



FOR IMMEDIATE RELEASE

January 12, 2017

CONTACT: Susan S. Muranishi, Alameda County Board of Supervisors (510) 272-6984
Supervisor Keith Carson, Chair, Budget Workgroup (510) 272-6695

ALAMEDA COUNTY BRACES FOR IMPACTS OF LATEST STATE BUDGET PROPOSAL

Alameda County leaders are bracing for “devastating” potential impacts of Governor Jerry Brown’s latest State Budget proposal, which calls for shifting more than \$4.4 billion over six years in costs for In-Home Supportive Services (IHSS) to counties with no additional revenue to cover those expenses.

Alameda County Supervisor Keith Carson said the shift would unfairly burden counties with costs they could neither control nor afford.

“This would be devastating to counties all over the state,” said Carson, who serves as President of the California State Association of Counties (CSAC). “We undoubtedly would have to make cuts in other vital social services to cover these costs.”

The Governor’s proposal would end a program known as the Coordinated Care Initiative, which attempted to streamline health services for seniors and low-income families. According to CSAC, the move would add an estimated \$625 million in costs to California counties in the 2017-2018 fiscal year, and more than \$4.4 billion over six years.

Brown cited the CCI cancellation as one of several necessary spending reductions to ward off a potential \$2 billion State Budget deficit in FY 2017-18.

The Budget Proposal issued on Tuesday does not anticipate federal policy changes, including a potential repeal of the Affordable Care Act (ACA). Instead, the State is planning to spend an additional \$800 million on the Medi-Cal expansion under the ACA as states will shoulder a higher share of the cost in FY 2017-18.

Recent reports suggest that dismantling the ACA would potentially blow a sizable hole in the State budget, though it is unlikely such a rollback would occur in the fiscal year at hand.

Brown says slowing growth in sales tax, personal income tax, and corporate tax revenues signal that fiscal caution is in order, adding that some of the spending adjustments he recommends are “likely to result in financial hardship and cash flow problems for counties.”

Susan S. Muranishi, Alameda County Administrator, said: “We are clearly entering into a period of high uncertainty and expect significant challenges ahead related to County programs and services and available financing”