



FY 2013-14

Maintenance of Effort Budget

Presented to the Alameda County Budget Workgroup

April 16, 2013

Susan S. Muranishi, County Administrator

Kai Mander, Principal Analyst



Overview

- ❑ Economic Outlook
- ❑ State/Federal Budget Update
- ❑ Closing Last Year's Funding Gap
- ❑ 2013-14 Maintenance of Effort Budget
- ❑ Projected Funding Gap



Economic Outlook

- ❑ Recovery picking up speed or threatened?
- ❑ Employment
- ❑ Revenues picking up but will trend continue?
- ❑ Still high demand for safety-net services
- ❑ County's ability to provide services is challenged by lower revenues and reduced State/Federal funding



State & Federal budgets

- State budget
 - General Fund increase of \$4.7B
 - No new cuts, few restorations
 - Expanded health coverage

- Federal budget
 - President's Proposed Budget for FY 14
 - Sequestration cuts: \$85B/year, \$26.4B in non-defense discretionary
 - \$7.1M estimated impact to Alameda County

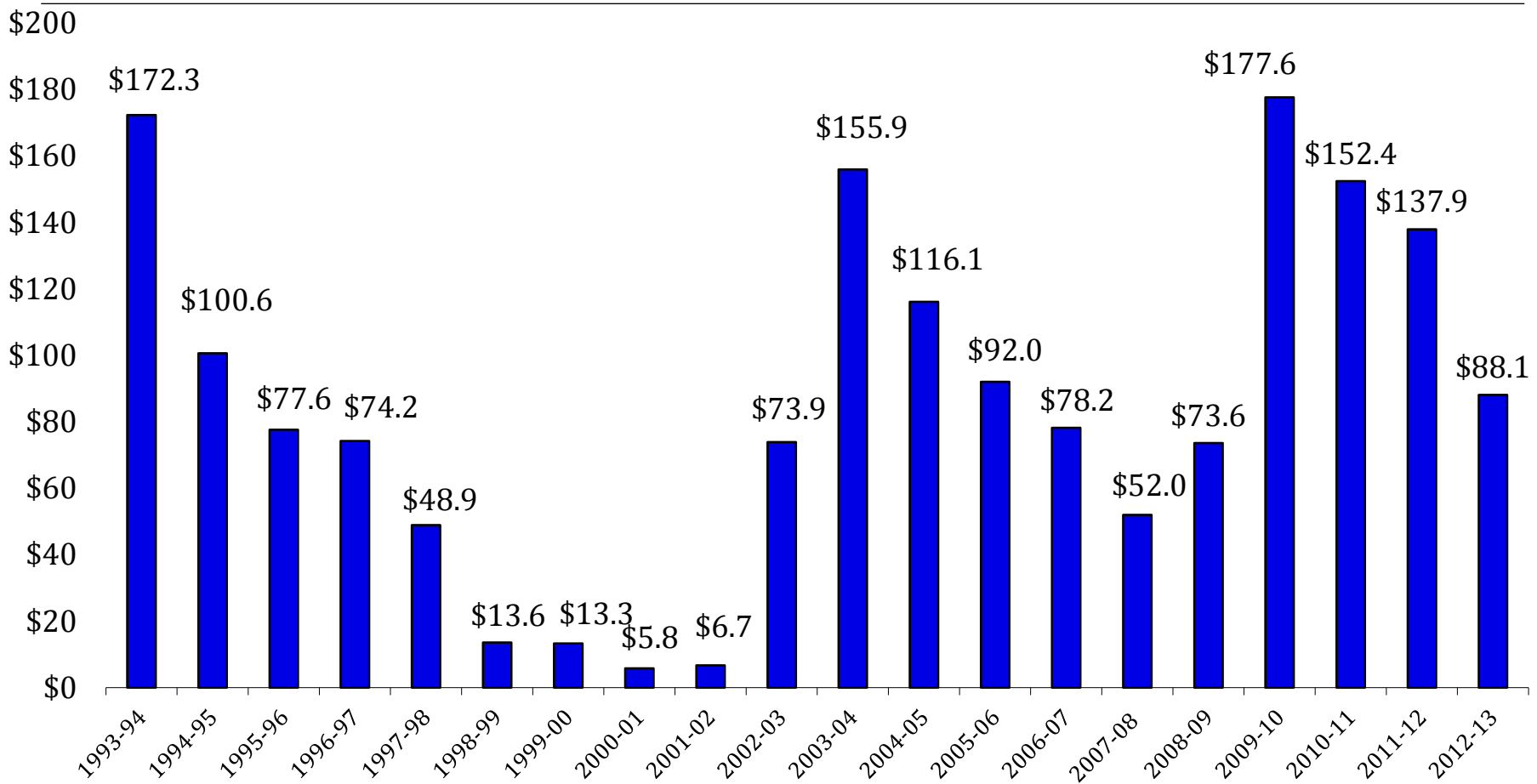


Closing Alameda County's FY 2012-2013 Funding Gap



Funding Gaps

(in millions)



