



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** December 7, 2004

**TO:** Board of Supervisors  
Julian Sanitation District Board of Directors

**SUBJECT:** FISCAL YEAR 2004-05 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, RATIFICATION/ EXECUTION/ ACCEPTANCE OF REVENUE/GRANT AGREEMENTS, CHDP/EPST SUBVENTION CERTIFICATION, AND RATIFICATION OF FY 2003-04 YEAR END BUDGET ADJUSTMENTS (District: All)

### SUMMARY:

#### Overview

This report summarizes the first quarter status of the County's Fiscal Year 2004-05 Operational Plan as measured by projected year-end fund balance. The projected fund balance from current year operations for the General Fund is \$44.2 million and for all budgetary funds combined is \$84.4 million.

This letter also recommends budget adjustments to establish appropriations from available Fiscal Year 2003-04 fund balance to reimburse departments for Quality First payments made to employees and to make various other budget adjustments to ensure that obligations are met, to correct amounts budgeted, or to otherwise enable the effective delivery of County services. Further, the Board is asked to make necessary certifications and ratify revenue agreements or accept grants for various programs contained in the County's Operational Plan.

#### Recommendation(s)

#### CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2004-05 first quarter report on projected year end results.
2. Waive Board Policy A-91, Mid-Year Budget Changes.
3. Establish Appropriations of \$2,816,493 in salaries and benefits for Quality First payments based on the Public Safety Group's Fiscal Year 2003-04 fund balance available as follows: District Attorney, \$1,627,253; Medical Examiner, \$45,117; Public Defender, \$751,158; Public Safety Group Executive Office, \$29,994; Office of Emergency Services, \$31,192; Citizens Law Enforcement

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Review Board (CLERB), \$12,253; and Alternate Public Defender \$319,526. (4 VOTES)

4. Establish Appropriations of \$163,435 in the Contribution to Trial Court for the Undesignated Fee Fiscal Year 2003-04 true-up based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
5. Establish Appropriations of \$1,931,109 in the Defense Attorney/Contract Administration for the Private Conflict Counsel Fiscal Year 2003-04 contract true-up based on the Public Safety Group's Fiscal Year 2003-2004 fund balance available. (4 VOTES)
6. Establish Appropriations of \$1,774,000 in the Public Safety Group Executive office for Major Maintenance Project MP4877, HVAC controls at the George Bailey Detention Facility and Fiscal Year 2004-05 shared group major maintenance projects based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
7. Establish Appropriations of \$131,000 in the Public Safety Group Executive office for Fiscal Year 2003-04 information technology costs related to the Firestorm 2003, and funding to support the Fire Protection and Emergency Medical Services Regionalization study, based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
8. Cancel appropriations of \$258,252 in the Justice Facility Construction Fund for Capital Project 1000136, East Mesa Juvenile Detention Facility, to provide funds for Information Technology infrastructure services furnished by Pennant Alliance.
9. Establish appropriations of \$258,252 in the Justice Facility Construction Fund (Operating Transfer Out), for Information Technology infrastructure services, based on fund balance made available by the cancellation of funds in Capital Project 1000136. (4 VOTES)
10. Establish appropriations of \$258,252 in the Probation Department, for Information Technology infrastructure services provided by Pennant Alliance for the East Mesa Juvenile Detention Facility, based on an Operating Transfer from the Justice Facility Construction Fund. (4VOTES)
11. Establish appropriations of \$1,200 in the District Attorney's Federal Seized Asset Forfeiture Fund for the Jurisdictions Unified for Drug Gang Enforcement (JUDGE) program based on fund balance available. (4 VOTES)

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12. Establish appropriations of \$7,865 in the District Attorney's Federal Seized Asset Forfeiture Fund for monitors and related equipment based on fund balance available. (4 VOTES)
13. Establish appropriations of \$9,000 in the District Attorney's Federal Seized Asset Forfeiture Fund for costs associated with the maintenance and improvement of the Regional Firearms Training Facility based on fund balance available. (4 VOTES)
14. Establish appropriations of \$4,000 in the District Attorney's State Seized Asset Forfeiture Fund to support additional security costs for the Kids/Teens in Court Program based on fund balance available. (4 VOTES)
15. Ratify and authorize the Clerk of the Board to execute revenue agreements with Department of Education for CalWORKs child care stages 2 and 3, and subsidized programs the State for the period July 1, 2004 through June 30, 2005 as follows:
  - a. State Contract # G2AP-4051 in the amount of \$3,714,853 for Child Care Stage 2 and any amendments for cost of living adjustments that do not increase the total contract amount above \$3,900,596 or materially impact or alter the program.
  - b. State Contract # F2AP-4051 in the amount of \$8,255,125 for Child Care Stage 2 and any amendments for cost of living adjustments that do not increase the total contract amount above \$8,667,881 or materially impact or alter the program.
  - c. State Contract # G3TO-4053 in the amount of \$1,432,695 for Child Care Stage 3 and any amendments for cost of living adjustments that do not increase the total contract amount above \$1,504,330 or materially impact or alter the program.
  - d. State Contract # F3TO-4053 in the amount of \$88,711 and Amendment 01 in the amount of \$3,591,556 for Child Care Stage 3 and any amendments for cost of living adjustments that do not increase the total contract amount above \$3,864,280 or materially impact or alter the program.
  - e. State Contract # GAPP-4057 in the amount of \$1,150,673 and Amendment 01 in the amount of \$27,731 for the Child Development

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Program and any amendments for cost of living adjustments that do not increase the total contract amount above \$1,237,324 or materially impact or alter the program.

f. State Contract # FAPP-4057 in the amount of \$3,095,898 and Amendment 01 in the amount of \$74,612 for the Child Care Block grant and any amendments for cost of living adjustments that do not increase the total contract amount above \$3,329,035 or materially impact or alter the program.

16. Approve and authorize the Clerk of the Board to execute, upon receipt, the Certification Statement for the State Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment (CHDP/EPSTD) subvention in the amount of \$7,234,221.
17. Establish appropriations of \$2,177,911 in the Health and Human Services Agency, Public Health Services for Bio-Terrorism preparedness activities, based on unanticipated revenue from the Health Resources and Services Administration (HRSA). (4 VOTES)
18. Establish appropriations of \$1,154,339 in the Health and Human Services Agency for welfare fraud investigations conducted by the District Attorney's Office based on revenue from the county expense claim allocation. (4 VOTES)
19. Establish appropriations of \$1,032,718 in the Health and Human Services Agency for upgrading the County of San Diego medical and health emergency management operations based on unanticipated revenue from the California Department of Health Services. (4 VOTES)
20. Establish appropriations of \$746,831 in the Health and Human Services Agency for Community Services for Families (CSF) contracts based on revenue from the Children's Trust Fund. (4 VOTES)
21. Approve and ratify the Clerk of the Board's execution of the new Health Resources and Services Administration grant award #1 C76HF02812-01-00 with the federal Department of Health and Human Services for the period of September 1, 2004 to September 30, 2009 in the amount of \$492,080 and subject to the approval of the Director of the Health and Human Services Agency, or designee, authorize the Clerk of the Board to execute subsequent amendments and renewals to the grant award that do not materially impact either the grant program or funding levels.
22. Establish appropriations of \$492,080 in Health and Human Services, Aging &

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Independence Services, Edgemoor Hospital for medical, dietary, therapeutic, and transportation equipment, based on HRSA (Health Resources and Services Administration) grant revenue. (4 VOTES)

23. Establish appropriations of \$368,652 in the Health and Human Services Agency, Aging and Independence Services for the Multi-Purpose Senior Services program, based on California Department of Aging grant revenue. (4 VOTES)
24. Establish appropriations of \$329,475 in the Health & Human Services Agency, Immunizations, for services and supplies based on revenue from the State Immunization grant. (4 VOTES)
25. Ratify and authorize the Health and Human Services Agency Director, or her designee, to execute a \$299,996 grant from the California Department of Alcohol and Drug Programs for the period of October 1, 2004 to September 30, 2005 to fund planning efforts to prevent binge drinking among youth and young adults.
26. Establish appropriations in the amount of \$224,997 in the Health and Human Services Agency, Alcohol and Drug Services Binge and Underage Drinking Initiative, based on unanticipated revenue from the California Department of Alcohol and Drug Programs. (4 VOTES)
27. Establish appropriations of \$203,333 in the Health and Human Services Agency, Aging and Independence Services Long Term Integration Project, based on California Department of Aging grant revenue. (4 VOTES)
28. Establish appropriations of \$200,000 in the Health and Human Services Agency for the Metropolitan Medical Response System based on unanticipated revenue from the United States Department of Homeland Security. (4 VOTES)
29. Establish appropriations of \$195,736 in the Health and Human Services Agency, Public Health Services, for HIV/AIDS related care and treatment based on revenue from the Health Resources and Services Administration (HRSA). (4 VOTES)
30. Establish appropriations of \$130,000 in the Health and Human Services Agency, Community Action Partnership, for child passenger safety seats for the Safety First program, based on unanticipated revenue from the California Office of Traffic Safety. (4 VOTES)
31. Establish appropriations of \$100,000 in the Health and Human Services Agency for training medical professionals for bio-terrorism or other catastrophic event response, based on unanticipated revenue from the Department of Health and

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Human Services, Office of the Surgeon General. (4 VOTES)

32. Ratify and authorize the Clerk of the Board to execute, upon receipt, the revenue agreement with San Diego Gas & Electric (SDG&E) in the amount of \$55,000 for the period July 15, 2004 through December 31, 2004 for the Cool Zones program.
33. Authorize the Clerk of the Board, subject to the approval of the Director of the Health and Human Services Agency or her designee, to execute subsequent year agreements, amendments, or renewals to the SDG&E grant award when those documents are received from the funding source and they do not materially impact either the grant programs or the annual funding level.
34. Establish appropriations of \$55,000 in the Health and Human Services Agency, Aging and Independence Services, for the Cool Zones program, based on unanticipated revenue from San Diego Gas & Electric. (4 VOTES)
35. Ratify grant application, approve, and authorize the Clerk of the Board to execute, upon receipt, the National Council on the Aging grant in the amount of \$40,000 for the period October 1, 2004 through December 31, 2005 for the Medicare Prescription Benefit program for seniors, and authorize the Clerk to execute subsequent amendments and renewals when they are received from the funding source that do not materially impact or alter either the grant program or funding level.
36. Establish appropriations of \$24,000 in the Health and Human Services Agency, Aging and Independence Services for the Medicare Prescription Drug Benefit program, based on unanticipated revenue from the Access to Benefits Coalition. (4 VOTES)
37. Establish appropriations of \$1,703,236 in salaries and benefits for Quality First payments, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available as follows: Agriculture, Weights and Measures \$239,268; Environmental Health, \$556,492; Farm and Home Advisor, \$8,187; Parks and Recreation, 381,716; Planning and Land Use, 396,847; Public Works-General Fund, \$64,782 and Executive Office, \$55,944. (4 VOTES)
38. Establish appropriations of \$315,000 in salaries and benefits for Quality First payments, based on Fiscal Year 2003-04 fund balance available in the Air Pollution Control District. (4 VOTES)
39. Establish appropriations of \$61,986 in the Department of Agriculture Weights and Measures, Fish and Wildlife Advisory Commission for services and supplies and

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Operating Transfer Out for payment of grant awards, based on fund balance available in the Wildlife Advisory Commission Fund. (4 VOTES)

