

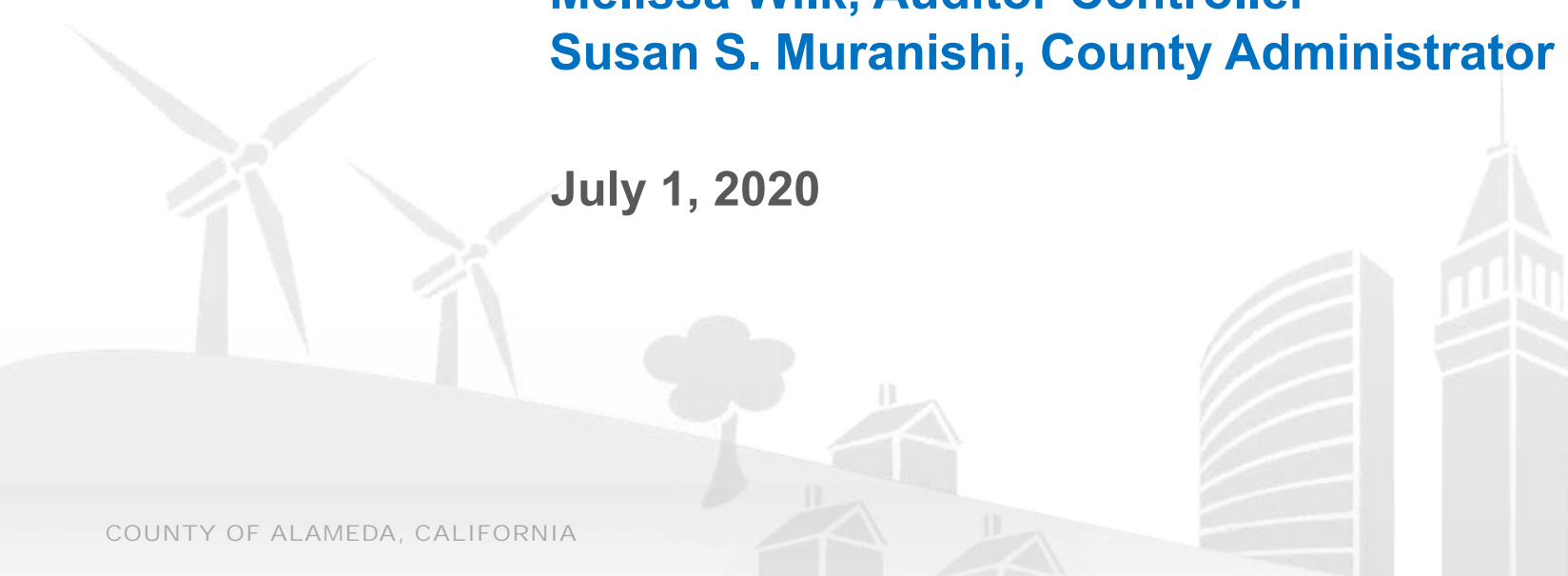
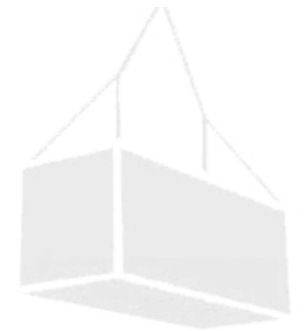
DRAFT



# Alameda County Fiscal Year 2020-21 Update to Labor Representatives

**Melissa Wilk, Auditor-Controller**  
**Susan S. Muranishi, County Administrator**

**July 1, 2020**



# Overview

- Introductions
- County Budget & Finances
- State and Federal Budget Updates
- Labor Business

# DRAFT



DRAFT

# Economic Outlook



# National and State Unemployment

## Nationwide

- **44.2M** total workers filed initial claims
- 1.5M claims filed the week ending June 12

