

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Neighborhoods
Commission Independent Citizens
Oversight Committee for the
Measure B ¼-cent sales tax

DATE: 5 January 2022

SUBJECT: Neighborhoods Commission Independent Citizens Oversight Committee (ICOC) 2016 Measure B 1/4-Cent Sales Tax ANNUAL Report FOR FISCAL YEAR 2020-2021

1. RECOMMENDATION

Accept this report on the Measure B 1/4-Cent Sales revenues and allocations. Accept the Fiscal Year (FY) 2020-2021 Neighborhoods Commission Independent Citizens Oversight Committee (ICOC) findings and recommendations.

2. OUTCOME

This report to the Mayor and Council provides the ICOC findings and recommendations for the FY 2020-2021 Measure B 1/4-Cent Sales Tax revenues and allocations. San José City's 2016 Measure B ¼-Cent Sales Tax revenues received for FY 2020-2021 were \$46,869,396. The revenues reported for FY 2020-2021 represent the fifth year of Measure B implementation and were for 12 months.

3. OVERVIEW

This report documents the findings of the Neighborhoods Commission (NC) Independent Citizens Oversight Committee (ICOC) for the Measure B ¼-cent sales tax revenues. The report covers the period from 7/1/2020 to 6/30/2021.

The ICOC was authorized as a result of the San José City's Measure B Sales Tax ballot measure approved by the voters on June 7, 2016 that required Independent Citizens Oversight with public review of spending, and all revenues controlled locally.

San José City Manager provided the Measure B 1/4-Cent Sales Tax revenues, allocations, and expenditures for FY 2020-2021. The findings in this report are based on the Measure B data provided by the San José City Manager.

4. FINDINGS

San José City's 2016 Measure B ¼-Cent Sales Tax revenues received for FY 2020-2021 were \$46,869,396. The Measure B Expenditure Actuals were \$43,242,044, which is lower than the Measure B revenue of \$46,869,396 by an amount of \$3,627,352. Multiple factors lead to this outcome including a higher receipt of Measure B Local Sales tax revenue than originally anticipated --\$46,869,396 (actual revenue received) compared to \$44,500,000 (estimated revenue collection from Adopted Budget) -- and lower than anticipated expenditures on the projects. A number of the project appropriations were rebudgeted to FY 2021-2022 for future use but, specific funding allocations that were not spent, such as personnel cost savings, were returned to the General Fund Balance.

The revenues were allocated and expended for each of the Measure B categories as detailed in table 4-1. This report provides the methodology used to develop the findings and analyses of the findings.

Table 4-1. FY 2020-2021 Measure B ¼-Cent Sales Tax Allocations

Measure B Category	Measure B Allocation (Dollars)	Percent Allocated (%)
Improving Police Response to Reduce Violent Crimes and Burglaries	28,900,139	66.8
Improving 911/Emergency Medical/Fire Response Times	8,702,167	20.0
Repairing Potholes and Streets	0	0
Expanding Gang Prevention	3,217,793	7.4
Maintaining the City's Long-Term Financial Stability	0	0
Other	2,421,945	5.6
Total	43,242,044	99.8

5. CHARTER

City of San José Council Resolution No. 78016, adopted December 13, 2016 designates the Neighborhoods Commission of the City of San José as the local sales tax independent citizens oversight committee, as outlined in the Measure B ¼-Cent Sales Tax Ballot measure.

The resolution further designates the Neighborhoods Commission as the Oversight Committee, to absorb the oversight function required by Measure B within the existing scope of the Neighborhoods Commission, and requires that the Neighborhoods Commission, in its role as the Oversight Committee, review local sales tax revenues annually and report to the City Council on the local ¼-cent sales tax measure during the annual budget process.

Each year, for the life of the Measure B ¼-Cent Sales Tax, the ICOC will review:

- Revenue resulting from Measure B
- Areas of the San José annual budget impacted by Measure B
- Measure B sales tax revenue and expenditure data provided by the San José City Manager's Office.

The ICOC will review and analyze data provided by the City and produce an annual report with a timeline defined by the City, containing an evaluation of the proposed budget allocations with the actual expenditures and submit that report to the City Council.

6. SCOPE OF WORK.

The San José City’s Tax ballot measure and the ICOC charter define the scope of work.

San José City’s 2016 Measure B Sales Tax ballot measure: *To fund essential City services such as: improving police response to reduce violent crimes and burglaries; improving 911/emergency medical/fire response times; repairing potholes and streets; expanding gang prevention; and maintaining the City’s long-term financial stability, shall the City of San José enact a ¼ percent sales tax for 15 years, providing about \$40 million annually, requiring Independent Citizens Oversight with public review of spending, and all revenues controlled locally.*

On August 10, 2016, the City's Rules Committee directed the City Manager to: 1) create a process for appointing citizens to the ICOC, with explicit consideration that the City's NC serve as the Committee by absorbing Measure B's mandated functions within the existing purpose of the NC; 2) establish a schedule for periodic meetings of the ICOC, at least annually; and 3) determine a scope of duties consistent with voter authorization. The use of the NC as the ICOC will conserve City resources and staff time and aligns with past work the NC has done on budget engagement. The City desires to designate the NC as the ICOC, absorb the oversight function required by Measure B within the existing scope of the Neighborhoods Commission, and require that the Neighborhoods Commission, in its role as the ICOC, review local sales tax revenues annually and report to the City Council on the local sales tax measure during the annual budget process.

7. ICOC STANDING COMMITTEE MEMBERSHIP

The ICOC membership is limited to NC commissioners. Members of the public or former commissioners cannot be members. A list of the NC Commissioners serving on the ICOC for the FY 2020-2021 oversight review is provided in table 7-1.

Table 7-1. NC ICOC Commissioners Serving for the FY 2020-2021 Oversight Review

Commissioner	District
Buchanan, Jewell	5
Carter, Jim	6
Cunningham*, Gary	1
Hughes, Allie	2
Martin, Terry	9
Navarro, Olivia	6

*Chair

8. ICOC MEETINGS

ICOC meetings were conducted in accordance with SJ City and Brown Act requirements. SJ City Manager staff provided support for meeting venues, agendas, notices, and minutes.

9. OVERSIGHT METHODOLOGY

Measure B requires oversight of the measure's revenue. However, Measure B did not establish a method or system for tracking and reporting the measure's budgeted allocation, actual allocations, and the result of the expenditure.

Measure B Local Sales Tax revenue is sourced to the General Fund. For FY 2020-2021, the City Council approved Manager's Budget Addendum (MBA) #22, Local Sales Tax Budget Adjustments, dated June 6, 2020.

The MBA allocated specific uses for Measure B sales tax and identified specific expenditure appropriations that allow for straightforward tracking of expenses. The original allocations in MBA #22 were adjusted through City Council action several times during the year, including adjustments to account for revenue decreases below the initial 2020-2021 Adopted Budget estimate of \$47.0 million.

