



# **ALAMEDA COUNTY BOARD OF SUPERVISORS**

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**Early Budget Work Session**

**April 10, 2018**



# Early Budget Work Session

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- Federal & State Budget Updates
- County Budget Update
  - ❖ Board-Approved FY 2018-19 Budget Policy
  - ❖ Budget Balancing Strategies for FY 2017-18
- Pending Factors
- Vision 2026
- Department Presentations



# Federal Budget Update

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- On 3/23/18, the President signed a \$1.3 trillion spending bill
  - Funds the federal government through the end of September
  - Increases funding for military and domestic spending
  
- Tax Cuts and Jobs Act – signed into law on 12/22/17
  - State & local tax deduction cap
  - Long-term fiscal impact
  - Individual health care mandate eliminated
  
- Policy, funding, interest rate, and tariffs/trade uncertainty



# State Budget Update

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- Legislative Analyst's Office (LAO) fiscal outlook
  - Budget improved, but continued uncertainty
  - Recession would quickly throw budget from surplus to deficit
  
- Governor cautioning prudence and placing State surplus in the 'Rainy Day' fund
  
- New IHSS MOE in place with costs to the County growing
  
- Proposed bills to limit the County's ability to contract with community providers



## Board-Approved FY 2018-19 Budget Policy

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- ❑ Adopt the Final Budget no later than June 30, 2018
- ❑ 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 2018-19 MOE Cost Drivers - Partial List

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- One-time use of FMR last year
- Known salary/benefits increases
  - COLAs
  - Health insurance
- Internal Service Fund cost increases
- 3.5% COLA for CBO contracts
- Increased shifting of IHSS costs from State to counties



## FY 2017-18 Budget Balancing

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- FY 2017-18 Final Budget closed a \$108.5M gap
  - Included proposed \$40M IHSS cost shift
- \$44.7M in one-time solutions
  - Use of FMR = \$30.8M
  - One-time appropriation reductions = \$2.6M
  - One-time revenues = \$11.3M
- \$63.8M in ongoing strategies
  - Program appropriation reductions = \$24.9M
  - Program revenue increases = \$38.9M



## Pending Factors

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- Federal and State funding changes
  - 65% of County budget is State and federal revenue (including Medicaid charges for services)
  - Impact of IHSS MOE change
- County structural funding gap – use of one-time funding sources for ongoing uses
- Rising labor and retirement costs
  - ACERA lowered discount rate from 7.6% to 7.25%
- Economic downturn





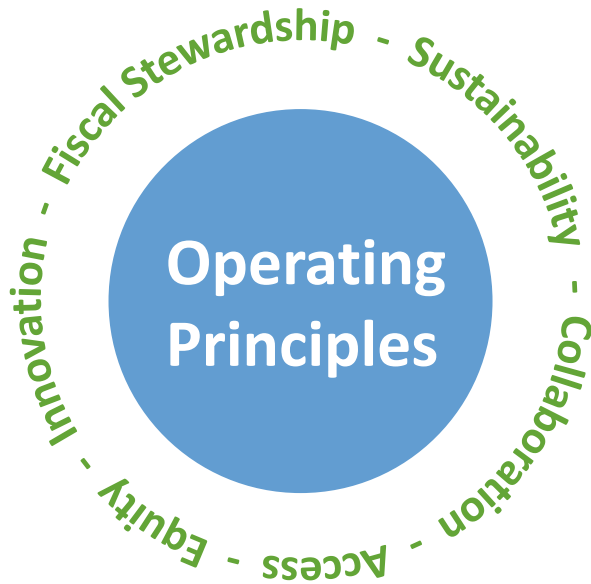
# Budget Development Timeline

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- Early Budget Work Session April 10, 2018
- BWG: FY 18-19 Funding Gap April 17, 3:00 PM
- BWG: Reduction Targets April 25, 1:00 PM
- Governor's Revised Budget May 2018
- BWG: Reduction Plans May 21, 4:00 PM
- Proposed Budget Submitted Early June 2018
- Budget Hearings and Adoption June 2018



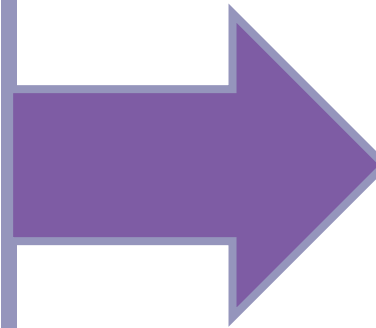
## Our Shared Vision





# 10X Goals – Pathways to Our Shared Vision

- *Eliminate homelessness*
- *Healthcare for all*
- *Employment for all*
- *Eliminate poverty and hunger*
- *Crime free county*
- *Accessible infrastructure*



**Safe and Livable  
Communities**

**Thriving and Resilient  
Population**

**Healthy Environment**

**Prosperous and Vibrant  
Economy**



# Vision 2026 Website - Draft





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