



# 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:** December 3, 2002

**TO:** Board of Supervisors

**SUBJECT:** FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)

### SUMMARY:

#### Overview

In June of 2002, the Board of Supervisors approved a responsible Operational Plan for Fiscal Years 2002/03 and 2003/04 which focused on livable/safe communities, kids and environment. This action was taken with the backdrop of fiscal uncertainty emanating from Sacramento as the State struggled to close a \$23,000,000,000 budget gap and adopt a State Budget. Today, we are submitting our First Quarter Report and we continue to commit resources to improving livable/safe communities, kids and environment and we continue to do so with a backdrop of fiscal uncertainty in Sacramento. We have recently learned from the Legislative Analyst's report that the \$23,000,000,000 problem was not solved with the State adopting their budget and their budget gap is again over an estimated \$21,000,000,000.

Pursuant to your Board's direction and support of fiscal discipline in providing necessary services to the public, we have fully committed our ongoing resources to meeting the highest priority needs of our citizens. We have also realized one-time money through the efforts of our County employees and management and it is available to be invested in high priority, one-time improvements for our communities, kids and environment.

#### Recommendation(s)

#### CHIEF ADMINISTRATIVE OFFICER

1. Reaffirm your Board's direction to work with our Sacramento representatives and local legislative delegation to preserve our local discretionary revenue.
2. Direct the Chief Administrative Officer to send a letter to the Governor that local discretionary resources are not to available to backfill State Budget reductions for Fiscal Year 2002/03 and 2003/04.
3. Reaffirm investing one-time resources in one-time improvements to benefit livable/safe communities, kids and environment.

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4. Approve the technical budget adjustments of the Fiscal Year 2002/03 Operational Plan.
5. Waive Board Policy A-91, Mid-Year Budget Changes.
6. Waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery.
7. Find that the Environmental Impact Report on file in the Department of Planning and Land Use entitled, “Expansion of the North County Regional Center”, and certified by the Board of Supervisors on September 17, 1991 (39), has been adopted in compliance with the California Environmental Quality Act (CEQA), and State and County CEQA guidelines, that the decision-making body has reviewed and considered the information contained therein prior to approving the recommended actions, that the following actions are part of the same project, and that there have been no substantial changes in the project that would result in new significant environmental impacts.
8. Establish appropriations of \$200,000 in the Justice Facility Construction Fund for Capital Project KK1715 based on revenue from the Superior Court. (4 VOTES)
9. Designate the Director, Department of General Services as the County Officer responsible for administering the Project.
10. Establish appropriations in Salaries and Benefits for Quality First payouts in the amount of \$10,157,456 based on Fiscal Year 01-02 Public Safety Group Fund Balance in the following departments: \$1,281,513 in the District Attorney's Office, \$143,702 in the Medical Examiner, \$867,326 in the Public Defender, \$19,706 in the Public Safety Group Executive Office, \$11,096 in the Office of Emergency Services, \$4,927,006 in the Sheriff, \$10,497 in CLERB, \$194,957 in the Alternate Public Defender, \$2,701,653 in the Probation Department. (4 VOTES)
11. Establish appropriations of \$153,000 within the District Attorney's Federal Asset Forfeiture Fund for Services and Supplies and Fixed Assets based on available Federal Asset Forfeiture Fund Balance. (4 VOTES)
12. Cancel appropriations and associated revenue in the amount of \$950,000 for State Mandated Claim Reimbursement supporting the Child Abduction and Recovery program.
13. Establish appropriations in the amount of \$950,000 in the District Attorney's Office to fund the Child Abduction and Recovery program based on the availability of Fiscal Year 01-02 Public Safety Group Fund Balance Fund Balance. (4 VOTES)

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14. Approve the acquisition of 10 additional vehicles for the Probation Department.
15. Establish appropriations of \$328,000 in General Fund Contributions to Fleet ISF to provide funding to the Fleet Internal Service Fund for the purchase of 10 vehicles for the Probation Department based on unanticipated revenue from the Local Juvenile Placement Trust Fund. (4 VOTES)
16. Establish appropriations of \$103,370 in the Probation Department for the vehicle related maintenance, fuel, and depreciation based on unanticipated revenue from the Local Juvenile Placement Trust Fund. (4 VOTES)
17. Amend the Fiscal Year 02-03 Fleet Internal Service Fund Spending Plan in the amount of \$431,370 for the acquisition of the 10 vehicles, and related maintenance, fuel and depreciation based on an operating transfer from and charges in the General Fund.
18. Establish appropriations of \$40,814 within the District Attorney's Federal Asset Forfeiture Fund for Services and Supplies based on unanticipated revenue from the JUDGE Asset Forfeiture Trust Fund. (4 VOTES)
19. Establish appropriations of \$2,101,219 in Contributions for Trial Courts as reimbursement for the Fiscal Year 01-02 final Maintenance of Effort payment to the State of California, based on Fiscal Year 01-02 Public Safety Group Fund Balance. (4 VOTES)
20. Establish appropriations of \$50,000 in the Medical Examiner for the completion of a case management system based on Fiscal Year 01-02 Public Safety Group Fund Balance. (4 VOTES)
21. Establish appropriations of \$1,444,123 in the Public Defender's Office for Management Reserves based on Fiscal Year 01-02 Public Safety Group Fund Balance. (4 VOTES)
22. Establish appropriations in the Sheriff's Department Management Reserves of \$4,900,000 based on Fiscal Year 01-02 Public Safety Group Fund Balance. (4 VOTES)
23. Establish appropriations in the amount of \$17,245,022 in Management Reserves in the Public Safety Group Executive Office based on Fiscal Year 01-02 Public Safety Group Fund Balance. (4 VOTES)
24. Establish appropriations of \$1,500,000 in the Sheriff's Department Management Services Bureau to be used for information technology related costs and equipment based on unanticipated revenue from the Sheriff's Disbursement Fee, Civil Automation,

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Vehicle Inspection Fee and Warrant Automation Trust Funds. (4 VOTES)

25. Cancel appropriations and related operating transfer of \$10,977 in the Justice Facility Construction Fund for capital project KK1943, George Bailey Medical Exam Room Remodel.
26. Establish appropriations of \$10,977 in the Contributions to Capital Outlay Fund for capital project KK3424, Juvenile Court Expansion, based on fund balance made available from the cancellation of capital project KK1943. (4 VOTES)
27. Establish appropriations of \$10,997 in the Justice Facility Construction Fund for capital project KK3424, Juvenile Court Expansion, based on an operating transfer from the General Fund. (4 VOTES)
28. Authorize the acceptance of \$498,414 from California Law Enforcement Entitlement Grant.
29. Establish appropriations of \$498,414 in the Sheriff's Management Services for the purchase of high-technology equipment based on revenue from the California Law Enforcement Entitlement Grant. (4 VOTES)
30. Cancel appropriations and related revenue of \$586,682 in the Probation Department's budget for the Wings Program based on a reduction in State funding for the Challenge Grant II.
31. Establish appropriations of \$7,904,302 in the Health and Human Services Agency in Management Reserves based on HHSA Fiscal Year 2001-02 Fund Balance. (4 VOTES)
32. Cancel appropriations and related revenue of \$4,066,136 in the Health and Human Services Agency, Social Services Realignment Fund based on an unanticipated decrease of revenue to be received from the State in Fiscal Year 2002-03.
33. Establish appropriations of \$4,066,136 in the Health and Human Services Agency, Social Services Realignment Fund based on unanticipated Social Services Realignment Fund Fiscal Year 2001-02 fund balance. (4 VOTES)
34. Cancel appropriations and related revenue of \$676,606 in the Health and Human Services Agency, Mental Health Services Realignment Fund based on an unanticipated decrease of revenue to be received from the State in Fiscal Year 2002-03.
35. Establish appropriations of \$676,606 in the Health and Human Services Agency,

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Mental Health Services Realignment Fund based on unanticipated Mental Health Services Realignment Fund Fiscal Year 2001-02 fund balance. (4 VOTES)