The City Manager's Budget Office provided information regarding Measure B revenues, budgeted spending allocations, and expenditures for FY 2020-2021 in the format requested by the ICOC. The findings in this report are based on the Measure B data provided by the City Manager's Budget Office.

9.1 Audited Data

Audited sales tax revenue data was provided to the ICOC by the San José City Manager. The data was audited by City's independent financial auditor, Macias, Gini & O'Connell, LLP as part of the audit of the City's 2020-2021 City Manager's Annual Report. Sales tax allocation data was not cited.

The San José City Manager Budget Office provided the ICOC with a FY 2020-2021 Measure B Local Sales Tax Reconciliation memo. The memo is provided as attachment 1 to this report. The memo provided details of the Measure B revenue allocations with respect to the City's 2020-2021 City Manager's Annual Report data audited by the City's independent financial auditor. The memo notes that the items in the matrix with a "Fiscal Year Initiated" date of 2016-2017, 2017-2018, 2018-2019, and 2019-2020 represent previous allocations of Measure B funding that are ongoing in nature, and continued into 2020-2021. Those items in the matrix with a "Fiscal Year Initiated" date of 2020-2021 represent an increase in resources above a department's 2020-2021 Base Budget allocation as displayed in the 2020-2021 Proposed Operating Budget. The City Manager's Budget Office and the ICOC collaborated on the development of the explanatory notes contained within the Matrix.

A matrix was developed as a baseline of the budget items and comparing those items with the proposed budget and actual expenditures. The results of the comparisons form the basis of the finding for each of the budget items. The finding includes a description of the expenditures for that budget item. The matrix is provided as attachment 2 to this report. The San José City Manager Budget Office provided the ICOC with the expenditure data and explanatory notes contained within the Matrix.

9.2 Matrix Description

The following is a description of the matrix format and content.

- a. Category. Identifies the budget item associated with each Measure B category
- b. Fiscal Year Initiated. Identifies the fiscal year budget item was originally funded with Measure B revenue
- c. Description. Describes the scope of the budget item
- d. Adopted Budget Allocation. Identifies the funds proposed for that budget item

- e. Modified Budget Allocation. Identifies changes in funding, if any, approved by City Council, made throughout the fiscal year for that budget item
- f. Expenditure Actuals. Identifies the actual amount spent, encumbered, and/or rebudgeted for that budget item
- g. Non-Measure B Supported Expenditure Actuals. Identifies certain expense amounts as being funded from revenues other than Measure B
- h. Total Measure B Actuals. Identifies the total expense amount for Measure B expenditures.
- i. Findings. Contains the evaluation of the proposed allocation with the actual expenditure, and the resultant outcome.

10. FINDINGS ANALYSES

San José City's 2016 Measure B ¼-Cent Sales Tax revenues received for FY 2020-2021 were \$46,869,396. As stated previously in Section 4 and in attachment 1, the Measure B Expenditure Actuals were \$43,242,044. The revenues were planned to be allocated and expended for each of the following Measure B categories:

- Improving police response to reduce violent crimes and burglaries
- Improving 911/emergency medical/fire response times
- Repairing potholes and streets
- Expanding gang prevention
- Maintaining the City's long-term financial stability

Findings are provided for each of the measure categories detailing how the revenues were allocated and expended. Some budget items may have had their planned funding adjusted. The adjustments are noted in the findings. The findings were based on the following:

- a. The SJ FY 2020-2021 City Manager's Annual Report cited in attachment 1 did not reference or specifically mention the ¼ Cent Sales Tax measure revenue or allocations.
- b. The FY 2020-2021 Measure B Local Sales Tax Reconciliation memo (attachment 1) states that Measure B revenue is tracked in a separate revenue accounting code that enables the identification of the revenue attributed solely to the Local Sales Tax. Separate expenditure appropriations related to the Local Sales Tax were initiated in 2020-2021 to enable the tracking and reporting of these expenditures, which was approved by the City Council with the inclusion of Manager's Budget Addendum #22 "Local Sales Tax Budget Adjustments". Supplemental documentation and reports from the City's Financial Management System were provided to the ICOC by the City Manager's Budget Office.

Although Measure B requires oversight of the revenue, San José Council Resolution No. 78016, and other related ICOC documents did not establish a method or system for tracking and reporting each item's budgeted allocation, actual Measure B allocation, and the result of the expenditure.

The City Manager's Budget Office, based on feedback from the ICOC, initiated in 2020-2021, separate expenditure appropriations related to the Local Sales Tax to enable the tracking and reporting of these expenditures. This process has facilitated the review of Measure B allocations and expenditures data by the ICOC.

The ICOC relied on the San José City Manager Budget Office-provided FY 2020-2021 Measure B Local Sales Tax Reconciliation memo and the Measure B expenditure data and explanatory notes contained within the Matrix to develop the finding for each budget item.

10.1 Improving Police Response to Reduce Violent Crimes and Burglaries.

The total allocation for this category was \$28,900,139. Revenues were distributed among the following subcategories:

10.1.1 Improve Police Response. \$9,767,940 was allocated to continue 1.0 Police Lieutenant, 7.0 Police Sergeant, and 33.0 Police Officer positions, increasing the sworn staffing level from 1,109 to 1,150, overtime funding of \$247,000, and associated non-personal/equipment funding of \$739,000 that was added in 2018-2019. These additional positions will augment the patrol and investigations functions, which will improve response times to calls for service, enhance proactive policing efforts, and improve clearance rates by investigating additional cases and increasing follow-up investigative efforts. These positions were identified in the Sales Tax Measure: 2016-2017 Provisional Budget for addition in the future once vacancies were filled.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.1.2 Maintain Police Deployment Levels. \$15,033,500 of funding was allocated to improve sworn Police recruiting and retention and increase the number of sworn officers hired, salary increases were approved in 2017-2018 (10% pensionable), 2018-2019 (3.25% pensionable and 2.75% non-pensionable), and 2019-2020 (3% pensionable and 1% non-pensionable). The sworn pay increase from 2017-2018 through 2019-2020 totals approximately \$42.3 million; however, \$15.0 million is supported by the Local Sales Tax.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.1.3 Special Victims Unit Staffing. \$193,290 of funding was allocated to add 1.0 Police Lieutenant position to the Bureau of Investigations (BOI) to support the creation of a new Special Victims Unit (SVU), facilitating an internal organization of the Sexual Assaults Investigative Unit (SAIU) to more effectively prioritize sexual assault response. The SVU will focus on proactive enforcement to combat computer-facilitated sexual exploitation and human trafficking crimes, as well as the investigation of reoffending sexual registrants.

