



ALAMEDA COUNTY BOARD OF SUPERVISORS

**Early Budget Work Sessions
April 10 & 11, 2017**



Early Budget Work Sessions

- State & Federal Budget Updates
- County Budget Update
 - Budget Balancing Strategies for FY 2016-17
- Department Presentations



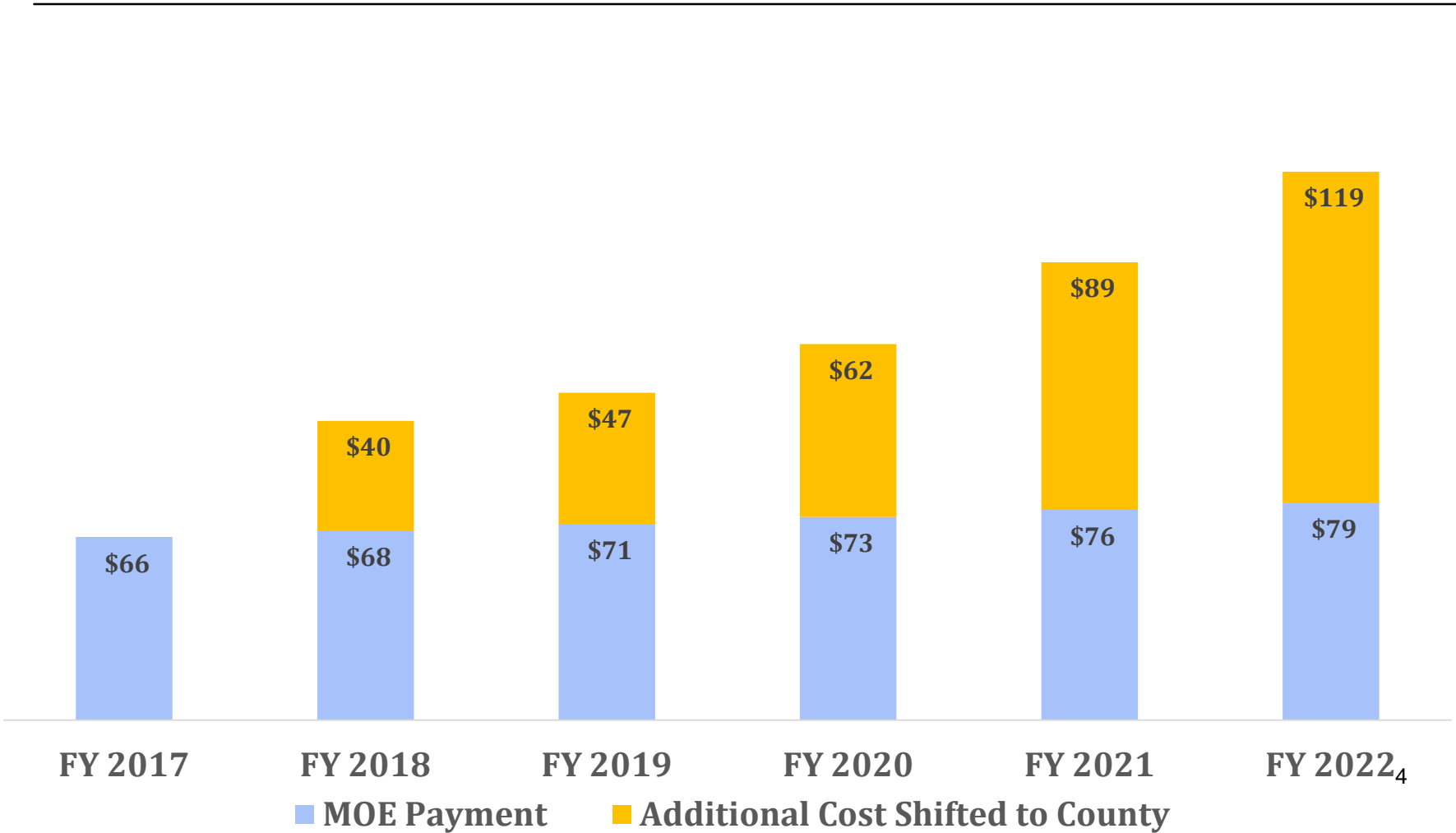
State Budget Update

- Governor's Budget Proposal
 - Projects deficit for first time since Fiscal Year 2012-13
 - Ending of In-Home Supportive Services Maintenance of Effort arrangement
 - Slowing growth of tax revenue

- Legislature approved historic transportation funding and reform bill (SB 1) and constitutional amendment (ACA 5) providing \$1.5B to local governments



Impact of IHSS MOE Ending on Alameda County (millions)





Federal Budget Update

- President's Budget Proposal
 - Policy/Funding uncertainty:
 - Safety Net Cuts
 - Public Safety Cuts
- President and Speaker pulled American Health Care Act from consideration
- Tax reform and impacts on affordable housing programs



