



# **Alameda County FY 2013-14 Budget Update**

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Budget Workgroup

March 28, 2013

Susan S. Muranishi, County Administrator

Kai Mander, Principal Analyst



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# Federal Budget Update



# Federal Budget

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- Continuing resolution adopted for remainder of year
- Sequestration cuts of \$85 billion/year in effect
- \$26.4 billion in non-defense discretionary cuts
- Cuts to transportation, housing, education, criminal justice, health and human services, environmental protection and more



## Sequestration - Non-defense cuts

### Estimated impact to Alameda County

Community Development Agency	\$1.8 million
Block grants, housing, lead prevention, neighborhood preservation	
Social Services Agency	\$1.8 million
Workforce Investment Act Grants, Social Services Block Grant, Older Americans Act	
Health Care Services Agency	\$1.5 million
Substance abuse and mental health, prevention and public health	
Sheriff	\$1.1 million
State and Local Law Enforcement, SCAAP, COPS	
District Attorney	\$0.1 million
COPS	
General Services Agency	\$0.1 million
Local child care services coordination	
Debt financing	\$0.7 million
Build America and Recovery Zone Economic Development Zone bond subsidies	

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**TOTAL**

**\$7.1 million**



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# State Budget Update



## Governor's Budget

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- ❑ No gap
- ❑ General Fund appropriation increase of \$4.7 billion
- ❑ No cuts, no restorations
- ❑ Outlines plans to expand health coverage
- ❑ Pending factors



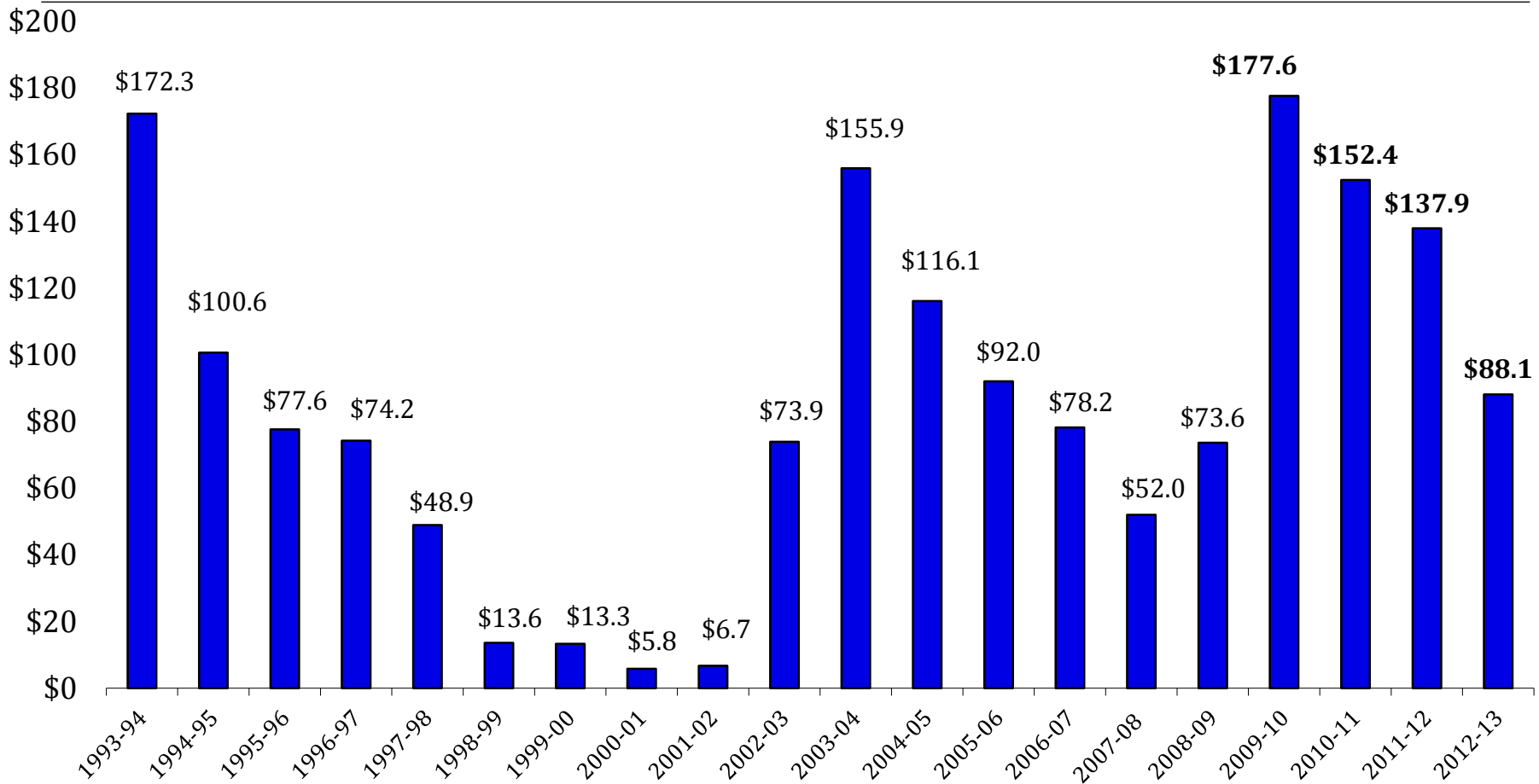
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# Alameda County Budget Update



