



# County of Alameda FY 2023-24 Proposed Budget

June 13, 2023



# FY 2023-24 Proposed Budget

(\$ in millions)

**All Funds**

**\$4,069.4**

**General Fund**

**\$3,665.0**

*Increase from FY 2022-23*

*\$175.0*

**Full-Time Equivalent Positions  
(FTEs)**

**10,368.81**

*Decrease from FY 2022-23*

*(1.52)*



# 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)

All Funds	FY 2022-23 FINAL	FY 2023-24 MOE	FY 2023-24 PROPOSED	Change from 2022-23
Appropriation	\$3,798.4	\$4,075.2	\$4,069.4	\$271.0
Revenue	\$3,798.4	\$4,021.2	\$4,069.4	\$271.0
Funding Gap	\$0	\$54.0	\$0	\$0
FTE*	10,370.33	10,370.72	10,368.81	(1.52)
General Fund	FY 2022-23 FINAL	FY 2023-24 MOE	FY 2023-24 PROPOSED	Change from 2022-23
Appropriation	\$3,489.9	\$3,670.8	\$3,665.0	\$175.0
Revenue	\$3,489.9	\$3,616.8	\$3,665.0	\$175.0
Funding Gap	\$0	\$54.0	\$0	\$0
FTE*	8,486.49	8,470.81	8,468.90	(17.59)

\*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

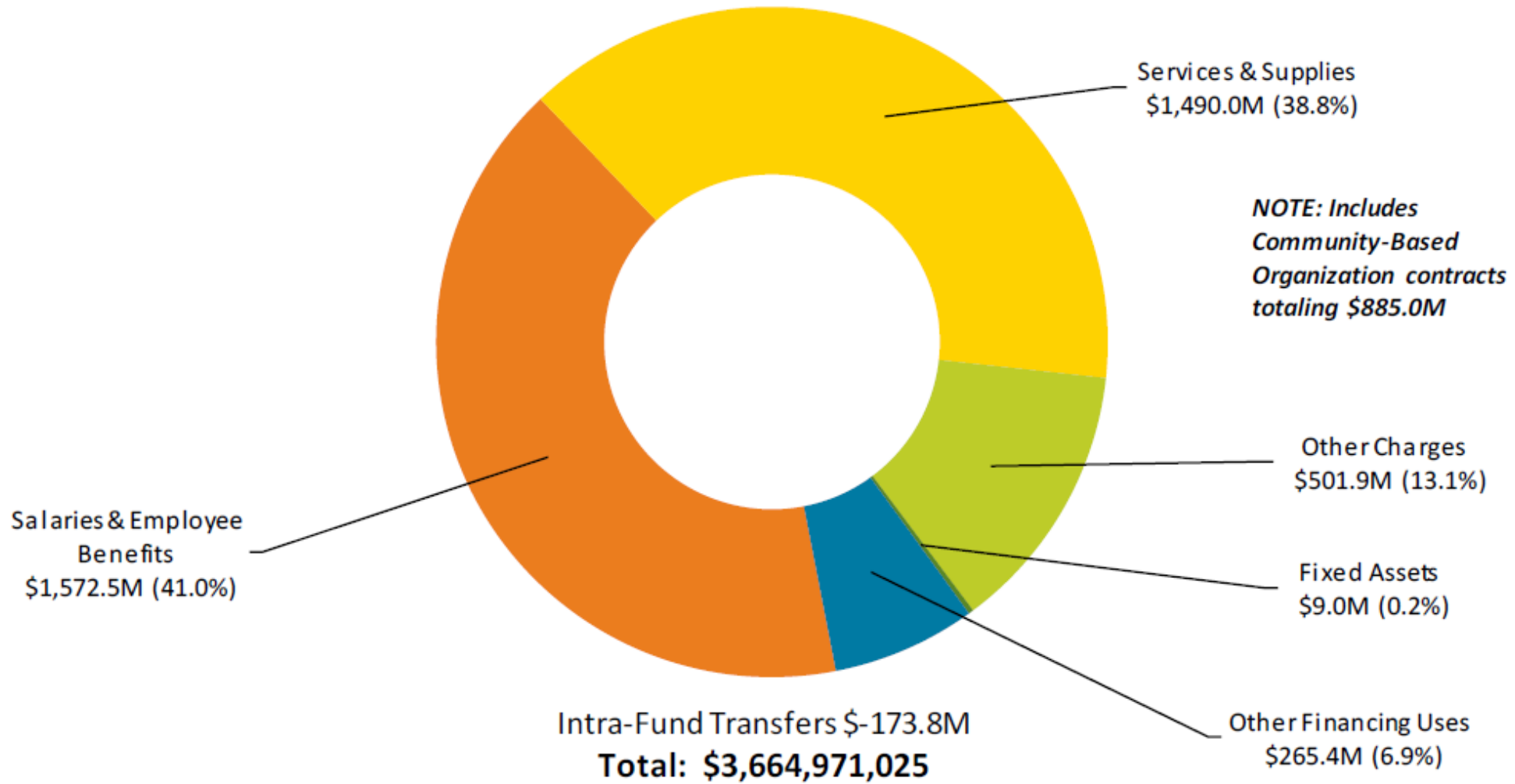
Program Area	FY 23-24 Contracts
General Government	\$100.3
Health Care Services*	\$515.8
Health Care – Alameda Health System	\$95.9
Public Assistance	\$125.5
Public Protection	\$47.5
<b>CBO Contracts Total</b>	<b>\$885.0</b>

