



FY 2011-12

Maintenance of Effort Budget

Presented to the Alameda County Budget Workgroup

April 14, 2011

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Overview

- ❑ Economic Outlook
- ❑ State/Federal Budget Update
- ❑ Closing Last Year's Funding Gap
- ❑ 2011-12 Maintenance of Effort Budget
- ❑ Projected Funding Gap



Economic Outlook

- Very slow recovery
- Unemployment still high
- Home values way off peak
- Demand for services high
- Revenues lower, but improving



State Budget Update

- ❑ \$26.6 billion gap
- ❑ \$11.2 billion in cuts and transfers impacting Health and Human Service programs passed
- ❑ \$15.4 billion gap remains
- ❑ Options: Taxes on future ballot, “All cuts” budget
- ❑ May Revise



Federal Budget Update

FY 2011

- Agreement reached to fund through FY
- \$40 billion in cuts through Continuing Resolutions
- Only Defense budget increased, by \$5 billion
- Largest non-defense spending cut in U.S. history
- Impacts to Alameda County to be determined

FY 2012

- \$3.7 trillion budget proposed
- \$1.1 trillion discretionary spending
- Over 200 programs to be cut or eliminated



Closing Alameda County's 2010-2011 Funding Gap



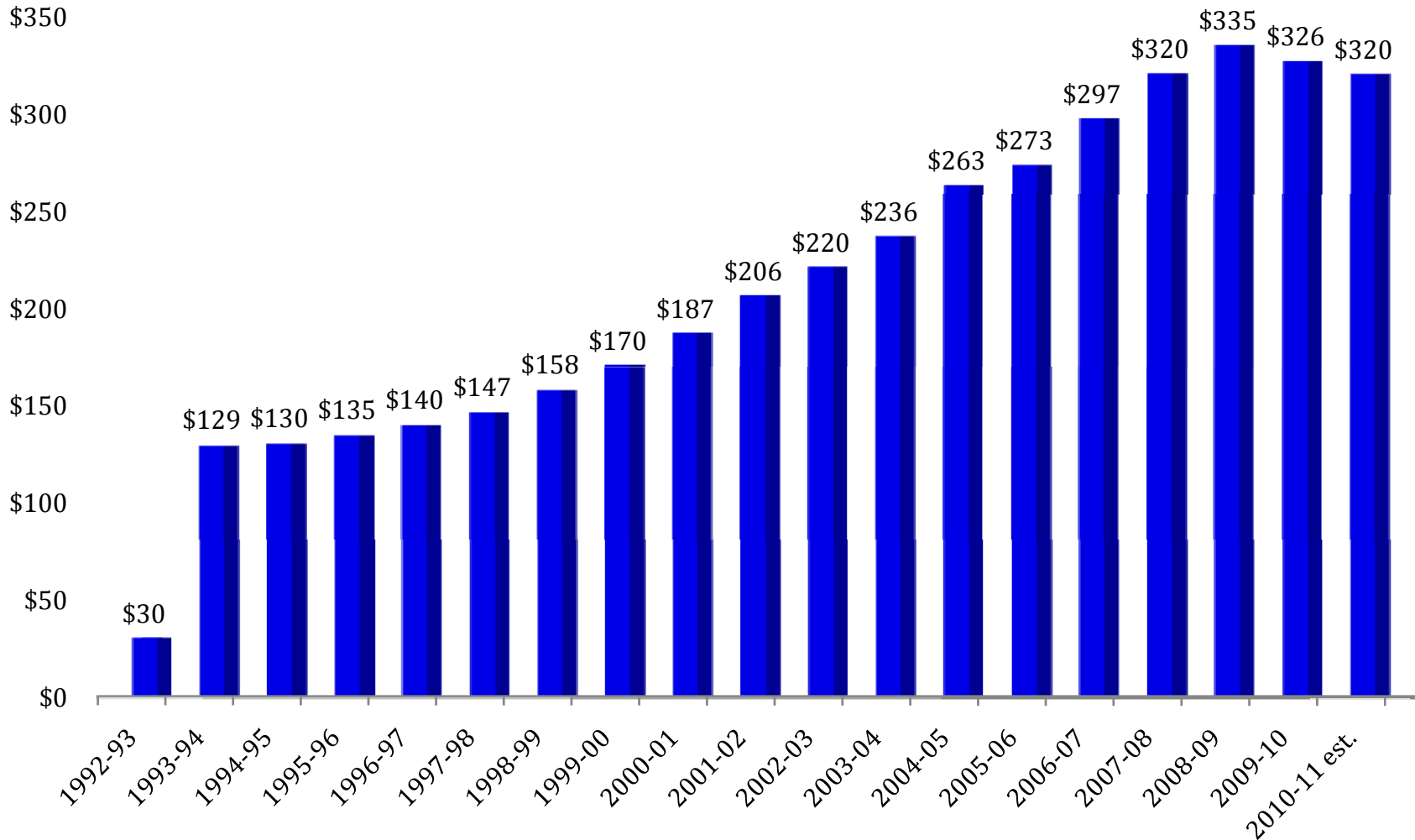
FY 2010-11 Final Budget

	Appropriation/ Revenue	FTE*
All Funds	\$2.4 billion	9,103
General/Grant/Measure A	\$2.1 billion	7,287

