



# Alameda County FY 2023-2024 Proposed Budget

June 26, 2023



PRESENTED BY THE COUNTY ADMINISTRATOR

# 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:

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

\*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)

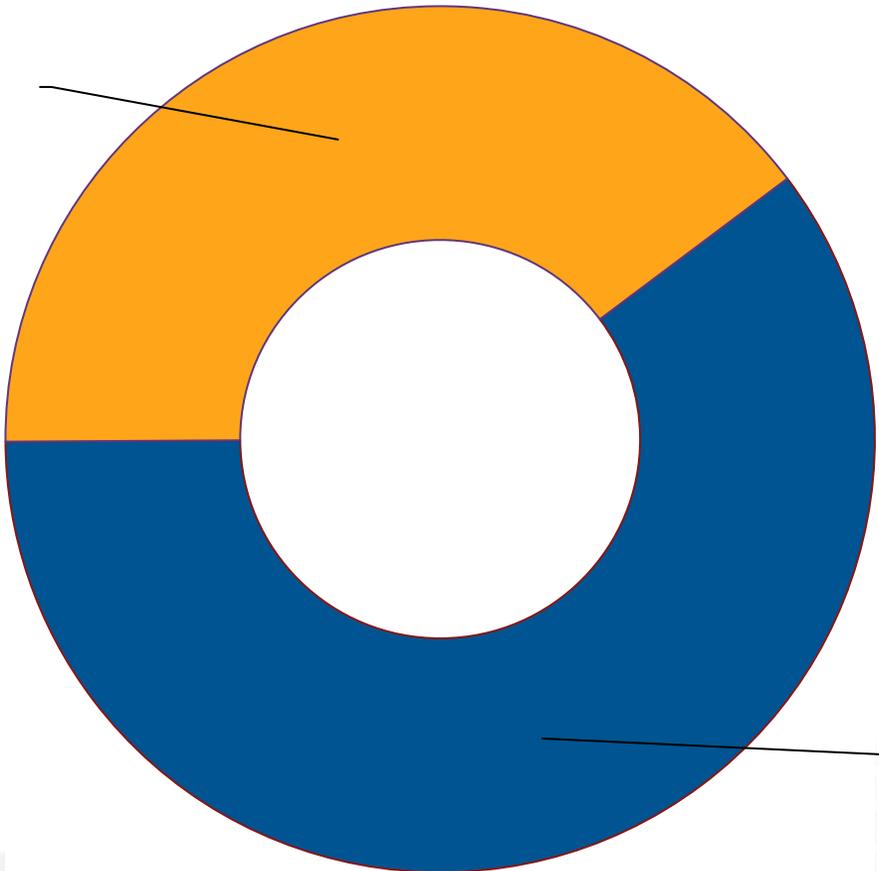
All Funds	FY 2022-23 FINAL	FY 2023-24 MOE	FY 2023-24 PROPOSED	Change from 2022-23
Appropriation	\$3,798.4	\$4,075.2	\$4,069.4	\$271.0
Revenue	\$3,798.4	\$4,021.2	\$4,069.4	\$271.0
Funding Gap	\$0	<b>\$54.0</b>	<b>\$0</b>	\$0
FTE*	10,370.33	10,370.72	10,368.81	(1.52)
General Fund	FY 2022-23 FINAL	FY 2023-24 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	<b>\$54.0</b>	<b>\$0</b>	\$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.



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

One-Time  
Strategies  
\$21.5 (40%)



Ongoing  
Strategies  
\$32.5 (60%)

