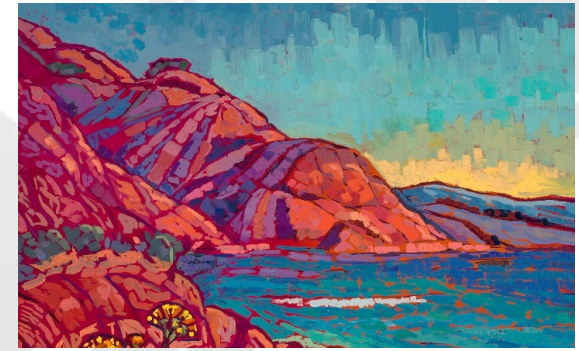




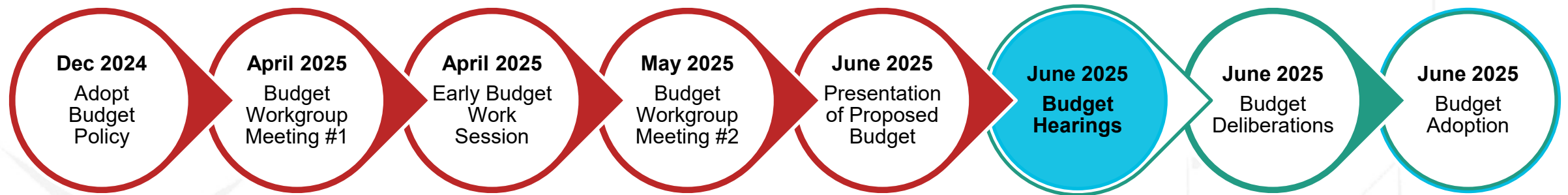
# Alameda County FY 2025-2026 Proposed Budget

June 23, 2025



# FY 2025-26 Proposed Budget Process

As in prior years, the County's budget development process begins in December with the adoption of the budget policy.



# Budget Hearings Schedule

## June 23, 2025

- CAO Budget Overview
- Program Area Overviews
  - Public Assistance
  - Health Care
  - Public Protection
  - General Government
- Final adjustments & other issues

