



# Alameda County Budget Update

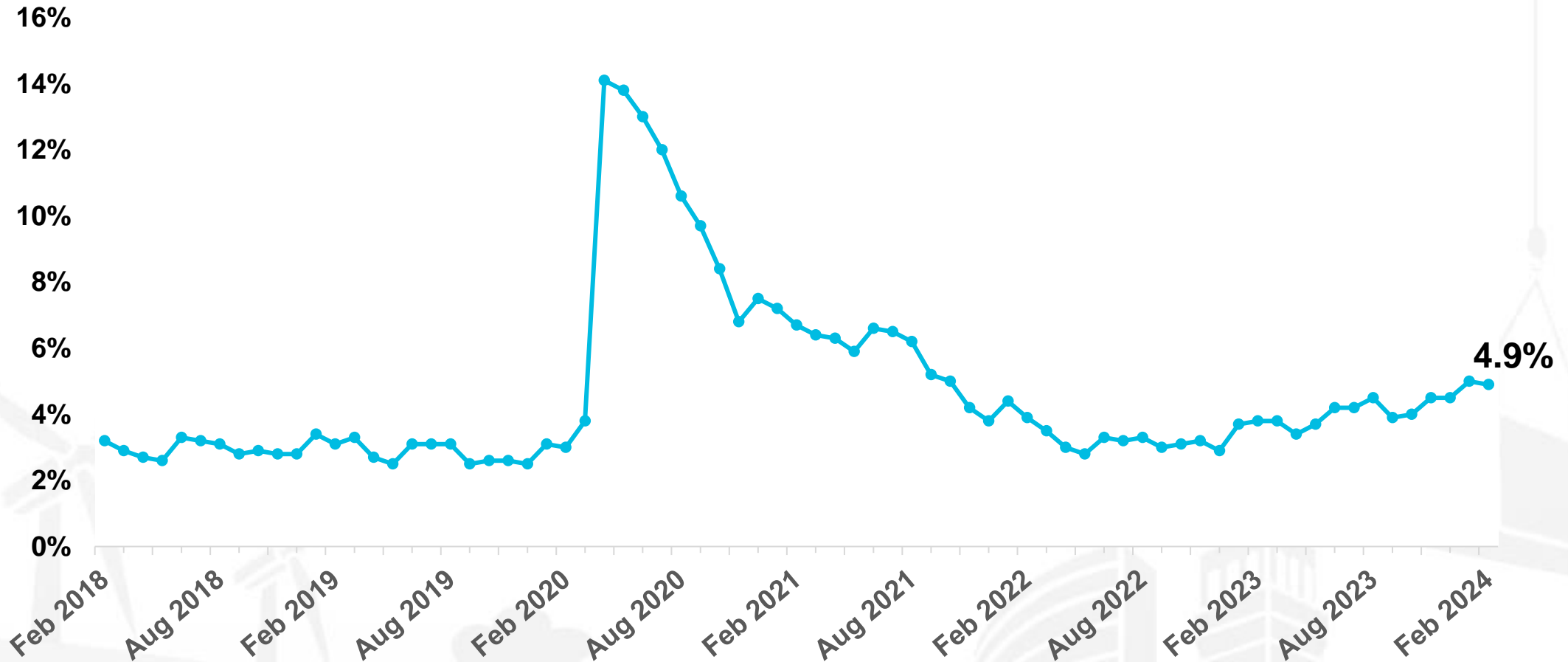
April 3, 2024



# Economic Context



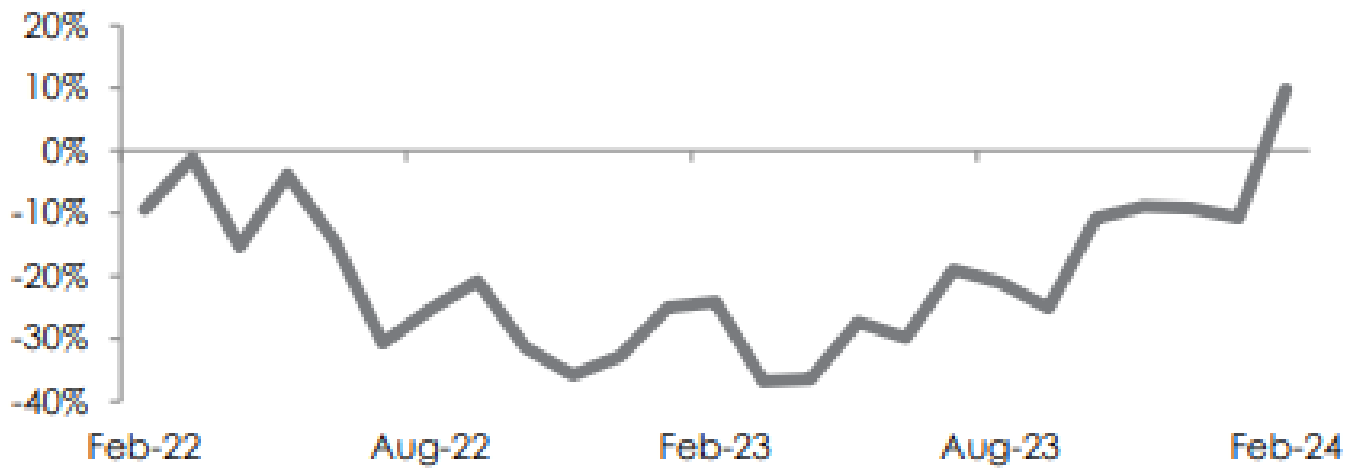
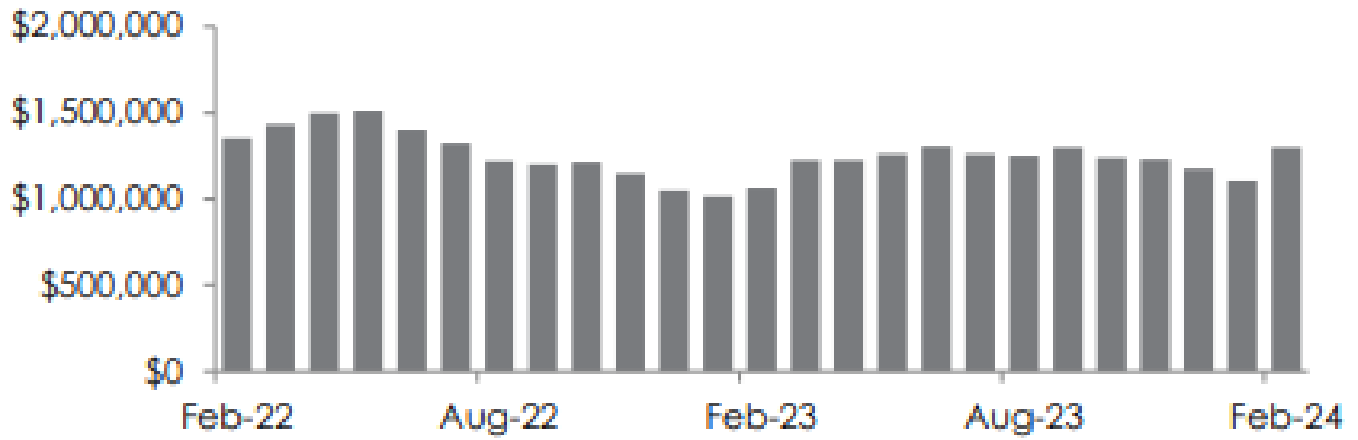
# Alameda County Unemployment



