



Alameda County Budget Update

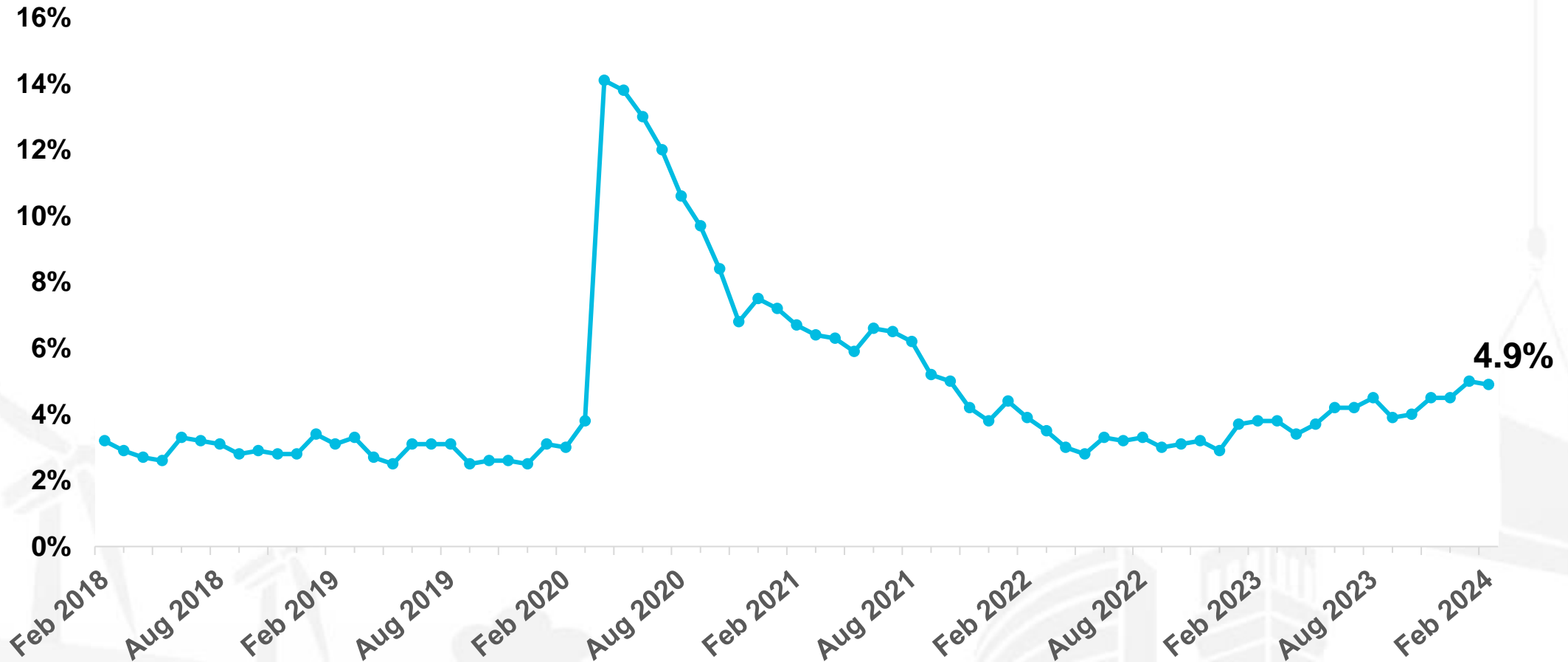
April 3, 2024



Economic Context



Alameda County Unemployment



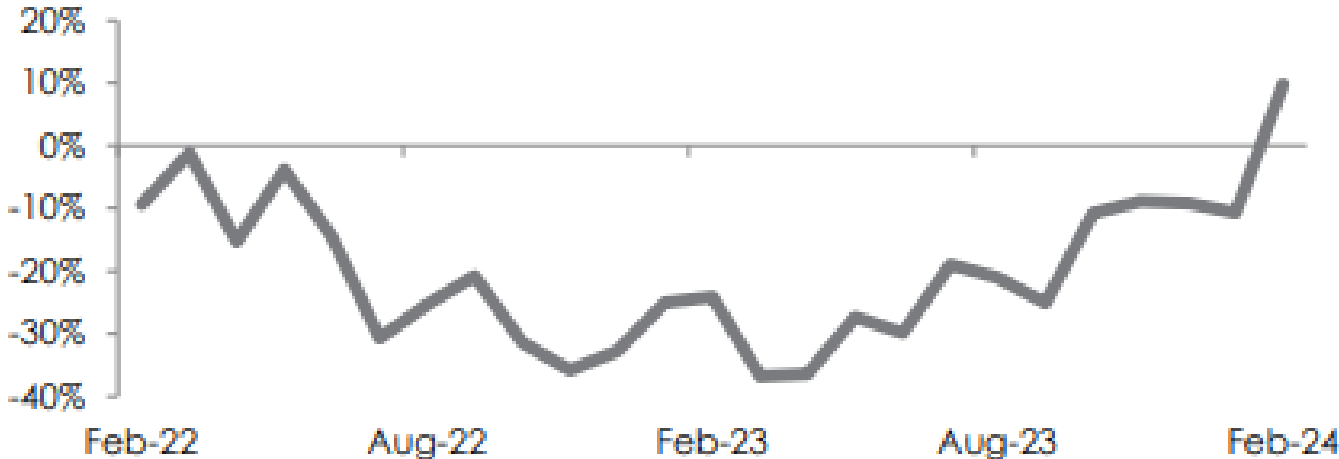
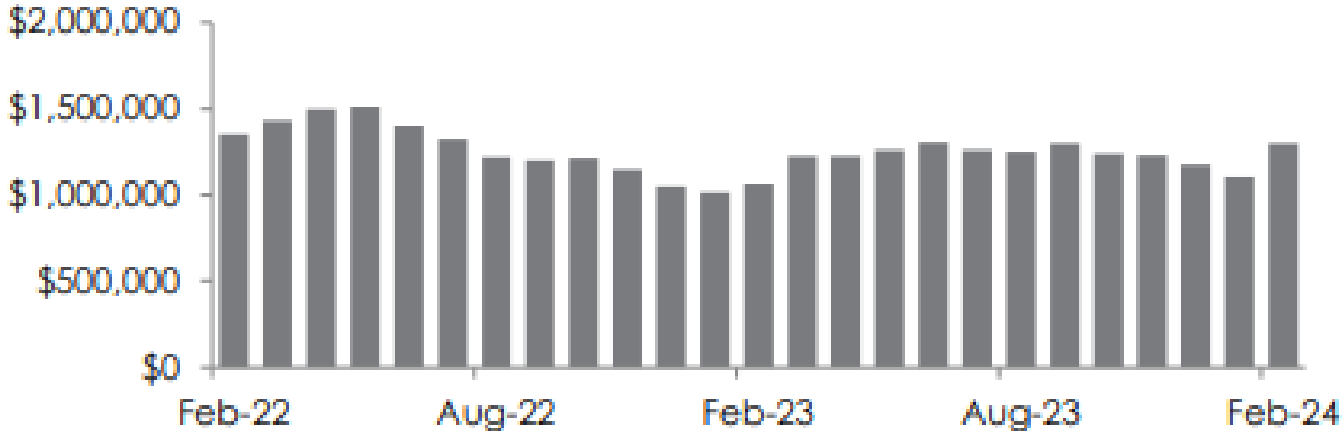