\* excludes Alameda Health System contracts



# FY 2023-24 Proposed Budget

## Appropriation by Major Object - General Fund



# 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

**COUNTY ADMINISTRATOR'S OFFICE**

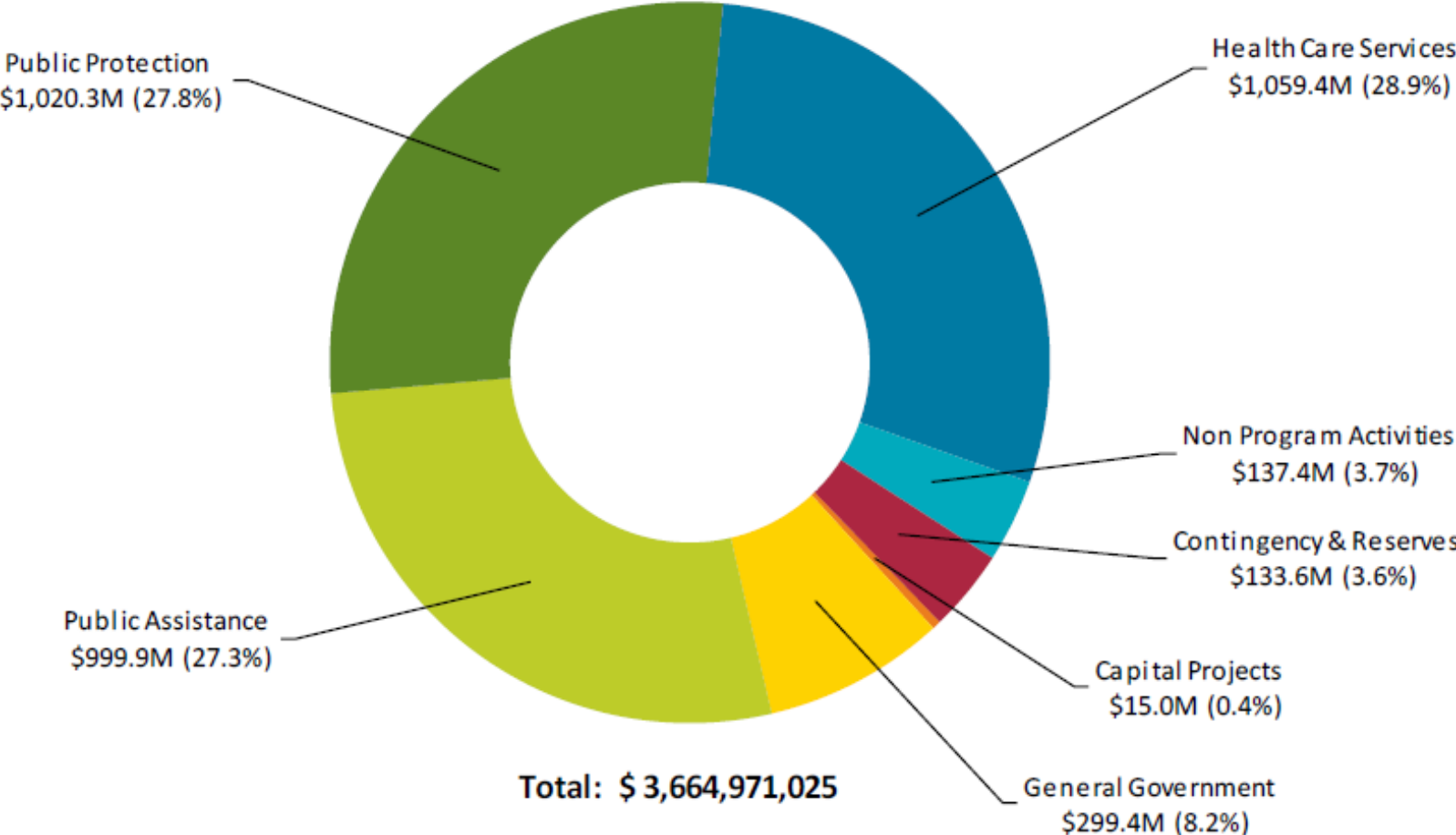


# Measure AA – Essential Health Care Services

- 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



# 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)
  - 5<sup>th</sup> 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