*Full-time equivalent positions



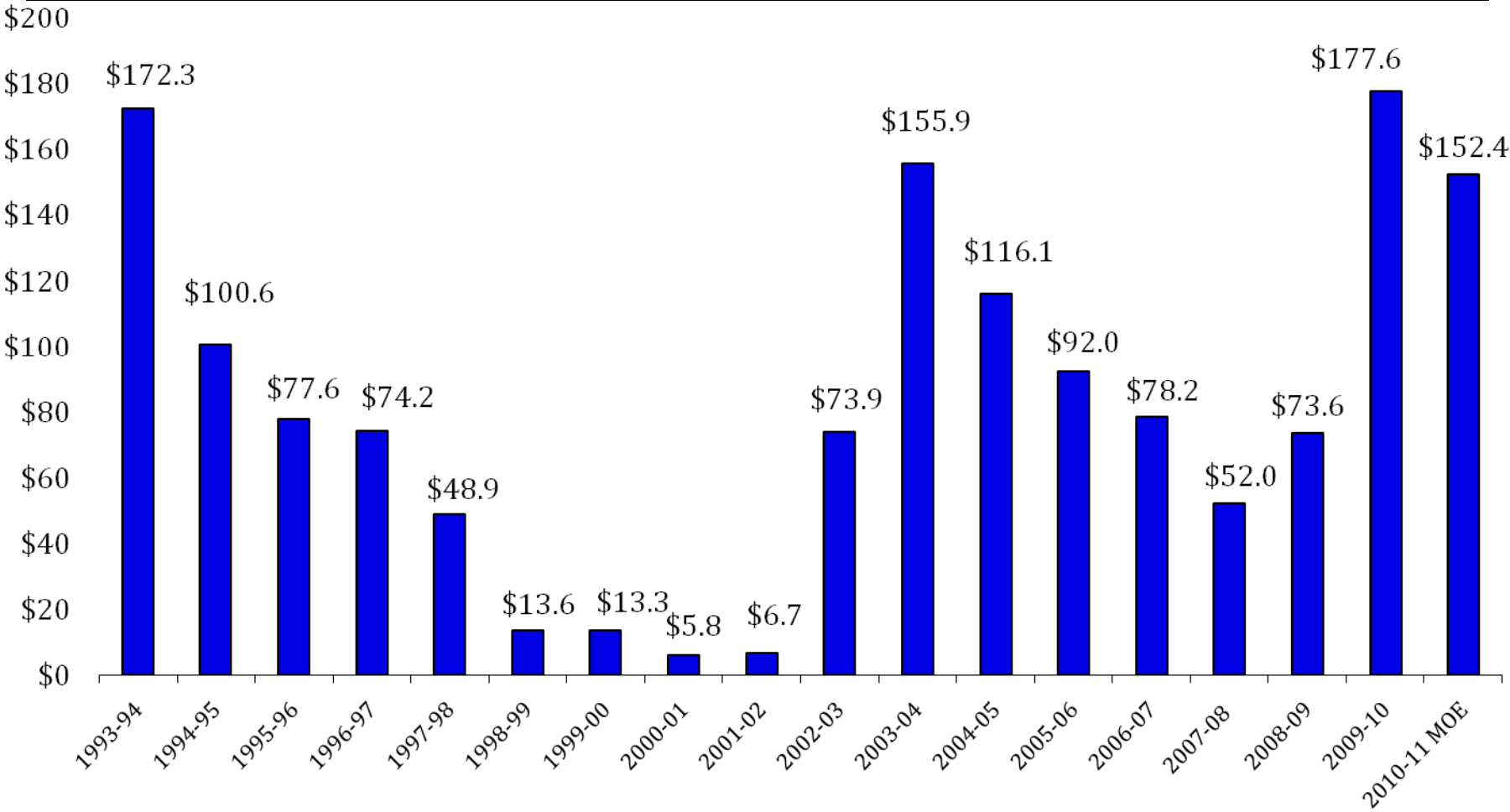
ERAF Losses by Year (in millions) Cumulative loss: \$4 Billion





Funding Gaps Since ERAF Intercept

(in millions)





Alameda County Property Tax Distribution Of Each Dollar of Property Tax Collected:

Schools (41 cents)

Cities (18 cents)

Redevelopment (13 cents)

