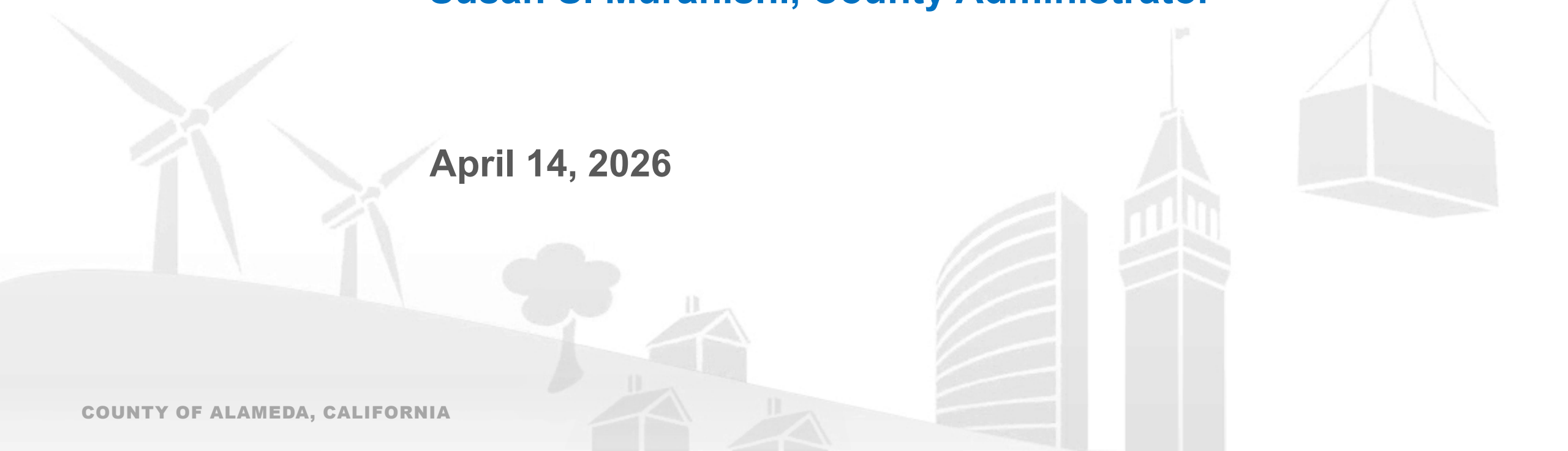




Alameda County Fiscal Year 2026-27 Early Budget Work Session

Susan S. Muranishi, County Administrator

April 14, 2026



Early Budget Work Session

- County Budget Updates
 - Board-Approved FY 2026-27 Budget Policy
 - FY 2026-27 Budget Next Steps
- Pending Factors
- FY 2026-27 Preliminary MOE - Department Presentations



State and Federal Updates



State Budget Update

- Preliminary data shows February 2026 State General Fund income tax revenues below forecast in February but above the fiscal year-to-date forecast.
- Surplus revenues are mostly dedicated to funding schools and budget reserves pursuant to constitutional requirements.
- The State is approaching the Gann limit, which restricts spending growth even when revenues increase.
- The LAO recommends that the Legislature wait for updated enrollment and spending data in the May Revision before making final budget decisions.



Effects of Federal Policy Changes Yet to be Fully Understood

- SNAP
 - Reduced purchasing power and federal share of administrative support
 - October 2027 benefit sharing ratio will require states to share in costs based on error rates
 - SNAP-Ed eliminated as of October 2025

- Medi-Cal
 - Proposed changes include work requirements and six-month re-verification which would likely reduce enrollment
 - Loss of coverage will increase utilization and reliance on emergency care and increased costs for specialty care services
 - Behavioral health services also at risk if coverage declines

- Substantial workload impacts across programs
 - Anticipating more frequent redeterminations and increased staffing needs

