



COUNTY ADMINISTRATOR

June 25, 2009

Honorable Board of Supervisors
Administration Building
Oakland, CA 94612

SUBJECT: FY 2009-2010 FINAL BUDGET ADOPTION

Dear Board Members:

RECOMMENDATION:

It is recommended that your Board:

1. Authorize the Auditor-Controller to make necessary final adjustments and other technical adjustments as presented during the budget hearings and your Board's deliberations;
2. Adopt the Capital Improvement Plan for 2009-2014;
3. Adopt Resolutions approving the fees for the County Service Areas, Benefit Assessment Program, Clean Water Protection Fee, and Well Permit Service Fees as presented on June 22 and 23, 2009; and
4. Adopt the FY 2009-2010 Final Budget.

DISCUSSION/SUMMARY:

The FY 2009-2010 Final Budget, which incorporates adjustments approved by your Board during budget deliberations, is balanced. The Final Budget for all funds totals \$2.43 billion and provides funding for 9,081.22 full-time equivalent positions. The General/Grant/Measure A Fund budgets total \$2.09 billion and support 7,331.50 full-time equivalent positions.

The Budget closes a \$177.6 million funding gap through a combination of permanent ongoing program reductions, revenue increases and one-time strategies. To the extent possible, your Board's Values-Based Budgeting priorities have been considered in developing balancing strategies within each program area. The following table summarizes net cost reductions required to close the funding gap:

BUDGET BALANCING
General/Grant/Measure A Funds

Program Area	Net County Cost Reductions (Millions)	Position Reductions (FTE)
General Government	\$28.4	45.70
Health Care Services Agency	30.0	0.00
Public Assistance	45.0	10.00
Public Protection	40.0	179.58
Subtotal Programs	\$143.4	235.28
Countywide Strategies	34.2	0.00
GRAND TOTAL	\$177.6	235.28

The Final Budget is balanced with \$76 million or 43% in ongoing strategies and \$101.6 million or 57% in one-time strategies. Fiscal Management Reward Program savings account for \$45.8 million of the one-time strategies. While Agency and Department Heads have continued to carefully control spending in order to achieve significant savings, continued reductions and staffing vacancies make it more difficult for departments to carry out their mission of providing quality, essential services.

Board Policy Directives

During your Board's deliberations on the Proposed Budget, the following policy directives were endorsed:

- **Designation of \$6.5 million for Future Budget Balancing**
 - Direct the County Administrator to establish a designation for future budget balancing after the adoption of the State budget in the amount of \$6.5 million, based on the transfer of the proposed \$5.2 million increase in the general reserve and \$1.3 million from the conflict indigent defense budget.
- **Concession Bargaining with Employee Organizations** (Attachment 1)
 - Direct the County Administrator to negotiate with and seek concessions from employee organizations within 90 days, especially those bargaining units representing employees in Public Protection departments, with the goal of achieving cost savings that could help mitigate layoffs.
- **Future Reinstatement of Suspended Community-Based Organizations (CBO) Cost-of-Living Adjustment for 2009-10** (Attachment 2)
 - Reinstatement as soon as possible the CBO cost-of-living (COLA) adjustment. When the CBO cost-of-living adjustment is reinstated, the COLA percentage (2%) suspended for the 2009-10 fiscal year should be included in the reinstated COLA.

- **Report on Potential Revenue Increases and Operational Efficiencies for Animal Shelter Services** (Attachment 3)
 - Direct the County Administrator and the Sheriff's Office to review potential revenue increases from adjustment of animal services fees, as well as any opportunities for operational efficiencies in the management of the Fairmont Animal Shelter, with the goal of maintaining services at this facility on at least a part-time basis.
- **Updates on the General Assistance Program** (Attachment 4)
 - Direct the Social Services Agency to present in-depth reports to the Social Services Committee quarterly and to the Board of Supervisors semi-annually, on specific outcomes related to General Assistance (GA) program reduction strategies.
- **Updates on Veterans Services** (Attachment 5)
 - Direct the Social Services Agency to provide written quarterly reports to the full Board of Supervisors that highlight the service delivery accomplishments of the Veterans Services Office.