Alameda County Real Estate Market Trends

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



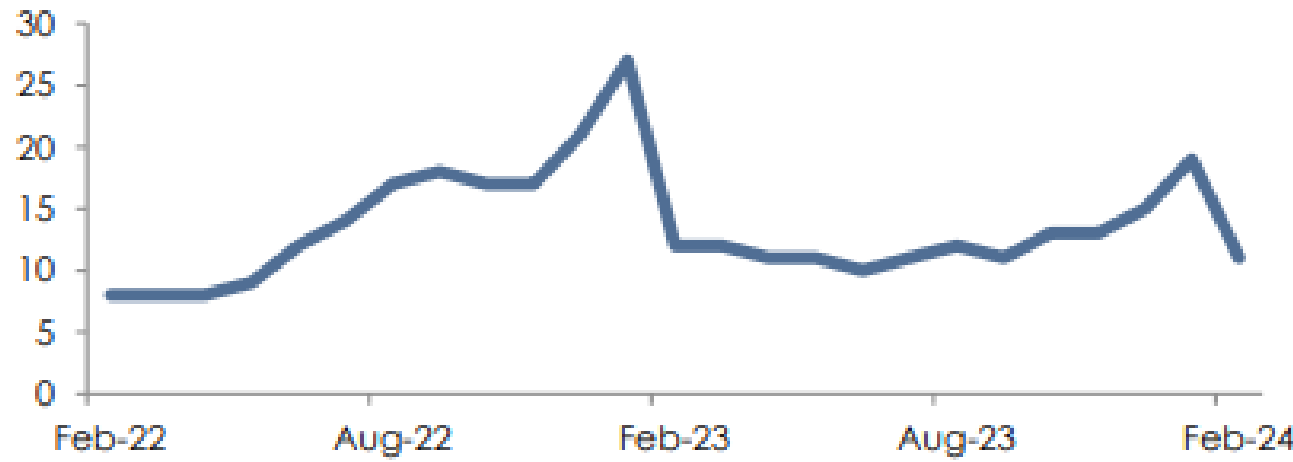
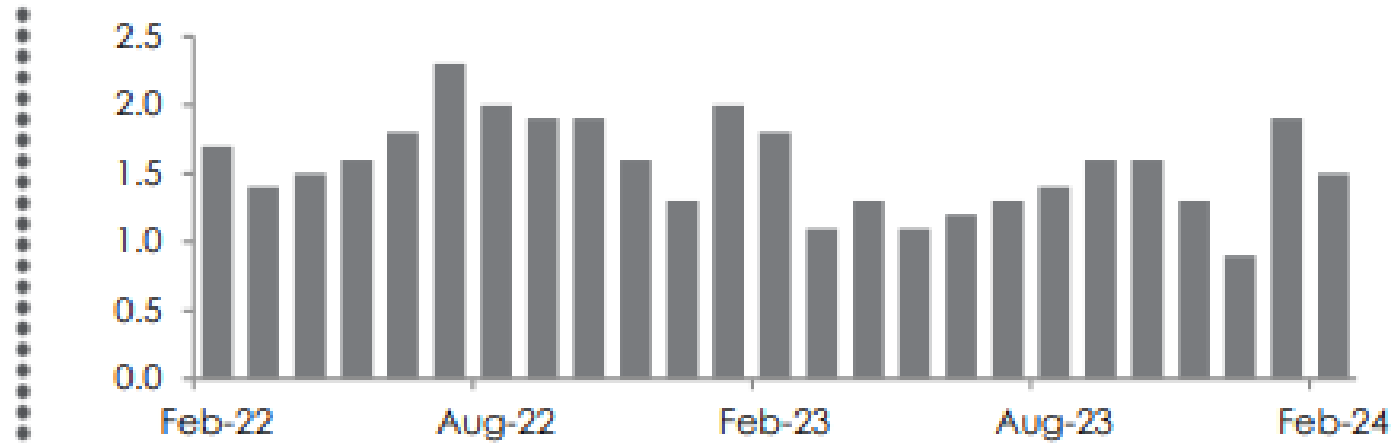
Alameda County Real Estate Market Trends