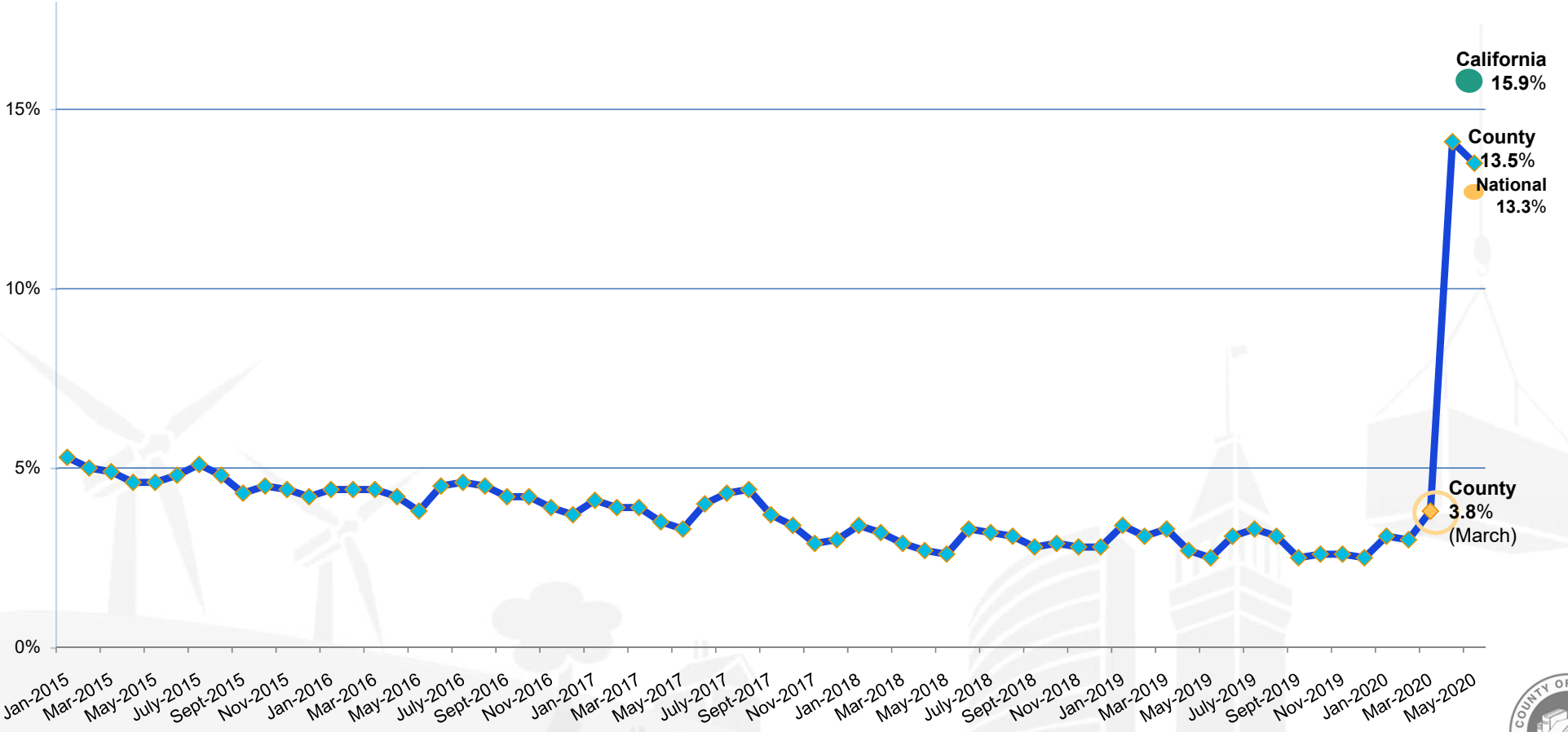
## California

- **5.3M** total workers filed jobless claims
- 258K initial unemployment claims filed for the week ending June 6 – the highest weekly total in over a month
- 243K claims filled the week ending June 12