In addition to these items, your Board also directed the County Administrator's Office to review indigent defense costs and identify opportunities for increasing operational efficiencies in the management of contracts for these services.

State and Federal Budget Impacts/Pending Factors

This year, perhaps more than in any other year, the County's budget and level of services is dependent upon actions taken at both the federal and State levels. While the federal government has enacted the American Recovery and Reinvestment Act of 2009 that provides crucial funding for safety net programs, the dire economic condition of the State threatens to offset any potential gain from the new federal funds. County departments have been aggressive in applying for grant funds authorized by the Act, but the actual amount that we ultimately receive remains uncertain.

At the State level, the FY 2008-09 budget fell so far out of balance that the State was forced to defer some payments and undertake short-term borrowing during the Fall of 2008. In February 2009, the Governor and Legislature agreed on a 17-month budget package to fix the shortfall in FY 2008-09, while also adopting a budget for FY 2009-10. The worsening economy and unrealistic revenue projections, coupled with the failure of several budget-related measures on the May 19 Special Election ballot, have resulted in a \$24 billion gap that the Legislature and Governor must close.

The Governor's proposals to close the \$24 billion gap include draconian cuts to education, health and welfare programs, and public safety, as well as additional "borrowing" of \$2 billion from local government. The Legislature's Budget Conference Committee recently rejected these proposals in favor of a budget-balancing plan that avoids some of the Governor's most drastic cuts, in part by including \$1.9 billion in new taxes. However, the Conference Committee

proposal retains numerous impacts to local government and County residents. Of particular concern, the Conference Committee retained the Governor's proposal to take gas tax revenues from local jurisdictions, a \$35 million hit to Alameda County over the next two years. The Committee's plans also include a shift to the State of \$1 billion in local redevelopment funds, which would have a \$5 million impact on Alameda County, as well as cuts to health, social services, public protection and other programs. Finally, indirect impacts of the State budget proposals, such as greater crime and increased demand for services due to the early release of prisoners, are difficult to quantify at this time but may ultimately prove to have serious consequences for local government.

The ultimate resolution of the State's current budget crisis is far from certain. To date, neither house of the State Legislature has achieved the two-thirds vote necessary to adopt a budget, and the Governor has indicated his plans to veto any budget proposal that contains tax increases. In the face of such opposition, new proposals to close the State's budget gap appear likely, and may include cuts to local government that had previously been taken off the table. We may well see the revival of plans to "borrow" \$2 billion of local property taxes (\$40 million from Alameda County) and the return of drastic cuts to health and social services programs.

Vital health, welfare, and other safety net services are already at levels that threaten the quality of life for all Californians, not just the direct recipients of services. Pending State funding cuts threaten to further impact our local communities by returning thousands of prisoners without adequate resources for re-entry services, eliminating access to basic health care services, and further neglecting road maintenance and safety improvement projects. We cannot afford to lose more of our limited discretionary property tax dollars to a State government that will not take the steps needed to solve its own structural budget problems and we must continue to advocate strongly for responsible fiscal solutions and preservation of local funding for local needs.

The Year Ahead

Closing this year's budget gap has been exceptionally challenging, and has not allowed for much opportunity to highlight some of the programs and services that are funded in the 2009-10 budget. Notable endeavors in the year ahead include:

- The County's first **Countywide Strategic Vision** was adopted by your Board in the fall of 2008 to provide a multi-year, comprehensive, high-level strategic direction to the County's agencies and departments. The Vision was shared with employees in a series of town hall meetings and serves to communicate the County's long-term priorities to the community and guide County policy and resource decisions. In the coming year, department heads will continue to implement the Vision through departmental strategic plans and activities.
- The County continues its leadership role in **reducing the carbon footprint** through establishment of the multi-agency **Climate Action Leadership Team** to coordinate the County's response to climate change by developing programs and policies to reduce greenhouse emissions. Plans are underway for a second **County & Cities Climate Forum** to continue our collaborative efforts with all 14 cities on sustainability and to advance a strategic regional approach to mitigate climate change impacts. County

employees are engaged as departmental Climate Action Coordinators throughout the organization. New **sustainability initiatives** include the **PACE** program designed to encourage homeowners to install clean energy in residential and commercial properties and a comprehensive **Transportation Initiative** that will promote transit use and “green” the County’s fleet.