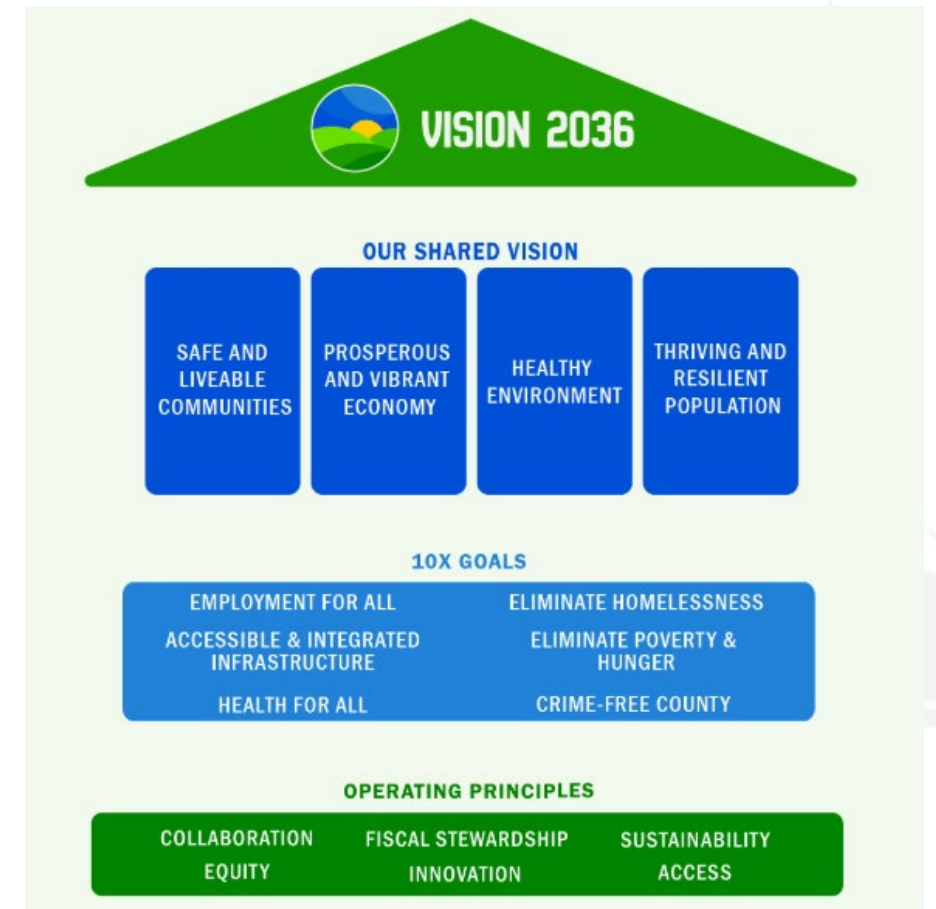
2026-27 MOE Budget



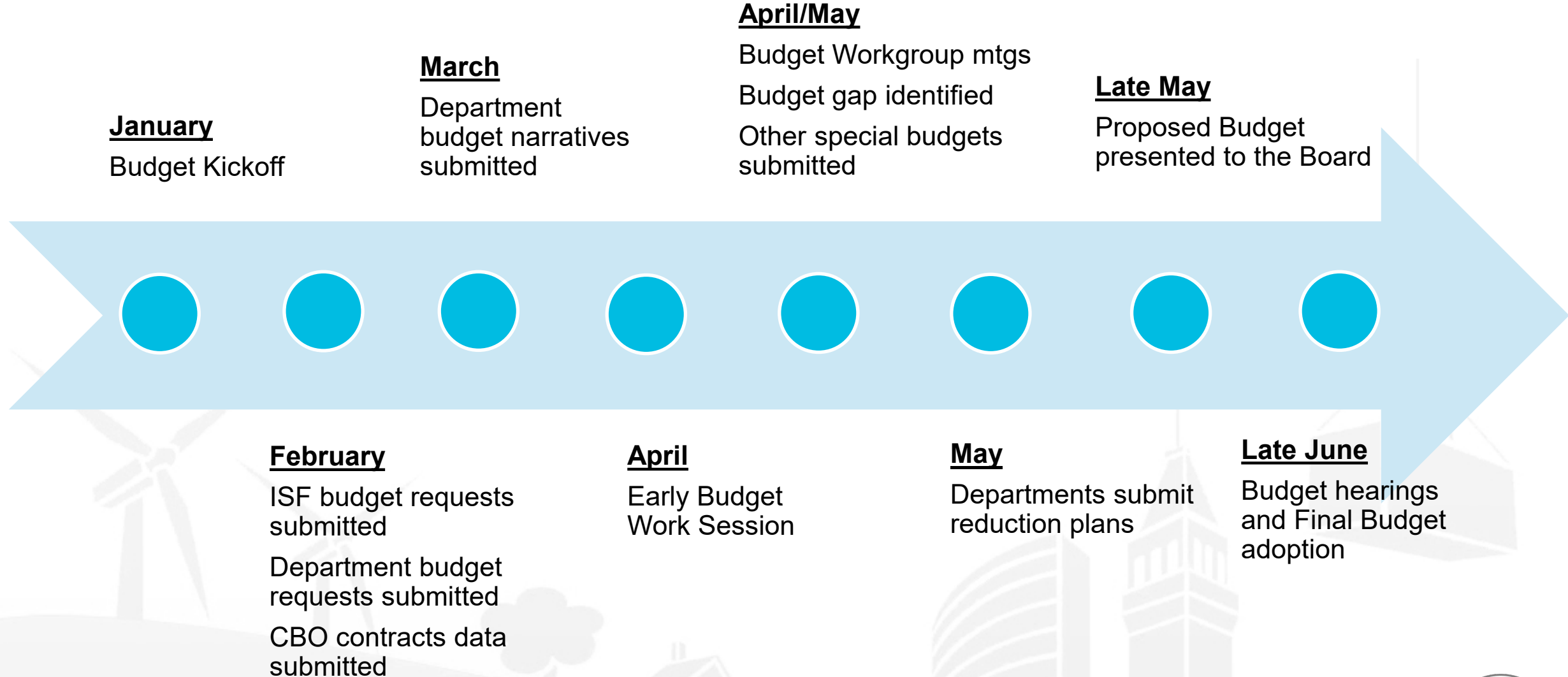
FY 26-27 MOE Budget Guidelines

Maintenance of Effort: The funding level needed by agencies/departments to continue existing programs, staffing and service levels.

