County of Alameda
FY 2022-23 Proposed Budget
June 14, 2022
# FY 2022-23 Proposed Budget
($ in millions)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Funds</strong></td>
<td>$3,755.3</td>
</tr>
<tr>
<td><strong>General Fund</strong></td>
<td>$3,446.9</td>
</tr>
<tr>
<td><em>Increase from FY 2021-22</em></td>
<td>$131.9</td>
</tr>
<tr>
<td><strong>Full-Time Equivalent Positions (FTEs)</strong></td>
<td>10,337.33</td>
</tr>
<tr>
<td><em>Increase from FY 2021-22</em></td>
<td>259.02</td>
</tr>
</tbody>
</table>
COVID-19 Emergency Funding

Proposed Budget generally does not include:

- Direct COVID-19 related expenditures
- Coronavirus Aid, Relief and Economic Security Act (CARES) funding
- American Rescue Plan Act (ARPA) funding
- Federal Emergency Management Agency (FEMA) funding
## COVID-19 Emergency Funding

### CARES Act
- $333.2 million in funding – fully expended
- $647.8 in additional CARES-eligible expenses

### American Rescue Plan Act
- $324.6 million total over two tranches
- $162 million allocated

### Federal Emergency Management Agency
- $60 million in expenses
- 80% for shelter/hotels & 20% vaccination related costs
Economic Outlook
Unemployment Rate (April 2022)

Source: U.S. Bureau of Labor Statistics
Median Home Values – April 2022

Alameda County Median home sales price $1.16 million

An increase of 11.2 percent from the prior year
Proposed FY 2022-23 Assessment Roll Growth

Source: Alameda County Assessor’s Office
Federal Reserve Tightening Monetary Policy

30-Year Fixed Mortgage Rate Average in the United States

Jun-22, 5.2%
State Budget

On May 13, Governor Newsom released the May Revision to the Governor’s January Budget Proposal:

- The May Revise is $300.7 billion All Funds & $227.4 billion General Fund spending plan – a ~5% increase from the January Budget Proposal

- The total surplus is now projected to be $97.5 billion total
  - $49.2 Billion of the projected surplus is discretionary
  - Approximately 94% of the projected discretionary surplus is dedicated to 1-time spending

- LAO recommending more to reserves due to potential fiscal cliff & recession risk

- Homelessness, housing, and public safety revenue opportunities for local governments

- CARE Court, CalAIM, and Pre-Trial funding all major priorities for the County
Federal Funding
FY 2022-23 Proposed Budget Overview
## FY 2023-23 Budget Overview ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>All Funds</th>
<th>FY 2021-22 Final</th>
<th>FY 2022-23 MOE</th>
<th>FY 2022-23 Proposed</th>
<th>Change from 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appropriation</strong></td>
<td></td>
<td>$3,607.9</td>
<td>$3,775.8</td>
<td>$3,755.3</td>
<td>$147.4</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td>$3,607.9</td>
<td>$3,726.7</td>
<td>$3,755.3</td>
<td>$147.4</td>
</tr>
<tr>
<td><strong>Funding Gap</strong></td>
<td></td>
<td>$0</td>
<td>$49.1</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>$10,078.31</td>
<td>$10,337.33</td>
<td>$10,337.33</td>
<td></td>
<td>259.02</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>FY 2021-22 Final</th>
<th>FY 2022-23 MOE</th>
<th>FY 2022-23 Proposed</th>
<th>Change from 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appropriation</strong></td>
<td></td>
<td>$3,315.0</td>
<td>$3,467.4</td>
<td>$3,446.9</td>
<td>$131.9</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td>$3,315.0</td>
<td>$3,418.3</td>
<td>$3,446.9</td>
<td>$131.9</td>
</tr>
<tr>
<td><strong>Funding Gap</strong></td>
<td></td>
<td>$0</td>
<td>$49.1</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td></td>
<td>8,210.64</td>
<td>8,454.49</td>
<td>8,454.49</td>
<td>243.85</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 2022-23 Proposed Budget

Appropriation by Major Object - General Fund

- Services & Supplies: $1,347.6M (37.8%)
- Other Charges: $486.8M (13.7%)
- Fixed Assets: $7.6M (0.2%)
- Other Financing Uses: $234.0M (6.6%)
- Salaries & Employee Benefits: $1,486.7M (41.7%)

Intra-Fund Transfers: $-115.8M
Total: $3,446,904,528

NOTE: Includes Community-Based Organization contracts totaling $762.9M
Community-Based Organization (CBO) Contracts
FY 2022-23 Proposed Budget Funding ($ in millions)

246 CBO Contractors Total

<table>
<thead>
<tr>
<th>Program Area</th>
<th>FY 22-23 Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$43.6</td>
</tr>
<tr>
<td>Health Care Services*</td>
<td>$469.2</td>
</tr>
<tr>
<td>Health Care – Alameda Health System</td>
<td>$93.6</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$110.9</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$45.6</td>
</tr>
<tr>
<td><strong>CBO Contracts Total</strong></td>
<td><strong>$762.9</strong></td>
</tr>
</tbody>
</table>