36. Cancel appropriations and related revenue of \$592,108 in the Health and Human Services Agency, Health Account Realignment Special Revenue Fund based on unanticipated decrease of revenue to be received from the State in Fiscal Year 2002-03.
37. Establish appropriations of \$592,108 in the Health and Human Services Agency, Health Account Realignment Special Revenue Fund based on unanticipated Health Account Realignment Special Revenue Fund Fiscal Year 2001-02 Fund Balance. (4 VOTES)
38. Establish appropriations of \$3,192,048 in the Health and Human Services Agency for CalWORKs child care stage 3, based on unanticipated revenue from the Department of Education child care revenues. (4 VOTES)
39. Cancel appropriations and revenue of \$119,927 in the Health and Human Services Agency for CalWORKs child care stage 2, based on reduced revenue from the Department of Education contract.
40. Ratify and authorize the Clerk of the Board to execute revenue agreements with the State Department of Education for CalWORKs child care stages 2, 3 and subsidized programs for the period July 1, 2002 through June 30, 2003 as follows:
  - State contract #FAPP-2051 in the amount of \$3,489,492 for Child Care Block grant and any amendment for cost of living adjustments that do not increase the total contract amount above \$3,663,967 or materially impact or alter the program.
  - State Contract #GAPP-2052 in the amount of \$950,069 for Child Development Program and any amendment for cost of living adjustments that do not increase the total contract amount above \$8,997,572 or materially impact or alter the program.
  - State Contract #F2AP-2051 in the amount of \$8,401,832 for child care stage 2 and any amendment for cost of living adjustments that do not increase the total contract amount above \$8,821,924 or materially impact or alter the program.
  - State Contract G2AP-2051 in the amount of \$3,005,877 for child care stage 2 and any amendment for cost of living adjustments that do not increase the total contract amount above \$3,523,833 or materially impact or alter the program.
  - State Contract #G3TO-2053 in the amount of \$5,361,558 for child care stage 3 and any amendment for cost of living adjustments that do not increase the total contract amount above \$5,629,636 or materially impact or alter the program.
41. Establish appropriations of \$1,373,856 in the Health and Human Services Agency for Emergency Medical Services based on unanticipated revenue from court collections

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authorized in Senate Bill 12 and Senate Bill 623. (4 VOTES)

42. Authorize and ratify the Clerk of the Board to execute the Family Caregiver Support Act revenue agreement #FC-0203-23 with the State Department of Aging for the period July 1, 2002 through June 30, 2003 in the amount of \$994,273 and, subject to the approval of the Director of Health and Human Services Agency or his designee, authorize the Clerk of the Board to execute subsequent amendments and renewals to the grant award if they do not materially impact either the grant program or funding level.
43. Establish appropriations of \$232,287 in the Health and Human Services Agency, Aging & Independence Services Family Caregiver program, based on unanticipated revenue from the State Department of Aging. (4 VOTES)
44. Cancel appropriations of \$2,596,098 in the Health and Human Services Agency, Children's Mental Health Services, based on a reduction in Early and Periodic Screening, Diagnosis and Treatment revenue.
45. Establish appropriations of \$300,000 in the Health and Human Services Agency, for Children's Welfare Services, based on Health and Human Services Agency Fiscal Year 2001-02 Fund Balance. (4 VOTES)
46. Cancel appropriations and revenue of \$460,000 in Health and Human Services Agency Adult Protective Services based on reduced State General Fund allocation.
47. Establish appropriations and revenue of \$302,219 in the Health and Human Services Agency for the Tuberculosis Control Program, based on unanticipated revenue from the federal Health and Human Services Agency, Public Health Services, Tuberculosis Control Program. (4 VOTES)
48. Authorize the Director, Health and Human Services Agency, or his designee, to approve an amendment to a Memorandum of Agreement by adding \$1,520 in revenue from Comprehensive Training Systems from July 1, 2002 through June 30, 2003 to fund County provided supportive services for the Senior Mentor contract.
49. Establish appropriations and revenue of \$18,186 in the Health and Human Services Agency, Aging & Independence Services, based on unanticipated revenue from the Comprehensive Training Systems. (4 VOTES)
50. Cancel appropriations and revenue of \$55,711 in the Health and Human Services Agency Public Health Services based on allocation reductions from the State Department of Health Services, Tobacco Control Section.

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51. Ratify and authorize the Clerk of the Board to execute a revenue agreement with the State Emergency Medical Services Authority in the amount of \$85,000 for the period October 1, 2002 through September 30, 2003, for the Emergency Medical Services for Children grant and any extensions, amendments, or revisions that do not materially impact or alter the grant terms, program, or funding levels, subject to the approval of the Director, Health and Human Services Agency.
52. In accordance with Board Policy A-87, Competitive Procurement, authorize the Director, Purchasing and Contracting, to enter into negotiations and subject to successful negotiations and determination of a fair and reasonable price, amend the contract with the YWCA of San Diego County (contract #45415), to provide case management services to the City of San Diego homeless and shelter program, effective January 1, 2003 through June 30, 2003, and succeeding option years as long as the funding partnership between the City and County of San Diego continues, and to amend the contract as necessary to reflect changes in services or funding amounts, subject to the approval of the Director, Health and Human Services Agency. Waive the advertising requirement of Board Policy A-87.
53. Approve and authorize the Clerk of the Board to execute the Certification Statement for the State Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment subvention in the amount of \$3,882,555.
54. Establish appropriations of \$407,000 in Salaries and Benefits for Quality First payments, based on Fiscal Year 2001-02 over realized Community Services Group fund balance as follows: Housing and Community Development, \$163,000; Registrar of Voters, \$70,000; Department of Animal Control, \$149,000; Community Services Group Executive Office, \$25,000. (4 VOTES)
55. Establish appropriations of \$457,400 in Salaries and Benefits for Quality First payments, based on Fiscal Year 2001-02 over realized Library fund balance.
56. Amend the Purchasing and Contracting ISF spending plan to establish appropriations of \$83,974 in Salaries and Benefits for Quality First payments, based on FY 2001-02 Purchasing and Contracting available ISF fund balance. (4 VOTES)
57. Establish appropriations of \$8,381,067 in Management Reserves, based on Fiscal Year 2001-02 over realized Community Services Group fund balance as follows: Registrar of Voters, \$738,282; Department of Animal Control, \$415,910; Community Services Group Executive Office, \$7,226,875. (4 VOTES)
58. Establish appropriations of \$1,500,793 in Library Management Reserves, based on Fiscal Year 2001-02 over realized Library fund balance.

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59. Establish appropriations of \$101,900 in the County Library for contracted services for security guards at Imperial Beach, Rancho San Diego, and Spring Valley branch libraries, based on FY 2001-02 County Library fund balance. (4 VOTES)
60. Establish appropriations of \$95,000 for opening day collections at Spring Valley and Valley Center branch libraries, revamping the Lincoln Acres Branch Library collection, and adding 24/7 Reference subscription for all branches, based on FY 2001-02 County Library fund balance. (4 VOTES)
61. Establish appropriations of \$975,000 for ADA improvements and remodeling at Imperial Beach and El Cajon, and reconfiguration of office space, security systems and card access to buildings at Library Headquarters, Fallbrook, and Rancho San Diego branch libraries, based on FY 2001-02 County Library fund balance. (4 VOTES)
62. Establish appropriations of \$250,000 in the County Library Operating Transfers Out account, based on FY 2001-02 County Library fund balance. (4 VOTES)
63. Establish appropriations of \$250,000 for the Spring Valley Branch Library traffic turnout/student drop off and required Department of Public Works improvements, based on an operating transfer from the Library Fund. (4 VOTES)
64. Establish appropriations of \$60,000 for shelving for the Friends of the Library rooms at Cardiff, Spring Valley, and Valley Center branch libraries, based on FY 2001-02 County Library fund balance. (4 VOTES)
65. Establish appropriations of \$37,500 for minor equipment replacement, digital cameras for program events, and carpet and upholstery cleaning at various branches, based on FY 2001-02 County Library fund balance. (4 VOTES)
66. Establish appropriations of \$16,319 in the County Library, based on \$16,319 in revenue from Library Staff Education Program Grant. (4 VOTES)
67. Authorize the Auditor and Controller to decrease the fund balance designation within the General Fund for the Regional Task Force on the Homeless by \$26,315.27 based on the results of FY2001-02 operations.
68. Transfer appropriations of \$250,000 from Registrar of Voters Management Reserves to services and supplies to fund the retrofit of the Registrar of Voters Warehouse to accommodate the storage of electronic voting equipment. (4 VOTES)
69. Amend the Department of General Services Major Maintenance Internal Service Fund



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spending plan for FY 2002-03 by \$250,000, offset by revenue from the General Fund to retrofit the Registrar of Voters warehouse to accommodate the storage of electronic voting equipment.