# Funding Gaps Since 1993-94

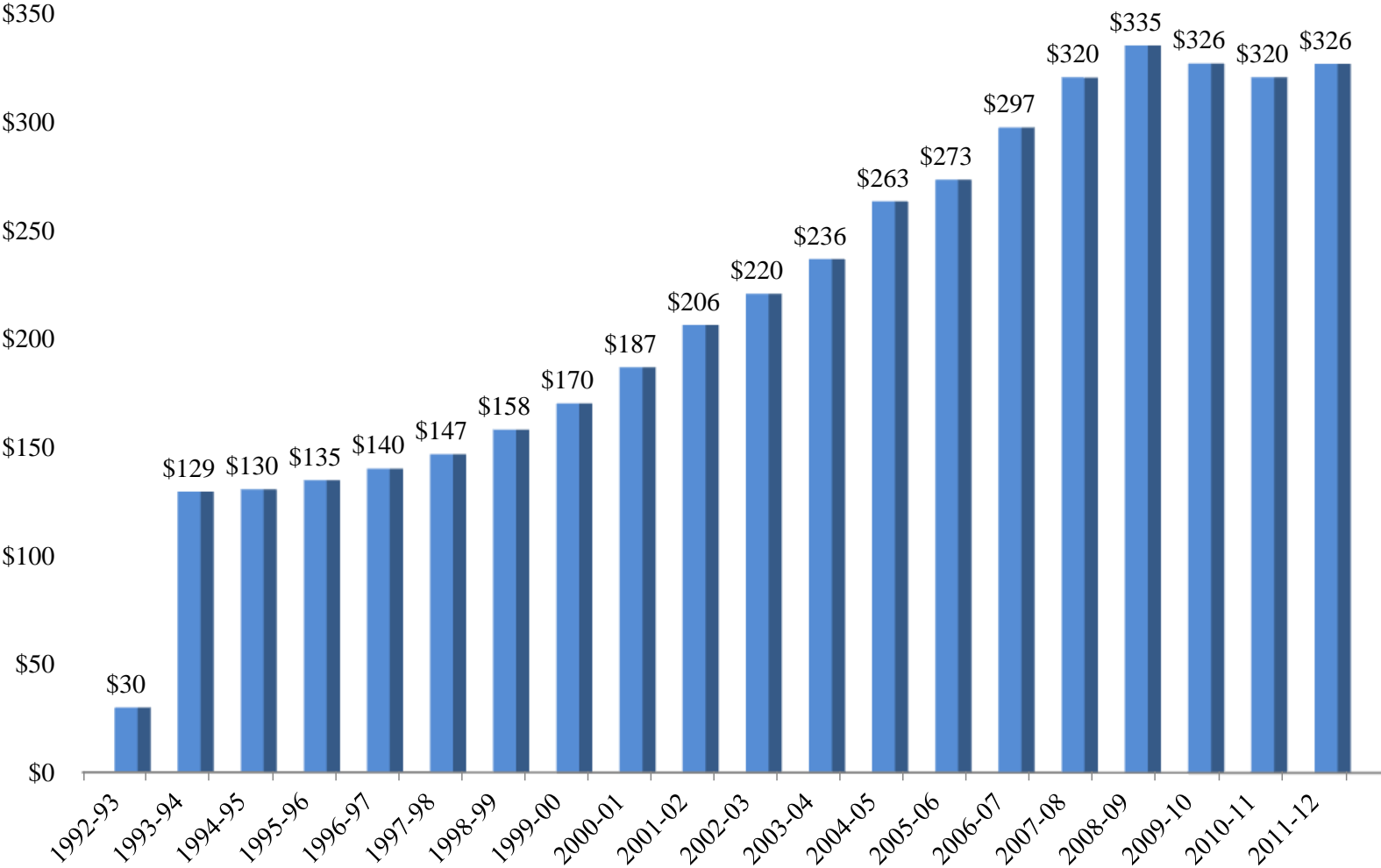
(in millions)





# ERAF Losses by Year (in millions)

## Cumulative loss: \$4.3 billion





# Known Labor Cost Increases

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Labor Group	FY 2012-13 increase	FY 2013-14 increase
SEIU	\$0	\$7.6 million
Sheriff's Managers	\$0	\$0.5 million
Deputy Sheriffs	\$0	\$5.6 million
Probation Officers	\$0.6 million	\$0.7 million
Probation Managers	\$0.1 million	\$0.2 million
<b>TOTAL</b>	<b>\$0.7 million</b>	<b>\$14.6 million</b>

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# Unknown Labor Cost Increases

Labor Group	increase	
ACMEA General & Confidential	?	Possible cost for FY 13-14 \$3 million to \$5 million
ACCA	?	
CEMU	?	
Public Defender	?	Cumulative cost through FY 15-16 \$19 million to \$21 million
IFPTE Civil Engineers	?	
Building Trades Council	?	
Professional Engineers & IFPTE	?	
Unrepresented	?	
<b>TOTAL</b>	?	



# Known Health/Retirement Increases

<b>Benefit</b>	<b>% Increase</b>	<b>FY 2012-13 partial-year increase</b>	<b>FY 2013-14 full-year increase</b>	<b>Total</b>
Health eff 12/9/12	+4.7%	\$3.4 million	\$6.1 million	\$9.5 million
Retirement Eff 8/19/12	+2.8%	\$4.5 million	\$5.2 million	\$9.7 million
<b>TOTAL</b>		<b>\$7.9 million</b>	<b>\$11.3 million</b>	<b>\$19.2 million</b>

Note: Retirement rates adjust each year in August; Health rates adjust in December. The amount of additional costs resulting from those cost increases is unknown at this time, but is assumed to be at least \$8 million and likely more



## 2% CBO COLA Cost Estimate

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<b>Program Area</b>	<b>FY 2013-14 increase</b>
General Gov't	\$38,302
Public Assistance	\$439,068
Public Protection	\$80,000
Health Care-non-ACMC	\$5,215,383
Health Care - ACMC	\$2,545,239
<b>TOTAL</b>	<b>\$8,317,992</b>

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## One-time FMR Program Savings to Close Gap in FY 12-13

(in millions)

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General Government	\$17.8
Health Care	\$13.9
Public Assistance	\$ 6.8
Public Protection	<u>\$10.0</u>
Total:	<u>\$48.4 million</u>

FMR = Fiscal Management Reward



# FY 2013-14 MOE

## Partial list of cost increases (in millions)

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	<b>FY 2013-14 increase</b>
Known labor increases	\$14.6
Possible labor increases	\$5.0
Health/retirement increases	\$19.2
2% for CBOs	\$8.3
One-time FMR in prior year	\$48.4
<b>TOTAL</b>	<b>\$95.5M</b>