# Alameda County Real Estate Market Trends

## February 2024

Median Price  
For SF Detached Homes  
**\$1,300,000**  
17.9% MTM  
22.0% YTY



Home Sales  
For SF Detached Homes  
**+9.8% YTY**  
40.6% MTM  
0.3% YTD



# Alameda County Real Estate Market Trends

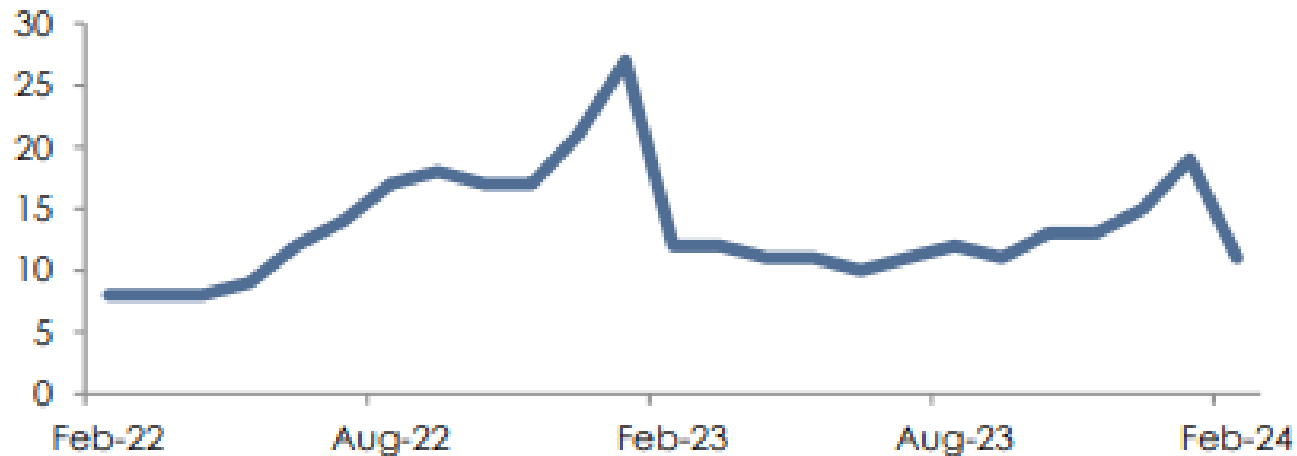
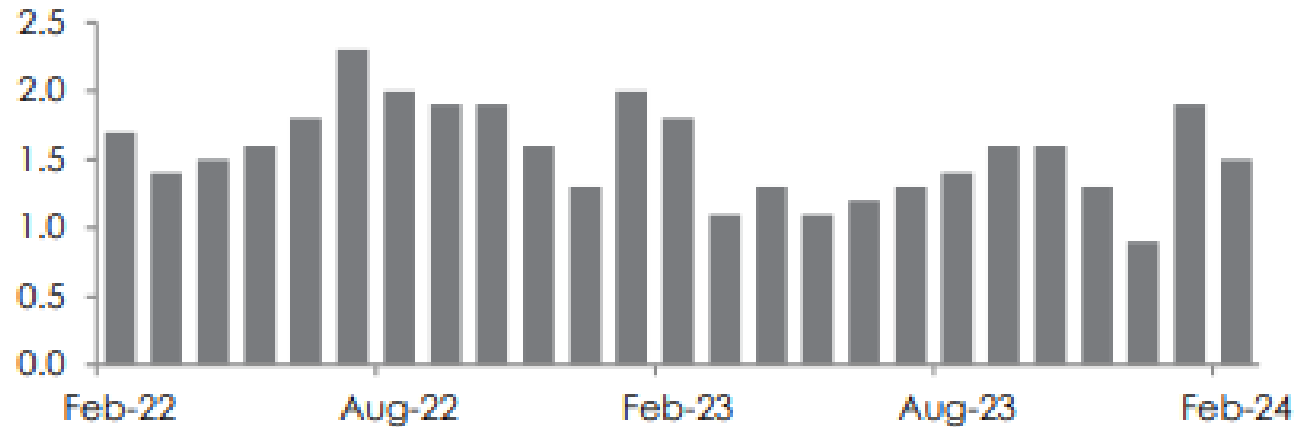
## February 2024

Unsold Inventory  
For SF Detached Homes

**1.5 Months**

-21.1% MTM

-16.7% YTY



Median Time on Market  
For SF Detached Homes

**11 Days**

-42.1% MTM

-8.3% YTY



# Federal Update

- The President unveiled his Fiscal Year 2025 budget calling for \$7.3 trillion in federal spending and projecting a \$1.3 trillion deficit for the year
- Congress averted a partial government shutdown by passing the second “minibus” spending package on Friday, March 23.
  - The President signed the \$1.2 trillion package on Sunday, March 24.