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



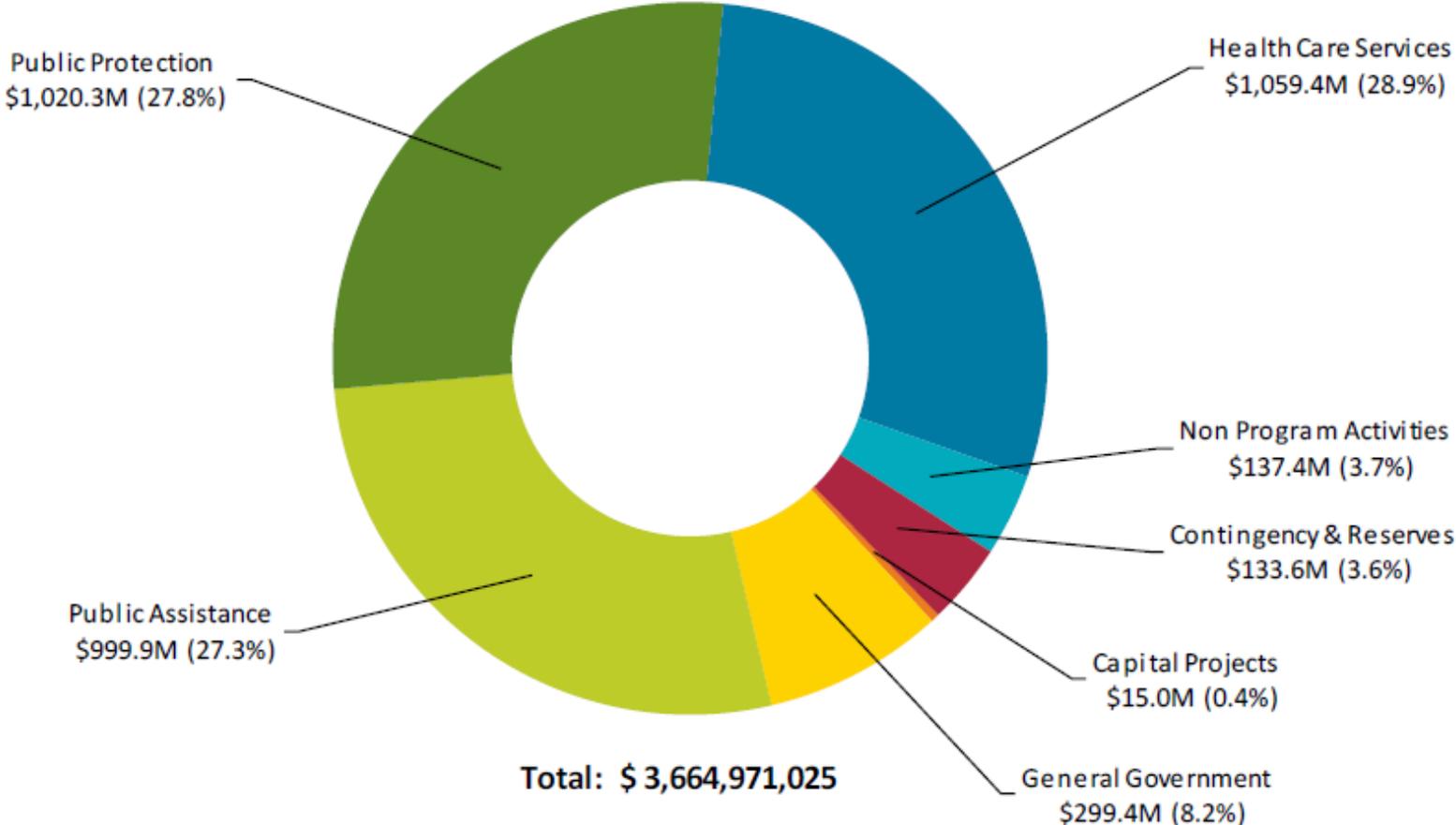
# FY 2023-24 Proposed Budget Balancing

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>



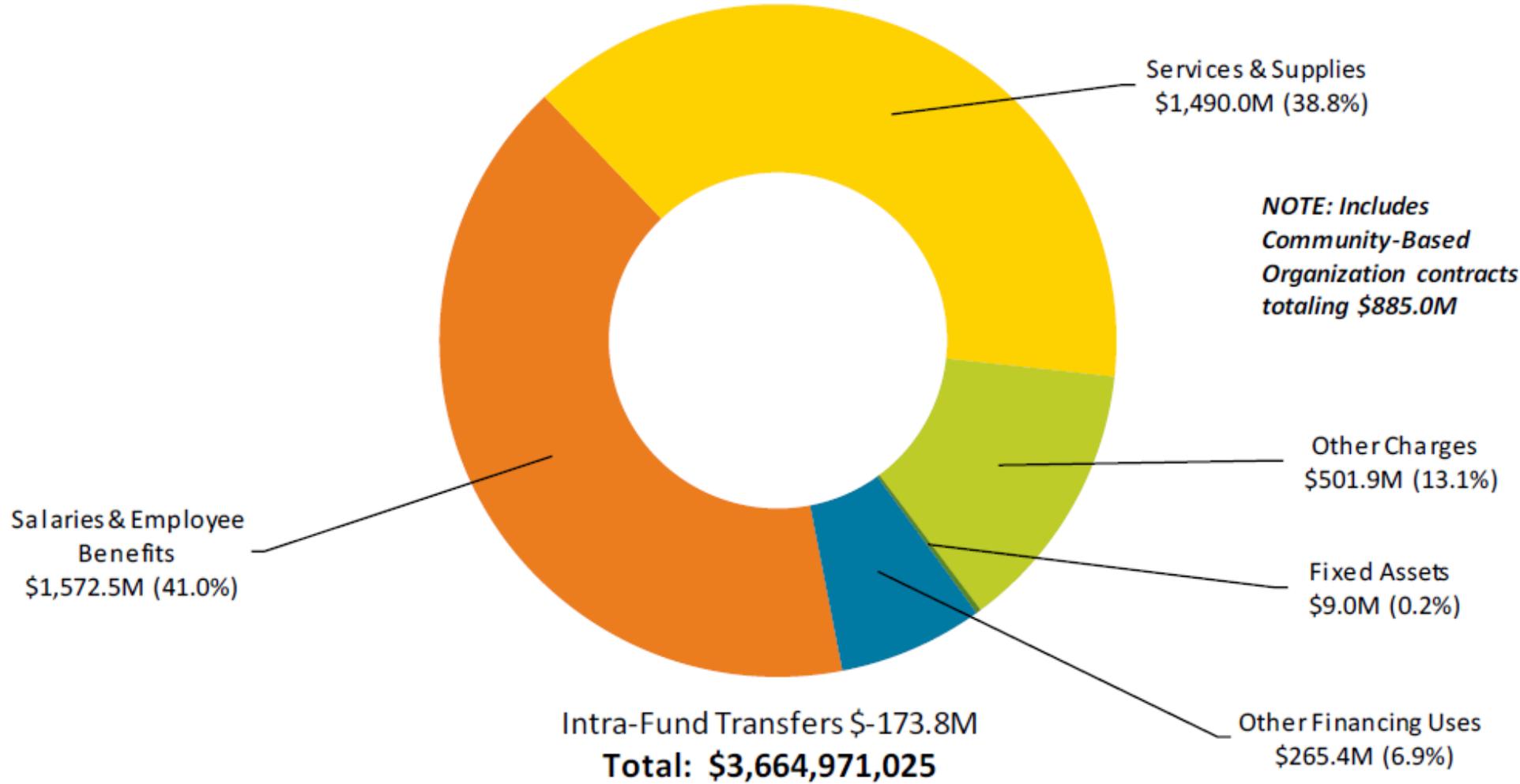
# FY 2023-24 General Fund Appropriation By Program

### Appropriation by Program - General Fund



# FY 2023-24 General Fund Appropriation By Major Object

## Appropriation by Major Object - General Fund



# FY 2023-24 Community-Based Organization Contracts

## 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



# Key Investments

## Health & Homelessness

Over **\$665M** for mental health including additional **\$9M** to support operationally possible Forensic Plan services

**\$47M** in Measure A1 Housing Bond projects

Over **\$40M** to support the Office of Homeless Care & Coordination

## Social Services

Over **\$163M** 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

An additional **\$4** million to implement Family First Prevention Services Act foster care programming

## Public Safety

Over **\$47M** in CBO contracts for public safety, of which **\$33M** is for CBOs funded by AB 109

**\$34M** including an increase of \$5M for Court Security mandate

An additional **\$8M** for youth programming implemented by Probation

An additional **\$5M** for major maintenance bringing the total allocation to **\$15M**