40. Establish appropriations of \$16,400 in the Department of Agriculture, Weights and Measures to utilize grant funds for the County's Animal Disease Diagnostic Laboratory's West Nile Virus detection and prevention activities, as well as other diseases affecting different species of wildlife and their habitats, based on an operating transfer from the Wildlife Advisory Commission Fund. (4 VOTES)
41. Transfer appropriations of \$240,000 from Land Use and Environment Group Executive Office management reserves to the Department of Public Works General Fund for the study of a developer traffic impact fee.
42. Ratify an amendment to the Fiscal Year 2003-04 spending plan for the Department of Public Works Equipment Operations Internal Service Fund in the amount of \$294,513 for vehicle maintenance based on fund balance available.
43. Ratify an increase in appropriations of \$476 to the Fiscal Year 2003-04 budget for CSA 109 Mt Laguna Fire/Medical for special departmental expense based on fund balance available. (4 VOTES)
44. Ratify an increase in appropriations of \$2,368 to the Fiscal Year 2003-04 budget for CSA 111 Boulevard Fire Protection for special departmental expense based on fund balance available. (4 VOTES)
45. Ratify an increase in appropriations of \$597 to the Fiscal Year 2003-04 budget for PRD 24 Mount Whitney Road for major maintenance based on fund balance available. (4 VOTES)
46. Ratify an increase in appropriations of \$4,340 to the Fiscal Year 2003-04 budget for CSA 115 Pepper Drive for major maintenance based on fund balance available. (4 VOTES)
47. Ratify an increase in appropriations of \$1,149 to the Fiscal Year 2003-04 budget for CSA 112 Campo Fire District for special departmental expense based on fund balance available. (4 VOTES)
48. Ratify an increase in appropriations of \$55 to the Fiscal Year 2003-04 budget for PRD 123 Mizpah Lane for maintenance based on fund balance available. (4 VOTES)
49. Ratify an increase in appropriations of \$6,753 to the Fiscal Year 2003-04 budget

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for the Julian Sanitation District for services and supplies based on fund balance available. (4 VOTES)

50. Add one (1) FTE position in the Department of Parks and Recreation for ballfield maintenance as identified in the Chief Administrative Officer's Proposed Change Letter Supplement for Fiscal Year 2004-05.
51. Establish appropriations of \$235,158 in salaries and benefits for Quality First payments, based on FY 2003-04 Community Services Group fund balance available as follows: Community Services Executive Office, \$38,158; Department of Animal Services, \$137,000 and Registrar of Voters, \$60,000. (4 VOTES)
52. Establish appropriations of \$620,738 in salaries and benefits for Quality First payments in the County Library based on FY 2003-04 Library Fund fund balance available. (4 VOTES)
53. Establish Appropriations of \$244,089.40 in the Library Fund, Operating Transfer Out, for Capital Project 1000179, Julian Shared Use Library, based on fund balance available. (4 VOTES)
54. Establish Appropriations of \$2,688,843 in salaries and benefits for Quality First payments based on the Finance and General Government Group's Fiscal Year 2003-04 fund balance available as follows: Assessor/Recorder/County Clerk, \$898,521; Auditor and Controller, \$639,978; Chief Administrative Office, \$62,920; Civil Service Commission, \$7,819; Clerk of the Board, \$86,176; County Counsel, \$166,860; County Technology Office, \$135,250; Human Resources, \$328,741; Treasurer/Tax Collector, \$277,538; and Finance and General Government Group Executive Office \$85,040. (4 VOTES)
55. Establish Appropriations of \$70,452 in the Department of Media and Public Relations in salaries and benefits for Quality First payments based on Fiscal Year 2003-04 fund balance available in the CATV Special Revenue Fund. (4 VOTES)
56. Cancel appropriations of \$10,547,398 in the Information Technology Internal Service Fund to eliminate duplicate appropriations.

**Fiscal Impact**

The funds for a portion of these requests are not budgeted. These actions will cancel budgeted appropriations and the related sources of funding in the amount of \$10,805,650. If approved, these actions will establish additional appropriations of \$20,745,580 resulting in a net increase in appropriations of \$9,939,930.

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**Business Impact Statement**

N/A

**Advisory Board Statement**

The relevant items were presented to the various Health and Human Services Agency advisory boards for information.

**BACKGROUND:**

The development of this year's Operational Plan gave us many challenges. Because of the State's budget crisis, we've had to deal with compounding decreases in both general purpose and categorical revenues. Last winter we thought we would lose \$55.3 million in property taxes in Fiscal Year 2004-05, but local governments working together succeeded in negotiating a compromise with the Governor and Legislature that resulted in a two-year redirection of property tax revenue to schools and some guarantees regarding the circumstances under which the State could "borrow" funds from local governments in the future and payment for State mandated services. As a result, the County gave up \$27.5 million in property tax revenue to schools in both Fiscal Years 2004-05 and 2005-06. While the compromise was considered to be a win in the long run, we nonetheless have \$27.5 million less revenue available this year than we otherwise would have for providing County services. In addition, the State has maintained the suspension of reimbursements for mandated costs for this year which means spending approximately \$4.0 million of local discretionary funds on State mandated programs that could otherwise be allocated to local discretionary programs. Service levels have been trimmed in public safety, parks and recreation, general government, animal services, and libraries to name a few. Categorical program revenues were also negatively affected, especially in the areas of Agriculture, Weights and Measures, Probation, Child Support, indigent defense, road projects, and libraries. In general, departments are doing a good job of managing service delivery within their constrained resources.

There are a couple of areas to note, however, where we will need to take corrective action by the second or third quarter to ensure that we have adequate resources available to meet obligations or to protect local interests. In the Department of Agriculture, Weights and Measures, maintaining current staffing levels would result in a budget shortfall of approximately \$1.2 million. We will continue to press the State to secure additional funding, but if we are unsuccessful and are forced to cover the cost this year with County funds, we will be reviewing this department for adjustments in next year's Operational Plan. Services at risk include the County veterinarian, pesticide regulation and watershed management.

In Contributions to Trial Courts budget unit, we are projecting a shortfall of about \$3.2 million. Approximately \$2.1 million of the shortfall is due to the State requiring counties to give up a portion of the undesignated fines and forfeitures revenue, while the remainder is due to the revenue sharing requirement under the Trial Court Funding legislation that requires counties to

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equally split certain over-realized fines, forfeitures and penalties with the State regardless of the status of all such revenues. This estimate will be refined and a budget adjustment using Public Safety Group available fund balance will be brought to the Board in either the Second or Third Quarter Budget Status Reports.

The Department of Purchasing and Contracting, operating as an internal service fund, is projecting a net negative variance of \$1.0 million due to a lower than anticipated demand from departments for services. The Department is taking steps to reduce costs and review its rates to ensure that they accurately reflect the cost of providing services. Rate adjustments may be necessary to bring the fund into balance.

There are some instances of good news. The Governor's Proposed Budget had eliminated two-thirds of the Temporary Assistance to Needy Families (TANF) funds (\$8.0 million) used to support juvenile probation services. The County's budget backfilled that loss with general purpose revenues. The State's final budget, however, included an allocation of State general revenues (the Probation Block Grant) to replace the TANF funds, which means that an equal amount of general purpose revenues may be reallocated for other services. We will not know until January, however, when the governor releases his proposed budget for Fiscal Year 2005-06, whether the Block Grant will continue, and if so, at what funding level. As discussed below, the State is likely to be facing a deficit again next year, we will return to the Board with recommendations for reallocating the \$8.0 million in general purpose revenues as part of the Second Quarter Operational Plan Status Report.

There is positive news in the Health and Human Services arena as well. Realignment revenues, after two years of very slow or no growth that was not keeping up with increases in costs, are showing signs of a return to growth rates that are more likely to be able to support the growth in caseloads and costs of services.

**Fiscal Year 2004-05 Fund Balance Projections**

For the General Fund, the first quarter projection of year-end fund balance from current year operations is \$44.2 million, made up of \$3.4 additional General Purpose Revenues, \$17.0 million in net savings from departmental operations, and \$23.8 million in unspent Contingency and Management Reserves. The projected balance for all other funds combined is \$40.2 million. Schedule A summarizes the fund balance projections by Group. The Notes to Schedule A explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through September 2004 and expected expenditures and revenues through the end of the fiscal year.

**The Economy**

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The U.S. economy's calculated Gross Domestic Product (GDP) for 2003 showed an increase of 3.0%. Sustained domestic demand and investments offset by higher energy prices in 2004 and a reduction in the intensity of housing activity lead to a projected 2004 GDP growth of 4.3%.

California's economy is finally moving up and out of a period of very weak growth. The unemployment rate has been inching down, taxable sales are stronger, job growth is starting to occur and personal income is growing at a healthy rate. The technology bust hit California companies very hard for three years, with the loss of wage and salary income concentrated in the San Francisco Bay Area.

Despite the challenges from 2001 through 2003, San Diego's economy appears to have fared well in that it outperformed both the California and national economies in terms of the rate of economic growth. The local economic indicators, San Diego's gross regional product, employment, and personal income, are suggesting a moderate growth rate. Local sales tax transactions have slowed somewhat to a 3.3% growth rate in 2003; however, the real estate market continues to be strong due to high demand and favorable low financing costs.

**California's Long-Term Budget Outlook**

The State of California continues to have a serious budget problem despite the budget actions taken in 2004-05 that included program savings, the use of Proposition 57 bonds, other loans and borrowing, fund shifts, increased revenues and transfers, and diversions of local property taxes. As noted above, the County lost \$27.5 million in property taxes and categorical funding in several programmatic areas, yet we were able to avoid reductions for this fiscal year in the State's support of probation services, reductions in booking fee revenue paid to the Sheriff's Department by cities and special districts, and cuts in Child Support Services. These services and others may be at risk in future years as the State seeks ways to balance its budget. According to the assessment of the State's Legislative Analyst Office, the current spending plan, like the two prior State budgets, contains a significant number of one-time or short-term solutions and it obligates spending in future years. Out-year shortfalls are now estimated to be roughly \$6.7 billion in 2005-06 and \$10.0 billion in 2006-07.

The passage of Proposition 1A, on the November 2, 2004 ballot, marks a significant milestone in the protection of local discretionary revenues. This proposition prohibits the Legislature from permanently reducing the percentage of property tax revenues received by counties, cities, and special districts and it ensures that Vehicle License Fee (VLF) revenues will continue to be dedicated to cities and counties, with the bulk of collected revenues dedicated to Realignment. Among other changes, it clarifies that the Legislature must appropriate funds for State mandates or suspend the provisions of these mandates. The provisions of Proposition 1A will greatly reduce the State's flexibility in solving its budget problems, but should also encourage greater efforts to reform State funded services. The County will continue to monitor the State's budget developments closely and update the Board as necessary.

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**FY 2004-05 Budget Adjustments**

The budget adjustment recommendations in this letter include technical adjustments as well as propose the appropriation of available fund balance to reimburse departments for Quality First and one-time projects for each Group and the Agency.

**Recommendation 2**

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. Adjustments are for high priority or critical one-time items and will not result in ongoing expenses or will result in ongoing savings.

**Recommendation 3**

This will establish appropriations in various Public Safety Group departments to fund Quality First payments in the Public Safety Group based on available Fiscal Year 2003-04 fund balance.

**Recommendation 4**

This request will establish appropriations to fund the Fiscal Year 2003-04 true-up of estimated payments to the State Courts for undesignated fees pursuant to Assembly Bill 1759. All California counties are required to submit a portion of \$31 million as required by Section 68085.5 (e) of the Government Code. The amount per County was jointly determined by the California State Association of Counties (CSAC) and the Judicial Council of California. San Diego County's payment in Fiscal Year 2003-04 was \$2.2 million. This obligation continues in Fiscal Year 2004-05 and the Public Safety Group will return to your Board following the second quarter to establish appropriations for the payment due in this fiscal year.

