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PROPOSED ALAMEDA COUNTY BUDGET PRESENTED AS COUNTY AWAITS STATE ACTIONS THAT COULD FORCE DEEPER CUTS

Alameda County Administrator Susan S. Muranishi today presented a Proposed Budget for Fiscal Year (FY) 2009-2010 that calls for the elimination of 235 County jobs, reductions in some key services and the use of federal stimulus funds to close an unprecedented \$177.6 million budget gap. Muranishi, Alameda County's chief executive, warned County supervisors that they faced "very difficult choices" as they work to develop a 2009-2010 Final Budget by the end of June. She also warned that even deeper cuts may be on the horizon as State officials consider dramatic proposals to shift funding away from local government while increasing the burden on Alameda County and other communities to support needy families, care for the elderly and disabled, supervise criminal offenders and maintain roads and other important infrastructure.

Muranishi called some of the proposals now being considered in Sacramento "previously unimaginable" and cited several as being particularly troubling for local programs that serve the community's most vulnerable residents. These include:

- Elimination of the CalWORKs program, which provides short-term cash assistance and self-sufficiency support for 20,000 needy families in Alameda County, and supports 400 County employees;
- Elimination or substantial restrictions on the Healthy Families program, which provides health insurance for up to 15,000 Alameda County children who would otherwise go uninsured each month;
- Elimination of In-Home Supportive Services (IHSS) for all but the most severely disabled, which could leave 14,000 current IHSS recipients in Alameda County without care, and reduce employment opportunities for the County's 17,000 caregivers, while reducing State participation in IHSS wages even further to \$8.00 per hour;
- One-time borrowing of local property tax that would reduce Alameda County's discretionary revenues by \$40 million.

"These examples are only a partial list of potential State budget impacts to the County," she said. "Each item on its own would present an enormous challenge to our budget and our ability to provide essential services. Taken together, they imply a fundamental restructuring of State and county relations, and the wholesale elimination of much of California's safety net."

The Proposed 2009-2010 Budget is balanced and totals \$2.4 billion, an increase of \$9.3 million, or 0.4% from the 2008-2009 Final Budget. The Proposed Budget supports a workforce of 9,031 full-time equivalent (FTE) positions and reflects a net staffing decrease of 285 FTE. Many of the staffing reductions would be accomplished through the elimination of vacant positions, but the Proposed Budget could result in some layoffs.

The \$177.6 million funding gap for 2009-2010 is the most daunting that Alameda County has ever faced. Moreover, given the state of the economy and ongoing budget deficits at the State and federal levels, Alameda County will certainly experience significant funding gaps in the foreseeable future.

“The reductions outlined in this Proposed Budget continue to have a devastating impact on people’s lives,” said Alameda County Supervisor Keith Carson, who chairs the County’s Budget Work Group. “The Governor and the Legislature have begun to outline program cuts that will directly impact seniors who are homebound, children by eliminating public dental programs, County road projects and other services needed by the most vulnerable residents of our society. The possibility is real that services that offer a lifeline for our most vulnerable residents will soon disappear.”

The Proposed Budget calls for a wide range of strategies to close a staggering budget gap caused by a dramatic decline in revenues related to the ongoing economic slump and a surge in demand for local safety net services as Alameda County’s unemployment rate has topped 10 percent. Budget-balancing strategies include \$114 million in reduced expenditures and the use of nearly \$46 million of Fiscal Management Reward (FMR) Program savings that County departments accrued over the past year by managing costs. The FMR Program allows County departments to use these savings to balance their budgets for the coming fiscal year.

Muranishi lauded County department heads for their year-round diligence to contain costs, noting that these sometimes-difficult cost saving efforts will play a significant role in helping to balance Alameda County’s 2009-2010 Budget. But what she believes is a lean County operation will not be able to sustain cuts proposed in Sacramento without major restructuring. “We already have suffered a thousand razor cuts throughout the year,” Muranishi said. “Now they’re ready to take out the meat cleaver to cut government to the bone.”

Net cost reductions in Alameda County’s four key program areas are as follows:

General Government – Reductions total \$28.4 million, with savings of \$7.7 million from the elimination of 46 vacant positions in the General Services Agency, Assessor’s Office, Human Resource Services, Community Development, and Information Technology.

Health Care – The Health Care Services Agency would see net cost reductions of \$30 million, including \$14.5 million of Fiscal Management Reward Program savings, without reducing full-time equivalent positions. One-time revenues accounted for \$6.5 million in savings, including \$6 million in federal stimulus funding for behavioral health and \$500,000 in unanticipated tobacco master settlement revenues.

Public Assistance – Budget balancing reductions total \$45 million, including the elimination of 10 vacant positions. This comes on top of 26.5 vacant positions that were eliminated over the past year. Federal stimulus funding provides \$12.9 million in one-time solutions by temporarily reducing the County’s share of cost for In-Home Supportive Services (IHSS) wages and increasing revenues for other federally-funded programs. Proposed changes to the County’s General Assistance program would contribute \$12 million in savings and help rein in expenditures in a program whose caseload and costs have almost doubled.

Public Protection – Reductions total \$40 million, including the elimination of almost 180 positions during budget balancing, and 207 overall compared to the prior year. The proposed reductions will result in decreased services in law enforcement, the Coroner’s Office, the Crime Laboratory, emergency services, and jail operations, as well as the closure of the Fairmont Animal Shelter. Supervision of adults and youth on probation will also be reduced. Fewer attorneys in the Public Defender’s Office may result in reduced representation of indigent defendants and increase the transfer of cases to outside counsel. Staffing reductions in the District Attorney’s Office will impact the ability to prosecute consumer and environmental crimes as well as less serious offenses.

In accepting the Proposed Budget, the Alameda County Board of Supervisors scheduled a series of public hearings on June 22 and June 23 in the Board Chambers, 1221 Oak Street, 5th Floor, Oakland, to guide them in developing a 2009-2010 Final Budget. The Final Budget is scheduled for adoption at a hearing at 1:30 p.m. on Thursday, June 25 in the Board Chambers.