



Alameda County FY 2013-14 Budget Update

Presented to the Alameda County Budget Workgroup

May 13, 2013

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Overview

- Economic & Policy Outlook
- Preliminary Funding Gap Reductions
- Next Steps



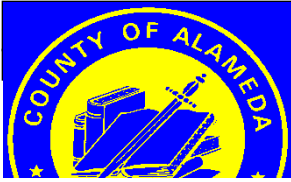
Economic & Policy Outlook

- An uncertain economic and budget policy outlook at the National, State and local levels will impact the current proposed and future County budgets.



Uncertain Economic Outlook

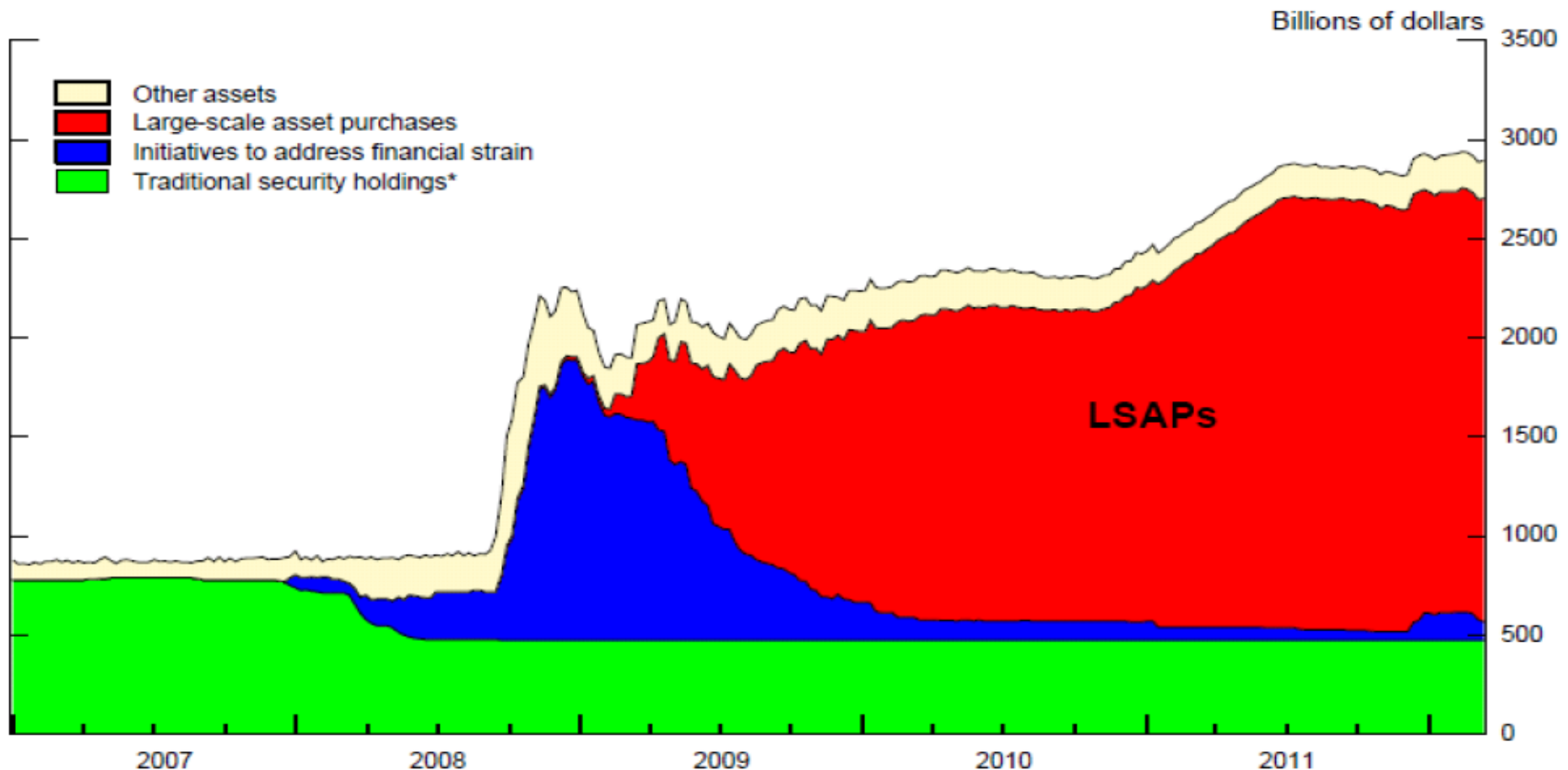
- ❑ Recovery picking up speed or threatened?
- ❑ Revenues picking up but will trend continue?
- ❑ Have or when will we return to normal?
- ❑ Impact of Federal Reserve Monetary Policy



Federal Reserve Quantitative Easing Policy

Large-Scale Asset Purchases

Federal Reserve Balance Sheet, Assets



*Traditional security holdings reflect Treasury holdings through November 28, 2008; they are held constant after November 28.



State & Federal budgets

- State budget
 - Heavily reliant on temporary taxes
 - Expands health coverage, but who will pay?
 - Doesn't solve State prisoner problem. More shifts to counties?
 - Governor's debt reduction priorities
- Federal budget
 - President's Proposed Budget for FY 14
 - Sequestration cuts: \$85B/year, \$26.4B non-defense discretionary, \$7.1M estimated impact to Alameda County
 - More to come?



