



FY 2016-17

Maintenance of Effort Budget

Presented to the Alameda County Budget Work Group

April 18, 2016

Susan S. Muranishi, County Administrator

Dennis Bozanich, Principal Analyst



FY 2016-17 Maintenance of Effort Budget

- State & Federal Budget Updates
- Review Budget Balancing Actions for FY 2015-16
- Maintenance of Effort Budget for FY 2016-17
- Projected Funding Gap



State and Federal Budget Update

- Governor's Budget Proposal
 - Saving for a rainy day
 - Increases spending on infrastructure
 - Modest safety net funding increases
- President's Budget Proposal
 - Increases safety net funding – SNAP & Medicaid
 - Increases for HOME & homeless programs
 - Increases for Transit Formula Program



Closing Alameda County's FY 2015-2016 Funding Gap

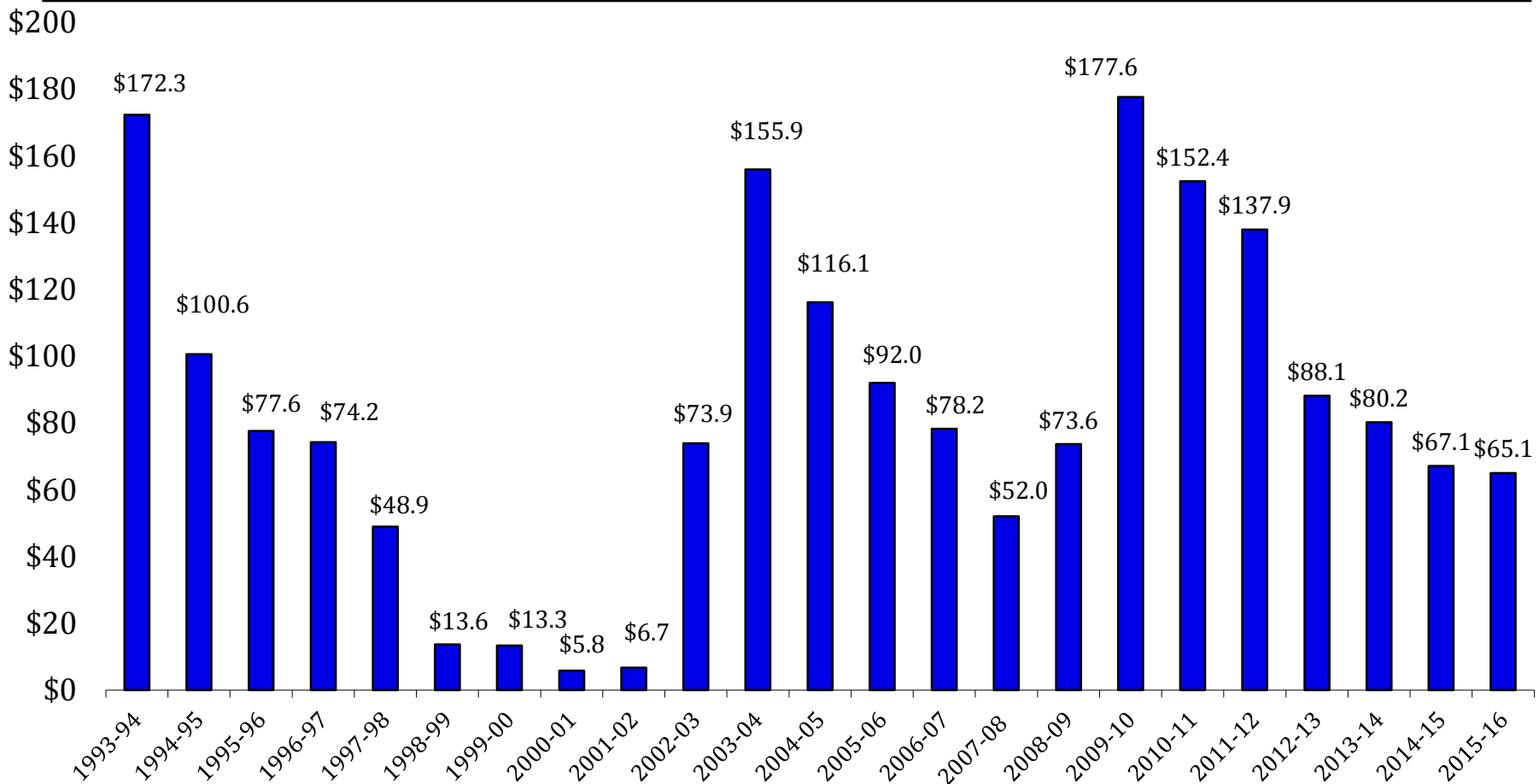


FY 2015-16 Budget Balancing

- FY 2015-16 Final Budget closed a \$65.1M gap
- Property tax and other discretionary revenue growth reduced the size of the gap
- \$37.8M in one-time solutions
 - FMR = \$32.8M
 - One-time revenues = \$5M
- \$27.3M in ongoing strategies
 - Program appropriation reductions = \$4.8M
 - Program revenue increases = \$22.5M



Funding Gaps (in millions)



Cumulative gaps: \$1.9 billion



FY 2015-16 Budget Balancing

Program Area	Net County Cost Reductions (millions)
General Government	\$14.8
Health Care	\$15.8
Public Assistance	\$14.7
Public Protection	\$19.8
Total	\$65.1



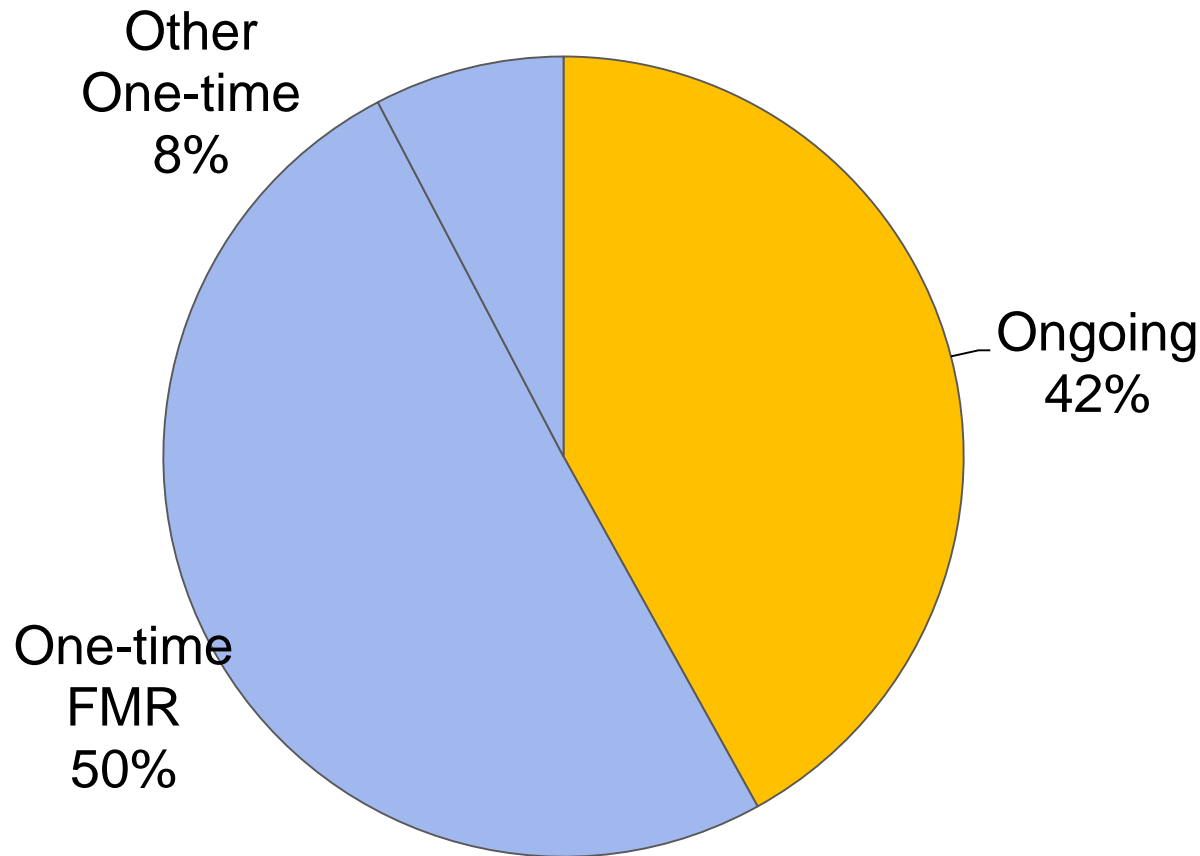
FY 2015-16 Budget Balancing Use of Fiscal Management Reward (FMR) Savings