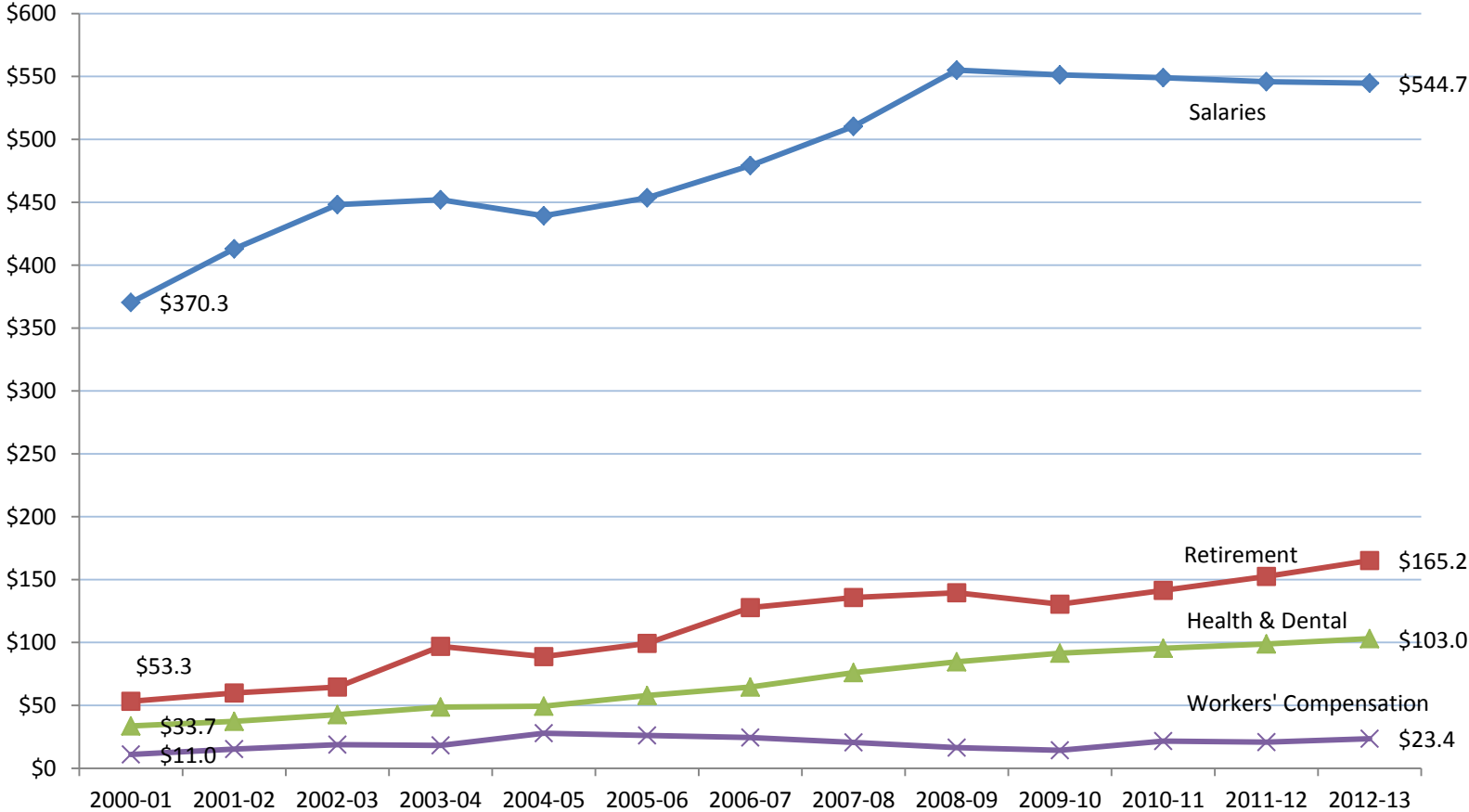
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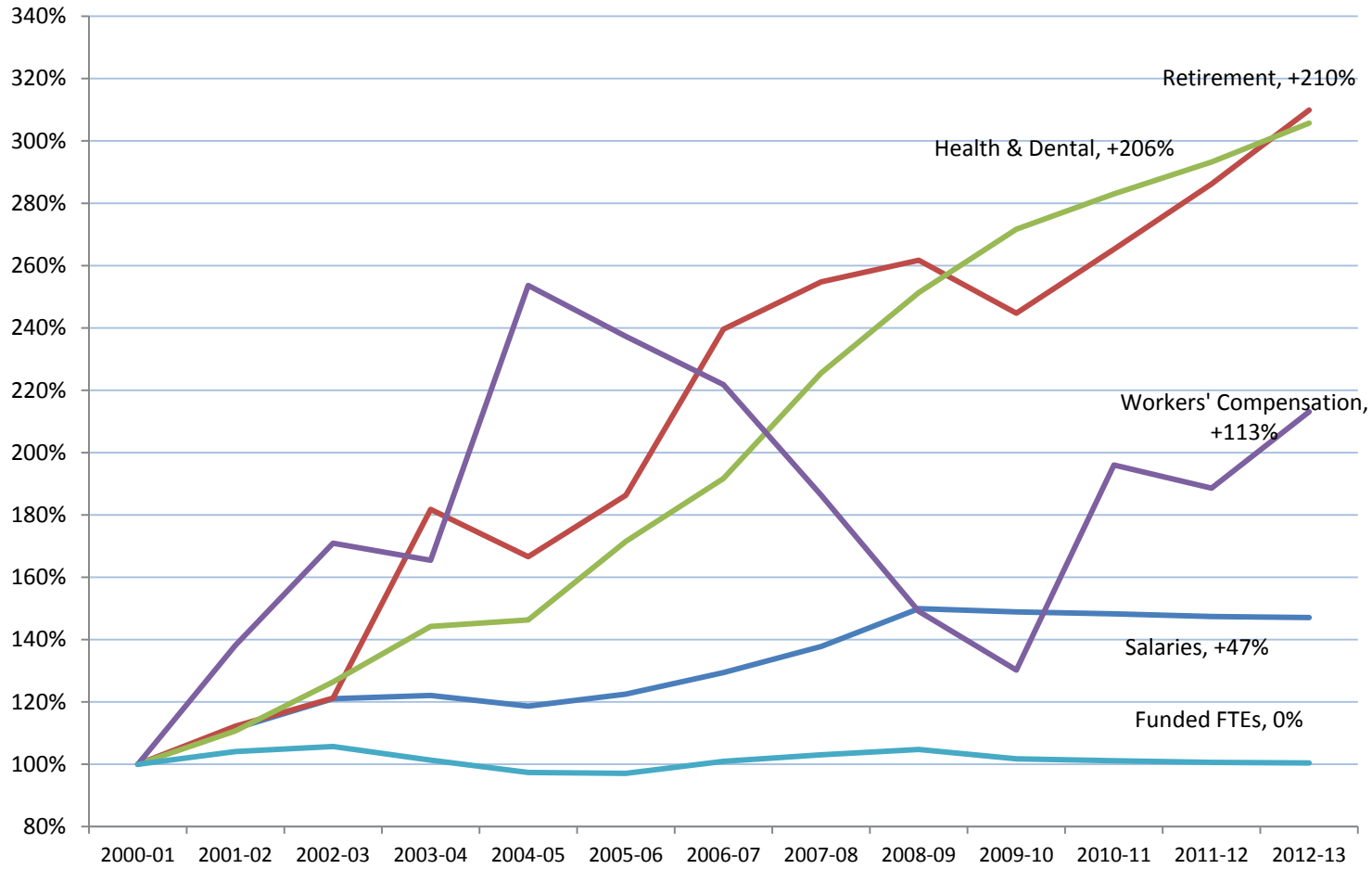
# Salary & Employee Benefits

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### Salary and Benefits FY 2000-01 to 2012-13 General Fund (in millions)