70. Amend the Purchasing and Contracting ISF spending plan to increase appropriations by \$8,000,000 in the Purchase for Resale account. The revenue source for these costs will be Revenue from Other County Departments, Internal Service Fund Sales.
71. Amend the Department of General Services Facilities Management ISF spending plan in the amount of \$267,056 to fund energy conservation projects, based on available FY 2001-02 fund balance.
72. Rescind the authorization for the Facilities Management and Document Services Internal Service Funds to earn their own interest approved by the Board on June 15, 1999 (7) and March 11, 1997 (22).
73. Establish appropriations of \$73,000 in the Community Services Group for consulting services that were performed in the previous year that were charged in the current year, based on FY 2001-02 fund balance savings. (4 VOTES)
74. Transfer appropriations of \$50,000 from the Community Services Group Reserves to the Registrar of Voters for Salaries and Benefits associated with the transfer of one position between departments. (4 VOTES)
75. Approve the transfer of one (1) position (1 staff year) from the Department of General Services, Fleet Management ISF to the Registrar of Voters, and direct the Department of Human Resources to classify this position at the appropriate level.
76. Establish appropriations of \$136,000 in the Department of Animal Control for the purchase of nine (9) replacement vehicles and two (2) replacement horse trailers based on FY 2001-02 Community Services Group fund balance savings. (4 VOTES)
77. Transfer appropriations of \$50,000 from the Community Services Group Executive Office Management Reserves to Contributions to Capital Outlay Fund (Operating Transfer Out) to provide additional funding for the Julian Substation Capital Project. (4 VOTES)
78. Establish appropriations of \$50,000 in the Criminal Justice Fund for Capital Project KK0686, Julian Substation, based on an Operating Transfer from the General Fund. (4 VOTES)
79. Transfer appropriations of \$5,000 from the Community Services Group Executive Office

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Management Reserves to Contributions to Capital Outlay Fund (Operating Transfer Out) to provide additional funding for the Valley Center Museum Capital Project. (4 VOTES)

80. Establish appropriations of \$5,000 in the Capital Outlay Fund for Capital Project KK1953, Valley Center Museum, based on an Operating Transfer from the General Fund. (4 VOTES)
81. Establish appropriations of \$130,000 in the Chief Administrative Office in one-time expenses in services and supplies based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)
82. Establish appropriations of \$474,875 in services and supplies to provide funding for the enterprise-wide Web Portal project, based on over realized Fiscal Year 2001-02 fund balance, as follows: Land Use and Environment Group Executive Office, \$232,711; and County Technology Office, \$242,164. (4 VOTES)
83. Establish appropriations of \$163,620 in Board of Supervisors District 1 for one-time expenses in salaries and benefits based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)
84. Establish appropriations of \$9,090 in Board of Supervisors District 2 for one-time expenses in salaries and benefits based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)
85. Establish appropriations of \$111,911 in Board of Supervisors District 3 as follows: \$89,000 for one-time expenses in salaries and benefits and \$22,911 for one-time expenses in services and supplies based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)
86. Establish appropriations of \$1,592 in Board of Supervisors District 4 for one-time expenses in salaries and benefits based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)
87. Establish appropriations of \$127,801 in Board of Supervisors District 5 as follows: \$100,000 for one-time expenses in salaries and benefits and \$27,801 for one-time expenses in services and supplies based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)
88. Establish appropriations of \$4,517 in Board of Supervisors General Office for one-time expenses in salaries and benefits based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance. (4 VOTES)

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89. Establish appropriations of \$1,592,000 in salaries and benefits for Quality First payments, based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance as follows: Assessor/Recorder/County Clerk, \$707,000; Auditor and Controller, \$406,000; Chief Administrative Office, \$46,000; Civil Service Commission, \$5,000; Clerk of the Board, \$42,000; County Counsel, \$142,000; County Technology Office, \$47,000; and Human Resources, \$197,000. (4 VOTES)
90. Establish appropriations of \$46,000 in the Department of Media and Public Relations in salaries and benefits for Quality First payments based on Fiscal Year 2001-02 over realized CATV Special Revenue Fund balance. (4 VOTES)
91. Establish appropriations of \$20,281,166 in management reserves, based on Fiscal Year 2001-02 over realized Finance and General Government Group fund balance, as follows: Group Reserves, \$19,167,043; Clerk of the Board, \$148,130; County Counsel, \$965,993. (4 VOTES)
92. Establish appropriations of \$937,784 in General Fund Contributions to IT Internal Service Fund (Org. 1657) in services and supplies for telephone usage expense, based upon Fiscal Year 2001-02 over realized Finance and General Government Group fund balance.
93. Amend the Information Technology Internal Service Fund Spending Plan in the amount of \$937,784 to provide appropriations for telephone usage expense, based on contributions from the General Fund.
94. Transfer the following positions from the Auditor and Controller to the Finance and General Government Group for Financial Systems Support staff: two ERP System Functional Analysts (class 2442); one Senior Financial Auditor (class 2553); four Intermediate Clerk Typists (class 2700); one Departmental Clerk (class 2709); and one Word Processing Operator.
95. Establish appropriations of \$200,000 in the Department of Planning and Land Use for the San Diego River Watershed Management Plan based on LUEG FY 01-02 fund balance. (4 VOTES)
96. Establish appropriations of \$104,622 in the Department of Parks and Recreation for a consultant contract with the Dangermond Group for grant maximization, based on LUEG FY 01-02 fund balance. (4 VOTES)
97. In accordance with Board Policy A-87, Competitive Procurement, waive the advertising requirements and find that the services can be provided more economically and efficient by the proposed independent contractor than by persons employed in the classified

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service and authorize the Director of Purchasing and Contracting to execute a sole source contract with the Dangermond Group in the amount of \$104,622 for the period of November 1, 2002 through May 31, 2003. (4 VOTES)

98. Establish appropriations of \$125,673 in the Department of Parks and Recreation for various park projects, based on LUEG FY 01-02 fund balance. (4 VOTES)
99. Establish appropriations of \$35,000 in the Department of Environmental Health to fund a pilot study assessing various methods of poultry manure management based on LUEG FY 01-02 fund balance. (4 VOTES)
100. Establish appropriations of \$118,724 in the Department of Public Works General Fund for trail activities based on LUEG FY 01-02 fund balance. (4 VOTES)
101. Establish management reserves of \$11,068,556 in the Land Use and Environment Group Executive Office, based on LUEG FY 01-02 fund balance. (4 VOTES)
102. Establish appropriations of \$1,917,511 in various departments for Quality First based on LUEG FY 01-02 fund balance as follows: Agriculture, Weights and Measures (\$323,597), Environmental Health ( \$631,679), Farm and Home (\$5,876), Parks and Recreation (\$224, 585), Planning and Land Use (\$668,715 and the Land Use and Environment Executive Office (\$50,060) and the Office of Trade and Business (\$12,999). (4 VOTES)
103. Establish appropriations of \$281,000 in the Air Pollution Control District Fund for Quality First based on APCD FY 01-02 fund balance. (4 VOTES)
104. Cancel appropriations and related revenue of \$69,057 in the Department of Environmental Health to reflect the final negotiated amount of contracts and grants for fiscal year 2002-2003.
105. Establish appropriations of \$80,000 in the Department of Environmental Health for student worker services based on LUEG FY 01-02 fund balance. (4 VOTES)
106. Cancel appropriations and related Prop 12 grant revenue in the amount of \$200,000 in Capital Outlay Fund for Capital Project KN3404 - Lake Morena Park Improvements. (4VOTES)
107. Establish appropriations of \$70,000 in the Department of Public Works, Solid Waste Site Management Administration (Operating Transfer Out), for equipment, based on funding from the Environmental Trust Fund. (4 VOTES)

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108. Amend the Department of Public Works FY 2002-03 Inactive Waste ISF Equipment Acquisition Spending Plan, in the amount of \$70,000 for necessary equipment purchases, based on Operating Transfer from Solid Waste Site Management Administration.
109. Establish appropriations of \$310,000 in the Department of Public Works Transportation Program for the purchase of inventory from the Internal Service Fund based on Road Fund FY 01-02 fund balance. (4 VOTES)
110. Ratify appropriation of \$336,989 in the Special Aviation Debt Service Fund in FY 2001-02 based on Operating Transfer from the Special Aviation Fund. (4 VOTES)
111. Transfer appropriations of \$328,922 within the Airport Enterprise Fund from Other Charges to Operating Transfer Out for Ramona Airport Sewer Line and Control Tower Loan Repayment.
112. Establish appropriations of \$328,922 in the Special Aviation Debt Service Fund for Ramona Airport Sewer Line and Control Tower loan repayment based on an Operating Transfer from the Airport Enterprise Fund. (4 VOTES)
113. Establish appropriations of \$600,000 in the Department of Public Works Land Development Program for watercourse enforcement and stormwater inspection services based on revenue from the Flood Control District (\$350,000) and Developer Deposits (\$250,000). (4 VOTES)
114. Establish appropriations of \$700,000 in the Department of Public Works, Solid Waste Site Management for Palomar Airport Landfill groundwater discharge mitigation activities, based on funding from the Environmental Trust Fund. (4 VOTES)
115. Establish appropriations of \$150,000 in the Department of Public Works, Solid Waste Site Management for Palomar Landfill wellfield redesign, upgrade and construction, based on funding from the Environmental Trust Fund. (4 VOTES)
116. Authorize the transfer of one (1) Land Use and Environment Program Manager position (1 staff year) from the Department of Environmental Health to the Department of Parks and Recreation.
117. Transfer appropriations of \$91,000 from the Department of Public Works –General Fund to the Department of Parks and Recreation for the funding of the Land Use and Environment Program Manager position.
118. Establish appropriations of \$65,000 in Capital Outlay Fund for Capital Project KN3406, Sweetwater SR125 Mitigation, based on the receipt of Caltrans funding. (4