## June 24, 2025

- Board budget deliberations

## June 26, 2025

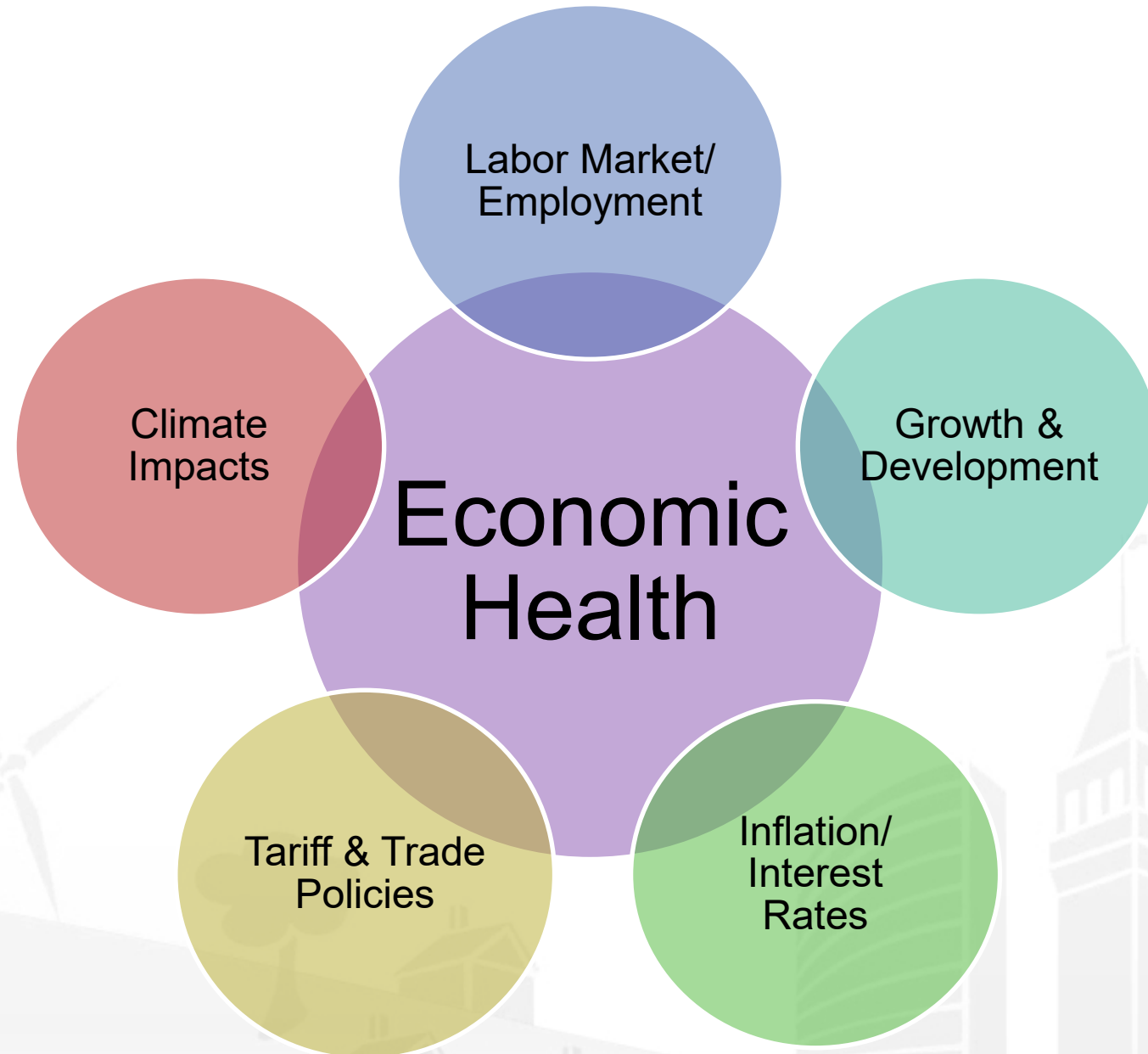
- Adoption of the Final Budget



# Economic Outlook & State and Federal Updates



# Economic Outlook





# CALIFORNIA BUDGET 25/26

## Legislative Action

- SB 101 (Budget Act of 2025) passed on 6/15/25
- Presented to Governor Newsom; action due by 6/27/25
- Ongoing 3-party negotiations: Governor + Assembly + Senate

## Trailer Bills & Legislative Action

- Trailer bills to move through committees & floor votes
- Budget bill “junior” expected August–September
- Legislature adjourns 9/12/25
- Potential Special Session if federal fiscal threats materialize

## Prop. 36

- Widespread discussion on adequacy of funding

## Housing & Homelessness

- Bipartisan criticism of Governor’s initial lack of funding
- Legislature included intent to provide \$500M for HHAP

## Medi-Cal & Coverage for Immigrants

- Strong push for preserving coverage & avoiding cuts

## House Reconciliation & Recissions

- Passed H.R. 1 "One Big Beautiful Bill Act" 5/22/25
- \$9.4B recission bill passed by House

## House Appropriations

- Completed moving first batch of the 12 FY 2026 bills.

## Senate Reconciliation

- Senate Finance Committee released bill text 6/16/25.
- Advancing "One Big Beautiful Bill Act" – July 4 target likely to slip

# FEDERAL BUDGET UPDATE

## Senate Details

- Medicaid: Gradual provider tax caps for expansion states
- State Directed Payments: gradual reduction for expansion states

## Continuing Resolution

- Expires 9/30/25
- Need an FY 26 budget or new CR

## Global Unrest

- Geopolitical tensions in the Middle East
- Russia-Ukraine conflict

# Fiscal Year 2025-26 Proposed Budget Overview





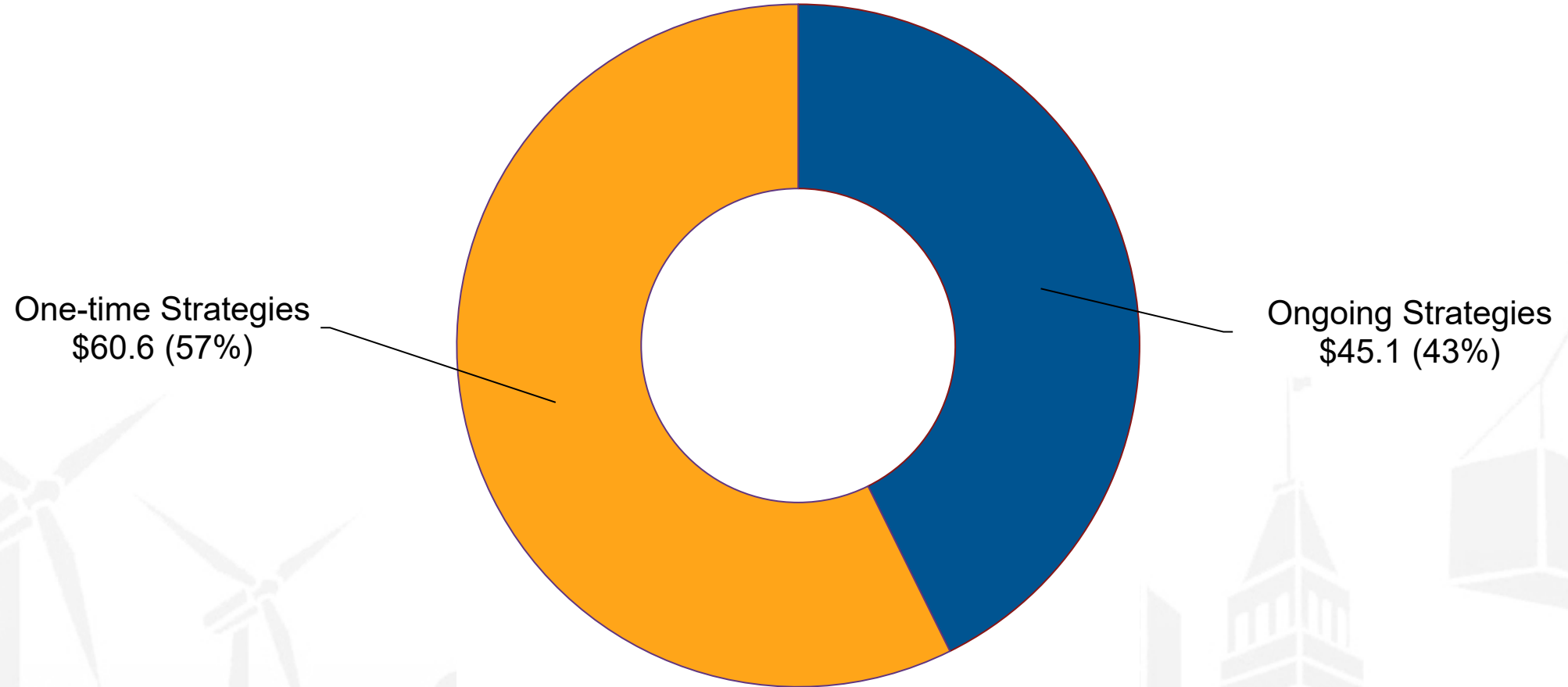
# FY 2025-26 Budget Overview (\$ in millions)