DRAFT

# Alameda County – Unemployment Rate (May 2020)

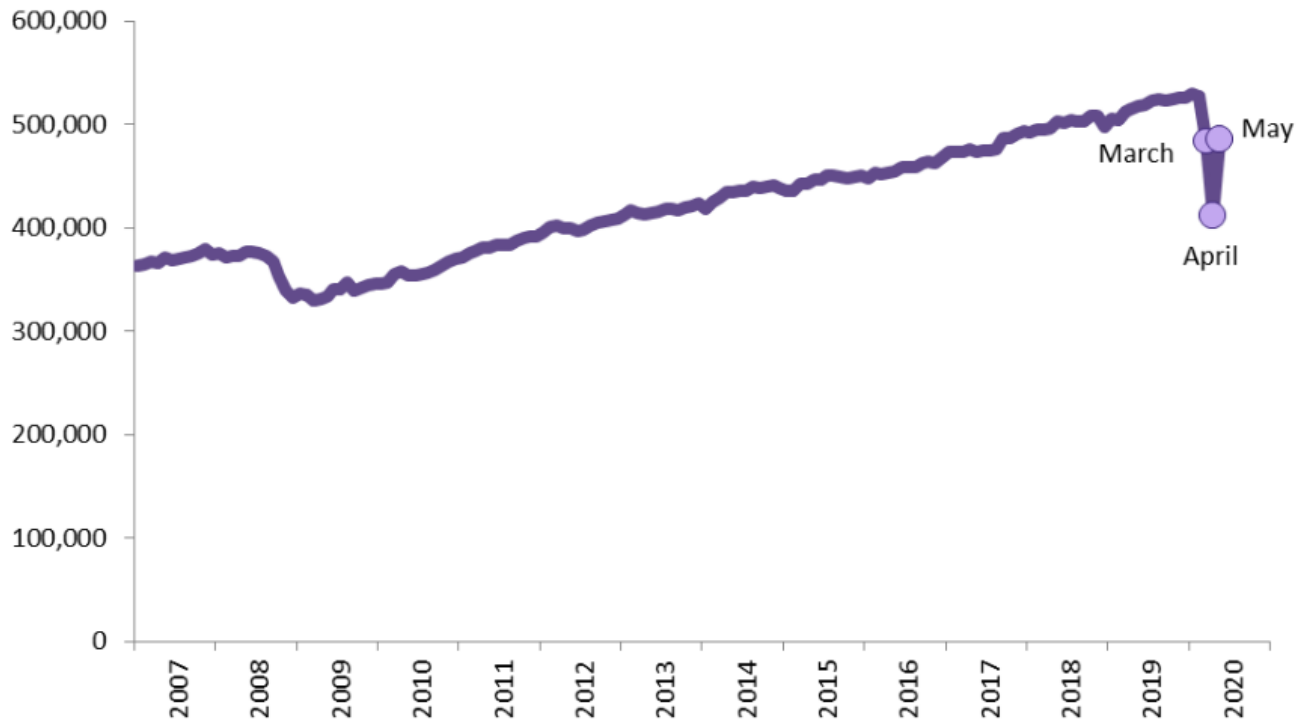


# Retail sees an increase in May... but still below 2019

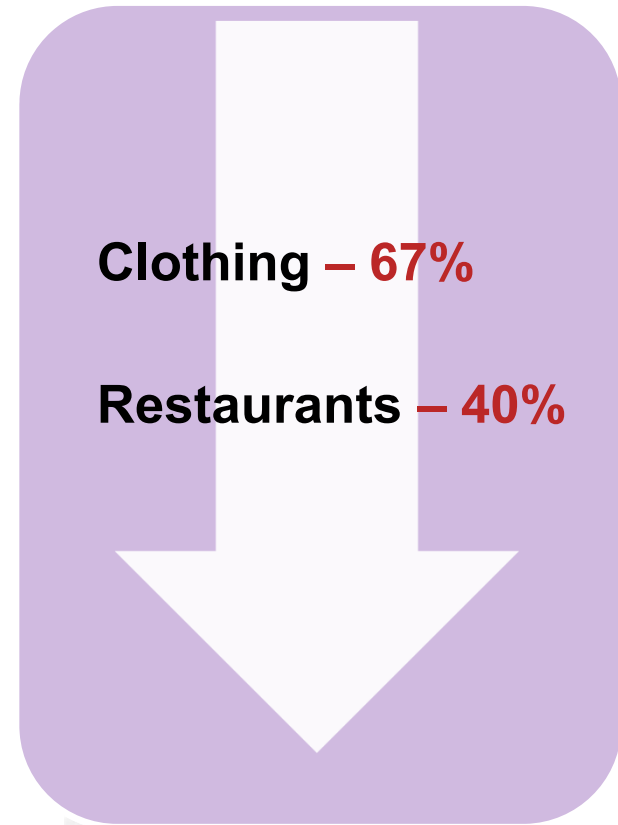
DRAFT

## U.S. Retail Sales

Millions of Dollars Per Month (Seasonally-adjusted)

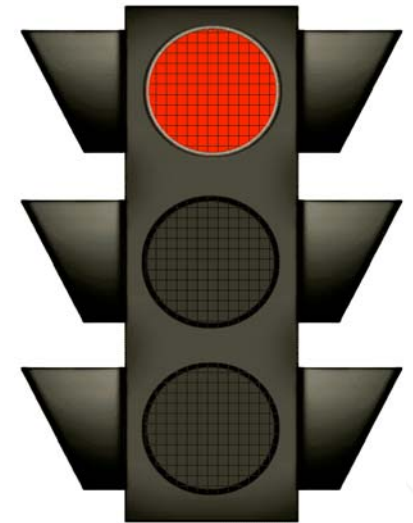


Source Legislative Analyst's Office



## Key Economic Takeaways

- We are in a **recession**
- Duration of **recession** depends upon
  - Unemployment rates (still climbing)
  - Impacts of increased COVID-19 cases and Shelter-in-Place public health orders
  - Consumer confidence and spending remains low
  - Federal aid



DRAFT

# FY 2020-21 County Budget Framework



**Phase 1:**  
Maintenance  
of Effort



**Phase 2:**  
May Revise  
Projections



**Phase 3:**  
State Budget &  
Federal Assistance



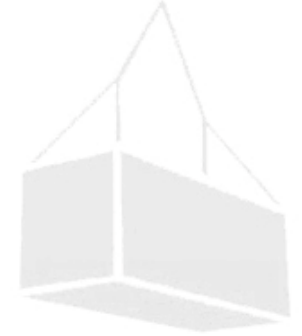




DRAFT