10.1.4 Improve Response to Burglary and Neighborhood Crime. \$ 2,695,005 of funding was allocated to continue 14.0 Community Service Officer I/II, 4.0 Senior Community Service Officer, and 1.0 Supervising Community Service Officer positions as well as non-personal/equipment funding added in 2016-2017 from the Local Sales Tax. The CSO Program increased from 54 to 73 positions to handle low-priority calls for service, freeing time for sworn officers to respond to higher priority calls for service and conduct proactive police work. The CSOs perform non-hazardous and non-emergency police functions, including field report writing, interviewing witnesses, conducting follow-up investigations, and collecting evidence.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.1.5 Police Backgrounding and Recruiting Program. \$300,000 of funding was added for recruiting and backgrounding candidates for the upcoming Police Officer Recruit Academies as well as civilian candidates for non-sworn vacancies, such as Public Safety Communications Specialists and Public Safety Dispatchers in the 9-1-1 Emergency Communications Center.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.1.6 Improve Crime Solving. \$612,913 was allocated to continue 5.0 Crime and Intelligence Analyst positions added in 2016-2017 from the Local Sales Tax. These positions support Field Patrol (1.0 position in each of the four Patrol Divisions) and Special Operations (1.0 position) in analyzing and reporting on real time divisional crime trends, allowing for consistency and continuity in this work.

10.1.7 School Crossing Guard Program. No funds were allocated to continue the 1.0 School Safety Supervisor position that was added in 2018-2019 to support the School Crossing Guard Program. This position assists with additional outreach, recruiting, and retention efforts as well as help with the supervisor span of control. Also, no funds were allocated for the 9.5 School Crossing Guard PT unbenefited positions ongoing in 2019-2020 to

the School Safety and Education Program to align the number of budgeted positions with the anticipated need for crossing guards. The school crossing guard program was largely scaled back in 2020-2021 due to the pandemic.

10.1.8 Data Crime Center Staffing. \$297,491 was allocated to add 1.0 Division Manager to support a new Data Crime Center for the Police Department. The Center will pool resources (local, State, and national), share information with law enforcement partners, and create a conduit between Patrol and Investigations Units through a data-drive approach to address crime, crime trends, hot spots, and social network analysis.

10.2 Improving 911/Emergency Medical/Fire Response Times.

The total allocation for this category was \$8,702,167. Revenues were distributed among the following subcategories:

10.2.1 Improve Fire Medical Response. \$3,250,515 was allocated to continue funding ongoing overtime added in 2016-2017 from the Local Sales Tax to maintain Fire Department sworn minimum staffing levels, which prevents the "browning out" (placing out of service) of any fire companies where there are staff absences.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.2.2 Improving Emergency Medical Response. \$3,056,475 was allocated to continue funding two Fire Squad Units added in 2016-2017 from the Local Sales Tax. The Squads are two-person response units that respond to low level emergency medical services (EMS) requests and provide utility support at larger incidents.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.2.3 Mobile Data Computer Replacements. \$197,000 was allocated to add one-time non-personal/equipment funding to replace a portion of the Mobile Data Computers (MDC) in patrol cars. The mobile data computing equipment is an essential part of the Police Department's secure mobile computer network. The new computer system will enable improved communications and more efficient computing processes through the newest technology so police officers can support the residents of the City of San Jose in the most efficient way. The replacement will open new possibilities with a faster more reliable communication network.

10.2.4 Office of Emergency Services – Disaster Preparedness. \$586,909 was allocated to continue 1.0 Deputy Director and 1.0 Senior Executive Analyst and \$100,000 in non-personal/equipment funding that was added in 2018-2019 to support emergency operations planning, training, and the Community Emergency Response Team program.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.2.5 Police and Fire Department Computer Aided Dispatch Upgrade. \$684,500 was allocated to add one-time personal services funding of \$50,000 and non-personal/equipment funding of \$634,500 to upgrade the Computer Aided Dispatch (CAD) software and hardware used by Police and Fire emergency personnel to handle emergency and non-emergency calls for service. Replacing the existing servers and upgrading to CAD software version will enable the departments to take advantage of newer software features and ensure hardware reliability for emergency response. CAD system hardware and software are typically upgraded or replaced every three to four years due to continual operations, and to keep current with software enhancements. The CAD system was last upgraded in 2016, which included a software upgrade, and the replacement of Police and Fire 9-1-1 Center desktop computers, monitors, and select servers. Recommend investigating adding a texting capability.

10.2.6 Emergency Medical Services (EMS) Equipment (LUCAS). \$437,000 was allocated to add one-time non-personal/equipment funding to purchase 22 LUCAS chest compression systems. A LUCAS device is a mechanical chest compression - decompression system which enables automated and continuous closed chest compression. The addition of these devices will fully equip the remaining fire apparatuses for cardiac arrest events. One of the desired outcomes of this action is to ensure all fire apparatuses are equally equipped to respond to cardiac emergencies accordingly throughout San Jose.

10.2.7 3-1-1 Call Transition. \$353,146 was allocated to continue 1.0 Analyst II and 2.0 Senior Office Specialist positions to support the first phase transition of 3-1-1 calls (non-emergency) from Police and Fire Dispatch Center to the City's Customer Contact Center, to relieve call load pressures from Police and Fire that impede the City Public Safety Answering Point (PSAP) from meeting State mandates and national standards.

Recommend identified augmented funds for personnel should be sourced from General Fund.

10.2.8 Emergency Medical Services (EMS) Response Time Improvement Technology Staffing. \$106,554 was allocated to add Adds 1.0 Network Engineer position to provide additional support to implement EMS technology projects, including installation of communications equipment on apparatus, support the electronic patient care system, and assist with the implementation of a backup network and support for the Fire Station Alerting System.

Recommend identified augmented funds for personnel should be sourced from General Fund

10.2.9 Type 1 Engines for Relief Fleet. \$30,068 was allocated to add non-personal/equipment for vehicle operation and maintenance to support six Fire Type 1 Engines. The expenditures provided for the installation of additional power outlets at the Central Service Yard Fleet Shop. Type-1 relief engines need to remain plugged in and charged in the event that they are needed for front-line or mutual aid deployment. All six engines have recently been added to the fleet inventory.

10.3 Repairing Potholes and Streets.

There were no funds allocated for this category.

10.4 Expanding Gang Prevention. The total allocation for this category was \$3,217,793.

10.4.1 San José Works: Youth Jobs Initiative. \$2,085,686 was allocated to continue ongoing funding of \$1.5 million added in 2018-2019 for the San José Works: Youth Jobs Initiative, a partnership between work2future and the Mayor's Gang Prevention Task Force (MGPTF). This program provides 1,000 youth with employment services and critical life skills instruction, including leadership development, financial literacy, job counseling, job readiness training, and other supportive services, such as transportation and clothing. San José Works allows youth to gain work experience, succeed, and deter involvement in gangs and crime throughout San José.

10.4.2 Project Hope Program (Gang Prevention and Neighborhood Safety). \$1,132,107 was allocated to continue 2.0 Community Coordinator and 1.0 Community Activity Worker positions and \$35,000 in non-personal/equipment funding added in 2018-2019; adds 1.0 Community Services Supervisor, 3.0 Community Activity Workers positions and \$120,000 in non-personal/equipment funding for 2019-2020 to expand the Project Hope Program by three additional sites for a total of six sites; adds 1.0 Recreation Superintendent, 1.0 Community Coordinator, and 2.0 Community Activity Worker positions through June 30, 2021 in 2020-2021 to

expand the Project Hope Program by three additional sites for a total of nine sites. Project Hope leverages community partnerships, community empowerment, and coordination of a broad range of City services to address challenges of crime, poverty, and blight. Project Hope's model focuses on catalyzing community engagement to sustain lasting change, with City staff providing the initial assistance.

