



## C O U N T Y   A D M I N I S T R A T O R

SUSAN S. MURANISHI  
COUNTY ADMINISTRATOR

June 25, 2021

Honorable Board of Supervisors  
Administration Building  
Oakland, CA 94612

### **SUBJECT: ADOPTION OF THE FISCAL YEAR 2021-22 FINAL BUDGET**

Dear Board Members:

#### **RECOMMENDATIONS:**

- A. Authorize the County Administrator and Auditor-Controller to make necessary final adjustments and other technical adjustments as presented during the budget hearings;
- B. Adopt the Resolutions approving an increase in the special tax for the Emergency Medical Services District, an increase in the paramedic supplemental special tax for the Alameda County Fire Department, and no change to the special assessments for the Vector Control Services District, Lead Poisoning Prevention Program, and Public Works Agency-administered County Service Areas as presented at the hearing on June 22, 2021;
- C. Adopt a Resolution approving the Clean Water Protection fees as presented at the hearing on June 22, 2021;
- D. Sitting as the Board of the Alameda County Flood Control and Water Conservation District, adopt a Resolution approving Flood Control District benefit assessments as presented at the hearing on June 22, 2021;
- E. Adopt the Capital Improvement Plan for Fiscal Year (FY) 2021-22 through FY 2025-2026; and
- F. Adopt the FY 2021-22 Final Budget.

#### **DISCUSSION/SUMMARY:**

The **FY 2021-22 Final Budget**, which incorporates adjustments approved by your Board during budget deliberations, **is balanced**. The Final Budget for **all funds** totals **\$3.6 billion** and provides funding for 10,078.33 full-time equivalent positions (FTEs). The **General Fund Budget** totals **\$3.3 billion** and supports 8,210.66 FTEs.

	<b>FY 2020-21 Approved</b>	<b>FY 2021-22 Proposed</b>	<b>FY 2021-22 Final Budget</b>	<b>Change from FY 2020-21 Approved</b>
<b>All Funds</b>				
Budget	\$3,513,383,398	\$3,560,351,272	\$3,607,949,258	\$94,565,860
FTEs	9,963.09	10,060.78	10,078.33	115.24
<b>General Fund</b>				
Budget	\$3,145,141,105	\$3,267,393,860	\$3,314,991,846	\$169,850,741
FTEs	8,080.70	8,194.95	8,210.66	129.96

The Final Budget closes a **\$49.2 million funding gap** through a combination of spending reductions, revenue increases and the use of Available Fund Balance. To the extent possible, your Board’s Vision 2026 values and priorities guide proposed reductions within each program area. Budget balancing strategies include Internal Service Fund adjustments due to the elimination of 8.56 vacant full-time equivalent positions in the Information Technology Department, salary savings, and a combination of ongoing and one-time revenue increases.

The following table summarizes the net cost reductions required to close the funding gap:

<b>General Fund</b>	<b>Net County Cost Reductions (\$ millions)</b>
General Government	\$ 7.9
Health Care	4.7
Public Assistance	5.5
Public Protection	10.0
Countywide Strategies	21.1
<b>Total</b>	<b>\$49.2</b>

The Final Budget is balanced with \$25.4 million or 52% in ongoing strategies and \$23.8 million or 48% in one-time solutions.

**Funding Priorities and Board Directives**

During formal deliberations on the FY 2021-22 Proposed Budget, your Board discussed several proposed policy directives and funding priorities advanced by Board Members as outlined in the attached letters submitted prior to the close of Budget Hearings on June 22, 2021.

1. **ALL IN Eats expansion of the Alameda County circular food economy (Attachment 1 – Supervisors Chan and Haubert)**

*Support a \$6.8 million investment beginning in FY 2021-22, for the expansion of a circular food economy in collaboration with various County agencies/departments and Community-Based Organizations, and direct staff to develop a financing plan from existing sources, including State and federal funds. For future expansion, ALL IN Eats will present a business plan to the full Board of Supervisors in the fall of 2021.*

Your Board reached consensus to support the ALL IN Eats proposal and directed staff to develop a financing plan to support a \$6.8 million investment to expand the circular food economy in FY 2021-22

from existing sources, including State and federal funds. For future expansion, ALL IN Eats will present a business plan to the Board of Supervisors in the fall of 2021.