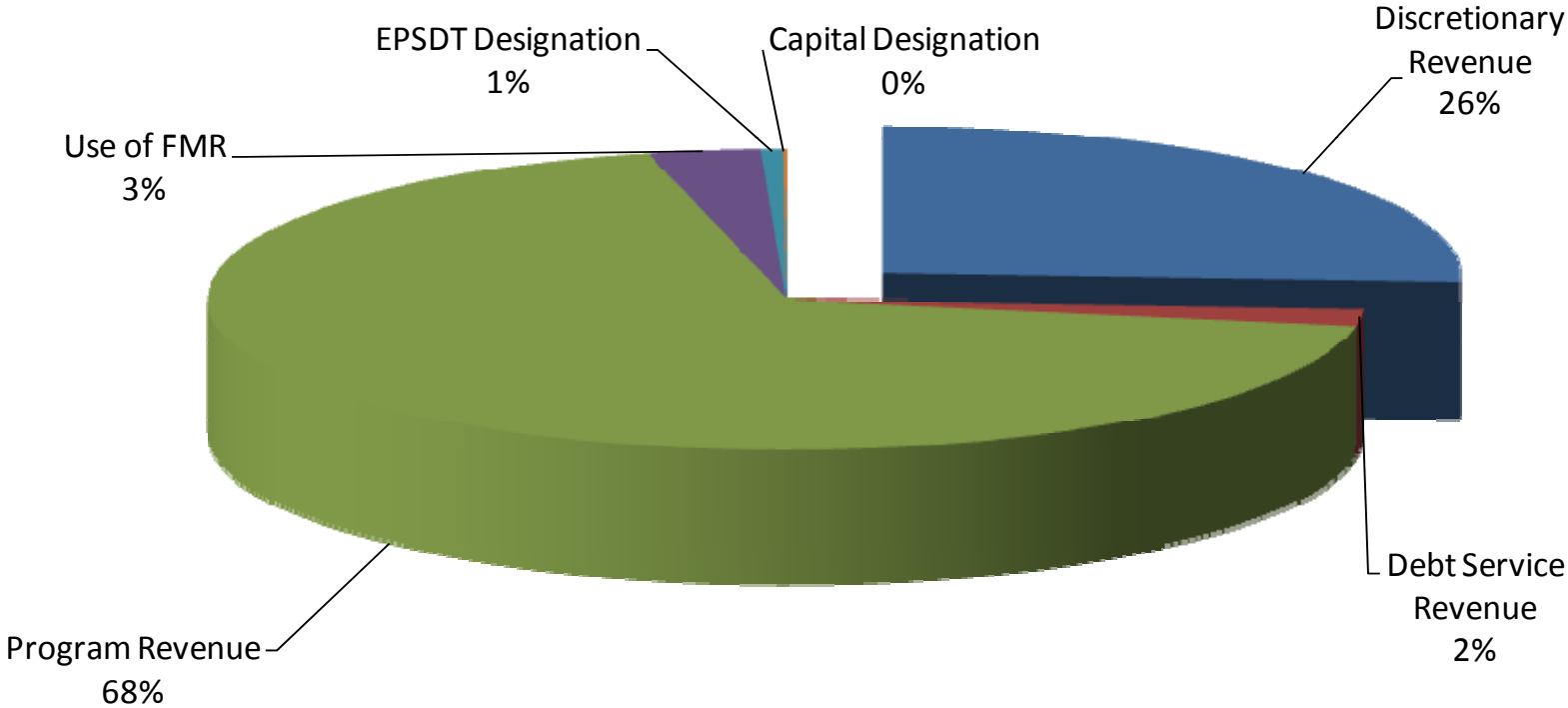
Special Districts (13 cents)

County (15 cents)





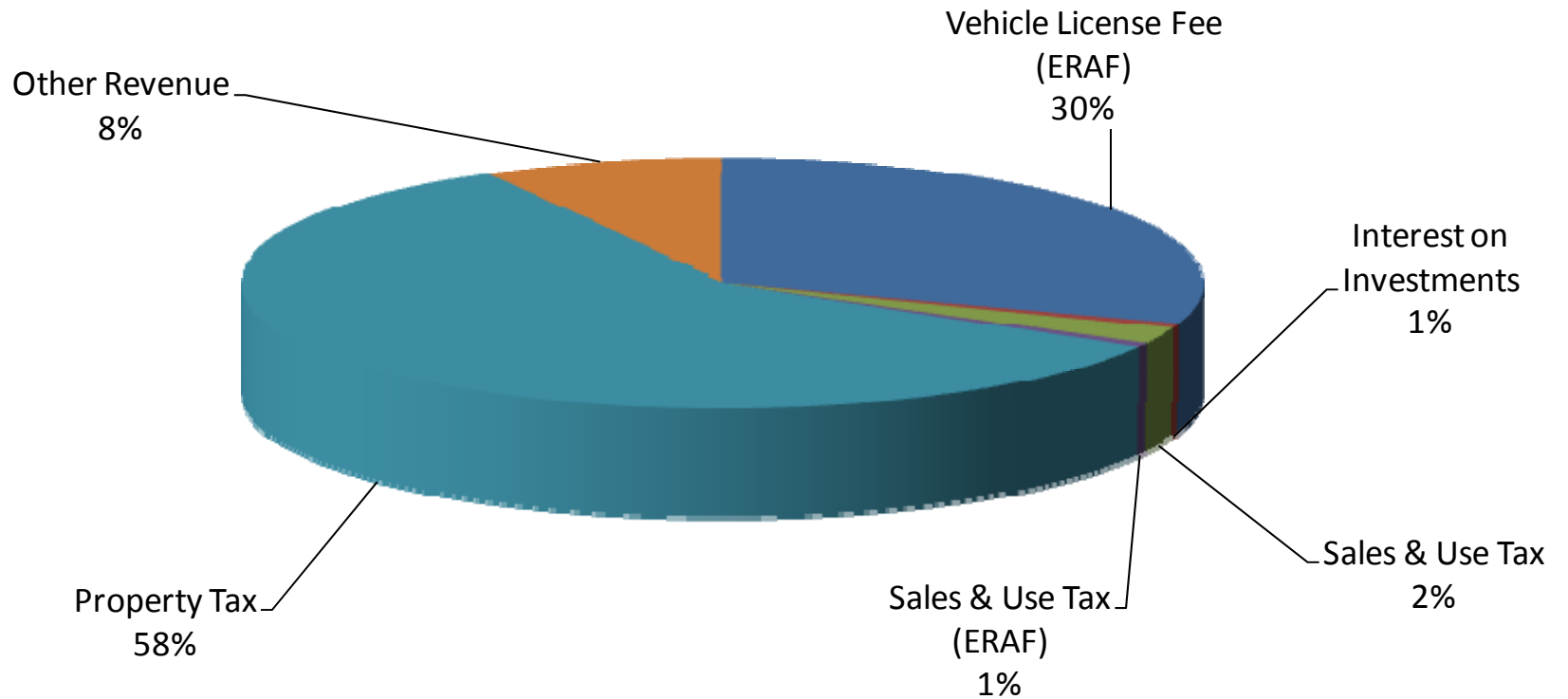
FY 2010-11 Discretionary Revenue Share of Total General Fund