Cumulative gaps since FY 1993-94: \$1.7 billion



Closing the Gap General/Grant/Measure A Funds

	Net Reductions (in millions)	FTE Reductions
General Government	\$18.8	0.75
Health Care Services	\$20.4	15.58
Public Assistance	\$25.8	0
Public Protection	\$17.7	21.00
<i>Subtotal Programs</i>	\$82.8	37.33
<i>Countywide Strategies</i>	\$5.3	0.0
Total	\$88.1	37.33

FTE = Full-Time Equivalent Positions



Use of FMR* for FY 2012-13 Budget Balancing

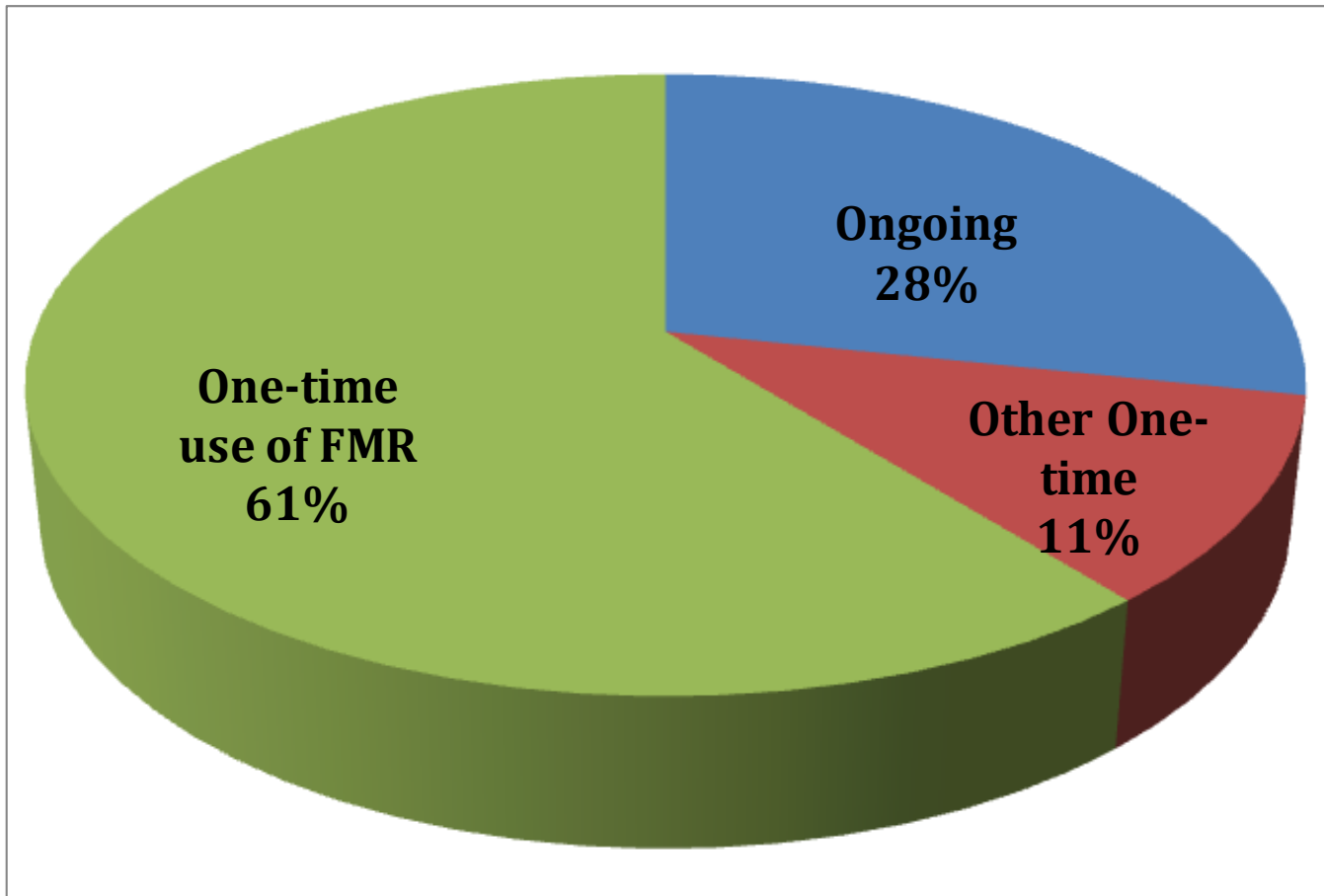
Program	FMR*
General Government	\$17.8M
Health Care	\$13.9M
Public Assistance**	\$ 6.8M
Public Protection	\$10.0M
Total	\$48.4M

