


- **MEMORANDUM** -

DATE: June 3, 2020
TO: Alameda County Behavioral Health (ACBH) Community-Based Organizations
FROM: Cecilia Serrano, Finance Director
Imo Momoh, MPA, Deputy Director, Plan Administrator
Karyn Tribble, PsyD, LCSW, ACBH Director 
SUBJECT: **FISCAL YEAR 20/21 BUDGET IMPACTS**

As you may know, due to the COVID-19 pandemic, Alameda County is experiencing budget reductions. For Fiscal Year (FY) 20/21, Alameda County has three phases of the budget process. While the depth of the economic impact of the COVID-19 pandemic in Alameda County continues to evolve, Alameda County completed Phase 1, closing the budget gap of \$72.1 million of the FY 20/21 Maintenance of Effort budget. Phase 2 of the budget process is the additional reductions due to the May Revision of the Governor's Budget. Given the May budget revision, the behavioral health funding predominantly from sales tax collections, vehicle license fees, personal income taxes, and other state/federal revenues is projected to decline significantly in FY 20/21 and subsequent years. Phase 3 may include additional cuts to the State budget of which County's share has yet to be determined. Pending enactment of the Federal CARES, HEROES, and SMART Acts would bring one-time revenue to help offset loss of revenue related to COVID-19.

Alameda County is currently in Phase 2 of the budget process. Based on the May budget revision, the County Administrator's Office is projecting a \$121.6 million revenue loss for FY 20/21 of which HCSA's contribution is estimated up to \$62.1 million. Though the decisions for the Agency's reduction targets has not been finalized, ACBH is proactively developing a plan in establishing priorities to close the revenue shortfall for this stage of the budget process.

As ACBH continues to support the Community-Based Organizations (CBOs) to deliver essential services to the clients in Alameda County, the ACBH Executive Leadership consistently explore opportunities to identify savings and potential reductions to mitigate the revenue deficit. ACBH is considering several approaches such as across-the-board reductions by a flat rate percentage, programmatic cuts, and reducing administrative costs. In addition, ACBH is strategizing budget initiatives to retain services that maximize federal and state reimbursements, and promote service delivery integration that are duplicated in different parts of the system of care.

ACBH looks forward to partnering with your organization and working in collaboration to develop strategies and measures which will place Alameda County and our CBOs in a better position to effectively respond to long-term impacts of COVID-19, as well as ensure that we maintain a healthy fund balance going forward.

We thank you for continuing to serve our community, and please know that your work is appreciated. These are difficult times but with continued resilience, we can continue to work together to support our clients.

Cc: Executive Team
Operational Leadership
Contracts Unit