**2. Extend the “Enhancing Vision 2026 Fund” (Attachment 2 – Supervisors Valle and Haubert)**

*Direct the County Administrator and the Auditor-Controller to extend the funding for the Enhancing Vision 2026 Fund by three additional fiscal years beginning in FY 2022-23 through FY 2024-25, for a total of \$5 million per year or \$1 million per Supervisorial District per year, totaling \$15 million over three years, to enhance visionary programs and services for children, youth, and families in each District; funded by residual property tax, with no change in the annual allocation and administration of the Fund by the Health Care Services Agency.*

Your Board endorsed the proposal to extend the Enhancing Vision 2026 Fund by an additional three years from FY 2022-23 through FY 2024-25 by designating residual tax proceeds, continuing administration of the fund by the Health Care Services Agency, and including a more robust Results-Based Accountability and evaluation process.

**3. Identify funding for St. Rose Hospital to maintain critical safety-net operations (Attachment 3 – Supervisors Miley and Valle)**

- A. Contingent upon Health Committee verification and review of St. Rose Hospital’s budget presentation, it is recommended that **American Rescue Plan Act funding be directed to St. Rose Hospital in an amount of \$8 million per year starting in FY 2020-21 through FY 2024-25 for a total of \$40 million; and***
- B. Request that the Health Committee consider **an increase of \$1 million to the Measure A base allocation for St. Rose Hospital for FY 21-22 to FY 24-25.***

Your Board directed the County Administrator and Health Care Services Agency Director to identify \$8.0 million in existing FY 2020-21 funds to support the St. Rose Hospital current year budget, contingent upon Health Committee verification and review of St. Rose Hospital’s budget on Monday, June 28, 2021.

**4. Establish funding for Behavioral Health Care Services Community-Based Programs (Attachment 4 – Supervisor Miley)**

*Direct the County Administrator to provide the Board with a proposal to **identify \$50.0 million in reserves to support Alameda County Behavioral Health Care Services for increased acute, sub-acute, and other Community-Based programs for FY 2021-22.***

Your Board directed the County Administrator and Health Care Services Agency Director to identify existing resources of \$8.565 million to fund the medium-term recommendations of the Alameda County Behavioral Health Forensic Plan in FY 2021-22.

**State and Federal Budget Impact**

The COVID-19 pandemic-induced recession and current economic recovery are unlike any in recent history. The pandemic created both a public health crisis and economic crisis of unprecedented scale,

disrupting lives and forcing restrictions to preserve healthcare system capacity. While revenue shortfalls projected a year ago have not materialized to the extent we originally anticipated, prudent actions taken by your Board mid-year have provided flexibility as we continue to learn and adapt to rapidly changing conditions.

Strong indicators among the higher income earners, the technology sector, and the housing market propelled State revenue collections ahead of projections. The Legislative Analyst's Office (LAO) found that while the State's budget outlook has improved considerably, the underlying revenue sources of personal income tax including capital gains are highly volatile and there is uncertainty about the sustainability of these gains. The LAO further cautions that any number of scenarios could result in revenue declines. The Legislature passed the FY 2021-22 State Budget Bill on June 14; however, discussions continue with the Administration to reach agreement on the final form of the State Budget. Given the strong increase in revenues presented in the May Revision, there remains opportunity for increased program revenue once the State Budget is approved.

Several State proposals could again shift added responsibility and costs to the County without adequate funding. The pretrial program and the closure of the Division of Juvenile Justice will require ongoing adequate and consistent State funding to ensure success. The May Revision includes over \$12 billion in funding for homelessness but much of it is in capital expenses when the need for ongoing service funding is pronounced.

Federal stimulus funds through the CARES Act and the American Rescue Plan have provided one-time relief to state and local governments, but we must continue to underscore the temporary nature of these funding sources. The County's continued reliance on State and federal funding and policy decisions will require that we closely monitor potential funding impacts and cost shifts to counties, in addition to continued active engagement and advocacy in Sacramento and Washington D.C.