## Phase One

### FY 20-21 Maintenance of Effort Budget



# FY 2020-21 MOE Budget - General Fund

(\$ in millions)

# DRAFT

	FY 2019-20 FINAL	FY 2020-21 MOE	Increase/ (Decrease)	% Change
Appropriation	\$3,032.2	\$3,120.9	\$88.7	2.9%
Revenue	\$3,032.2	\$3,048.8	\$16.6	0.6%
Funding Gap	\$0	\$72.1	\$72.1	N/A
FTE Positions*	7,931.1	7,987.0	55.9	0.7%

NOTE: Totals may vary slightly due to rounding

\*FTE = Full-Time Equivalent positions

Majority of the FTE increase is project positions (including 37.0 FTE from Probation pre-trial grant)



# FY 2020-21 Funding Gap Reductions

(\$ in millions)

DRAFT

Program	Appropriation Decrease	Revenue Increase	Use of FMR	Total Reduction Including FMR	FTE Change
General Government	\$0.0	\$0.0	\$17.7	\$17.7	0
Health Care Services	\$3.9	\$6.6	\$10.0	\$20.5	0
Public Assistance	\$4.5	(\$1.6)	\$0.0	\$ 2.9	(11.71)
Public Protection	\$5.0	\$14.6	\$11.4	\$31.0	0
<b>Grand Total</b>	<b>\$13.4</b>	<b>\$19.6</b>	<b>\$39.1</b>	<b>\$72.1</b>	<b>(11.71)</b>