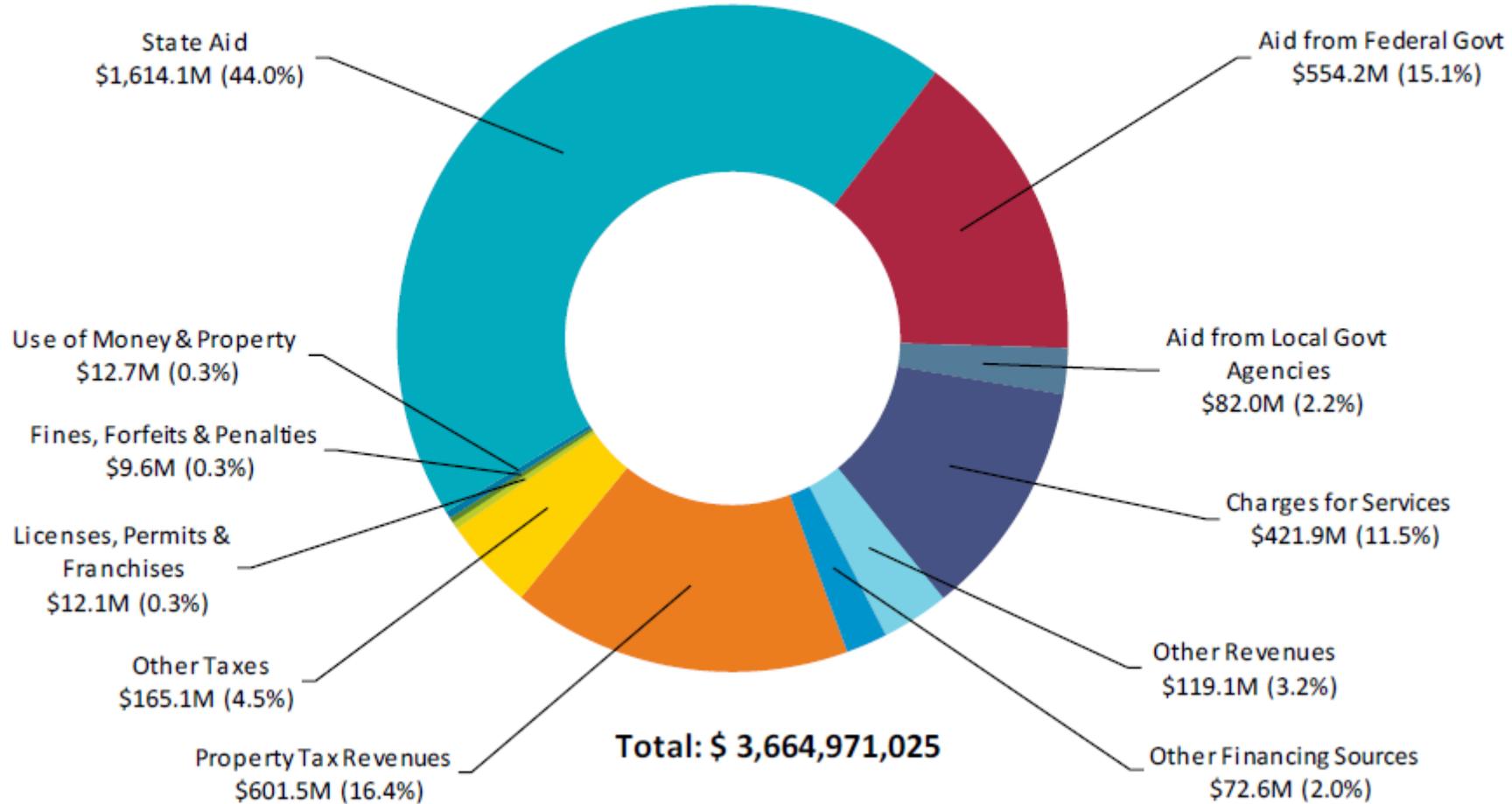
## Infrastructure

**\$15M** (or 1.5% of discretionary revenue) for both capital projects & general reserve