County Budget Balancing Current & Future Challenges

- Still high demand for safety-net services.
- County's ability to provide services is challenged by low revenues and reduced State/Federal funding.
- Unless renewed by two-thirds of voters, Measure A expires in June 2019.



FY 2013-14 MOE Budget – General Fund

(\$ in millions)

	FY 2012-13 FINAL	FY 2013-14 MOE	Inc/ (Dec)	% Change
Appropriation	\$2,161.7	\$2,254.5	\$92.8	4.3%
Revenue	\$2,161.7	\$2,174.3	\$12.6	0.6%
Funding Gap	\$0	\$80.2	\$80.2	
FTE Positions*	7,234	7,350	116	1.6%

*Full-time equivalent positions



FY 2013-14 MOE

General Fund

(\$ in millions)

Program	Appropriation	Revenue	Net Cost	FTE
General Government	\$210.5	\$127.3	\$83.2	918.9
Public Protection	\$571.6	\$308.4	\$263.2	2,604.1
Public Assistance	\$696.0	\$613.6	\$82.4	2,460.1
Health Care Services	\$652.9	\$531.4	\$121.5	1,367.0
Subtotal Programs	\$2,131.0	\$1,580.7	\$550.3	7,350.1
Capital Projects	\$12.2	\$2.3	\$9.9	0.0
Contingency/Reserve/ Debt service/Designations	\$111.4	\$56.4	\$55.0	0.00
Non-Program Financing	\$0	\$534.9	(\$534.9)	0.00
Subtotal Other	\$123.6	\$593.6	(\$470.0)	0.0
Total	\$2,254.6	\$2,174.3	\$80.2	7,350.1



FY 2013-14 MOE

Net Cost Change by Program

Program	2012-13 FINAL Net Cost	2013-14 MOE Net Cost	Change	% Change
General Government	\$65.1	\$83.2	\$18.1	27.8%
Public Protection	\$247.9	\$263.2	\$15.3	6.2%
Public Assistance	\$73.9	\$82.4	\$8.5	11.5%
Health Care	\$100.1	\$121.5	\$21.4	21.4%
Subtotal - Programs	\$487.0	\$550.3	\$63.3	13.0%



FY 2013-14 MOE

Net Cost Change Non-Program

Program	2012-13 FINAL Net Cost	2013-14 MOE Net Cost	Change	% Change
Capital	\$4.9	\$9.9	\$5.0	102.0%
Contingency/Reserves/Debt Service, Designations	\$76.5	*\$55.0	(\$21.5)	(28.1%)
One-time use of FMR	(\$53.7)	\$0	\$53.7	(100%)
Non-Program Financing	(\$514.7)	(\$534.9)	(\$20.2)	3.9%
Subtotal – Other	(\$487.0)	(\$470.0)	\$17.0	(3.5%)
TOTAL	\$0	\$80.2	\$80.2	

* Includes \$14.2 million in designated property tax revenues for CDA Tier 1 projects



FY 13-14 Reduction Targets

Program Area	Reduction Target
General Government	\$19.9M
Public Protection	\$18.2M
Public Assistance	\$16.7M
Health Care	\$25.5M
Total	\$80.2M



FY 13-14 Funding Gap Reductions

(\$ in millions)

Program	Target	Reduction Plans	Reduction in FTEs
General Government	\$19.9	\$17.3	1.00
Public Protection*	\$18.2	\$14.0	.08
Public Assistance	\$16.7	\$16.7	40.00
Health Care	\$25.5	\$25.5	3.42
General Fund Total	\$80.2	\$73.5	44.50

*Pending review of Proposition 172 Public Safety Sales Tax revenue



General Government Reductions

Major Components (in millions)

Fiscal Management Reward savings	\$15.1
Net appropriation reductions	\$ 1.3
Net revenue increases	\$ 0.9
TOTAL	\$17.3M

Preliminary

Position reductions:

1.0 vacant funded FTE in the Community Development Agency



Public Assistance Reductions

Major Components (in millions)

Fiscal Management Reward savings	\$4.2
Net appropriation reductions	\$3.6
Net revenue increases	\$8.9
TOTAL	\$16.7M

Position reductions:

40 vacant, funded FTEs in the Social Services Agency

preliminary



Health Care Reductions

Major Components (in millions)

Fiscal Management Reward savings	\$15.0
Net appropriation reductions	\$3.2
Net revenue increases	\$7.3
TOTAL	\$25.5M

Preliminary

Position reductions:

3.42 FTEs in Public Health, all vacant, funded



Public Protection Reductions

Major Components (in millions)

Fiscal Management Reward savings	\$7.1
Net appropriation reductions	\$4.1
Revenue increases*	\$2.8
TOTAL	\$14.0M

* Pending review of Proposition 172 Public Safety Sales Tax revenue

Position reductions:

.08 vacant, funded FTEs in Public Defender Department

Preliminary



Next Steps

- Continue to work with Departments on reduction plans – revenue optimization
- Countywide strategies
- Determine 2013-14 State Budget May Revision Impact
- Proposed Budget Submitted to Board
 - June 11, 2013
- Budget Hearings/Adoption
 - June 24 – 28, 2013



Alameda County Budget Information on the Web

www.acgov.org/budget.htm