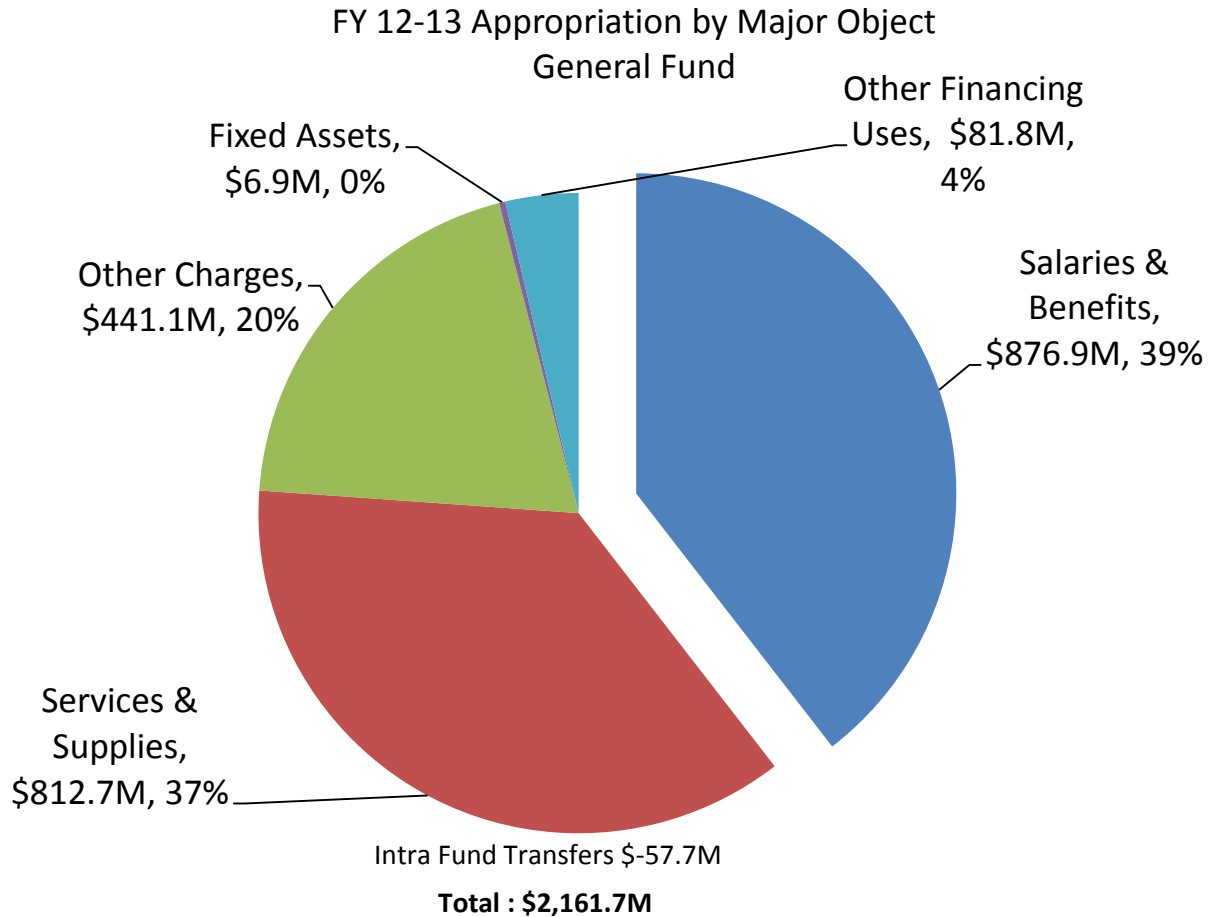


### Salary, Benefits, and FTEs % Increase Since FY 2000-2001 General Fund



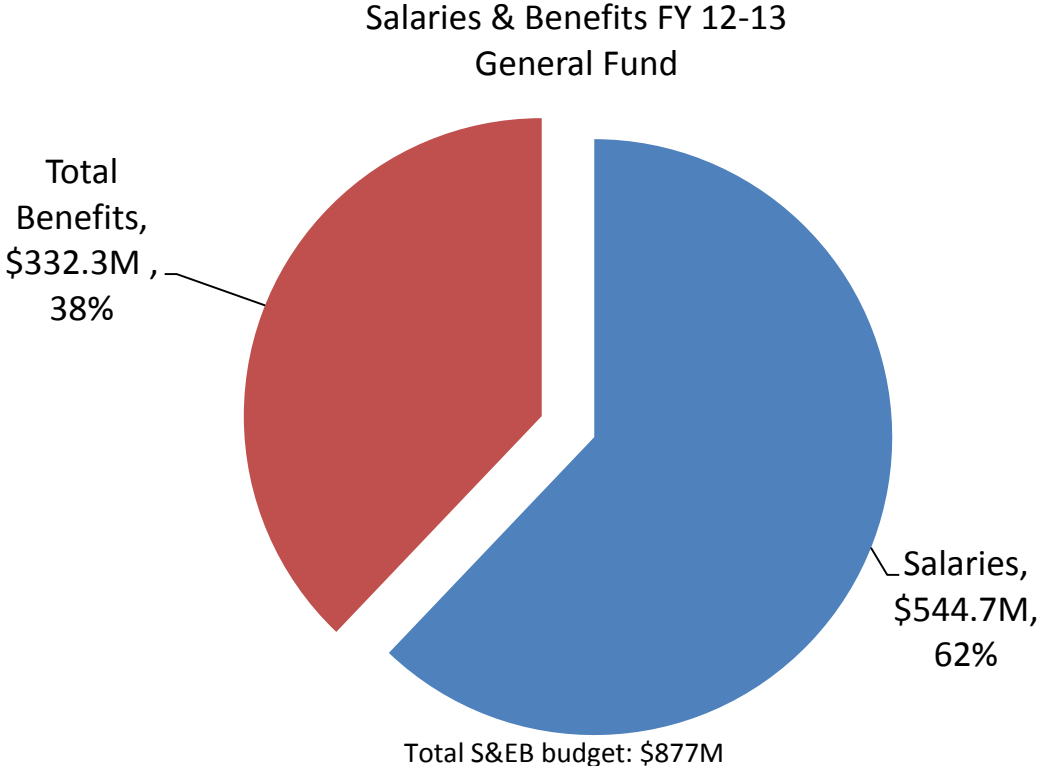


# FY 2012-13 Budget By Spending Category





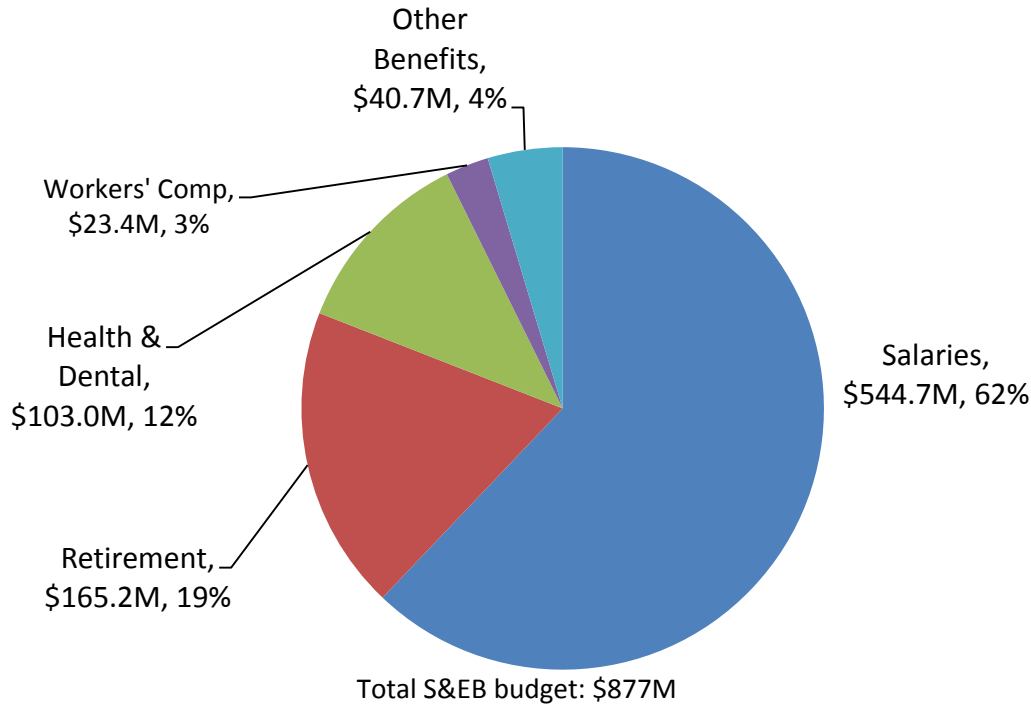
