



COUNTY OF SAN DIEGO

Independent Redistricting Commission

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AGENDA ITEM

DATE: January 28, 2021

Item 5

TO: Independent Redistricting Commission

SUBJECT: REDISTRICTING BUDGET STATUS UPDATE AND APPROVAL

OVERVIEW:

On December 18, 2020 (Item 5) the Independent Redistricting Commission received an overview of the Commission's budget. At that time, a number of questions arose regarding accountability and transparency in the use of public funds, budget administration and amounts in other California jurisdictions, and audit of expenditures. Today's item includes a presentation from the County's Auditor & Controller staff to discuss the County's financial management and oversight. The following report addresses the Commission's questions and concludes with a monthly budget summary of expenditures (actual and projected) as included in the attached proposed line-item budget.

OTHER JURISDICTIONS:

County staff reviewed redistricting efforts of a number of cities and counties in California to identify a total budget amount and any subcommittees that have been formed on the budget. As of this writing, many have not taken action to establish a budget, form a budget subcommittee, or have no information available including the cities of Berkeley, Escondido, Long Beach, Moorpark, Roseville and Sacramento and the counties of Imperial, Los Angeles and Riverside, and the City and County of San Francisco. The following summarizes results:

- City of Chula Vista: Budget of \$125,000. City Council acts as budget authority. No budget subcommittee formed.
- City of Los Angeles: Budget of \$150,000. City Council acts as budget authority. No budget subcommittee formed.
- City of San Diego: Budget of \$450,928 for Fiscal Year 2021-22. Independent committee of three retired judges serves as budget authority. Budget subcommittee.
- County of Santa Barbara: Budget of \$275,000. No budget subcommittee formed.
- California Redistricting Commission: Budget of \$11,703,000 for Fiscal Years 2020-21 and 2021-22. Finance and Administration subcommittee.

AUDIT:

The County's Auditor & Controller met with staff to discuss the processes used for spending and auditing the use of County funds. As a public body subject to the Brown Act, all budgetary actions and reports that come before the Commission will be shared with the public and discussed in an open meeting. It was noted that a monthly budget status update on the Commission's agenda would provide

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regular and ongoing transparency and accountability to the public on the expenditure of public funds appropriated for redistricting.

In addition, the County has extensive internal controls over spending and has established policies and procedures to ensure the appropriate management of public funds in compliance with applicable standards, regulations and laws. The County's internal controls are reviewed, updated and tested annually through the Financial Risk Assessment and Controls (FRAC) process, with some areas tested in more detail. Results are reported to management and used to develop a portion of the County's annual internal audit plan and reviewed by the County's external auditor.

The County's overall \$6.55 billion dollar budget is subject to an annual external audit at the end of each fiscal year. Additionally, the Auditor & Controller's Office of Audits and Advisory Services (OAAS) performs internal audits of various County functions on an ongoing basis.

An independent auditor could be engaged by the Commission under contract through competitive procurement to conduct a year-end audit specifically for the Commission at a cost roughly estimated between \$8,000–\$30,000, depending on complexity and risk. Costs for an external audit are not anticipated in the redistricting budget. Direction from the Commission would be needed for County staff to proceed with a competitive procurement of audit services. Important to note is that audit activities typically occur at year-end, which would provide a look back at expenditures and not ongoing review. As an alternative, the Auditor & Controller indicated that OAAS may perform an audit of redistricting expenditures, or conduct a review by applying agreed upon procedures, upon request by the Commission.

It is recommended that the Commission receive monthly budget status updates at regular Commission meetings, as described in the section below, for transparency and accountability to the public over the use of redistricting funds.

BUDGET STATUS UPDATE:

October 13, 2020 (4) the Board of Supervisors established County funds of \$750,000 for the Commission's work, as a preliminary budget. To date, none of these funds have been expended, as reported by the County's Oracle financial system as of January 2021, as shown in the attached report.

The Commission's budget is intended to support the Commission's 2021 efforts in the following categories, as a planned estimate of needs through 2021.

- Contracted services, including legal representation, and contracts for Demographic/Mapping Services, Public Outreach, and other services that may be needed. This is the largest category of expenditures anticipated for the Commission. Budgeted amounts for individual contracts yet to be issued will be determined through the competitive procurement and contract negotiation processes.
- Information technology (IT) to support the Commission, including laptops, existing website, and other needs. Budgeted amounts are estimates of monthly charges from the County's IT contractor through 2021.

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- Translation of materials and interpretation of meetings for public access. Budgeted amounts are estimates from the County’s contractor based on the Commission’s regular meeting schedule and the translation requirements of the California Elections Code.
- Education and/or training costs for Commissioners and County staff, such as registration fees. A minor amount is budgeted in this category for any future needs.
- Any costs that may be associated with future in-person public hearings, such as room rental fees. There is no amount budgeted in this category.
- Other services and supplies. There is a minor amount budgeted in this category for unanticipated needs.

Lastly, the line item for “Staff Years” represents the current County staff time assigned to redistricting. In a County context, one staff year equates to one permanent employee working full-time for one year. The budgeted amount is a sum of the staffing assigned to redistricting both as their primary responsibility and in addition to other duties, excluding staff from the Clerk of the Board of Supervisors. There is no cost to the Commission for staffing, as this is paid by the County outside of the redistricting budget. It is anticipated that staffing assigned to redistricting will increase as the project moves forward.

With the Commission’s approval, County staff will bring a monthly budget status update to the Commission, similar to the format of today’s item. At that time the Commission can review budgeted amounts, any expenditures incurred in the preceding month, any projected expenditures, and can provide direction to staff as needed. The monthly budget status update is an opportunity for the Commission to provide ongoing concurrence on the County’s administration of the redistricting budget on the Commission’s behalf, and also serves as a regular opportunity for transparency in reporting to the public and accountability over the use of public funds.

RECOMMENDED ACTIONS:

Receive monthly budget status update and approve redistricting line-item budget.

ATTACHMENTS:

County of San Diego Independent Redistricting Commission Fiscal Year (FY) 2020-21 Budget and Actual/Projected Expenditures

Oracle report: Expenditure and Revenue by Period for Object, Current Period JAN-21