All Funds	FY 2024-25 FINAL	FY 2025-26 MOE	FY 2025-26 PROPOSED	Change from 2024-25
Appropriation	\$4,564.5	\$5,097.6	\$5,085.5	\$521.0
Revenue	\$4,564.5	\$4,991.9	\$5,085.5	\$521.0
Funding Gap	\$0	\$105.7	\$0	\$0
FTE*	10,477.21	10,508.4	10,481.1	3.89
General Fund	FY 2024-25 FINAL	FY 2025-26 MOE	FY 2025-26 PROPOSED	Change from 2024-25
Appropriation	\$3,982.1	\$4,278.8	\$4,266.7	\$284.6
Revenue	\$3,982.1	\$4,173.1	\$4,266.7	\$284.6
Funding Gap	\$0	\$105.7	\$0	\$0
FTE*	8,530.60	8,543.8	8,519.47	(11.13)

\*Full-time equivalent positions



# FY 2025-26 Proposed Budget (\$ in millions)



**Total Net County Cost Reductions: \$105.7 million**

# FY 2025-26 Proposed Budget Balancing

Program Areas	Ongoing Reductions	One-time Reductions	Total Net Reductions
General Government	\$0.8	\$9.4	\$10.2
Health Care Services	11.8	2.3	14.1
Public Assistance	0.6	2.3	2.9
Public Protection	12.8	17.6	30.4
<b>PROGRAM TOTAL</b>	<b>\$26.0</b>	<b>\$31.6</b>	<b>\$57.6</b>
<b>Countywide Strategies</b>			
Non-Program Revenue Adjustments	19.1	29.0	48.1
<b>COUNTYWIDE TOTAL</b>	<b>\$19.1</b>	<b>\$29.0</b>	<b>\$48.1</b>
<b>GRAND TOTAL</b>	<b>\$45.1</b>	<b>\$60.6</b>	<b>\$105.7</b>