In addition to ongoing State and federal funding concerns, other major pending factors that will impact our finances include unanticipated special election costs, litigation, pension liabilities, the impact of climate change including wildfires and drought and the ongoing homelessness crisis.

### **Final Budget Program Highlights**

The Final Budget highlights the alignment of our program investments with the County's Vision 2026 foundational principles of equity, access, and fiscal stewardship, and our 10X goals that reflect the County's core service and community priorities. Key countywide and multi-agency investments include:

- \$1.4 billion in Salary and Employee benefits for a diverse workforce of over 10,000 employees;
- \$720 million in funding for direct client services provided by 261 community-based organizations, including \$89 million for the Alameda Health System.
- \$348 million in public benefit and assistance programs;
- \$191 million for homelessness programs and affordable housing
- \$321 million in services to the unincorporated areas
- \$707 million for children's services

Additionally, the Final Budget includes several multi-year Board Initiatives:

- **Enhancing Vision 2026 Fund** (for children, youth, and families)
  - 3<sup>rd</sup> year allocation (FY 2019-20 through FY 2021-22)
  - \$5 million each year (\$1 million for each supervisorial district)
- **Housing & Homelessness**
  - \$5 million – Affordable Housing Trust
  - \$2.5 million – HCSA Office of Homeless Care and Coordination
- **East County Economic Development Infrastructure Improvement Fund**
  - \$5 million annual allocation (through FY 2026-2027)

We continue to fully integrate **Vision 2026** into all aspects of County services and operations while investing in strategic partnerships and collaborations involving our agencies and departments, community-based providers, and other stakeholders.

### **Looking Forward**

While the County continues to face budgetary challenges from the pandemic and public health emergency, we have maintained continuity of operations, provided core services to our most vulnerable residents and communities, and protected the health and safety of our employees during a time of unprecedented disruption. Guided by your Board's Vision 2026 foundational operating principles of equity, access, fiscal stewardship, sustainability, collaboration and innovation; as well as our bold 10X goals, the County accelerated its adaptation to technology and implemented innovative solutions to continue providing services to our residents and diverse communities during the pandemic and shelter in place orders.

As we begin to emerge from the health emergency and transition to a "new normal", many of the operational innovations and technology solutions will continue as we reimagine our priorities, programs, and services post-pandemic. Last November, your Board reaffirmed Virtual First service delivery as an emerging initiative that encourages and supports technology solutions that enabled the County to continue providing critical services efficiently and effectively while keeping our employees and communities healthy and safe.

During the recent Shelter in Place orders, our Information Technology team collaborated with several County departments to quickly develop new technology solutions to ensure that critical County services could be accessed anytime and anywhere including filing and recording documents, applying for public benefits and building permits, paying property taxes, visiting clients, telehealth visits and virtual meetings.

Your Board also adopted guidance to facilitate remote work options during the shelter in place orders that enabled our employees to continue to provide services to our residents and communities during the pandemic. Some of the creative workplace and workspace solutions may also continue as we emerge from the pandemic and reimagine our programs and services.

As we look forward to a new year of hope and transition, there are many Board priorities and initiatives that will continue and move towards implementation as we gradually return to a "new normal." In addition, key investments in our infrastructure will focus on our priority deferred maintenance needs and an updated facility assessment report and Real Estate Master plan will help guide development of a more robust capital program including moving forward with your Board's commitment to affordable housing and plans to develop our Broadway properties in Oakland. Planning is also underway for the replacement of fire stations funded by voter-approved Measure X.

Our internal infrastructure will also change with the Health Care Services Agency's pivot to a longer term Office of COVID Mitigation and Prevention and implementation of a countywide Office of Diversity, Equity and Inclusion in the County Administrator's Office.

While the federal CARES funding provided needed one-time resources to help offset some of the significant direct costs of the County's COVID-19 response, the American Rescue Plan funding offers a forward-facing opportunity to strategically invest one-time longer-term funding to support the County's post pandemic transition. Consistent with Vision 2026, your Board has committed to adopting guiding principles and a framework to help guide your planning and investment of these valuable one-time resources with the engagement of our diverse communities and stakeholders.