**Recommendation 5**

The County of San Diego contracts for Indigent Defense Services with the San Diego County Bar Association. In Fiscal Year 2003-04, the cases referred exceeded the contract amount by 989 cases. Under the terms of the contract, an additional payment of \$1,931,109 is due.

**Recommendation 6**

This request will re-establish appropriations in the Public Safety Group Executive Office for Major Maintenance Project MP4877, HVAC controls at the George Bailey Detention Facility in the amount of \$374,504 as approved by the Board on May 18, 2004 (10). The start of this project was delayed and this action reestablishes the appropriations necessary to complete the project. This action also establishes appropriations in the amount of \$1.4 million to support Public Safety Group Major Maintenance Projects.

**Recommendation 7**

This request will reestablish appropriations in the Public Safety Group Executive Office in the amount of \$81,000 to support information technology costs to open and operate the Local Assistance Centers located throughout the County in the aftermath of Firestorm 2003. These costs were supported by funds originally approved by the Board on November 5, 2003 (22), but

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were inadvertently not paid or encumbered in Fiscal Year 2003-04 and will now be paid out of the Public Safety Group FY 2003-04 Fund Balance. This request will also establish appropriations in the Public Safety Group Executive Office in the amount of \$50,000 to support the Fire Protection and Emergency Medical Services Regionalization study conducted by the Local Area Formation Commission as directed by the Board on August 3, 2004 (10).

**Recommendations 8 - 10**

This is a request to transfer available funds from the East Mesa Juvenile Detention Facility Capital Project KK 1000136 to cover the cost for the information technology infrastructure necessary to operate the facility. These costs are a component of the \$53 million Capital Project, however, the expenditure for these non-capital improvement costs cannot be made directly from the capital project due to Government Accounting Standard Board (GASB) restrictions. To accommodate the completion of the necessary information technology infrastructure required to operate the facility, available funds should be transferred from the capital project into the general fund.

**Recommendation 11**

The Jurisdictions Unified for Drug Gang Enforcement (JUDGE) program was established fourteen years ago to target, apprehend, and prosecute gang members involved in drug use and sales. Approval of this request will provide the purchase of a scanner, tape recorders, phone recording devices and collapsible ladders to be used in the course of JUDGE related investigative and prosecutorial activities.

**Recommendation 12**

This is a request to appropriate \$7,865 from the District Attorney's Federal Seized Asset Forfeiture Fund to purchase seven monitors and associated cables and transceivers for certain District Attorney reception areas.

**Recommendation 13**

This is a request to establish appropriations in the amount of \$9,000 from the District Attorney's Federal Seized Asset Forfeiture Fund for the District Attorney's share of costs associated with the maintenance and improvement of the Regional Firearms Training Facility.

**Recommendation 14**

This is a request to appropriate \$4,000 from the District Attorney's State Seized Asset Forfeiture Fund to support the Kids/Teens in Court Program. The Kids/Teens in Court Program is an after business hours program, facilitated by the District Attorney, that is designed to introduce youth, who will be testifying on a particular case, to the courtroom environment.

**Recommendation 15**

This is a request for Board approval to accept \$21,431,854 in child care funding, including \$4,348,914 for the Child Care and Development Block Grant Program and Child Development

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Program, and \$17,082,940 of Stage 2 and Stage 3 contract revenue funding. “Welfare to Work in San Diego County,” the welfare strategic plan approved by the Board of Supervisors on August 6, 1997 (5), identifies childcare as essential to the success of the County’s welfare reform. The Agency administers childcare programs for active and former CalWORKs recipients and low-income families whose Welfare-to-Work participation and need for childcare has stabilized, or for former CalWORKs recipients who are employed and transitioning off cash aid. This revenue will enable the County of San Diego to continue to provide childcare payments directly to childcare providers who care for the children of eligible families, thereby reducing the need for public assistance. The Child Care and Development Block Grant Program, the Child Development Program and the Stage 2 and Stage 3 Program provide monthly childcare to approximately 2,612 families (482, 305 and 1,825, respectively).

**Recommendation 16**

In accordance with the Board’s Prevention Policy A-114, the Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment (CHDP/EPSTDT) program provides community-based preventive and early intervention health services to low-income children. This recommendation requests execution of the Certification Statement with the State Division of Children’s Medical Services. Funding for this request is included in the FY 2004-05 Operational Plan. Of the total \$7,234,221 amount, \$5,252,534 is for the CHDP/EPSTDT program, and \$1,981,787 is for the CHDP Foster Care program. This funding will provide for:

- facilitating 150,000 well-child exams for low-income children by community CHDP providers;
- following-up on 95% of high-risk health problems identified on CHDP well-child exams;
- achieving a 95% compliance rate with the State-mandated health check-up school entry requirement for 40,000 San Diego first graders;
- serving 57,000 clients on the Maternal, Child and Family Health Services toll-free line to facilitate enrollment and retention of 226,900 children into low/no-cost health care by June 30, 2005;
- participating in the Health and Human Services Agency’s Access to Care Integration projects, integrating children’s health coverage information into existing county systems working with uninsured children and their families;
- facilitating emergency and preventive dental care for 700 San Diego children;
- initiating 2,300 new Health and Education Passports and completing 25,000 Health Passport entries to ensure medical continuity for foster children;
- providing 22,000 consultations and 100 trainings to 3,000 Child Welfare Services caseworkers, substitute care providers and health care providers;
- facilitating the Coalition on Children and Weight San Diego in order to address the complex risk factors associated with childhood obesity, and to create sustainable policy and environmental changes to improve the overall health of children in San Diego County.

**Recommendation 17**

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The United States Congress authorized a continuing response to the threat of bioterrorism and other public health emergencies in June 2002. As part of this initiative, the Health Resources and Services Administration (HRSA) began awarding funds to states for developing and implementing regional plans to improve the capacity of the health care system. Funding was earmarked for hospitals, emergency departments, outpatient facilities and emergency medical services systems to respond to incidents requiring mass immunization, isolation, decontamination, and diagnosis and treatment in the aftermath of terrorism or other public health emergencies. The HRSA funding complements the County's on-going bioterrorism preparedness activities that are funded primarily through the Centers of Disease Control and Prevention. The State of California did not approve the County's Fiscal Year 2003-04 HRSA plan until June 2004. As State approval was not received until late in the fiscal year, HRSA approved HHSA's plan to use unspent Fiscal Year 2003-04 HRSA allocations in Fiscal Year 2004-05.

**Recommendation 18**

The Health and Human Services Agency (HHSA) administers public assistance programs and is required to ensure the benefits are issued to eligible low-income individuals and families in San Diego County. County welfare departments are also required to investigate all cases of suspected applicant or recipient fraud in accordance with Division 20 of the State Manual of Operations.

The Board of Supervisors authorized transfer of the welfare fraud investigation function from HHSA to the District Attorney's (DA) Office on February 16, 1993. HHSA and the DA's Office enter into a Purchase of Services Agreement annually, which includes fiscal reimbursement for DA's expenditures on fraud investigations and prosecutions.

The HHSA Fiscal Year 2004-05 Operational Plan budget includes \$6,754,086 for the DA's welfare investigations and prosecutions. The DA'S Office projects expenditures for the welfare fraud investigations for Fiscal Year 2004-05 at \$7,908,425, which is an increase of \$1,154,339 from the amount in the HHSA Operational Plan. This action will not increase staff years.

**Recommendation 19**

On February 24, 2004 (10), the Board authorized an agreement with the California Department of Health Services for continuation of the Local Bioterrorism Funding Plan and Budget for Fiscal Year 2003-04. The funding source is the federal Centers for Disease Control and Prevention (CDC). The purpose of the funds is to upgrade local public health jurisdictions' preparedness for and response to Bioterrorism and other public health threats and emergencies. The CDC has identified several focus areas: Planning and Readiness Assessment, Medical Surveillance and Epidemiology Capacity, Laboratory Capacity for Biological Agents, Communications and Information Technology, Risk Communication to the General Public, and Education and Training. Within these focus areas, they have provided funds for smallpox and Strategic National Stockpile planning. This appropriation is necessary to make these funds

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available for expenditure in FY 2004-05. The funds are currently in Trust Fund 61130 (formerly 512002), the DHS-LPH Preparedness Trust Fund. These funds will be used to further the local Bioterrorism Preparedness Plan by upgrading medical and health emergency management operations. Upgrades will include the purchase and centralization of equipment for rapid communication and unified coordination during any medical disaster. These activities are consistent with the focus areas identified for upgrades by the CDC.

**Recommendation 20**

On February 10, 2004 (6), the Board approved a request to issue a competitive solicitation for contracts effective July 1, 2004, implementing a comprehensive Community Services for Families program throughout San Diego County. The primary focus of the CSF services is to provide a continuum of child welfare support services to assist at risk families in providing safe and stable homes for their children. The contract objectives of Child Safety, Child Well-Being, Stable Living Environments, Permanency and Development of Community Involvement were based on priorities set by the County Strategic Plan and the California – Child and Family Services Review (C-CFSR) (also known as Assembly Bill 636). Contracts were awarded in June 2004 to be effective September 1, 2004.

On February 10, 2004 (6), the Board approved a total of \$5,978,744 to fund the Community Services for Families contracts. In the Fiscal Year 2004-05 budget build less appropriations were inadvertently established than the Board authorized. An additional \$746,831 in appropriations and revenues is now being requested to completely fund the contracts as approved by the Board. Funding for this request will come from the Child Abuse fees. This action was approved by the Commission on Children, Youth and Families at the August 20, 2004 Executive Committee meeting.

**Recommendations 21 & 22**

Based on previous Board approval, HHSA has applied and received a Health Resources and Services Administration grant for additional funding to improve the quality of life for residents at Edgemoor. This recommendation will authorize the purchase of medical, dietary, therapeutic and transportation equipment at Edgemoor Hospital. This equipment will be used to enhance services provided at the current facility and all equipment purchased will be utilized in the new facility that has been approved by the Board. Although this is a multi-year HRSA grant, HHSA anticipates fully expending the \$492,080 in Fiscal Year 2004-05.

**Recommendation 23**

The Multi-Purpose Senior Services Program (MSSP) provides case management services, delivered by Aging & Independence Services staff, to eligible seniors aged 65 and over receiving Medi-Cal who are at risk for institutional care. The program allows frail seniors to remain safely in their homes at a lower public cost than nursing homes. The program utilizes various vendors to provide nutrition services, in-home support, transportation, non-medical equipment, adult day care, minor home repairs and maintenance. On June 22, 2004 (4) the Board approved a revenue

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agreement with the California Department of Aging in the amount of \$2,167,092 for the period July 1, 2004 through June 30, 2005. The amount approved included a 15% anticipated reduction in grant funding. However, subsequent to this approval, the reduction in grant funding was canceled and full funding restored in the State Budget Act for MSSP in the amount of \$2,535,744. This recommendation will add the additional appropriations in the Fiscal Year 2004-05 Operational Plan for the program.

**Recommendation 24**

This recommendation requests authority to establish appropriations in the Agency to pay outstanding Fiscal Year 2003-04 contract expenses. In the fourth quarter Fiscal Year 2003-04, encumbrances for outstanding obligations that would be paid in Fiscal Year 2004-05 were inadvertently cancelled. Appropriations are now required in Fiscal Year 2004-05 to pay these obligations. The cost of these obligations are fully offset through a State Immunization grant.