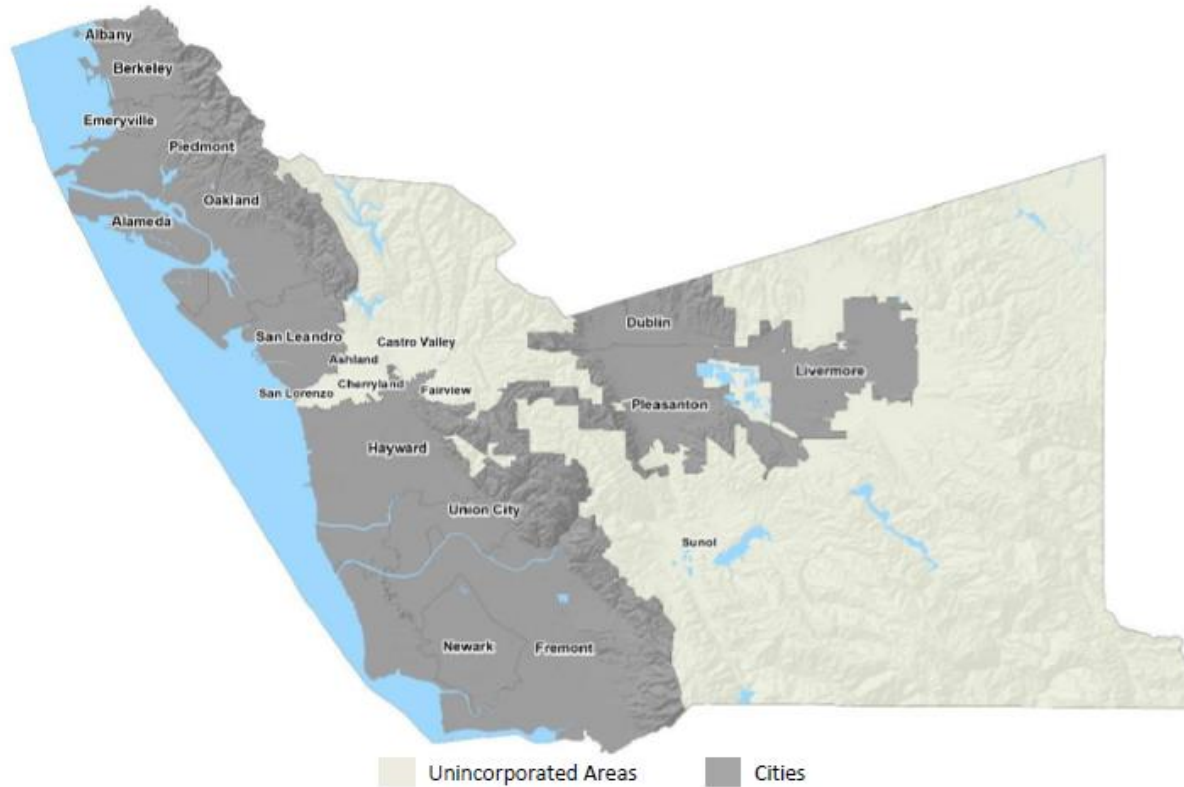




# Special Budgets

## Alameda County Unincorporated Services Budget

Fiscal Year 2023-24



## Alameda County Human Impact Budget Report

*Impacts of budget decisions on our most vulnerable residents*

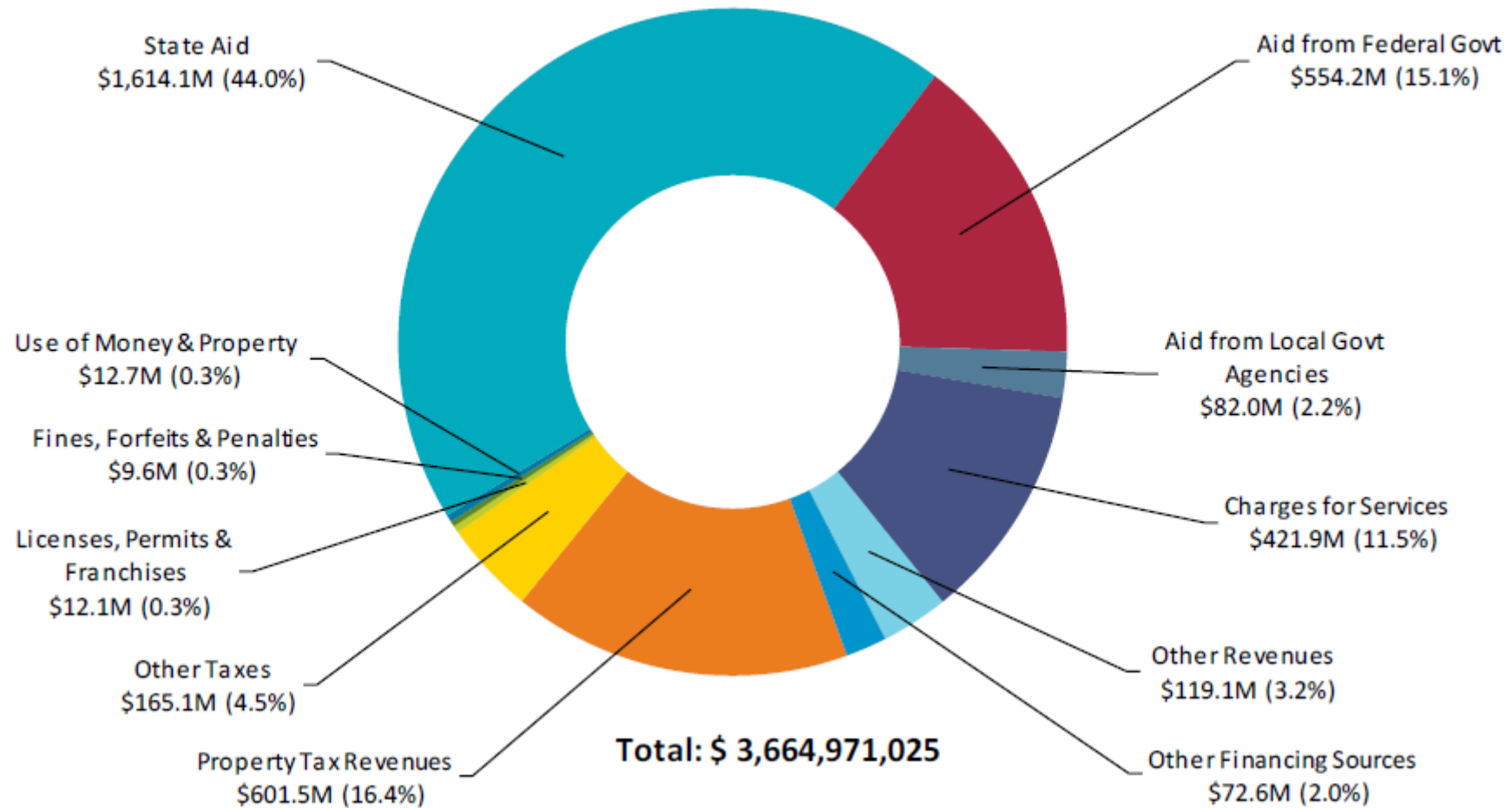


# Revenue Outlook



# Proposed 2023-24 Budget

## Available Financing by Source - General Fund

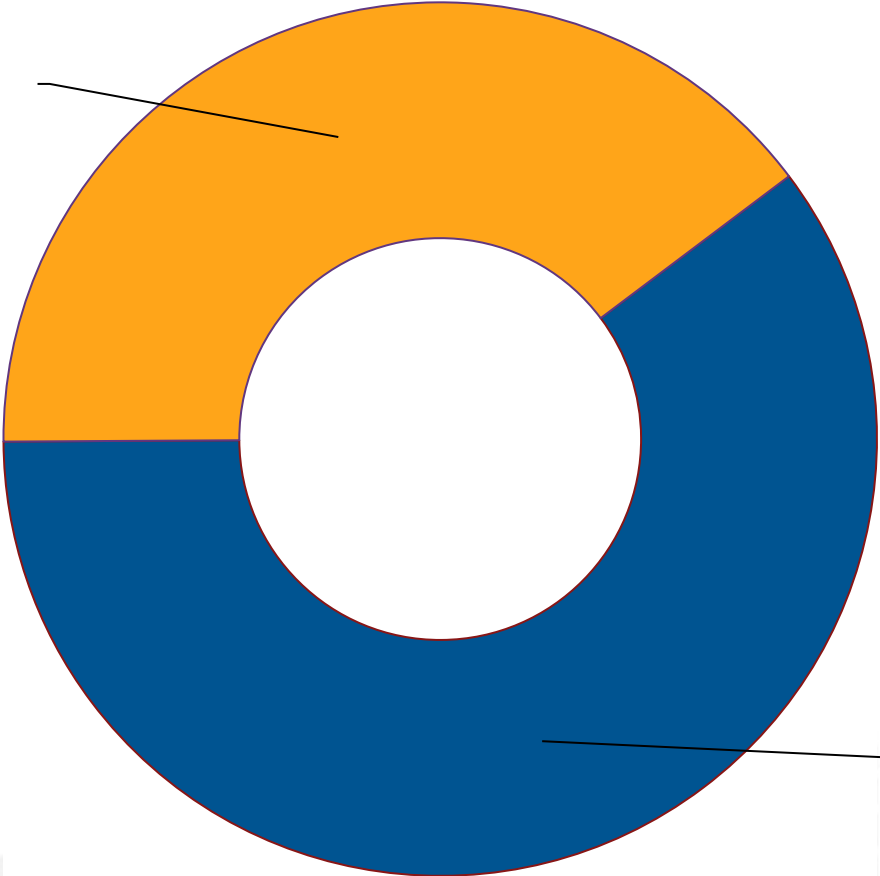


# Closing the Gap



# FY 2023-24 Proposed Budget (\$ in millions)

One-Time  