* excludes Alameda Health System contracts
Measure AA – Essential Health Care Services

- Passed by 75% of voters on June 3, 2014
- ½ percent retail transactions and use tax to provide additional financial support for essential health care services to indigent, low-income and uninsured adults, children and families, seniors and other residents
  - Board-approved allocations
  - Funds administered by the Health Care Services Agency
- Shared tax revenues
  - 25% County
  - 75% Alameda Health System
Measure A1 Affordable Housing

- **Measure A1**: $580 million Affordable Housing General Obligation Bond
  - passed by 73% of voters in November 2016

- **Homeowner Programs - $120 million**
  - Down Payment Assistance Loan Program ($50 million)
  - Home Preservation Loan Program ($45 million)
  - Homeowner Development Program ($25 million)

- **Rental Housing Programs - $460 million**
  - Rental Housing Development Fund ($425 million)
    - Base City Allocations ($225 million)
    - 4 Regional Pools ($200 million)
  - Innovation and Opportunity Fund ($35 million)
    - Acquisition and Opportunity Fund ($25 million)
    - Innovation Fund ($10 million)

*Information provided by the Community Development Agency*
Special Budgets
Special Budgets
Board Initiatives
FY 2022-23 Board Initiatives

- **Affordable Housing and Homelessness**
  - $5 million for the Affordable Housing Trust
  - $2.5 million to continue support of the Office of Homeless Care and Coordination

- **Enhancing Vision 2026 Fund** (for children, youth and families)
  - 4th year allocation (through FY 2024-25)
  - $5 million each year ($1 million for each supervisorial district)

- **East County Economic Development – Infrastructure Improvement Fund**
  - $5 million annual allocation (through FY 2026-2027)
Proposed 2022-23 Budget

Available Financing by Source - General Fund

- State Aid
  - $1,480.3M (42.9%)
- Aid from Federal Govt
  - $529.4M (15.4%)
- Aid from Local Govt Agencies
  - $77.9M (2.3%)
- Charges for Services
  - $413.7M (12.0%)
- Property Tax Revenues
  - $568.0M (16.5%)
- Other Financing Sources
  - $73.6M (2.1%)
- Other Revenues
  - $114.5M (3.3%)
- Licenses, Permits & Franchises
  - $11.1M (0.3%)
- Fines, Forfeits & Penalties
  - $9.1M (0.3%)
- Use of Money & Property
  - $12.1M (0.4%)

Total: $3,446,904,528
Closing the Gap
## FY 2022-23 Proposed Budget Balancing

<table>
<thead>
<tr>
<th>Program Areas</th>
<th>Ongoing Reductions</th>
<th>One-time Reductions</th>
<th>Total Net Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$0</td>
<td>$8.0</td>
<td>$8.0</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>3.5</td>
<td>0</td>
<td>3.5</td>
</tr>
<tr>
<td>Public Protection</td>
<td>1.5</td>
<td>4.0</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>PROGRAM TOTAL</strong></td>
<td>$5.0</td>
<td>$12.0</td>
<td>$17.0</td>
</tr>
<tr>
<td><strong>Countywide Strategies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of ITD Retained Earnings</td>
<td>0</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Non-Program Revenue Adjustments</td>
<td>17.1</td>
<td>0</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>COUNTYWIDE TOTAL</strong></td>
<td>$17.1</td>
<td>$15.0</td>
<td>$32.1</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>$22.1</td>
<td>$27.0</td>
<td>$49.1</td>
</tr>
</tbody>
</table>
FY 2022-23 Proposed Budget
($ in millions)

Total Net County Cost Reductions: $49.1 million

One-Time Strategies
$27.0 (55.0%)

Ongoing Strategies
$22.1 (45.0%)
Funding Challenges
Funding Challenges

- Homelessness Crisis

- Health Care
  - CalAIM
  - AHS
  - CARE Court

- Public Safety
  - Rising costs with inadequate State & federal funding
  - Juvenile justice shifts to counties

- Infrastructure and Capital needs
Long-Term Obligations
Long-Term Obligations

- Maintain the “triple-triple” - the highest possible AAA ratings from the “Big 3” rating agencies—Standard & Poor’s Global Ratings, Fitch Ratings and Moody’s Investors Service (since 2018)

- Capital Improvement Plan - $1.3 billion of unfunded capital costs over the next five years as identified in the Capital Improvement Plan

- County’s pension liability
Pending Factors
Pending Factors

- Economic downturn
- FEMA funding risks
- Litigation
Priorities for Budget Balancing Strategies

Our Shared Vision

Operating Principles
- Fiscal Stewardship
- Sustainability
- Innovation
- Equity
- Access

Strategic Focus Areas
- Safe and Livable Communities
- Thriving and Resilient Population
- Healthy Environment
- Prosperous and Vibrant Economy
County of Alameda
PROPOSED BUDGET 2022-2023

PRESENTED BY THE COUNTY ADMINISTRATOR