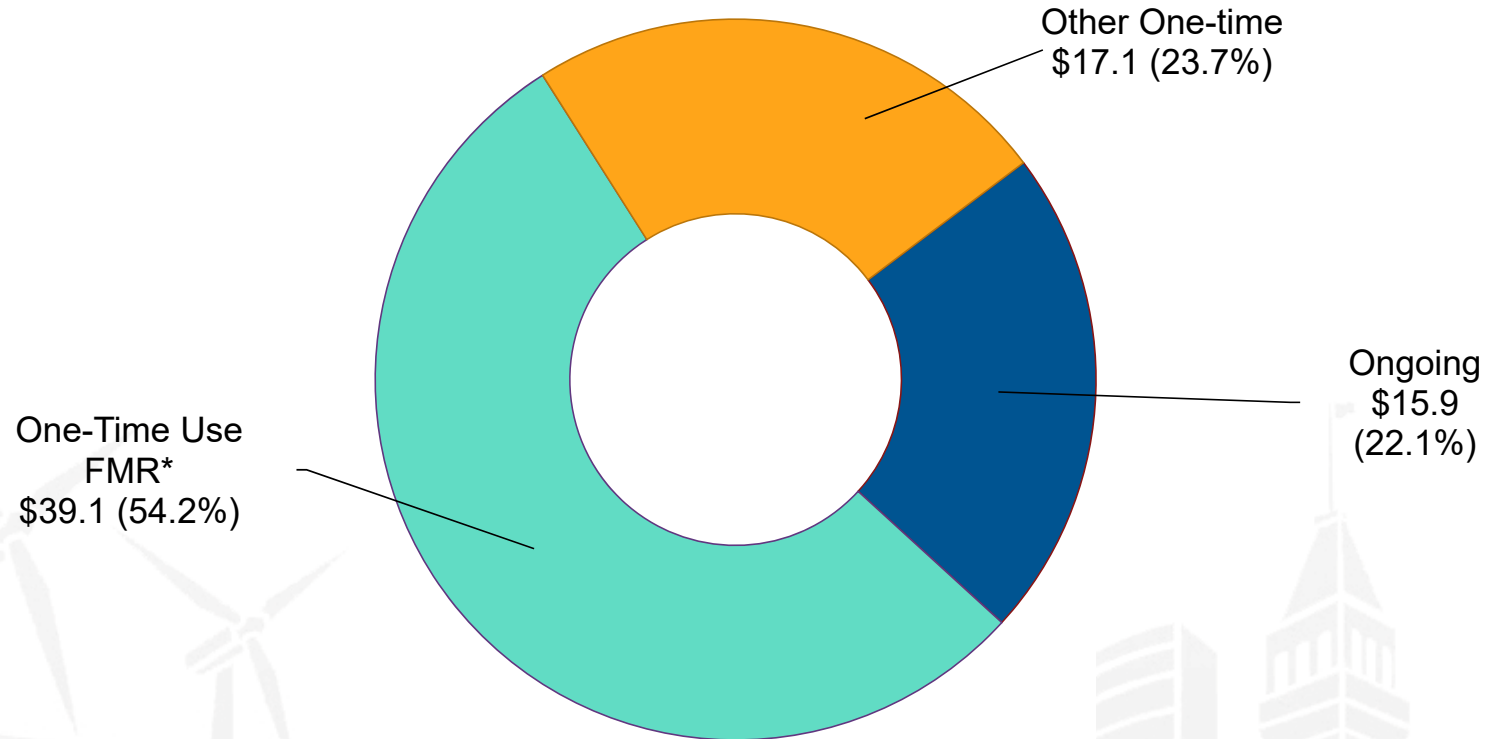
Note: The figures above are based on exact numbers – totals may vary due to rounding



# FY 2020-21 Budget Balancing Strategies

DRAFT

Ongoing vs. One-time (\$ in millions)



**Total Net County Cost Reductions: \$72.1 million**

\*Fiscal Management Program Savings



COUNTY ADMINISTRATOR'S OFFICE

# FY 2020-21 Budget Overview (\$ in millions)

DRAFT

	FY 2019-20 APPROVED	FY 2020-21 MOE	FY 2020-21 PROPOSED	Change from 2019-20
<b>ALL FUNDS</b>				
Appropriation	\$3,543.5	\$3,489.1	\$3,494.5	*(\$49.0)
Revenue	\$3,543.5	\$3,417.0	\$3,494.5	(\$49.0)
Funding Gap	\$0	\$72.1	\$0	\$0
FTE**	9,887.00	9,868.73	9,953.02	66.02
<b>GENERAL FUND</b>				
Appropriation	\$3,032.2	\$3,120.9	\$3,126.3	\$94.1
Revenue	\$3,032.2	\$3,048.8	\$3,126.3	\$94.1
Funding Gap	\$0	\$72.1	\$0	\$0
FTE**	7,931.10	7,987.01	8,071.30	140.21

\*The primary driver in the All Funds change reflects the use of Measure A1 GO Bond proceeds.