FY 2016-17 Budget Balancing

- FY 2016-17 Final Budget closed a \$72.2M gap
- \$41.4M in one-time solutions
 - Use of FMR = \$28.6M
 - One-time appropriation reductions = \$2.1M
 - One-time revenues = \$10.7M
- \$30.8M in ongoing strategies
 - Program appropriation reductions = \$3.4M
 - Program revenue increases = \$27.4M



Board-Approved FY 2017-18 Budget Policy

- ❑ Adopt the Final Budget no later than June 30, 2017
- ❑ 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

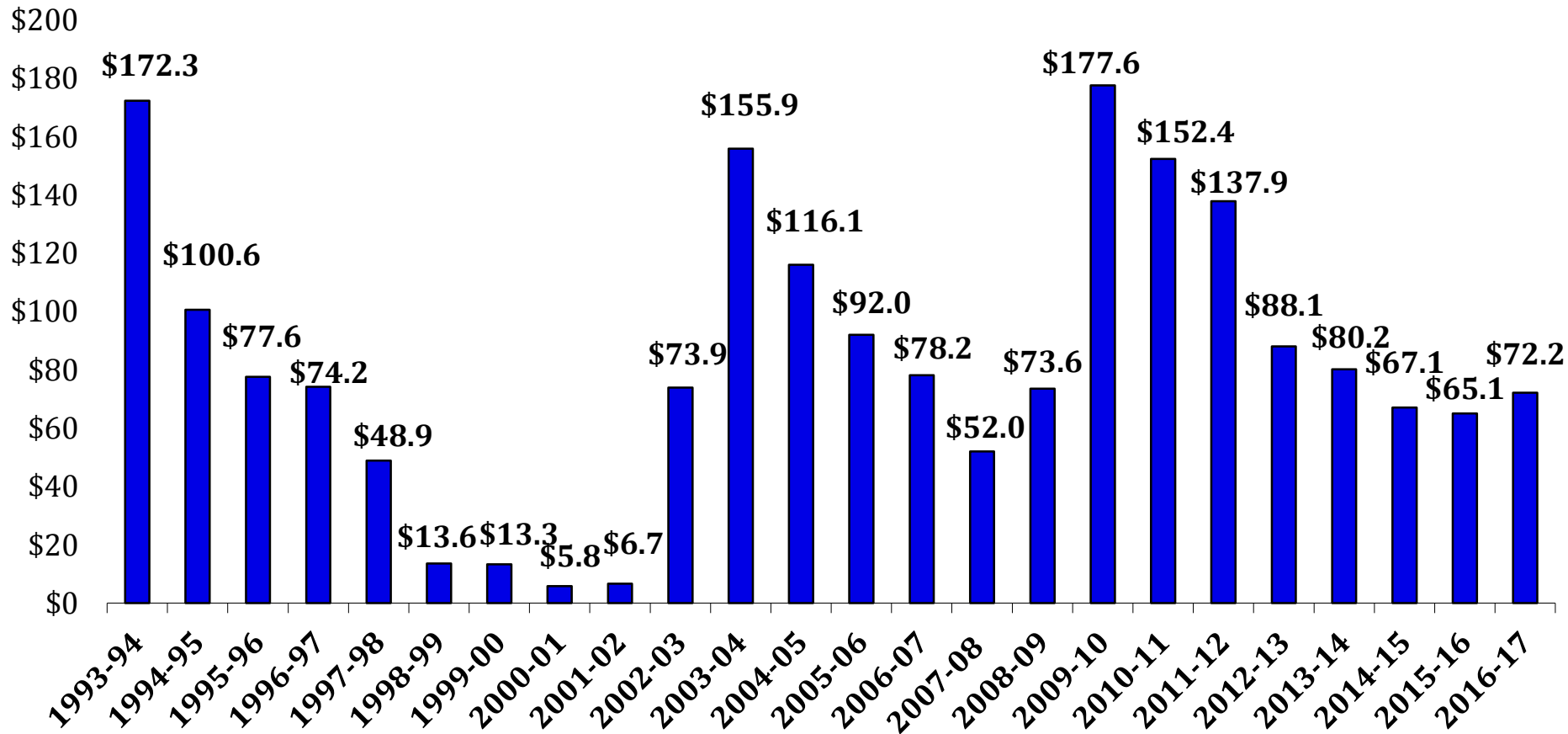


FY 2017-18 Gap Drivers – Partial List

- One-time use of FMR last year
- Known Salary/Benefits increases
 - COLAs
 - Health Insurance
- 3.5% CBO contract increases
- Ending of IHSS MOE



Alameda County Funding Gaps (in millions)





Maintenance of Effort

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



Pending Factors

- Economy
- Still high demand for safety-net services
- Federal and State budget actions
- County structural funding gap – use of one-time funding sources for ongoing uses
- Labor, health, retirement costs



Budget Development Timeline

- Early Budget Work Sessions April 10 & 11
- BWG: FY 17-18 Funding Gap April 19, 11:00 AM
- BWG: Reduction Targets April 26, 1:30 PM
- Governor's Revised Budget May
- BWG: Reduction Plans May 22, 3:00 PM
- Proposed Budget Submitted Early June 2017
- Budget Hearings and Adoption June 2017



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