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FINAL ALAMEDA COUNTY BUDGET FOR FY 2017-18 APPROVED BY BOARD OF SUPERVISORS

The Alameda County Board of Supervisors on Friday approved a \$3.17 billion County Budget for FY 2017-18 that closes a \$108.5 million funding gap without significant reductions in programming or staff. The spending plan allows the County to pursue robust initiatives to expand affordable housing, augment efforts to fight poverty and address other pressing community needs.

The Final Budget supports a County workforce of 9,708 full-time employees, provides more than a half-billion dollars to support more than 300 community service providers and allows the County to make further investments in upgrading infrastructure and building its financial reserves.

The budget gap closed by Friday's action included \$40 million in new costs passed on by the State as part of Governor Brown's January plan to end a State-county cost-sharing setup to fund mandated In-Home Supportive Services (IHSS) that provide home health care for the elderly and disabled.

Under the State Budget signed by the Governor on June 27, that portion of Alameda County's budget gap will be closed with State General Fund revenue to be provided in the coming year as well as accelerated payment of 1991 realignment growth funds to counties to offset the initial shock of the IHSS cost shift.

The plan remains a point of deep concern for Alameda County, however, because local government's share of IHSS costs will grow significantly in coming years without additional relief from Sacramento.

Even with the IHSS cost relief provided for the coming year, Alameda County's funding gap was still significant at a time when an ongoing economic recovery continues to boost local revenues. County officials said the challenge of keeping County finances in balance is not likely to ease – with soaring housing costs and other factors forcing many residents to rely on government services, planned federal policy changes that likely will affect County finances and forecasts suggesting the economy could soon fall back into recession.

This year's County Budget process highlighted some positive developments, including a 7 percent increase in the County's assessment roll that is helping the County to enhance innovative programs, including:

- The County's Open Data initiative and resulting technology-driven efforts to address community challenges. In the past year, the County developed an online tool to assist residents to enroll for CalFresh food assistance benefits and a new mobile app that is helping in the implementation of State laws to protect vulnerable residents from the scourge of human trafficking.
- Expanded involvement in funding new affordable housing projects, including partnerships that in the past year allowed the County to provide funds supporting 11 new projects in the community that will create more than 700 affordable units. An expansion of programs to help middle-income homebuyers and low-income renters are planned for the coming year.
- Added focus in the areas of sustainability and environmental protection – including the launch of a new Community Choice Energy Program to assist consumers and emphasize renewable energy in the generation of local power. The County is also expanding its electric vehicle infrastructure, on-site solar energy systems and employee-led composting and resource conservation programs.

Supervisors warned against extending County resources too far at a time of deep uncertainty driven by pending federal policy changes in Washington D.C., including proposed budget cuts to safety net programs, federal tax reform and a repeal of the Affordable Care Act (ACA). Such actions would deeply affect the financial health of Alameda County – which receives more than 50 percent of its operating revenue from State and federal sources.

“This really is a dangerous situation,” said Wilma Chan, President of the Board of Supervisors, noting that the recent halt to the U.S. Senate’s ACA repeal effort occurred due to the opposition of conservative Senators “who didn’t think it went far enough in terms of taking things away.”

This year’s \$108.5 million funding gap underscores the fact that – even with bolstered property tax revenue - Alameda County is grappling with a structural deficit in which State and federal funding combined with the County’s limited discretionary revenues will continue to fall short of the rising cost of providing services to County residents.

Supervisor Keith Carson, who chairs Alameda County’s Budget Workgroup, said fiscal discipline and strong management by County department heads are allowing the County to keep its finances in order without disrupting services.

Carson, who in recent weeks participated in budget-related discussions with State and federal leaders, said pending federal actions mean the County needs to remain cautious and conservative in managing its limited resources.

“The Governor has said repeatedly in our meetings that he’s already pulling back and tightening up in preparation for the fiscal tsunami that we are expecting,” he said. “We need to do the same. While there are many programs and services in our communities that merit additional support, I think we would be wise to hedge our bets a little bit and prepare for some rather dramatic changes that will likely happen on our watch.”