



Alameda County Approves Final Budget for FY 2019-20

The Alameda County Board of Supervisors on Friday approved a \$3.5 billion Alameda County Budget for FY 2019-20 that is balanced and closes a \$60.4 million funding gap without significant reductions to services or staff.

The Final Budget includes funding increases to community service providers, allows the County to continue building its financial reserves, and supports a workforce of nearly 9,900 employees. The Final Budget reflects the priorities outlined in the County's long-term Strategic Vision, known as Vision 2026, by supporting efforts to address Countywide challenges such as homelessness, an affordable housing shortfall, and the need to maintain and improve aging infrastructure.

The Final Budget was adopted as Alameda County continues to benefit from a strong local economy, with unemployment hovering at an historic low of 2.7 percent as of April. But County officials warn that tougher times could soon be ahead.

"After years of economic strength, signs of an economic downturn in the near future are stronger than they have been in years," said Susan S. Muranishi, Alameda County Administrator. "This possibility means we could soon be facing significant additional challenges in funding core services for County residents."

The continued strength of the local real estate market has fueled a 7.1 percent in the County's assessment, resulting in additional funding to support increases to many of the Community Based Organizations (CBOs) that receive County support. The Final Budget calls for annual spending to grow to \$625 million to nearly 300 CBOs that provide health and human services, housing, community development and public safety services.

In addition, Alameda County continues to devote substantial resources to address the region's worsening homelessness problem. The Final Budget contains \$130.2 million in increased spending on homelessness as called for in the Homelessness Action Plan adopted by the Board of Supervisors last year. Under the plan, the County is committed to spending nearly \$340 million over the next three years to address homelessness on multiple fronts. Since passage of the Homelessness Action Plan the County has secured additional funding bringing total spending on homelessness across the three years to \$357 million.

The County's \$60.4 million funding gap represents the difference between the cost of maintaining existing programs and projected revenues. The Final Budget closes nearly half of the FY 2019-20 funding gap by using Fiscal Management Reward savings accrued by County agencies/departments that have operated well within budget to avoid future funding cuts and maintain the continuity of services.

For Alameda County, concerns about a coming recession are heightened by the County's growing reliance on support from State and federal sources, which account for over 60 percent of the County's General Fund. A recession would likely bring deep State budget deficits, which inevitably lead to cuts to local funding. In addition, historic levels of federal debt would limit the federal government's ability to stimulate a slow economy and could prompt more local funding cuts.

"We know that when there is budget pain in Washington D.C. and Sacramento, it is always going to be passed on to local communities like Alameda County," said Supervisor Keith Carson, Chair of Alameda County's Budget Workgroup.