10.5 Maintaining the City's Long-Term Financial Stability.

There were no funds allocated for this category.

10.6 Other.

The total allocation for this category was \$2,523,955. Revenues were distributed among the following subcategories:

10.6.1 Anti-Graffiti and Anti-Litter Programs Staffing (BeautifySJ). \$803,563 was allocated to continue 2.0 Community Activity Worker positions and \$25,000 in non-personal/equipment funding added in 2018-2019 to support community clean-up efforts; adds 1.0 Program Manager I, 1.0 Maintenance Worker II, 2.0 Community Activity Worker, and 2.0 Regional Park Aide PT positions in 2019-2020. In February 2017, the Mayor's Office launched the "BeautifySJ" initiative that challenges residents to become more engaged in beautifying the city. The Anti-Graffiti and Anti-Liter Program takes the lead in this initiative in addressing litter/trash and graffiti-related blight.

Recommend identified augmented funds for personnel should be sourced from General Fund

10.6.2 Neighborhood Parks Maintenance. \$862,093 was allocated to continue 2.0 Park Maintenance Repair Worker I and 7.0 Groundswoker positions, and \$25,000 in non-personal/equipment funding to improve the overall appearance of the City's neighborhood park system. *The ICOC does not concur with this expenditure. Neighborhood Park Maintenance does not comply with any of the Measure B categories or the intent of the measure.*

10.6.3 Beautify SJ Days. \$293,014 was allocated to continue ongoing funding added in 2017-2018 to provide for approximately six neighborhood-led BeautifySJ Days for each of the City's ten Council districts. Each beautification event averages six to eight 40-cubic yards bins.

10.6.4 MANDATORY Transfer of Local Sales Tax Proceeds to the Airport Revenue Fund (Jet Fuel). \$463,275 was transferred to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from July 2020 through July 2021. Per Federal Aviation Administration (FAA) policy, beginning December 8, 2017, Sales Tax revenue related to jet fuel sales that are located on Airport properties must be returned to the Airport Department.

11. OBSERVATIONS/COMMENTS

The following Observations/Comments are derived as a result of the operation of the ICOC during the 2020-2021 session:

- **General**
 - The ICOC met 4 times during the 2020-2021 session beginning in September 2021
 - Support was provided for the ICOC by CMO staff for meetings

- A charter, plan, schedule, and draft report were developed by the committee early in the process
- ICOC maintained a line of communications with the San José City Manager Budget Office single point of contact to coordinate the type and format of the data that would be provided to the ICOC and when.
- CMO staff were not used to perform *liaison* duties in place of having face-to-face meetings with the San José City Manager Budget Office
- The CMO position on Measure B is that it is a general measure and the wording of the ballot designating specific items is “for guidance only” and is not binding.
- The FY 2020-2021 Measure B Local Sales Tax revenue was tracked in a separate revenue accounting code that enables the identification of the revenue attributed solely to the Local Sales Tax. Based on feedback from the ICOC, separate expenditure appropriations related to the Local Sales Tax were initiated in 2020-2021 to enable the tracking and reporting of these expenditures, which was approved by the City Council with the inclusion of Manager’s Budget Addendum #22 “Local Sales Tax Budget Adjustments”. This process has facilitated the review of Measure B allocations and expenditures data by the ICOC. Supplemental documentation and reports from the City’s Financial Management System were provided to the ICOC by the City Manager’s Budget Office.
- **Neighborhood Park Maintenance.** \$862,093 was allocated to continue 2.0 Park Maintenance Repair Worker I and 7.0 Groundworker positions, and non-personal/equipment funding to improve the overall appearance of the City's neighborhood park system. The ICOC does not concur with this expenditure. Neighborhood Park Maintenance does not comply with any of the Measure B categories or the intent of the measure.
- **FY 2020-2021 Measure B ¼-Cent Sales Tax Allocations for Personnel Funding.** \$39,051,501 was allocated for personnel funding of 97 full-time and 11.5 part-time positions. Personnel funding was 90% of FY 2020-2021 Measure B revenue allocated. The positions included 68 full-time and 9.5 part-time positions in the SJ Police Department, and 29 full-time and 2 part-time positions in other City departments. Table 11-1 provides the distribution of positions and the amount allocated. Paragraph 10.1 provides details of the SJ Police Department positions. Additionally, this report identifies those items with allocations for personnel funding and recommends that those funds should be sourced from the General Fund.

Allocating Measure B revenue for personnel funding to support continued department staffing levels is a concern for the ICOC. For this year’s reporting period, 90% of FY 2020-2021 Measure B revenue allocated and for the previous year’s reporting period, 61% was allocated.

The funding of positions to increase staffing levels in the SJ Police Department will Improve police response to reduce violent crimes and burglaries. The concern is whether staffing levels of departments should be part of the annual budget process and not be reliant or dependent on Measure B revenue for continued funding.

Table 11-1. FY 2020-2021 Measure B ¼-Cent Sales Tax Allocations for Personnel Funding

Measure B Category	Personnel Funding Measure B Allocation (dollars)	No. of Positions Funded	
		Full Time	Part Time
Improving Police Response to Reduce Violent Crimes & Burglaries	\$28,900,139	68	9.5
Improving 911/Emergency Medical/Fire Response Times	\$7,353,599	10	0
Repairing Potholes & Streets	0	0	0
Expanding Gang Prevention	1,132,107	11	0
Maintaining the City's Long-Term Financial Stability	0	0	0
Other	\$1,665,656	8	2
Total*	\$39,051,501	97	11.5

*90% of FY 2020-2021 Measure B revenue

12. RECOMMENDATIONS

The recommendations are derived as a result of the operation of the ICOC for the FY 2020-2021 session.

- Measure B ¼-Cent Sales Tax Allocations for Personnel Funding.** Section 10, Observations/Comments provides allocation details on this item. The ICOC recommends staffing levels of departments should be part of the annual budget process and not be reliant or dependent on Measure B revenue for continued funding. During the early implementation of Measure B, personal funding allocations were for one-time funding. Currently, personal funding allocations have transitioned from one-time funding to ongoing and for FY 2020-2021, represent 90% of the Measure B revenue.

Reliance on Measure B to maintain ongoing staffing levels causes an understating of the actual costs of the personnel staffing for that department. Departments need to plan and forecast personal funding budgets using metrics based on actuals.