**Recommendations 25 & 26**

In accordance with Board of Supervisor's direction, HHSA has applied for funding to address critical substance abuse problems in the community. The County of San Diego was awarded a grant in a total amount of \$299,996 to expand the current Underage Drinking Initiative to address binge drinking among youth and young adults between the ages of 12-25. This funding is spread between two fiscal years. This action establishes appropriations of \$224,997 in the current fiscal year. The remaining \$74,999 will be included in the Fiscal Year 2005-06 Operational Plan.

HHSA anticipates that the grant will fund eleven competitively procured contracts for regional prevention collaboratives to engage in the development of community level prevention approaches to binge drinking and evaluation. On March 16, 2004 (11), the Board of Supervisors approved procurement of these services and current contracts will end December 2004. This grant will be used to fund amendments to contracts awarded as a result of the competitive procurement. The funding will be included in contracts beginning January 1, 2005 that meet the March 16, 2004 Board direction. The strategies will be environmental and public policy approaches that are culturally responsive to individual communities and coordinated at a countywide level. The specific strategies will be developed through the initial year planning process, that will be driven through identification and collection of currently unavailable data regarding the incidence and prevalence of binge drinking patterns in nine regions throughout the county.

In addition, this grant will fully fund the County of San Diego costs (16% of grant) associated with this action

**Recommendation 27**

This recommendation will establish appropriations of \$203,333 that will support a Network of Care strategy to improve elderly and disabled consumers' access to information about the

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availability of health care and social services. On July 13, 2004 (17) the Board approved a revenue agreement with the California Department of Aging in the amount of \$610,000 for the period July 1, 2004 through June 30, 2007. Of the total grant amount of \$610,000, a total of \$203,333 is available for services in the current year.

The Long Term Care Integration Project has been a multi-year effort approved by the Board of Supervisors to explore strategies for integrating acute and long-term care for elderly and disabled county residents. At Board direction, the Agency has been working with providers, consumers, caregivers and advocates to examine strategies for this integration of care. The Network of Care is not a service delivery option, but rather supports an integrated information and communication system building upon the County's existing Aging Network of Care website.

**Recommendation 28**

On December 9, 2003 (15), the Board authorized a modification to an existing revenue agreement to add \$280,000 for the period September 30, 2003 through September 30, 2004 for an assessment of current capability to respond to Weapons of Mass Destruction (WMD) event. These funds are used locally to sustain the Metropolitan Medical Response System, initially established on September 16, 1997 (53). Revenue of \$200,000 was not realized in FY 2003-04, but will be realized in FY 2004-05 in addition to the \$80,000 already appropriated for FY 2004-05.

**Recommendation 29**

The County has received federal Ryan White Comprehensive AIDS Resource Emergency (CARE) Act funding since 1991 to provide care and treatment services to persons with HIV/AIDS. HRSA, the federal agency that oversees the Ryan White CARE Act, allows funded agencies to utilize previous years' unexpended amounts. Agency staff requested and received authorization from HRSA to expend \$195,736 in the previous year's unexpended funds during the current fiscal year for Ryan White CARE Act services. This award is expenditure based, with the County being reimbursed for all eligible expenditures up to the award amount. Approximately 95 percent of the award amount is allocated to community providers, via cost reimbursement contracts, and over 98 percent of the previous year amount of \$11,079,170 was expended. The remaining rollover funds of \$195,736 will be used to augment HIV/AIDS care and treatment for contracted Minority AIDS Initiative and primary care services.

**Recommendation 30**

Under California law, children in automobiles must be restrained in child safety seats up to the age of six years or weighing less than 60 pounds. The cost of purchasing these required devices is an obstacle to the safety of low-income parents. On May 13, 2001 (11), the Board approved and authorized a revenue agreement with the State Office of Traffic Safety for the Safety First Program. The Safety First program distributed and provided instructions on the proper use of safety seats to low-income parents to assure their compliance with California Vehicle Code sections that protect children from collision injury.

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Since its beginning in July 2002, the Safety First program has distributed 2,519 car seats countywide. The Office of Traffic Safety has authorized the County of San Diego to continue the distribution efforts for another year using the savings of \$130,000 from the previous year. If approved, this recommendation would result in additional safety seats distributed and installed for low-income families with eligible children.

**Recommendation 31**

On May 11, 2004 (5), the Board ratified and authorized the Clerk of the Board to accept a grant award for up to \$150,000 from the Department of Health and Human Services, Office of the Surgeon General for the Medical Reserve Corps Demonstration Project for the period of September 30, 2003 through September 29, 2006. These funds will be used to further strengthen the County's response to Bioterrorism or other catastrophic events by increasing the pool of trained and qualified medical volunteers. Under the previous contract with the San Diego Medical Society that was amended with Board of Supervisors approval in the May 11, 2004 (5) action, a total of 200 medical professionals were identified and will attend training in responding to bio-terrorism or other catastrophic events.

**Recommendations 32 – 34**

On May 22, 2001 (1), at Supervisor Jacob's recommendation, the Board directed staff to identify and prepare "cool zones" at libraries, community and senior centers, and private sector and faith-based facilities throughout the County. On December 4, 2001 (4) the cool zones project was initiated. Sixty-two private and public facilities have since established cool zones. On February 24, 2004 (42) the Public Utilities Commission awarded the County \$20,000 in funding, administered through SDG&E, to enhance cool zones for the summer of 2003.

These recommendations will accept retroactive funding for the period July 15, 2004 through December 31, 2004. Under the Cool Zones program, resources were used to provide transportation to approximately one hundred cool zone sites throughout the county; provide community outreach, education, and public awareness of cool zones; maintain operating hours of sites offering cool zone services; and, through a cooperative effort with the City of San Diego and SDG&E, allow for the purchase and distribution of 1,150 fans to at-risk seniors and disabled persons. Approval of these recommendations will authorize acceptance of future cool zones funding from SDG&E if it becomes available, and will appropriate the SDG&E funds provided for the period from July 15 through December 31, 2004.

**Recommendations 35 & 36**

The National Council on the Aging (NCOA), via the Access to Benefits Coalition (ABC), has awarded the County of San Diego a \$40,000 grant to help Medicare eligible citizens gain access to affordable prescription drugs. As funding is for a period crossing County of San Diego fiscal years, a total of \$24,000 is appropriated for the current fiscal year and \$16,000 for the subsequent fiscal year.

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Aging & Independence Services (AIS) will use the grant funding to educate up to 18,000 seniors on the new Medicare Prescription Drug Benefit program and other drug discount programs, and enroll up to 3,600 local seniors and disabled persons into the Medicare Prescription Drug Benefit program, including the purchase and use of the prescription drug discount cards. To achieve this goal, AIS has formed the Red Tape Cutters program, a collaboration between the County of San Diego and a coalition of over 25 community partners. The target populations will include low-income individuals currently enrolled in the In-Home Supportive Services program (IHSS) as well as other case management programs administered by the County, minority populations who experience multiple barriers in accessing health-related information in their communities, and Native American populations who live in remote rural areas that often lack telephone and mail service.

**Recommendations 37 & 38**

This request will establish appropriations in the various departments in the Land Use and Environment Group for Quality First payouts based on available Fiscal Year 2003-04 fund balance.

**Recommendation 39**

In accordance with County of San Diego Administrative Code Section 286.8 the Fish and Wildlife Advisory Commission disburses State Fish and Game fines and forfeitures moneys for programs and projects that demonstrate a benefit to the fish and wildlife of the County. This request will establish appropriations of \$61,986 to pay for anticipated grant awards by the Fish and Wildlife Advisory Commission in Fiscal Year 2004-05.

**Recommendation 40**

The County Veterinarian was awarded a \$16,400 grant by the Fish and Wildlife Advisory Commission to acquire and install safety and detection equipment to be used to diagnose West Nile Virus and other emerging diseases affecting different species of wildlife and their habitats.

**Recommendation 41**

On May 5, 2004, item 5, the Board of Supervisors approved a study for the establishment of a Transportation Infrastructure Development Fee. That study was originally for the community of Ramona. The scope of the study has been increased to benefit all unincorporated communities. This request transfers \$240,000 in Land Use and Environment Group's management reserves to the Department of Public Works General Fund for the developer impact fee study.

**Recommendation 42**

This recommendation ratifies an amendment to the spending plan for the Department of Public Works Equipment Operations ISF to align appropriations with services provided during Fiscal Year 2003-04.

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**Recommendations 43 - 49**

These recommendations ratify increases in appropriations to the Fiscal Year 2003-04 budgets for CSA 109 Mt Laguna Fire/Medical, CSA 111 Boulevard Fire Protection, PRD 24 Mount Whitney Road, CSA 115 Pepper Drive, CSA 112 Campo Fire District and PRD 123 Mizpah Lane to align appropriations with services provided during Fiscal Year 2003-04.

**Recommendation 50**

This action will add one additional position in the Department of Parks and Recreation for ballfield maintenance. This position was omitted in the Board's adoption of the Fiscal Year 2004-05 Operational Plan. It was part of the Chief Administrative Officers Change Letter Supplement, dated June 18, 2004, included in the Change Letter.

**Recommendation 51**

This request will establish appropriations in the various departments in the Community Services Group for the Quality First payout based on available Fiscal Year 2003-04 fund balance.

**Recommendation 52**

This request will establish appropriations to fund Quality First payments in the County Library Fund based on available Fiscal Year 2003-04 fund balance.

**Recommendation 53**

This recommendation establishes appropriations of \$244,089.40 in the Library Fund, Operating Transfer Out, for the Julian Shared Use Library. Appropriations were inadvertently not encumbered prior to year-end. These funds reverted back to the Library fund balance, and are being reestablished via this action. This will allow construction to continue on this capital project.

**Recommendations 54 & 55**

This request will establish appropriations in the various departments in the Finance and General Government Group for the Quality First payout based on available Fiscal Year 2003-04 fund balance.

**Recommendation 56**

This will cancel appropriations that were carried forward for outstanding encumbrances at year-end in the Information Technology ISF. Appropriations for these encumbrances were also included in the Fiscal Year 2004-05 Operational Plan.

**Linkage to the County of San Diego Strategic Plan**

The County is fully committed to using its resources to meet the highest priority needs of its residents as identified in the FY 2004-05 Budget and outlined by our three Strategic Initiatives – Kids, Environment and Safe and Livable Communities.

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Respectfully submitted,

WALTER F. EKARD  
Chief Administrative Officer

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**AGENDA ITEM INFORMATION SHEET**

**CONCURRENCE(S)**

<b>COUNTY COUNSEL REVIEW</b>	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>GROUP/AGENCY FINANCE DIRECTOR</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>CHIEF FINANCIAL OFFICER</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
Requires Four Votes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>COUNTY TECHNOLOGY OFFICE</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A

**Other Concurrence(s):** N/A

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**CONTACT PERSON(S):**

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**AUTHORIZED REPRESENTATIVE:**

Donald F. Steuer, Chief Financial Officer

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**AGENDA ITEM INFORMATION SHEET**

(continued)

**PREVIOUS RELEVANT BOARD ACTIONS:**

8/17/04 (19) Changes to the Proposed Budget, County of San Diego Fiscal Year 2004-05 Final Budget Resolution; February 24, 2004 (23), approved the revenue agreement with the California Department of Education and execution of the Certification Statement for the State CHDP/EPSTDT subvention; May 21, 2002 (23), the Board approved and ratified the execution of HRSA Grant Award to purchase modern equipment for Edgemoor; February 24, 2004 (10), authorized an agreement with the California Department of Health Services for Local Bioterrorism Funding Plan and Budget; February 10, 2004 (6), approved issuance a Competitive Solicitation for contracts implementing the Community Services for Families program; June 22, 2004 (4), the Board approved a revenue agreement with the California Department of Aging; July 13, 2004 (17), the Board approved a revenue agreement with the California Department of Aging; and on 3/16/04 (11): the procurement of Alcohol and Drug Prevention Services; February 11, 2003 (12), Board accepted Ryan White Care Act funding; May 13, 2001 (11), approved a revenue agreement with the State Office of Traffic Safety for the Safety First Program; December 9, 2003 (15), authorized adding \$280,000 in Federal revenue for an assessment of current capability to respond to Weapons of Mass Destruction (WMD) event; ; December 4, 2001 (4) the cool zones project was initiated.