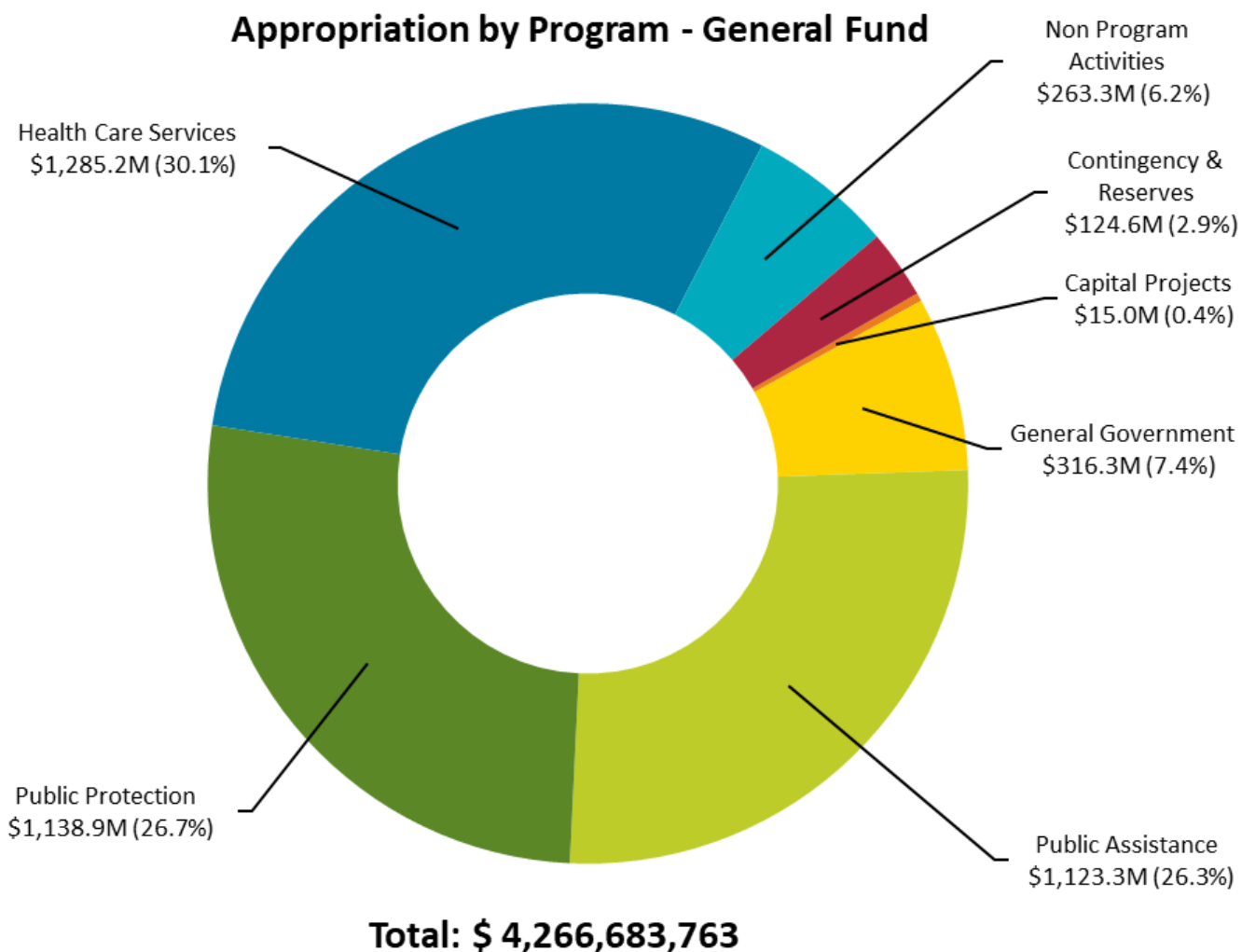


# FY 2025-26 Proposed Budget Balancing

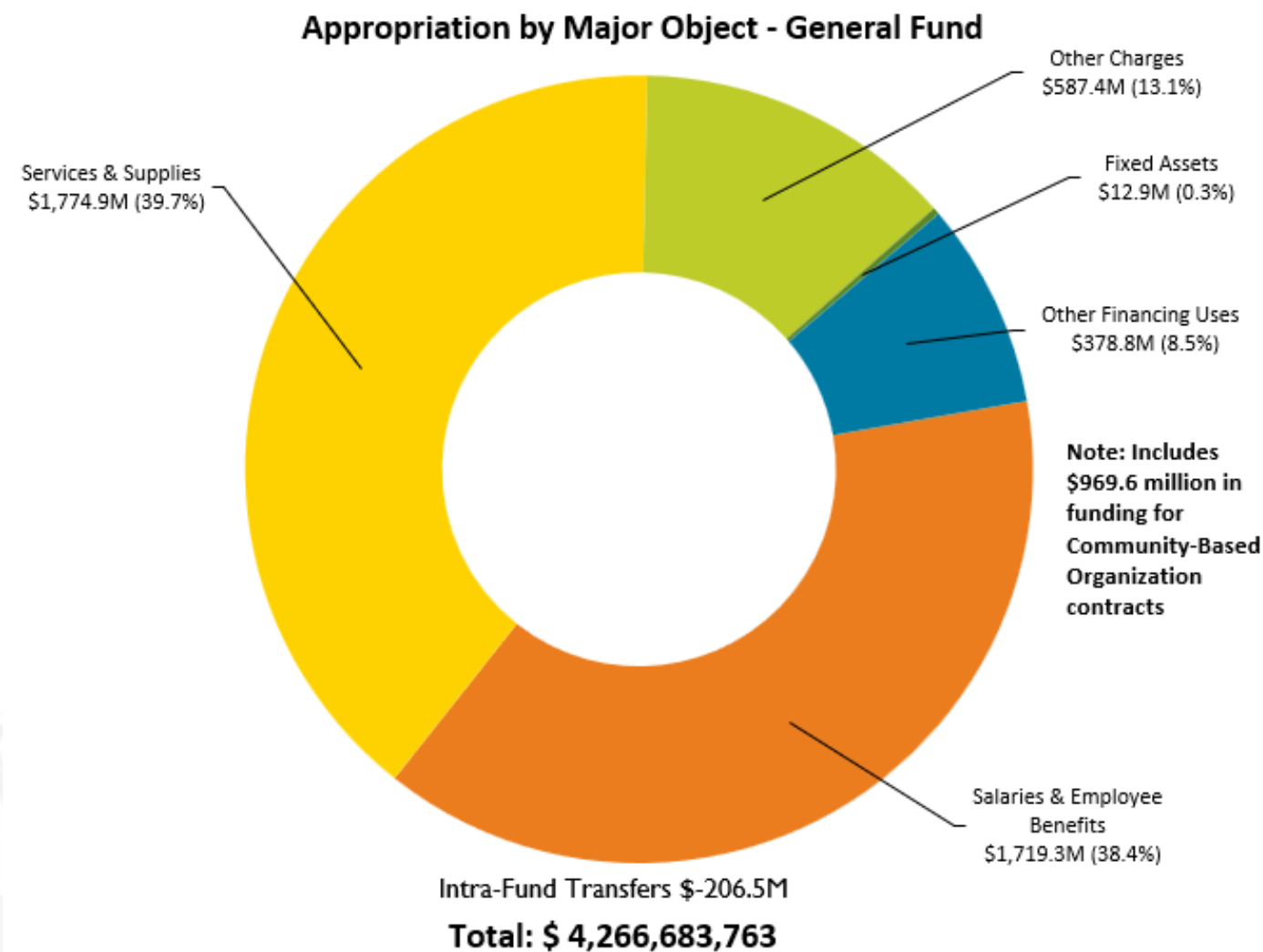
Program (\$m)	Revenue Adjustments			Spending Adjustments			Prior-year Savings	Total Reductions	FTE Adjustments
	Ongoing	One-time	Total	Ongoing	One-time	Total			
General Government	\$0.0	\$0.0	\$0.0	\$0.8	\$0.6	\$1.4	\$8.8	\$10.2	4.33
Health Care Services	\$5.5	\$0.7	\$6.2	\$6.3	\$1.6	\$7.9	\$0.0	\$14.1	5.00
Public Assistance	\$0.6	\$2.3	\$2.9	\$0.0	\$0.0	\$0.0	\$0.0	\$2.9	0.00
Public Protection	\$5.5	\$17.0	\$22.5	\$7.3	\$0.6	\$7.9	\$0.0	\$30.4	15.00
<b>PROGRAM TOTAL</b>	<b>\$11.6</b>	<b>\$20.0</b>	<b>\$31.6</b>	<b>\$14.4</b>	<b>\$2.8</b>	<b>\$17.2</b>	<b>\$8.8</b>	<b>\$57.6</b>	<b>24.33</b>
<b>Countywide Strategies</b>									
Non-Program revenue adjustments	\$19.1	\$29.0	\$48.1	\$0.0	\$0.0	\$0.0	\$0.0	\$48.1	0.00
<b>COUNTYWIDE STRATEGIES TOTAL</b>	<b>\$19.1</b>	<b>\$29.0</b>	<b>\$48.1</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$48.1</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$30.7</b>	<b>\$49.0</b>	<b>\$79.7</b>	<b>\$14.4</b>	<b>\$2.8</b>	<b>\$17.2</b>	<b>\$8.8</b>	<b>\$105.7</b>	<b>24.33</b>