\*\*Full-time equivalent positions. General Fund FTE changes are all Board-approved and fully offset by revenue or other one-time funding. All Funds FTE changes are offset by a reduction of funded vacancies in the Public Works Agency.



DRAFT



## Phase Two

### **FY 20-21 May Revise Projections**



# Projected Realignment Revenue Loss – May Revise **DRAFT**

(in millions)

Program / Source	20-21 MOE	20-21 May Revise	Change	% Change
<b>Health Care</b>				
<b>1991</b>	\$72.9	\$66.1	(\$6.8)	(9.3%)
<b>2011</b>	\$83.8	\$66.7	(\$17.1)	(20.4%)
<b>Subtotal</b>	\$156.7	\$132.8	(\$23.9)	(15.3%)
<b>Social Services</b>				
<b>1991</b>	\$120.9	\$106.5	(\$14.4)	(11.9%)
<b>2011</b>	\$97.4	\$84.7	(\$12.7)	(13.0%)
<b>Subtotal</b>	\$218.3	\$191.2	(\$27.1)	(12.4%)
<b>Public Protection</b>				
<b>2011</b>	\$84.9	\$72.8	(\$12.1)	(14.3%)
<b>TOTAL</b>	<b>\$459.9</b>	<b>\$396.8</b>	<b>(\$63.1)</b>	<b>(13.7%)</b>



# Other Sales and Income Tax-Based Revenue Projections **DRAFT**

(in millions)

Source	20-21 MOE	20-21 May Projection	Change	% Change
Measure A (County portion)	\$38.0	\$32.2	(\$5.8)	(15.3%)
MHSA*	\$127.0	\$94.6	(\$32.4)	(25.5%)
Unincorporated Area Sales Tax	\$23.4	\$20.2	(\$3.2)	(13.7%)
Prop. 172	\$170.9	\$153.8	(\$17.1)	(10.0%)
<b>TOTAL</b>	<b>\$359.3</b>	<b>\$300.8</b>	<b>(\$58.5)</b>	<b>(16.3%)</b>

\*Mental Health Services Act





# FY 20-21 May Revise Projections

## Revenue Reduction by Program (in millions)

DRAFT

Program	20-21 MOE	20-21 May Revise	Loss Amount	Loss % Change
Health Care	\$321.7	\$259.6	(\$62.1)	(19.3%)
Public Assistance	\$218.3	\$191.2	(\$27.1)	(12.4%)
Public Protection	\$255.8	\$226.6	(\$29.2)	(11.4%)
General Government	\$ 23.4	\$ 20.2	(\$ 3.2)	(13.7%)
<b>Total Projected Program Impact</b>	<b>\$819.4</b>	<b>\$697.6</b>	<b>\$121.6</b>	<b>(14.8%)</b>

*Numbers and percentages are rounded for display purposes, but calculations are based on exact numbers.*