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VOTES)

119. Establish appropriations of \$200,000 in the Fallbrook Park Land Dedication Ordinance Fund for Capital Project KN9016 - Rainbow Park Improvements

**Fiscal Impact**

The funds for this request are not budgeted. If approved, these actions will establish total new appropriations of \$120,466,482, including appropriations for Management Reserves of \$72,725,029 and for payments under the Quality First Program of \$14,942,341. These actions will also cancel budgeted appropriations and the related sources of funding in the amount of \$10,327,591, resulting in a net increase in appropriations of \$110,138,891.

**Business Impact Statement**

N/A

**Advisory Board Statement**

The Health & Human Services Agency items were provided to the Health and Human Services Agency advisory boards for information.

**BACKGROUND:**

In June, our Budget message was “What’s getting lost in the State budget crisis is the vision your Board has had to continuously improve this County every day and the efforts of our workforce to carry out that vision.” We have been managing to this vision and will continue to bring recommendations to your Board to improve our County and not to backfill State Budget reductions.

This report summarizes my preliminary estimates of the County’s financial position as measured by projected year-end fund balance. For the General Fund, the first quarter projection of year-end fund balance is \$85.7 million, made up of \$4.3 million additional General Purpose Revenues, \$26.1 million in savings from departmental operations, and \$55.3 million in unspent Contingency and Management Reserves. The projected balance for all other funds combined is \$10.7 million. The contingency and management reserves should be preserved but the remaining resources will be reinvested in our communities, kids and environment. The recommendations for reinvestments will be contained in subsequent Board actions.

Staff have conservatively and realistically developed these projections based on current expectations for demand for services and availability of funding to support those services. Two related factors pose significant negative risks to our expectations, the State budget crisis and the continuing strength of the economy.

- Current year State budget cuts to local governments have reduced revenues to the County by about \$43.3 million. The Agency/Groups have managed this reduction with a combination of

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budget management, utilization of one-time resources, and some adjustments to programs. The structural imbalances in the State budget are expected to result in sizeable deficits for this and future years. Additional cuts in aid to local governments are a likely remedy for the State budget gaps.

- The U. S. and California economies are in the early stages of a weak recovery from the recession that started in the first two quarters of 2001. Uncertainty over continued strength, overshadowed by war and terrorism, constitutes a second risk to our forecast.

Our projections do not take into account any future actions by the State to correct its deficits, and we do not expect to receive guidance from the State until the Governor releases the FY 2003-04 budget on January 10, 2003. However, the recent news of a special legislative session may change this assumption. In the mean time, we continue to review all State funded programs and will be bringing additional information or recommendations to your Board as necessary to protect critical services and maximize use of local discretionary revenues, although it is not our intent to backfill State Budget reductions with local discretionary revenues unless approved by your Board. Furthermore, we expect the economic recovery to continue, although unspectacularly, and are closely monitoring trends in General Purpose Revenues in order to act preemptively to significant changes.

Our estimates are based on actual revenue and expenditure data through the first quarter (July – September) and staff’s best estimates of activity through the remainder of the year. As such, the estimates are preliminary and may change as we move through the year.

Reflecting the conditions in the U.S. and California economies, the San Diego economy continues to show positive growth but at a slower rate than the prior three years (e.g., gross regional product at 7.7% for 2000, at 2.2% for 2001, and at 1.8% for 2002). The County’s General Purpose Revenues (e.g., property tax, vehicle license fees, sales tax, real property transfer tax, transient occupancy tax and other minor revenues) are discretionary ongoing resources that your Board allocates in order to advance strategic goals and leverage outside funding. The current year’s general purpose revenue budget is \$608 million, and we expect to realize a small increase over budget of \$4.3 million.

- Our two biggest sources of General Purpose Revenues are property taxes and vehicle license fees, together representing 84% of total. Neither property taxes nor vehicle license fees have been directly impacted by the downturn in the economy.
- Sales tax, approximately 3% of General Purpose Revenues, has been more sensitive to the slowdown.
- The real property transfer tax also makes up about 3% of the General Purpose Revenues. It is based on the dollar value of property sales and has been favorably impacted by the active real estate markets in the current environment of low interest rates.

State revenues are the major source of County revenues, 36% of County General Fund revenues in the 2002-03 Adopted Budget. The State’s General Fund budget for FY 2002-03 is \$76.7 billion and is heavily dependent on personal income tax, sales tax and bank and corporation taxes to finance services,

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which have become extremely vulnerable in the current economic recovery. Reports from the State indicate that it may have a budget deficit of \$6.1 billion this fiscal year, and the problem grows to \$15.0 billion for FY 2003-04. Further delays in business hiring and spending combined with decreases in consumer confidence and spending will impact the U.S. and California economic growth forecast. If these forecasts are correct, State-funded services, including assistance to local agencies such as the County, will suffer. At the operational level, the services provided by the Health & Human Services Agency have the highest potential for impact from changes in State funding strategies, as State revenues make up 53.7% of the Agency's total program revenues. State revenues are also an important source of funding for Public Safety and Land Use programs.

The economy and the State's budget situation are dominant issues that cause us to take a proactive approach by reviewing all State funded programs and developing strategies to protect critical services and local revenues. To that end, departmental management is expected to result in year-end General Fund fund balance of \$26.1 million. Furthermore, we are especially mindful of the need for discipline in the temptation to use one-time resources to fill cuts in funding for ongoing programs and the challenges of making progress on your Board's strategic goals. We anticipate that unspent Contingency and Agency/Group Management Reserves will result in year-end General Fund fund balance of \$55.3 million. As we move through the year, additional information will be brought to your Board as it becomes available along with any necessary recommendations.

Schedule A summarizes the fund balance projections by Group. The notes to Schedule A explain variances from budget. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances.

**Recommendation 4**

The Chief Financial Officer requests the Board of Supervisor's approval of various technical budget adjustments of the Fiscal Year 2002/03 Operational Plan.

**Recommendation 5**

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. These funds are needed for effective and efficient operation of the Public Safety Group, Health and Human Services Agency, Land Use and Environment Group, Community Services Group, and the Finance and General Government Group

**Recommendation 6**

A waiver of Board Policy B-29, Fees, Grants, and Revenue Agreements – Department Responsibility for Cost Recovery is requested because some of the proposed grants do not fully reimburse indirect costs. Funds to cover the indirect costs are budgeted in the Fiscal Year 2002-03 Operational Plan.

**Recommendations 7 - 9**

The North County Regional Center Courthouse and Annex Remodel is a three-phase project with construction activity spanning approximately 24 months. The project scope includes interior remodeling



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and refurbishment with some mechanical equipment upgrades and exterior finish refinements as required by code and as the budget may allow. The first two phases of the project were completed in February and August 2002. Phase 3 is presently under construction, and will be completed in late June 2002.

Superior Court is in the process of upgrading case management system software as part of a Case Management System Initiative to improve the way the Court does business. The long-term goal of this effort is to put in place state of the art information systems that will permit more efficient and effective management of court operations. It is expected that these new systems will provide better service to the public, more secure information sharing with other justice agencies, and reduced operating costs. When fully implemented, there will be far less dependence on paper files, "legacy" systems and special-purpose applications, and increased use of electronic imaging, kiosks, and the Internet.

In order to fully implement a new case management system for the Traffic / Minor Offense operation in the NCRC Annex, design changes in the business office and public service counter have become necessary. These and related changes will increase construction costs by approximately \$200,000. Given the long-term efficiencies that will result, Superior Court has agreed to transfer \$200,000 to the project to cover these increased costs.

