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FOR IMMEDIATE RELEASE

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PROPOSED ALAMEDA COUNTY BUDGET PRESENTED AS COUNTY WAITS TO LEARN IMPACTS OF STATE BUDGET CUTS

Alameda County Administrator Susan S. Muranishi today presented a Proposed Budget for Fiscal Year (FY) 2010-2011 that calls for eliminating more than 100 County jobs while reducing some key services to close a \$152.4 million funding gap. Muranishi, Alameda County's chief executive, said the economic downturn continues to plague County finances, with an overall 4.1 percent decline in revenues and a 2.2 percent increase in appropriations due to rising demand for safety net services creating a "double whammy" that makes balancing the County budget an extremely painful process.

"We are faced with an overall decline in County revenues for the first time in 50 years, which when combined with steadily increasing demand for services requires some very difficult decisions, and sacrifices from all of our County departments and program areas," Muranishi said.

Muranishi praised County Supervisors and department heads for their fiscal discipline, noting that cuts outlined in the Proposed Budget come on top of reductions the County made throughout the past year to keep spending in line with revenues. She said the Proposed Budget also includes a \$4.9 million general reserve increase to help the County prepare to meet future demands and maintain its strong credit ratings. Muranishi credited a strong spirit of cooperation between management and labor for helping to prevent Alameda County's fiscal woes from spiraling out of control. She noted that most County employee labor groups had agreed to forego planned salary increases for the next three years to help contain costs, mentioning specifically an agreement earlier this year with the County deputy sheriff's union to reduce pension benefits for all new hires as a breakthrough in controlling rising retirement costs that other local governments have yet to achieve. Similar sacrifices are being made by community-based organizations that also are foregoing cost-of-living increases again this year for performing contract services on behalf of the County, mostly in Health and Human Services areas.

But Muranishi said Alameda County's efforts to maintain key services may be significantly undermined by pending decisions in Sacramento, as the Governor and State Legislature consider drastic cuts to programs providing aid to low-income families, health insurance to children and care to the elderly and disabled. Whatever path the State takes toward balancing its budget, Muranishi said it won't be good for Alameda County because the State consistently fills its budget gaps by shifting resources away from local government. For example, more than \$4 billion in local property tax dollars have been shifted away from Alameda County since 1992 to help the State fulfill its mandates to fund education.

Muranishi said cuts proposed in Sacramento could decimate State-funded services administered by the County and create significant new strain on local resources. She called some of the proposals "unconscionable" and cited several as being particularly troubling for Alameda County's most vulnerable residents. These include:

- Elimination of the CalWORKs program, which provides short-term cash assistance and self-sufficiency support for 20,000 needy families in Alameda County, and supports 400 County employees;
- Reduction in benefits and increased premiums and co-pays in the Healthy Families Program would affect 15,000 Alameda County children who receive health insurance through and would otherwise be uninsured;

- Reductions in In-Home Supportive Services (IHSS) would likely leave many of the 18,000 current IHSS recipients in Alameda County without care, and reduce employment opportunities for the County's 18,000 caregivers.

The Proposed Budget for FY 2010-11 is balanced and totals \$2.44 billion, an increase of only \$8.2 million, or 0.3% from the 2009-10 Final Budget. The Proposed Budget supports a workforce of 9,048 full-time equivalent (FTE) positions after a reduction of 100 positions during budget balancing. Many of the staffing reductions involve vacant positions, though some are currently filled. Muranishi said that she is hopeful the County will be able to avoid employee layoffs.

The large budget gap Alameda County will close in FY 2010-11 comes just one year after the County was forced to close an unprecedented \$177.6 million funding gap. As demand for services continue to outstrip County resources year after year, budget balancing becomes more difficult as the County pares from an already reduced operation. This fact is all the more daunting given that a slow economic recovery and ongoing budget deficits at the State and federal levels mean Alameda County is likely to experience significant funding gaps in the foreseeable future.

"The reductions outlined in this Proposed Budget will only bring new levels of difficulty to the lives of our neediest residents," said Alameda County Supervisor Keith Carson, who chairs the County's Budget Work Group. "We must make these painful decisions against a backdrop in Sacramento where the Governor and the Legislature are seriously considering program cuts that will devastate the safety net services that are the only remaining lifeline for the most vulnerable people in our community."

Net cost reductions in Alameda County's four key program areas are as follows:

General Government – Reductions total \$22.7 million, with savings of \$3 million from the elimination of 17 vacant positions in Information Technology, Human Resources, Community Development, the Treasurer-Tax Collector, County Counsel and Registrar of Voters. Job cuts and reduced spending will likely affect the ability of these departments to provide services in a timely manner, and will defer scheduled information technology projects and likely cause delays in communications services countywide.

Health Care – The Health Care Services Agency would see net cost reductions of \$40.4 million, including \$36 million in one-time solutions, including Fiscal Management Reward savings achieved by leaving vacant positions open and other cost savings.

Public Assistance – Budget balancing reductions total \$30.1 million, including the addition of two positions from the transfer of Public Administrator functions from the Sheriff's Office to the Social Services Agency. Ongoing reductions in the Social Services Agency contribute \$8.7 million in savings from lower caseload estimates, revised claiming methodologies, updated realignment revenue estimates, and other program and revenue adjustments.

Public Protection – Net cost reductions total \$42.8 million and include the elimination of 84 positions during budget balancing. Position reductions account for \$11.5 million of the strategies used to close the funding gap: 60 in the Sheriff's Office, including 43 sworn positions; 15 in the Probation Department, including 5 deputy probation officers and 4 juvenile institution officers; 4 in the Public Defender's Office, among them the Chief Assistant Public Defender; and 5 in the District Attorney's Office, all of which are attorney or inspector positions. The proposed funding levels may result in reduced services in Sheriff's law enforcement and jail operations, as well as coroner, crime laboratory, and emergency services. The proposed reductions could close the Fairmont Animal Shelter, the Community-Oriented Policing Unit and the Marine Patrol Unit. In Probation, the funding reductions will decrease the supervision of adults and youth in the juvenile justice system.

In accepting the Proposed Budget, the Alameda County Board of Supervisors scheduled public hearings on June 22 and June 23 in the Board Chambers, 1221 Oak Street, 5th Floor, Oakland, to guide them in developing the FY 2010-11 Final Budget. Final Deliberations are scheduled for 11 a.m. on Thursday June 24, with the Final Budget scheduled for adoption at a hearing at 11 a.m. on Friday, June 25, in the Board Chambers.