**\$1M** to support property tax system modernization

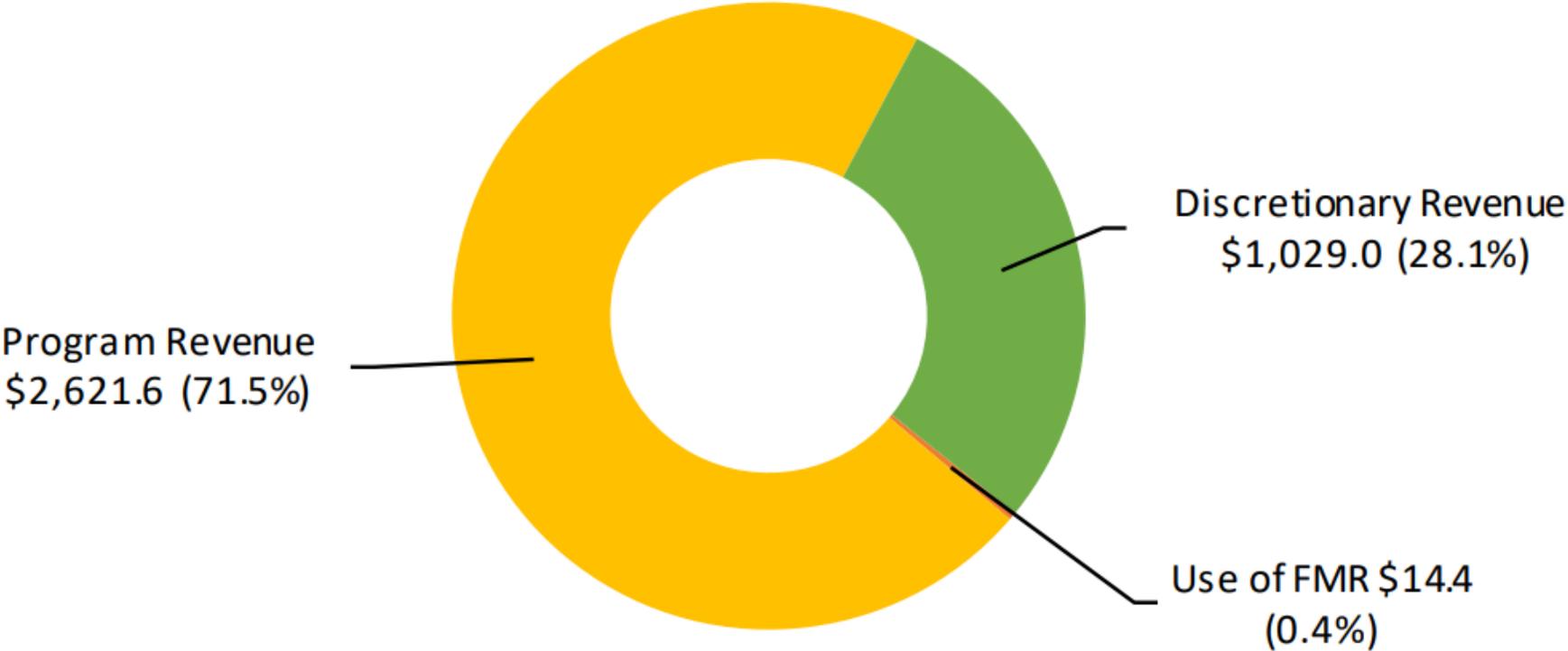
# FY 2023-24 General Fund Financing By Source