**California Environmental Quality Act**

A Program Environmental Impact Report (EIR) was certified by the Board of Supervisors in September 1991 that addressed the environmental impacts of the future expansion and renovation of County Department operations within the North County Regional Center. The Annex remodeling for the Traffic / Minor Offense operations is part of the same project and within the scope of the environmental impact addressed in that Program EIR.

**Recommendation 10**

This action will appropriate \$10,157,456 in Fiscal Year 01-02 Fund Balance to fund Quality First payments in Public Safety Group Departments.

**Recommendation 11**

This is a request to appropriate \$153,000 within the District Attorney's Federal Asset Forfeiture Fund to replace outdated computer hardware. These funds will be used to replace 100 PC's and four media servers. The District Attorney's Office is currently using and plans to expand the use of streaming video for training purposes.

**Recommendations 12 & 13**

The District Attorney's Adopted Fiscal Year 2002-2003 Budget includes \$950,000 in State Mandate reimbursement revenue for SB 90 programs, including Child Abduction and Recovery. The recently adopted State budget suspends payments owed to the County for all State Mandates, including efforts to locate and recover abducted children. The District Attorney's Office proposes to use \$950,000 in Fiscal Year 2001-2002 Fund balance to continue these critical services during Fiscal Year 2002-2003.

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**Recommendations 14 - 17**

The East Mesa Juvenile Detention Facility (EMJDF) is scheduled to open January 2004. This request is to approve the increase to the Probation Department's fleet by 10 vehicles in order to allow sufficient time to acquire and outfit vehicles by the scheduled opening date of the facility. Requested vehicles include one twenty two (22) passenger bus, five (5) fifteen passenger vans and four (4) full size sedans. The vehicles will be utilized to transport juveniles to court, medical appointments, and any unscheduled or emergency transportation needs that may arise.

**Recommendation 18**

For the past 14 years, San Diego County has participated in the federally funded JUDGE Program, a County-wide task force comprised of law enforcement, probation, parole and prosecution. Administered by the Governor's Office of Criminal Justice Planning (OCJP), member agencies cooperate in an effort to identify habitual adult and juvenile street-level dealers and users and drug-involved gang members. Assets seized in these arrests are separately identified. The funds requested will be used to purchase the following case related equipment: Digital cameras to document evidence, body wire and base station for undercover operations, TV/VCR's to view videotapes, door knockers for forced entries, hydraulic openers for forced entry, tactical vests for uniformity of the unit, cpu's and monitors for computer access.

**Recommendation 19**

As part of the Trial Court Funding Act of 1997, Government Code Section 77205 requires that whenever specific fines and forfeitures that were transferred from the State to the County exceed the amount identified in legislation, "the excess amount will be divided between the county or city and county and the state, with 50 percent of the excess transferred to the State..." In Fiscal Year 2001-2002, the County exceeded the excess amount by \$4,202,438 requiring a payment of \$2,101,219 to be made to the State. This same Government Code section requires the county to make such transfer to the state within 45 days of the end of the fiscal year. If approved, this recommendation will reimburse the Contributions for Trial Courts budget for this expenditure.

**Recommendation 20**

This is a request to re-establish appropriations of \$50,000 within the Medical Examiner in order to complete the development and installation of a new case management system. The system was started during Fiscal Year 01-02, but not completed.

**Recommendation 21**

This is a request to establish management reserves of \$1,444,123 in the Public Defender Department.

**Recommendation 22**

This action re-establishes Management Reserves in the Sheriff's Department that remained at the end of Fiscal Year 01-02, but were not included in the Fiscal Year 02-03 budget.

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**Recommendation 23**

This action established Management Reserves in the Public Safety Group Executive Office based on fund balance from Fiscal Year 01-02 operations.

**Recommendation 24**

The Sheriff is requesting the establishment of appropriations in the amount of \$1,500,000 based on unanticipated revenues from the Sheriff's Disbursement Fee (\$1,000,000), Civil Automation (\$100,000), Vehicle Inspection Fee (\$100,000) and Warrant Automation (\$300,000) Trust Funds to be used for information technology related costs, including terminals for patrol cars. One million dollars will be used to upgrade the Sheriff's mug shot system to insure compatibility with the JIMS system and for the SUN/CLETS system. Five hundred thousand dollars will be used for the purchase of Mobile Data Terminals for the Sheriff's patrol vehicles.

**Recommendations 25 - 27**

The remodel of the George Bailey Medical Exam Room (capital project KK1943) has been completed and funding of \$10,977.10 remains. The Sheriff is requesting that these funds be transferred to the Juvenile Court Sheriff's Office expansion construction project (capital project KK3424) and be used to offset the cost of the construction. This project has been delayed and construction costs have escalated in the interim.

**Recommendations 28 & 29**

The Sheriff has received money from the California Law Enforcement Entitlement Grant from the State of California based on the County's population share of the State's total population as determined by the Department of Finance and is requesting that appropriations be established in the amount of \$498,413.64 for the purchase of technology equipment. These funds will be used for needed upgrades to the Sheriff's Motorola wireless data network. The equipment is needed to support the wireless data communications mission, which is to provide timely, relevant crime information to field officers.

**Recommendation 30**

This is a request to reduce appropriations and related revenue in the Probation Department's Fiscal Year 02-03 budget by \$586,682. The Governor's Budget reduced the funding level of the Challenge Grant II from the State Board of Corrections. San Diego County's allocation of Challenge Grant funds were reduced from \$1,094,693 to \$508,011. The Challenge Grant II is the primary funding source for the Working To Insure and Nurture Girl's Success (WINGS) program.

The Probation Department was able to continue the operations of the WINGS program by reducing staffing levels and shifting resources within the department in order to assure uninterrupted operation of the WINGS program for the remainder of the fiscal year. The reduced staffing level within the WINGS program will be reflected in the Fiscal Year 03-04 budget process.

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**Recommendation 31**

Approval of this recommendation will appropriate \$7,904,302 of Fiscal Year 2001-02 Fund Balance into the Health and Human Services Management Reserve. The Fiscal Year 2002-03 Operational Plan includes \$10,100,000 of Fiscal Year 2001-02 Fund Balance for the Health and Human Services Agency. This is a technical adjustment to appropriate the remaining Fiscal Year 2001-02 year end Fund Balance in the current fiscal year. The Agency will only take action to appropriate and distribute the reserve funds through Board of Supervisor action.

**Recommendations 32 through 37**

These recommendations cancel revenues budgeted in the four Realignment Special Funds based on an unanticipated decrease of revenue anticipated to be received from the State in Fiscal Year 2002-03 and an increase in Fiscal Year 2001-02 Fund Balance for these accounts. This technical adjustment increases Fund Balance revenues available in the current Fiscal Year. If approved, this action will more closely align the current year revenues.

**Recommendations 38, 39, & 40**

The Health and Human Services Agency administers child care programs for active and former CalWORKs and low income families. Payments are made directly to child care providers who care for the children of eligible families. If approved, these recommendations reduce \$119,927 in appropriations and revenue in child care stage 2 which provides child care payments to CalWORKs participants whose welfare to work participation and need for child care has been established.

These recommendations add \$3,000,365 in additional revenue for child care stage 3 and \$191,683 in subsidized child care programs. These programs are for families who have been off CalWORKs cash aid for two years or more and for low income families that meet State guidelines. This revenue will enable County of San Diego to continue to provide child care payments to eligible families.

**Recommendation 41**

State Senate Bills 12 and 612 provide funding for unreimbursed costs of hospitals providing disproportionate trauma and emergency medical care. On November 22, 1988 (45), the Board authorized the San Diego County Municipal Courts to assess \$2 of every \$10 fine and forfeiture resulting from motor vehicle code violations in the county in order to implement this law. An Emergency Medical Services Trust Fund was established to deposit these collections from the court.

State Senate Bill 623, passed in 1999 is identical in purpose to Senate Bills 12 and 612 and requires the court to assess \$2 for every \$7 fee collected from persons attending traffic violation school, or any other court-supervised program of traffic safety instruction and to deposit these assessments in the Emergency Medical Services Trust Fund. On June 30, 2002, the Auditor and Controller deposited collections for the period January 2000 through December 2001 in the trust fund. Board authorization is requested to establish appropriations of \$1,373,856 in the Health and Human Services Agency, Emergency Medical Services, to be distributed in accordance with State Senate Bills 12, 612 and 623. The distribution is

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based upon percentages for emergency physicians, trauma hospitals, unreimbursed costs for emergency medical care of indigent patients, and Emergency Medical Services Fund Special Projects.