Total General Fund: \$1,942.4 million



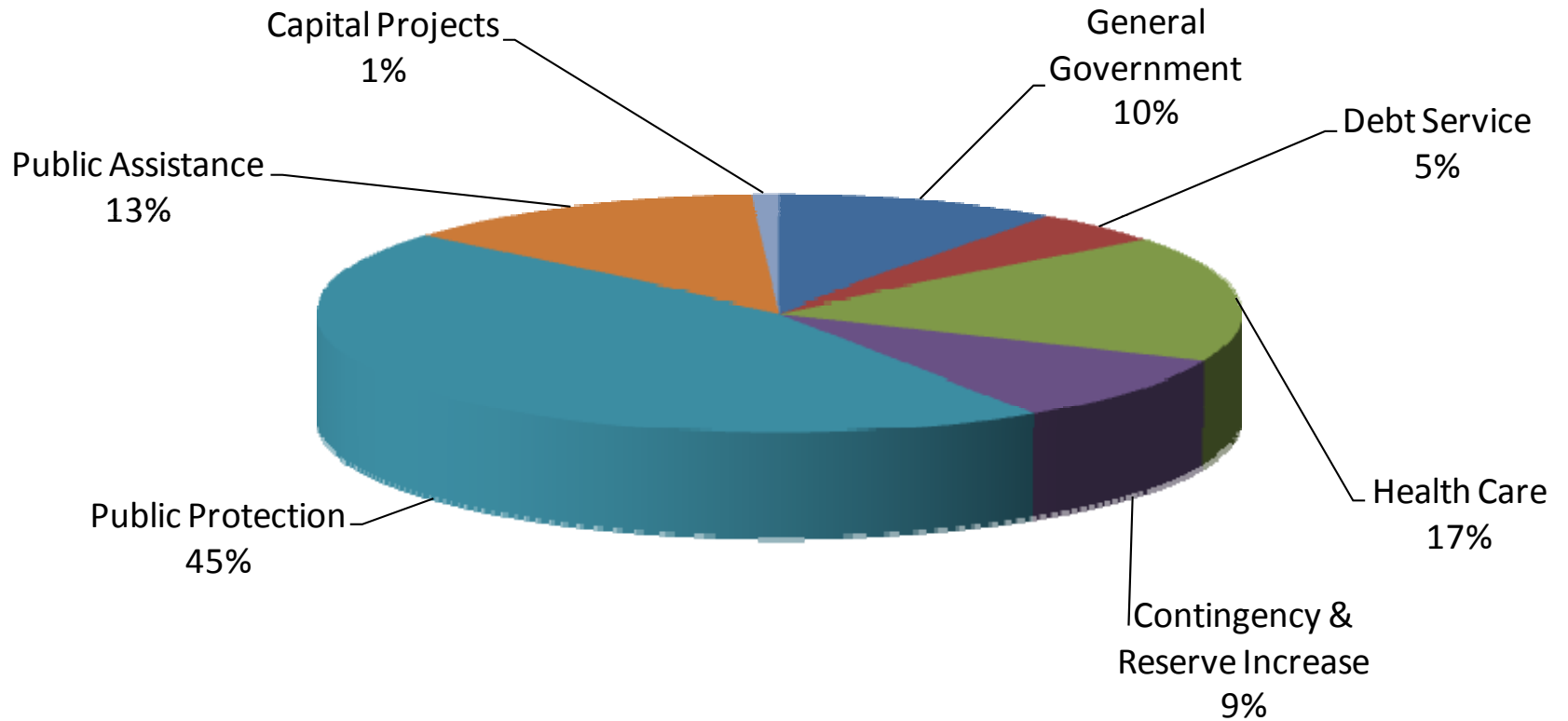
FY 2010-11 Discretionary Revenue by Source