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

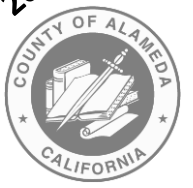
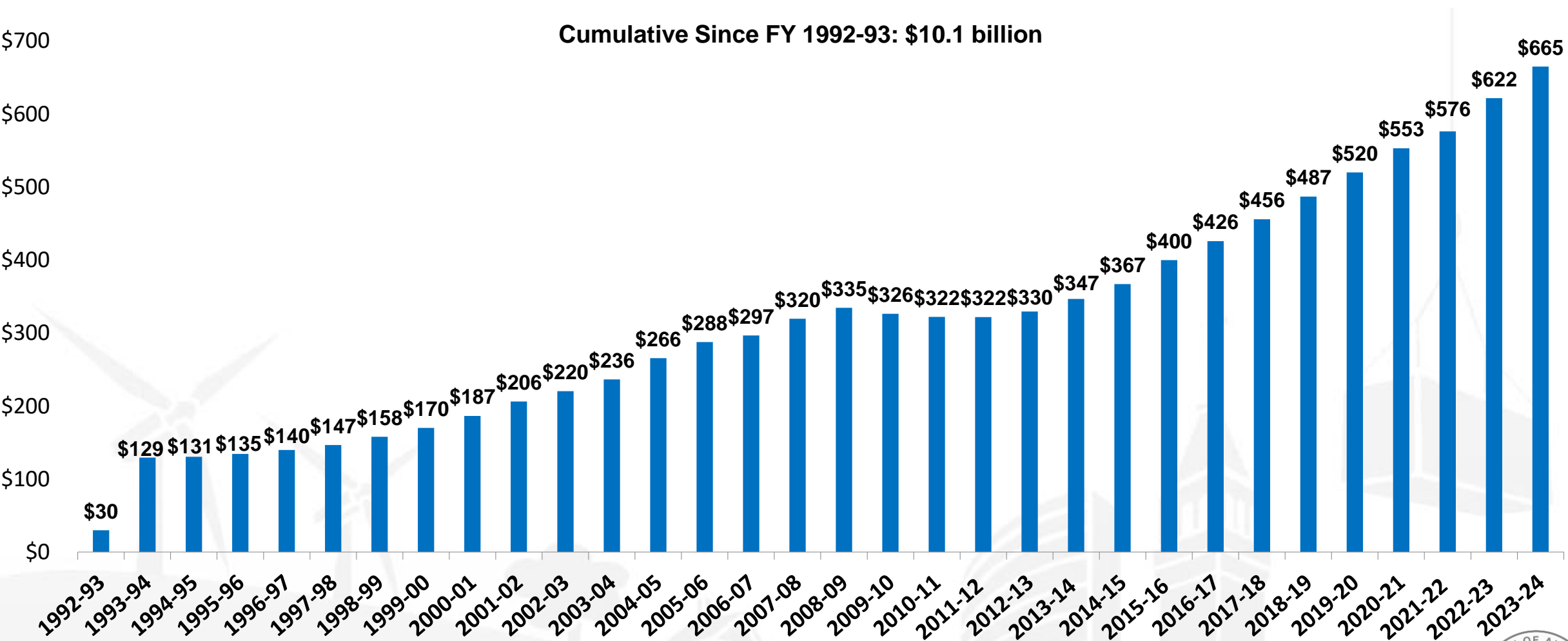
- Increasing demand for safety net services during economic downturns
- County revenue raising authority limited by:
 - Proposition 13 - restricted property tax growth
 - Proposition 218 - voter approval for tax increases
 - ERAF* - State shifted property taxes to schools
- Progressive loss of control 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