Strategies  
\$21.5 (40%)



Ongoing  
Strategies  
\$32.5 (60%)

**Total Net County Cost Reductions: \$54.0 million**



# FY 2023-24 Proposed Budget Balancing

Program Areas	Ongoing Reductions	One-time Reductions	Total Net Reductions
General Government	\$1.5	\$9.7	\$11.2
Health Care Services	4.4	3.5	7.9
Public Assistance	4.0	0	4.0
Public Protection	14.5	6.3	20.8
<b>PROGRAM TOTAL</b>	<b>\$24.4</b>	<b>\$19.5</b>	<b>\$43.9</b>
<b>Countywide Strategies</b>			
Use of ITD Retained Earnings	0	2.0	2.0
Non-Program Revenue Adjustments	8.1	0	8.1
<b>COUNTYWIDE TOTAL</b>	<b>\$8.1</b>	<b>\$2.0</b>	<b>\$10.1</b>
<b>GRAND TOTAL</b>	<b>\$32.5</b>	<b>\$21.5</b>	<b>\$54.0</b>



# 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



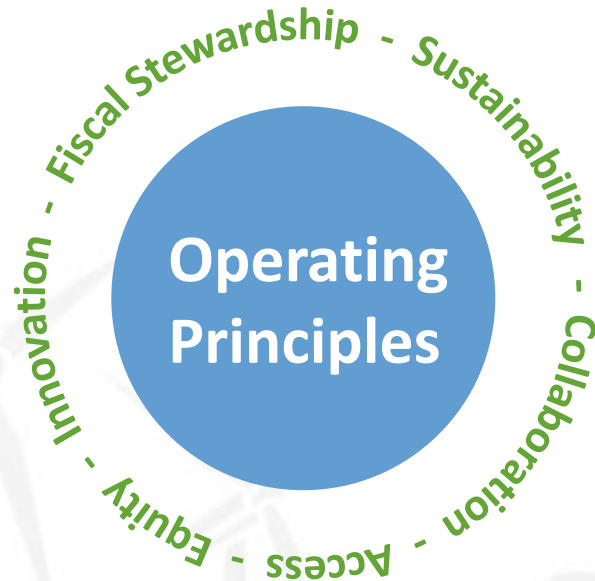
Litigation



# Priorities for Budget Balancing Strategies



## Our Shared Vision



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



# 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



