Economic Outlook
National and State Unemployment

Nationwide
- 44.2M total workers filed initial claims
- 1.5M claims filed the week ending June 12

California
- 5.3M total workers filed jobless claims
- 258K initial unemployment claims filed for the week ending June 6 – the highest weekly total in over a month
- 243K claims filled the week ending June 12
Alameda County – Unemployment Rate (May 2020)

- California: 15.9%
- County: 13.5%
- National: 13.3%
- County (March): 3.8%
13.3% national unemployment rate at a historic high
Jobless rate compared to Great Depression-era levels

Retail sees an increase in May… but still below 2019

Source Legislative Analyst’s Office

Clothing – 67%
Restaurants – 40%
California continues drop in retail sales – vehicles

Value of Newly-Registered Vehicles in California
In Billions (Seasonally Adjusted)

Source Legislative Analyst’s Office
Key Economic Takeaways

- We are in a recession

- Duration of recession depends upon
  - Unemployment rates (still climbing)
  - Impacts of increased COVID-19 cases and Shelter-in-Place public health orders
  - Consumer confidence and spending remains low
  - Federal aid
The Governor and Legislature announced a budget agreement on June 22, 2020. A vote is expected on Friday, June 26, 2020 after hearings this week.

Key Components

- Rejects large cuts to several social services programs proposed in the May Revise, including cuts to IHSS, CalWORKs, Medi-Cal optional benefits and Prop 56, disability services, and aging programs
- Preserves $300M increase in homelessness funding
- Backfills a minimum of $750M of county realignment funding, with an additional $250M available if additional federal funding is approved

Federal Funds
- Agreement would “trigger up” funding for specified expenditures if new federal funding becomes available to offset General Fund costs
Federal Budget Update

- Coronavirus Aid, Relief, and Economy Security (CARES) Act
  - Enacted March 27; $2 trillion stimulus
  - Coronavirus Relief Fund – Direct allocation to the states & units of government with population > 500K
  - Cannot offset revenue losses
  - Unanticipated COVID-19 expenses are projected to exceed $400M

- HEROES Act
  - $875 billion to states and local governments
    - County allocations based on population:
      - $125 billion within 30 days of enactment; $62.5 billion within one year
  - Allows funds to offset lost revenue as a result of the COVID-19 pandemic
  - Timing pushed back

- SMART Act
  - Bipartisan bill for $500 billion in emergency funding for state and local governments
  - Allows funds to be used retroactively to offset lost revenues
  - Funds allocated based upon population size, infection rates and revenue losses
FY 2020-21 Proposed Budget
## FY 2020-21 Proposed Budget Overview

### All Funds (in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019-20 APPROVED</th>
<th>FY 2020-21 MOE</th>
<th>FY 2020-21 PROPOSED</th>
<th>Change from 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALL FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$3,543.5</td>
<td>$3,489.1</td>
<td>$3,494.5</td>
<td><em>(−$49.0)</em></td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,543.5</td>
<td>$3,417.0</td>
<td>$3,494.5</td>
<td>−($49.0)</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$72.1</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>9,887.00</td>
<td>9,868.73</td>
<td>9,953.02</td>
<td>66.02</td>
</tr>
</tbody>
</table>

*The primary driver in the All Funds change reflects the use of Measure A1 GO Bond proceeds.

**Full-time equivalent positions. FTE changes are all Board-approved and fully offset by revenue or other one-time funding. All Funds FTE changes are offset by a reduction of funded vacancies in the Public Works Agency.*
FY 2020-21 Proposed Budget Overview
General Fund (in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019-20 APPROVED</th>
<th>FY 2020-21 MOE</th>
<th>FY 2020-21 PROPOSED</th>
<th>Change from 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$3,032.2</td>
<td>$3,120.9</td>
<td>$3,126.3</td>
<td>$94.1</td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,032.2</td>
<td>$3,048.8</td>
<td>$3,126.3</td>
<td>$94.1</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$72.1</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>FTE*</td>
<td>7,931.10</td>
<td>7,987.01</td>
<td>8,071.30</td>
<td>140.21</td>
</tr>
</tbody>
</table>

*Full-time equivalent positions. General Fund FTE changes are all Board-approved and fully offset by revenue or other one-time funding.
FY 2020-21 Proposed Budget

Appropriation by Program – General Fund ($ in millions)

- **Health Care Services**: $929.5 (29.7%)
- **General Government**: $273.3 (8.7%)
- **Public Protection**: $826.0 (26.4%)
- **Public Assistance**: $882.7 (28.2%)
- **Non Program Activities**: $147.6 (4.7%)
- **Contingency & Reserves**: $59.6 (1.9%)
- **Capital Projects**: $7.5 (0.2%)