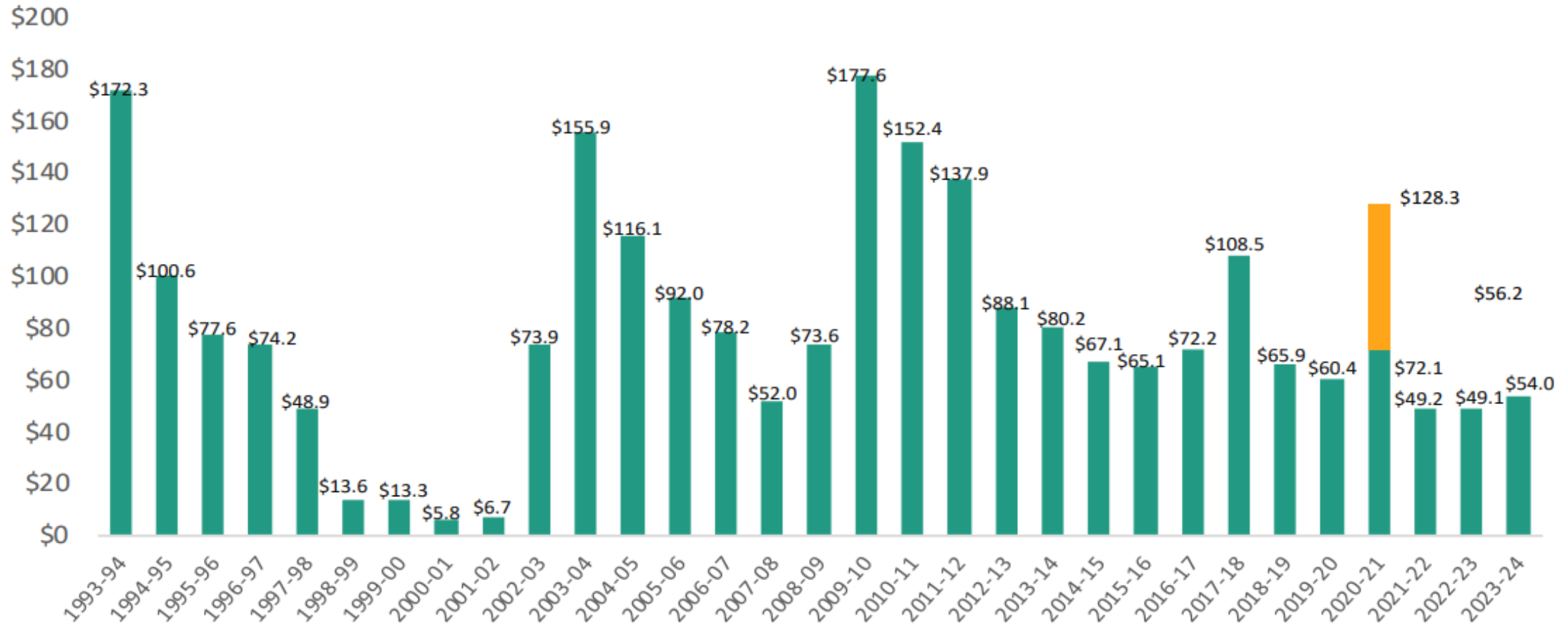
(\$ in millions)



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)

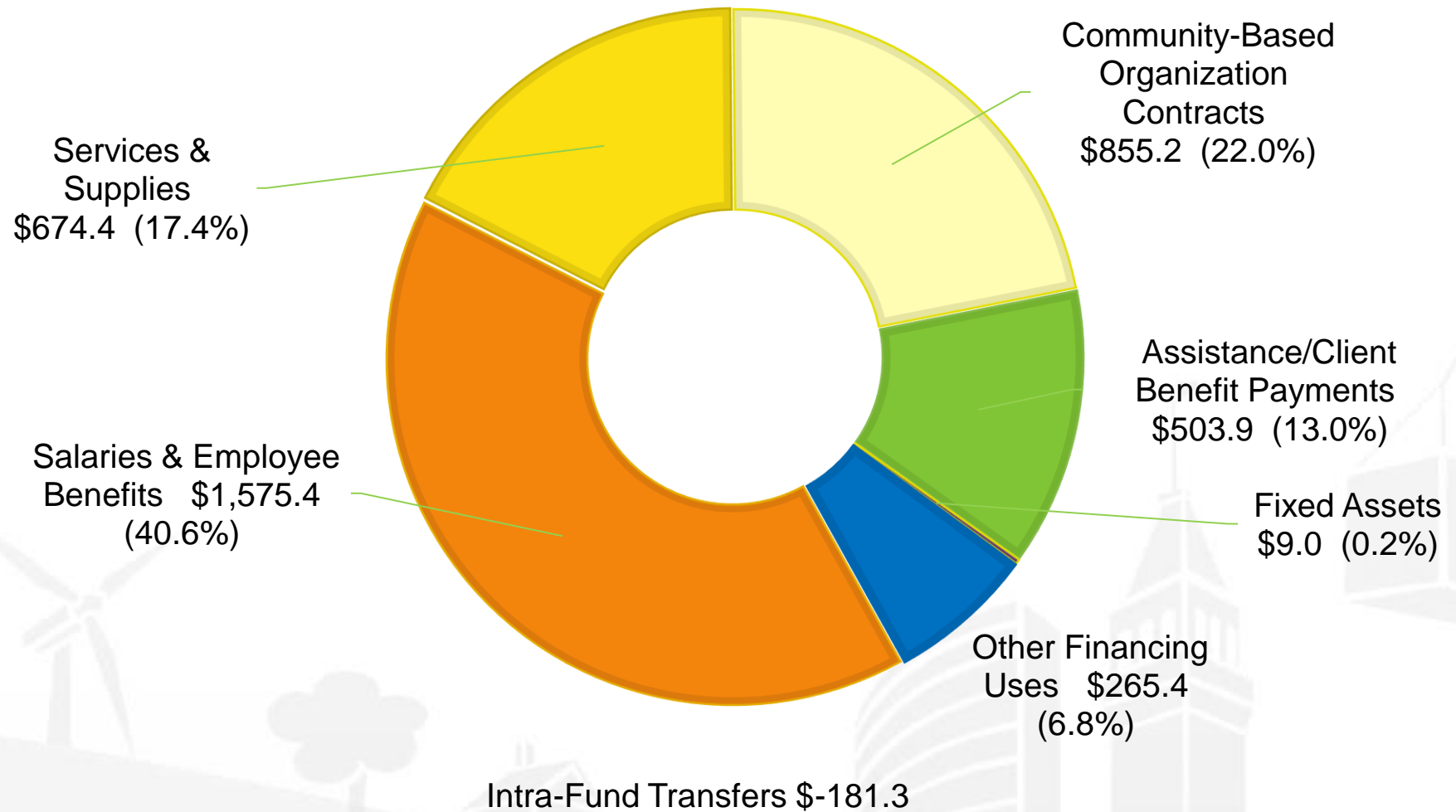
All Funds	\$4,106.5
General Fund	\$3,702.1
<i>Increase from FY 2022-23</i>	<i>\$212.2</i>
Full-Time Equivalent Positions (FTEs)	10,399.80
<i>Increase from FY 2022-23</i>	<i>29.47</i>