### **Closing Remarks**

Despite the challenges and uncertainty that surround us, your Board continues to provide strong financial and strategic leadership that enables the County to continue providing critical health, social, public safety, and general government services to support our 1.6 million residents and diverse communities.

As you adopt a Final Budget to start the new fiscal year acknowledging that further adjustments may be required when the State Budget is finalized, know that your budget supports a dedicated workforce and hundreds of community-based partners committed to providing an array of critical services to our diverse communities. We could not have achieved a balanced budget without the support and contributions from agency/department heads, guidance from the Budget Workgroup members, and the leadership and commitment of your Board to an open and inclusive process that has involved all stakeholders.

Although COVID-19 vaccinations and the gradual reopening of our communities offers hope, the long-term impacts of the pandemic on the economy and our finances and operations remain largely unknown. As always, your Board's leadership, the contributions of department heads and our entire County workforce will ensure that whatever the future may hold we will continue to serve the needs of our residents and diverse communities.

Very truly yours,



Susan S. Muranishi  
County Administrator

SSM:AC:MPA

c: Agency/Department Heads  
Budget Workgroup  
Legislative Advocates  
Labor Representatives  
Community-Based Organizations  
Boards and Commissions

Attachments



**Wilma Chan, SUPERVISOR, THIRD DISTRICT**  
ALAMEDA COUNTY BOARD OF SUPERVISORS

COMMITTEES:  
Health and ALL IN, Chair  
Personnel & Legislative  
Unincorporated Services

June 21, 2021

Honorable Board of Supervisors  
Alameda County Administration Building  
1221 Oak Street, Suite 536  
Oakland, CA 94612

Dear Board Members:

**SUBJECT: REQUEST THAT THE BOARD SUPPORT AN INVESTMENT FOR THE ALL IN EATS EXPANSION OF THE ALAMEDA COUNTY CIRCULAR FOOD ECONOMY AND DIRECT STAFF TO DEVELOP A FINANCING PLAN**

**RECOMMENDATION:**

It is recommended that the Board support a \$6.8 million investment for the ALL IN Eats expansion of the Alameda County circular food economy for fiscal year 2021-22 and direct staff to develop a financing plan from existing sources, including state and federal.

**DISCUSSION/SUMMARY:**

A countywide initiative, ALL IN Eats creates a circular food economy through a collaboration of the Deputy Sheriff's Activities League, ALL IN Alameda County, Probation Department, Sheriff's Office, Social Services Agency, Health Care Services Agency, Community Development Agency, Fire Department, District Attorney, General Services Agency, County Administrator's Office and Board of Supervisors along with several dozen community-based organizations and concerned individuals doing their part to build the circular food economy.

ALL IN Eats was launched as an effort to end poverty, improve health outcomes, reform public safety and promote environmental sustainability. ALL IN Eats creates a virtuous circle that grows food, cooks food, prescribes food, delivers food and recovers food to support low-income, food insecure families, including those with diet-related chronic diseases, while also creating employment opportunities for the formerly incarcerated and other vulnerable populations.

During the past year, ALL IN Eats employed 28 individuals who are formerly incarcerated as drivers, farmers and warehousemen. During that time, ALL IN Eats delivered 125,000 bags of groceries; delivered 250,000 prepared meals to seniors and families; recovered 1.3 million pounds of edible food; and incubated 37 food entrepreneurs.

### *Sustainable Farms*

ALL IN Eats currently grows 7 acres of regenerative crops that provide food prescriptions for the ALL IN Food as Medicine clinics. Regenerative farming yields nutrient-rich produce and carbon sequestration and is thus healthy for people and planet. For 2021-22, ALL IN Eats has secured 105 acres for new regenerative farming that can fuel the expansion of Food as Medicine and provide opportunities for Black and other underserved farmers to earn a sustainable living through collective bidding on institutional contracts such as hospitals, universities, school districts and jails. The cost to scale the farms for fiscal year 2021-22 will be \$4.6 million.