Program Area	Use of FMR (\$ millions)
General Government	\$14.3
Health Care	\$10.5
Public Assistance	\$ 0.0
Public Protection	\$ 8.0
Total FMR	\$32.8



FY 2015-16 Budget Balancing Strategies

Ongoing vs. One-time





Alameda County 2016-17

Maintenance of Effort Budget



Board- Approved FY 2016-17 Budget Policy

- ❑ Adopt the Final Budget no later than June 30, 2016
- ❑ Continue the Fiscal Management Reward Program
- ❑ Include revenues from all sources as early in the budget development process as possible
- ❑ Include a 3.5% cost-of-living adjustment for eligible CBO contracts
- ❑ Designate 1% of discretionary revenue to offset cost of County's capital projects and facility maintenance
- ❑ Designate 1% of discretionary revenue for the general reserve



Maintenance of Effort

The funding level needed by agencies/
departments to continue existing programs,
staffing and service levels



FY 2016-17 MOE Budget – General Fund

Appropriation	\$2,551,988,615
<u>Revenue</u>	<u>\$2,479,762,084</u>
Funding gap	\$72,226,531



FY 2016-17 MOE Budget – General Fund

(\$ in millions)

	FY 2015-16 FINAL	FY 2016-17 MOE	Inc/ (Dec)	% Change
Appropriation	\$2,428.6	\$2,552.0	\$123.4	5.1%
Revenue	\$2,428.6	\$2,479.8	\$51.2	2.1%
Funding Gap	\$0	\$72.2	\$72.2	
FTE Positions*	7,688.3	7,691.5	3.2	0.0%

*Full-time equivalent positions

Note: Totals may vary slightly due to rounding 14



FY 2016-17 MOE Budget - General Fund

(\$ in millions)

Program	Appropriation	Revenue	Net Cost	FTE
General Government	\$230.0	\$139.2	\$90.8	927
Public Protection	\$677.9	\$359.4	\$318.5	2,696
Public Assistance	\$820.4	\$740.0	\$80.4	2,615
Health Care Services	\$671.7	\$532.0	\$139.7	1,454
Subtotal Programs	\$2,400.0	\$1,770.6	\$629.4	7,692
Capital Projects	\$11.9	\$0.7	\$11.2	0
Contingency/Reserve/ Debt Service/Designations	\$140.1	\$66.6	\$73.5	0
Non-Program Financing	\$0	\$641.9	(\$641.9)	0
Subtotal Other	\$152.0	\$709.2	(\$557.2)	0
Total	\$2,552.0	\$2,479.8	\$72.2	7,692



FY 2016-17 MOE Budget – Net Cost Change by Program (\$ in millions)