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
CBO Contracts Total	\$855.2

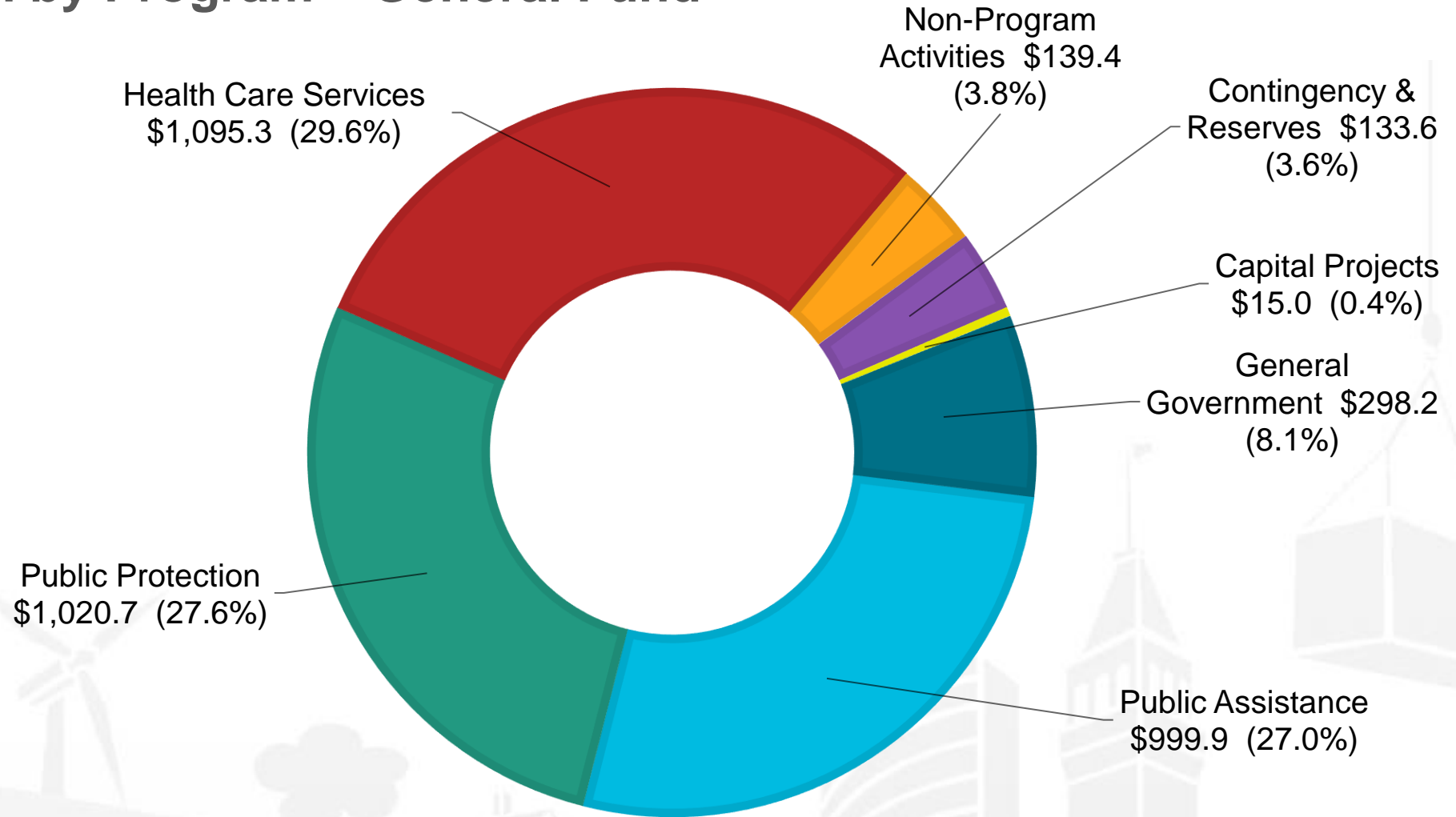
* excludes Alameda Health System contracts