- The **New Beginnings program**, our innovative public private partnership to support at-risk youth, continues to flourish with a second **Fresh Start Café** now open at the Recorder’s Building in Oakland. The new café trains and employs former foster youth from the **Independent Living Skills Program**, providing young people with the opportunity to be trained and certified in food handling and business management. A partnership with the **Alameda County Arts Commission** opened avenues to showcase the artwork created by youth at the Juvenile Justice Center. Watch for more cafés and other business ventures to benefit our youth in the coming year.
- The livability of **unincorporated areas** will be enhanced with the completion of the **new Castro Valley Library** and the **renovation of the San Lorenzo Library**. The **Ashland Teen Center and Youth Campus** project is moving forward with funding provided by the County’s Redevelopment Agency, the San Lorenzo School District and the Hayward Area Recreation District. The Redevelopment Agency has secured sites in Cherryland for a community center and a new Fire Station. It is also in the process of acquiring a site in San Lorenzo for a community center.
- **Streetscape improvements** for Hesperian Boulevard and Castro Valley will be completed and sidewalk repairs will take place in San Lorenzo, Ashland, Cherryland and Castro Valley. The recently-enacted County **Green Building Ordinance** will guide future sustainable development in the unincorporated areas. In addition, the Community Development Agency was able to secure \$2.1 million in federal funds for programs to mitigate the negative impact of foreclosures on neighborhoods.
- Twelve **School-based Health Centers** serving 23 schools throughout the County will provide a wide range of health services to over 6,700 children and youth and serve as a national model.
- **“Soda Free Summer”**—a campaign initiated in Alameda County aimed at reducing the intake of sugared beverages—has expanded statewide. This is only one of numerous efforts undertaken by the Public Health Department to reduce obesity by improving the food and fitness environments throughout the County. Although many of the strategies are focused on neighborhoods with the greatest health disparities, many are countywide including a collaborative with 17 school districts to implement a wellness policy and a collaborative to streamline access to food stamps, school meal programs and WIC nutrition services.
- As the County prepares to enter the third year of the **Title IV-E Waiver program**, progress continues to be made in reducing the placement of children outside of their homes, and in increasing investments to support further system improvements. The

number of children in out-of-home placements has recently fallen below 2,000, less than half the level of a decade ago, and investments in services to support family preservation, reunification, and permanency, among other efforts, will increase by more than \$10 million in the coming year.

- During the coming year the County will also take advantage of temporary federal stimulus funding to expand employment opportunities for CalWORKs recipients and other low-income individuals. As provided for under the **Emergency Contingency Fund** (ECF) provisions of the American Recovery and Reinvestment Act of 2009, the Social Services Agency will implement a subsidized wage program initially for 220 individuals per month, with 60 in subsidized employment and 160 in paid work experience.
- Planning for the construction of a **new Camp Sweeney** will continue with the support of a \$35 million competitive grant that was awarded to the County earlier this year. The new facility will include 150 beds with living space for both boys and girls and an operational design that supports best practices in residential treatment for youth in the juvenile justice system.
- The **Acute Tower Replacement Project** comes closer to reality in the budget year as we anticipate the award of the design/build contract, historic building and landscape documentation, and demolition of certain buildings in preparation for the first phase of construction.

The maintenance of these initiatives in the face of dire fiscal circumstances is a testament to your Board's leadership and sound financial planning.