Discretionary Revenue: \$502.7 million



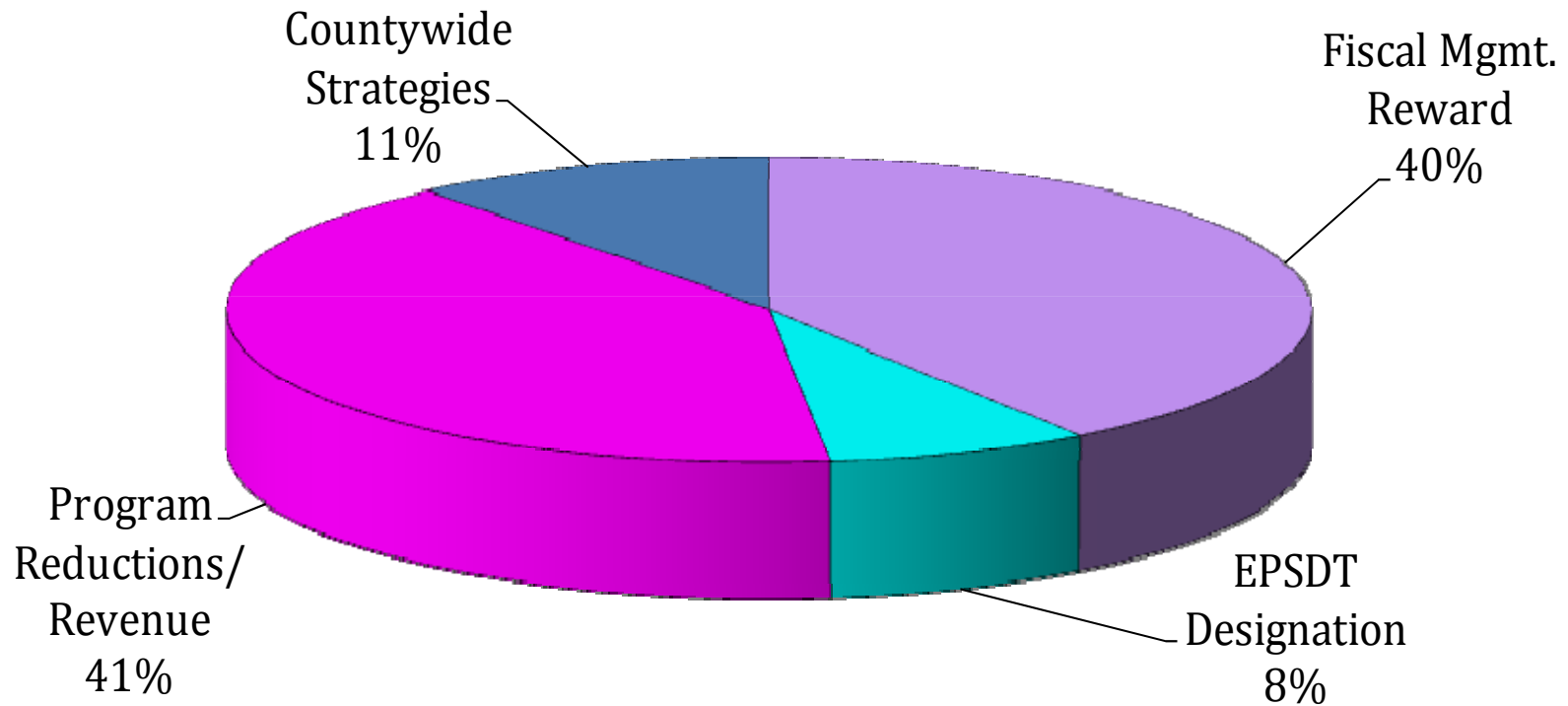
FY 2010-11 Use of Discretionary Revenue by Program



Discretionary Revenue: \$502.7 million



FY 2010-11 Balancing Strategies (in millions)



