, with a margin of sampling error of  $\pm 3.5\%$  at the 95% confidence level. The survey was available in 10 languages, including English.

Overall, the survey findings indicated that homelessness is clearly the top concern facing County residents. When asked about the most important problem for the County to address, over 50% identified homelessness, with the next highest issue, at 13%, being the related problem of affordable housing/rent. In ranking a series of potential problems, 93% identified homelessness as an extremely or very serious problem, with the next highest issue being the cost of housing at 78%. Other areas related to homelessness with both high importance and low satisfaction ratings included affordable housing, mental health services, and drug use treatment.

Although clearly not as high a priority as addressing homelessness, the condition of streets and roads was identified as a top concern for all residents and is also the area where there was the greatest difference in results for unincorporated residents compared to those living in cities.

Overall, roads/infrastructure ranked fourth, at 8% of responses, for the open-ended question about the top concern the County should address. While 57% of all respondents rated the condition of streets and roads as an extremely or very serious problem, this figure was 64% for unincorporated residents. Similarly, unincorporated residents reported lower satisfaction with the condition of streets and roads, at 35%, compared to the 42% satisfaction in this area among all residents.

### 2022 Focus Groups of County Residents

Following up on the budget priority survey conducted in November 2021 and leading up to a second survey staff intends to conduct in 2023, FM3 was engaged to conduct focus groups of County residents in November 2022. Four two-hour sessions of 8-10 participants each were conducted on November 1 and 2, 2022, with moderators from FM3 facilitating the discussion about participants' understanding of and priorities for the County's budget.

Because focus groups are a qualitative research tool, the results can be considered suggestive of the attitudes and priorities of County residents but not representative in the same way that the survey results are. However, the focus group discussions provide helpful insights into the language, core values and the "why" behind opinions. Information from the focus groups will also be used to help inform another survey of County residents' budget priority planned for the fall of 2023, in advance of the FY 2024-25 budget process.

Key overall findings of the budget priorities focus groups include:

- Participants had extremely low levels of familiarity with what the County does or how its budget works, which is not atypical for local governments and provides an opportunity for additional education.
- The central, top-of-mind concern was homelessness, and participants associated many overlapping issues with this concern, including substance use, mental health, blight and illegal dumping, the quality of parks, and housing costs and crime.
- The cost of living, especially housing, and crime closely followed as key concerns.
- While participants prioritized helping children and seniors, poverty and food insecurity were not seen as urgent problems.

- Infrastructure concerns focused on roads, which participants thought need significant improvement.
- Participants were generally satisfied with regional parks.

#### Recommended FY 2023-24 Budget Priorities

Given that the overall findings of the budget priority focus groups align with and reinforce the results of the 2021 survey and the key themes that surfaced from other outreach efforts, staff recommends that the priorities adopted for the FY 2022-23 budget also be adopted for the FY 2023-24 budget. Focusing on these key priorities for another budget year will allow the County to continue to build on the significant investments already being made and to measure any change in resident priorities with a second survey in 2023 leading up to the FY 2024-25 budget.

#### **FINANCIAL ANALYSIS**

Although there is no direct financial impact associated with the recommended action to approve the FY 2023-24 budget priorities, the FY 2023-24 Recommended Budget will have a financial impact that is not yet known.