**BOARD POLICIES APPLICABLE:**

A-91, Mid-Year Budget Changes; and B-51, Grants, Awards, and Revenue Contracts – Department to Certify that Project Would Be Worthy of County Financial Support.

**BOARD POLICY STATEMENTS:**

**A-91 Mid-Year Budget Changes**

A waiver of Board Policy A-91, Mid-Year Budget Changes, is requested for the mid-year appropriations of various funds, including Fiscal Year 2003-04 Fund Balance. These funds are needed for payment to employees under the Quality First Program and to make various other budget adjustments to ensure that obligations are met, to correct amounts budgeted, or otherwise enable the effective delivery of County services.

**B-51, Grants, Awards, and Revenue Contracts – Department to Certify that Project Would Be Worthy of County Financial Support**

The Health and Human Services Agency certifies that, in the absence of external funding, these programs would be worthy of County financial support.

**CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**FY 2004-2005 1st Quarter  
Projected Year-end Results**  
(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
<b>General Fund</b>			
Public Safety	\$ 828	\$ 3,723	\$ 4,551
Health & Human Services	41,580	(32,108)	9,472
Land Use & Environment	4,827	(2,363)	2,464
Community Services	3,303	(1,053)	2,250
Finance & General Government	5,800	49	5,850
Total Agency/Group	<u>56,338</u>	<u>(31,751)</u>	<u>24,587</u>
General Revenues	-	3,410	3,410
Finance Other	16,161	-	16,161
<b>Total General Fund</b>	<b><u>\$ 72,499</u></b>	<b><u>\$ (28,341)</u></b>	<b><u>\$ 44,158</u></b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 581	\$ 539	\$ 1,120
Health & Human Services	10,267	20,278	30,545
Land Use & Environment	737	2,188	2,925
Community Services	21,567	(21,437)	130
Finance & General Government	79	104	183
Finance Other - Capital Program	-	-	-
<b>Total Special Revenue Funds</b>	<b><u>33,231</u></b>	<b><u>1,672</u></b>	<b><u>34,902</u></b>
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ -	\$ 310	\$ 310
Health & Human Services	-	-	-
Land Use & Environment	-	(33)	(33)
Community Services	9,003	(10,438)	(1,435)
Finance & General Government	-	-	-
Finance Other	4,000	-	4,000
Other County	-	-	-
<b>Total Internal Service Funds</b>	<b><u>13,003</u></b>	<b><u>(10,161)</u></b>	<b><u>2,842</u></b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 315	\$ (297)	\$ 18
<b>Special District Funds Departments</b>			
Public Safety Group	-	-	-
Health & Human Services	218	34	252
Land Use & Environment	897	1,159	2,056
<b>Total Special District Funds</b>	<b><u>\$ 1,115</u></b>	<b><u>\$ 1,193</u></b>	<b><u>\$ 2,308</u></b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	-	-	-
Community Svcs. - Redevelopment Agencies	\$ 70	\$ 75	\$ 145
<b>Total Other County Funds</b>	<b><u>\$ 70</u></b>	<b><u>\$ 75</u></b>	<b><u>\$ 145</u></b>
<b>Total County Projected Operating Balance</b>	<b><u>\$ 120,231</u></b>	<b><u>\$ (35,859)</u></b>	<b><u>\$ 84,372</u></b>

**FY 2004-2005 1st Quarter  
Projected Year-end Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Departments**

Alternate Public Defender	\$ (8)	\$ 127	\$ 119
Child Support	1,494	-	1,494
Contributions for Trial Courts	(9,406)	6,172	(3,234)
Defense Attorney Contract Admin.	(576)	-	(576)
District Attorney	56	70	126
Law Enforcement Review Board	38	-	38
Medical Examiner	150	(150)	-
Emergency Services	3,984	(3,910)	74
Probation	710	1,793	2,503
Public Defender	416	(18)	399
Public Safety Executive Office	(503)	(81)	(584)
Sheriff	4,473	(279)	4,194
<b>Total General Fund</b>	<b>828</b>	<b>3,723</b>	<b>4,551</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	-	21	21
Probation - Asset Forfeiture	(43)	5	(38)
Probation - Inmate Welfare Program	-	-	-
Sheriff - Asset Forfeiture	(0)	-	(0)
Sheriff - Inmate Welfare Program	624	512	1,136
Public Safety - Proposition 172	-	-	-
<b>Total Special Revenue Funds</b>	<b>581</b>	<b>539</b>	<b>1,120</b>

**Internal Service Funds Departments**

Probation	-	-	-
Sheriff(Jail Stores)	-	310	310
<b>Total Internal Service Funds</b>	<b>-</b>	<b>310</b>	<b>310</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	-	-	-
<b>Total Group Projected Fund Balance</b>	<b>\$ 1,409</b>	<b>\$ 4,571</b>	<b>\$ 5,981</b>

**FY 2004-2005 1st Quarter  
Projected Year-end Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Programs**

Agency Administration	\$ 3,082	\$ (102)	\$ 2,981
Adult Mental Health	(2,436)	2,436	-
Aging & Independence Services	(9,499)	10,776	1,276
Alcohol & Drug Division	40	255	296
Children's Mental Health	(9)	9	-
Child Welfare Services	4,489	(4,210)	279
Proposition 10	(51)	51	-
Public Health Services	(3,686)	6,027	2,340
Regional Operations	44,569	(42,411)	2,158
Regional Program Support	4,888	(4,756)	132
Strategy & Planning	191	(181)	10
<b>Total General Fund</b>	<b>41,580</b>	<b>(32,108)</b>	<b>9,472</b>

**Special Revenue Funds**

Social Services Realignment	3,632	11,475	15,107
Mental Health Realignment	(740)	4,424	3,684
Health Realignment	2,975	4,379	7,354
Tobacco Securitization Fund	4,400	-	4,400
<b>Total Special Revenue Funds</b>	<b>10,267</b>	<b>20,278</b>	<b>30,545</b>

**Internal Service Funds**

DMI-Working Capital( Edgemoor Hospital)	-	-	-
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**Special District Funds Departments**

Ambulance Districts	218	34	252
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**Other County Funds Departments**

	-	-	-
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<b>Total Health &amp; Human Services Agency</b>	<b>\$ 52,065</b>	<b>\$ (11,795)</b>	<b>\$ 40,270</b>
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**FY 2004-2005 1st Quarter  
Projected Year-end Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

			1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
Expenditure Variance		Revenue Variance	

**General Fund Departments**

Agriculture, Weights & Measures	\$ (1,242)	\$ 10	\$ (1,232)
Environmental Health	562	(200)	362
Farm Advisor	(56)	0	(56)
Land Use & Environment Group Exec Office	880	19	899
Parks & Recreation	308	(23)	285
Planning & Land Use	4,376	(2,170)	2,206
Public Works	-	-	-
<b>Total General Fund</b>	<b>\$ 4,827</b>	<b>\$ (2,363)</b>	<b>\$ 2,464</b>

**Special Revenue Funds Departments**

A,W & M (Grazing and Fish & Game Commission)	-	-	-
Parks & Recreation - PLDO	0	1,171	1,171
DPW - Aviation Funds	-	-	-
DPW - Road Funds	144	855	999
DPW - Inactive Waste	593	162	755
<b>Total Special Revenue Funds</b>	<b>737</b>	<b>2,188</b>	<b>2,925</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	-	(33)	(33)
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**Enterprise Funds Departments**

Airport Enterprise Fund	296	(296)	-
Liquid Waste Enterprise Fund	19	(1)	18
<b>Total Enterprise Funds:</b>	<b>315</b>	<b>(297)</b>	<b>18</b>

**Special District Funds Departments**

Air Pollution Control District	859	732	1,591
Parks and Recreation	37	-	37
DPW - Sanitation Districts & Sewer Maintenance	0	413	413
DPW - CSAs	-	-	-
DPW - PRDs	-	-	-
DPW - Flood Control	-	-	-
DPW - Street Lighting Districts	-	15	15
<b>Total Special Districts Funds:</b>	<b>897</b>	<b>1,159</b>	<b>2,056</b>

**Other County Funds Departments**

Debt Service-Local Boards	-	-	-
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<b>Total Land Use &amp; Environment Group</b>	<b>\$ 6,775</b>	<b>\$ 655</b>	<b>\$ 7,430</b>
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**FY 2004-2005 1st Quarter  
Projected Year-end Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Departments**

Animal Services	\$ 185	\$ (1)	\$ 184
Community Services Group Exec Office	2,066	-	2,066
General Services	-	-	-
Purchasing & Contracting	-	-	-
Housing & Community Development	2,070	(2,070)	0
Library Services	-	-	-
Registrar of Voters	(1,018)	1,018	-
<b>Total General Fund</b>	<b>3,303</b>	<b>(1,053)</b>	<b>2,250</b>

**Special Revenue Funds Departments**

Library Services	155	(21)	133
Housing & Community Development	21,412	(21,416)	(4)
<b>Total Special Revenue Funds</b>	<b>21,567</b>	<b>(21,437)</b>	<b>130</b>

**Internal Service Funds Departments**

Facilities Management	5,144	(5,578)	(434)
Fleet Management	3,225	(3,225)	-
Purchasing & Contracting	633	(1,635)	(1,002)
<b>Total Internal Service Funds</b>	<b>9,003</b>	<b>(10,438)</b>	<b>(1,435)</b>

**Other County Funds Departments**

Redevelopment Agency	70	75	145
<b>Total Community Services Group</b>	<b>\$ 33,941</b>	<b>\$ (32,853)</b>	<b>\$ 1,089</b>

**FY 2004-2005 1st Quarter  
Projected Year-end Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 73	\$ 20	\$ 93
Auditor & Controller	1,154	(901)	253
Board of Supervisors	415	2	417
Board of Supervisors-General	-	-	-
CAC-Major Maintenance	-	-	-
Chief Administrative Officer	195	(10)	185
Civil Service Commission	(0)	0	0
Clerk of the Board of Supervisors	326	303	630
County Counsel	273	297	570
County Technology Office	200	-	200
Finance & GG Exec Office	2,210	-	2,210
Grand Jury	37	(20)	17
Human Resources	85	(77)	8
Treasurer/Tax Collector	833	435	1,268
<b>Total General Fund</b>	<b>5,800</b>	<b>49</b>	<b>5,850</b>

**Special Revenue Funds Departments**

Media & Public Relations	79	104	183
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**Internal Service Funds Departments**

CTO - Information Technology	-	-	-
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**Total Finance & General  
Government Group**

<b>\$ 5,879</b>	<b>\$ 153</b>	<b>\$ 6,032</b>
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**FY 2004-2005 1st Quarter  
Projected Year-end Results**

(in thousands)

**GENERAL REVENUES &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund**

General Revenues:

All Current Property Taxes	\$ -	\$ 3,410	\$ 3,410
All Other Taxes-Local	-	-	-
Licenses, Permits & Franchises	-	-	-
Fines, Forfeitures & Penalties	-	-	-
Revenue for Use of Money & Property	-	-	-
Intergovernmental Revenue	-	-	-
Charges for Current Services	-	-	-
Miscellaneous Revenue	-	-	-
<b>Total General Revenues</b>	<b>-</b>	<b>3,410</b>	<b>3,410</b>