# FY 2025-26 Proposed Budget



# FY 2025-26 Proposed Budget





# Community-Based Organization (CBO) Contracts

## FY 2025-26 Proposed Budget Funding (\$ in millions)

### 278 CBO Contractors Total

Program Area	FY 25-26 Contracts
General Government	\$11.6
Health Care Services*	\$624.6
Health Care – Alameda Health System	\$134.3
Public Assistance	\$135.5
Public Protection	\$63.6
<b>CBO Contracts Total</b>	<b>\$969.6</b>

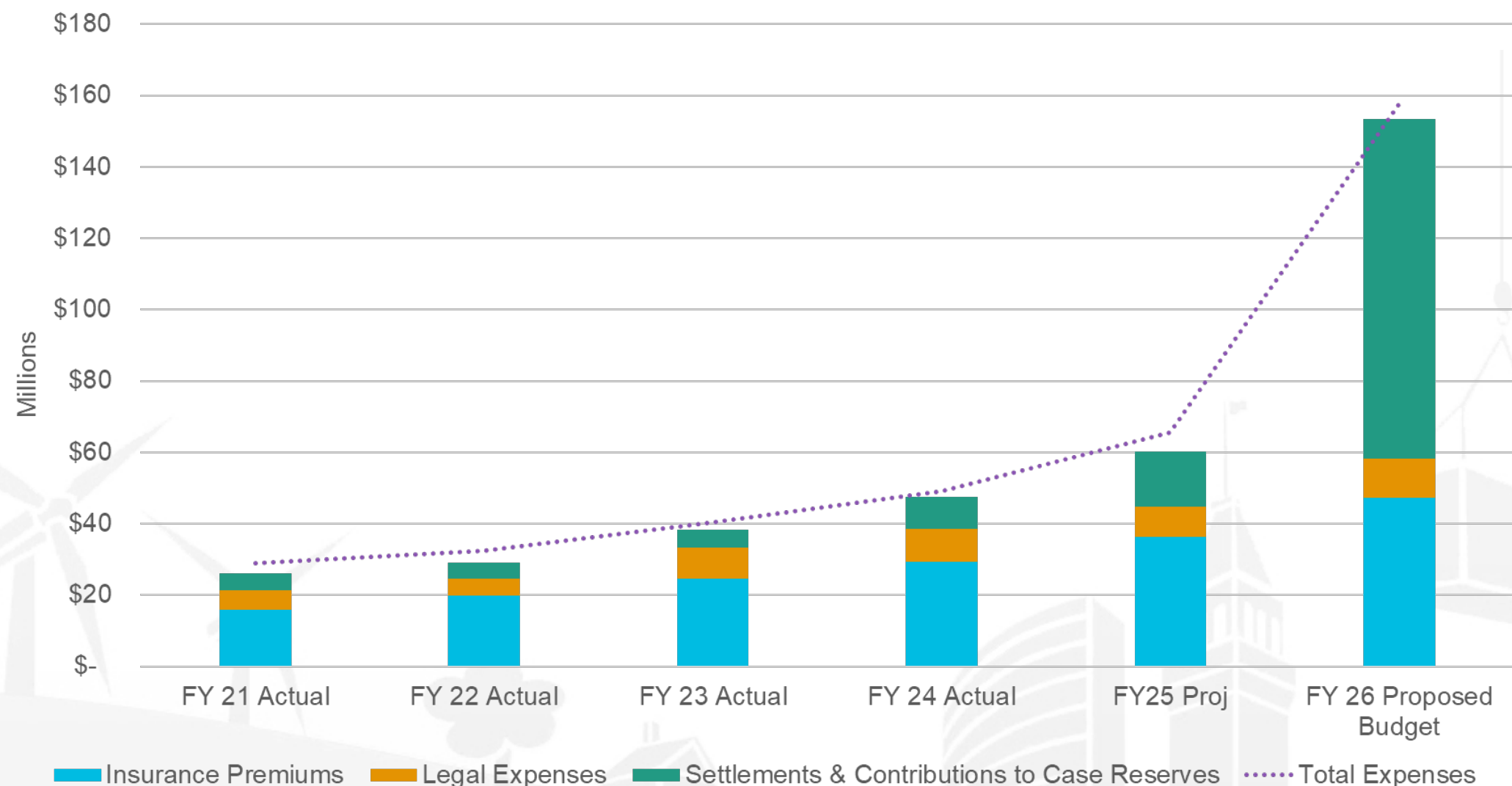
\* excludes Alameda Health System contracts