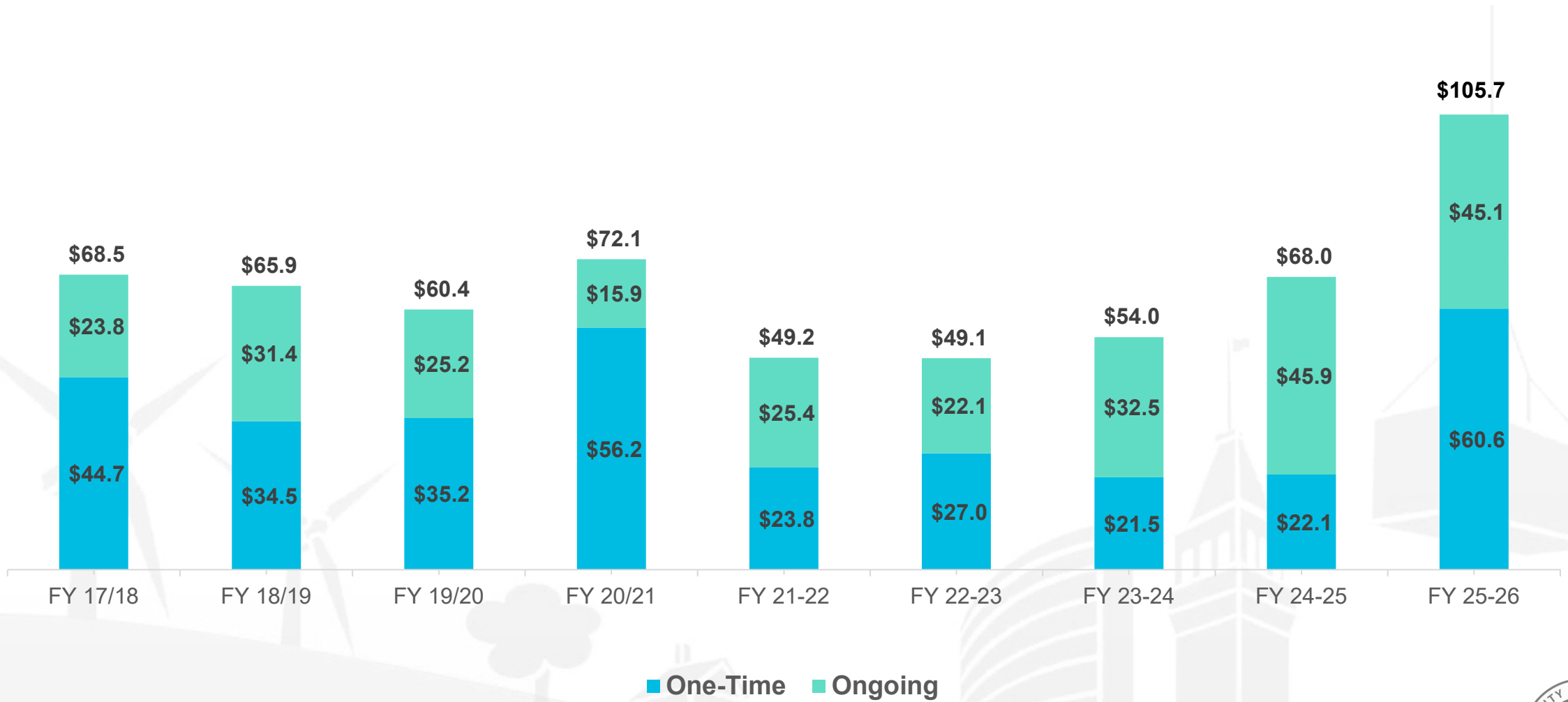
- Known salary/benefits, operational and internal service fund adjustments
- Current revenue projections should first offset eligible increased operating costs
- 4.0% cost-of-living adjustment for eligible contracts with community-based organizations
- Mid-year Board approved adjustments
- Alignment with Vision 2036



