County of Alameda
Proposed Budget FY 2019-20
Susan S. Muranishi, County Administrator
Amy Costa, Deputy County Administrator
Melanie Atendido, Principal Analyst
Pete Coletto, Principal Analyst
June 25, 2019
## FY 2019-20 Proposed Budget

**Appropriations/Revenues Balanced**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds</td>
<td>$3,375,297,609</td>
</tr>
<tr>
<td>General Fund</td>
<td>$3,020,128,152</td>
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<tr>
<td>Increase from FY 2018-19</td>
<td>$130,445,387</td>
</tr>
<tr>
<td>Full-Time Equivalent Positions (FTEs)</td>
<td>9,786.04</td>
</tr>
<tr>
<td>Increase from FY 2018-19</td>
<td>24.59</td>
</tr>
</tbody>
</table>
Alameda County

Economic Outlook
Alameda County
Unemployment Rate

2.7%
Alameda County
Median Home Values

$822,000
Alameda County
Assessment Roll Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
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</thead>
<tbody>
<tr>
<td>1964</td>
<td>5%</td>
</tr>
<tr>
<td>1969</td>
<td>13%</td>
</tr>
<tr>
<td>1974</td>
<td>7%</td>
</tr>
<tr>
<td>1979</td>
<td>-1%</td>
</tr>
<tr>
<td>1984</td>
<td>1%</td>
</tr>
<tr>
<td>1989</td>
<td>3%</td>
</tr>
<tr>
<td>1994</td>
<td>5%</td>
</tr>
<tr>
<td>1999</td>
<td>7%</td>
</tr>
<tr>
<td>2004</td>
<td>9%</td>
</tr>
<tr>
<td>2009</td>
<td>11%</td>
</tr>
<tr>
<td>2014</td>
<td>13%</td>
</tr>
<tr>
<td>2019</td>
<td>15%</td>
</tr>
</tbody>
</table>
Alameda County Property Tax Dollar

*Over time, redevelopment agencies’ share of property taxes should be distributed to other entities.*
Key Economic Takeaways

- Near-term economy remains robust driven by a strong, but cooling, labor market

- Federal reserve taking a more dovish stance

- Longer-term concerns remain
  - Short-term Treasury bond yields higher than long-term yields – This has been reliable future recession indicator
  - Economic data out of Europe & Asia suggests their economies are slowing
  - US/China trade tensions
  - Weaker manufacturing & trucking demand data

**Bottom Line:** Economy at the moment remains strong, but risks look larger than this time last year. We know the next inevitable recession is coming, we just do not know when it will arrive.
State & Federal Update
State Budget

- Lawmakers have agreed on a $214.8 billion budget deal – awaiting Governor’s approval & trailer bills

- Focus on education, homelessness, health care, & ‘budgetary resiliency’

- $1 billion proposal for homelessness services
  - $650 million one-time funding to local governments for homelessness emergency aid
  - Details on distribution still being finalized

- $1.75 billion to increase housing production

- In-Home Supportive Services relief to counties

- Other targeted investments in CalWORKs, Public Health, Medi-Cal administration, Foster Care, & voting system infrastructure
State Budget
Risks & Pending Factors

Balanced Budgets Have Been Quickly Followed by Huge Deficits

Dollars in Billions


1 Budget shortfalls or surplus, measured by the annual Governor’s Budget.
State Budget
Risks & Pending Factors

Revenue Could Drop by Nearly $70 Billion in a Recession
(Dollars in Millions)

- Forecast
- Recession
- Governor’s Budget
Federal Update

- Split control in Congress – not expecting major legislation before 2020 elections
- Potential administrative rule changes to safety net programs
- Debt as a share of GDP at a level only exceeded by WWII
Alameda County

FY 2019-2020 Proposed Budget
## FY 2019-20 Budget Overview
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>All Funds</th>
<th>FY 2018-19 APPROVED</th>
<th>FY 2019-20 MOE</th>
<th>FY 2019-20 PROPOSED</th>
<th>Change from 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$3,416</td>
<td>$3,391</td>
<td>$3,375</td>
<td></td>
<td>($40)**</td>
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<tr>
<td>Revenue</td>
<td>$3,416</td>
<td>$3,331</td>
<td>$3,375</td>
<td></td>
<td>($40)</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$60</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>FTE*</td>
<td>9,761.45</td>
<td>9,793.04</td>
<td>9,786.04</td>
<td>24.59</td>
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</tbody>
</table>