FY 2023-24 Final Budget

Appropriation by Program – General Fund

(\$ in millions)



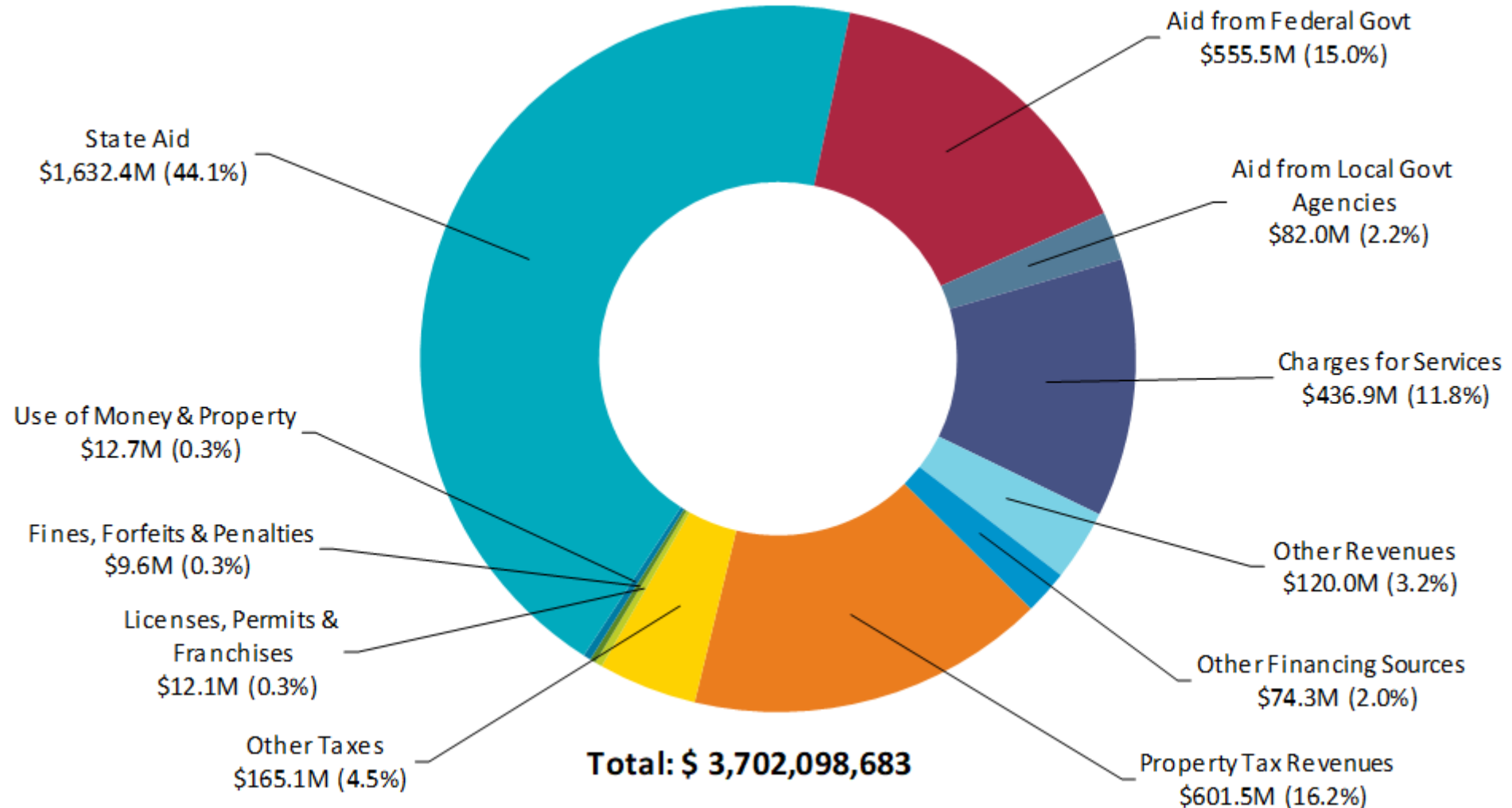
Total: \$3,702,098,683



FY 2023-24 Final Budget