Program	2015-16 FINAL Net Cost	2016-17 MOE Net Cost	Change	% Change
General Government	\$88.9	\$90.8	\$1.9	2.2%
Public Protection	\$284.1	\$318.5	\$34.4	12.1%
Public Assistance	\$71.5	\$80.4	\$8.9	12.4%
Health Care	\$122.5	\$139.7	\$17.2	14.1%
Subtotal – Programs	\$567.0	\$629.4	\$62.4	11.0%



FY 2016-17 MOE Budget – Net Cost Change Non-Program (\$ in millions)

Program	2015-16 FINAL Net Cost	2016-17 MOE Net Cost	Net Cost Change	Net Cost % Change
Capital	\$10.9	\$11.2	\$0.3	3.0%
Contingency/Reserves/Debt Service, Designations	\$57.8	\$73.5	\$15.7	27.2%
One-time use of FMR	(\$32.8)	0	\$32.8	100%
Non-Program Financing	(\$602.9)	(\$641.9)	(\$39.0)	6.5%
Subtotal – Other	(\$567.0)	(\$557.2)	\$9.8	1.7%
Subtotal – Programs	\$567.0	\$629.4	\$62.4	11.0%
TOTAL	\$0	\$72.2	\$72.2	



Major Components of Net County Cost Change

(partial list in \$ millions)

	Net County Cost Change
<input type="checkbox"/> Prior year use of FMR	\$32.8
<input type="checkbox"/> Board-approved Salary COLAs	\$23.2
<input type="checkbox"/> Retirement	\$24.4
<input type="checkbox"/> Health Benefits	\$ 3.5
<input type="checkbox"/> Internal Service Fund costs	\$16.1
<input type="checkbox"/> IHSS State MOE adjustment	\$ 2.2
<input type="checkbox"/> 3.5% increase for CBOs & AHS	\$ 6.2
<input type="checkbox"/> Nutrition services revenue reduction	\$ 1.2
<input type="checkbox"/> Reduction in inmate housing revenue	\$ 3.8
<input type="checkbox"/> Public Safety sales and use taxes revenue increase	-\$ 6.5
<input type="checkbox"/> Discretionary revenue increases	-\$39.0
<input type="checkbox"/> Acute Care Tower debt service increase	\$11.7
<input type="checkbox"/> Other	-\$ 7.4
TOTAL	\$72.2



FY 2016-17 Program Revenues, General Fund

(partial list, \$ in millions)

Program Revenue Changes (excluding mid-year adjustments):

<input type="checkbox"/> General Government	\$ 3.4
<input type="checkbox"/> Public Protection	\$ 3.1
<input type="checkbox"/> Public Assistance	\$47.8
<input type="checkbox"/> Health Care	<u>-\$ 3.2</u>
TOTAL	\$51.1M