**Total General Fund: $3,126.3 million**
FY 2020-21 Proposed Budget
Appropriation by Major Object – General Fund ($ in millions)

Salaries & Employee Benefits: $1,285.9 (40.0%)
Services & Supplies: $544.3 (16.9%)
Community-Based Organization contracts: $678.0 (21.1%)
Other Charges*: $501.7 (15.6%)
Fixed Assets: $12.9 (0.4%)
Other Financing Uses, $189.0, 5.9%

Intra-Fund Transfers: ($85.5) million
Total General Fund: $3,126.3 million

* $345.6M SSA assistance/client benefits
## Community-Based Organization (CBO) Contracts

### FY 2020-21 Proposed Budget Funding ($ in millions)

<table>
<thead>
<tr>
<th>Program Area</th>
<th>FY 20-21 Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$24.7</td>
</tr>
<tr>
<td>Health Care Services*</td>
<td>$431.8</td>
</tr>
<tr>
<td>Health Care – Alameda Health System</td>
<td>$82.6</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$98.6</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$40.2</td>
</tr>
<tr>
<td><strong>CBO Contracts Total</strong></td>
<td><strong>$678.0</strong></td>
</tr>
</tbody>
</table>

* excludes Alameda Health System contracts

260 CBO Contractors Total
Available Financing by Source – General Fund ($ in millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid</td>
<td>$1,252.5</td>
<td>40.1%</td>
</tr>
<tr>
<td>Aid from Federal Gov't Agencies</td>
<td>$506.0</td>
<td>16.2%</td>
</tr>
<tr>
<td>Aid from Local Gov't Agencies</td>
<td>$69.0</td>
<td>2.2%</td>
</tr>
<tr>
<td>Charges for Services*</td>
<td>$392.4</td>
<td>12.6%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$152.7</td>
<td>4.9%</td>
</tr>
<tr>
<td>Other Financing Sources</td>
<td>$108.6</td>
<td>3.5%</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$0.5</td>
<td>0%</td>
</tr>
<tr>
<td>Property Tax Revenues</td>
<td>$484.1</td>
<td>15.5%</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$119.3</td>
<td>3.8%</td>
</tr>
<tr>
<td>Licenses, Permits &amp; Franchises</td>
<td>$9.9</td>
<td>0.3%</td>
</tr>
<tr>
<td>Fines, Forfeits &amp; Penalties</td>
<td>$13.3</td>
<td>0.4%</td>
</tr>
<tr>
<td>Use of Money &amp; Property</td>
<td>$18.0</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Total General Fund:</strong></td>
<td><strong>$3,126.3 million</strong></td>
<td><strong>60%</strong></td>
</tr>
</tbody>
</table>

*Includes Medi-Cal/Medicare revenues as State and federal aid

60% of GF budget is State and Federal Aid ($1.9 billion)
FY 2020-21 Proposed Budget

Discretionary Revenue – Share of Total General Fund ($ in millions)

- Program Revenue: $2,262.1 (72.4%)
- Discretionary Revenue: $798.2 (25.5%)
- Debt Service Revenue: $26.9 (0.9%)
- Use of Fiscal Mgmt Savings: $39.1 (1.3%)

Total General Fund: $3,126.3 million
## FY 2020-21 Proposed Budget

### Discretionary Revenue by Source ($ in millions)

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount (in millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &amp; Use Tax</td>
<td>$23.4</td>
<td>2.9%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$484.1</td>
<td>60.7%</td>
</tr>
<tr>
<td>Vehicle License Fee (ERAF)</td>
<td>$227.1</td>
<td>28.5%</td>
</tr>
<tr>
<td>Interest</td>
<td>$17.4</td>
<td>2.2%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$46.1</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Total Discretionary Revenue</strong></td>
<td><strong>$798.2 million</strong></td>
<td></td>
</tr>
</tbody>
</table>
FY 2020-21 Proposed Budget
Use of Discretionary Revenue by Program ($ in millions)

- **General Government**: $63.5 (8.0%)
- **Public Assistance**: $70.7 (8.9%)
- **Public Protection**: $356.7 (44.7%)
- **Health Care**: $139.0 (17.4%)
- **Debt Service**: $101.6 (12.7%)
- **Contingency & Reserve**: $59.6 (7.5%)
- **Capital Projects**: $7.0 (0.9%)  

Total Discretionary Revenue: $798.2 million
Alameda County

FY 20-21 MOE Funding Gap & Budget Balancing Strategies
## FY 2020-21 Proposed Budget Overview
### General Fund (in millions)

