FY 2018-19
Budget Update

Presented to the Alameda County Budget Workgroup
May 21, 2018
Susan S. Muranishi, County Administrator
Melanie Atendido, Principal Analyst
Pete Coletto, Principal Analyst
State Budget Update—May Revision

- Revenue forecast is $8 billion higher than projected in January
- Ongoing focus on building reserves
- Proposes $4 billion in one-time funding to address infrastructure, homelessness, and mental health
- Includes repayment of $254 million plus interest to counties for costs incurred from 2004-2011 for State mandates
Federal Budget Update

- Administration proposing a $15 billion rescission package to claw back previously approved spending
  - CBO estimates the proposal would reduce actual spending by $1 billion over 10 years
  - The largest cut in the rescission proposal is the CHIP contingency fund
  - Senate prospects uncertain

- Farm Bill
  - Authorizes SNAP funding
  - House bill (HR 2) failed to pass on May 18
  - Senate is expected to release a draft bill in coming weeks

- August recess and elections in November
### FY 2018-19 MOE Budget – General Fund ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017-18 FINAL</th>
<th>FY 2018-19 MOE</th>
<th>Inc/ (Dec)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$2,750.2</td>
<td>$2,862.3</td>
<td>$112.1</td>
<td>4.1%</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,750.2</td>
<td>$2,796.4</td>
<td>$46.2</td>
<td>1.7%</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$65.9</td>
<td>$65.9</td>
<td></td>
</tr>
<tr>
<td>FTE Positions*</td>
<td>7,752.6</td>
<td>7,778.4</td>
<td>25.8</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

*Full-time equivalent positions

Note: Totals may vary slightly due to rounding
## FY 2018-19 Budget Balancing - Option D ($ in millions)

Option D:
Absorb NCC Increase w/ FMR and Credit Share of $29.1M Based on % Share of NCC

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$14.4</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$21.5</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$16.2</td>
</tr>
<tr>
<td>Health Care</td>
<td>$13.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$65.9</strong></td>
</tr>
</tbody>
</table>

*Numbers and percentages are rounded for display purposes, but calculations are based on exact numbers.*
## FY 2018-19 Reduction Targets

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Reduction Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$14.4M</td>
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<td>$21.5M</td>
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<td>Public Assistance</td>
<td>$16.2M</td>
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<tr>
<td>Health Care</td>
<td>$13.8M</td>
</tr>
<tr>
<td><strong>Total Programs</strong></td>
<td><strong>$65.9M</strong></td>
</tr>
</tbody>
</table>
Pending Factors

- Economic uncertainty
- State budget: Legislative adoption and Governor’s signing
- Structural funding gap – use of one-time solutions for ongoing expenses
- Labor, health, retirement costs
Next Steps

- Continue to close the funding gap
- May Revision
  - Determine/refine estimates of budget and human impacts
  - Continue to monitor State budget negotiations
  - Work with legislative advocates
- Presentation of FY 2018-19 Proposed Budget to Board
  - June 12, 2018 at 11:00 am
- Budget Hearings/Adoption
  - Budget hearings during week of June 25, 2018
  - Adoption of FY 18-19 Final Budget on June 29, 2018 at 1:00 pm
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