- Measure B ¼-Cent Sales Tax Allocations for Non-Personnel Funding** The intent of the Measure B was to provide supplemental funding to the five areas specified in the measure. Measure B revenue has been used for several non-personnel allocations during the past five years, including: Fire Station 37 construction, purchasing dispatch consoles for use on a Silicon Valley Regional Communication System, operational South San José Police substation transition, mobile data computer replacements, and replacing existing and adding new FirstNet Emergency Communications Network cellular equipment. These non-personnel allocations have produced tangible results of revenue expenditures.

Police, Fire, and 911/Emergency Medical response times rely on communications equipment and systems that are up to date and maintained. The equipment and systems need to be updated and or replaced on a planned basis. The ICOC recommends Measure B revenues be used for funding the Police, Fire, and 911/Emergency Medical equipment and systems update/replacement cycles.

- **Improving Police Response to Reduce Violent Crimes and Burglaries.** The largest portion of FY 2020-2021 Measure B revenues expended were for this category.

Burglaries, Porch piracy, sideshows, and automobile break-ins are a significant concern to residents and a major topic at community meetings. Recently, shopping centers have been targeted by criminal groups conducting smash and grabs as well as large-scale shop lifting raids.

Recommend allocations be continued that specifically target those areas. Special Program Examples being the Special Victims Unit, San Jose Works, Project Hope.

- **Improving 911/Emergency Medical/Fire Response Times.** To expand community resource options in case of emergency, the ICOC recommends exploring the use of Measure B funds to support a 911 texting feature. Giving community members the option to text 911 in the case of emergencies can be lifesaving. There are many crimes that occur in our community, such as domestic violence, burglaries, and abuse among others, that do not allow the survivor(s) to safely contact law enforcement for help without risking further injury/retaliation. Offering texting as a means to contact law enforcement can offer a safe outlet to many people seeking help who are not in immediately secure environments to reach out for help. With the increase in crime we have recently seen, the option to text 911 offers another tool to the community to safely contact law enforcement.
- **Expanding Gang Prevention.** Increased gang activity in neighborhoods continues to be a concern to residents. Tagging and marking as well as gang-related criminal incidents are being reported. The ICOC recommends continuing ongoing funding for the San José Works Youth Jobs Initiative. Additionally, provide funding and resources to support oversight of the results of the Bringing Everyone's Strengths Together (BEST) Program. The oversight would include providing analysts to review and report on the effectiveness of the program. The Mayor's Gang Prevention Task Force has performed successfully in the past and has been effective in reducing gang violence.
- **Other.** This category includes items that do not easily fit into the five basic Measure B areas. Many of the items that were allocated funding, affect the quality of life of San José residents and have a direct relationship or correlation with Measure B categories. These include funding for dealing with graffiti, abandoned vehicles, broken streetlights, and community-building efforts in neighborhoods.
- **Continue to Refine a Method or System for Tracking and Reporting Each Item's Budgeted Allocation.** Based on feedback from the ICOC, separate expenditure appropriations related to the Local Sales Tax were initiated in 2020-2021 by the City Manager's Budget Office to enable the tracking and reporting of these expenditures. This tracking and reporting process improved the oversight process and should be continued.
- **Create a Long-Term Measure B Local Sales Tax Spending Plan.** The Measure B Local Sales Tax was approved by the voters to be in effect for 15 years, ending in FY 2031. During the life of the measure, tax revenue will be from \$40 million to \$50 million each year based on current estimates. This will provide a constant stream of revenue to allocate to planned Measure B specific projects over the life of the measure. FY 2020-2021 is the fifth year of Measure B's 15-year implementation span. The total 5-Year Allocations are \$202,652,416 and the average allocation per year is \$40,530,483.

As stated in the last ICOC report, the Local Sales Tax Spending Plan is developed each year using SJ City Manager Budget Addendums (MBAs). MBA #22: Subject: Local Sales Tax Budget Adjustments: 2020-2021 was the basis for this year's planning and allocations. This planning works for each year but does not provide the vision needed for future years.

Creating a Long-Term Measure B Local Sales Tax Spending Plan will provide a means of proactively identifying and planning for Measure B specific projects in the out years and integrating them in SJ City MBAs as the projects come up for activation each year. Police, Fire, and 911/Emergency Medical equipment and systems update/replacement cycles are an example of non-personnel projects that can be incorporated into a Measure B Local Sales Tax long-term spending plan. There are other non-personnel projects that can produce tangible results of revenue expenditures.

- **ICOC FY2021/2022 Start Date.** Start the ICOC FY2021/2022 effort in September 2022
- **ICOC, CMO, and SJ City Manager Budget Office Meeting.** Schedule the ICOC, CMO, and SJ City Manager Budget Office to meet in November 2022 to coordinate the FY2021/2022 ICOC plan, schedule, and draft report. This was done for the FY 2020-2021 ICOC and was productive.
- **ICOC FY2021/2022 Complete Date.** Complete the ICOC FY2021/2022 effort in March 2023 in order to develop recommendations for allocations of Measure B revenues in the FY2022/2023 budget.



Memorandum

TO: NEIGHBORHOOD COMMISSION - **FROM:** Jim Shannon
INDEPENDENT CITIZENS
OVERSIGHT COMMITTEE

SUBJECT: 2020-2021 MEASURE B
LOCAL SALES TAX
RECONCILIATION

DATE: November 12, 2021

This memorandum provides information requested by the Neighborhood Commission, Independent Citizens Oversight Committee (ICOC) related to Measure B Local Sales Tax data for fiscal year 2020-2021.

On June 7, 2016, San Jose voters approved a one-quarter percent Local Sales tax to fund City services. From July 1, 2020 through June 30, 2021, the City collected Measure B Local Sales Tax revenue in the amount of \$46,869,396. This amount was reported in the City's 2020-2021 Annual Report¹ prepared by the City Manager's Office.

The Measure B Local Sales Tax revenue is one of many revenue sources in the General Fund, and Measure B revenue is tracked in a separate revenue accounting code. This separate accounting code enables the identification of the revenue attributed solely to the Local Sales Tax. Based on prior feedback from the ICOC, separate expenditure appropriations related to the Local Sales Tax were created in 2020-2021 to enable the tracking and reporting of these expenditures, which was approved by the City Council with the inclusion of Manager's Budget Addendum #22 "Local Sales Tax Budget Allocations²" into the Mayor's June Budget Message for Fiscal Year 2020-2021. These allocations were adjusted through City Council action several times during the year, including adjustments to rebudget funding into 2021-2022 for ongoing projects.

The City Manager's Budget Office has prepared the "ICOC Annual Measure B ¼-cent Sales Tax Matrix for FY 2020-2021" in accordance with the format requested by the ICOC, which describes each Measure B expenditure allocation with its corresponding budget and actuals data. The total of Measure B actuals reported in the Matrix totals \$43,242,044, which is \$3,627,352 less than Measure B revenue received.