**Recommendations 42 & 43**

The federal Family Caregiver Support program provides support to caregivers who care for persons 60 years of age and older and to grandparents and other persons 60 years of age and over that are the primary caregivers of minor relatives. Services must target persons who are in greatest social and economic need. Available services include information and referral, access to services, individual and group counseling, respite care, services to complement care provided by caregivers.

The program's goal is to increase and support the number of available caregivers. There are an estimated 100,000 older persons in San Diego County who need some form of care, and as the over 60 population increases, this number will grow. The burden of giving care to this aging population often falls on a spouse or an adult child. In addition, the pools of paid, non-family member caregivers is shrinking in relation to the growing population of persons needing caregiver services, which is projected to lead to a critical shortage of qualified, dependable assistance in the future. Approval of this recommendation will increase the availability of caregivers.

**Recommendation 44**

With Board approval on January 15, 2002 (2), Children's Mental Health Services began the implementation of the Phase 4 of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program funded by the State. Children's Mental Health Services will not proceed with the increase in contracted services for the implementation of Phase 4 due to the changes in the State budget.

**Recommendation 45**

Children's Welfare Services is charged with providing services to abused and neglected children. Teens within the system are provided with services to assist them in becoming self-directed, independent adults. San Pasqual Academy is a unique residential campus serving adolescents, ages 14-18. The campus provides a home where teens can learn the necessary social, vocational, and life skills they need to become successful and productive adults.

On April 16, 2002 (9), \$300,000 in donations from the Child Abuse Prevention Foundation was accepted for the continued renovation of the campus but was not expended. If approved, this request would re-establish those funds in the current fiscal year.

**Recommendation 46**

The State has reduced the revenue allocation for Adult Protective Services (APS) and County Service Block grant, which funds the Aging and Independence Services' Adult Protective Services. Consequently, this proposal reduces \$460,000 in both appropriations and revenue in Adult Protective Services. The impact will be reducing outreach activities such as advertising and marketing of the APS program to the residents of San Diego County. Also minor equipment expenditures will also be reduced. There will be no decrease in APS services to the public.

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**Recommendation 47**

The San Diego County Tuberculosis Control Program provides for the prevention and control of the spread of tuberculosis (TB). Between 1987 and 1993 there was an 89% rise in TB cases (248 to 469) in San Diego County. This trend was subsequently reversed with a 37% decrease in cases from 1993 to 2000. However, during calendar year 2001 San Diego County reported 332 cases, a 12.5% increase compared to calendar year 2000.

The federal Centers for Disease Control and Prevention has augmented its grant award to the County of San Diego by \$102,719. Additionally, the Office of Minority Health has granted the County of San Diego \$200,000 for improving case findings and increasing the numbers of Latinos who seek screening for TB infection and initiate treatment services.

**Recommendation 48 & 49**

The Health and Human Service Agency's Aging & Independence Services Senior Mentor program identifies CalWORKs families with multiple barriers to finding and sustaining employment. Senior Mentors work with CalWORKs families to teach life skills and effective work ethics. AIS provides supportive services including outreach and recruitment of seniors as mentors. If approved, these recommendations would amend the current memorandum of agreement between the County of San Diego and Comprehensive Training Systems in the amount by \$1,520 and establish appropriations of \$18,186 AIS Senior Mentor program to continue the program and increase participation.

**Recommendation 50**

The County of San Diego receives Proposition 99 (Tobacco Tax Initiative) funding from the State Department of Health Services, Tobacco Control Section as the Local Lead Agency for tobacco control activities. The Fiscal Year 2002-02 through 2003-04 Comprehensive Tobacco Control Plan was to be funded at \$701,323 annually. The County was informed that its FY 02-03 allocation is being reduced by \$55,711 due to lower than anticipated cigarette tax revenues.

**Recommendation 51**

On October 1, 2002 (2) the Board approved the revenue agreement with the State Emergency Medical Services Authority in the amount of \$85,000 for the period July 1, 2002 to June 30, 2003 for the Emergency Medical Services for Children grant. The State recently advised the County that the effective period for this agreement is October 1, 2002 through September 30, 2003. The Board is requested to authorize this adjusted grant period. Funds for this proposal are included in the FY 2002-03 Operational Plan.

**Recommendation 52**

On October 24, 2000 (2), the Board approved a funding partnership with the City of San Diego by authorizing the Director, Purchasing and Contracting, to negotiate and execute a contract with the contractor selected by the City of San Diego through their competitive selection process. The YWCA of San Diego was selected as the contractor in response to a Letter of Interest issued by the City of San

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Diego, Homeless Services Department. The County's current contract with the YWCA of San Diego supports the homeless shelter case management component of the short-term transitional homeless shelter program.

Approval of this recommendation would continue the County's funding partnership with the City of San Diego to provide homeless shelter case management services through a contract with the YWCA of San Diego County. The contractor provides comprehensive case management service to 90 homeless families (300 individuals) per year, including mental health counseling, public health assessment, substance abuse counseling, medical referrals, career counseling, and legal advocacy. Case managers identify and resolve the causes of homelessness and move families into long-term transitional or permanent housing. These services support families in their move to break the cycle of dependency on social institutions and progress towards self-sufficiency.

**Recommendation 53**

In accordance with the Board's Prevention Policy A-114, the Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment (CHDP/EPSDT) program provides community-based preventive and early intervention health services to low-income children. This recommendation requests execution of the CHDP/EPSDT subvention Certification Statement with the State Division of Children's Medical Services certifying that the required documents will be provided to the California Department of Health Services by the CHDP program.

**Recommendation 54**

Appropriations of \$407,000 are requested to fund payouts related to the FY 2001-02 Quality First Program results in the Community Services Group. Funding is provided from the Community Service Group FY 2001-02 fund balance.

**Recommendation 55**

Appropriations of \$457,400 are requested to fund payouts related to the FY 2001-02 Quality First Program results in the County Library. Funding is provided from the FY 2001-02 Library fund balance.

**Recommendation 56**

This recommendation seeks to amend the Purchasing and Contracting ISF spending plan to increase labor appropriations by \$83,974 to fund payouts related to the FY 2001-02 Quality First Program results. The funding source is the Purchasing and Contracting ISF FY2001-02 available fund balance.

**Recommendation 57**

Additional fund balance of \$8,381,067 will be added to departmental management reserves as follows: Registrar of Voters, \$738,282; Department of Animal Control, \$415,910; Community Services Group Executive Office, \$7,226,875 for future one-time needs.

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**Recommendation 58**

Additional fund balance of \$1,500,793 will be added to the County Library management reserves.

**Recommendation 59**

Three branch libraries, Imperial Beach, Rancho San Diego, and Spring Valley have been experiencing difficulties with unruly teens. The issues have been serious enough that a decision was made to hire guard services for these sites on a temporary basis. Funds for this purpose were not anticipated, and therefore, not included in the FY 2002-03 Operation Plan. Appropriations of \$101, 900 are requested, based on Library FY 2001-02 fund balance.

**Recommendation 60**

New libraries are opening in Spring Valley and Valley Center and opening day collections are required. Complaints have been received about the inadequacies of the Lincoln Acres Branch Library collection that needs updating. A new subscription for 7/24 Reference through the Tierra del Sol Cooperative Library will provide reference services on a 24-hour basis, seven days a week for those customer who use the library Website remotely via the Internet from home or business. Appropriations of \$95,000 are requested for these items; based on Library FY 2001-02 fund balance.

**Recommendations 61**

The ADA assessments for Imperial Beach and El Cajon were completed in FY 2001-02. The County Library would now like to proceed with implementing the ADA recommendations and remodeling the branches. Building security systems, card access to buildings, office reconfigurations, and computer lab facility upgrades are needed at Library Headquarters, and Fallbrook and Rancho San Diego branch libraries. Appropriations of \$975,000 are requested based on Library FY 2001-02 fund balance.

**Recommendations 62 & 63**

The Department of Public Works as a condition of the project permit has required that the Spring Valley Branch Library project include a traffic light at the turnout/student drop off point. To comply with this requirement additional construction work is required which was not included in the original project budget at an estimated cost of \$250,000. Appropriations of \$250,000 are requested, based on Library FY 2001-02 fund balance.

**Recommendation 64**

Shelving is required for the Cardiff, Spring Valley, and Valley Center branch libraries Friends of the Library rooms. It was originally anticipated that the Friends of the Library would fund a portion of the shelving, which has not been the case. Appropriations of \$60,000 are requested, based on Library FY 2001-02 fund balance.

