



FY 2017-18 Budget Update

Presented to the Alameda County Budget Workgroup

May 22, 2017

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State Budget Update—May Revise

- ❑ Revised revenue estimates, but still projecting a loss from previous budget year
- ❑ Partial mitigation of impacts of In-Home Supportive Services (IHSS) cost shift
- ❑ Offers funding on previously approved programs
- ❑ Modest increases for Continuum of Care Reform and Post Release Community Supervision



State Budget Update—May Revise

- Short-term relief to counties to help mitigate IHSS cost shift, with rising costs to follow
 - New MOE with stepped inflator
 - Redirection of Vehicle License Fee growth revenues
 - Proposal to hold counties harmless from Board of Equalization error through FY16
- Details of plan and financing structure being finalized



Federal Update

- Congress approved FY 17 appropriations bill
- White House to unveil President's full budget proposal tomorrow
 - Policy/Funding uncertainty:
 - Safety Net Cuts
 - Public Safety Cuts
- American Health Care Act awaiting Congressional Budget Office Score



FY 2017-18 MOE Budget – General Fund

(\$ in millions)

	FY 2016-17 FINAL	FY 2017-18 MOE	Inc/ (Dec)	% Change
Appropriation	\$2,574.6	\$2,705.5	\$130.9	5.1%
Revenue	\$2,574.6	\$2,597.0	\$22.4	0.9%
Funding Gap	\$0	\$108.5	\$108.5	
FTE Positions*	7,696.62	7,735.69	39.07	0.5%

*Full-time equivalent positions

Note: Totals may vary slightly due to rounding



FY 2017-18 Budget Balancing Options

(\$ in millions)

	Gap Option D	\$40M Option 3	
	Absorb NCC Increase w/ FMR and Credit Share of \$35.1M Based on % Share of NCC	Distribute \$40M Based on % Share of NCC Increase	Gap Option D + \$40M Option 3 TOTAL
General Government	\$24.2	\$4.7	\$28.9
Public Protection	\$13.6	\$10.6	\$24.2
Public Assistance	\$11.4	\$19.5	\$30.9
Health Care	\$19.3	\$5.2	\$24.5
Total Gap	\$68.5	\$40.0	\$108.5

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



FY 2017-18 MOE Budget – General Fund Without \$40M IHSS Cost Shift (\$ in millions)

	FY 2016-17 FINAL	FY 2017-18 MOE	Inc/ (Dec)	% Change
Appropriation	\$2,574.6	\$2,692.6	\$118.0	4.6%
Revenue	\$2,574.6	\$2,624.1	\$49.5	1.9%
Funding Gap	\$0	\$68.5	\$68.5	
FTE Positions*	7,696.62	7,735.69	39.07	0.5%

*Full-time equivalent positions

Note: Totals may vary slightly due to rounding



FY 2017-18 Reduction Targets

Program Area	Reduction Target
General Government	\$24.2M
Public Protection	\$13.6M
Public Assistance	\$11.4M
Health Care	\$19.3M
Total Programs	\$68.5M



Values-Based Budgeting Reductions

Major Components

Preliminary

Fiscal Management Reward savings	\$30.8M
Net appropriation reductions	\$13.7M
Net revenue increases	<u>\$21.8M</u>
Total reductions	\$66.3M

Position reductions: 1.35 Full-Time Equivalents (vacant)

Remaining funding gap: \$2.2M



FY 17-18 Funding Gap Reductions

(\$ in millions)

Preliminary

Program	Target	Reduction Plans	Remaining	Reduction in FTEs
General Government	\$24.2	\$22.0	\$2.2	0.00
Public Protection	\$13.6	\$13.6	\$0.0	0.00
Public Assistance	\$11.4	\$11.4	\$0.0	0.00
Health Care	\$19.3	\$19.3	\$0.0	1.35
General Fund Total	\$68.5	\$66.3	\$2.2	1.35

FTEs = full-time equivalent positions



Pending Factors

- ❑ Economic uncertainty
- ❑ State budget: Legislative adoption & Governor's signing
 - Implementation of IHSS program redesign and financing structure
- ❑ Structural funding gap – Use of one-time solutions for ongoing expenses
- ❑ Labor, health, retirement costs



Next Steps

- Continue to close budget gap
- May Revise
 - Determine/refine estimates of budget and human impacts
 - Continue to monitor State budget negotiations
 - Work with legislative advocates
- Proposed Budget Submitted to Board
 - June 13, 2017
- Budget Hearings/Adoption
 - Hearings during week of June 26, 2017
 - Adoption on June 30, 2017



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