



County of Orange

Fiscal Year 2007-2008

**Second Quarter Budget
Report**

February 5, 2008



County Budget

2nd Quarter At-a-Glance

State – Current Year

- \$3 Billion Projected Budget Shortfall

County

- Continued Slow-Down in Revenue Growth
 - Public Safety Sales Tax
 - Health & Welfare Realignment
- Budget Reduction Plan



County Budget

Total County Budget

- Revenues – 8.7% above budget
- Expenses – 14% below budget

General Fund

- General Fund Revenues – 1.5% above budget
- General Fund Expenses – 1% above budget
- Net County Cost - 1% above budget



County Budget

Other Revenues:

- Public Safety Sales Tax
 - 7.4% below budget
- Realignment revenue
 - 12% below budget
- SB 90 status of unpaid claims for reimbursement over past 10 years: \$62 m



Other Actions/Information

- Negotiated Salary Increase Adjustments
- Budget Reduction Plan
- Grant Activity
 - 12 departments reporting activity
 - \$8.1m received in grant funds
 - \$34.4m pending award notification



Departmental Issues

Program I – Public Protection

- Probation Juvenile Offender Fund 12Y (\$1.5M grant received in 1st Quarter)
- Sheriff Equipment Purchases



Departmental Issues

Program II - Community Services

- HCA reductions prompted by decline in Realignment revenue
- CSS Reconcile to final State budget
- SSA 18 position adds for Medi-Cal caseload growth
- Workforce Investment Act Grants



Departmental Issues

Program III – Infrastructure & Environmental Resources

- Dana Point Harbor \$43M decrease – project delay
- 11 Positions transferred from Building & Safety (Fund 113) to OC Parks (Fund 405)



Departmental Issues

Program IV – General Government Services

- \$5.89M use of CAPS reserve
- \$6.5M use of Clerk-Recorder reserve



Departmental Issues

Program VII – Insurance, Reserves & Miscellaneous

- \$1.5M use of Information Technology ISF for Uninterruptible Power Supply units



Position Summary

| Position Changes | |
|------------------|------|
| Add | 19 |
| Delete | -126 |
| Net | -107 |

Vacant/Limited-Term Review

- 94 vacant position deletions
- 5 limited-term extensions
- 2 limited-term conversions to regular

Highlights

- 30 HCA position deletions
- 11 positions transferred from Fund 113 to 405
- 18 position adds for SSA



Next Steps

Continue to Monitor State Budget

- Mid-Year Adjustments
- FY 2008/09 Budget Proposal

Governor's January Budget

- \$14.5B State Budget Deficit
- One-Time Solutions
- 10% Across-the-Board Reduction
- Delay in Disbursements to Local Government



Next Steps

Governor's Proposed Budget – Impact to Orange County

Public Safety - \$4M Impact

- 10% Reduction to Most State Funded Programs
 - Juvenile Justice Crime Prevention Act (\$1M)
 - Juvenile Probation Camps Funding (\$1.7M)
 - Vertical Prosecution (\$80K)
 - Proposition 36 (\$600K)
 - Mentally Ill Offender Crime Reduction (\$300K)
 - Citizen's Options for Public Safety (\$100K)



Next Steps

Community Services - \$20M Impact

- 10% Reduction to Most State Funded Programs
 - Medi-Cal (\$2.7M)
 - California Children's Services (\$1.1M)
 - California Healthcare for Indigents Program (\$400K)
 - Foster Care (\$1.9M)
 - Family Health Programs (\$500K)
 - Mental Health Managed Care (\$1.1M)
 - In Home Supportive Services (\$1.7M)
 - Child Welfare Services (\$5.5M)
 - CalWORKs (increase of \$1.1M)
 - Adult Protective Services (\$400K)



Recommended Actions

1. Revise Appropriations and Revenues (4/5 vote)
2. Negotiated Salary Increase Adjustments (4/5 vote)
3. Budget Reduction Plan (4/5 vote)
4. Amend Master Position Control