Funding Gap: \$152.4 million

EPSDT = Early Periodic Screening, Diagnosis and Treatment Program



Use of FMR and Designations in Prior Year

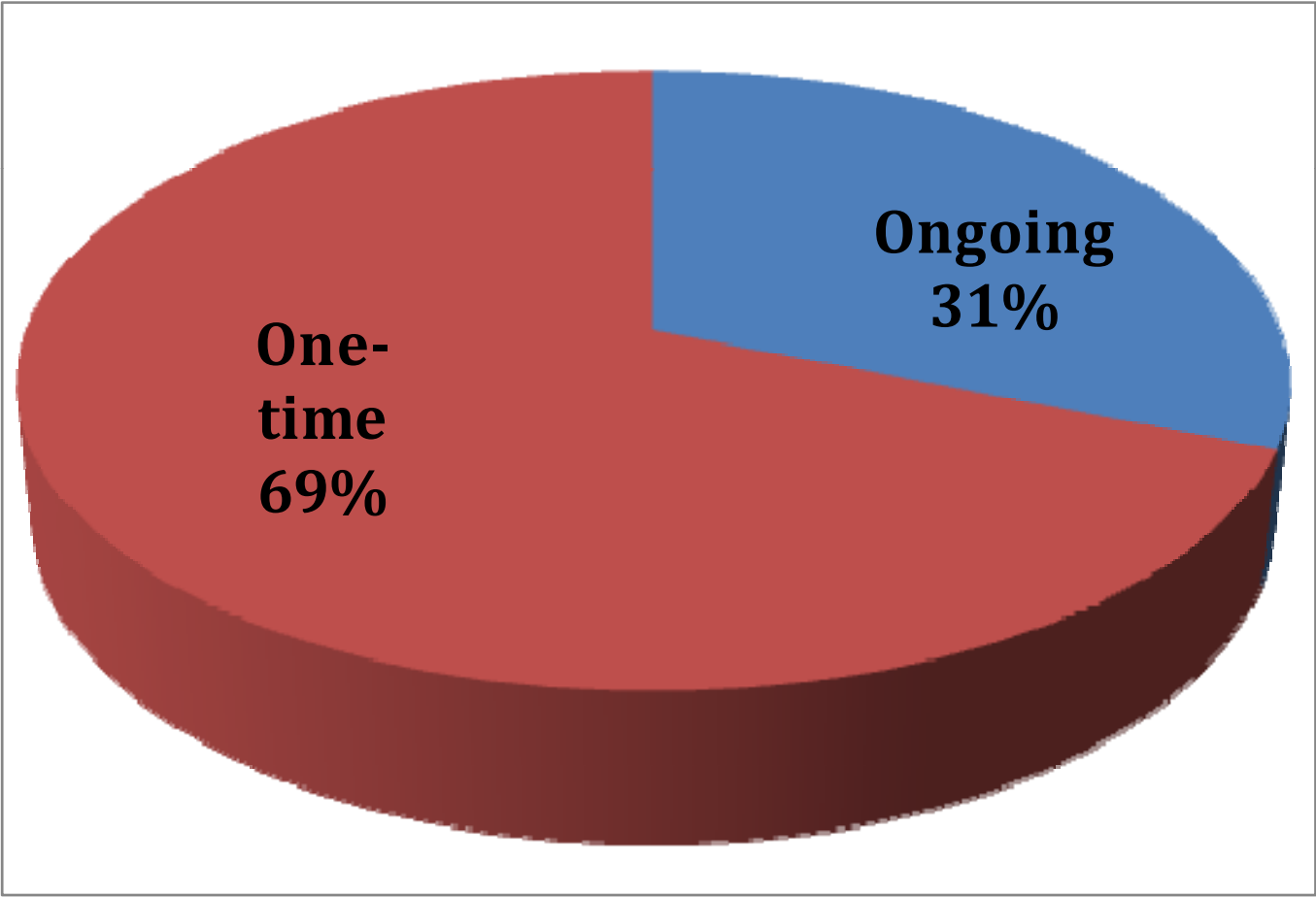
Program	FMR*	Designation	Total
Health Care	\$20.0M	\$12M	\$32M
Public Protection	\$12.5M	\$0	\$12.5M
General Government	\$18.5M	\$0	\$18.5M
Public Assistance	\$10.4M	\$0	\$10.4M
Countywide Strategy	\$0	\$1.2M	\$1.2M
Total	\$61.4M	\$13.2M	\$74.6M

*FMR = Fiscal Management Reward Program

Note: Prop. 172 designation included in Public Protection program area



FY 2010-11 - Closing the Gap Ongoing vs. One-Time Strategies





Alameda County 2011-12 Maintenance of Effort Budget



FY 2011-12 MOE

- ❑ Federal and State budget deficits
- ❑ Greater demand for services
- ❑ Economic downturn is impacting revenues and expenses
- ❑ Retirement and health cost increases
- ❑ Use of one-time solutions in prior year
- ❑ No COLAs for Labor, CBOs, ACMC



FY 2011-12 MOE Budget - All Funds
 (in millions)

	FY 2010-11 FINAL	FY 2011-12 MOE	Inc/ (Dec)	% Change
Appropriation	\$2,443.4	\$2,518.8	\$75.4	3.1%
Revenue	\$2,443.4	\$2,380.9	(\$62.5)	(2.6%)
Funding Gap	\$0	\$137.9	\$137.9	
F.T.E. Positions*	9,103.2	9,160.0	56.8	0.6%

*Full-time equivalent positions



Major Elements FY 2011-12 MOE General Fund, Grants, Measure A (in millions)

	2010-11 FINAL	2011-12 MOE	Change	% Change
Appropriations	\$2,101.6	\$2,123.4	\$21.8	1.0%
Program Revenue	\$1,524.3	\$1,478.6	(\$45.7)	
Non-program revenue	\$502.7	\$506.9	\$4.2	
One-time use of FMR, Designation, AFB	\$74.6	\$0	(\$74.6)	
Total Financing	\$2,101.6	\$1,985.5	(\$116.1)	(5.5%)
Funding Gap	\$0	\$137.9	\$137.9	