**Recommendation 65**

Minor equipment replacement, procurement of three digital cameras to be used for children's programs, and carpet and upholstery cleaning at various branches is estimated to cost \$37,500. Appropriations of \$37,500 are requested based on Library FY 2001-02 fund balance.



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**Recommendation 66**

County Library staff applied for and received notification that six grants were awarded for tuition reimbursement from the Library Staff Education Grant Program in the amount of \$16,319. These grants provide partial reimbursement of educational expenses for Library staff to pursue their Masters in Library Science. The County Library was given the authority to apply for and receive grants for staff education and enhancement on December 4, 2001(13). This recommendation will establish appropriations of \$16,319, based on the grant revenue.

**Recommendation 67**

This recommendation decreases the designated fund balance for the Regional Task Force on the Homeless by \$26,315.27, which represents FY2001-02 expenditures over realized revenue. The fund balance designation was established by the Board of Supervisors on September 16, 1997 (31) based on excess revenues realized over expenditures. Each fiscal year the fund balance designation is adjusted based on the results of their operations.

**Recommendations 68 & 69**

This recommendation provides the necessary appropriations to reconfigure the ROV warehouse to accommodate new electronic voting devices, which are anticipated to be delivered between April and August 2003. The funding source is ROV management reserves. The recommendation to amend the Department of General Services Facilities Management ISF spending plan will enable the Department of General Services to perform the needed work.

**Recommendation 70**

When the budget was prepared in January 2002, Oracle was to come on-line in November and fewer blanket purchase orders were expected. The blanket purchase order fund was reduced from the prior year budget of \$36 million by \$8 million that needs to be reinstated. Since Oracle implementation has been delayed, it is anticipated that the original blanket purchase order budget will be required this fiscal year.

**Recommendation 71**

This recommendation will increase expenditure appropriations in the amount of \$267,056 to provide continued funding for Countywide energy conservation/cost avoidance projects, such as lighting delamping, dimming ballast installations, occupancy sensors and variable frequency drives. The increase in expenditures will be offset by available FY 2001-02 fund balance.

**Recommendation 72**

This recommendation rescinds the Board's action of 6/15/99 (7) and 3/11/97 (22), which authorized the Department of General Services Facilities Management and Document Services Internal Service Funds to earn and retain interest in their respective funds. This action will enable County departments to not incur additional charges for the sole purpose of generating Internal Service Fund cash flow. Any interest earned, with respect to these two Internal Service Funds, will be accrued in the General Fund.

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**Recommendation 73**

This action will restore \$73,000 in appropriations in the current year to cover costs associated with a cost study that was performed last fiscal year to review maintenance costs at Sheriff's detention facilities.

**Recommendation 74**

This action will provide funding of \$50,000 for a position that was transferred from the Department of General Services to the Registrar of Voters. This action will be reflected in the FY 03-04 Operational Plan.

**Recommendation 75**

This recommendation will provide additional staff support needed for the implementation of the new electronic voting system.

**Recommendation 76**

This recommendation will establish appropriations of \$136,000 for accelerating the replacement of nine (9) animal control field trucks and two (2) horse trailers for the Department of Animal Control (DAC). The DAC has nine (9) vehicles that are not fully depreciated and have been on a 10-year depreciation schedule. However, due to the very high mileage put on these field vehicles, it is recommended that replacement occur now to avoid anticipated costly maintenance and repairs. Replacement is also recommended for the DAC's two very old horse trailers that are fully depreciated, however, they were not included in the Fleet Internal Service Fund at the time of its establishment.

**Recommendations 77 & 78**

Approval of these recommendations will provide \$50,000 in additional funding needed to complete the Julian Substation Capital Project.

**Recommendations 79 & 80**

Approval of these recommendations will provide \$5,000 in contingency funding that may be needed to complete the Valley Center Museum.

**Recommendation 81**

This recommendation will utilize prior year savings of \$130,000 to be used for workplace improvements for the Strategy and Intergovernmental Affairs Division of the Chief Administrative Office.

**Recommendation 82**

This recommendation will utilize prior year savings of \$474,875 to provide current year funding for the enterprise-wide Web Portal project. Of this amount, \$232,711 will be funded in the Land Use and Environment Group Executive Office, and \$242,164 will be funded in the County Technology Office for application development costs related to this project.

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**Recommendations 83 through 88**

These recommendations allow the use of \$418,531 in Fiscal Year 2001-02 prior year fund balance savings to provide funding for one-time needs including staffing costs and information technology development and maintenance costs.

**Recommendations 89 and 90**

These recommendations request the use of \$1,638,000 of over-realized fund balance for Quality First payments to employees in the Finance and General Government Group departments.

**Recommendation 91**

This recommendation will move prior year savings of \$20,281,166 into management reserves in the Finance and General Government Group departments. These reserves are set aside for future one-time projects and for unanticipated one-time needs. Reserves are typically used to improve service to our customers and to improve working conditions for our employees including automation projects, equipment upgrades and workplace improvements, consistent with your Board's objectives.

**Recommendations 92 and 93**

These recommendations will utilize prior year savings of \$937,784 to provide funding for telephone usage costs related to Contract year 1 of the Information Technology and Telecommunications Service Agreement, not previously billed.

**Recommendation 94**

This recommendation results in no increase in appropriation or staff years. It provides for the transfer of nine positions from the Auditor and Controller to the Finance and General Government Group for systems support staff related to the County's Enterprise Resource Planning (ERP) systems.

**Recommendation 95**

This action will provide the necessary funds to provide a planning framework consistent with section 79078.c of the Costa-Machado Water Act of 2000, the local General Plans and the Municipal Stormwater Permit. Additional objectives are to provide a method for mutual coordination between public agencies and stakeholders.

**Recommendations 96 and 97**

These two actions will make the funds available for a consultant contract with the Dangermond Group to enhance the Land Use and Environment Group's grant maximization. The Dangermond group will facilitate workshops and aid county staff in establishing priorities in order to compete successfully in acquiring additional funds from Proposition 40 and the newly passed Proposition 50.

**Recommendation 98**

This recommendation will provide the needed funds for the Department of Parks and Recreation for: conservation and planting of native oak species in the County park system, debris hauling and mobile toilet for the inmate clean-up crew in Tijuana River Valley, refurbishment of the Shelton House facility in

**SUBJECT: FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)**

the Tijuana River Valley and for facilities refurbishments and Americans with Disabilities Act (ADA) major maintenance at various parks.

**Recommendation 99**

This recommendation establishes funding for a study to address the problem of flies and other nuisances caused by poultry manure. A comprehensive study will be conducted, including recommendations for control measures to be implemented for the management of poultry manure.

**Recommendation 100**

Prior year unexpended funds for trails activities were not re-budgeted during the Operational Plan development due to unknown estimate of charges that would be incurred prior to year-end. The action in this recommendation re-budgets those funds for trails activities outside the road right-of-way that cannot be reimbursed by the Road Fund.

**Recommendation 101**

The Land Use and Environment Group's departments ended FY 2001-02 with positive fund balances. After prior actions by your Board and appropriations included in this letter, the remaining balance is \$11,068,556. The Land Use and Environment Group requests that this amount be appropriated to the Group's Management Reserve. The Land Use and Environment Group will return to your Board in the future to appropriate these monies as needs arise.

**Recommendations 102 and 103**

The Land Use and Environment Group's Quality First Program for FY 2001-02 was once again a success. Departments were able to save \$5.2 million. Appropriations were not included in the FY 02-03 Operational Plan for the Quality First payments to employees and are now being requested to be added at this time.

**Recommendation 104**

This recommendation is needed to adjust budgeted revenue and appropriations, in the Department of Environmental Health, to reflect the final negotiated amount of revenue agreements and grants for Fiscal Year 2002-2003. These programs include cross connections, vector control and the stormwater program.

**Recommendation 105**

This recommendation establishes appropriations in the Department of Environmental Health to fund their award-winning student internship program, which encourages diversity while promoting the Department's vision, mission and values.

**Recommendation 106**

The action to cancel appropriations in Capital Project KN3404, Lake Morena Park Improvements, is being requested to correct a budget error made during the Fiscal Year 2002-2003 Capital budget

**SUBJECT: FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)**

process. These Proposition 12 appropriations were budgeted in an existing Capital Project (KN2960) in Fiscal Year 2001-2002, but were inadvertently rebudgeted in a new Capital Project (KN3404) in the current year. This proposed action will cancel the new project.