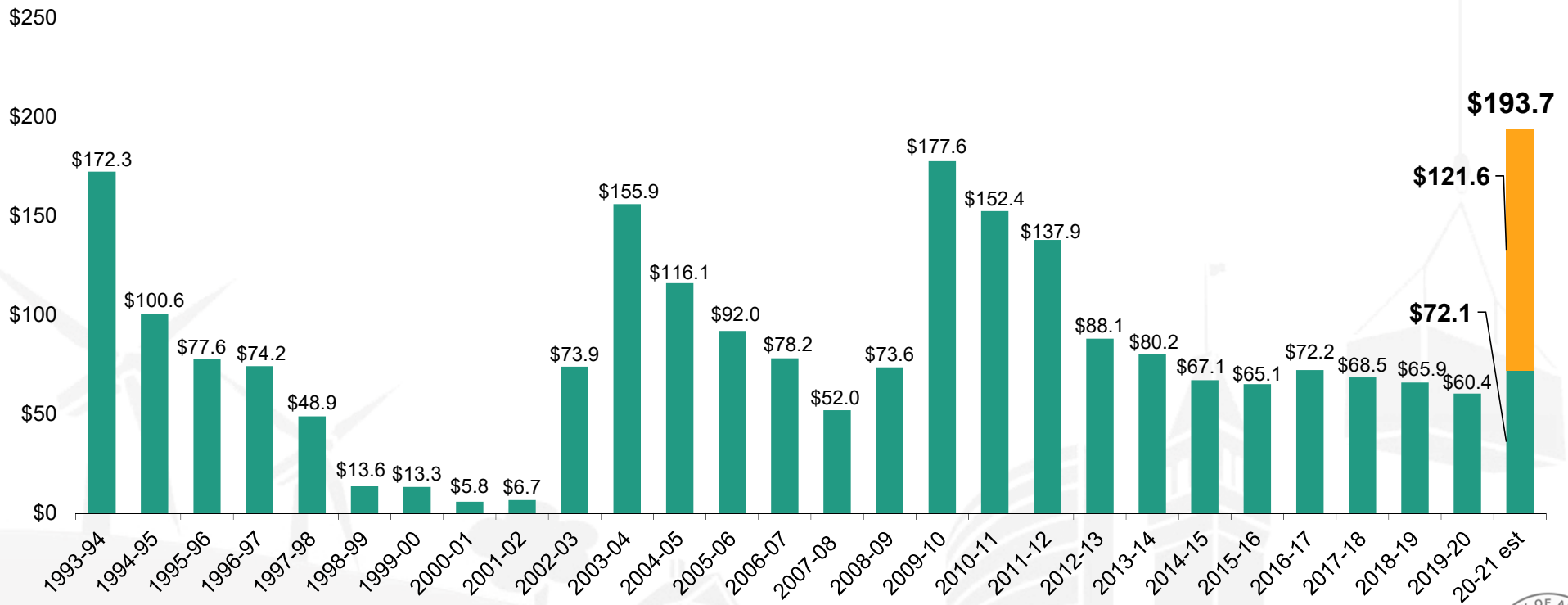


# Alameda County Funding Gaps since ERAF

(\$ in millions)

# DRAFT

Total since FY 1993-94: \$2.3 billion



DRAFT



## Phase Three

# FY 20-21 State Budget & Federal Assistance



## Key Components

- Rejects large cuts to several social services programs proposed in the May Revise, including cuts to IHSS, CalWORKs, Medi-Cal optional benefits and Prop 56, disability services, and aging programs
- Preserves \$300M increase in homelessness funding
- Backfills a minimum of \$750M of county realignment funding, with an additional \$250M available if additional federal funding is approved
- Federal Funds
  - Agreement would “trigger up” funding for specified expenditures if new federal funding becomes available to offset General Fund costs

# State & Federal Budget Impact

## State

- Governor and Legislature announced an agreement on June 22nd
- **Partial realignment backfill**
  - \$750M in State budget
  - \$250M contingent upon federal funds
- **Funding for:**
  - Project Roomkey
  - Homelessness
  - Elections
- Awaiting federal funds by October 2020

## Federal

- Census 2020
- Medi-Cal waiver
- Stimulus funding



## Pending Factors

DRAFT

- Health Care challenges
  - Expiration of Medicaid waivers
  - Alameda Health System financial status
- Rising retirement costs
- Stock market impacts on pensions
- Ongoing homelessness crisis
- Infrastructure maintenance & capital needs
- Increased public safety costs
- Pending litigation
- Census 2020
- County structural funding gap – one-time funding sources for ongoing uses
- COVID-19 global pandemic: revenues, caseloads, and cost impacts
  - Economic downturn



DRAFT