Available Financing by Source – General Fund

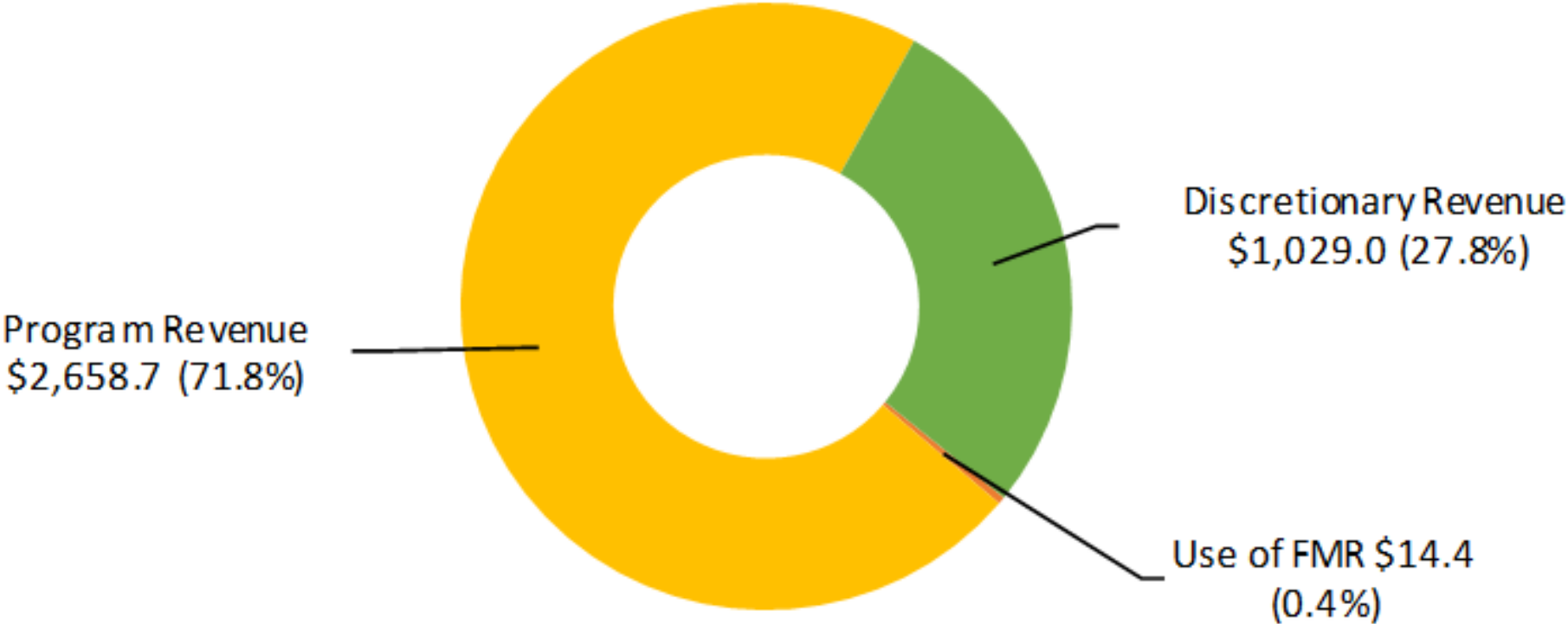
(\$ in millions)



FY 2023-24 Revenue By Type

Share of Total General Fund

(\$ in millions)

