



ALAMEDA COUNTY BOARD OF SUPERVISORS

Early Budget Work Session

April 12, 2016



Early Budget Work Session

- State & Federal Budget Updates
- County Budget Update
 - Budget Balancing Strategies for FY 2015-16
 - Five Year Budget Forecasts
- Department Presentations



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



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



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



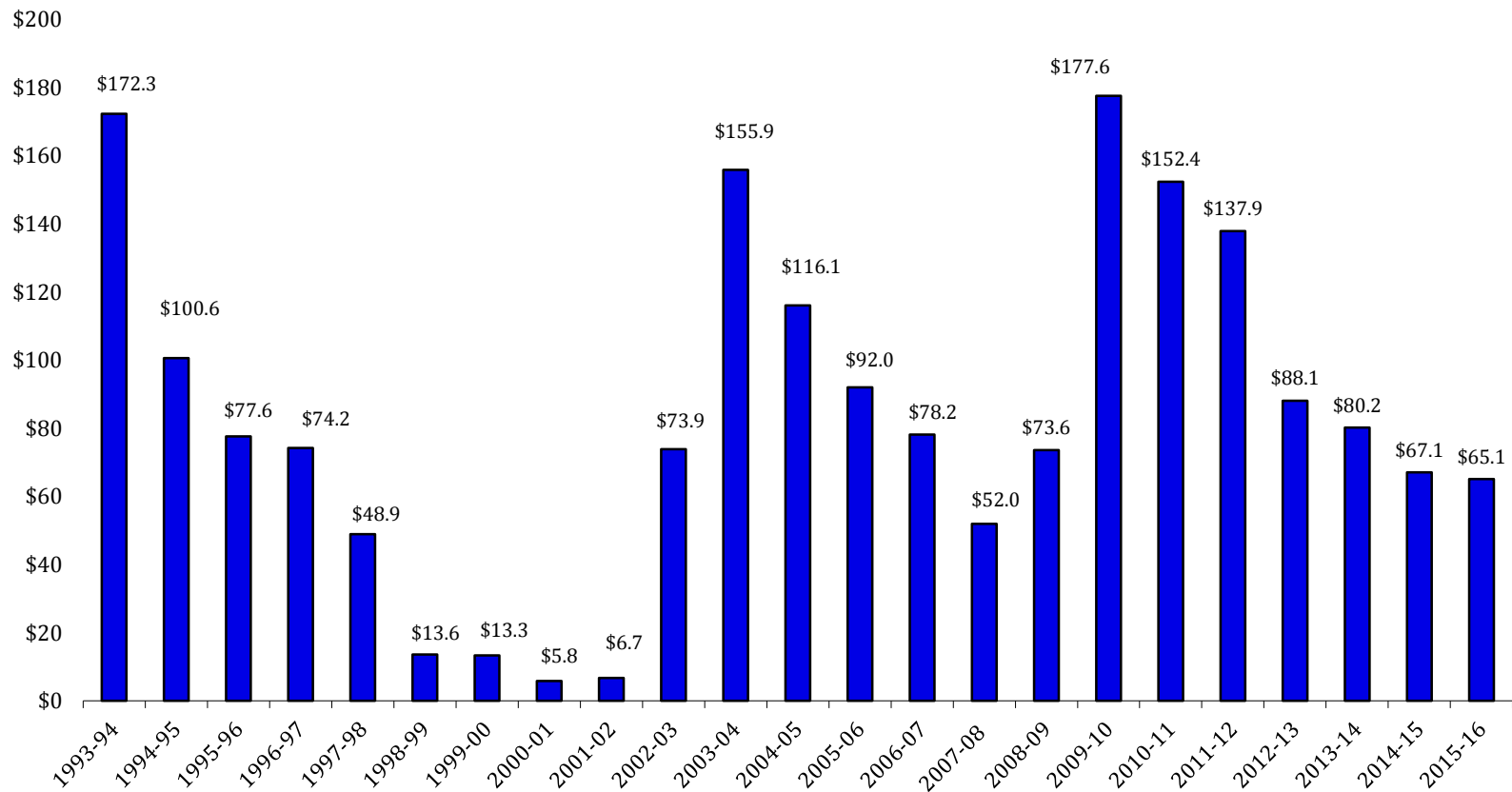
FY 2016-17 Gap Drivers – Partial List

One-time use of FMR last year	\$ 32.8M
<u>Known</u> Salary/Benefits increases	\$ 50.3
COLAs	\$22.4M
Retirement	\$24.4M
Health Ins.	\$ 3.5M
3.5% CBO increases	\$ 5.7
Affordable housing allocation	<u>\$ 5.0</u>
Total	\$ 93.8M

NOTE: Partial list. Some cost reductions, revenue increases not included above.



