Budget Hearings Schedule

**June 26, 2023**
- CAO Budget Overview
- Program Area Overviews
  - Public Assistance
  - Health Care
  - Public Protection
  - General Government
- Final adjustments & other issues

**June 27, 2023**
- Board budget deliberations

**June 29, 2023**
- Adoption of the Final Budget
Budget Overview
FY 2023-24 Proposed Budget Process

As in prior years, the County’s budget development process begins in December with the adoption of the budget policy.

The County has also provided Budget briefings to key stakeholders such as labor leaders and community-based providers.
Economic Context

- Strong employment market overall, but layoffs concentrated in the tech sector

- Inflation remains above the Federal Reserve’s 2% target
  - Fed ‘paused’ rate hike cycle at their June meeting, but signaled more rate hikes needed to tame inflation
  - Tighter Monetary Policy

- Real Estate Weakness
  - Home prices and sales are down
  - Commercial vacancies are up

- Economists warn of elevated recession risk
State & Federal Funding Update

Over 60% of the County’s General Fund is from State & Federal sources including Medicaid & Medicare Charges.
COVID-19 Emergency Funding Update

COVID-19 Emergency aid has been & is being administered outside of the County’s annual operating budget. Emergency funding has included:

**CARES Act**
- The County received & fully expended its $333.2 million allocation

**American Rescue Plan Act (ARPA)**
- The County received $324.6 million over two tranches
- All funding has been allocated
- Through 6/23/23, $127.3 million has been spent or encumbered

**Federal Emergency Management Agency (FEMA)**
- $67.8 million in expenses through May 2023 used for sheltering & vaccination-related costs
- The County has received $0 to date in FEMA reimbursements
ARPA Allocations

ARPA funds are one-time and **NOT** included in the annual operating budget. In total, the County received $324.6M in ARPA funding:

<table>
<thead>
<tr>
<th>Category</th>
<th>First Tranche – Board Approved 12/21/21*</th>
<th>Second Tranche – Board Approved 12/6/22</th>
<th>Total Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care Services Agency</td>
<td>$50.0M</td>
<td>$102.2M</td>
<td>$152.2M</td>
</tr>
<tr>
<td>Social Services Agency</td>
<td>$50.0M</td>
<td>$-</td>
<td>$50.0M</td>
</tr>
<tr>
<td>Unincorporated Services</td>
<td>$14.0M</td>
<td>$15.0M</td>
<td>$29.0M</td>
</tr>
<tr>
<td>Capital</td>
<td>$-</td>
<td>$45.4M</td>
<td>$45.4M</td>
</tr>
<tr>
<td>Community Needs Grants</td>
<td>$23.0M</td>
<td>$-</td>
<td>$23.0M</td>
</tr>
<tr>
<td>Economic Development Grants</td>
<td>$10.0M</td>
<td>$-</td>
<td>$10.0M</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>$10.0M</td>
<td>$-</td>
<td>$10.0M</td>
</tr>
<tr>
<td>Outreach &amp; Navigation</td>
<td>$5.0M</td>
<td>$-</td>
<td>$5.0M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$162.0M</strong></td>
<td><strong>$162.6M</strong></td>
<td><strong>$324.6M</strong></td>
</tr>
</tbody>
</table>

*The Board has taken subsequent actions to define, implement, and adjust programs to meet community needs.*
Fiscal Year 2023-24 Proposed Budget Overview
## FY 2023-24 Budget Overview ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2022-23 FINAL</th>
<th>FY 2023-24 MOE</th>
<th>FY 2023-24 PROPOSED</th>
<th>Change from 2022-23</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>$3,798.4</td>
<td>$4,075.2</td>
<td>$4,069.4</td>
<td>$271.0</td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,798.4</td>
<td>$4,021.2</td>
<td>$4,069.4</td>
<td>$271.0</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$54.0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>FTE*</td>
<td>10,370.33</td>
<td>10,370.72</td>
<td>10,368.81</td>
<td>(1.52)</td>
</tr>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$3,489.9</td>
<td>$3,670.8</td>
<td>$3,665.0</td>
<td>$175.0</td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,489.9</td>
<td>$3,616.8</td>
<td>$3,665.0</td>
<td>$175.0</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$54.0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>FTE*</td>
<td>8,486.49</td>
<td>8,470.81</td>
<td>8,468.90</td>
<td>(17.59)</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 2023-24 Budget Balancing Strategies
($ in millions)

Total Net County Cost Reductions: $54.0 million
## FY 2023-24 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>$1.5</td>
<td>$9.7</td>
<td>$11.2</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>4.4</td>
<td>3.5</td>
<td>7.9</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>4.0</td>
<td>0</td>
<td>4.0</td>
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<tr>
<td>Public Protection</td>
<td>14.5</td>
<td>6.3</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>PROGRAM TOTAL</strong></td>
<td><strong>$24.4</strong></td>
<td><strong>$19.5</strong></td>
<td><strong>$43.9</strong></td>
</tr>
<tr>
<td>Countywide Strategies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of ITD Retained Earnings</td>
<td>0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Non-Program Revenue Adjustments</td>
<td>8.1</td>
<td>0</td>
<td>8.1</td>
</tr>
<tr>
<td><strong>COUNTYWIDE TOTAL</strong></td>
<td><strong>$8.1</strong></td>
<td><strong>$2.0</strong></td>
<td><strong>$10.1</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$32.5</strong></td>
<td><strong>$21.5</strong></td>
<td><strong>$54.0</strong></td>
</tr>
</tbody>
</table>
FY 2023-24 General Fund Appropriation By Program