As we look ahead to the new budget year and all that we expect to accomplish, we must also remain vigilant in our monitoring of the County's financial circumstances and our ability to sustain these initiatives. While the Budget is balanced, the imposing State budget deficit and grim economic outlook challenge us more than ever as we enter the new fiscal year. In addition, the downturn in the housing market and the local economy will continue to impact our discretionary revenue sources, such as property tax, while the demand for County services continues to rise. In the face of such challenges we must enhance our revenue-raising efforts and strengthen measures to control costs by holding positions vacant, deferring expenditures, and delaying spending on our already limited infrastructure improvements and capital projects knowing that federal and State deficits, as well as rising operating costs and increased demand for safety net services, will continue for the foreseeable future.

CONCLUSION

Once again, I extend my gratitude to all of the Agency and Department Heads for their efforts to curtail expenditures in anticipation of this budget year and for their significant contributions toward achieving a balanced budget. I also want to acknowledge the ongoing guidance and support of the Budget Workgroup. And, finally, I would like to thank your Board for the strong support and leadership you have provided during the FY 2009-2010 budget process, as well as

your ongoing commitment to an open and inclusive process that has involved all stakeholders. While this collaborative process has been developed over many years, its value becomes clearest to us in these challenging times.

Very truly yours,

/s/

Susan S. Muranishi
County Administrator

SSM

Attachments

c: Agency/Department Heads
Budget Workgroup Members
Legislative Advocates
Labor Representatives
Community-Based Organizations
Boards and Commissions



Board of Supervisors

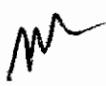
Nathan A. Miley
Supervisor, District 4

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Date: June 23, 2009

From: Supervisor Nate Miley 

To: Each Member Board of Supervisors

Cc: Susan Muranishi, CAO

Re: Public Protection Budget Adjustment

As Chair of the Public Protection, I'm concerned with the profound impact on services and the public safety if the 198 proposed layoffs in the Public Protection Budget are implemented. I propose the following alternatives:

1. Enter into negotiations with all impacted bargaining units with the intent of identifying any potential cost savings to be gained from voluntary give-backs. These might include furloughs, elimination of COLAs, and reductions in other employee benefits, as appropriate. I would set a limit on the negotiations to conclude by the middle of September 2009.

As an initial step, I would like to learn the potential cost of preserving filled positions by agency. I would also like to know the potential savings from an across-the-board elimination of COLAs from the 2009-10 budget, should all bargaining units agree in a timely manner.

2. Delay the \$2.6 million allocated for motor vehicles upgrades in the GSA budget.
3. Allocate funds from the Indigents Defense Contingency Fund and the reserve fund in the coming fiscal year.

The Board of Supervisors can use any combination of these alternatives to prevent layoffs.



B O A R D O F S U P E R V I S O R S

KEITH CARSON
SUPERVISOR, FIFTH DISTRICT

Date: June 23, 2009
To: Each Member, Board of Supervisors
From: Supervisor Keith Carson *K.C.*
Subject: CBO COLA Policy

For more than a decade, it has been County policy that CBO contractors receive the same COLA as union labor contracts.

If the CBO COLA is suspended this year, it would mark the first time that the County deviates from this long-standing policy.

In the interest of equity it is my recommendation that the Board of Supervisors approve the following policy to be incorporated into the FY 2009/2010 Alameda County Budget:

If the CBO COLA is suspended for Fiscal Year 2009-2010, it should be reinstated as soon as possible. When the CBO COLA is reinstated, the COLA percentages from the suspended years should be included in the reinstated COLA.



Board of Supervisors

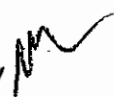
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Date: June 23, 2009

From: Supervisor Nate Miley 

To: Each Member, Board of Supervisors

Cc: Susan Muranishi, CAO

Re: Fairmont Animal Shelter

As Chair of the Public Protection Committee, I propose the following options to closing the Fairmont Animal Shelter. These options may be considered jointly or separately with my other proposals to reduce Public Protection layoffs.

