



ALAMEDA COUNTY BUDGET UPDATE

Presented to the Alameda County Budget Workgroup

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Federal Budget Update

- ❑ Continuing resolution passed funding the government until April 28, 2017
- ❑ President's budget proposal expected by mid-March
- ❑ Republican control of the House, Senate, and Presidency
- ❑ Policy/Funding uncertainty:
 - Affordable Care Act, Medicaid, Medicare
 - Safety Net Cuts
 - Public Safety Cuts



State Budget Update

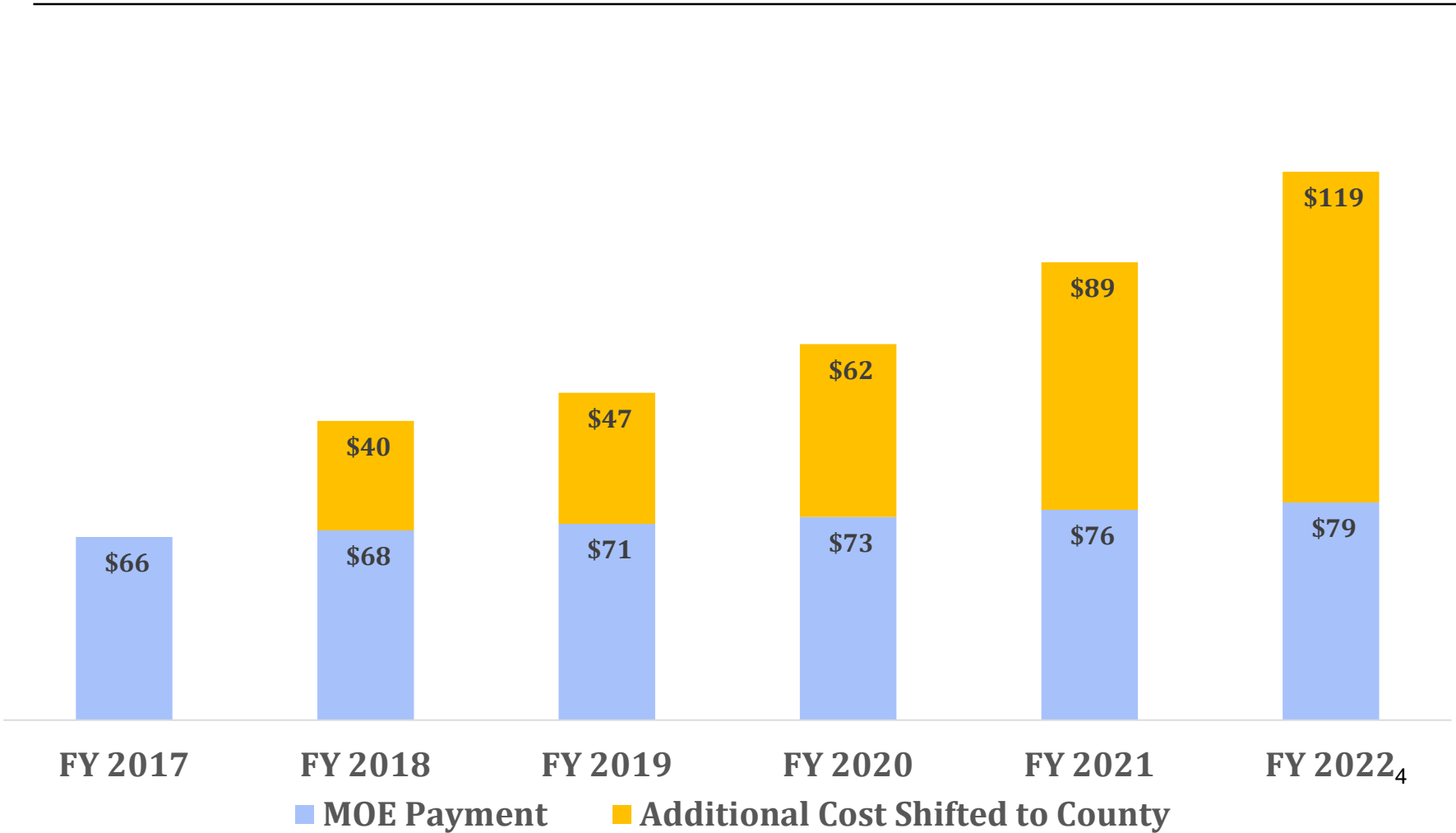
- Governor's Budget projects State in deficit for first time since Fiscal Year 2012-13

- Governor ending Coordinated Care Initiative pilot which ends the In-Home Supportive Services Maintenance of Effort arrangement and significantly increases the County's cost of delivering these services

- LAO and Governor seeing slow down in growth of 'Big 3' tax revenues, but differ on severity



Impact of IHSS MOE Ending on Alameda County (millions)





State & Federal Funds in FY16/17 Budget

Total Approved General Fund Budget \$2.57 Billion

- Over \$1.6 Billion in State & Federal Revenue
 - \$1.0 Billion in State Aid
 - \$0.5 Billion in Federal Aid
 - \$0.1 Billion in Medicaid and Medicare Charges for Services
- This represents roughly 65% of budgeted funding



Pending Factors

- State & Federal Funding & Policy Changes
 - 65% of County budget is State & federal revenue (including Medicaid charges for services)
 - IHSS policy change significantly increasing County cost

- Rising Retirement Costs
 - CALPERS lowered their discount rate 50 basis points over 3 years
 - Other pension plans will be considering taking similar actions which will raise contribution rates for participating employers

- Economic Downturn



Conclusions

- End of IHSS MOE arrangement will shift a significant and growing cost to Alameda County

- County budget is highly vulnerable to State, Federal, and pension policy changes

- Uncertainty, economic and political, is higher now than in recent years



Budget Calendar Key Dates

- Q2 projections due January 18, 2017
- PREQ MOE Cutoff January 20, 2017
- ISF budget requests due January 25, 2017
- Last Board meeting for mid-year adj. February 7, 2017 (tentative)
- Non-ISF budget requests due February 22, 2017
- Children's Services budgets due February 24, 2017
- Budget narratives due March 3, 2017
- CBO, Unincorp., Human Impacts due March 17, 2017
- Early Budget Work Sessions Late March/early April 2017
- Reduction targets to depts. April 2017
- VBB plans submitted by depts. May 2017
- Proposed Budget submitted Early June 2017
- Final Budget adopted Late June 2017