### General Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$2,890</td>
<td>$3,036</td>
<td>$3,020</td>
<td>$130</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,890</td>
<td>$2,976</td>
<td>$3,020</td>
<td>$130</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$60</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>FTE*</td>
<td>7,801.46</td>
<td>7,832.64</td>
<td>7,825.64</td>
<td>24.18</td>
</tr>
</tbody>
</table>

*Full-time equivalent positions

**The FY18-19 Budget includes the issuance of the 1st tranche of Measure A1 bonds for affordable housing; the County does not anticipate issuing the next tranche until after FY19-20.
FY 2019-20 Proposed Budget
Appropriation by Program – General Fund ($ in millions)

Total General Fund: $3,020.1 million
FY 2019-20 Proposed Budget
Appropriation by Major Object – General Fund ($ in millions)

Salaries & Employee Benefits, $1,198.3, 38%
Services & Supplies, $1,203.1, 39%
Other Charges, $518.9, 17%
Fixed Assets, $14.5, 0%
Other Financing Uses, $174.4, 6%

Intra-Fund Transfers: -$89.1 million
Total General Fund: $3,020.1 million
## Community-Based Organization (CBO) Contracts

**FY 2019-20 Proposed Budget Funding** ($ in millions)

<table>
<thead>
<tr>
<th>Program Area</th>
<th>FY 19-20 Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$20.4</td>
</tr>
<tr>
<td>Health Care Services*</td>
<td>$401.5</td>
</tr>
<tr>
<td>Health Care – Alameda Health System</td>
<td>$81.5</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$85.2</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$36.3</td>
</tr>
<tr>
<td><strong>CBO Contracts Total</strong></td>
<td><strong>$624.9</strong></td>
</tr>
</tbody>
</table>

Total: 287 CBO Contractors

* excluding Alameda Health System contracts
FY 2019-20 Proposed Budget
Available Financing by Source – General Fund ($ in millions)

State Aid, $1,215.3, 40%
Aid from Federal Gov't, $508.4, 17%
Aid from Local Gov't Agencies, $34.0, 1%
Charges for Services, $365.7, 12%
Other Revenues, $197.1, 7%
Other Financing Sources, $53.5, 2%
Available Fund Balance, $1.1, 0%
Property Tax Revenues, $484.1, 16%
Other Taxes, $119.7, 4%
Licenses, Permits & Franchises, $9.4, 0%
Fines, Forfeits & Penalties, $12.5, 0%
Use of Money & Property, $19.3, 1%

Total General Fund: $3,020.1 million
FY 2019-20 Proposed Budget
Discretionary Revenue – Share of Total General Fund ($ in millions)

- Program Revenue, $2,187.2, 72%
- Discretionary Revenue, $798.2, 27%
- Debt Service Revenue, $5.9, 0%
- Use of FMR, $28.8, 1%

Total General Fund: $3,020.1 million
FY 2019-20 Proposed Budget
Discretionary Revenue by Source ($ in millions)

Total Discretionary Revenue: $798.2 million
FY 2019-20 Proposed Budget
Use of Discretionary Revenue by Program ($ in millions)

Public Protection, $343.6, 43%
Health Care, $132.7, 17%
Contingency & Reserve, $59.0, 7%
Public Assistance, $69.4, 9%
Capital Projects, $7.0, 1%
General Government, $63.8, 8%
Debt Service, $122.8, 15%

Total Discretionary Revenue: $798.2 million
Alameda County

Funding Gap and Balancing Strategies
## FY 2019-20 Maintenance of Effort (MOE) Funding Level

<table>
<thead>
<tr>
<th>General Fund</th>
<th>2018-19 Final</th>
<th>2019-20 MOE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$2,889,682,765</td>
<td>$3,036,336,304</td>
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<tr>
<td>Revenue</td>
<td>$2,889,682,765</td>
<td>$2,975,982,915</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$60,353,389</td>
</tr>
<tr>
<td>FTE*</td>
<td>7,801.46</td>
<td>7,832.64</td>
</tr>
</tbody>
</table>

