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ALAMEDA COUNTY RESPONDS TO GOVERNOR'S MAY BUDGET REVISION

Alameda County officials are expressing support for Governor Brown's plans to pay down debt and set aside revenues to prepare for an inevitable economic downturn, but say they are disappointed that these measures are not more evenly balanced with efforts to boost programs for low-income residents that were decimated during the most recent recession.

Amid reports that revenues to the State were coming in at an even higher rate than robust estimates made earlier this year, hopes were high that the May Revision of the Governor's Budget Plan released Tuesday would contain some additional funding for subsidized child care, food aid and employment support that are vital to our poorest residents.

Instead, the proposed appropriations for these programs remain largely unchanged from Governor Brown's January budget proposal.

"Our poorest residents and the programs they rely on bore the brunt of drastic reductions by the State during the economic downturn," said Alameda County Supervisor Keith Carson, who chairs the County's Budget Workgroup. "We would have hoped that the more robust economy we now are seeing would have brought greater benefits to our least fortunate residents."

Deep cuts to local subsidized child care programs to help the working poor would not be restored under the Governor's plan. Five years of cuts to child care programs mean Alameda County has lost 25 percent of its funding to help local children attend licensed child care centers, while programs providing vouchers to help children receive care at child care centers or family child care homes have been cut by 46 percent. The cuts mean that less than half of eligible Alameda County children receive State subsidies for child care or pre-school, leaving many low-income families in difficult straits as they find child care to be an obstacle to steady employment and their quest to emerge from poverty.

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The Governor's latest budget plan also does not restore cuts made last year to CalFresh, the food assistance program for low-income households. The cuts in Alameda County – where one in three children faces the threat of hunger every day – meant the loss of about 16 meals per month for a 3-person family. That means the same family of three has \$348 less each month to spend on food.

Alameda County is also expressing concern about the State's plan to take back hundreds of millions of dollars it pays to counties each year for indigent care. The Governor proposed in January that the State withhold \$900 million in payments to counties due to cost savings local governments would experience under the federal Affordable Care Act, or Obamacare. While the latest plan reduces the overall statewide amount of the take-back to \$724.9 million, it appears that Alameda County's share of withheld funds could actually increase – which may mean net reductions in funding for Health Care programs.

On a more positive note, Alameda County lauded the Governor's continued recognition that local governments are owed significant sums for the costs of unreimbursed mandates accrued prior to 2004. The Governor's latest budget proposal calls for the State to repay \$100 million of the approximately \$900 million in pre-2004 mandate reimbursements it owes to local governments. Of the estimated \$657 million owed to counties, approximately \$73 million would be reimbursed in the coming fiscal year.

Alameda County continues to request that the Governor allocate \$87 million of the State's \$2.4 billion in new revenue to help pay counties for the additional costs of Public Safety Realignment, which over the past three years has shifted responsibility for thousands of criminal offenders from the State to local governments. Alameda County and other counties are also requesting another \$100 million statewide to help offset long-term impacts of realignment by boosting early intervention and prevention efforts that reduce recidivism and decrease prison admissions.

"We are pleased to see that the Governor's revised budget would begin the process of paying back counties funds they have been owed for many years," said Susan S. Muranishi, Alameda County Administrator. "But we continue to be deeply concerned that the long-term costs of realignment will significantly exceed the resources provided by the State to pay for the responsibilities that have shifted to local communities. The Governor's latest budget proposal does little to alleviate these concerns."