County of Alameda
FY 2023-24 Proposed Budget
June 13, 2023
## FY 2023-24 Proposed Budget
### ($ in millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds</td>
<td>$4,069.4</td>
</tr>
<tr>
<td>General Fund</td>
<td>$3,665.0</td>
</tr>
<tr>
<td>Increase from FY 2022-23</td>
<td>$175.0</td>
</tr>
<tr>
<td>Full-Time Equivalent Positions</td>
<td>10,368.81</td>
</tr>
<tr>
<td>(FTEs)</td>
<td></td>
</tr>
<tr>
<td>Decrease from FY 2022-23</td>
<td>(1.52)</td>
</tr>
</tbody>
</table>
Economic Outlook
Economic Outlook

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

- Inflation remains above the Federal Reserve’s 2% target
  - Increased Interest Rates
  - 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
State & Federal Funding Update

Over 60% of the County’s General Fund is from State & Federal sources including Medicaid & Medicare Charges.

State Update

- Governor forecasting $31.5 billion budget deficit (increase from January projection) – LAO forecasted deficit is higher
- Deficits projected beyond FY 24
- Risk of delayed income tax filing revenue assumptions
- Governor NOT proposing to use ‘rainy day’ reserves

Federal Update

- Debt limit agreement reached – caps on discretionary spending – employment requirements for benefit programs
- Split control of Congress
FY 2023-24 Proposed Budget Overview
# FY 2023-24 Budget Overview ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>All Funds</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>FY 2023-24</th>
<th>Change from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FINAL</td>
<td>MOE</td>
<td>PROPOSED</td>
<td>2022-23</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>
<td></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>
<td></td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$54.0</td>
<td>$0</td>
<td>$0</td>
<td></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>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>FY 2023-24</th>
<th>Change from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FINAL</td>
<td>MOE</td>
<td>PROPOSED</td>
<td>2022-23</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>
<td></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>
<td></td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$0</td>
<td>$54.0</td>
<td>$0</td>
<td>$0</td>
<td></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>
<td></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.
Community-Based Organization (CBO) Contracts
FY 2023-24 Proposed Budget Funding ($ in millions)

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
FY 2023-24 Proposed Budget

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
- Fixed Assets $9.0M (0.2%)
- Other Charges $501.9M (13.1%)
- Other Financing Uses $265.4M (6.9%)

Total: $3,664,971,025

NOTE: Includes Community-Based Organization contracts totaling $885.0M
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*
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
FY 2023-24 Proposed Budget

Appropriation by Program - General Fund

- Public Protection: $1,020.3M (27.8%)
- Health Care Services: $1,059.4M (28.9%)
- 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
Board Initiatives
FY 2022-23 Board Initiatives

- **Affordable Housing and Homelessness**
  - $5 million for the Affordable Housing Trust

- **Enhancing Vision 2026 Fund** (for children, youth and families)
  - 5th 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)
Special Budgets
Special Budgets

Alameda County
Unincorporated Services Budget
Fiscal Year 2023-24
Revenue Outlook
Proposed 2023-24 Budget

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%)
- Use of Money & Property: $12.7M (0.3%)
- Fines, Forfeits & Penalties: $9.6M (0.3%)
- Licenses, Permits & Franchises: $12.1M (0.3%)
- Other Revenues: $119.1M (3.2%)
- Other Financing Sources: $72.6M (2.0%)
- Other Taxes: $165.1M (4.5%)
- Property Tax Revenues: $601.5M (16.4%)

Total: $3,664,971,025
Closing the Gap
FY 2023-24 Proposed Budget
($ in millions)

Total Net County Cost Reductions: $54.0 million

One-Time Strategies
$21.5 (40%)

Ongoing Strategies
$32.5 (60%)
## 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>
</tr>
<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>
Funding Challenges
Funding Challenges

- Homelessness Crisis
- Health Care
  - CalAIM
  - AHS
  - CARE Court
- Public Safety
  - Rising costs with inadequate State & federal funding
  - Juvenile Justice realignment shifts responsibility from State 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 - $1.0 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
- Litigation
Priorities for Budget Balancing Strategies

Our Shared Vision

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

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

ACGOV Vision 2026
Budget Development Timeline and Proposed Schedule

- April 11, 2023 – Early Budget Work Session
- Monday, June 26, 2023 – Budget Hearings
- Tuesday, June 27, 2023 – Budget Deliberations
- Thursday, June 29, 2023 – Budget Adoption
County of Alameda
PROPOSED BUDGET 2023-2024

PRESENTED BY THE COUNTY ADMINISTRATOR