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FOR IMMEDIATE RELEASE

CONTACT: President Keith Carson, Chair Budget Workgroup (510) 272-6695  
Susan S. Muranishi, County Administrator, (510) 272-6984

## ALAMEDA COUNTY BOARD OF SUPERVISORS APPROVES FINAL BUDGET FOR FY 2014-15

The Alameda County Board of Supervisors this afternoon approved a \$2.8 billion Alameda County Final Budget for Fiscal Year 2014-15. County Administrator Susan S. Muranishi said the Final Budget is balanced, provides funding for 9,518 full-time equivalent positions and closes a \$67.1 million funding gap without major reductions to programs or staffing. Muranishi said the funding gap is the smallest the County has faced in seven years, but that optimism about an economy picking up steam must be balanced with concerns about continued high demand for safety net services and persistent questions about costs associated with health care reform and the ongoing shift of responsibility for thousands of nonviolent criminal offenders from the State diverted to local authorities.

The historic shift of many public safety programs – known as Public Safety Realignment – is bringing many challenges, including the straining of resources at local jails that are not designed to house inmates for extended sentences. County officials continue to believe that funding provided by the State is inadequate to meet the many new responsibilities being handed off to local government. Board President and Budget Workgroup Chair Keith Carson said these concerns are documented by years of first-hand experience with a series of similar "realignment" shifts that the State of California implemented beginning in 1991, and which ended up negatively impacting local government finances. "Every time realignment is on the table local government takes a financial hit," Carson said. "In almost every instance, in fact, the State has used our local dollars to balance its budget."

The State Budget also cuts funding for County indigent health programs under the presumption that people who have formerly received these services will instead benefit from subsidized health insurance coverage under the federal Affordable Health Care Act. County officials say that even under Obamacare and the expansion of the State's Medi-Cal program, an estimated 100,000 people in Alameda County may remain uninsured and will require County indigent health care services. Alameda County's Final Budget addresses these concerns by including \$9.4 million in Alameda County General Fund support for primary care community-based providers, continuing funding the Board of Supervisors approved during FY 2013-14.

"The State has cut funding for vital indigent health services in our communities," Carson said. "Rather than stand by and watch this unfold, our County decided that we had to act to preserve care for those with nowhere else to turn."

Making the cut all the more galling is the knowledge that despite a budget surplus in Sacramento for the first time in many years, the State adopted a Budget for FY 2014-15 that contains very little additional funding for County safety-net programs that have been cut significantly in past years.

Alameda County's Final Budget includes several commitments intended to preserve Alameda County's assets over the long-term. These include a decision by the Board to set aside \$5.6 million in discretionary revenues for capital projects and building maintenance that have been deferred in recent years; a directive to more aggressively pay down the County's unfunded liability for employee pensions; and a plan to restructure the County's grants and fund development programs to better coordinate and maximize partnerships with other governments, business and philanthropic organizations.

"In light of an improved economy and revenue picture, this Budget reflects a decision to seize the moment and act in the interests of future generations that will benefit from having a healthy County government down the road," Muranishi said. "These are not easy decisions to make, especially in light of policy shifts and funding decisions at the State and federal levels that could impact our finances in the near term."

Alameda County's Final Budget for FY 2014-15 includes cost-of-living adjustments (COLAs) for many community-based organizations (CBOs) that provide services under contracts with the County. The Final Budget includes \$459.4 million for services provided by 242 CBOs that include health providers, re-entry programs for ex-offenders, employment and housing services to former foster youth, food programs for seniors and the poor, advocates for the disabled and many more.

In deliberations that took place prior to today's adoption of the Final Budget, County supervisors asked the County Administrator and Department heads to report back to them on some key policy issues and funding requests in the new fiscal year. These included requests for financing to bolster services for seniors and emergency shelter programs that have suffered from State and federal funding cuts; and a plan to provide more financial support to community-based alternatives to incarceration for offenders moving from State to local supervision.

The \$67.1 million funding gap was determined by identifying the difference between the cost of maintaining existing programs and available financing. The Final Budget calls for using a combination of permanent ongoing program reductions, revenue increases, and one-time strategies to close the funding gap. It uses \$17.4 million or 26% in ongoing strategies and \$49.7 million or 74% in one-time strategies, with most of the one-time savings coming from the County's Fiscal Management Reward (FMR) Program. FMR allows departments to carry over net savings each fiscal year to be used in subsequent years for budget balancing and to help preserve vital services.

Alameda County has created a new Budget Website to provide the public with in-depth information about County services and finances. Explore the Budget Website at <http://budget.acgov.org/>.