County of Orange

Fiscal Year 2007-2008

Third Quarter Budget Report

May 6, 2008
3rd Quarter At-a-Glance

State
- Revenue below projections
-Projected Budget Shortfall is Estimated at $16 Billion+ thru 2008/09

County
- General Purpose Revenue above projections for 2007/08
-Continued Slow-Down in Revenue
  -Housing market and job losses
  -Public Safety Sales Tax
  -Health & Welfare Realignment
Budget Controls implemented this year:

• Deletion of 100 vacant positions
• $13.6M FBA placed in Reserves
• Position Cap for regular, extra-help, and temporary help positions
• Level Net County Cost
  • (0% growth for 2008/09)
• Capital Project and Information Technology project reductions
• Revised guidelines on multi-year contracts
• Contract encumbrance review and reversal
County Budget

Total County Budget
• Revenues – 2.6% below budget
• Expenses – 16.53% below budget

General Fund
• General Fund Revenues – 2.5% below budget
• General Fund Expenses – 3.86% below budget
• Net County Cost – 5.92% below budget
Other Revenues:

• Property Tax
  ▪ 4.14% above budget

• Public Safety Sales Tax
  ▪ 6.98% below budget

• Realignment revenue
  ▪ 9.61% below budget

• SB 90 status of unpaid claims over past 10 years: $62m
Other Actions/Information

- Grant Activity
  - 13 departments reporting activity
  - $20M grant funds received in current quarter
  - $18.5M pending award notification
Other Actions/Information

- General Fund Cash Flow Status
  - Cash flow report to Board of Supervisors
  - March 31 balance of $126M
  - April 30 balance of $201M
  - Tax and Revenue Anticipation Note (TRAN) for FY 2008/09
  - Teeter Program restructuring in July-August
Departmental Issues

Program I – Public Protection

- Probation (Agency 057) $415,000 costs associated with Juvenile Justice Reform
- DNA Identification (Fund 12J) revenue of $918,389
Program II - Community Services

- OC Community Services (Agency 012) $344,479 additional revenue from California Department of Aging
- Health Care Agency (Agency 042) $1M operating transfer from Realignment Reserves
Departmental Issues

Program III – Infrastructure & Environmental Resources

- OC Public Libraries expansion of Laguna Niguel Library offset by revenue from the City of Laguna Niguel
- Transfer of Real Estate Development Program Asset Fund from CEO to OC Public Works
Departmental Issues

Program IV – General Government Services

- Assessor (Agency 002)
  Appropriate $1.3M in Supplemental Roll Cost Reimbursement revenue for the development cost of the Assessment Tax System (ATS)

- Clerk of the Board and Internal Audit
  Net County Cost increase to support lower vacancy factor
Program IV – General Government Services

- Registrar of Voters (Agency 031) $700,000 revenue offset from Capistrano Unified School District recall election
- Office of Performance Audit Director Requested (1) Administrative Manager III and (1) Executive Secretary I
  - This request is not recommended consistent with CEO recommendation on all NCC position requests received during the 3rd Quarter Report
Departmental Issues

Program V – Capital Improvements

- Data Systems (Agency 038)
  $5M returned to ATS and PTMS project reserves for use in FY 2008/09
Departmental Issues

Program VII – Insurance, Reserves & Miscellaneous

- $31M increase for retirement expense appropriation offset by revenue recovered through retirement rates
- $2M draw from General Fund reserves for repayment of interpleader interest & OCFA Tolling Agreements for underground storage tank litigation
Departmental Issues

Program VII – Insurance, Reserves & Miscellaneous

- Reimburse $2.5M to Designated Special Revenue Fund 15S for amount borrowed to purchase Teeter Program receivables
Position Summary

Position Changes

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Vacant/Limited-Term Review
- 6 vacant position deletions
- 1 limited term conversion

Highlights
- 6 position deletions, Fund 127 Property Tax Administration State Grant
- 4 position transfers
Next Steps

- Mid-May State Budget Revise
- May 22 CEO Budget Recommendations Available
- May 28-29 EA briefings
- May 30 Public Budget Workshop
- June 10-11 Budget Hearings
- June 24 Budget Adoption
Recommended Actions

1. Revise Appropriations and Revenues (4/5 vote)
2. Fund Balance Available Adjustments (4/5 vote)
3. Amend Master Position Control
4. Close Trust Fund 300-327 EMA Customer Deposits
5. Close Trust Fund 300-367 Real Property Services
6. Close Fund 872 Federal Disaster Assistance
Recommended Actions

Recommended Actions Continued:

7. Approve transfer of responsibility for Fund 135 from the County Executive Office to OC Public Works Agency
8. Approve transfer of responsibility for Agencies 041, 045, 048 and 073 from the Court to the County Executive Office
9. Approve revised rates for steam and chilled water
10. Direct Auditor-Controller to reverse prior year encumbrance and direct OC Public Works to execute contract modification
Recommended Actions Continued:

11. Approve updated class specifications for Correctional Programs Technician, Senior Institutional Cook and Sheriff’s Special Officer II

12. Approve establishment of class specification – Sheriff’s Records Supervisor

13. Approve establishment of class specification series – Sheriff’s Records Trainee, Sheriff’s Records Technician, Senior Sheriff’s Records Technician
Recommended Actions Continued:

14. Delete class specifications –
   Correctional Records Supervisor I,
   Correctional Records Supervisor II