# State Budget Update

## Weak revenue collections resulting in significant budget challenges

- The Department of Finance reports cash receipts are **\$5 billion** below the 24-25 Budget forecast for January and nearly \$6 billion below the fiscal year-to-date forecast
- The LAO released a report on February 20 projecting a **\$73 billion** budget deficit, further widening the difference between the LAO projection and the administration's estimate.
- Anticipate significant budgetary revisions in May.

# County Financing





# County Fiscal Dilemma

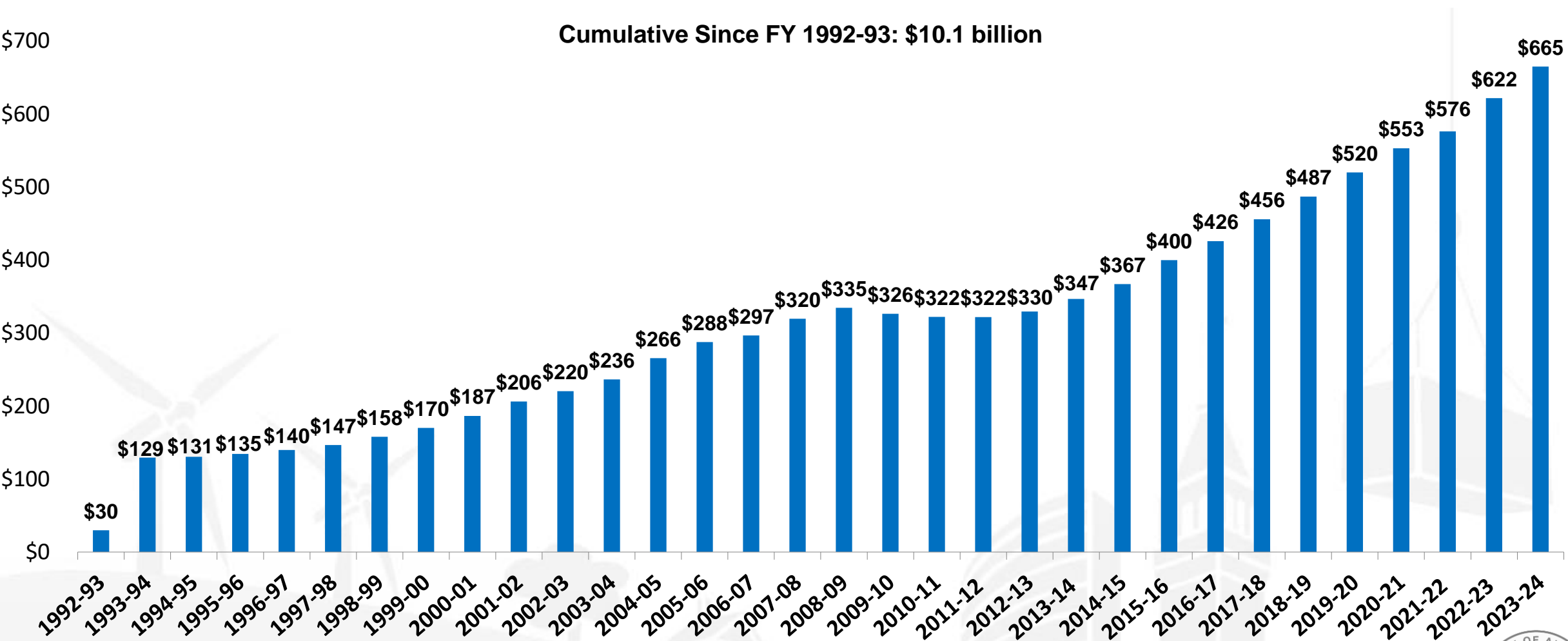
- Increasing demand for safety net services during economic downturns
- County revenue raising authority limited by:
  - Proposition 13 - restricted property tax growth
  - Proposition 218 - voter approval for tax increases
  - ERAF\* - State shifted property taxes to schools
- Progressive loss of control over local spending
- Most services are mandated by State/federal government
- Mandates have continued to increase; reimbursements suspended or delayed and programs realigned with inadequate ongoing funding



