



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: June 11, 2003

TO: Board of Supervisors

SUBJECT: CHIEF ADMINISTRATIVE OFFICER'S PROPOSED OPERATIONAL PLAN – FISCAL YEARS 2003-04 AND 2004-05 – CHANGE LETTER (District: All)

SUMMARY:

Overview

On May 13, 2003 (5, 27, REDEV 1), the Board of Supervisors received the Fiscal Years 2003-04 and 2004-05 Chief Administrative Officer's Proposed Operational Plan and set dates and times for public hearings and deliberations. This is a request to amend the Proposed Operational Plan based on updated expenditure and revenue information and recent Board actions.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the appropriation and funding changes to the Fiscal Year 2003-04 and 2004-05 Chief Administrative Officer's Proposed Operational Plan as shown in the attached CAO Proposed Change Letter.
2. Authorize the Chief Financial Officer to make adjustments as necessary between object accounts with no increases in total departmental appropriations in order to clarify all budget items for the final Operational Plan and budget resolution.

Fiscal Impact

The proposed changes increase the Chief Administrative Officer's Proposed Operational Plan by \$82.6 million in Fiscal Year 2003-04 and decrease the Plan by \$28.9 million in Fiscal Year 2004-05. A 5.00 staff year increase is recommended in Fiscal Year 2003-04 and a 4.00 staff year decrease is recommended in Fiscal Year 2004-05. The increases are offset by program revenues, Agency/Group reserves, and fund balances.

Business Impact Statement

The proposed changes to the Proposed Operational Plan include the purchase of goods and services from the private sector.

**SUBJECT: CHIEF ADMINISTRATIVE OFFICER'S PROPOSED OPERATIONAL PLAN
– FISCAL YEARS 2003-04 AND 2004-05 – CHANGE LETTER**

Advisory Board Statement

Individual advisory boards will review and comment separately on portions of the Proposed Operational Plan.

BACKGROUND:

The purpose of this Change Letter is to update the Chief Administrative Officer's Proposed Operational Plan with information that became available after the document was presented to your Board on May 13, 2003. Separate Agency/Group letters regarding referrals to budget will be submitted in the Operational Plan Deliberations Supplement 2003 at the beginning of deliberations. Recommended changes are summarized below:

On May 14, 2003, Governor Davis released the "May Revision" to his Fiscal Year 2003-04 Proposed Budget. The May Revision included revisions to revenue estimates, funding proposals, and mechanisms for balancing the State's budget. None of the changes to the CAO's Proposed Operational Plan for Fiscal Years 2003-04 and 2004-05 included in this Change Letter reflect the Governor's May Revision. Once the State has adopted a budget for Fiscal Year 2003-04, staff will return to the Board with recommendations to modify the County's budget as necessary.

PUBLIC SAFETY GROUP

The recommended changes for the Public Safety Group increase the Proposed Operational Plan by \$1.7 million in Fiscal Year 2003-04 and decrease the Plan by \$9.1 million in Fiscal Year 2004-05.

Significant proposed changes for Fiscal Year 2003-04 include: \$4.1 million in re-budgets for projects in the Sheriff's and Probation Department that will not be completed in Fiscal Year 2002-03; \$4.1 million net reduction in State and Federal matching funds in Child Support Services; \$1.4 million increase in revenue from the Cal-ID Trust Fund in the Sheriff's Department; \$1.4 million transfer to Health and Human Services Agency for physical and mental health services supporting the East Mesa Juvenile Detention Facility; and a \$1.0 million increase in Recovered Cost revenue in Child Support Services.

HEALTH AND HUMAN SERVICES AGENCY

The recommended changes for the Health and Human Services Agency decrease the Proposed Operational Plan by \$0.04 million in Fiscal Year 2003-04 and increase the Plan by \$2.1 million in Fiscal Year 2004-05.

Significant proposed changes for Fiscal Year 2003-04 include: \$1.39 million increase in General Fund revenue for services associated with the East Mesa Juvenile Detention Facility. This increase has a corresponding decrease in the Probation Department for no net impact in appropriations or funding to the County; \$1.4 million increase to fund Juvenile Diversion services funded with Tobacco Settlement Funds; and a \$2.38 million decrease in the Tobacco Settlement Special Fund based on revised fund balance projections, which has no impact to services.

**SUBJECT: CHIEF ADMINISTRATIVE OFFICER'S PROPOSED OPERATIONAL PLAN
– FISCAL YEARS 2003-04 AND 2004-05 – CHANGE LETTER**

LAND USE AND ENVIRONMENT GROUP

The recommended changes for the Land Use and Environment Group decrease the Proposed Operational Plan by \$10.7 million in Fiscal Year 2003-04 and \$2.1 million in Fiscal Year 2004-05.