General County Expenses:

Cash Borrowing Program	-	-	-
Community Enhancement	-	-	-
Contingency Reserve	15,600	-	15,600
Contributions to the Capital Outlay Fund	561	-	561
Contributions to Library Fund	-	-	-
Community Projects & Services	-	-	-
Countywide Expenses	-	-	-
Total Finance Other Expenses	16,161	-	16,161
<b>Total General Fund</b>	<b>16,161</b>	<b>3,410</b>	<b>19,571</b>

**Special Revenue Funds Departments**

Capital Program	-	-	-
Debt Service-Pension Obligation Bonds	-	-	-
<b>Total Special Revenue Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Internal Service Funds Departments**

Workers Compensation	-	-	-
Unemployment Insurance	-	-	-
Public Liability	4,000	-	4,000
<b>Total ISF Funds</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>

<b>Total General Revenues &amp; Finance Other</b>	<b>\$ 20,161</b>	<b>\$ 3,410</b>	<b>\$ 23,571</b>
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**FY 2004-2005 1st Quarter  
Projected Year-end Results**

Schedule B

(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY04-05 Projected Fund Balance Favorable/ (Unfavorable)
<b>General Fund</b>			
Public Safety	\$ -	4,551	4,551
Health and Human Services	\$ 2,500	6,972	9,472
Land Use and Environment	\$ 442	2,023	2,464
Community Services	\$ 2,036	214	2,250
Finance & General Government	\$ 3,250	2,600	5,850
<b>Agency/Group Totals</b>	<b>\$ 8,228</b>	<b>\$ 16,359</b>	<b>\$ 24,587</b>
General Revenues		3,410	3,410
General County Expenses	-	561	561
Contingency Reserve	15,600	-	15,600
<b>Total Gen'l. Revs &amp; Gen'l. County Exp.</b>	<b>\$ 15,600</b>	<b>\$ 3,971</b>	<b>\$ 19,571</b>
<b>Total General Fund</b>	<b>\$ 23,828</b>	<b>\$ 20,330</b>	<b>\$ 44,158</b>

**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULE A  
FY 2004 - 2005 1st QUARTER**

**GENERAL NOTES**

*Agency/Group Fund Balance Components*

Fund Balance consists of two components - Management Reserves and Operating Balance. Operating Balance is the excess of Revenues over Expenditures as a result of current fiscal year operations. Management Reserves are appropriations that are set-aside at the Group or department level for unanticipated needs or planned future one-time expenses.

*Management Reserves*

The Agency/ Groups do not plan to expend all of their respective Management Reserves during this year and therefore expect that some amount will be available for use in future years. Projected Management Reserves at June 30, 2005 are shown in **Schedule B**.

*Projections of Agency/Group Operations*

Departments project changes to their operational plans based either on revised expectations or on actual revenues or expenditures to date. The significant (greater than \$300,000) variances in total expenditure, total revenue, or net variances from plan are discussed below and categorized by funds.

Most County activities are carried out within the General Fund. The General Fund fund balance is considered to be the primary "equity" cushion of the County, authorized to be drawn upon by specific Board action and according to Board priorities and policies. Projected fund balances in all other funds are restricted to uses that are consistent with the purposes of the individual funds.

**PUBLIC SAFETY GROUP**

***General Fund:***

*Child Support Services*

The Department of Child Support Services (DCSS) is reflecting a net positive variance of \$1.5 million due to anticipated savings in salary and benefit costs. Seventy-five positions are currently vacant. Due to the uncertain status of State funding for local child support agencies, DCSS will limit hiring in permanent positions to only the most critical functions of the operation. Temporary staff will also be used in limited areas to support permanent staff. The projected costs of this plan are included in the salary projections mentioned above.

Federal and State IV-D revenue and total revenues are projected at the amounts budgeted. The Department will realize revenues at this level due to the timing of State claims and the inclusion of eligible indirect costs in the claim.

*Contributions for Trial Courts*

A net negative variance of \$3.2 million is projected for the Contributions for Trial Courts.

A negative expenditure variance of \$9.4 million is projected in Contributions to Other Agencies due to unbudgeted expenditures related to MOE and MOU payments to the State, which will be partially offset by over realized revenue. A positive revenue variance of \$6.2 million is due to higher than budgeted receipts from various fines, fees, and collections, which support the Trial Court MOE and other required payments to the State. The negative variance will be addressed through the use of FY 2003-2004 Public Safety Group General Fund fund balance.

*Defense Attorney Contract Administration*

A net negative variance of \$0.6 million is projected for Defense Attorney Contract Administration due to a projected negative expenditure variance in services and supplies. This represents costs for indigent defense services in death penalty and other cases required to be funded by the County outside of the Private Conflict Counsel Contract. Case issuance and related expenditures will be closely monitored for changes in this projected variance. Should the expenditure trends remain unchanged, Public Safety Group FY 2003-2004 General Fund fund balance will be used to mitigate the negative variance.

*District Attorney*

The District Attorney's Office is projected to end Fiscal Year 2004-2005 with a net positive General Revenue Fund Balance of \$0.1 million. The Fund Balance represents 0.1% of the department's \$107.3 million budget.

A positive expenditure variance of \$0.7 million is projected in salaries and benefits due to extremely restricted hiring continuing from December 2003 coupled with the retirements of 26 employees in March 2004. The District Attorney's Operational Plan assumes and requires that 127 positions remain vacant throughout the Fiscal Year. A total of 150 positions were vacant as of Payroll 8. A negative expenditure variance of \$0.7 million is projected in Expenditure Transfers and Reimbursements due to restricted hiring as a result of the delay in formalizing a final Purchase of Service Agreement (MOU) between the District Attorney's Office and the Health and Human Services Agency.

*Office of Emergency Services*

A net positive variance of \$0.1 million is projected for the Office of Emergency Services. A projected \$1.0 million positive expenditure variance in services and supplies and a positive expenditure variance of \$2.9 million in other charges are

due to costs associated with the FY04 State Homeland Security Grant Program. Since the performance period of the grant extends to November 30, 2005, approximately \$3.9 million equipment purchases and reimbursement to other government agencies will carry over to FY05-06. A negative revenue variance of \$3.9 million will directly offset these projected savings. An additional contribution to the net positive variance is a projected positive expenditure variance of \$0.1 million in salary and benefit costs.

#### *Probation*

A net positive variance of \$2.5 million is projected for the Probation Department.

A positive expenditure variance of \$0.7 million is projected for the Probation Department. The negative expenditure variance of \$1.3 million projected in salaries and benefits is due to quality first payments. This variance will be offset with over-realized revenues described below. A positive expenditure variance of \$0.6 million is projected in services and supplies. These savings are due to decreased training costs, projected savings in ISF costs, and projected savings in contract costs associated with Probation Caseload Management Systems (PCMS). A positive expenditure variance of \$1.4 million is projected in other charges. This variance is due to anticipated savings in the Foster Care budget of \$0.7 million. The Probation Department has worked closely with the Juvenile Court in an effort to minimize the number of wards ordered by the Court to placement in residential treatment facilities. The variance is also attributable \$0.7 million in anticipated savings in California Youth Authority costs due to current commitment practices of the Juvenile Court.

A positive revenue variance of \$1.8 million is projected for the Probation Department. This is due to a positive variance of \$1.0 million in State Admin Child Welfare Title XX revenue due to increases in Title IV-E revenue generated by claiming eligible activities. A positive variance of \$0.4 million is projected in Other Federal Grants due to the Center for Sex Offender Management (CSOM) grant program (\$0.1 million) and the Drug Court Federal Challenge Grant II (\$0.2 million). A positive variance of \$0.6 million is projected in Other Court Costs and a positive variance of \$0.4 is projected in Institutional Care. These variances are attributable to increased collections of fees for services. A negative revenue variance of \$0.9 million is projected in State and Federal Foster care revenue related to the expenditure savings reported in Other Charges. Less claimable revenue results from fewer placements in residential treatment facilities. An additional positive revenue variance of \$0.3 million is attributable to the projected over-realization of revenue in assorted other revenue categories.

#### *Public Defender*

A net positive variance of \$0.4 million is projected for the Public Defender.

A positive expenditure variance of \$0.6 million is projected in salaries and benefits is due to anticipated resignations and retirements of high-level

classifications and the plan to fill these positions with entry-level classifications. A negative expenditure variance of \$0.2 million is projected in services and supplies due to unanticipated expenditures in telecommunications and desktop computing required to accommodate temporary employees that were hired to address increased caseload demands.

*Public Safety Executive Office*

A net negative variance of \$0.6 million is projected for the Public Safety Group Executive Office. The variance is primarily attributable to a projected \$0.5 million negative expenditure variance in services and supplies due to expenses under review and dispute in the Telecommunication Internal Service Fund and unbudgeted Major Maintenance costs. Public Safety Group FY 2003-2004 General Fund fund balance will be used to mitigate the negative variance.

*Sheriff*

The Sheriff's Department projects a net positive variance of \$4.2 million.

A positive expenditure variance of \$5.2 million is projected in salaries and benefits due to salary savings as a result of vacant positions. This projection includes "Expected New Hires" of 154 sworn staff from academies in progress or forthcoming and 23 professional staff. Also, this projection accounts for 67 retirements/departures. A negative expenditure variance of \$0.7 million is projected in services and supplies due to increases in Automotive Fuel costs (\$0.3 million), Auto Maintenance (\$0.2 million), Laboratory Services (\$0.1 million, and Rents and Leases-Equipment (\$0.1 million).

A negative revenue variance of \$0.3 million is projected. Factors contributing to the negative revenue variance include a negative variance of \$3.0 million in Other Miscellaneous revenues due to reserving of the Las Colinas Replacement Fund for its intended purpose and a negative revenue variance of \$0.4 million in State Criminal Alien Assistance Program (SCAAP) due to an increased number of applicant counties vying for a decreasing amount of Federal funds. The County's award for this program was less than anticipated when the current budget was developed. A positive revenue variance of \$3.0 million in Booking Fees is due to cities' ability to compensate the County through State Budget reimbursement.

***Special Revenue Funds:***

*Inmate Welfare*

A net positive variance of \$1.1 million is projected for the Inmate Welfare fund. A positive expenditure variance of \$0.6 million is projected in operating transfers out due to a scale down of the commissary warehouse remodel. A positive revenue variance of \$0.5 million is primarily due to a projected positive variance of \$0.4 million in Recovered Expenditures resulting from an overpayment to the Grossmont Union High School District for inmate educational programs.

### ***Internal Services Funds:***

#### *Jail Stores*

A net positive variance of \$0.3 million is projected in the Jail Stores fund attributable to a positive revenue variance of \$0.3 million due to increased sales as average inmate population is higher than estimated.

## **HEALTH & HUMAN SERVICES AGENCY**

### ***General Fund:***

#### *Agency Administration*

The Agency Administration consists of the following: Agency Executive Office, Financial Services, Information Technology, Human Resources and Agency Contract Support. A net positive variance of \$3.0 million is projected for Agency Administration. The variance is the result of net expenditure savings of \$3.1 million and projected under-realized revenues of \$0.1 million. The \$3.1 million expenditure savings includes an anticipated \$2.5 million year-end balance in Management Reserves and a net \$0.6 million savings in services and supplies and salaries and benefits from normal attrition, unexpended postage and unused contingency contracts. The net \$0.1 million in under-realized revenue includes realizing the \$2.5 million in budgeted fund balance offset by reduced revenue resulting from reduced expenditures.