\*Education Revenue Augmentation Fund

# Alameda County ERAF Losses by Year

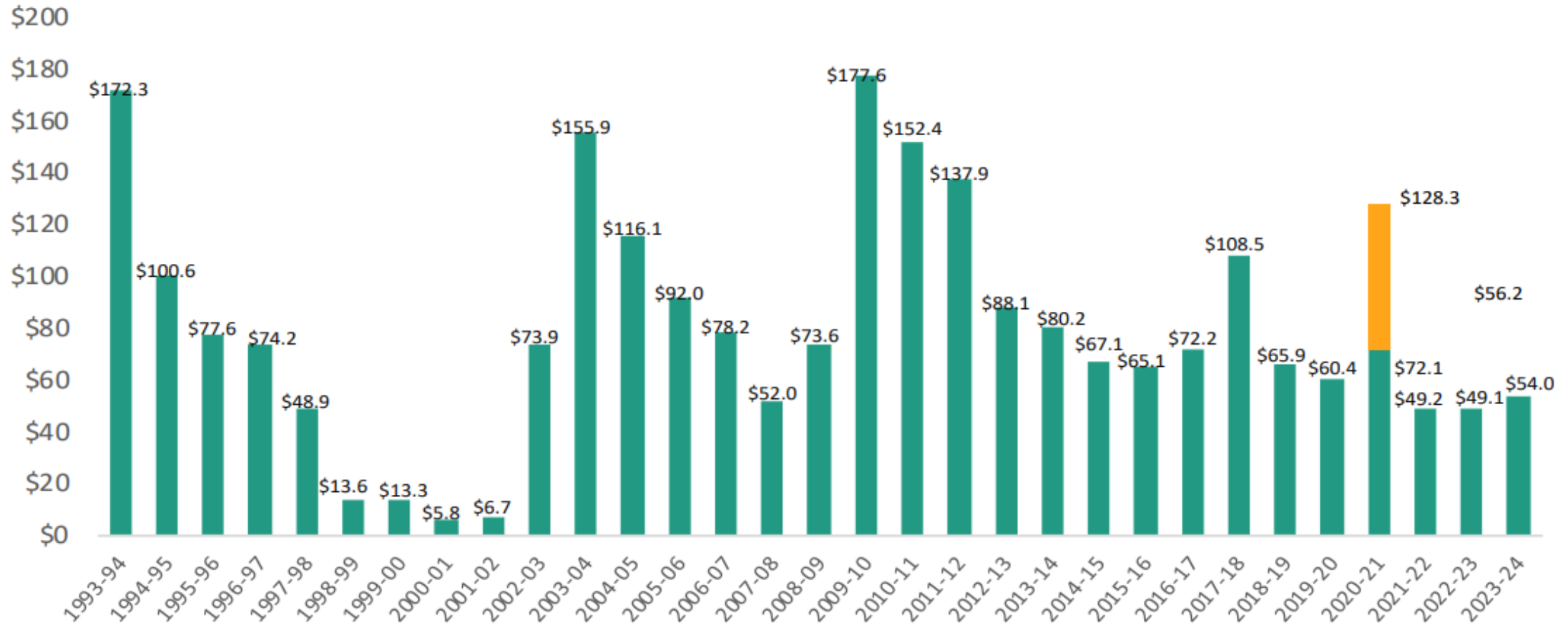
(\$ in millions)



# Alameda County Funding Gaps since ERAF

(\$ in millions)

**Total since FY 1993-94: \$2.5 billion**



# Discretionary Revenue

- Discretionary revenue is approximately 28% of the General Fund, and nearly 90% is property tax-based.
- Alameda County receives **only 15 cents for every property tax dollar** collected in the County.



\* Over time, redevelopment agencies' share of property taxes should be distributed to the other entities



# FY 2023-24 Budget Overview



# FY 2023-24 Final Budget Overview

(\$ in millions)

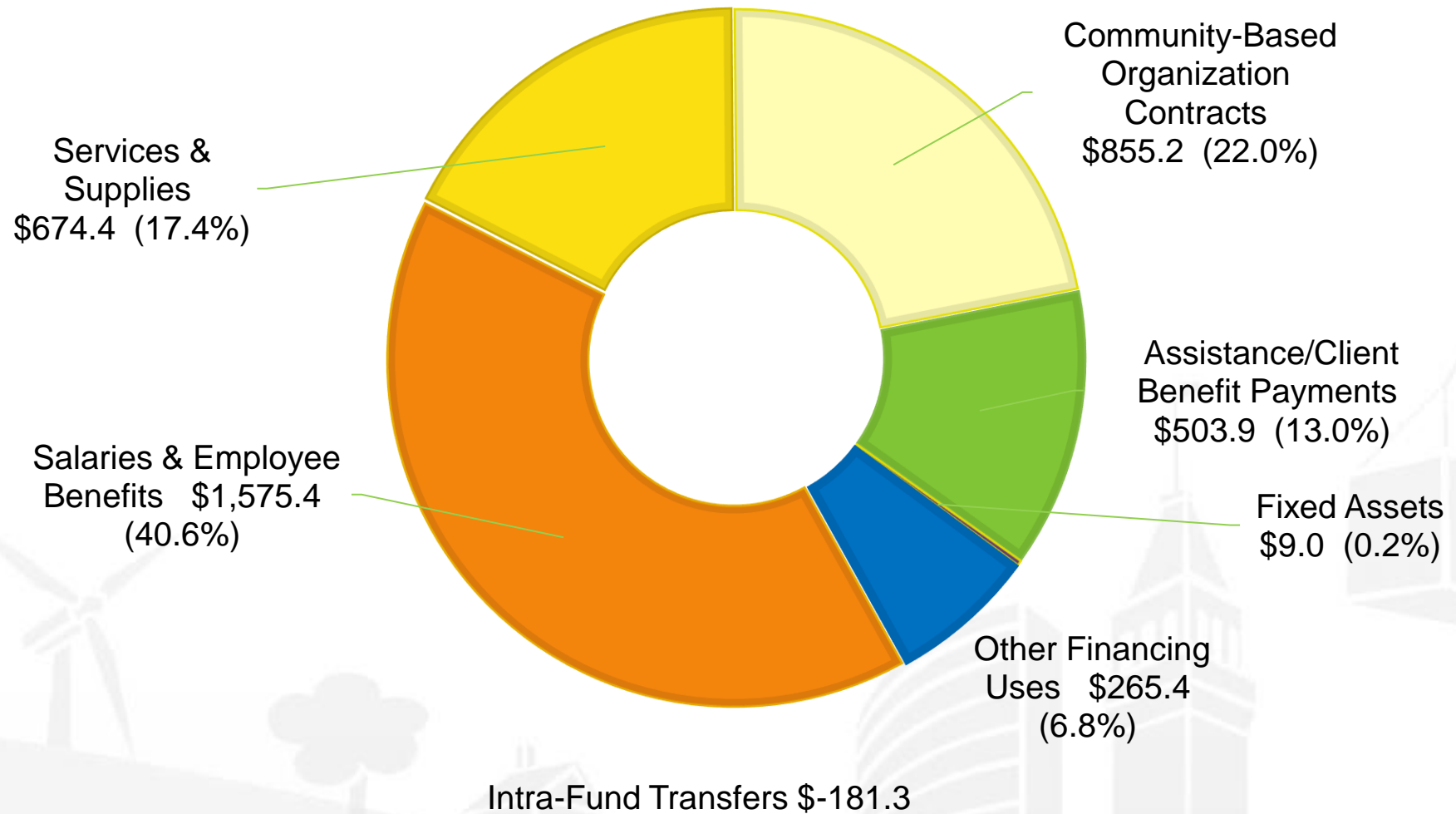
<b>All Funds</b>	<b>\$4,106.5</b>
<b>General Fund</b>	<b>\$3,702.1</b>
<i>Increase from FY 2022-23</i>	<i>\$212.2</i>
<b>Full-Time Equivalent Positions (FTEs)</b>	<b>10,399.80</b>
<i>Increase from FY 2022-23</i>	<i>29.47</i>