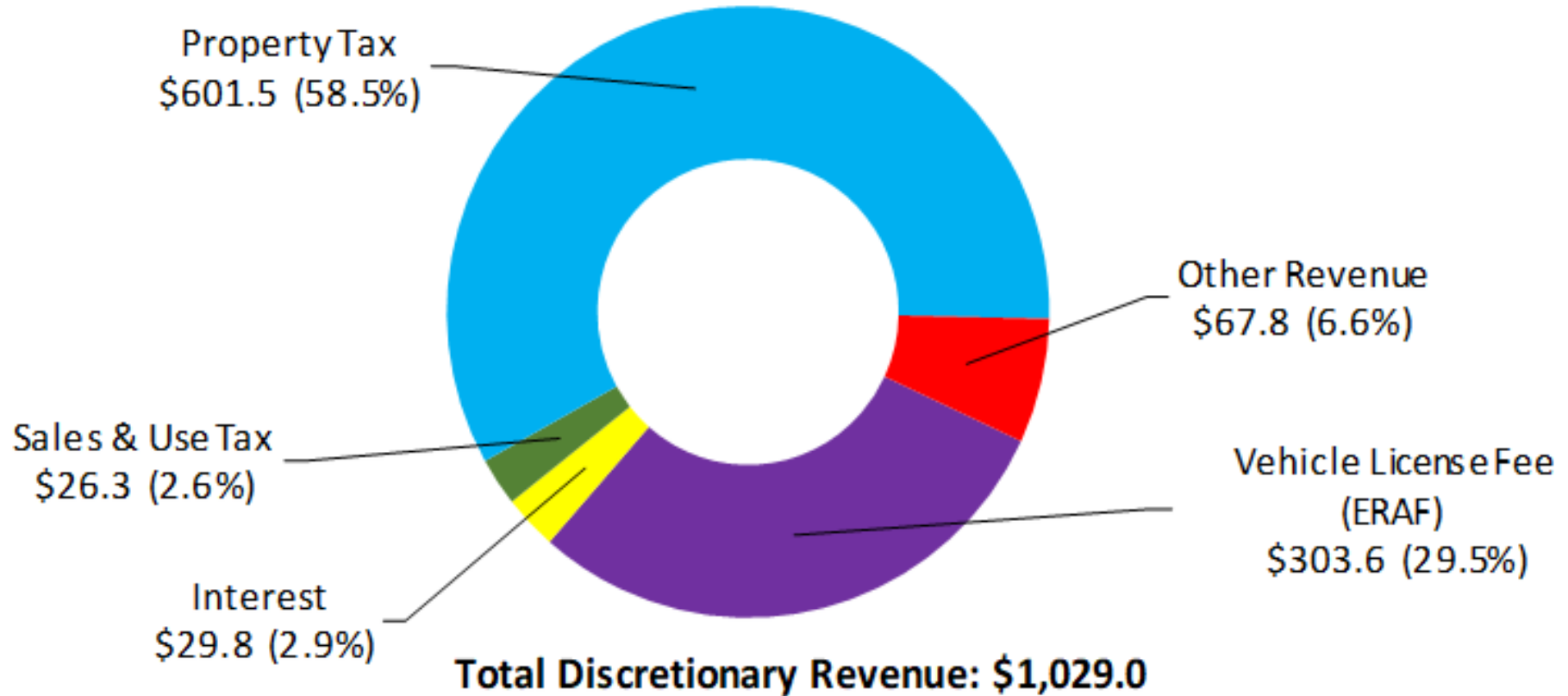


Total General Fund: \$3,702.0



FY 2023-24 Discretionary Revenue By Source

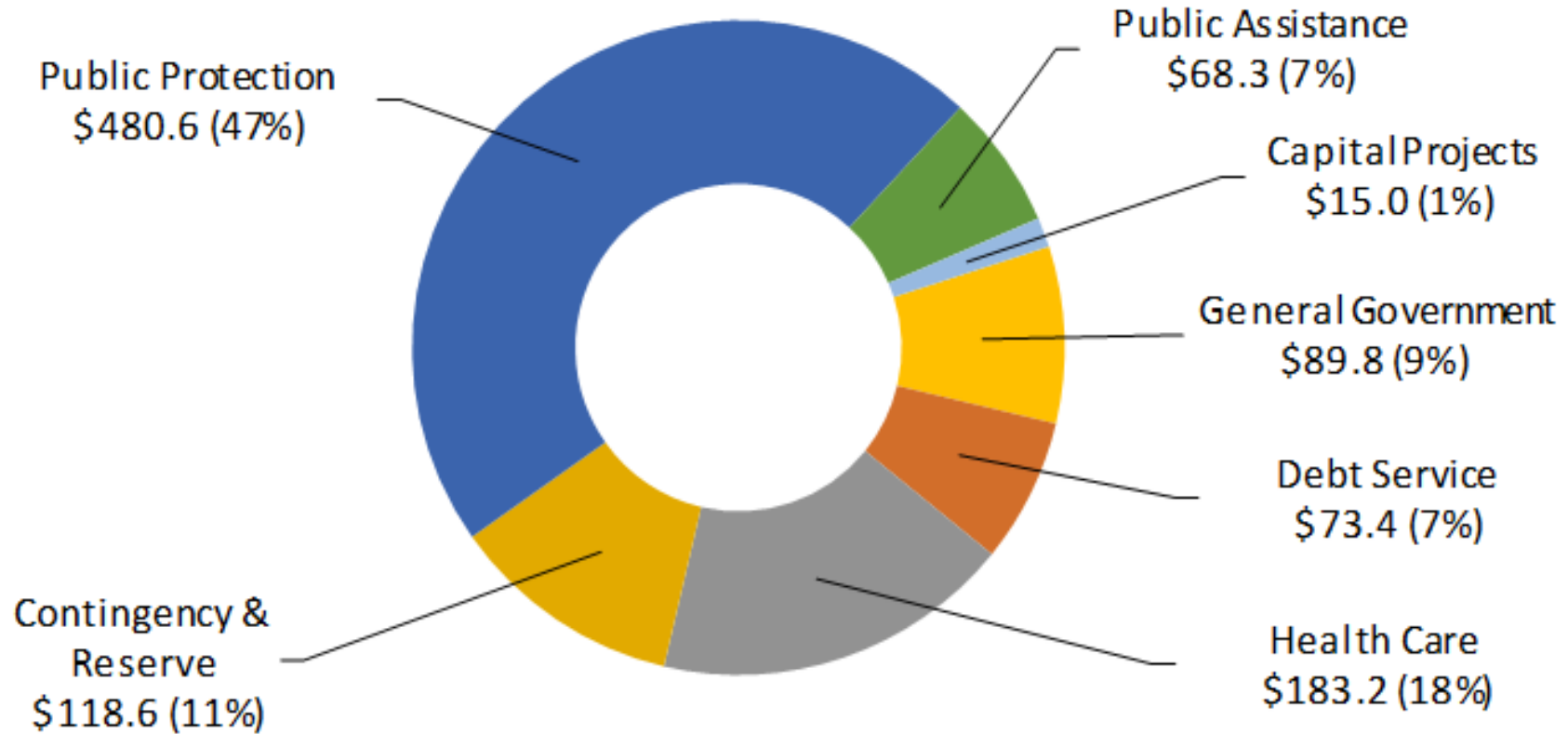
(\$ in millions)



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.