Major Components of Net County Cost Increase (partial list)

□ Prior year use of FMR	\$61.4M
□ Loss of stimulus funding	\$19.6M
□ Prior year use of designations	\$19.0M
□ Retirement and health care rate increases	\$14.3M
□ Loss of Vehicle License Fee revenue	\$8.4M
□ Loss of one-time redevelopment pass-through payments	\$5.4M
□ 1% designation for capital	\$5.0M
□ Social Services allocation changes	\$4.6M
□ Loss of SB 90 revenue	\$4.0M
□ Loss of one-time DA revenue	\$4.0M
□ Loss of one-time Sheriff revenue	\$2.9M
□ Property tax revenues	(\$6.6M)
□ Internal service fund charges	(\$3.3M)



FY 2011-12 Appropriations Change by Major Object

<input type="checkbox"/> Salaries and Employee Benefits	\$21.4M
<input type="checkbox"/> Retirement	
<input type="checkbox"/> Health	
<input type="checkbox"/> Services & Supplies/Operating Expenses	\$2.9M
<input type="checkbox"/> Internal Service Funds	(\$3.3M)
<input type="checkbox"/> Other	\$0.8M
Net Appropriation Increase	\$21.8M



FY 2011-12 Revenues

Major Components of Change

- Program Revenue (\$45.7M)
- Non-Program Revenue: \$4.2M
- FMR/Designations: (\$74.6M)

Net Revenue Decrease (\$116.1M)



FY 2011-12 Revenues

Program revenue declines (partial list)

- ❑ Loss of Stimulus funding (\$19.6M)
- ❑ Expiring VLF increase (\$8.4M)
- ❑ Use of Prop. 172 Designation in prior year (\$5.8M)
- ❑ Social Services allocation changes (\$4.6M)
- ❑ Loss of SB 90 revenue (\$4.0M)
- ❑ Loss of one-time DA revenue (\$4.0M)
- ❑ Reimbursement for elections (\$3.7M)
- ❑ EPSDT revenue (\$3.4M)
- ❑ One-time Sheriff revenues (\$2.9M)
- ❑ Sheriff revenue for contract prisoners (\$1.0M)



FY 2011-12 Revenues

Non-Program Revenue	\$4.2M
<input type="checkbox"/> Property Taxes	\$6.6M
<input type="checkbox"/> ERAF—Motor Vehicle/Sales Tax	\$1.7M
<input type="checkbox"/> Sales Taxes	\$1.2M
<input type="checkbox"/> Loss of one-time pass-through payments	(\$5.4M)
<input type="checkbox"/> Other	\$0.1M



FY 2011-12 MOE General/Grant/Measure A Funds By Program (in millions)

Program	Appropriation	Revenue	Net Cost	F.T.E.
General Government	\$196.6	\$125.4	\$71.2	921.4
Public Protection	\$544.4	\$274.2	\$270.2	2,626.7
Public Assistance	\$689.3	\$592.3	\$97.0	2,501.4
Health Care Services	\$578.7	\$456.9	\$121.8	1,293.4
Subtotal Programs	\$2,009.0	\$1,448.8	\$560.2	7,342.9
Capital Projects	\$13.4	\$3.5	\$9.9	0.00
Contingency/Reserve/ Debt service	\$101.0	\$26.3	\$74.7	0.00
Non-Program Financing	\$0	\$506.9	(\$506.9)	0.00
Subtotal Other	\$114.4	\$536.7	(\$422.3)	0
Total	\$2,123.4	\$1,985.5	\$137.9	7,342.9



FY 2011-12 MOE Net Cost Change by Program

Program	2010-11 FINAL Net Cost	2011-12 MOE Net Cost	Change	% Change
General Government	\$67.7	\$71.2	\$3.5	5%
Health Care	\$116.5	\$121.8	\$5.3*	5%
Public Assistance	\$75.0	\$97.0	\$22.0	29%
Public Protection	\$239.6	\$270.2	\$30.6	13%
Subtotal – Programs	\$498.8	\$560.2	\$61.4	12%

*Not including \$12M one-time use of EPSDT designation in prior year



FY 2011-12 MOE - Net Cost Change Non-Program (in millions)

	2010-11 FINAL Net Cost	2011-12 MOE Net Cost	Change
Capital	\$4.9	\$9.9	\$5.0
Contingency/Reserves/Debt Service	\$73.5	\$74.7	\$1.2
One-time use of FMR	(\$61.4)	\$0	\$61.4
Use of EPSDT Designation	(\$12.0)	\$0	\$12.0
Use of Capital Designation	(\$1.2)	\$0	\$1.2
Non-Program Financing	(\$502.7)	(\$506.9)	(\$4.2)
Subtotal - Other	(498.9)	(\$422.3)	\$76.6
FUNDING GAP	0	\$137.9	\$137.9