# FY 2023-24 Final Budget

## Appropriation by Major Object – General Fund

(\$ in millions)





# Community-Based Organization (CBO) Contracts

FY 2023-24 Final Budget Funding (\$ in millions)

## 260 CBO Contractors Total

Program Area	FY 23-24 Contracts
General Government	\$47.8
Health Care Services*	\$541.0
Health Care – Alameda Health System	\$96.0
Public Assistance	\$125.5
Public Protection	\$44.9
<b>CBO Contracts Total</b>	<b>\$855.2</b>

\* excludes Alameda Health System contracts

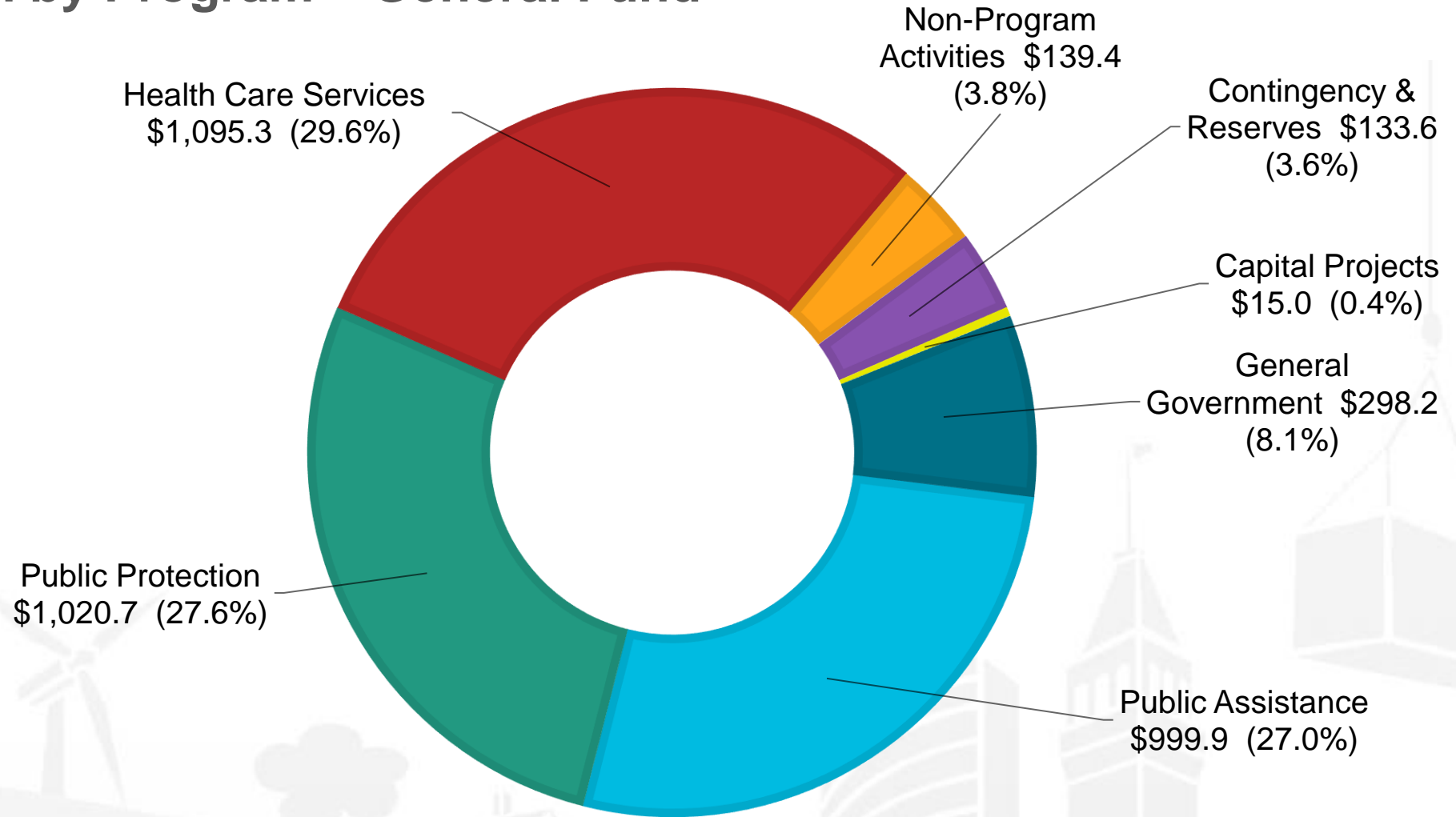




# FY 2023-24 Final Budget

## Appropriation by Program – General Fund

(\$ in millions)