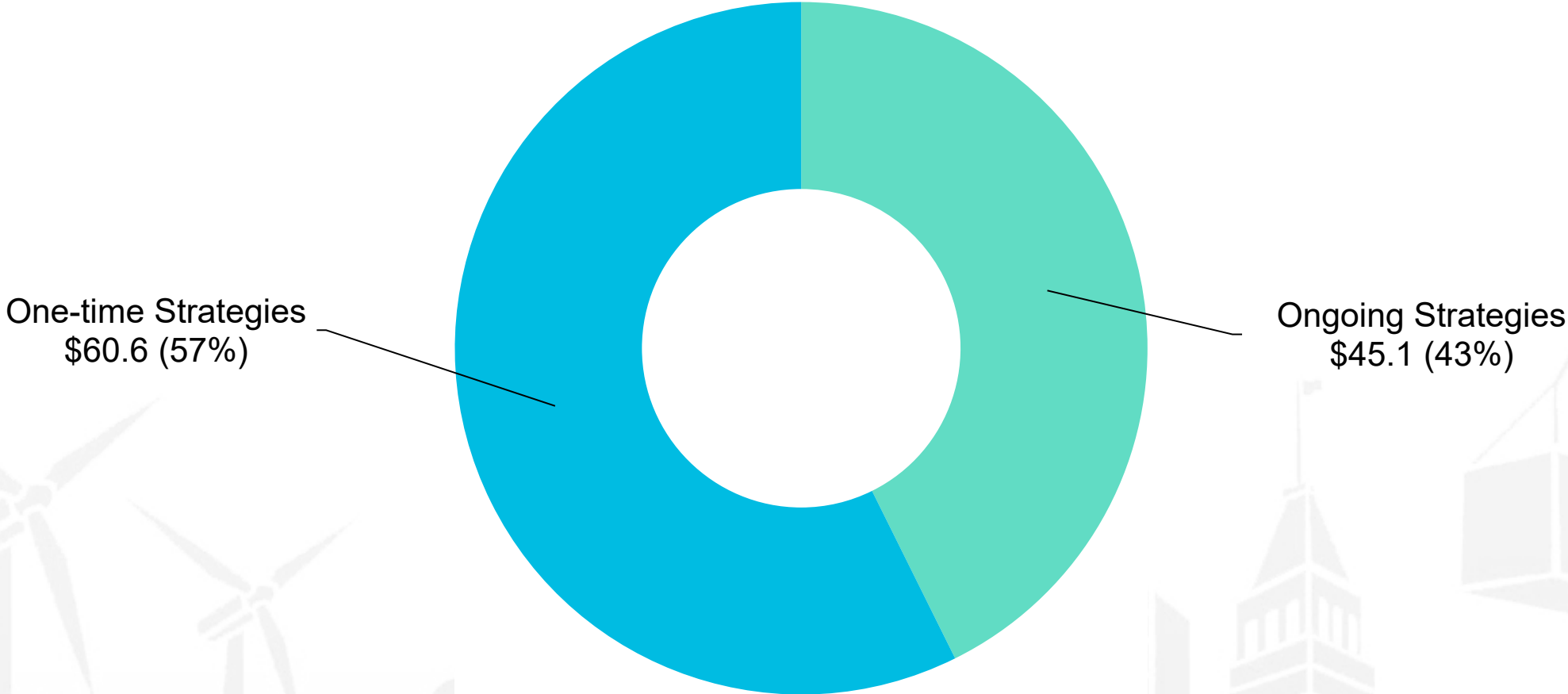
Budget Process Overview



Budget Balancing Strategies (millions)