#### *Adult Mental Health*

No net cost variance is projected in Adult Mental Health. Expenditures are expected to exceed the budget amount by \$2.4 million due to costs associated with managed competition. Due to delays in managed competition, savings planned during budget build are not being realized based on retention of higher levels of staffing. This amount is balanced by a net increase in Mental Health Realignment revenue of \$2.4 million.

#### *Aging and Independence Services*

A net positive variance of \$1.3 million is projected for Aging and Independence Services. The projected over-expenditure of \$9.5 million is the result of \$2.2 million increase in salaries and benefits due to the hiring of 14 additional staff for the In Home Supportive Services (IHSS) program, increased salary and benefit costs for Edgemoor Hospital, a \$6.4 million increase in services and supplies due to caseload increases in IHSS and increased contract costs, and \$0.9 million increase in fixed assets for Edgemoor.

A projected net increase in revenue of \$10.8 million is the result of increased revenue of \$9.5 million for IHSS associated with the State-negotiated federal waiver, \$0.5 million in one time only funds for the Caregiver program, and \$0.8 million for Multi-Purpose Senior Services Program due to rescission of proposed

15% Medi-Cal reduction. Requests for approval of additional appropriations and revenues are included in the Fiscal Year 2004-05 First Quarter Budget Status and Adjustment Letter. However, requests for additional appropriations are still anticipated for the Fiscal Year 2004-05 Second Quarter Budget Status and Adjustment Letter related to the IHSS federal waiver once final information is available.

#### *Alcohol and Drug Services*

A net positive variance of \$0.3 million is projected for Alcohol and Drug services. This variance is due to net savings of \$0.04 million in salaries and benefits, and over realized revenue of \$0.26 million consisting of prior year Drug Medi-Cal revenue and recovered expenditures (refunds from contractors).

#### *Children's Mental Health Services*

No net cost variance is projected in Children's Mental Health. The anticipated net savings are in salaries and benefits due to vacancies in the CMHS Special Education offset by over expenditures in services and supplies. The AB2726 services were transitioned to San Diego area schools and the schools are providing additional revenue of \$3.4 million to the County. This amount was offset by a decrease in projected use of Mental Health Realignment revenue.

#### *County Child Welfare Services*

A net positive variance of \$0.3 million is projected for County Child Welfare Services (CCWS). The net expenditure savings of \$ 4.5 million is the result of \$2.4 million savings in salaries and benefits due to normal attrition and \$2.6 million savings in caseload costs associated with Aid to Adoptive Children and Foster Care, offset by \$0.5 million of over-expenditures in services and supplies. The \$4.2 million projected under-realized revenues results from the anticipated under-expenditures.

#### *Proposition 10*

No net variance is projected for Proposition 10. This is the result of \$0.06 million over-expenditures offset by over-realized revenue of \$0.06 million. The negative variance in expenditure includes \$0.06 million over-expenditure in salaries and employee benefits due to anticipated full staffing. The positive variance in revenue corresponds to the additional \$0.06 million revenue to offset the lack of salary savings. A request for approval of additional appropriations is anticipated and will be submitted with the Fiscal Year 2004-05 Second Quarter Budget Status and Adjustment letter.

#### *Public Health Services*

A net positive variance of \$2.3 million is projected for Public Health Services as the result of \$3.7 million over-expenditures primarily due to Bio-terrorism activities, offset by over-realized revenue of \$6.0 million. Requests for approval of additional appropriations and revenues are included in the Fiscal Year 2004-05 First Quarter Budget Status and Adjustment Letter. However, requests for

additional appropriations are still anticipated for the Fiscal Year 2004-05 Second Quarter Budget Status and Adjustment Letter once management receives clarification on funding from the State.

Over-expenditures of \$5.1 million, primarily in Bio-Terrorism contracted services and \$0.1 in capital assets equipment are offset by the under-expenditure of \$1.3 million in salaries and employee benefits due to normal attrition, and \$0.2 million in other charges due to less client demand than budgeted.

The positive variance in revenue corresponds to the additional \$5.0 million revenue for Bioterrorism program, \$0.1 million in State revenues for MediCal outreach and case management and \$0.9 million EPSDT Federal Admin revenues.

#### *Regional Operations*

A net positive variance of \$2.2 million is projected for Regional Operations. A total of \$44.6 million in expenditure savings are anticipated. Salaries and benefits savings are projected at \$7.8 million due to vacant positions resulting from normal turnover. Efforts to fill vacant positions as quickly as possible are underway. Additional reductions in expenditures are projected to include \$3.8 million associated with services and supplies primarily in contracts, \$10.6 million decrease in Child Care payments, and a \$22.4 million decrease in other charges for CalWORKS, General Relief, Welfare to Work payments. These decreases are associated with caseload needs. A decrease of \$42.4 million in revenues is anticipated as a result of the anticipated expenditure savings.

#### *Regional Program Support Division*

A net positive variance of \$0.1 million is projected for Regional Program Support Division. The projected expenditure savings of \$4.9 million includes \$0.1 million is salary and benefits, \$4.4 million in cancelled prior-year encumbrances, and \$0.4 million savings in Adult Aid and CalWORKS participant benefits. The projected under-realization of revenue by \$4.8 million corresponds to the projected expenditure savings.

#### *Strategy and Planning Division*

A net positive variance of \$0.01 million is projected for Strategy and Planning Division. The projected expenditures savings of \$0.19 million are due to vacancies from normal turnover and savings in case data system contracts. The projected under-realization of revenue by \$0.18 million corresponds to the projected expenditure savings.

#### **Special Revenue Funds:**

A total net positive variance of \$30.5 million is projected for the three Realignment Special Revenue Funds and the Tobacco Securitization Fund.

Expenditure savings of \$5.9 million is projected in the three Realignment Special Revenue Funds. Issues impacting this variance include the State negotiated Federal Waiver for In-home Support Services, managed competition, and the recent negotiated agreement with the San Diego Schools in taking over the unfunded SB-90 mandated services. The net revenue variance of \$20.3 million represents current projections of both sales tax and VLF revenues. The revenue variance reflects anticipated increases associated with the upswing in revenue collections in the last quarter of FY 2003-04. Increased State collections and legislative action allowed for base restoration from FY 2001-02 and a larger payment of prior year caseload growth than anticipated.

The expenditure savings of \$4.4 million in the Tobacco Securitization fund represents the difference between the unallocated dollars in the Adopted Operational Plan and the available annual amount of \$27.3 million.

## **LAND USE AND ENVIRONMENT GROUP**

### ***General Fund:***

#### *Agriculture Weights and Measures*

A negative variance of \$1.2 million is projected by year-end. A \$1.2 million shortfall in salaries and benefits is projected, due to the anticipated expenditures needed for the County Vet, Pesticide Regulation and Watershed Management programs – the equivalent of 19.5 FTE. A \$0.05 million negative variance in services and supplies is projected, due mainly to the continuation of the Wildlife Services contract. This expenditure overage will be offset by eliminating spending on the \$0.1 million fire grant appropriation, based on clarification that monies from this grant may be used solely for tree removal rather than the public education. The department's projected deficit will be dealt with in the second quarter in order to address the structural under-funding once various alternatives are explored.

#### *Environmental Health*

A net positive variance of \$0.4 million is projected for the Department of Environmental Health. The expenditure variance is the result of projected savings in salaries and benefits of \$0.6 million from vacant positions. Positions are being held vacant in the Radiological Health revenue program to offset the possibility of funding reductions due to the State budget situation. This results in salary savings of \$0.1 million. The Vector Surveillance and Control District is holding positions vacant pending the outcome of the zero-based study, resulting in salary savings of \$0.2 million. The remaining \$0.3 million will come from salary savings due to normal attrition. The projected \$0.2 million in under-realized revenue is directly related to the projected expenditure savings.

### *Farm & Home Advisor*

A net negative variance of \$.06 million is projected for the Farm & Home Advisor Office. Salaries and benefits are projected to be under budget by \$0.06 million as a result of current vacancies and reorganization. This savings is offset by greater than anticipated expenditures in services and supplies in the amount of \$0.12 million. These costs are for increases in fuel, vehicle depreciation, asset management, utilities and facilities management. This amount does not include a potential cost of \$0.1 million for the re-roofing of the Advisory's current building. This overage will be addressed during the year, once various alternatives are explored.

### *Land Use and Environment Group – Executive Office*

A net positive variance of \$0.9 million is projected by year-end in the Group's Executive Office. This is primarily due to the savings in salaries and benefits of \$0.43 million due to 1 vacancy and reduction in temporary help, and savings based on a projected year-end balance of \$0.44 million in Management Reserves. A positive revenue variance of \$0.03 million is based on an actual increase in revenue of \$.03 million in reimbursements.

### *Parks and Recreation*

A net positive variance of \$0.3 million is projected for the Department of Parks and Recreation. The variance is the result of projected savings in salaries and benefits of \$0.2 million due to vacant positions. In addition there is projected savings in services and supplies associated with those positions and other reductions of \$0.1 million.

### *Planning and Land Use*

A positive net variance of \$2.2 million is projected for Planning and Land Use. The positive expenditure variance of \$4.4 million is broken down between salaries and benefits of \$1.1 million and services and supplies of \$3.3 million. Savings in salaries and benefits is the result of an average vacancy rate of 7% from July 2004 – September 2004. There were 16 vacancies at the end of September, of those, six (6) positions have been filled. The remaining vacancies are pending interviews or awaiting recruitment. The majority of the \$3.3 million services and supplies projected savings is in consultant services - \$2.7 million. \$1.0 million is related to grant approval delays in the Fire Safety and Fuels Reduction Program, and \$1.0 million is related to revision of the Zoning Ordinance, this project is awaiting approval of the GP2020. The remaining consultant contract savings of \$0.7 million is related to delays in the SAMP program. Of the remaining balance of \$0.6 million, \$0.4 million is related to anticipated savings in IT Application costs. This projected savings may be less if the Documentum and KIVA Upgrade projects are implemented prior to the end of the fiscal year. The remaining \$0.2 million is a sum of various services and supply accounts.

The revenue shortfall of \$2.2 million is comprised of several accounts. Environmental Services and Services to Property Owners (\$0.6 million) shortfall is due to vacancies in the permit processing program – revenue is not generated if staffing is not available to process permits. Federal Aid Hazard Elimination and Safety account (\$1.5 million) is directly related to savings in consultant contracts related to the Fire Safety and Fuels Reduction Program. This project has been delayed and is awaiting final approval of the County’s work plan. The remaining amount is spread over various accounts and is approximately \$0.1 million.

***Special Revenue Funds:***

***Parks and Recreation PLDOs***

A net variance of \$1.2 million is projected for the 25 PLDO Special Revenue Funds. This variance is due to the departmental policy whereby only the revenue required to offset planned expenditures for projects using PLDO funds is included in the current year budget. The additional projected revenue is based on anticipated developer fees for the units developers are building. The funds are set aside by geographic area and can be used for acquisition and development of parks within the area once a project is approved by the Local Planning Agency. Actual revenue is projected to exceed the budgeted amount in the current year, and is consistent with the revenue stream from the prior year.

***Public Works – Aviation Funds, Public Work Roads, and Inactive Waste Site Program***

A net positive variance of \$1.8 million is projected for the Department of Public Works Special Revenue Funds.

