



CITY OF OAKLAND

MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Donna Hom
Budget Director

SUBJECT: Federal and State Budgetary Actions
Standing Report

DATE: September 26, 2013

City Administrator

Date

Approval

Scott P. Johnson

9/26/13

INFORMATION

During the September 24, 2013 Finance and Management Committee, the Assistant City Administrator verbally reported the latest known Federal and State budgetary actions that may have financial implications to the City of Oakland. This memorandum memorializes the presentation as well as provides additional detail that has recently become available.

Federal:

2014 Appropriations Bill

The Federal fiscal year ends on September 30, 2013 and a 2014 Appropriations Bill, which allocates Federal government funding on an annual basis, has yet to be approved. Without approval of an Appropriations Bill by the end of September 2013, Federal departments, including defense, will be forced to suspend all non-essential activities and essentially “shutdown.” A temporary 2014 Appropriations Bill, which would last through December 15, 2013, is currently being considered by Congress, but recent versions have included provisions to defund the Affordable Care Act, which the President has stated that he would veto.

After a preliminary analysis, City staff advises that this will cause potential delays in the implementation of City programs that receive federal funding (Community Development Block Grant, FEMA Grants, etc.) and potentially reduce funding available for any joint federal/local public safety operations. The full impact of a federal government shutdown is currently unknown as this time.

OPD Federal Funding for 10 Officers

The City was awarded a \$4.5 million grant from the federal government to fund 10 police officers for three years. The Grantor, U.S. Department of Justice Community Oriented Policing Services (USDOJ COPS), advances the practice of community policing in America’s state, local and tribal law enforcement agencies. COPS funding will have funded 76 Oakland officers since 2009. The new COPS grant, Oakland’s third, is the largest amount awarded in the nation.

State:

State 2013 Legislative Session

The State Legislature ended the 2013 legislative session on September 13, 2013. The Governor has until October 13, 2013 to take action on the approved bills. The State Legislature will return on January 6, 2014 for the new legislative session.

Employment / Unemployment Rate

The California Employment Development Department (EDD) reports that the State unemployment rate decreased in August 2013 to 7.3 percent and nonfarm payroll jobs increased by 826,500 since the recovery began in February 2010. For the City of Oakland, the unemployment rate decreased in August 2013 to 11.4 percent and nonfarm payroll jobs increased by 11,400 to 181,300 (6% increase) since the recovery began in February 2010. For comparison, the unemployment rate for Alameda County is 7.4 percent for the month of August 2013.

State Revenues

Additional information on the state's first quarter finances should be available after the September 2013.

For questions, please contact Michael K. Kek, Interim Assistant to the City Administrator, at (510) 238-4906.

Respectfully submitted,

/s/

DONNA HOM
Budget Director

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