Alameda County
Fiscal Year 2020-21
Early Budget Work Session

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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

Operating Principles

Strategic Focus Areas
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