### *Food Hubs*

Food hubs serve several purposes. First, they provide commercial kitchen space for food entrepreneurs. Second, they offer large-scale refrigeration for recovered food and produce grown at ALL IN Eats farms. Third, they provide space to aggregate food from partner farms and process food for packaging. And fourth, they are a staging area for the delivery of produce and meals.

ALL IN Eats operates a food hub in unincorporated San Leandro with a commercial kitchen, walk-in refrigeration, and space to process and prepare food. But the food hub is already at capacity. For 2021-22, ALL IN Eats will have the opportunity to expand beyond Central County and create a network of regional food hubs, including North County, Tri-Cities and Tri-Valley. The cost for fiscal year 2021-22 to scale the food hubs will be \$2.2 million.

At full capacity, the farms and food hubs are projected, on an annual basis, to provide for the employment of more than 100 formerly incarcerated individuals; grow and prepare more than one million meals and bags of produce delivered to individuals who are food insecure and/or have chronic diseases; recover 5 million pounds of edible food; and incubate 70 food entrepreneurs.

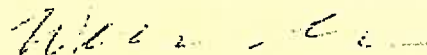
### **FINANCING:**

The \$6.8 million to expand the ALL IN Eats circular food economy shall be from existing sources, including state and federal funds. For future expansion, ALL IN Eats will present a business plan to the Board of Supervisors in the fall of 2021.

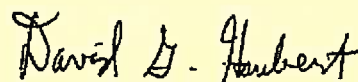
### **VISION 2026 GOAL:**

Allocation of funding for the expansion of the ALL IN Eats circular food economy supports the overarching vision of **Thriving and Resilient Population** and the 10X goal of ensuring all residents' basic needs are met including eliminating poverty and hunger, while creating self-sufficiency among vulnerable populations and supporting the COVID recovery which seeks to build community resilience in the areas of food security, health care and jobs.

Respectfully,



Wilma Chan  
Supervisor, District 3



David Haubert  
Supervisor, District 1





## BOARD OF SUPERVISORS

June 22, 2021

The Honorable Board of Supervisors  
 County Administration Building  
 1221 Oak Street  
 Oakland, CA 94612

Dear Board Members,

**Subject: Extend the Enhancing Vision 2026 Fund for Three Additional Fiscal Years**

As part of the Fiscal Year (FY) 2018-19 Budget adoption process, the Board approved the Enhancing Vision 2026 Fund (The Fund) to help the County reach its Vision 2026 goal of creating a healthy, safe, livable and resilient county for children, youth and families by eliminating homelessness, poverty and hunger; having accessible infrastructure; and providing healthcare and employment for all.

The Fund's appropriation and implementation became effective in FY 2019-20 for three consecutive fiscal years. The funding source is residual tax increment revenue returning to the County General Fund following the dissolution of redevelopment agencies ("boomerang funds"). Consisting of \$5 million per year in each fiscal year from FY 2019-20 to FY 2021-22, with each supervisorial district allocated \$1 million per year for a total of \$3 million.

On September 17, 2019 the Board approved Health Care Services Agency (HCSA) role and process to administer the Fund with criteria that requires funding reflect geographic and cultural diversity of the County, be spent on priority populations (specifically children, youth and families), promote coordination among providers and an integrated approach to the delivery of services, and be responsive to community-identified needs. To recover HCSA administrative and contracting cost an annual allocation of \$125,000, shared equally across the supervisorial districts, was approved from the Fund.

It is recommended that the Enhancing Vision 2026 Fund be extended for three (3) additional fiscal years to FY 2024-25 with no change to the revenue source, annual allocation, and administration of the Fund.