Significant proposed changes for Fiscal Year 2003-04 include: \$12.8 million decrease in Engineering Services Detailed Work Program project costs; \$1.4 million decrease in Airport's capital improvements; \$1.1 million increase in Public Works services including Land Development, Solid Waste Management, and Flood Control Districts; and \$2.3 million in re-budgets for projects in Planning and Land Use that will not be completed in Fiscal Year 2002-03.

COMMUNITY SERVICES GROUP

The recommended changes for the Community Services Group decrease the Proposed Operational Plan by \$19.8 million in Fiscal Year 2003-04 and \$16.0 million in Fiscal Year 2004-05.

Significant proposed changes for Fiscal Year 2003-04 include: \$1.0 million revenue reduction in Animal Services due to the non-renewal of contracts by the cities of Escondido and San Marcos, offset by \$0.5 million in Fund Balance revenue transferred from the Executive Office, and \$0.5 million reduction in expenditures; \$18.5 million reduction in General Services to align with County departments' service level requirements; \$0.6 million General Purpose Revenue transferred from the Executive Office to the Registrar of Voters to offset the State's suspension of SB90 Revenue payments; and the addition of five staff years to support the Probation Department's new East Mesa Juvenile Detention Facility.

FINANCE AND GENERAL GOVERNMENT GROUP

The recommended changes for the Finance and General Government Group decrease the Proposed Operational Plan by \$0.1 million in Fiscal Year 2003-04 and decrease the Plan by \$3.9 million in Fiscal Year 2004-05.

Significant proposed changes for Fiscal Year 2003-04 include: \$1.0 million decrease to balance Information Technology Internal Service Fund (ISF) expenditures with those transferred from operating departments; \$0.4 million increase for upgrades to the Assessor/Recorder/County Clerk's Imaging System and workplace safety enhancements; and a \$0.5 million increase for establishing department Management Reserves for the Treasurer/Tax Collector.

CAPITAL PROGRAM

The recommended changes for the Capital Program increase the Proposed Operational Plan by \$5.1 million in Fiscal Year 2003-04.

Significant changes for Fiscal Year 2003-04 include additional appropriations for two existing Capital Outlay Fund projects.

**SUBJECT: CHIEF ADMINISTRATIVE OFFICER'S PROPOSED OPERATIONAL PLAN
– FISCAL YEARS 2003-04 AND 2004-05 – CHANGE LETTER**

FINANCE-OTHER

The recommended changes for the Finance-Other Program increase the Proposed Operational Plan by \$106.0 million in Fiscal Year 2003-04.

Significant proposed changes for Fiscal Year 2003-04 include: \$53.2 million in Countywide Expense to appropriate Finance & General Government and County General Fund Fund Balance to contribute to the Pension Obligation Bond Fund to pay down a portion of the 2002 Taxable Pension Obligation Bonds; and \$53.2 million in the Pension Obligation Bonds Fund to pay down a portion of the 2002 Taxable Pension Obligation Bonds.

Note: \$53.2 million is the amount of debt reduction that will occur. For accounting reasons, the amount must be budgeted in both the General Fund and the Pension Obligation Bond Fund.

The changes noted above are contained in the attached *CAO Proposed Operational Plan Change Letter Fiscal Years 2003-2004 & 2004-2005*. The Summary of Changes presents a Countywide view, each Group/Agency section summarizes the changes for that Group/Agency, and changes are detailed by Department/Program.

Board of Supervisor deliberations on the Proposed Operational Plan and requested changes are scheduled to begin on June 23, 2003.

Linkage to the County of San Diego Strategic Plan

The Operational Plan details each Department's strategic objectives for the next two years and the resources required to achieve them. The three Strategic Initiatives – Kids, Environment, and Safe and Livable Communities are reflected throughout the program objectives in the Operational Plan.

Respectfully submitted,


WALTER F. EKARD
Chief Administrative Officer

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- FISCAL YEARS 2003-04 AND 2004-05 - CHANGE LETTER

AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

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

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: Auditor & Controller

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AUTHORIZED REPRESENTATIVE:



SUBJECT: CHIEF ADMINISTRATIVE OFFICER'S PROPOSED OPERATIONAL PLAN
– FISCAL YEARS 2003-04 AND 2004-05 – CHANGE LETTER

AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

5/13/2003 (5, 27, REDEV 1), Received the Chief Administrative Officer's Proposed Operational Plan for Fiscal Years 2003-04 and 2004-05.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

CONTRACT NUMBER(S):

N/A