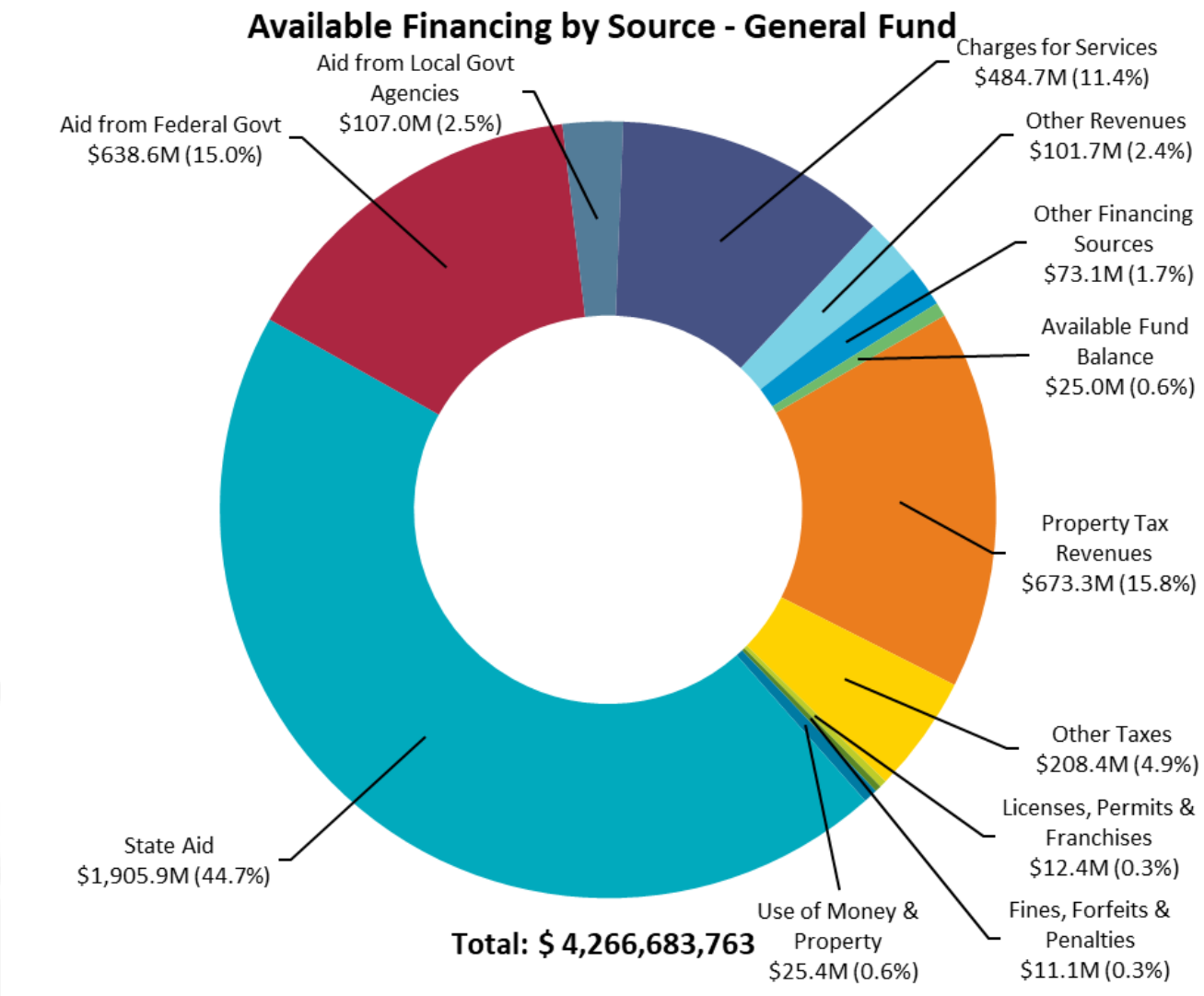
# Investments in Key Services and Initiatives

- \$1 billion to support community-based organizations
- \$134 million to support the Alameda Health System
- Mental Health appropriations of over \$800 million
- Over \$200 million for Housing and Homelessness Services
- Over \$400 million for assistance payments
- Over \$220 million to fund the In-Home Supportive Services program
- Critical investments in county infrastructure including technology, capital projects, and risk management