FY 2016-17 Discretionary Revenues

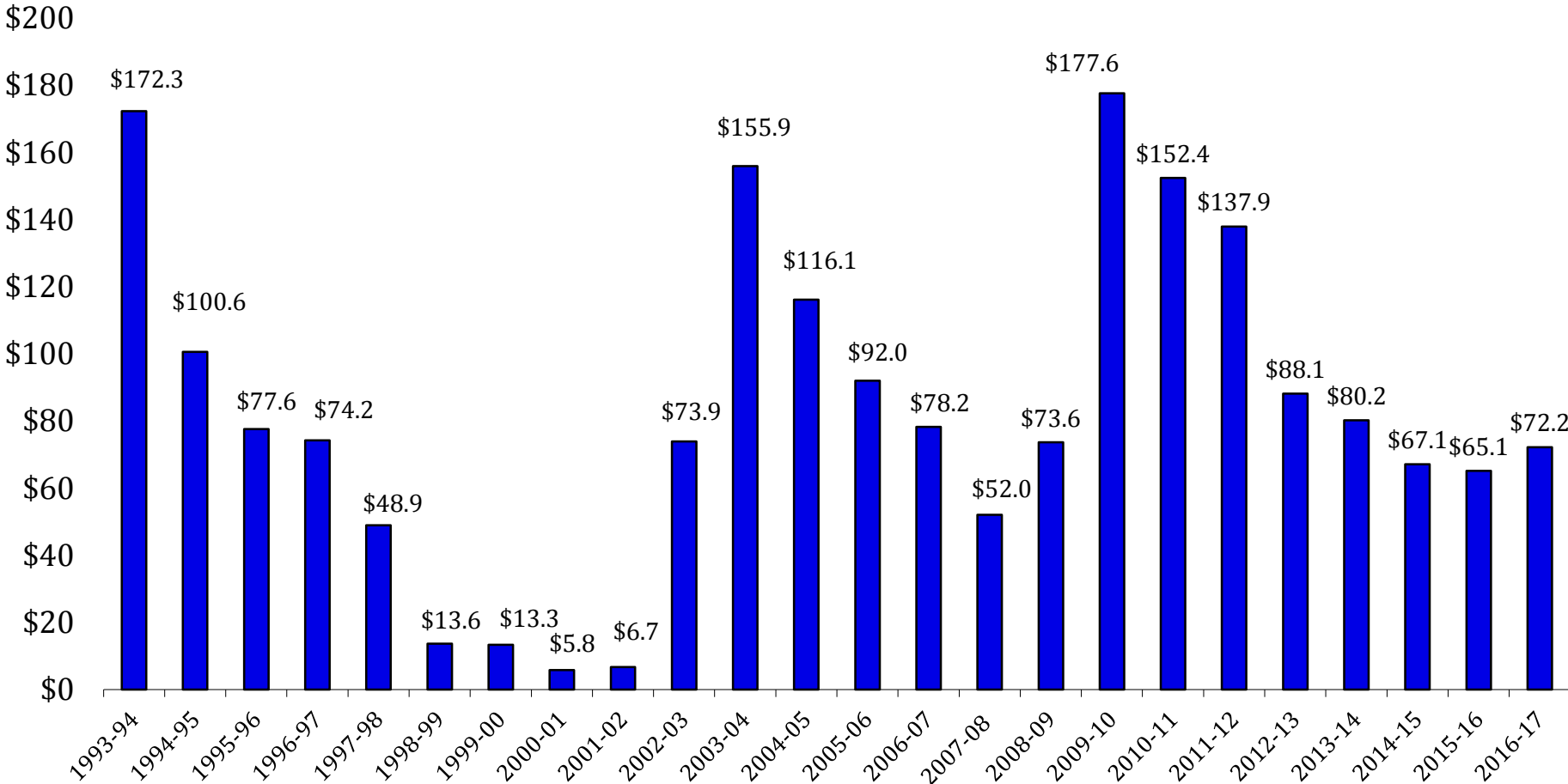
(partial list in \$ millions)

Discretionary Revenue Changes:

□ Property Taxes	\$26.7
□ Loss of one-time property tax penalties	-\$10.6
□ ERAF—Motor Vehicle	\$17.3
□ Interest revenue	\$ 1.0
□ Countywide overhead	\$ 0.2
□ Sales taxes	\$ 0.6
□ Other	\$ <u>3.8</u>
TOTAL	\$39.0M



Funding Gaps (in millions)



Cumulative gaps: \$2.00 billion



Pending Factors

- Federal and State budget actions
 - Governor's "May Revise" of Proposed Budget
 - Congressional Approp. Committees; Elections
- Labor, health, retirement cost increases
- Other



Budget Development Timeline

- BWG: FY 16-17 Reduction Targets April 26, 3:00 PM
- Governor's Revised Budget May
- BWG: FY 16-17 Reduction Plans May 23, 3:00 PM
- Proposed Budget Submitted Early June 2016
- Budget Hearings and Adoption June 2016



FY 2016-17

Maintenance of Effort Budget

Presented to the Alameda County Budget Work Group

April 18, 2016

Susan S. Muranishi, County Administrator

Dennis Bozanich, Principal Analyst