Sincerely,

Richard Valle  
 Supervisor, Second District

David Haubert  
 Supervisor, First District



## BOARD OF SUPERVISORS

June 22, 2021

The Honorable Board of Supervisors  
 County Administration Building  
 1221 Oak Street  
 Oakland, CA 94612

Dear Board Members,

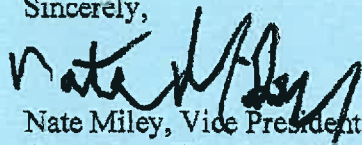
**Subject: Direct the County Administrator to Identify a Reserve Account or American Rescue Plan Act Funding for an \$8 Million Payment to St. Rose Hospital for Fiscal Year 2020-21 and Direct \$8 Million Per Year to St. Rose Hospital for Fiscal Year 2021-22 to Fiscal Year 2024-25 for a Total of \$32 Million in American Rescue Plan Act Funding**

Since 2004, Alameda County has supported St. Rose Hospital (SRH) with local funding and intergovernmental transfer (IGT) match to leverage local dollars and maximize the County's support. The mission of St. Rose Hospital is to provide quality health care to local residents with respect, compassion, and professionalism. The highly valued physicians, medical staff, and organized workforce heal and comfort those they serve. SRH has 217 licensed beds, an emergency room, an intensive care unit, a cardiac receiving center, and a number of other health care facilities. SRH serves 11 to 15 % of the indigent population of Alameda County and is the only disproportionate share hospital in Southern Alameda County.

Over the years our county has convened task forces and stakeholders to partner on sustaining SRH operations. Ultimately leading to the January 15, 2019 Board approval of Item #9.1 – Measure A Base Allocation for the 3-year period of Fiscal Year 2020 to 2022. This included an annual allocation of \$5 million for St. Rose Hospital. This local funding coupled with an IGT and additional one-time Measure A funding amounted to \$12 million in FY 20-21 to SRH. Since FY 2018-19 SRH has requested \$16 million as the minimum amount of county support to maintain their critical safety-net operations. Due to continued challenges in hospital financing and impacts from COVID response SRH has requested an annual \$20 million operational subsidy.

Contingent upon Health Committee verification and review of St. Rose Hospital's budget presentation, it is recommended to direct the County Administrator identify a reserve account or American Rescue Plan Act funding for an \$8 million payment to SRH for FY 20-21. It is further recommended that \$8 million per year for FY 21-22 to FY 24-25 in American Rescue Plan funding be directed to SRH. Health Committee is requested to explore an increase of \$1 million to the Measure A Base Allocation for SRH, resulting in an increase from \$5 million to \$6 million in Measure A Base Allocation to SRH for FY 21-22 to FY 24-25.

Sincerely,

  
 Nate Miley, Vice President  
 Supervisor, Fourth District

  
 Richard Valle  
 Supervisor, Second District



Agenda \_\_\_\_\_ June 22, 2021

# Board of Supervisors

**ATTACHMENT 4**

Nathan A. Miley  
Supervisor, District 4

June 21, 2021

Honorable Board of Supervisors  
County Administration Building  
1221 Oak Street  
Oakland, California 94612

Dear Board Members:

**Subject: DIRECT THE COUNTY ADMINISTRATOR TO BRING BACK TO THE BOARD A PROPOSAL APPROVING THE USE OF \$50,000,000 IN RESERVES TO FUND THE ALAMEDA COUNTY BEHAVIORAL HEALTH DEPARTMENT'S PROPOSAL FOR INCREASED ACUTE, SUB-ACUTE and OTHER COMMUNITY-BASED PROGRAMS**

**RECOMMENDATIONS:**

Direct the County Administrator to bring back to the Board a proposal to approve the use of \$50,000,000 of Reserve funds to support Alameda County Behavioral Health Department's proposal for increase acute, sub-acute and other community-based programs.

**DISCUSSION/SUMMARY:**

On June 21, 2021, I received a letter from Decarcerate Alameda County which asked that the Board identify funding to support the implementation of the CareFirst resolution, which was approved by the full Board earlier this year.

As part of the Fiscal Year 2021-2022 allocations, I am asking that the Board direct the County Administrator to bring back to the Board a proposal to fund the use of \$50,000,000 to fund the Alameda County Behavioral Health Department's Plan regarding acute, sub-acute and other community based programs.

**FINANCING:**

There are sufficient funds available within the County's reserves.

Very truly yours,

Nate Miley  
Alameda County Supervisor, Fourth District

cc: County Administrator  
County Counsel  
Auditor-Controller