## Available Financing by Source - General Fund



# FY 2023-24 Revenue By Type

## Share of Total General Fund (in millions)

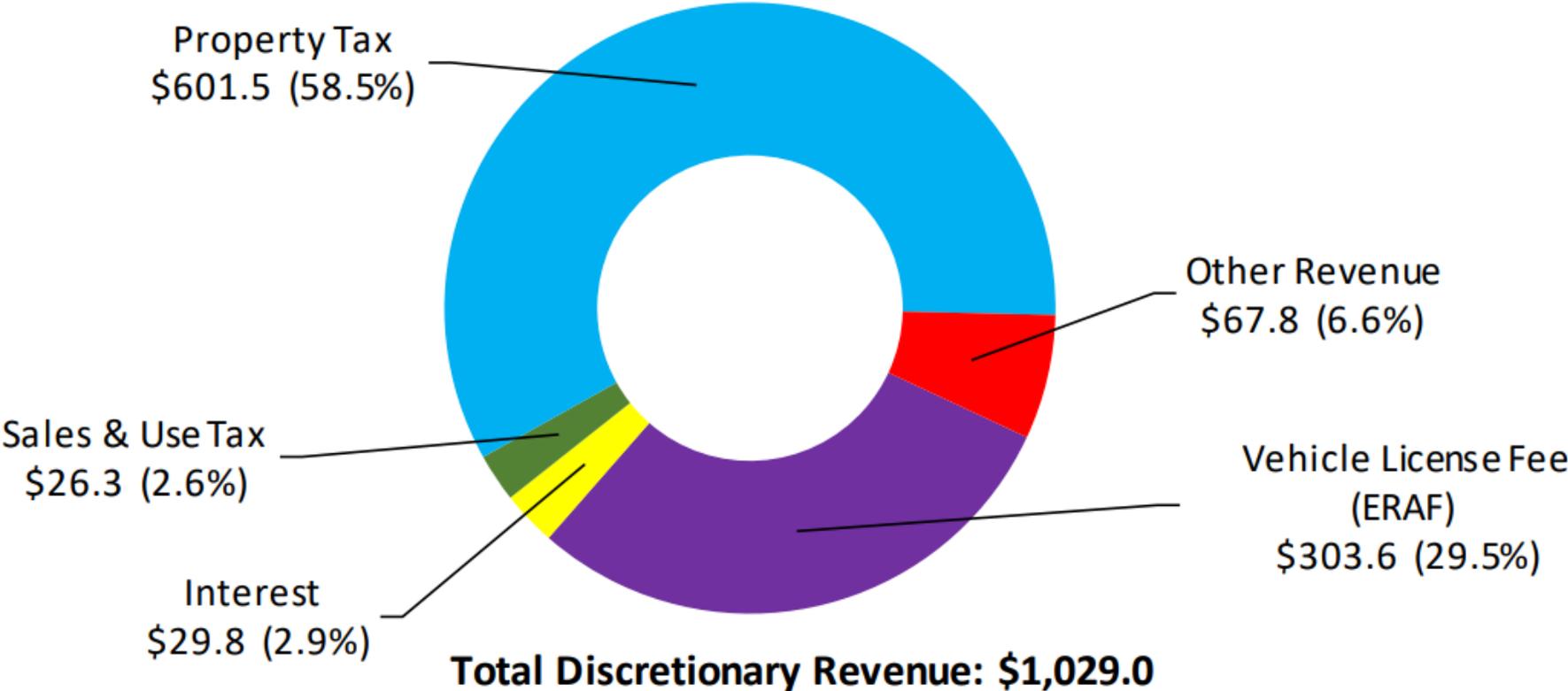


**Total General Fund: \$3,665.0**



# FY 2023-24 Discretionary Revenue By Source

## Discretionary Revenue by Source (in millions)



# 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



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

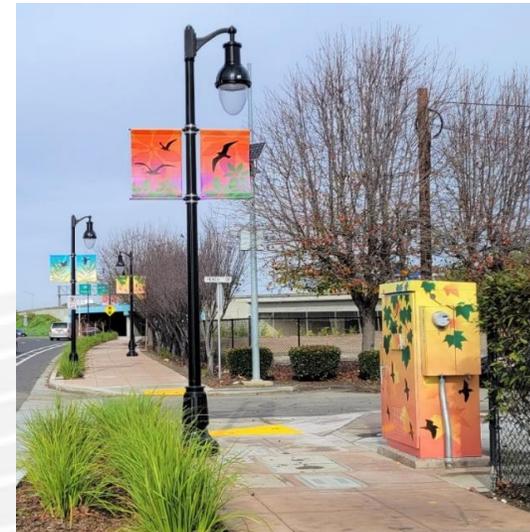


# June 26, 2023 Hearings Schedule

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# County of Alameda PROPOSED BUDGET 2023-2024



PRESENTED BY THE COUNTY ADMINISTRATOR

COUNTY ADMINISTRATOR'S OFFICE