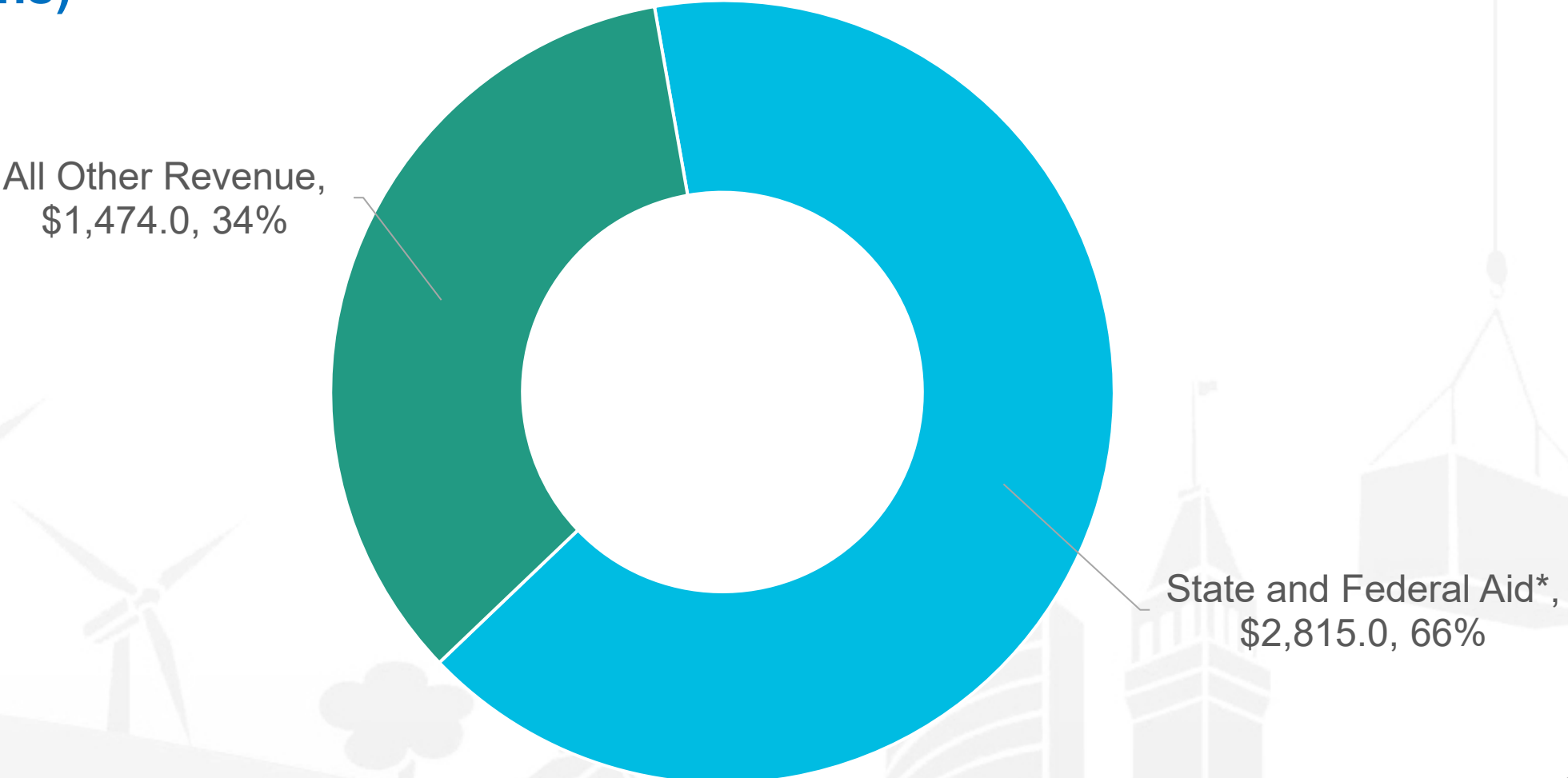
FY 2025-26 Budget Balancing (\$ in millions)