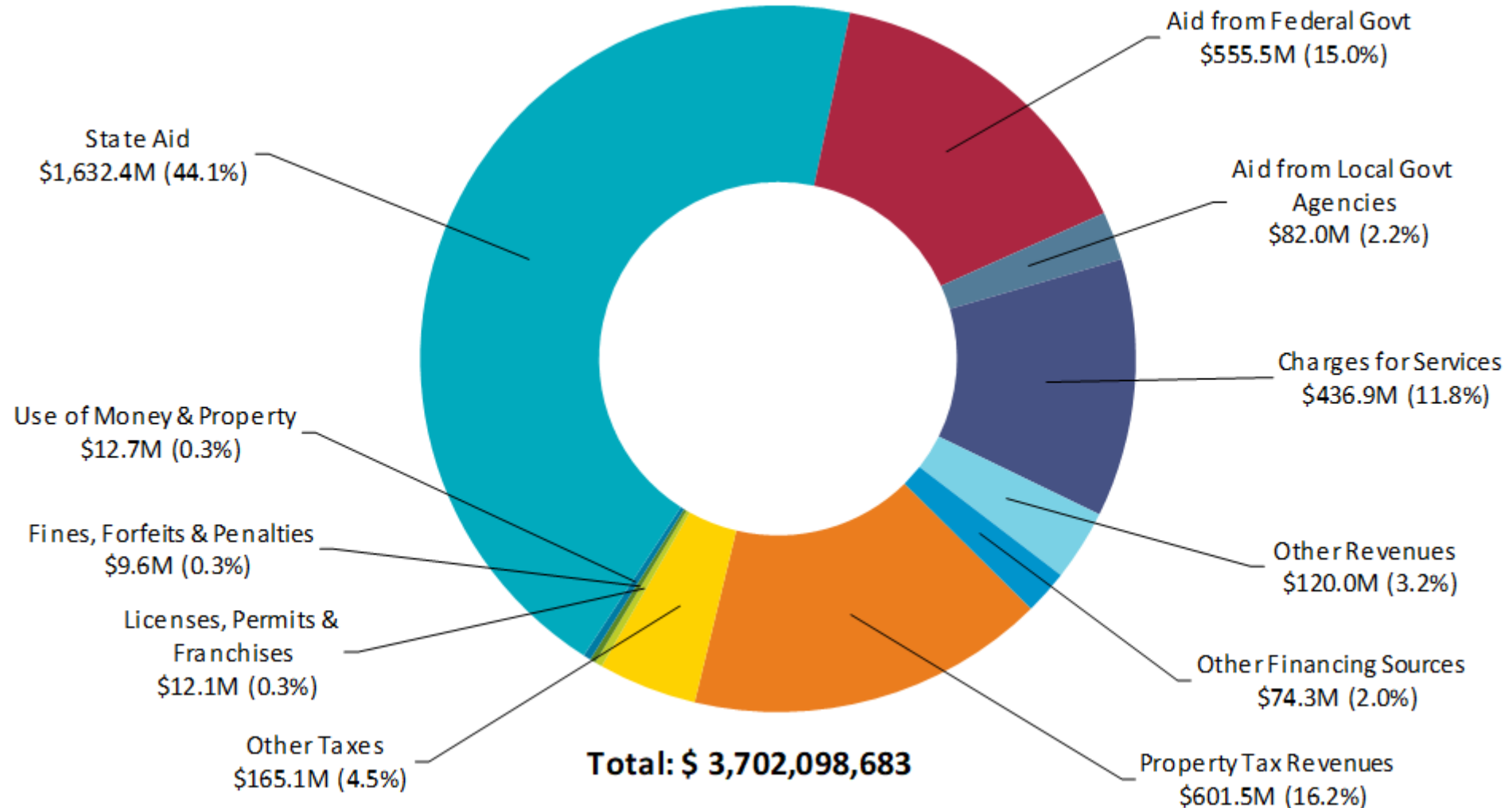
**Total: \$3,702,098,683**



# FY 2023-24 Final Budget

## Available Financing by Source – General Fund

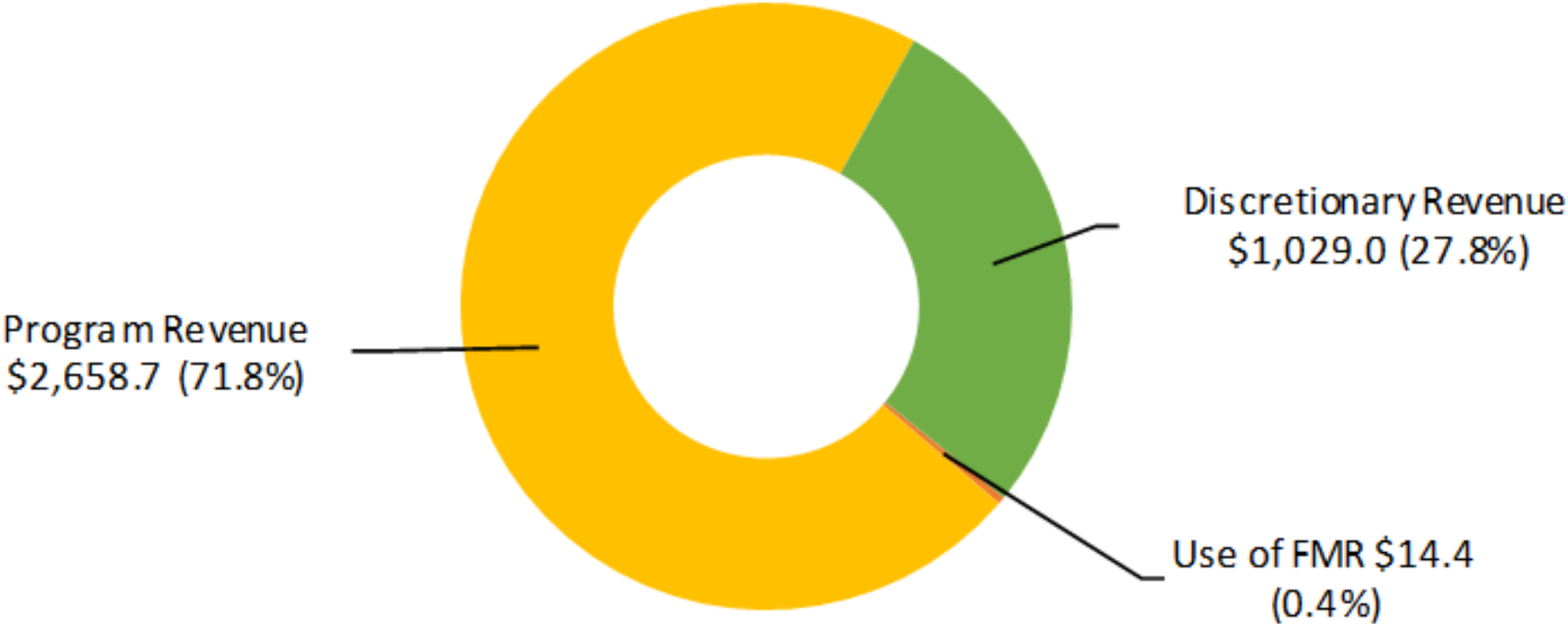
(\$ in millions)



# FY 2023-24 Revenue By Type

## Share of Total General Fund

(\$ in millions)