1. Work with Friends of Fairmont Animal Shelter (FOFAS) to enhance and formalize, where appropriate, increased volunteer activities to maintain services and reduce expenses. Currently, volunteers feed the animals twice a day, 365 days a year, and community service workers do much of the cleaning.
2. Increase the dog license fee. The fee should be significantly higher for unaltered dogs to encourage spaying and neutering. For example, Oakland charges \$100/year for an unaltered dog while Alameda County only charges \$12. Additionally, Oakland works with veterinary clinics to inform dog owners of the need to license their dogs.
3. Add a cat license fee. The City of Alameda recently required that cats be licensed.
4. Increase the adoption fee from \$25 to \$50 or more, particularly for high-demand animals like puppies.
5. Increase spending opportunities at the shelter by selling pet supplies on site. Also enable consumers to use credit cards and ATM cards to make purchasing easier.
6. Reduce the number of days the shelters are open at Dublin and at Fairmont.
7. Reduce the number of staff by two each at the Dublin and Fairmont shelters, rather than cutting four at Fairmont and eliminating the program.



KEITH CARSON
SUPERVISOR, FIFTH DISTRICT

BOARD OF SUPERVISORS

MEMORANDUM

Date: June 23, 2009
To: Each Member of the Board
From: Supervisor Keith Carson *K.C.*
Subject: **Social Services Agency**

Based on the Social Service Agency key budget strategy to meet their \$45 million target reduction,

I am requesting the Social Services Agency to present an in-depth, detailed updates to be presented quarterly to the Social Services Committee and bi-annual reports to the entire Board of Supervisors. Outcomes an up-to-date accounting of where we are at the time of the presentation achieving:

- 1) The estimated \$4 million savings as a result of the elimination of the \$40 payments to all GA clients who are eligible for Medi-Cal.
- 2) The amount of savings received and impact to lives of GA individuals affected by the current living situations of clients through the shared housing reduction program.
- 3) The amount of monies saved or realized in the Social Services Agency, County of Alameda, as a result in the enforcement of fraud within the Social Services system for individuals who don't live in the County or those not eligible for Social Service programs, or benefits those found abusing the system. Abuse of the system and the actual loss of dollars to the County or County dollars recovered or saved by fraud.
- 4) An up to the minute accounting on the day of the presentation, a report about the number of individuals who have timed out based on the GA 3-months term limit. The amount of monies saved by the agency at the time of the Agency updates/reports to the Social Services Committee/Board of Supervisors.
- 5) An update on any and all other savings found within Social Services including FMR.

In the month of October 2009 I would like the Board of Supervisors to agendize a presentation on where the Social Services Agency is with respect to the implementation of the 3 month GA time limit program, which will begin January 2010.



BOARD OF SUPERVISORS

SCOTT HAGGERTY
SUPERVISOR, FIRST DISTRICT

MEMORANDUM

Date: June 24, 2009

To: Each Member of the Board

From: Supervisor Scott Haggerty *SH*

c: Susan Muranishi, County Administrator

Re: Social Services Agency/Veterans Services

Recommendation

I am requesting the Social Services Agency provide written quarterly reports to the full Board of Supervisors that highlights the service delivery accomplishments of the Veterans Services Office. The written quarterly reports are not limited to, but should include the following information:

1. Retroactive and lump sum monetary benefits received by Alameda County Veterans Services clients.
2. Annualized new recurring monthly benefits for VA clients
3. Annualized veterans monetary benefits COST-AVOIDANCE of public assistance (Cal-Works, Medi-Cal, GA) from Employment & Human Services (EHS) Department referrals for clients:
4. California College Tuition Fee Waiver Savings to dependent children (students), of services connected disabled veterans, who attend the University of California, California State University and Community Colleges.
5. Number of office and field interviews conducted by the Veteran Services office.
6. Number of claims and appeals filed.