¹ 2020-2021 Annual Report:

(<https://www.sanjoseca.gov/home/showpublisheddocument/77783/637692016895300000>, p. 29)

² MBA #22: <https://www.sanjoseca.gov/home/showpublisheddocument/59554/637270665786100000>

Attachment 1. FY 2020-2021 Measure B Local Sales Tax Reconciliation memo (2 of 2)

HONORABLE MAYOR AND CITY COUNCIL

November 17, 2021

Subject: 2020-2021 Measure B Local Sales Tax Allocation

Page 2

The items in the matrix with a “Fiscal Year Initiated” date of 2016-2017, 2017-2018, 2018-2019, 2019-2020 represent previous allocations of Measure B funding that are ongoing in nature and continued into 2020-2021. Those items in the matrix with a “Fiscal Year Initiated” date of 2020-2021 represent an increase in resources above a department’s 2020-2021 Base Budget allocation as displayed in the 2020-2021 Proposed Operating Budget.

The City Manager’s Budget Office greatly appreciates the time and effort expended by the ICOC to perform their oversight duties on behalf of the San José community.



JIM SHANNON
Budget Director

Attachment: ICOC Annual Measure B ¼-cent Sales Tax Matrix
Manager’s Budget Addendum #22, Local Sales Tax Budget Adjustments

Attachment 2. ICOC Annual Measure B ¼-Cent Sales Tax Matrix for FY 2020-2021 (1 of 6)

ICOC Annual Measure B 1/4-cent Sales Tax Matrix for FY 2020-2021

The table below displays information related to the allocation and expenditure of Measure B Sales Tax funding for Fiscal Year 2020-2021. The actual Measure B Local Sales Tax revenues in 2020-2021 totaled \$46,869,396. It is important to note that the sum of the "Expenditure Actuals" column is \$43,242,044, which is lower than the Measure B revenue of \$46,869,396 by an amount of \$3,627,352. Multiple factors lead to this outcome including a higher receipt of Measure B Local Sales Tax revenue than originally anticipated -- \$46,869,396 (actual revenue received) compared to \$44,500,000 (estimated revenue collection from Adopted Budget) -- and lower than anticipated expenditures on the projects identified below. A number of the project appropriations were rebudgeted to 2021-2022 for future use but, specific funding allocations that were not spent, such as personnel cost savings, were returned to the General Fund Balance. For the purposes of ICOC reporting, the table below displays the following for each allocation:

- 1) The Adopted Budget at the start of the fiscal year, which aligns with MBA #22: Local Sales Tax Budget Allocations;
- 2) The Modified Budget to reflect changes, approved by City Council, made throughout the fiscal year;
- 3) The "Expenditure Actuals" column which represents the actual amount spent, encumbered, and/or rebudgeted;
- 4) For ICOC reporting purposes, the "Non-Measure B Supported Expenditure Actuals" designates certain expense amounts as being funded from revenues other than Measure B [not applicable for 2020-2021];
- 5) The "Total Measure B Actuals" column subtracts "Non-Measure B Supported Expenditure Actuals" from "Expenditure Actuals" to arrive at a total expense amount for Measure B; and
- 6) Any notes, as necessary, regarding certain allocations.

		FY 2020-2021				FY 2020-2021			
Category	Fiscal Year Initiated	Description	Adopted Budget Allocation	Modified Budget Allocation	Expenditure Actuals	Non-Measure B Supported Expenditure Actuals	Total Measure B Actuals	Notes	Commission Findings
1. IMPROVING POLICE RESPONSE TO REDUCE VIOLENT CRIMES & BURGLARIES									
		Continues 1.0 Police Lieutenant, 7.0 Police Sergeant, and 33.0 Police Officer positions, increasing the sworn staffing level from 1,109 to 1,150, overtime funding of \$247,000, and associated non-personal/equipment funding of \$739,000 that was added in 2018-2019. These additional positions will augment the patrol and investigations functions, which will improve response times to calls for service, enhance proactive policing efforts, and improve clearance rates by investigating additional cases and increasing follow-up investigative efforts. These positions were identified in the Sales Tax Measure: 2016-2017 Provisional Budget for addition in the future once vacancies were filled.	\$ 10,490,000	\$ 10,506,940	\$ 9,767,940		\$ 9,767,940	Actual costs ended the year lower than the modified budget.	Recommend identified augmented funds for personnel should be sourced from General Fund
1.1 Improve Police Response	2018-2019								
1.2 Maintain Police Deployment Levels	2017-2018	To improve sworn Police recruiting and retention and increase the number of sworn officers hired, salary increases were approved in 2017-2018 (10% pensionable), 2018-2019 (3.25% pensionable and 2.75% non-pensionable), and 2019-2020 (3% pensionable and 1% non-pensionable). The sworn pay increase from 2017-2018 through 2019-2020 totals approximately \$42.3 million; however, \$15.0 million is supported by the Local Sales Tax.	\$ 15,033,500	\$ 15,033,500	\$ 15,033,500		\$ 15,033,500		Recommend identified augmented funds for personnel should be sourced from General Fund

Attachment 2. ICOC Annual Measure B ¼-Cent Sales Tax Matrix for FY 2020-2021 (2 of 6)

ICOC Annual Measure B 1/4-cent Sales Tax Matrix for FY 2020-2021

		FY 2020-2021					FY 2020-2021		
Category	Fiscal Year Initiated	Description	Adopted Budget Allocation	Modified Budget Allocation	Expenditure Actuals	Non-Measure B Supported Expenditure Actuals	Total Measure B Actuals	Notes	Commission Findings
1.3 Special Victims Unit Staffing	2020-2021	Adds 1.0 Police Lieutenant position to the Bureau of Investigations (BOI) to support the creation of a new Special Victims Unit (SVU), facilitating an internal organization of the Sexual Assaults Investigative Unit (SAIU) to more effectively prioritize sexual assault response. The SVU will focus on proactive enforcement to combat computer-facilitated sexual exploitation and human trafficking crimes, as well as the investigation of reoffending sexual registrants.	\$ 391,000	\$ 391,000	\$ 193,290		\$ 193,290	The new Lieutenant position was not filled until later in the fiscal year, resulting in savings of \$197,710.	Concur
1.4 Improve Response to Burglary and Neighborhood Crime	2016-2017	Continues 1.0 Community Service Officer (C/SO) Senior Community Service Officer, and 1.0 Supervising Community Service Officer positions as well as non-personal/equipment funding added in 2016-2017 from the Local Sales Tax. The CSO Program increased from 54 to 73 positions to handle low-priority calls for service, freeing time for sworn officers to respond to higher priority calls for service and conduct proactive police work. The CSOs perform non-hazardous and non-emergency police functions, including field report writing, interviewing witnesses, conducting follow-up investigations, and collecting evidence.	\$ 2,760,000	\$ 2,768,005	\$ 2,695,005		\$ 2,695,005	Due to vacancies in the CSO program, \$73,000 was unspent.	Recommend identified augmented funds for personnel should be sourced from General Fund
1.5 Police Backgrounding and Recruiting Program	2018-2019, 2019-2020, 2020-2021	Adds one-time personal services funding of \$300,000 for backgrounding candidates for the upcoming Police Officer Recruit Academies as well as civilian candidates for non-sworn vacancies, such as Public Safety Communications Specialists and Public Safety Dispatchers in the 9-1-1 Emergency Communications Center.	\$ 300,000	\$ 300,000	\$ 300,000		\$ 300,000		Recommend identified augmented Funds for personnel should be sourced from General Fund
1.6 Improve Crime Solving	2016-2017	Continues 5.0 Crime and Intelligence Analyst positions and non-personal/equipment funding added in 2016-2017 from the Local Sales Tax. These positions support Field Patrol (1.0 position in each of the four Patrol Divisions) and Special Operations (1 position) in analyzing and reporting on real time divisional crime trends, allowing for consistency and continuity in this work.	\$ 615,000	\$ 616,913	\$ 612,913		\$ 612,913	Actual costs ended the year lower than the modified budget.	Recommend identified augmented funds for personnel should be sourced from General Fund
1.7 School Crossing Guard Program	2018-2019, 2019-2020	Continues 1.0 School Safety Supervisor position that was added in 2018-2019 to support the School Crossing Guard Program. This position assists with additional outreach, recruiting, and retention efforts as well as help with the supervisor span of control. Adds 9.5 School Crossing Guard PT unbenefited positions ongoing in 2019-2020 to the School Safety and Education Program to align the number of budgeted positions with the anticipated need for crossing guards.	\$ 557,000	\$ 557,000	\$ -		\$ -	The school crossing guard program was largely scaled back in 2020-2021 due to the pandemic.	Concur