Total Net County Cost Reductions: \$105.7 million



FY25-26 Approved State and Federal Aid as a Percentage of Total Financing (\$ in millions)



Total Financing: \$4,289.0

**Including Medi-Cal Charges for Services*

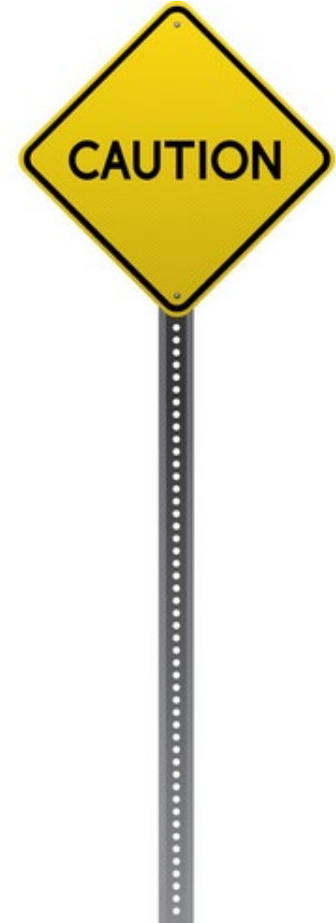


FY 2026-27 Budget Development Next Steps

- Continue analysis of program expenditure & revenue projections
- Analyze & update non-program revenue and expenditure projections
- Position review and assessment of vacancy factors
- Identify any remaining funding gap & balancing strategies
- Analyze Governor's May Revision
- Submit balanced Proposed Budget to Board of Supervisors
- Budget Hearings
- Adopt balanced Final Budget by June 30th

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
- Measure W implementation
- Prop. 1 implementation
- Board Initiatives
- Assessment appeals
- Global finances and climate change
- Economic downturn



FY 2026-27 Early Budget Work Session Schedule

County Administrator's Overview

Health Care Services

AC Health

Public Assistance

Social Services Agency

Child Support Services

General Government

General Services Agency

Public Works Agency

Community Development Agency

Information Technology Department

Assessor

Public Protection

Sheriff

District Attorney

Probation Department

Public Defender

Fire Department

General Government (continued)

Auditor-Controller/Clerk Recorder

Treasurer-Tax Collector

Registrar of Voters

Human Resource Services

Library