# FY 2012-13 Budget Salaries & Benefits



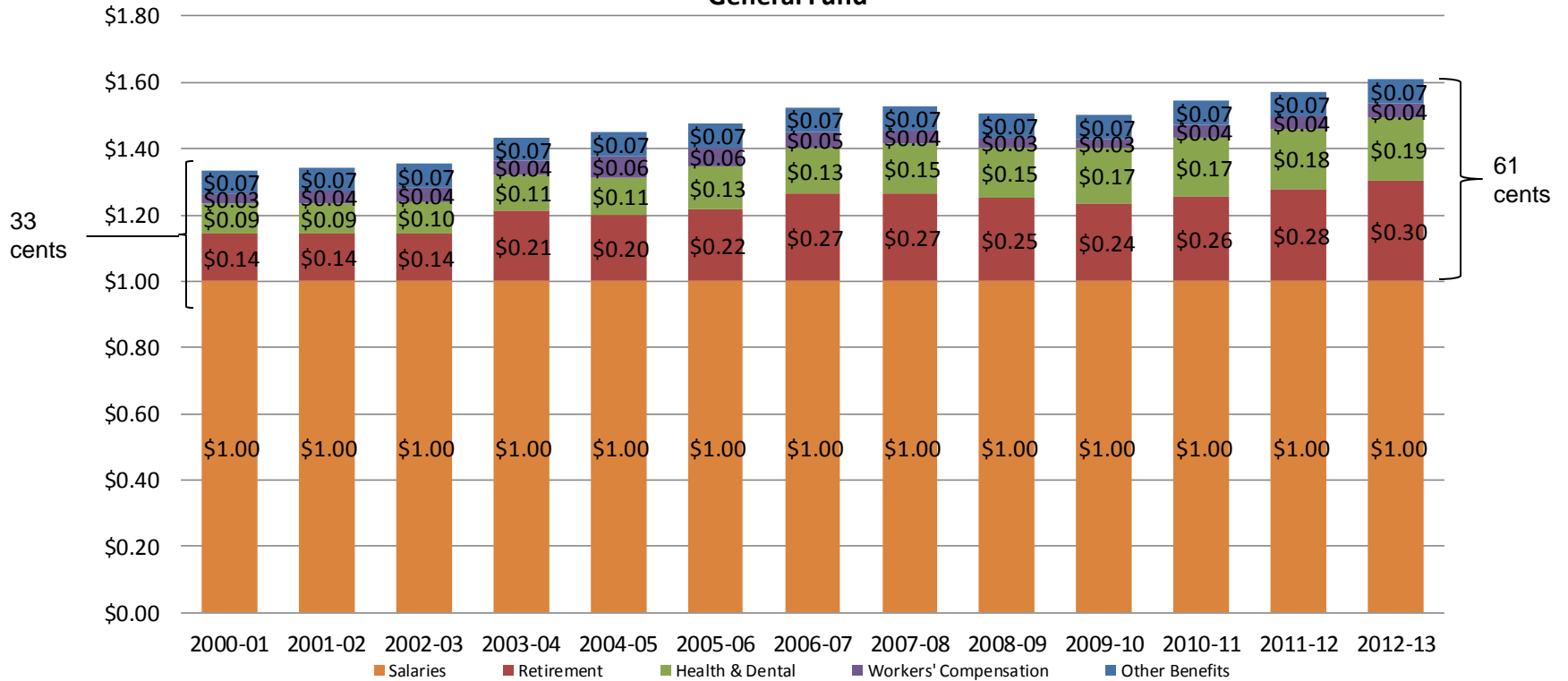


# FY 2012-13 Budget Salaries and Benefits

Salaries & Benefits 2012-13 Budget  
General Fund



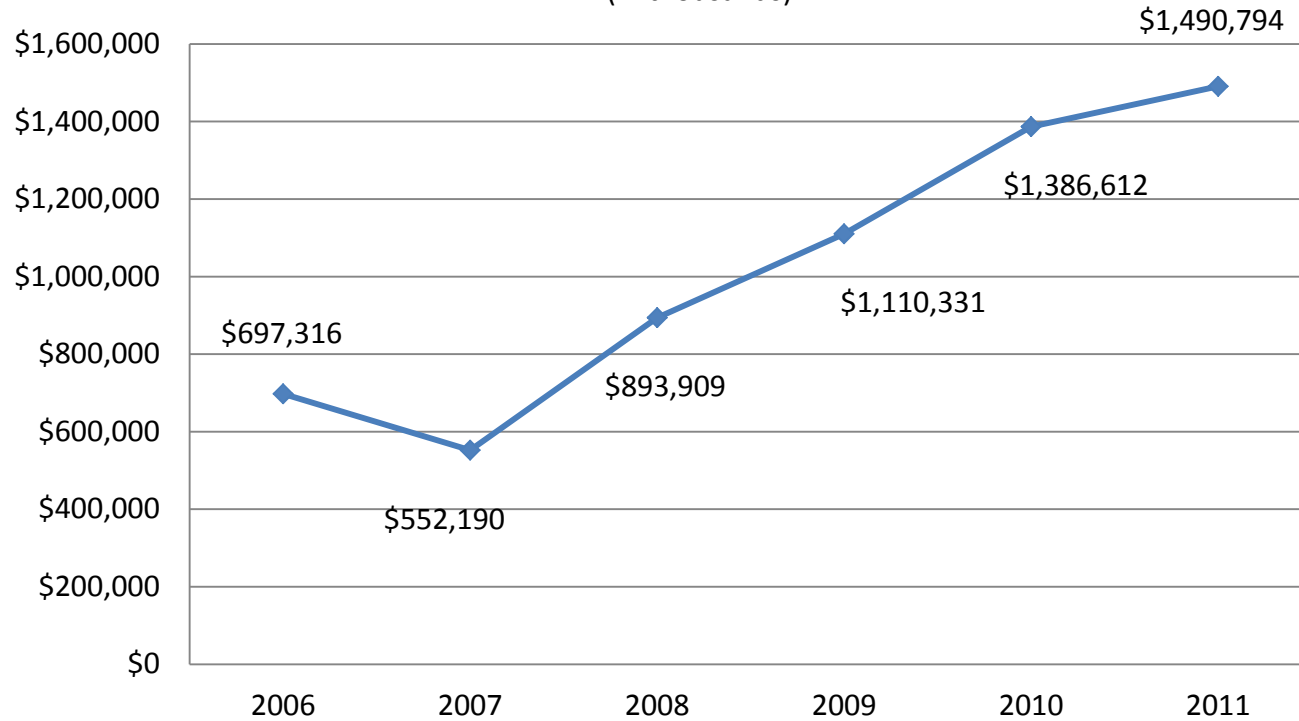
### Employee Benefits per Dollar of Salary FY 2001 to FY 2013 General Fund