Alameda County Funding Gaps (in millions)



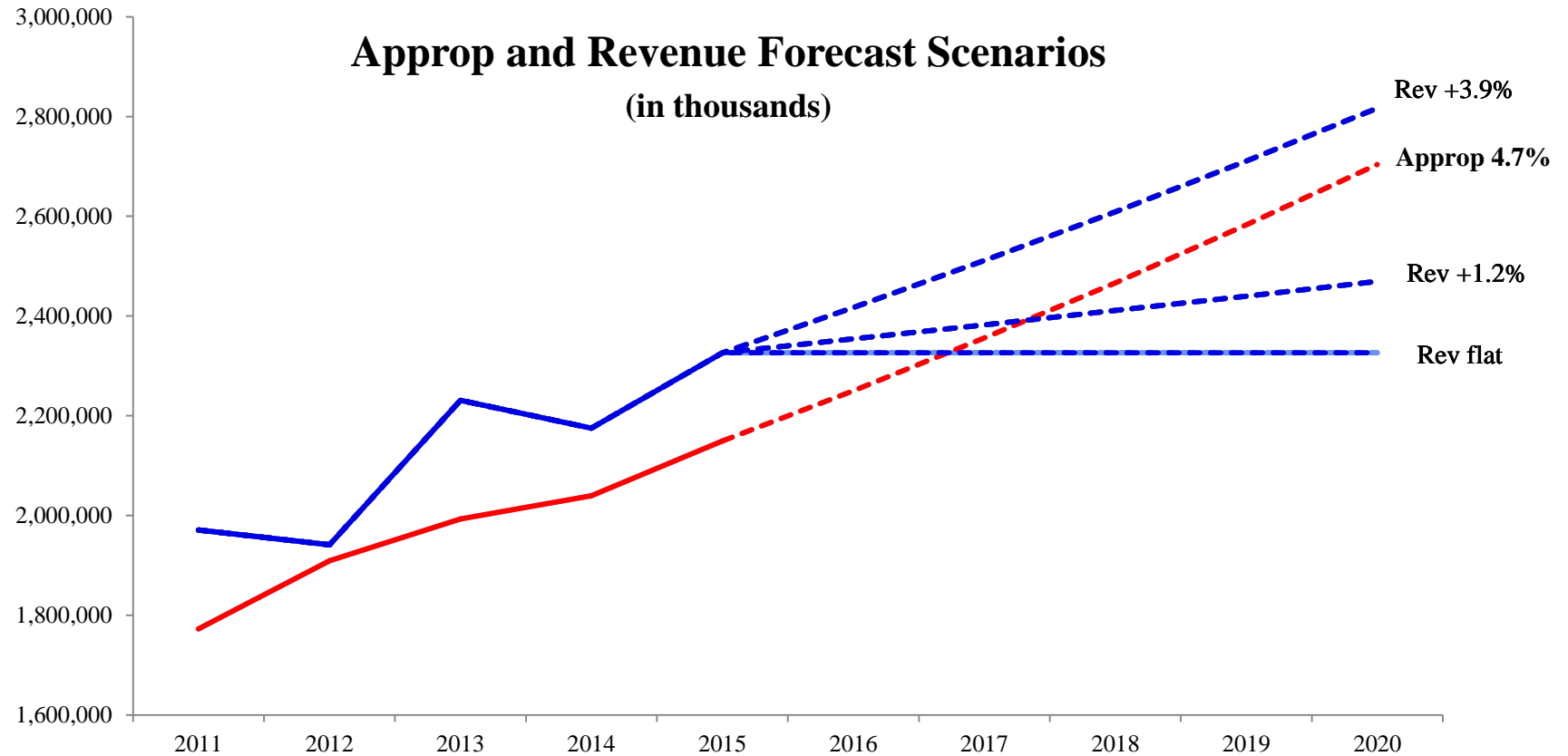


Maintenance of Effort

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

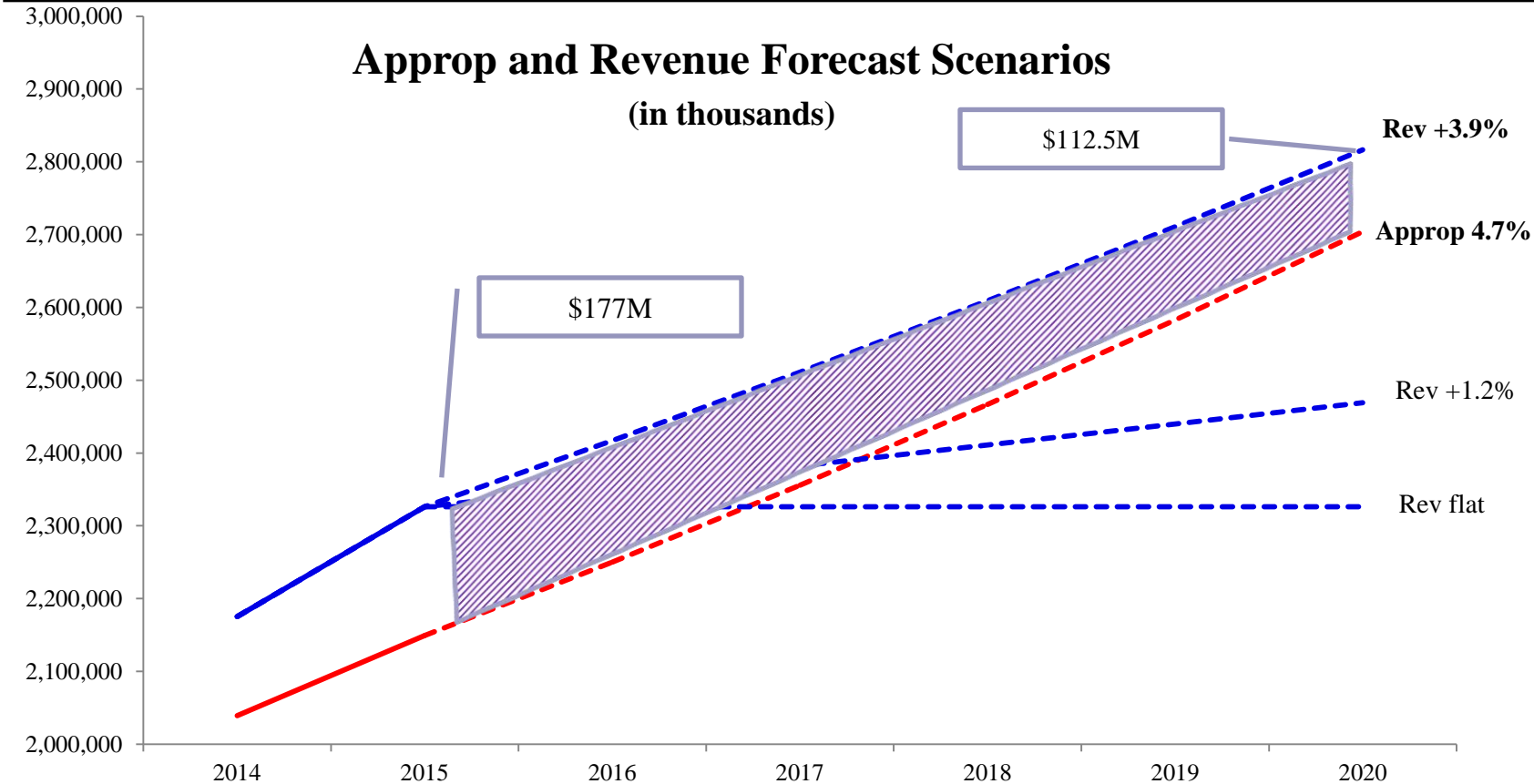


Five Year Forecast of Appropriations and Revenue