**FMR = Fiscal Management Reward Program*

***The Public Assistance program also used \$5.3M in Title IV-E Waiver FMR during MOE;
Thus, total one-time FMR in FY 12-13 budget was \$53.7M*



FY 2012-2013 - Closing the Gap Ongoing vs. One-Time Strategies





Alameda County 2013-14 Maintenance of Effort Budget



FY 2013-14 MOE

- ❑ Federal and State budget impacts
- ❑ Greater demand for services
- ❑ Economic downturn and slow recovery
- ❑ Retirement and health cost increases
- ❑ COLAs for Labor, Community-based providers
- ❑ Use of one-time solutions in prior year
- ❑ Loss of key revenues



FY 2013-14 MOE Budget – General Fund

(\$ in millions)

Need fix	FY 2012-13 FINAL	FY 2013-14 MOE	Inc/ (Dec)	% Change
Appropriation	\$2,161.7	\$2,254.5	\$92.8	4.3%
Revenue	\$2,161.7	\$2,174.3	\$12.6	0.6%
Funding Gap	\$0	\$80.2	\$80.2	
FTE Positions*	7,234	7,350	116	1.6%

*Full-time equivalent positions



FY 2013-14 MOE

General Fund

(\$ in millions)

Program	Appropriation	Revenue	Net Cost	FTE
General Government	\$210.5	\$127.3	\$83.2	918.9
Public Protection	\$571.6	\$308.4	\$263.2	2,604.1
Public Assistance	\$696.0	\$613.6	\$82.4	2,460.1
Health Care Services	\$652.9	\$531.4	\$121.5	1,367.0
Subtotal Programs	\$2,131.0	\$1,580.7	\$550.3	7,350.1
Capital Projects	\$12.2	\$2.3	\$9.9	0.0
Contingency/Reserve/ Debt service/Designations	\$111.4	\$56.4	\$55.0	0.00
Non-Program Financing	\$0	\$534.9	(\$534.9)	0.00
Subtotal Other	\$123.6	\$593.6	(\$470.0)	0.0
Total	\$2,254.6	\$2,174.3	\$80.2	7,350.1



FY 2013-14 MOE

Net Cost Change by Program

Program	2012-13 FINAL Net Cost	2013-14 MOE Net Cost	Change	% Change
General Government	\$65.1	\$83.2	\$18.1	27.8%
Public Protection	\$247.9	\$263.2	\$15.3	6.2%
Public Assistance	\$73.9	\$82.4	\$8.5	11.5%
Health Care	\$100.1	\$121.5	\$21.4	21.4%
Subtotal - Programs	\$487.0	\$550.3	\$63.3	13.0%



FY 2013-14 MOE

Net Cost Change Non-Program

Program	2012-13 FINAL Net Cost	2013-14 MOE Net Cost	Change	% Change
Capital	\$4.9	\$9.9	\$5.0	102.0%
Contingency/Reserves/Debt Service, Designations	\$76.5	*\$55.0	(\$21.5)	(28.1%)
One-time use of FMR	(\$53.7)	\$0	\$53.7	(100%)
Non-Program Financing	(\$514.7)	(\$534.9)	(\$20.2)	3.9%
Subtotal – Other	(\$487.0)	(\$470.0)	\$17.0	(3.5%)
TOTAL	\$0	\$80.2	\$80.2	



Major Components of Net County Cost Increase (partial list in \$ millions)

□ Prior year use of FMR*	\$53.7
□ Loss of Revenue – all Programs	\$15.1
□ Salary COLAs	\$14.1
□ Retirement and health insurance cost increases	\$9.5
□ Hospital Contracts (AHS John George & Napa)	\$6.8
□ 1% designation for capital	\$5.0
□ Internal Service Fund costs	\$5.0
□ CBO (\$2.6M) & AHS (\$1.5M) COLAs	\$4.1
□ General Assistance costs	\$3.0
□ Property tax administration fees	\$1.3

* Includes \$5.3M in Social Services Title IV-E waiver revenue



Major Components of Net County Cost Increase (partial list in \$ millions)

□ Discretionary revenue increase	(\$20.2)
□ Increased Proposition 172 revenue	(\$7.0)
□ Reduced Contingency	(\$6.9)
□ Reduced debt service	(\$0.5)
□ Other	<u>(\$2.7)</u>
□ Total	\$80.2



FY 2013-14 Revenues

Detail of Loss of Revenue – All programs

□ Probation SB 678 & Title IV E	\$5.6
□ Health Care - federal, other	\$3.5
□ Social Services – one time revenue	\$3.4
□ Sheriff - weapons screening, other	<u>\$2.6</u>
Total	\$15.1