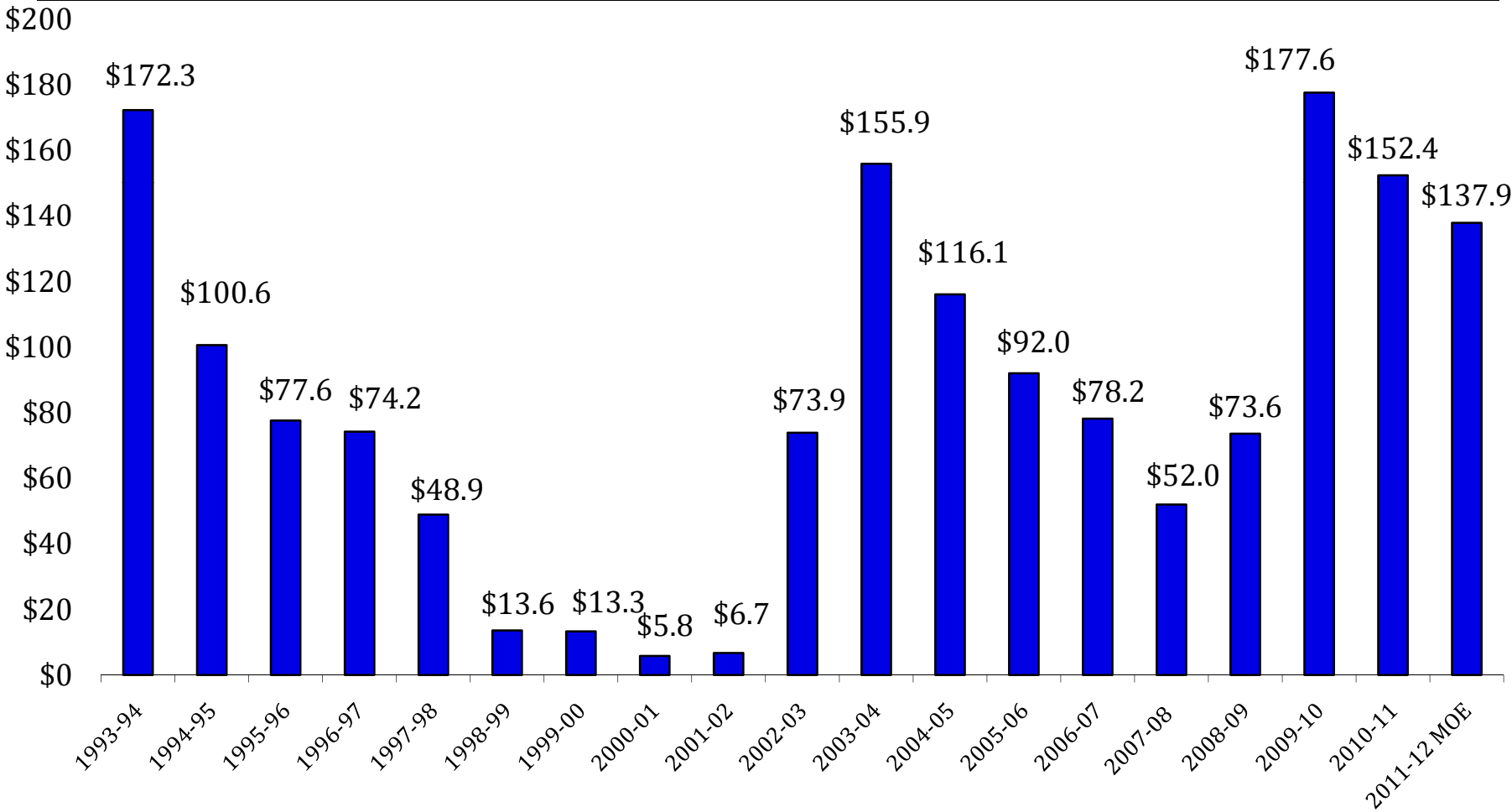
Public Protection Program Net Change by Department

Department	FY 10-11 NCC	FY 11-12 MOE NCC	NCC Change	% Change
District Attorney	45,346,325	50,934,250	5,587,925	12%
Probation	59,426,741	70,814,167	11,387,426	19%
Public Defender/Indigent Defense	35,972,478	36,863,976	891,498	2%
Public Safety Sales Tax Revenue	(110,800,000)	(105,000,000)	5,800,000	-5%
Sheriff	185,075,014	192,077,684	7,002,670	4%
Trial Court Funding	24,588,102	24,498,137	(89,965)	0%
Total	239,608,660	270,188,214	30,579,554	13%



Funding Gaps Since ERAF Intercept

(in millions)





2011-12 Proposed Budget Calendar

- Budget Work Group Meetings
 - Funding Gap April 14
 - Reduction Targets April 18
- Reduction Plans submitted to CAO May
- Budget Work Group Meeting May
- Proposed Budget to Board June 9
- Budget Hearings June 20-23
- Final Budget Adoption June 24



Alameda County Budget Information on the Web

www.acgov.org/budget.htm



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