# Risk Management

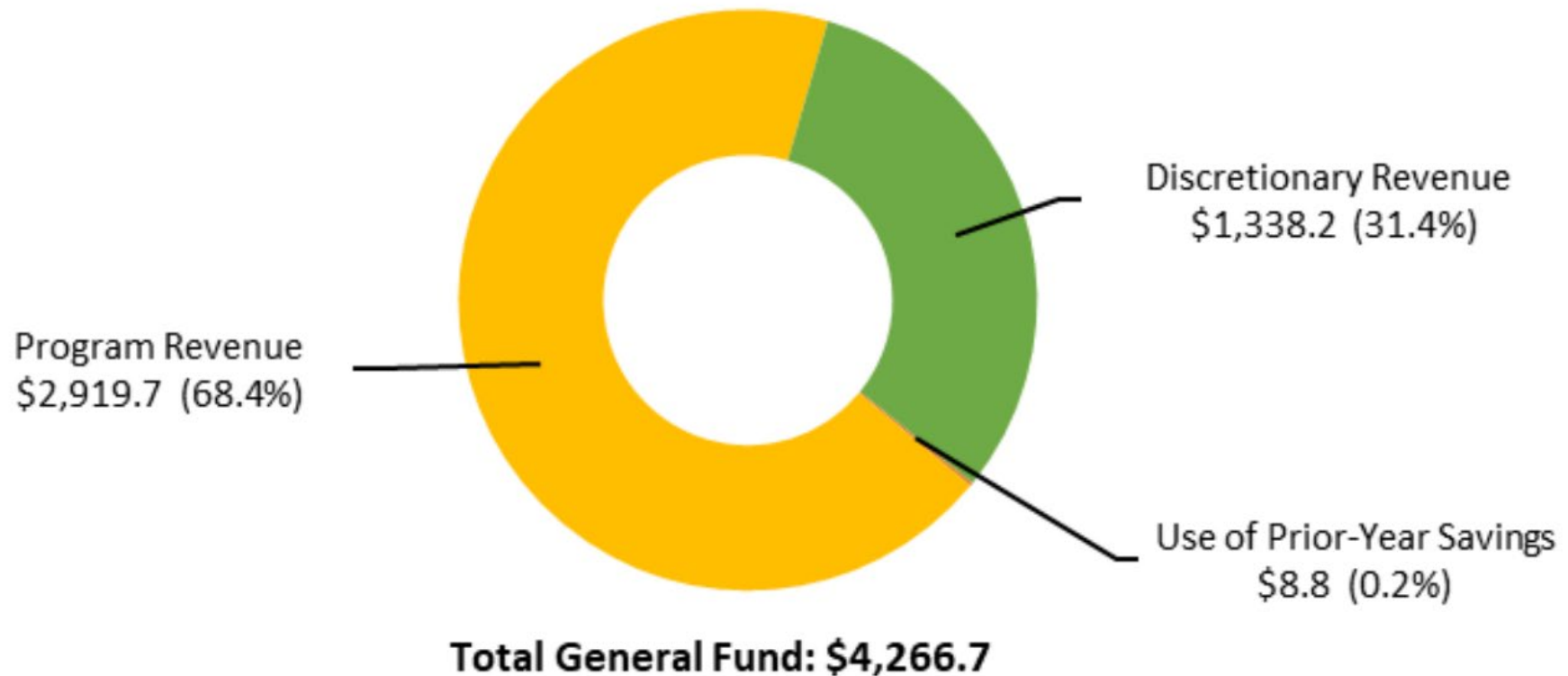


# FY 2025-26 Proposed Budget



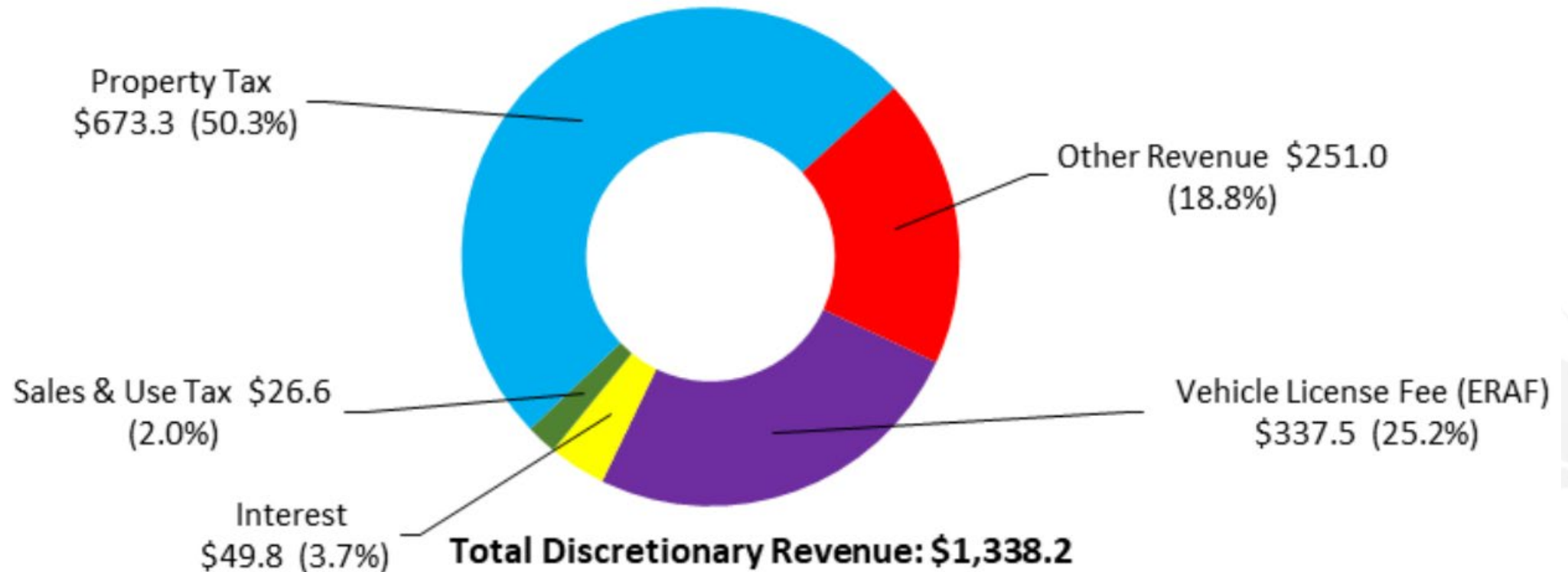
# FY 2025-26 Proposed Budget - Revenue By Type