Attachment 2. ICOC Annual Measure B ¼-Cent Sales Tax Matrix for FY 2020-2021 (3 of 6)

ICOC Annual Measure B 1/4-cent Sales Tax Matrix for FY 2020-2021

		FY 2020-2021					FY 2020-2021		
Category	Fiscal Year Initiated	Description	Adopted Budget Allocation	Modified Budget Allocation	Expenditure Actuals	Non-Measure B Supported Expenditure Actuals	Total Measure B Actuals	Notes	Commission Findings
1.8 Data Crime Center Staffing	2019-2020	Adds 1.0 Division Manager to support a new Data Crime Center for the Police Department. The Center will pool resources (local, state, and national), share information with law enforcement partners, and create a conduit between Patrol and Investigations Units through a data-drive approach to address crime, crime trends, hot spots, and social network analysis.	\$ 290,000	\$ 297,606	\$ 297,491		\$ 297,491	Actual costs ended the year lower than the modified budget.	Concur
2. IMPROVING 911/EMERGENCY MEDICAL/FIRE RESPONSE TIMES									
2.1 Improve Fire, Medical Response	2016-2017	Continues ongoing overtime added in 2016-2017 from the Local Sales Tax to maintain Fire Department sworn minimum staffing levels, which prevents the "browning out" (placing out of service) of any fire companies when there are staff absences.	\$ 3,251,000	\$ 3,250,515	\$ 3,250,515		\$ 3,250,515		Recommend identified augmented funds for personnel should be sourced from General Fund
2.2 Improving Emergency Medical Response	2016-2017	Continues two Fire Squad Units added in 2016-2017 from the Local Sales Tax. The Squads are two-person response units that respond to low level emergency medical services (EMS) requests and provide utility support at larger incidents.	\$ 3,052,000	\$ 3,056,475	\$ 3,056,475		\$ 3,056,475		Recommend identified augmented funds for personnel should be sourced from General Fund
2.3 Mobile Data Computer Replacements	2020-2021	Adds one-time non-personal/equipment funding of \$197,000 to replace a portion of the Mobile Data Computers (MDC) in patrol cars. The mobile data computing equipment is an essential part of the Police Department's secure mobile computer network. The new computer system will enable improved communications and more efficient computing processes through the newest technology so police officers can support the residents of the City of San Jose in the most efficient way. The replacement will open new possibilities with a faster more reliable communication network.	\$ 197,000	\$ 197,000	\$ 197,000		\$ 197,000	The Actuals include: -\$197,000 rebudgeted to 2021-2022 as approved as part of MBA#35	Concur
2.4 Office of Emergency Services - Disaster Preparedness	2018-2019	Continues 1.0 Deputy Director, 1.0 Senior Executive Analyst, and \$100,000 in non-personal/equipment funding that was added in 2018-2019 to support emergency operations planning, training, and the Community Emergency Response Team program.	\$ 563,000	\$ 661,000	\$ 586,909		\$ 586,909	The Actuals include: -\$388,909 spent -\$198,000 rebudgeted to 2021-2022 as approved as part of MBA#35	Recommend identified augmented funds for personnel should be sourced from General Fund

Attachment 2. ICOC Annual Measure B ¼-Cent Sales Tax Matrix for FY 2020-2021 (4 of 6)

ICOC Annual Measure B 1/4-cent Sales Tax Matrix for FY 2020-2021

		FY 2020-2021					FY 2020-2021		
Category	Fiscal Year Initiated	Description	Adopted Budget Allocation	Modified Budget Allocation	Expenditure Actuals	Non-Measure B Supported Expenditure Actuals	Total Measure B Actuals	Notes	Commission Findings
2.5 Police and Fire Department Computer Aided Dispatch Upgrade	2020-2021	Adds one-time personal services funding of \$50,000 and non-personal/equipment funding of \$634,500 to upgrade the Computer Aided Dispatch (CAD) software and hardware used by Police and Fire emergency personnel to handle emergency and non-emergency calls for service. Replacing the existing servers and upgrading to CAD software version will enable the departments to take advantage of newer software features and ensure hardware reliability for emergency response. CAD system hardware and software are typically upgraded or replaced every three to four years due to continual operations, and to keep current with software enhancements. The CAD system was last upgraded in 2016, which included a software upgrade, and the replacement of Police and Fire 9-1-1 Center desktop computers, monitors, and select servers.	\$ 684,500	\$ 684,500	\$ 684,500		\$ 684,500	The Actuals include: -\$509,620 spent -2021 -\$215,000 rebudgeted to 2021-2022 as approved as part of MBAM#35	Concur Texting capability recommendation
2.6 Emergency Medical Services (EMS) Equipment (LUCAS)	2019-2020	Adds one-time non-personal/equipment funding of \$437,000 to purchase 22 LUCAS chest compression systems. A LUCAS device is a mechanical chest compression - decompression system which enables automated and continuous closed chest compression. The addition of these devices will fully equip the remaining fire apparatuses for cardiac arrest events. One of the desired outcomes of this action is to ensure all fire apparatuses are equally equipped to respond to cardiac emergencies accordingly throughout San Jose.	\$ 437,000	\$ 437,000	\$ 437,000		\$ 437,000	The Actuals include: -\$437,000 rebudgeted to 2021-2022 as approved as part of MBAM#35	Concur
2.7 3-1-1 Call Transition	2019-2020	Continues 1.0 Analyst II and 2.0 Senior Office Specialist positions to support the first phase transition of 3-1-1 calls (non-emergency) from Police and Fire Dispatch Center to the City's Customer Contact Center, to relieve call load pressures from Police and Fire that impede the City Public Safety Answering Point (PSAP) from meeting State mandates and national standards.	\$ 348,000	\$ 407,964	\$ 353,146		\$ 353,146	Actual costs ended the year lower than the modified budget.	Recommend identified augmented funds for personnel should be sourced from General Fund
2.8 Emergency Medical Services (EMS) Response Time Improvement Technology Staffing	2019-2020	Adds 1.0 Network Engineer position to provide additional support to implement EMS technology projects, including installation of communications equipment on apparatus, support the electronic patient care system, and assist with the implementation of a backup network and support for the Fire Station Alerting System.	\$ 183,000	\$ 183,000	\$ 106,554		\$ 106,554	Actual costs ended the year lower than the modified budget.	Recommend identified augmented Funds for personnel should be sourced from General Fund
2.9 Type 1 Engines for Relief Fleet	2019-2020	Adds non-personal/equipment funding of \$138,000 for vehicle operation and maintenance to support six Fire Type 1 Engines.	\$ 138,000	\$ 138,000	\$ 30,068		\$ 30,068	Actual costs ended the year lower than the modified budget.	Concur
3. REPAIRING POTHOLES AND STREETS									
4. EXPANDING GANG PREVENTION									