<table>
<thead>
<tr>
<th>General Fund</th>
<th>FY 2019-20 APPROVED</th>
<th>FY 2020-21 MOE</th>
<th>FY 2020-21 PROPOSED</th>
<th>Change from 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$3,032.2</td>
<td>$3,120.9</td>
<td>$3,126.3</td>
<td>$94.1</td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,032.2</td>
<td>$3,048.8</td>
<td>$3,126.3</td>
<td>$94.1</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$72.1</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>FTE*</td>
<td>7,931.10</td>
<td>7,987.01</td>
<td>8,071.30</td>
<td>140.21</td>
</tr>
</tbody>
</table>

*Full-time equivalent positions. General Fund FTE changes are all Board-approved and fully offset by revenue or other one-time funding.
## FY 2020-21 Maintenance of Effort (MOE) Funding Level

<table>
<thead>
<tr>
<th>General Fund</th>
<th>2019-20 FINAL</th>
<th>2020-21 MOE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$3,032.2</td>
<td>$3,120.9</td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,032.2</td>
<td>$3,048.8</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$72.1</td>
</tr>
<tr>
<td>FTE*</td>
<td>7,931.10</td>
<td>7,987.01</td>
</tr>
</tbody>
</table>

*FTE = Full-time equivalent positions
### FY 2020-21 Funding Gap Reductions

($ in millions)

<table>
<thead>
<tr>
<th>Program</th>
<th>Appropriation Decrease</th>
<th>Revenue Increase</th>
<th>Use of FMR</th>
<th>Total Reduction Including FMR</th>
<th>FTE Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$17.7</td>
<td>$17.7</td>
<td>0</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>$3.9</td>
<td>$6.6</td>
<td>$10.0</td>
<td>$20.5</td>
<td>0</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$4.5</td>
<td>($1.6)</td>
<td>$0.0</td>
<td>$2.9</td>
<td>(11.71)</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$5.0</td>
<td>$14.6</td>
<td>$11.4</td>
<td>$31.0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$13.4</strong></td>
<td><strong>$19.6</strong></td>
<td><strong>$39.1</strong></td>
<td><strong>$72.1</strong></td>
<td><strong>(11.71)</strong></td>
</tr>
</tbody>
</table>

Note: The figures above are based on exact numbers – totals may vary due to rounding.
FY 2020-21 Budget Balancing Strategies

Ongoing vs. One-time ($ in millions)

- One-Time Use FMR*: $39.1 (54.2%)
- Other One-time: $17.1 (23.7%)
- Ongoing: $15.9 (22.1%)

Total Net County Cost Reductions: $72.1 million

*Fiscal Management Program Savings
Pending Factors

- Economic downturn related to the COVID-19 pandemic
  - Unanticipated costs and projected revenue shortfalls
- State budget
- Ongoing homelessness crisis
- Census 2020
- Rising retirement costs
- Salary & Employee Benefits COLAs
- Health care – Expiration of Medicaid waivers; Alameda Health System financial status
- Public safety costs – inmate medical care, pending litigation, realignment of juvenile justice
- Capital needs and unfunded major maintenance needs
  - Workplace modifications to slow the spread of COVID-19 in County facilities
Alameda County Vision 2026
ALAMEDA COUNTY VISION 2026

**Shared Visions**

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

**10x Goals**

- Employment for All
- Eliminate Homelessness
- Accessible Infrastructure
- Eliminate Poverty & Hunger
- Health Care for All
- Crime Free County

**Operating Principles**

- Equity
- Fiscal Stewardship
- Access
- Collaboration
- Innovation
- Sustainability
Vision 2026 10x Goal: Employment for All
Alameda County Population and Workforce *by Race/Ethnicity

White: 31% 30% 17% 10% 1%
Asian: 31% 23% 22% 25% 4%
Hispanic/Latino: 22% 23% 17%...
Black/African American: 25% 10%
2+ Races: 5% 4%
Native Hawaiian/Pacific Islander: 1%
American Indian/Alaskan Native: <1%

*Workforce data is provided by Human Resource Services and does not include retired annuitants, services-as-needed employees, Temporary Assignment Pool positions, or the Alameda County Fire Department.