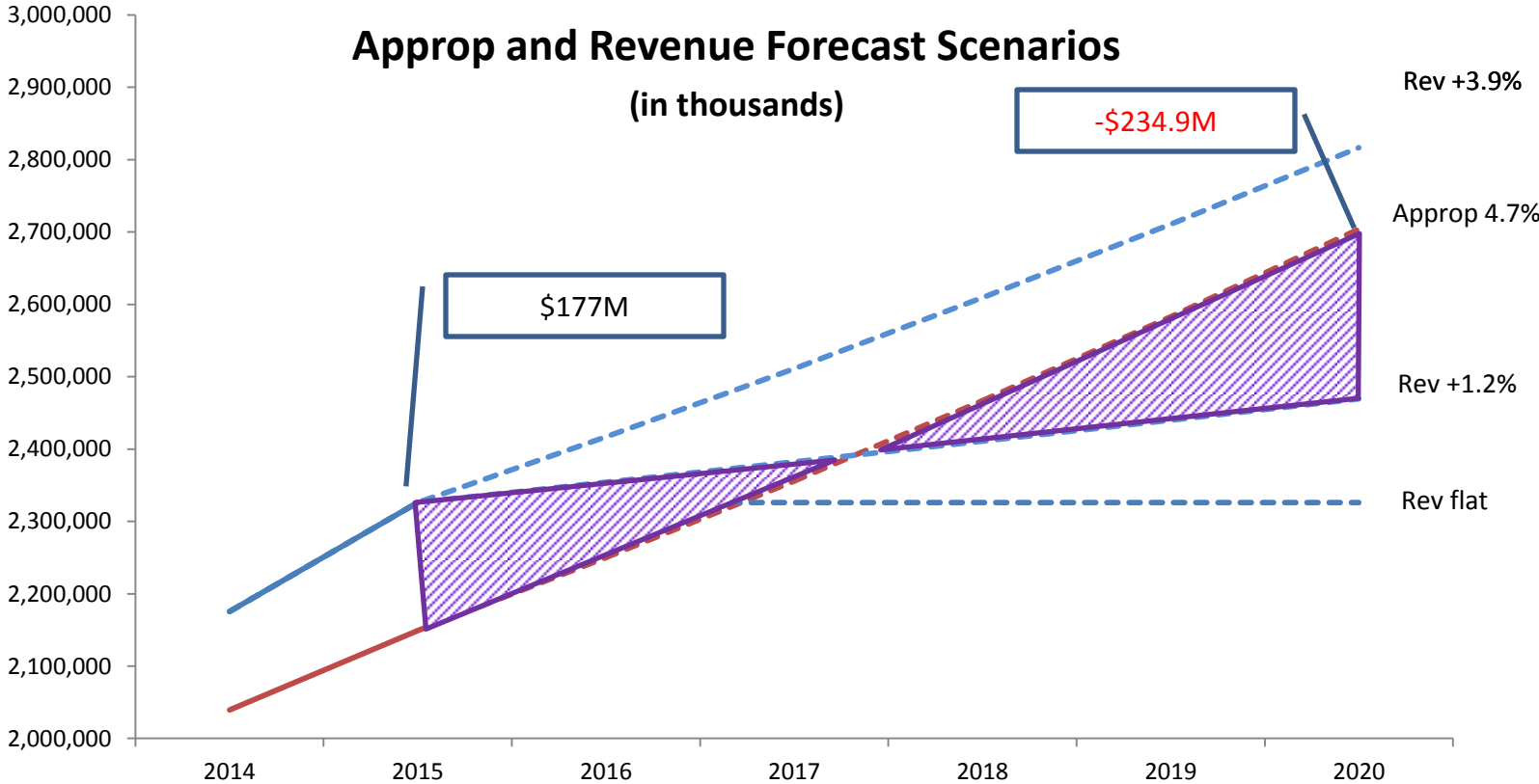


Recovery Scenario



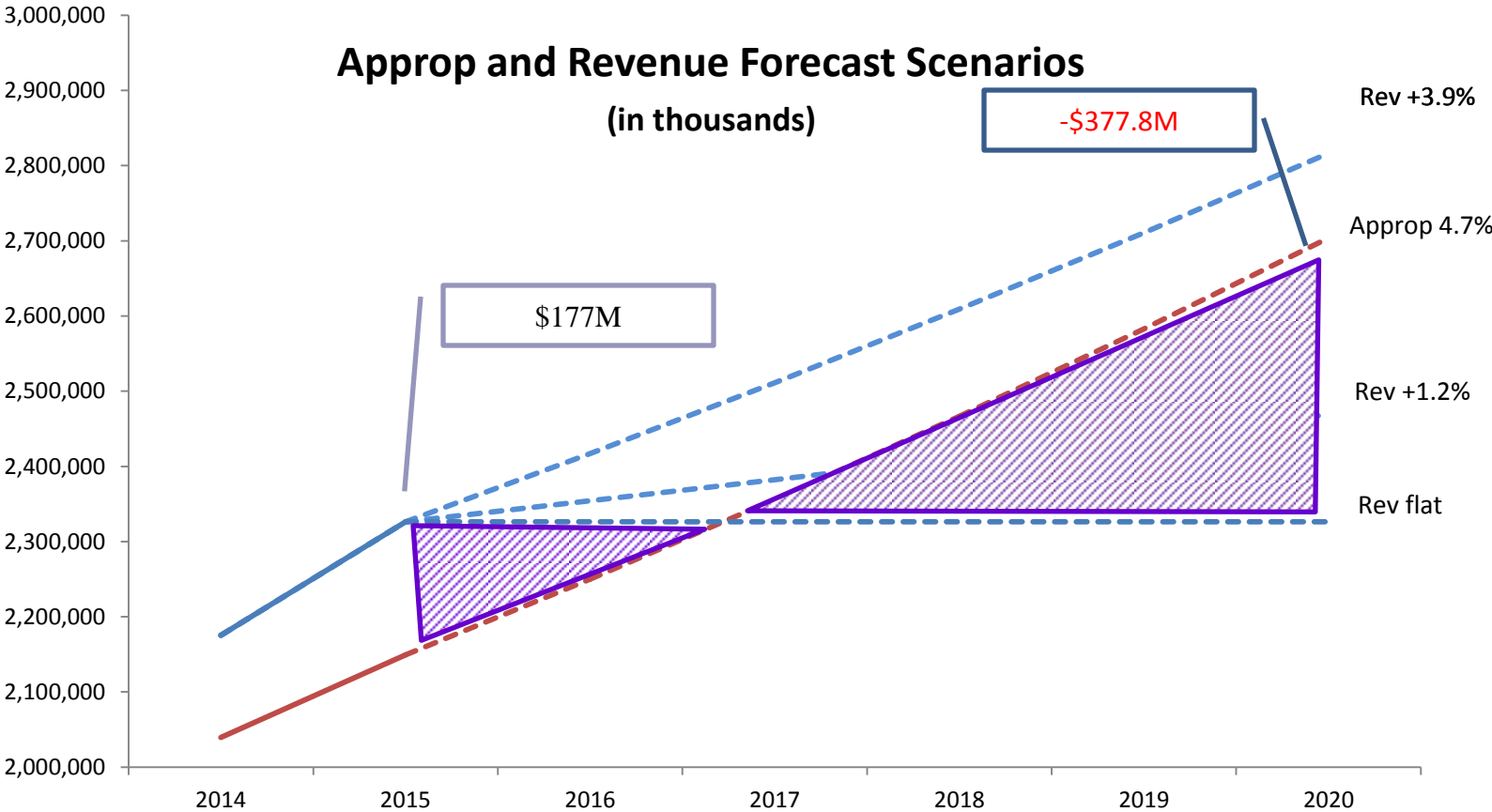


Recession Scenario #1





Recession Scenario #2





Pending Factors

- Economy
- Still high demand for safety-net services
- Federal and State budget actions
 - Inadequate funding for services provided on behalf of others
 - Sustainable transportation funding is needed
- County structural funding gap – Use of one time sources for ongoing uses
- Labor, health, retirement costs



Budget Development Timeline

- Early Budget Work Session April 12
- BWG: FY 16-17 Funding Gap & Reduction Targets April 18, 3:30 PM
April 26, 3:00 PM
- Governor's Revised Budget May
- BWG: Reduction Plans May 23, 3:00 PM
- Proposed Budget Submitted Early June 2016
- Budget Hearings and Adoption June 2016



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