Attachment 2. ICOC Annual Measure B ¼-Cent Sales Tax Matrix for FY 2020-2021 (5 of 6)

ICOC Annual Measure B 1/4-cent Sales Tax Matrix for FY 2020-2021

FY 2020-2021		FY 2020-2021					FY 2020-2021		
Category	Fiscal Year Initiated	Description	Adopted Budget Allocation	Modified Budget Allocation	Expenditure Actuals	Non-Measure B Supported Expenditure Actuals	Total Measure B Actuals	Notes	Commission Findings
4.1 San José Works: Youth Jobs Initiative	2018-2019	Continues ongoing funding of \$1.5 million added in 2018-2019 for the San José Works: Youth Jobs Initiative, a partnership between work2future and the Mayor's Gang Prevention Task Force. This program provides 1,000 youth with employment services and critical life skills instruction, including leadership development, financial literacy, job counseling, job readiness training, and other supportive services such as transportation and clothing. San José Works allows youth to gain work experience, succeed and deter involvement in gangs and crime throughout San José.	\$ 1,500,000	\$ 2,648,527	\$ 2,085,686		\$ 2,085,686	This program utilized other grant funding in 2020-2021, which allowed for lower levels of City expenditures.	Concur
4.2 Project Hope Program (Gang Prevention and Neighborhood Safety)	2018-2019, 2019-2020, 2020-2021	Continues 2.0 Community Coordinator and 1.0 Community Activity Worker positions and \$35,000 in non-personal/equipment funding added in 2018-2019; adds 1.0 Community Services Supervisor, 3.0 Community Activity Worker positions and \$120,000 in non-personal/equipment funding for 2019-2020 to expand the Project Hope Program by three additional sites for a total of six sites; adds 1.0 Recreation Superintendent, 1.0 Community Coordinator, and 2.0 Community Activity Worker positions through June 30, 2021 in 2020-2021 to expand the Project Hope Program by three additional sites for a total of nine sites. Project Hope leverages community partnerships, community empowerment, and coordination of a broad range of City services to address challenges of crime, poverty, and blight. Project Hope's model focuses on catalyzing community engagement to sustain lasting change, with City staff providing the initial assistance.	\$ 1,461,000	\$ 1,616,000	\$ 1,132,107		\$ 1,132,107	The Actuals include: -\$1,027,107 spent -\$105,000 rebudgeted to 2021-2022 as approved as part of MBAM#35	Concur
5. MAINTAINING THE CITY'S LONG-TERM FINANCIAL STABILITY									
6. OTHER									
6.1 Anti-Graffiti and Anti-Litter Programs Staffing (Beauty(S))	2018-2019, 2019-2020	Continues 2.0 Community Activity Worker positions and \$25,000 in non-personal/equipment funding added in 2018-2019 to support community clean-up efforts; adds 1.0 Program Manager I, 1.0 Maintenance Worker II, 2.0 Community Activity Worker, and 2.0 Regional Park Aide PT positions in 2019-2020. In February 2017, the Mayor's Office launched the "Beauty(S)" initiative that challenges residents to become more engaged in beautifying the city. The Anti-Graffiti and Anti-Litter Program takes the lead in this initiative in addressing litter/trash and graffiti-related blight.	\$ 762,000	\$ 1,062,000	\$ 803,563		\$ 803,563	The Actuals include: -\$698,966 spent -\$104,597 rebudgeted to 2021-2022 as approved as part of MBAM#35	Recommend identified augmented funds for personnel should be sourced from General Fund-HJ11
6.2 Neighborhood Parks Maintenance	2017-2018	Continues 2.0 Park Maintenance Repair Worker and 7.0 Groundswoker positions and \$25,000 in non-personal/equipment funding added in 2017-2018 to improve the overall appearance of the City's neighborhood park system.	\$ 907,000	\$ 907,000	\$ 862,093		\$ 862,093	Actual costs ended the year lower than the modified budget.	Do Not Concur. Neighborhood Park Maintenance does not comply with any of the Measure B categories or the intent of the measure.

Attachment 2. ICOC Annual Measure B ¼-Cent Sales Tax Matrix for FY 2020-2021 (6 of 6)

ICOC Annual Measure B 1/4-cent Sales Tax Matrix for FY 2020-2021

		FY 2020-2021				FY 2020-2021			
Category	Fiscal Year Initiated	Description	Adopted Budget Allocation	Modified Budget Allocation	Expenditure Actuals	Non-Measure B Supported Expenditure Actuals	Total Measure B Actuals	Notes	Commission Findings
6.3 Beautify SJ Days	2017-2018	Continues ongoing funding added in 2017-2018 to provide for approximately six neighborhood-led BeautifySJ Days for each of the City's ten Council districts. Each beautification event averages six to eight 40-cubic yards bins.	\$ 180,000	\$ 293,014	\$ 293,014		\$ 293,014	The actuals include: -\$267,495 spent -\$25,520 rebudgeted to 2021-2022 as approved as part of the 2020-2021 Annual Report	Concur
6.4 MANDATORY Transfer of Local Sales Tax Proceeds to the Airport Revenue Fund (Jet Fuel)	2017-2018, 2018-2019, 2019-2020, 2020-2021	Transfers \$400,000 to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from July 2020 through June 2021. Per Federal Aviation Administration (FAA) policy, beginning December 8, 2017, Sales Tax revenue related to jet fuel sales that are located on Airport properties must be returned to the Airport Department.	\$ 400,000	\$ 463,275	\$ 463,275		\$ 463,275	All funding was transferred to the Airport Revenue Fund.	Concur
TOTAL			\$ 44,500,000	\$ 46,476,234	\$ 43,242,044	\$ -	\$ 43,242,044		