Share of Total General Fund (in millions)



# Proposed FY 2025-26 Discretionary Revenue By Source

Discretionary Revenue by Source (in millions)





# Funding Challenges

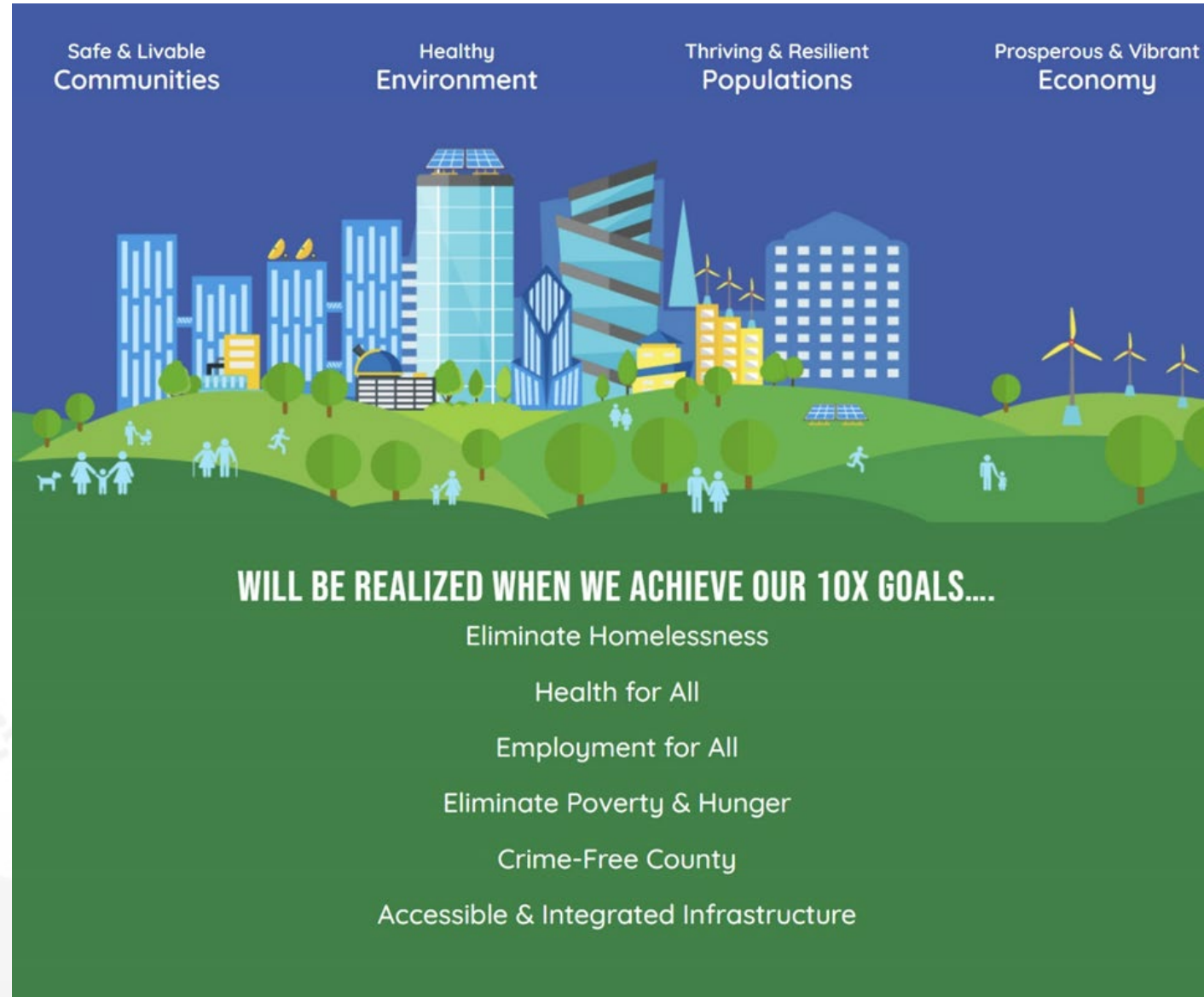
- Homelessness
- Health Care
  - Potential reductions in federal funding will undermine preventative health
  - Unfunded mandates without dedicated revenue sources – Senate Bill 43 and CARE Act
- Public Assistance
  - Potential benefit impacts to SNAP and Medicaid
  - In-Home Supportive Services program Maintenance of Effort financing
- Public Safety
  - Staffing and recruitment challenges
  - Potential suspension or termination of federal grants or programs due to immigration priorities
- Infrastructure and Capital needs

# Pending Factors

- State budget and federal budget
- Labor negotiations & workforce challenges
- Pending litigation and settlements
- Rising liability and insurance costs
- Pension and other employee benefit cost increases
- Potential federal and State audit disallowances
- Unfunded capital projects and deferred maintenance
- Ongoing homelessness crisis; Home Together Plan
- CARE Court and Proposition 1 implementation
- Reimagining Adult Justice initiatives
- Assessment appeals
- Global finances and climate change
- Economic downturn



# Priorities for Budget Balancing Strategies – Vision 2036



# June 23, 2025 Hearings Schedule

- Program Area Overviews
  - Public Assistance
  - Health Care
  - Public Protection
  - General Government
- Final adjustments & other issues