FY 20-21 Proposed Budget
$1.3B in Salary & Employee Benefits
9,953 Full-Time Equivalent Positions
FY 2020-21 Board Initiatives

- **Enhancing Vision 2026 Fund** (for children, youth and families)
  - 2nd year allocation (FY 2019-20 through FY 2021-22)
  - $5 million each year ($1 million for each supervisorial district)

- **Housing & Homelessness**
  - 3rd year allocation (FY 2018-19 through FY 2020-21)
  - $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)
Measure A1 Affordable Housing - Total Funding

- FY 20-21 Proposed Budget: $97M

- ~3,200 affordable units
  - Over 800 units reserved for homeless individuals

- Homeowner Programs
  - Down Payment Assistance Loan Program (AC Boost)
  - Home Preservation Loan Program (Renew AC)
  - Homeownership Development Program (RFP delayed)

- Rental Housing Programs
  - Long-term affordability
  - 47 projects allocated funding to date

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base City</td>
<td>$225M</td>
</tr>
<tr>
<td>Regional Pools</td>
<td>$200M</td>
</tr>
<tr>
<td>Innovation &amp; Opportunity</td>
<td>$35M</td>
</tr>
<tr>
<td>Homeowner Programs</td>
<td>$120M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$580M</strong></td>
</tr>
</tbody>
</table>
### County Administrator’s Office

#### Prevent Homelessness
- Housing Resource Centers
- Legal Aid
- 2-1-1 Services

#### Outreach to Unsheltered People
- Housing Resource Centers
- Outreach
- Homeless Mentally Ill Outreach and Treatment

#### Provide Health & Supportive Services
- Healthcare for the Homeless
- Permanent Supportive Housing
- Street Medicine
- Trust Clinic

#### Provide Shelter & Housing
- Emergency Shelter
- Winter Relief
- Transitional Housing
- Rapid Re-Housing
- Realignment Housing Program
- Permanent Supportive Housing

#### Create a Coordinated System
- HMIS
- Operating Costs
- Administrative Costs

---

<table>
<thead>
<tr>
<th>Ongoing Funding: $250M</th>
<th>One-Time: $90M</th>
<th>New Funding: $27M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$367M</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FY 20-21 Homelessness Budget by Department and Category
($ in millions)

By Department
- HCSA $49.9 (44.8%)
- SSA $27.1 (24.3%)
- CDA $30.1 (27.0%)
- Probation $4.4 (3.9%)

By Action Plan Category
- Providing Shelter/Housing $56.7 (50.9%)
- Health/Supportive Services $31.8 (28.5%)
- Preventing Homelessness $8.2 (7.4%)
- Outreach to Unsheltered $2.2 (2.0%)
- Coordinated System $12.6 (11.3%)

Total Proposed Budget: $111.5 million
FY 2020-21 Children’s Services Budget

- **$707 million**
  - $249M Health Care
  - $327M Public Assistance
  - $118M Public Protection
  - $13M General Government

- **Service Types**
  - Prevention
  - Intervention, Treatment & Crisis
  - Maintenance & Economic Support
  - Policy, Planning & Research
FY 2020-21 Unincorporated Services Budget

- $297 million
  - 471 square miles
  - 148,452 population

- County Agencies/Departments
  - Community Development Agency
  - County Library
  - Public Works Agency
  - Fire Department
  - Sheriff’s Office
FY 2020-21 Human Impact Budget

- Children & Families
- CalWORKs
- Early Care and Education
- Children & Family Services
- Adults
- Homelessness
- Health Care Safety Net System
- Medi-Cal
- Behavioral Health
- Communicable Disease Control & Prevention
- CalFresh
- General Assistance
- Workforce Innovation & Opportunity Act
- Immigrant Services
- Older Adults & People with Disabilities
- In-Home Supportive Services
- Aging & Adult Protection
- Area Agency on Aging
FY 2020-21 County Budget Framework

Phase 1: Maintenance of Effort

Phase 2: May Revise Projections

Phase 3: State Budget & Federal Assistance
FY 2020-21 Projected Revenue Reductions

- **$63.1M** in Realignment
  - **$23.9M** Health Care
    - 1991 – Health, Mental Health, Social Services/Public Health
    - 2011 – Behavioral Health subaccount
  - **$27.1M** Social Services
    - 1991 – Admin, Adult & Aging, Children & Family Services, CalWORKS MOE
    - 2011 – Adult & Aging, Children & Family Services
  - **$12.1M** Public Protection
    - 2011 – Community Corrections (AB 109), Revocation Proceedings (AB 118), Juvenile Justice & Trial Court Security subaccounts

- **$58.5M** in sales & income tax-based revenues
  - MHSA, Measure A, Unincorporated, Prop 172

- **$121.6M** in total projected revenue losses
FY 2020-21 Budget Hearing Schedule

Tuesday, June 11
Presentation of Proposed Budget

Tuesday, June 23
Budget Hearings
Overview
Public Assistance
Health Care Services
Public Protection
General Government
Other Issues/Final Adjustments

Thursday, June 25
Final Budget Deliberations

Friday, June 26
Final Budget Adoption