Appropriation by Program - General Fund

- Public Protection $1,020.3M (27.8%)
- Health Care Services $1,059.4M (28.9%)
- Public Assistance $999.9M (27.3%)
- Non Program Activities $137.4M (3.7%)
- Contingency & Reserves $133.6M (3.6%)
- Capital Projects $15.0M (0.4%)
- General Government $299.4M (8.2%)

Total: $3,664,971,025
FY 2023-24 General Fund Appropriation By Major Object

Appropriation by Major Object - General Fund

- Services & Supplies: $1,490.0M (38.8%)
- Salaries & Employee Benefits: $1,572.5M (41.0%)
- Intra-Fund Transfers: $173.8M
- Other Charges: $501.9M (13.1%)
- Fixed Assets: $9.0M (0.2%)
- Other Financing Uses: $265.4M (6.9%)
- NOTE: Includes Community-Based Organization contracts totaling $885.0M

Total: $3,664,971,025
## FY 2023-24 Community-Based Organization Contracts

### 264 CBO Contractors Total

<table>
<thead>
<tr>
<th>Program Area</th>
<th>FY 23-24 Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$100.3</td>
</tr>
<tr>
<td>Health Care Services*</td>
<td>$515.8</td>
</tr>
<tr>
<td>Health Care – Alameda Health System</td>
<td>$95.9</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>$125.5</td>
</tr>
<tr>
<td>Public Protection</td>
<td>$47.5</td>
</tr>
<tr>
<td><strong>CBO Contracts Total</strong></td>
<td><strong>$885.0</strong></td>
</tr>
</tbody>
</table>

* excludes Alameda Health System contracts
## Key Investments

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health &amp; Homelessness</strong></td>
<td>Over <strong>$665M</strong> for mental health including additional <strong>$9M</strong> to support operationally possible Forensic Plan services</td>
</tr>
<tr>
<td></td>
<td><strong>$47M</strong> in Measure A1 Housing Bond projects</td>
</tr>
<tr>
<td></td>
<td>Over <strong>$40M</strong> to support the Office of Homeless Care &amp; Coordination</td>
</tr>
<tr>
<td></td>
<td><strong>Over $163M</strong> to fund the In-Home Supportive Services program supporting keeping over 27,000 recipients in their homes with the services from over 33,000 providers</td>
</tr>
<tr>
<td></td>
<td>An additional <strong>$4 million</strong> to implement Family First Prevention Services Act foster care programming</td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td>Over <strong>$47M</strong> in CBO contracts for public safety, of which <strong>$33M</strong> is for CBOs funded by AB 109</td>
</tr>
<tr>
<td></td>
<td><strong>$34M</strong> including an increase of <strong>$5M</strong> for Court Security mandate</td>
</tr>
<tr>
<td></td>
<td>An additional <strong>$8M</strong> for youth programming implemented by Probation</td>
</tr>
<tr>
<td></td>
<td>An additional <strong>$5M</strong> for major maintenance bringing the total allocation to <strong>$15M</strong></td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td><strong>$15M</strong> (or 1.5% of discretionary revenue) for both capital projects &amp; general reserve</td>
</tr>
<tr>
<td></td>
<td><strong>$1M</strong> to support property tax system modernization</td>
</tr>
</tbody>
</table>
FY 2023-24 General Fund Financing By Source

Available Financing by Source - General Fund

- State Aid: $1,614.1M (44.0%)
- Aid from Federal Govt: $554.2M (15.1%)
- Aid from Local Govt Agencies: $82.0M (2.2%)
- Charges for Services: $421.9M (11.5%)
- Other Revenues: $119.1M (3.2%)
- Other Financing Sources: $72.6M (2.0%)
- Use of Money & Property: $12.7M (0.3%)
- Fines, Forfeits & Penalties: $9.6M (0.3%)
- Licenses, Permits & Franchises: $12.1M (0.3%)
- Other Taxes: $165.1M (4.5%)
- Property Tax Revenues: $601.5M (16.4%)

Total: $3,664,971,025
FY 2023-24 Revenue By Type

Share of Total General Fund (in millions)

- Program Revenue $2,621.6 (71.5%)
- Discretionary Revenue $1,029.0 (28.1%)
- Use of FMR $14.4 (0.4%)

Total General Fund: $3,665.0
FY 2023-24 Discretionary Revenue By Source

Discretionary Revenue by Source (in millions)

- Property Tax: $601.5 (58.5%)
- Sales & Use Tax: $26.3 (2.6%)
- Interest: $29.8 (2.9%)
- Vehicle License Fee (ERAFA): $303.6 (29.5%)
- Other Revenue: $67.8 (6.6%)

Total Discretionary Revenue: $1,029.0
Funding Challenges

Program cost increases are outpacing revenue increases & the County has costly unfunded liabilities:

- New State mandates:
  - CARE Court
  - Juvenile Justice Realignment

- Proposed State funding shifts
  - Governor’s MHSA proposal redirecting up to 1/3 of local funding

- Unfunded future liabilities
  - ACERA unfunded pension liability
  - Unfunded Capital Project needs
Pending Factors

- Elevated recession risk
- State mandates & funding shifts
- State Budget risk due to extended tax filing deadline
- Litigation & insurance costs
- Labor negotiations & workforce challenges
- Homelessness crisis
- AHS financing
Vision 2026

Our Shared Vision

Operating Principles

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

Strategic Focus Areas
June 26, 2023 Hearings Schedule

- Program Area Overviews
  - Public Assistance
  - Health Care
  - Public Protection
  - General Government

- Final adjustments & other issues
COUNTY ADMINISTRATOR’S OFFICE

COUNTY OF ALAMEDA

PROPOSED BUDGET 2023-2024

PRESENTED BY THE COUNTY ADMINISTRATOR

COUNTY ADMINISTRATOR’S OFFICE