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)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>MOE Payment</th>
<th>Additional Cost Shifted to County</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>$66</td>
<td>$0</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$68</td>
<td>$40</td>
</tr>
<tr>
<td>FY 2019</td>
<td>$71</td>
<td>$47</td>
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<tr>
<td>FY 2020</td>
<td>$73</td>
<td>$62</td>
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<tr>
<td>FY 2021</td>
<td>$76</td>
<td>$89</td>
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<tr>
<td>FY 2022</td>
<td>$79</td>
<td>$119</td>
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</table>
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

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Early Budget Work Sessions</td>
<td>April 10 &amp; 11</td>
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<tr>
<td>BWG: FY 17-18 Funding Gap</td>
<td>April 19, 11:00 AM</td>
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<tr>
<td>BWG: Reduction Targets</td>
<td>April 26, 1:30 PM</td>
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<tr>
<td>Governor’s Revised Budget</td>
<td>May</td>
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<tr>
<td>BWG: Reduction Plans</td>
<td>May 22, 3:00 PM</td>
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<tr>
<td>Proposed Budget Submitted</td>
<td>Early June 2017</td>
</tr>
<tr>
<td>Budget Hearings and Adoption</td>
<td>June 2017</td>
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