# Alameda County Unfunded Actuarial Liability

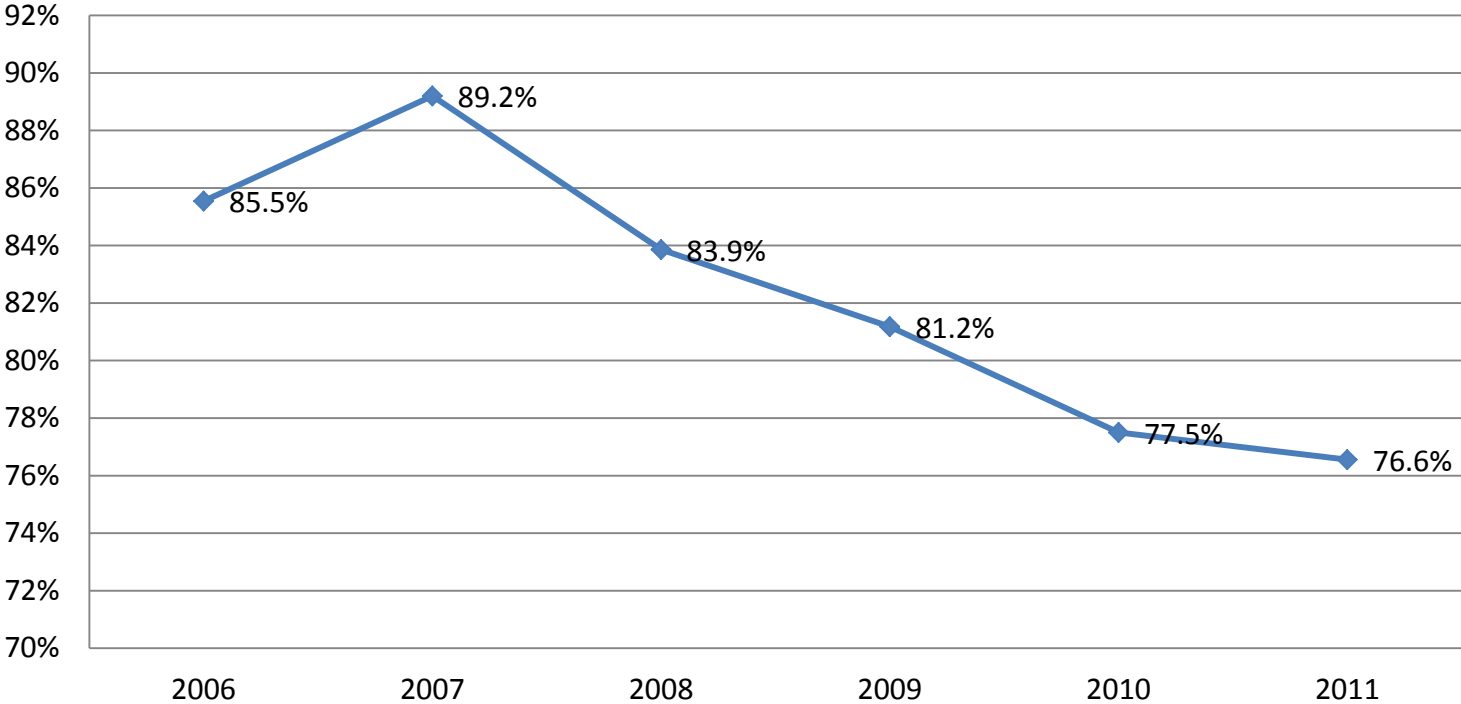
**Unfunded Actuarial Accrued Liability (UAAL)**  
(in thousands)