- Road Fund. A net positive variance of \$1.0 million is projected for the Road Fund. Overall projected savings in expenditures is \$0.1 million and is primarily due to a decrease in right of way purchases. Revenue is projected to be over-realized by \$0.9 million. Projected increases are due to unanticipated revenue from State matching funds (\$0.3 million) and to increased service requests for both services to property owners (\$0.5 million) and plan check field inspection (\$0.6 million). Projected revenue decreases are due to the cancellation of Gird Road Bridge (\$0.3 million) and reductions in various other revenue accounts (\$0.2 million). Projected revenue includes \$1.1 million in recovered expenditures for the Valley Center project and is offset by a corresponding reduction in TransNet revenue.
- Inactive Waste Fund. A net positive variance of \$0.8 million is projected for the Inactive Waste Fund. Projected savings of \$0.6 million in services and supplies is primarily due to lower than expected costs for equipment rental. Projected over-realization of revenue in the amount of \$0.2 million is from work for others and the sale of three lots.

***Enterprise Funds:***

*Public Works – Airport Enterprise Fund*

No net cost variance is projected. A positive expenditure variance of \$0.3 million is projected. Anticipated savings of \$0.3 million in Capital Assets/Land Acquisition is related to savings from the purchase of land for the Ramona Airport. A projected under-realization of \$0.3 million in revenue is tied to these savings.

***Special District Funds:***

*Air Pollution Control*

APCD is projecting a net positive fund balance of \$1.6 million by year-end. Salaries and benefits are projected to under budget by \$0.9 million. This is from three (3) anticipated retirements, three (3) staff planned leaves, hiring delays and under-filled positions. In addition the Air Quality Trust fund is projecting over-realized revenues of \$0.7 million based on first quarter Department of Motor Vehicles realized registration fees and increased projected interest earnings.

*Public Works*

A net positive year-end variance of \$0.4 million is projected for the Department of Public Works Special District Funds specifically for the Sanitation Districts.

- Sanitation Districts & Sewer Maintenance. A projected revenue overage of \$0.4 million is due to recovery of prior year expenditures in the Spring Valley Sanitation District. Revenue is from the City of San Diego Metropolitan Wastewater Department for their share of the Spring Valley Sanitation District Sewer Outfall costs.

***Internal Service Funds:***

*Public Works*

A net negative variance of \$0.03 million is projected for the Department of Public Works Internal Service Fund and will be offset by the ISF fund balance. The projected under-realization of revenue is due to Loss on Sale of Fixed Assets (\$0.04 million), which is partially offset by over-realized miscellaneous prior year revenue (\$0.01 million).

**COMMUNITY SERVICES GROUP**

***General Fund:***

*Community Services Group Executive Office*

A net positive variance of \$2.1 million is projected for the Community Services Executive Office. The expenditure savings is based on an anticipated year-end balance in Management Reserves from prior-years' savings set aside for: future-years' operations and maintenance of the Documentum enterprise standard

content management system (\$1.8 million); and, multi-year matching funds for a \$1.4 million Stormwater Management Demonstration project grant (\$0.2 million).

*Housing & Community Development Administration*

No net variance is projected for the Housing & Community Development department. A positive expenditure variance of approximately \$2.1 million is offset by revenue under-realization of \$2.1 million. The expenditure variance is primarily the result of: \$1.0 million savings in salaries and benefits due to holding 10 positions vacant in response to Federal Housing and Urban Development (HUD) funding uncertainties, and under-filling of series classifications to allow for professional growth; and, \$1.1 million savings in services and supplies due primarily to delaying the upgrade of the Rental Assistance software system in response to HUD funding uncertainties. The projected revenue under-realization is a direct result of the projected expenditure savings; revenue is earned on a cost reimbursement basis.

*Registrar of Voters*

No net variance is projected for the Registrar of Voters. A projected \$1.0 million over-expenditure, primarily in services and supplies, for voter outreach activities required by the Help America Vote Act (HAVA) is offset by over-realized revenue from a HAVA Grant. After final accounting for costs of the November election, appropriation of FY 2003-04 fund balance will be recommended in the FY 2004-05 Second Quarter Budget Status and Adjustment Letter to offset additional costs for voter outreach activities in compliance with an agreement with the Federal Department of Justice (estimated at \$0.6 million), and supplies related to the change to an Optical Scan Voting system for the November Presidential election (estimated at \$0.2 million).

***Special Revenue Funds:***

*Housing & Community Development*

No net variance is projected for Housing & Community Development multi-year projects. A projected \$21.4 million expenditure savings is offset by revenue under-realization; costs are 100% revenue offset. To facilitate the multi-year project expenditure request process, all housing funds that the County is eligible to receive from the funding sources are budgeted. The expenditure savings is projected for multi-year projects that will not be completed in the current fiscal year.

***Internal Service Funds:***

*Facilities Management*

A net negative variance of \$0.4 million is projected for the Facilities Management ISF. The negative variance is the net result of: \$0.3 million in greater than budgeted Quality First payments; \$5.4 million services and supplies expenditure savings primarily due to pending decisions regarding the funding of major

maintenance projects and less than anticipated service level requirements for contract, maintenance, and mail services; offset by revenue under-realization of \$5.6 million. The net variance will be addressed as a roll forward expense in the development of subsequent years' rates.

#### *Fleet Management*

No net variance is projected for the Fleet Management ISF. A projected \$3.2 million expenditure savings, primarily in Fixed Assets due to reduced customer demand for replacement vehicles in response to reduced funding, is offset by \$3.2 million under-realized revenue reflecting decreased use of department services by customer departments.

#### *Purchasing & Contracting*

A net negative variance of approximately \$1.0 million is projected for the Purchasing & Contracting ISF. The negative variance is the net result of: services and supplies expenditure savings of \$0.6 million due to conservative spending on the part of the department; offset by revenue under-realization of \$1.6 million due to continued cautious spending patterns of County departments in response to reduced funding that have declined faster than the department has been able to reduce operating costs. The department is exploring further operating efficiencies and cost reductions. The net variance will be addressed as a roll forward expense in the development of subsequent years' rates.

### **FINANCE & GENERAL GOVERNMENT GROUP**

#### ***General Fund:***

##### *Auditor & Controller*

A net positive variance of \$0.2 million is projected for the Auditor and Controller. The variance is the result of projected savings of \$0.8 million in contracted services, and a \$0.2 million year-end balance in Management Reserves is projected. This expenditure savings is offset by projected under-realized revenue of \$.8 million from collection services that is directly related to the expenditure savings in contracted services for outside collection activities.

##### *Board of Supervisors*

A net positive variance of \$0.4 million is projected for the Board of Supervisors. The variance is the result of projected savings in salaries and benefits of \$0.4 million through careful management of staff resources.

##### *Clerk of the Board of Supervisors*

A net positive variance of \$0.6 million is projected for the Clerk of the Board of Supervisors. The expenditure variance of \$0.3 million is made up of \$0.1 million in salaries and benefits due to staff turnover and management of resulting vacant positions and a projected year-end balance of \$0.2 million in Management

Reserves. The balance of \$0.3 million is made up of over-realized revenue from various miscellaneous revenue sources.

#### *County Counsel*

A net positive variance of \$0.6 million is projected for County Counsel. The variance is the result of expenditure savings of \$0.3 million including approximately \$0.1 million in salary and benefit savings and a projected year-end balance of \$0.2 million in Management Reserves. The positive revenue variance of \$0.3 million is based on projected over-realized revenues for legal services provided to various sources.

#### *Finance and General Government Group*

A net positive variance of \$2.2 million is projected for the Finance and General Government Group Executive Office. The variance is the result of projected savings in services and supplies of \$0.2 million due to savings in information technology and a projected year-end balance of \$2.0 million in Management Reserves.

#### *Treasurer/Tax Collector*

A net positive variance of \$1.2 million is projected for the Treasurer Tax Collector. This variance is primarily due to \$0.6 million in salary savings generated as a result of employee retirements and employees receiving opportunities in other organizations and \$0.2 million in expenditure savings based on a projected year-end balance in Management Reserves. In addition, \$0.4 million of over realized revenues is projected primarily in penalties and cost delinquency taxes.

### **GENERAL REVENUES & GENERAL COUNTY EXPENSES**

#### ***General Revenues & General County Expenses***

The General Fund fund balance for these two categories combined is projected to be \$19.6 million, comprised of an additional \$3.4 million estimate in General Revenues and a positive \$16.2 million of savings in General County Expenses.

#### *General Revenues*

The San Diego economy continues to fare well, outperforming both the California and national economies in terms of rate of economic growth. The local economic indicators, including San Diego's gross regional product, employment, and personal income, show moderate growth. Local sales tax transactions have slowed somewhat to a 3.3% growth for 2003; however, the real estate market continues to be steady due to high demand and continued favorable low financing costs.

#### *All Current Property Taxes*

All Current Property taxes are estimated to provide a \$3.4 million favorable net variance.

- *Current Secured Property Taxes*

Current Secured Property taxes/ERAF-VLF & Sales Tax Replacement revenue is projected to be \$3.4 million over budget.

Beginning in Fiscal Year 2004-05, the County's share of Vehicle License Fee general purpose revenue is eliminated and replaced with money shifted back from the County's Educational Revenue Augmentation Fund (ERAF). ERAF was the fund required to be set up by the State in Fiscal Year 1992-93 to capture the prescribed amounts of property tax to be shifted from local governmental agencies to local schools. This new funding arrangement is the result of the State of California's FY 2004-05 budget actions and the signing of SB 1099. More specifically, the passage of SB 1099 made the following changes to the previous laws: eliminated the current VLF "offset" mechanism and permanently set the VLF rate at 0.65% as of January 1, 2005, versus the original 2%, eliminated VLF "backfill" payments along with the "trigger" provision in current law, replaced VLF backfill payments to cities and counties with property tax revenues shifted back from ERAF via the new VLF Property Tax Compensation Fund to be established by each county, established initial allocations for 2004-05 to each city and each county from the VLF Property Tax Compensation Fund, and provided for allocations in 2005-06 to be calculated based on a formula that takes into account adjusted actual allocations for Fiscal Year 2004-05 and the increase in gross taxable assessed value within each city or each county. When the FY 2004-05 Adopted Budget was formulated, the bases for the ERAF property tax VLF replacement fund amounts had not been determined. Based on the State Controller's Office revised report dated September 16, 2004, the County will be allocated \$3.6 million more than the estimated budget amount.

In Fiscal Year 2004-05, the County reclassified about one-fourth of the sales tax revenue (\$5.15 million in FY 2004-05) to "property taxes in lieu of sales tax" to comply with the State's "triple flip" legislation approved in Fiscal Year 2003-04. More specifically, effective July 1, 2004, provisions of AB7 X1, one of the 2003-04 State budget bills referred to as the "triple flip", took effect. It enabled the State to redirect one-quarter cent of the local sales and use tax to the State to repay up to \$15 billion in bonds authorized by Proposition 57 (March 2004) to help the State refinance its past debt. In turn, the lost revenues are replaced with countywide property tax revenues shifted back from the Educational Revenue Augmentation Fund (ERAF). When the FY 2004-05 Adopted Budget was formulated, the bases for the ERAF property tax Sales replacement fund amounts had not been

determined. Based on a letter from the Department of Finance dated August 25, 2004, the County will be allocated \$0.2 million less than the estimated budget amount.

### General County Expenses

#### *Contingency Reserve*

The entire \$15.6 million budgeted in the Contingency Reserve in FY 2004-05 is expected to be unspent at year-end.

#### *Contributions to Capital Outlay Fund*

A net positive variance of \$0.56 million is projected. The variance is the result of savings from the 800 Mhz and Central Jail lease payments resulting from interest credits on various long-term obligations.

### **Internal Service Funds**

#### *Public Liability*

A year-end savings of \$4.0 million is due to projected expenditure savings compared to budget. These savings are attributed to lower settlement costs than anticipated, based on current estimates.