FY 2013-14 Revenues

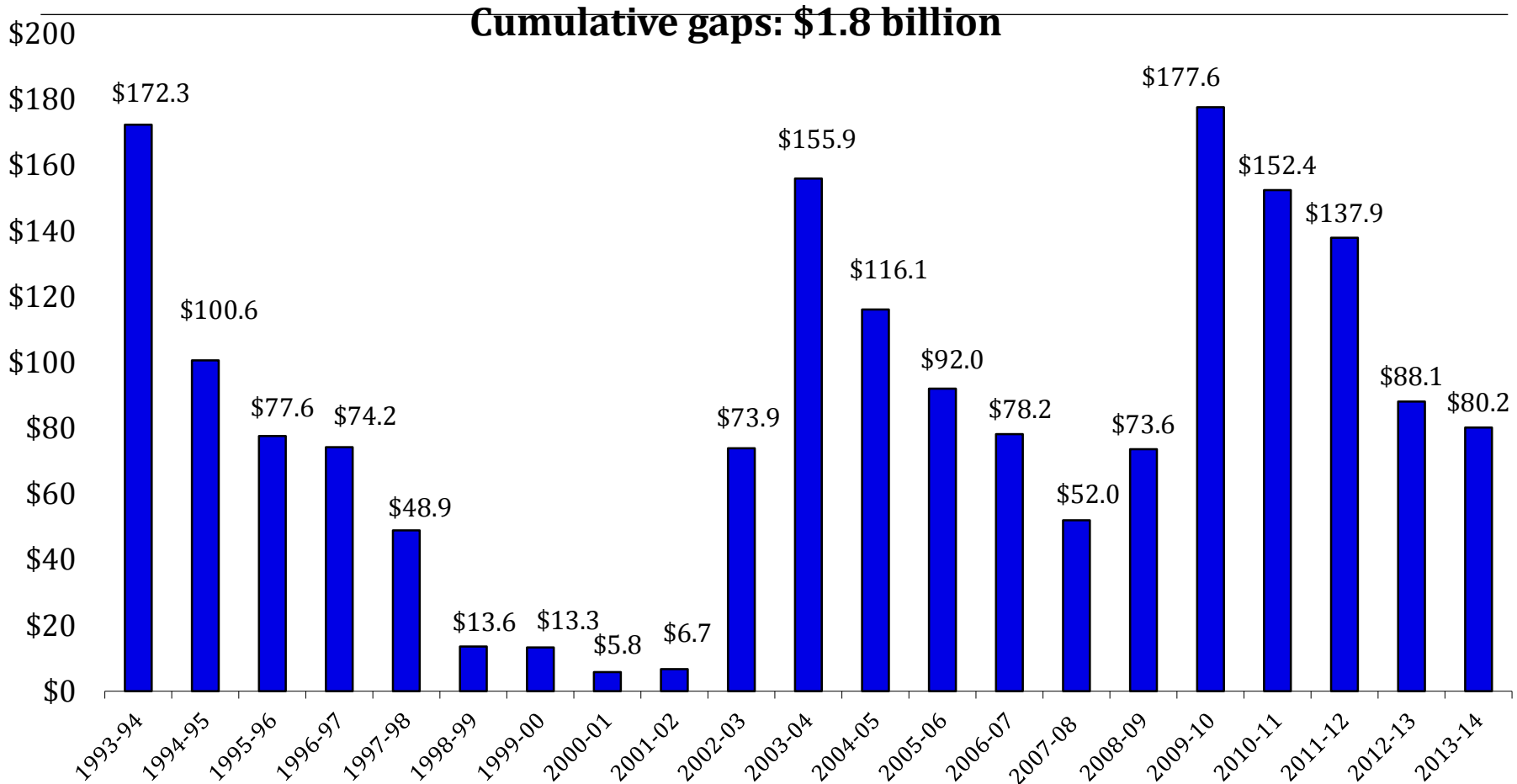
Discretionary Revenue Increases:

<input type="checkbox"/> Property Taxes	\$8.8M
<input type="checkbox"/> Pass-through payments	\$5.0M
<input type="checkbox"/> ERAF—Motor Vehicle/Sales Tax	\$4.8M
<input type="checkbox"/> Sales Taxes	\$1.4M
<input type="checkbox"/> Other	<u>\$0.2M</u>
TOTAL	\$20.2M



Funding Gaps Since ERAF Intercept

(in millions)





2013-14 Proposed Budget Calendar

- Budget Workgroup Meetings
 - Funding Gap April 16
 - Reduction Targets April 23
- Reduction Plans submitted to CAO May
- Budget Workgroup Meeting May
- Proposed Budget to Board June
- Budget Hearings June
- Final Budget Adoption June



Alameda County Budget Information on the Web

www.acgov.org/budget.htm



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