*FTE = Full-time equivalent positions
### Closing the FY 2019-20 Gap

#### Proposed Budget Balancing

<table>
<thead>
<tr>
<th>Budget Balancing Strategies</th>
<th>Net County Cost Reduction (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$ 19.0</td>
</tr>
<tr>
<td>Health Care</td>
<td>$ 12.0</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$ 12.3</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$ 13.2</td>
</tr>
<tr>
<td>Non-Program Revenue</td>
<td>$ 3.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 60.4</strong></td>
</tr>
</tbody>
</table>
## FY 2019-20 Funding Gap Reductions
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Appropriation Decrease</th>
<th>Revenue Increase</th>
<th>Use of FMR</th>
<th>Total Reduction Including FMR</th>
<th>FTE Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$0.2</td>
<td>$1.0</td>
<td>$17.8</td>
<td>$19.0</td>
<td>0</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>$0.3</td>
<td>$4.7</td>
<td>$7.0</td>
<td>$12.0</td>
<td>0</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$10.9</td>
<td>$1.4</td>
<td>$0.0</td>
<td>$12.3</td>
<td>0</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$4.8</td>
<td>$4.3</td>
<td>$4.0</td>
<td>$13.2</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Non-Program</td>
<td>$0.0</td>
<td>$3.9</td>
<td>$0.0</td>
<td>$3.9</td>
<td>0</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$16.2</strong></td>
<td><strong>$15.3</strong></td>
<td><strong>$28.8</strong></td>
<td><strong>$60.4</strong></td>
<td>(7.0)</td>
</tr>
</tbody>
</table>

Note: The figures above are based on exact numbers – totals may vary due to rounding
## Closing the FY 2019-20 Gap

### Ongoing vs. One-Time Strategies

<table>
<thead>
<tr>
<th>Proposed Budget Balancing Strategies</th>
<th>Net County Cost Reductions ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>Program appropriation reductions</td>
<td>$16.3*</td>
</tr>
<tr>
<td>Program revenue increases</td>
<td>$ 5.0</td>
</tr>
<tr>
<td>Non-program revenue increases</td>
<td>$ 3.9</td>
</tr>
<tr>
<td><strong>Subtotal Ongoing Strategies</strong></td>
<td>$25.2</td>
</tr>
<tr>
<td><strong>One-Time Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>Fiscal Management Reward (FMR) Savings</td>
<td>$28.8</td>
</tr>
<tr>
<td>One-time revenues</td>
<td>$ 6.4</td>
</tr>
<tr>
<td><strong>Subtotal One-Time Strategies</strong></td>
<td>$35.2</td>
</tr>
<tr>
<td><strong>Grand Total Balancing Strategies</strong></td>
<td>$60.4</td>
</tr>
</tbody>
</table>

*Includes the elimination of 7.0 vacant funded FTEs in the Sheriff's Office*
FY 2019-20 Budget Balancing Strategies

Ongoing vs. One-time ($ in millions)

- One-time FMR: $28.8 million (42%)
- Other One-time: $8.9 million (13%)
- Ongoing: $31.4 million (45%)

Total Net County Cost Reductions: $65.9 million
Pending Factors

- Economic downturn

- Homelessness
  - State funding to address issue is mainly one-time funding for ongoing crisis

- Alameda Health System financial problems

- Increasing retirement costs
  - ACERA unfunded liability is over $2.1 billion as of 12/31/2018
  - Expecting additional discount rate decreases in future years

- Growing In-Home Supportive Services (IHSS) costs

- Expiration of federal waivers (Title IV-E & Medicaid)

- Facility maintenance & capital needs

- Pending litigation
Alameda County
Human Impacts Report

Impacts of budget decisions on our most vulnerable residents

Prepared by
The Office of the County Administrator

COUNTY OF ALAMEDA, CALIFORNIA
Alameda County

FY 19-20 Homelessness Funding
**HOMELESSNESS ACTION PLAN**

*FY 18-19 through FY 20-21*

New One-Time: $90M  
Ongoing Funding: $250M  
Total: $340M

---

**PREVENT HOMELESSNESS**
- Housing Resource Centers
- Housing Problem Solving Funds
- 2-1-1 Services

**OUTREACH TO UNSHELTERED**
- Housing Resource Centers
- Outreach
- Homeless Mentally Ill Outreach and Treatment

**PROVIDE HEALTH & SUPPORTIVE SERVICES**
- Legal Aid
- Healthcare for the Homeless
- Permanent Supportive Housing
- Street Medicine
- Trust Clinic