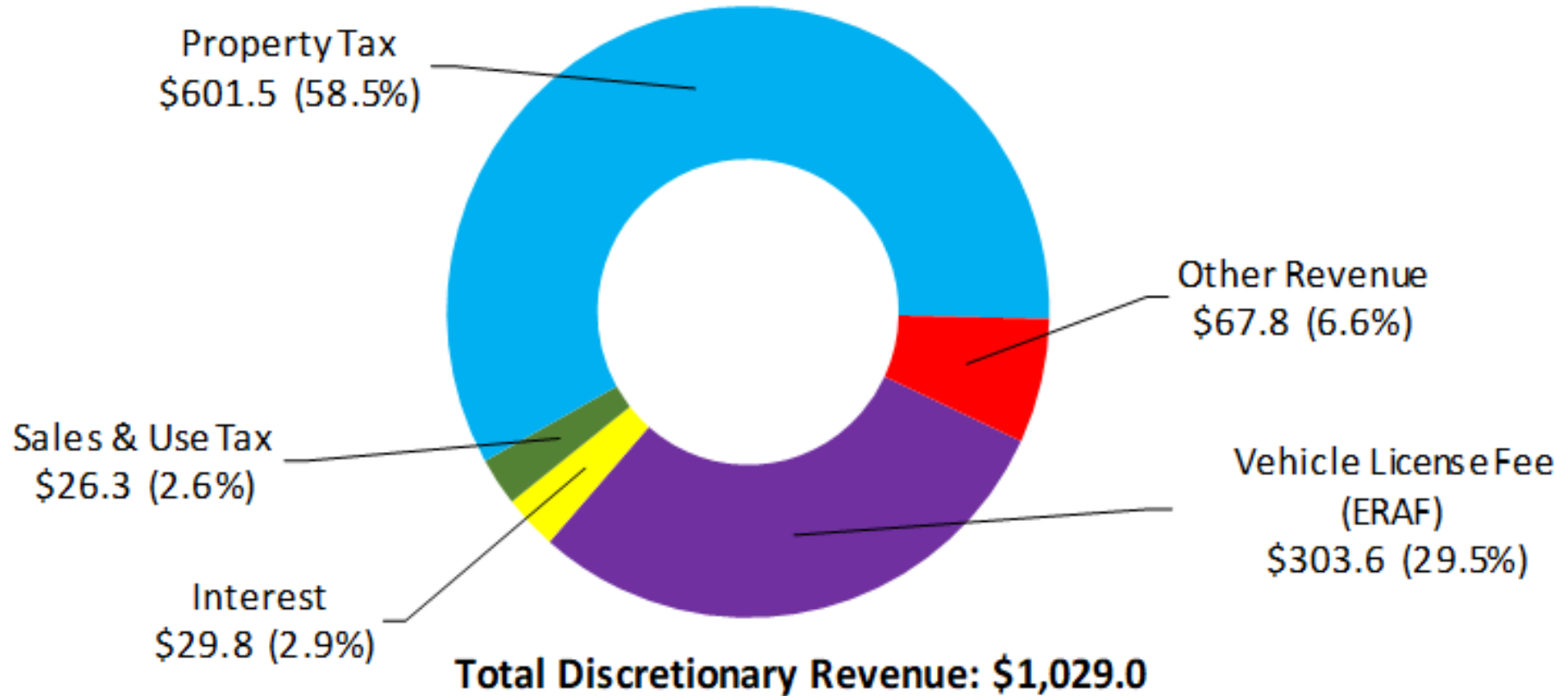


**Total General Fund: \$3,702.0**



# FY 2023-24 Discretionary Revenue By Source

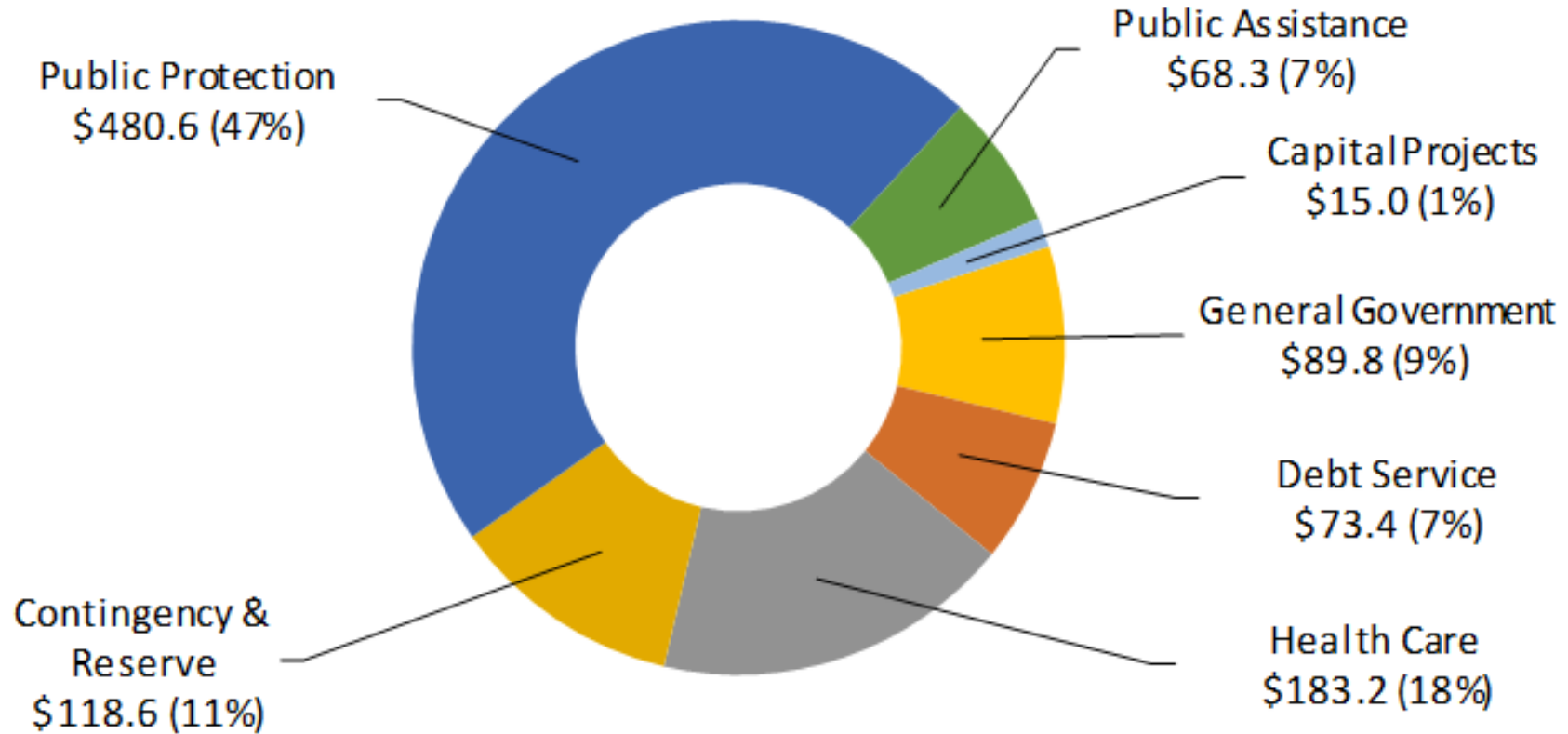
(\$ in millions)



# FY 2023-24 Final Budget

## Use of Discretionary Revenue by Program

(\$ in millions)

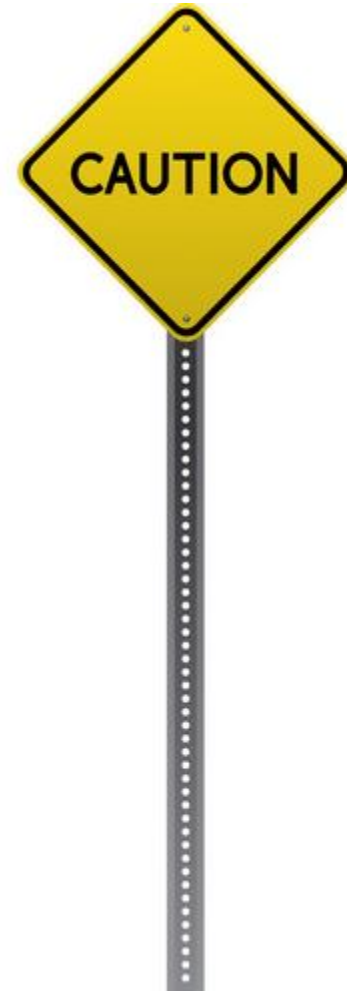


**Use of Discretionary Revenue: \$1,029.0**



# Pending Factors

- Ongoing homelessness crisis; Home Together Plan
- Labor negotiations & workforce challenges
- Pending litigation and settlements
- Rising insurance costs
- Rising health benefit costs
- Potential federal and State audit disallowances
- Unfunded capital needs
- CARE Court implementation / MHSA Changes
- Reimagining Justice
- Special election costs
- Assessment appeals
- Global finances and climate change
- Economic downturn



# Key Takeaways

- Volatility of economic landscape
- State revenues outlook concerning; LAO and Administration forecast significant structural shortfalls for 2025-26 through 2027-28.
- Structural deficit – revenues not keeping pace with operating expenses
- Fiscal dilemma – increased service demand during economic downturns
- Considerations for long-term financial outlook.

