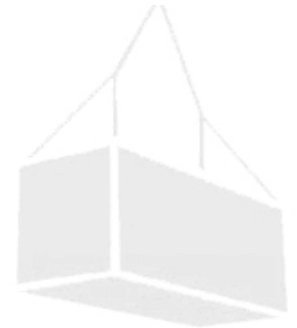




# Alameda County Fiscal Year 2020-21 Early Budget Work Session

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**Melanie Atendido, Principal Analyst**

**April 14, 2020**



# Early Budget Work Session

- County Budget Update
  - Budget Balancing Strategies for FY 2019-20
  - FY 2020-21 Budget Development Timeline
  - Board-Approved FY 2020-21 Budget Policy
- Pending Factors
- Vision 2026
- Department Presentations



# FY 2019-20 Budget Balancing

- **Total Budget \$3.5M (all funds)**
- **FY 2019-20 Final Budget closed a \$60.4M gap**
- **\$35.2M in one-time solutions**
  - Use of FMR = \$28.8M
  - One-time revenues = \$6.4M
- **\$25.2M in ongoing strategies**
  - Program appropriation reductions = \$16.3M
  - Program revenue increases = \$5.0M
  - Non-Program revenue increases = \$3.9M



# FY 2020-21 Budget Development Timeline

- ✓ Department MOE submissions February 28, 2020
- ✓ Early Budget Work Session April 14, 2020
- Budget Workgroup: 20-21 Funding Gap and Reduction Targets Late April 2020
- Governor's Revised Budget May 2020
- Budget Workgroup: Reduction Plans Mid May 2020
- Departments' VBB Plans submitted Mid May 2020
- Proposed Budget submitted Early June 2020
- Budget Hearings and Budget Adoption Late June 2020



# Board-Approved FY 2020-21 Budget Policy

- Continue the Fiscal Management Reward Program
- Include revenues from all sources as early in the budget development process as possible
- Update fee schedule information to maximize cost recovery
- Include a 3.5% cost-of-living adjustment for eligible community-based organization (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
- Adopt the Final Budget no later than June 30, 2020



## FY 2020-21 MOE Cost Drivers (*Partial List*)

- One-time strategies to balance the FY 2019-20 budget
- Known salary & benefits increases
- Internal Service Fund cost increases
- 3.5% Cost-of-Living Adjustments (COLAs) for CBO contracts
- State In-Home Supportive Services MOE
- HCSA Office of Homeless Care and Coordination
- Medicaid waiver expirations



# FY 2020-21 MOE: Best Case Scenario

- MOE submissions represent year-over-year baseline changes
- MOE does **not** include COVID-19 impacts
  - Additional emergency costs
  - Additional caseload
  - Revenue reductions



# Pending Factors

- Health Care challenges
  - Expiration of Medicaid waivers
  - Alameda Health System financial outlook
- Rising retirement costs
- Ongoing homelessness crisis
- County structural funding gap – one-time funding sources for ongoing uses
- Facility maintenance & capital needs
- COVID-19 global pandemic: impacts on revenues, caseloads and costs
  - Economic downturn





# Pending Factors Related to COVID-19

- After the longest economic expansion in history, we saw slowing growth and are likely in a recession
- Sales tax extension (potential statewide impact of \$3 billion)
- Sales tax receipts overall lower
- Department of Finance signaling current year cuts and workload budget for FY 2020-21
- Increased unemployment
- Local businesses closing and laying off employees



# Known Factors

- Begun modeling forecasts for all revenues in budget year
  - Current year sales tax revenues are beginning to slow
  - Some payments will be extended into next fiscal year
  - Treasurer reports property tax totals collected are lower year over year
  - Monitoring one-time stimulus from State and federal governments related to COVID-19
  - CBO stabilization





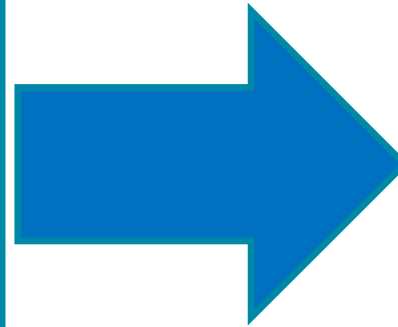
### Our Shared Vision

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



# 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**



***“This is a very unusual situation. People didn’t anticipate that anything like this could happen just a few months ago.”***

**—Robert Shiller**