**PROVIDE SHELTER & HOUSING**
- Emergency Shelter
- Winter Relief
- Transitional Housing
- Rapid Re-Housing
- Realignment Housing Program
- Permanent Supportive Housing

**CREATE A COORDINATED SYSTEM**
- HMIS
- Operating Costs
- Administrative Costs
FY 2019-20 Budgeted Toward Homelessness

$356.9M

$249.6M Ongoing

$90.2M One-Time

$17.1M New Funds

Three-Year Total
(Action Plan and New Funds)

$130.2M

$84.1M Ongoing

$31.4M One-Time

$14.7M New Funds

FY 19-20 Budgeted
FY 19-20 Homelessness Budget by Department and Category
($ in millions)

By Department
- SSA: $25.7 million (20%)
- HCSA: $61.1 million (47%)
- CDA: $34.0 million (26%)
- Probation: $9.4 million (7%)

By Category
- Providing Shelter/Housing: $68.0 million (52%)
- Health/Supportive Services: $28.2 million (22%)
- Preventing Homelessness: $8.0 million (6%)
- Outreach to Unsheltered: $9.0 million (7%)
- Coordinated System: $17.0 million (13%)

Total Budget: $130.2 million
## FY 19-20 Homelessness Budget by Source

($ in millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>County General Fund (includes Boomerang)</td>
<td>$32.2</td>
</tr>
<tr>
<td>Mental Health Services Act</td>
<td>$29.4</td>
</tr>
<tr>
<td>Whole Person Care</td>
<td>$17.0</td>
</tr>
<tr>
<td>U.S. Department of Housing &amp; Urban Development</td>
<td>$16.5</td>
</tr>
<tr>
<td>AB 109</td>
<td>$7.4</td>
</tr>
<tr>
<td>CalWORKs</td>
<td>$5.8</td>
</tr>
<tr>
<td>Health Resources and Services Administration</td>
<td>$5.0</td>
</tr>
<tr>
<td>State One-Time</td>
<td>$4.3</td>
</tr>
<tr>
<td>2011 Realignment</td>
<td>$4.0</td>
</tr>
<tr>
<td>Substance Abuse and Mental Health Services</td>
<td>$1.1</td>
</tr>
<tr>
<td>Housing Opportunities for Persons with AIDS</td>
<td>$0.8</td>
</tr>
<tr>
<td>Other Funding</td>
<td>$6.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$130.2</strong></td>
</tr>
</tbody>
</table>
Three-Year Unincorporated Action Plan – FY 19-20
Adopted December 2018

- **$7.5M**
  - FY 19-20 Proposed Budget
    - Includes:
      - Support of Tiny Homes
      - Expanded outreach
      - Safe Parking

- **$2.5M**
  - FY 19-20 Proposed Budget

- **$0.2M**
  - One-time funds for FY 19-20

- **$4.8M**
  - Carryover to be appropriated
    - Includes:
      - Support of Tiny Homes at First Presbyterian
      - Navigation Center start-up
      - RV Waste Disposal
      - Mobile Hygiene
Our Shared Vision

Operating Principles

Strategic Focus Areas

Safe and Livable Communities
Thriving and Resilient Population
Healthy Environment
Prosperous and Vibrant Economy

Operating Principles

- Fiscal Stewardship
- Sustainability
- Innovation
- Equity
- Access
- Collaboration

Safety Net
Housing
Workforce
Public Safety
Infrastructure
Health
Social Safety
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

Our vision for 2026...

Safe & Livable Communities

Prosperous & Vibrant Economy

Healthy Environment

Thriving & Resilient Population
FY 2019-20 Budget Hearing Schedule

Tuesday, June 11
Presentation of Proposed Budget

Tuesday, June 25 10:30 a.m.
Budget Hearings
Opening Comments
Health Care
Public Assistance
Public Protection
General Government
Other Issues/Final Adjustments

Wednesday, June 26 1:30 p.m.
Final Budget Deliberations

Friday, June 28 11:00 a.m.
Final Budget Adoption