



County of Orange

Fiscal Year 2007-2008

First Quarter Budget Report

November 20, 2007



County Budget

1st Quarter At-a-Glance



- Slow-Down in Revenue Growth
 - Sales Tax
 - Timing Issues (vs. previous year)
 - Revenues late compared to prior year
 - Late adoption of State budget
 - September Public Safety Sales Tax revenues (\$21.7m) booked in October
 - Specific department issues identified in variance explanations
- New Economic Indicator Data



County Budget

Total County Budget

- Revenues – 11% below budget
- Expenses – 12.5% below budget



General Fund

- General Purpose revenues – 9% above budget
- Expenses – 4% above budget
- Total General Fund Revenues – 24% below budget (timing issues/State Budget)

Net County Cost - 17% above budget



County Budget

Other Revenues:

- Public Safety Sales Tax
 - 7.8% below budget
- Realignment revenue
 - 7.6% below budget
- SB 90 status of unpaid claims for reimbursement over past 10 years: \$62 m



Other Actions/Information

- Reconcile All Funds to Final Fund Balance Available Amounts
- Negotiated Salary Increase Adjustments
- Revisit FY 07-08 Unfunded Augmentations
- Grant Activity
 - 10 departments reporting activity
 - \$20.9m received in grant funds
 - \$27.9m pending award notification



Economic Indicators

- New section/data for Quarterly Budget reports
- Focus is on indicators of future Property Tax revenue
- Future quarterly reports will add data
- Current data:
 - General Economic Indicators
 - Building Permits
 - Assessment Appeals
 - Foreclosure Activity



Orange County Forecast Overview

Editorial: An economic downshift is coming

*Prominent O.C. economists vary more
about the magnitude of the slowdown
than its arrival*

An Orange County Register editorial

* OC Register, October 26, 2007



Departmental Issues

Program I – Public Protection

- Probation receipt of \$1.5M Juvenile Justice Reform grant
- Reconcile final Sheriff agreements with cities



Departmental Issues

Program II - Community Services

- HCA reductions prompted by decline in Realignment revenue
- Reconcile to final State budget (SSA, CSA)



Departmental Issues

Program III – Infrastructure & Environmental Resources

- Transfer ownership/ maintenance of Edinger Bridge from Fund 406 to Fund 115



Departmental Issues

Program IV – General Government Services

- Transfer \$750,000 and 3 positions for Performance Audit Department
- Treasurer-Tax Collector \$1M NCC reduction due to Board-approved fee increase and new fees



Departmental Issues

Other (previously approved by Board)

- \$2.5M transfer from Fund 15S to Fund 599 for Teeter Program
- \$14.5M to convert Newport Assessment District bonds to fixed rate
- \$8M General Fund reserve draw down for legal costs (\$1M) and Medicare Audit (\$7M)



Position Summary

Position Changes	
Add	34
Delete	-56
Net	-22

Vacant/Limited-Term Review

- No vacant position deletions
- 8 limited-term extensions
- 6 limited-term conversions to regular

Highlights

- 31 HCA position deletions
- 20 positions transferred to Court
- 14 position adds for District Attorney
- 10 position adds for Sheriff
- 3 position adds for CAPS



General Fund Balance Available

Comparison of financial plan, budget
and actual June 30, 2007 amounts:

(in millions)	SFP	Budget	Actual	Var.
Revenues	\$ 40	\$ 23	\$ 26.4	\$ 3.4
Departments	50	67	90.0	23.0
Encumbrance	10	10	13.2	3.2
Total	\$ 100	\$ 100	\$ 129.6	\$29.6



Additional Funds Available

Recommended Use: \$29.6M

- \$2.5m Emergency Medical Services
- \$2.0m SB159 Hospital Reimbursement
- \$5.3m Capital Projects
- \$2.0m Juvenile Justice Reform
- \$1.3m Information Tech Project Carryover
- \$1.2m E-Government Project
- \$2.7m Return Unused CAPS Reserve
- \$3.5m CAPS Human Resources
- \$3.0m Assessment Tax System
- \$4.5m February 2008 Primary
- \$1.6m Court Ordered Payment



Recommended Actions

1. Revise Appropriations and Revenues (4/5 vote)
2. Final Fund Balance Available Adjustments (4/5 vote)
3. Negotiated Salary Increase Adjustments (4/5 vote)
4. Close Trust Fund 256
5. Amend Master Position Control



Recommended Actions

6. Approve revised class specifications for:

- Occupational Therapy Assistant I
- Occupational Therapy Assistant II
- Occupational Therapist I
- Occupational Therapist II
- Occupational Therapist III
- Physical Therapist Assistant I
- Physical Therapist Assistant II
- Physical Therapist I
- Physical Therapist II
- Physical Therapist III
- Supervising Therapist
- Therapy Consultant
- Paralegal Trainee
- Paralegal



Next Steps

- 2007 Strategic Financial Plan – December 11, 2007 Board Meeting
- December 28, 2007 – Distribution of FY 08-09 Budget Instructions