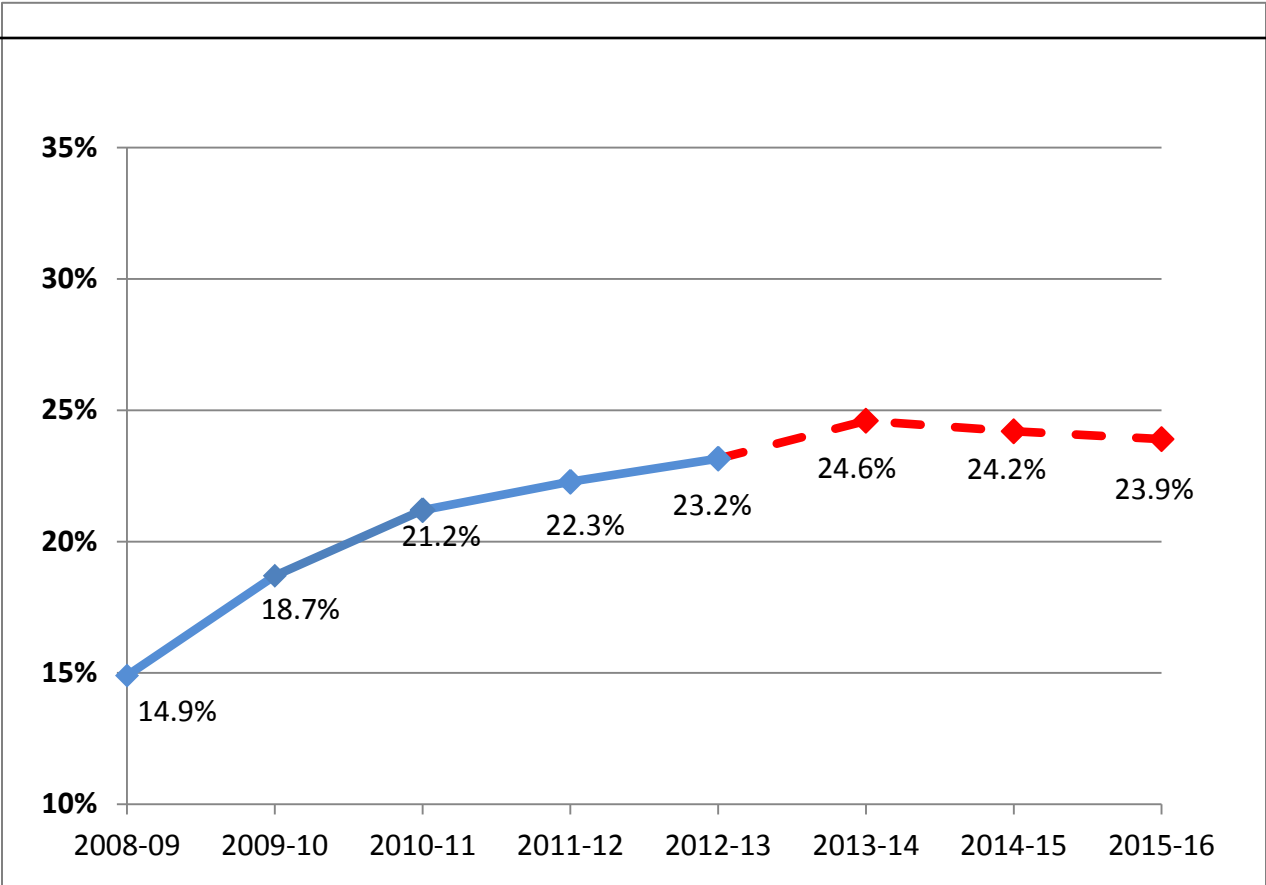
# Alameda County Funded Ratio

Funded ratio



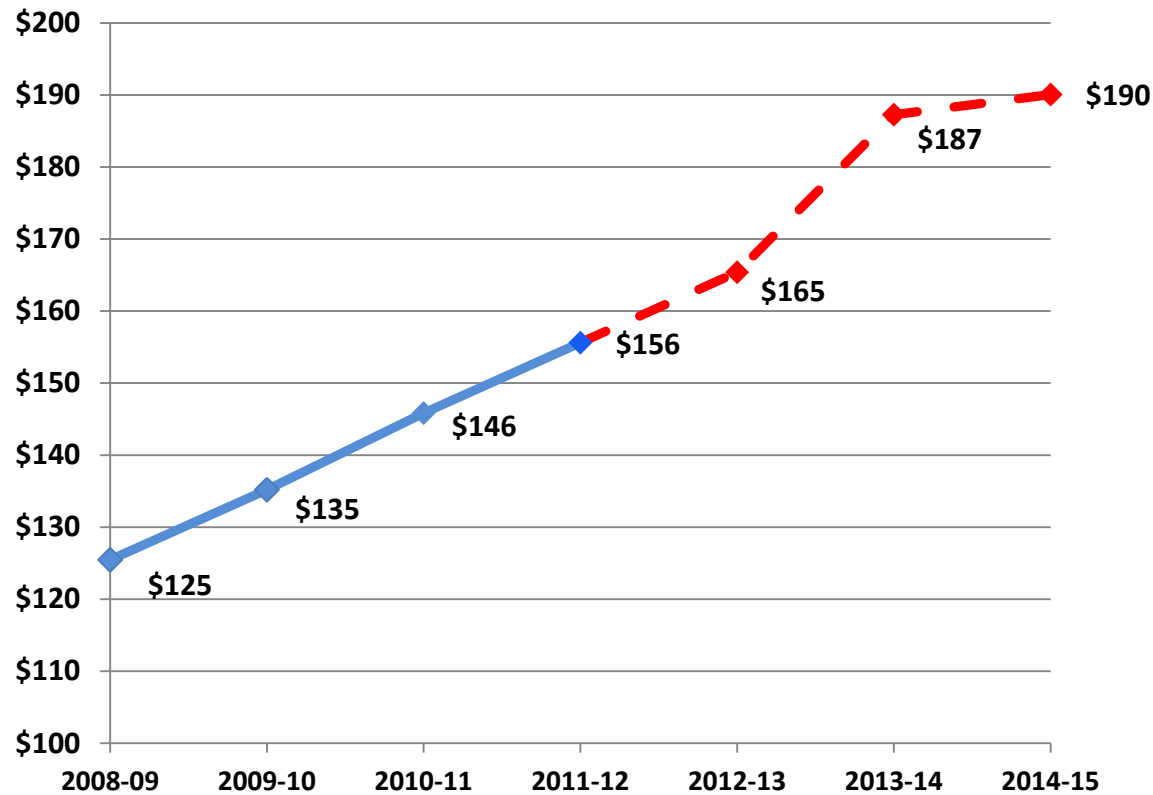


# Alameda County Projected Employer Retirement Rates





# Projected Retirement Costs General Fund (in millions)



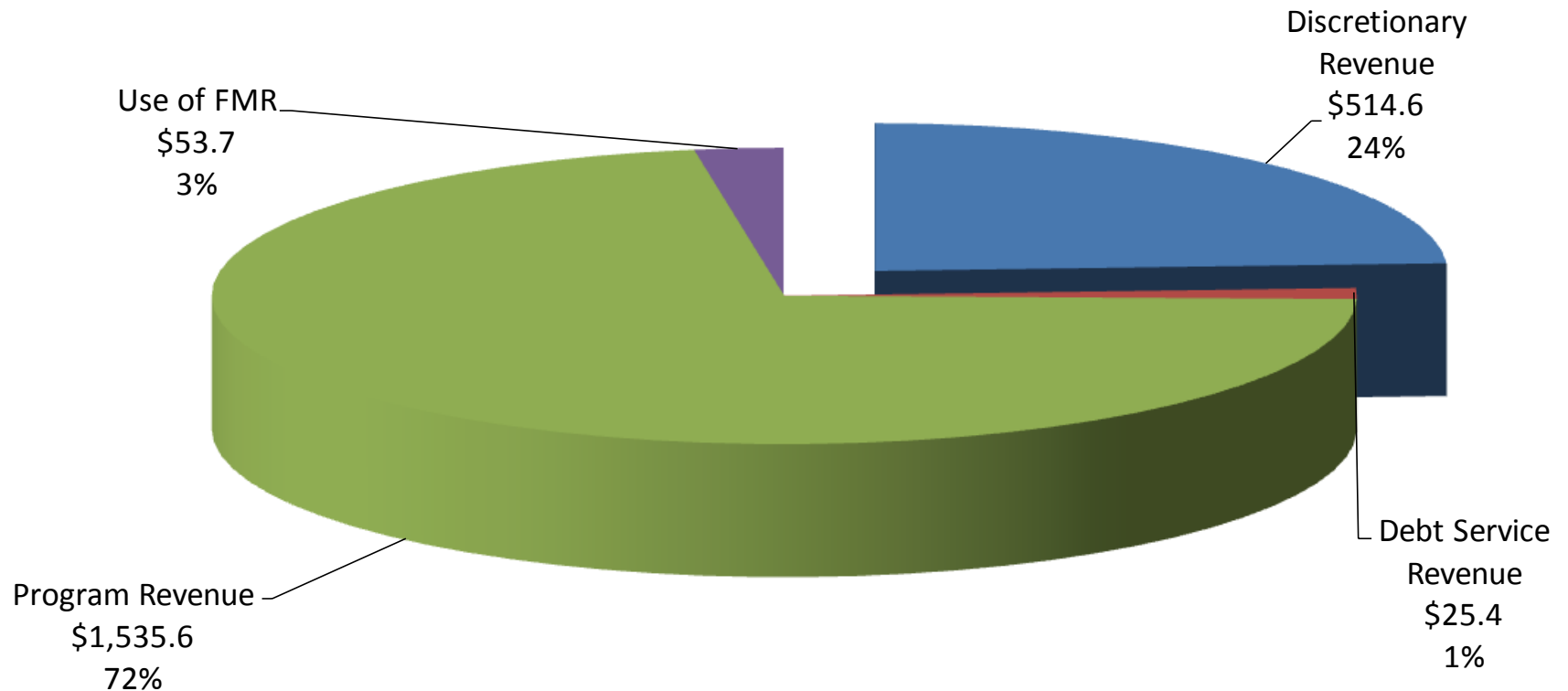


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# **Alameda County Discretionary Revenues**



## FY 2012-13 Discretionary Revenue Share of Total General Fund

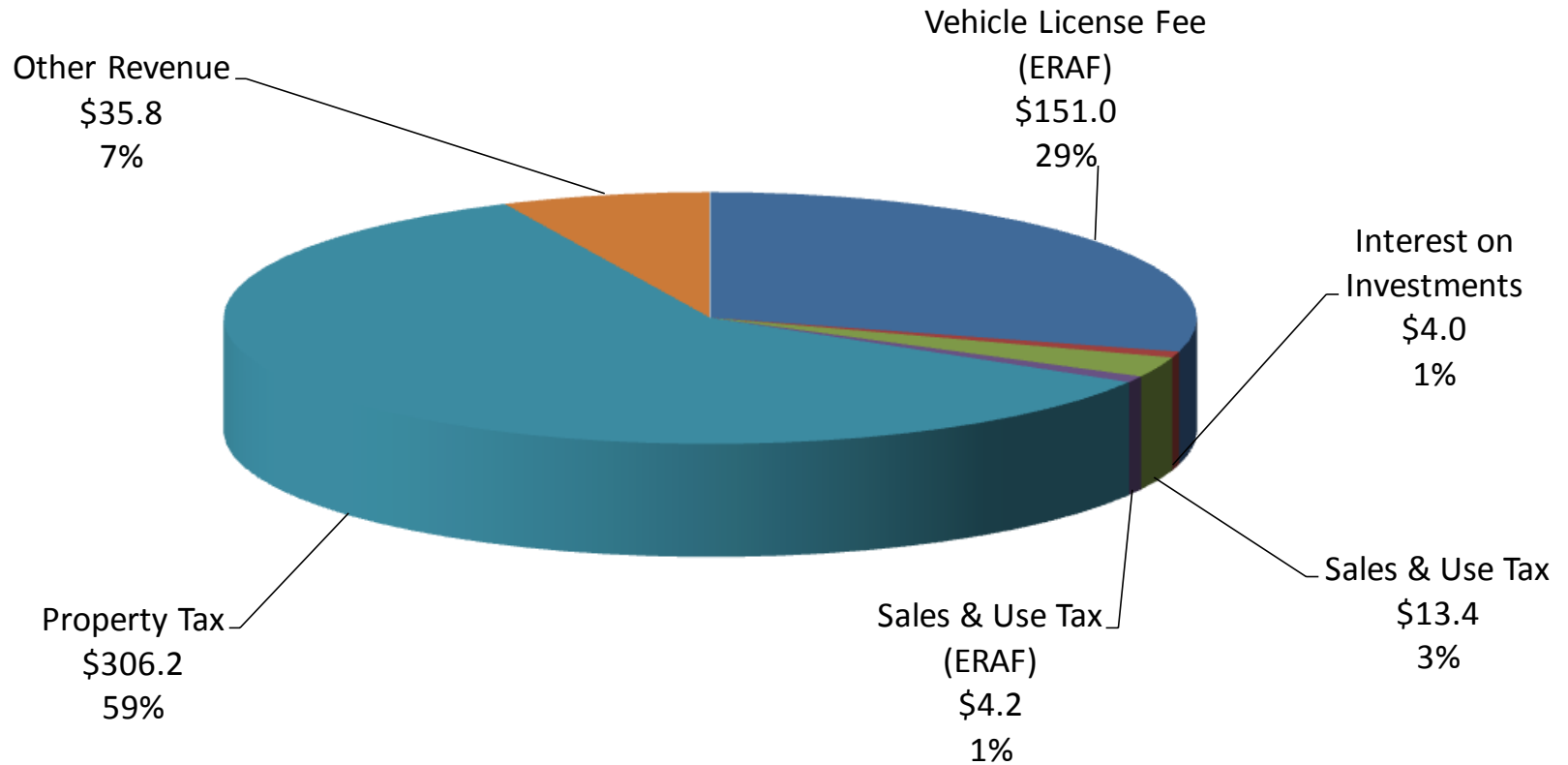


**Total General Fund\*: \$2,129.3 million**

\*General Fund does not include grants and Measure A funds



# FY 2012-13 Final Budget Discretionary Revenue by Source



Discretionary Revenue: \$514.6 million



# Key Discretionary Revenues

- Property taxes – modest growth

## *10-Year History of Local Assessment Rolls (Secured and Unsecured)*

Roll Year	Gross Local Roll	Amount of Change	Percentage Change
2003-04	\$143,195,135,746	\$9,289,299,032	6.94%
2004-05	\$152,906,020,919	\$9,710,885,173	6.78%
2005-06	\$167,009,041,170	\$14,103,020,251	9.22%
2006-07	\$182,812,759,218	\$15,803,718,048	9.46%
2007-08	\$197,589,813,473	\$14,777,054,255	8.08%
2008-09	\$207,212,661,324	\$9,622,847,851	4.87%
2009-10	\$202,574,990,378	-\$4,637,670,946	-2.24%
2010-11	\$199,686,160,435	-\$2,888,829,943	-1.43%
2011-12	\$200,415,501,016	\$729,340,581	0.37%
2012-13	\$204,700,974,963	\$4,285,473,947	2.14%

- Sales taxes—good growth this year, will slow down next
- Interest—flat, stuck at extremely low level



## Other Key Revenues

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- Prop. 172—improving steadily
- Measure A—growth expected next year
- 1991 Realignment—sales tax and VLF component, some growth next year
- 2011 Public Safety realignment—“growth” funding may not go to Alameda County in same proportion as current two-year allocation



# Key dates

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- Early Budget Work Sessions April 9, 2013
- FY 13-14 Funding Gap mid-April
- Governor's Revised Budget May
- Reduction Plans May
- Proposed Budget Submitted Early June 2013
- Budget Hearings and Adoption Late June 2013
- Budget workgroups Ongoing



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