**Recommendations 107 and 108**

These two recommendations are administrative actions necessary to establish funding for the purchase of two pieces of field equipment for stormwater management on County landfills. Equipment consists of a straw blower and hydroseed tackifier for erosion control

**Recommendation 109**

In preparation of transition to new Oracle financial systems, the Department of Public Works Road Materials and Supply inventory was transferred from the Materials and Supply ISF to the Transportation Division of the Road Fund. This recommendation is an administrative item to establish appropriations necessary for the Road Fund to purchase the inventory from the Internal Service Fund.

**Recommendations 110, 111 & 112**

On February 2, 2000(3) the Board adopted a resolution approving applications and loan agreements totaling \$3,584,000 under State of California Airport Loan Program for construction of an air traffic control tower and installation of a sewer line at Ramona Airport, and authorized subsequent acceptance of award. The loans were approved and funds received and deposited in the Special Aviation Fund on July 6, 2000. The Airport Enterprise Fund is funding the debt service principal and interest from annual lease revenues as indicated in the Board Letter. The first two loan payments were budgeted in the Airport Enterprise Fund. The correct action should have been to budget an Operating Transfer from the Airport Enterprise Fund to the Special Aviation Debt Service Fund with the Special Aviation Debt Service making the loan payment to the State. Auditor and Controller took action to correctly record the debt in the Special Aviation Debt Service Fund and make the payments from that fund. These recommendations ratify the first two years' payments, and also correct budgeting for this fiscal year.

**Recommendation 113**

This item is a budget correction. It provides funding for as-needed consultant services for watercourse enforcement and stormwater inspection consultant services in Land Development Private Construction Inspection. These services are entirely revenue offset with no impact to the General Fund. The Flood Control District will reimburse the Road Fund for watercourse enforcement in the amount of \$350,000. Developer deposits will pay for any stormwater inspections on private developer projects.

**Recommendation 114**

Unforeseen groundwater containment requirements have resulted in unanticipated work at the Palomar Landfill. These groundwater remediation activities are required by the Regional Water Quality Control Board (RWQCB).

**Recommendation 115**

**SUBJECT: FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)**

Upgrades to the Palomar Landfill gas system will improve gas collection and migration control to prevent landfill gas intrusion into groundwater. Cost is fully revenue offset.

**Recommendations 116 & 117**

These actions will transfer one Land Use and Environment Manager position from the Department of Environmental Health to the Department of Parks and Recreation and make the funding available for this position. It has been determined that the grants centralization project for the Land Use and Environment Group should be under the direction of this department. This will allow the Group to focus the County's resources and maximize the grant revenue generating ability.

**Recommendation 118**

The California Department of Transportations (CalTrans) and the County of San Diego entered into a Cooperative Agreement on January 16, 2002, in which CalTrans agreed to build certain "Betterments" as part of the mitigation for impacts that SR125 will have on Sweetwater Regional Park. CalTrans has allocated \$410,000 to pay for the construction of certain trails, a Marketing Study and fund County administrative costs for oversight of construction of the project. The "Betterments" will include construction of a swimming pool, picnic pavilion, recreation building, restrooms, picnic shelters, relocation of seven campsites, extension of utilities and the development of the new Sweetwater Valley Little League Baseball Complex. Of the \$410,000 allocation, \$270,000 has been identified for trail development and \$75,000 for the Marketing Study, and was budgeted in the Capital Outlay Fund in the Fiscal Year 2002-2003 Capital budget. This action will establish appropriations for the remaining \$65,000 in the Capital Project to fund Parks and Recreation Department staff costs to administer the project.

**Recommendation 119**

The establishment of \$200,000 of appropriations in the Fallbrook Park Land Dedication Ordinance (PLDO) fund is needed to fund the Rainbow Park Improvements Capital Project. These appropriations were established in the PLDO fund in prior year but were not carried over to Fiscal Year 2002-2003 and, therefore, are not available to fund the Rainbow project. Establishment of the appropriations will allow the project to be funded in the current year.

Respectfully submitted,

WALTER F. EKARD  
Chief Administrative Officer

**SUBJECT:** FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)

**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 type="checkbox"/> Yes	<input checked="" 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:** Auditor and Controller

**CONTACT PERSON(S):**

William J. Kelly, Chief Financial Officer

Name

(619) 531-5413

Phone

(619) 531-5219

Fax

A-5

Mail Station

[bkellyac@co.san-diego.ca.us](mailto:bkellyac@co.san-diego.ca.us)

E-mail

Janel Pehau, Director, Office of Financial Planning

Name

(619) 531-5175

Phone

(619) 531-6261

Fax

A-5

Mail Station

[jpehauac@co.san-diego.ca.us](mailto:jpehauac@co.san-diego.ca.us)

E-mail

**AUTHORIZED REPRESENTATIVE:**

William J. Kelly, Chief Financial Officer

**SUBJECT:** FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)

**AGENDA ITEM INFORMATION SHEET**

(continued)

**PREVIOUS RELEVANT BOARD ACTIONS:**

July 30, 2002 (10); February 27, 2001 (7) Fiscal Year 2000-01 Second Quarter Budget Status Report; November 14, 2000 (6) Fiscal Year 2000-01 First Quarter Budget Status Report; September 19, 2000 (2) approved implementation of phase 3 EPSDT-funded expansion of mental health services; January 15, 2002 (2) Implementation of Phase 4 of EPSDT Program;

**BOARD POLICIES APPLICABLE:**

A-87, Competitive Procurement; A-91, Mid-Year Budget Changes; A-114 Prevention Policy; B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery; B-51, Grants, Awards and Revenue Contracts – Departments to Certify that Project would be Worthy of County Financial Support

**BOARD POLICY STATEMENTS:**

**A-87 Competitive Procurement**

The contract with the YWCA to manage the year round Homeless Family Shelter to provide case management services was awarded as a sole source contract based on a competitive bid process selected by the City of San Diego. The County of San Diego has a partnership with the City of San Diego for these services since October 24, 2000. The County's funding supports the case management services in the City-funded year round short-term transitional shelter for homeless families.

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

A waiver of Board Policy A-91, Mid-Year Budget Changes, is requested for the mid-year appropriation of various funds, including Fiscal Year 2001-02 Fund Balance. These funds are needed for effective and efficient operation of the Groups and Agency.



**SUBJECT:** FIRST QUARTER REPORT ON ESTIMATED RESULTS OF OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2003 (District: All)

**B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery**

A waiver of Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery is requested because the funding does not offset all allocated indirect costs. These costs, estimated at \$24,354, are already budgeted and the benefits to the community far outweigh the indirect costs associated with these activities.

**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 NUMBER(S):**

**FY 2002-2003 1st Quarter  
Projected Year-end Results**  
(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund**

Community Services	\$ 8,852	\$ (1,383)	\$ 7,469
Finance & General Government	\$ 24,400	1,000	25,399
Health & Human Services	\$ 70,716	(66,614)	4,101
Land Use & Environment	\$ 3,068	(406)	2,662
Public Safety	\$ 38,284	(16,711)	21,573
Total Agency/Group	\$ 145,319	(84,114)	61,205
General Revenues	\$ -	4,329	4,329
General County Expenses	\$ 20,203	-	20,203
<b>Total General Fund</b>	<b>\$ 165,522</b>	<b>\$ (79,785)</b>	<b>\$ 85,738</b>

**Special Revenue Funds**

Community Services	25,248	(23,547)	1,701
Finance & General Government	431	131	562
Health & Human Services	5,405	2,005	7,410
Land Use & Environment	5,287	(1,303)	3,985
Public Safety	5,883	(5,744)	139
Finance Other - Capital Program	-	-	-
<b>Total Special Revenue Funds</b>	<b>42,254</b>	<b>(28,457)</b>	<b>13,797</b>

**Internal Service Funds Departments**

Community Services	4,723	(4,373)	349
Finance & General Government	-	-	-
Health & Human Services	-	-	-
Land Use & Environment	2	(2)	-
Public Safety Group	0	25	25
Finance Other	(3,983)	1	(3,982)
Other County	-	-	-
<b>Total Internal Service Funds</b>	<b>742</b>	<b>(4,349)</b>	<b>(3,607)</b>

**Enterprise Fund Departments**

Land Use & Environment	\$ 687	\$ (513)	\$ 174
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**Special District Funds Departments**

Health & Human Services	-	-	-
Land Use & Environment	498	(135)	363
Public Safety Group	-	-	-
<b>Total Special District Funds</b>	<b>\$ 498</b>	<b>\$ (135)</b>	<b>\$ 363</b>

**Other County Funds Departments**

Community Svcs. Dept - Redevelopment Agencies	\$ 400	\$ (400)	\$ -
LUEG - Debt. Svc. Local Boards	-	-	-
<b>Total Other County Funds</b>	<b>\$ 400</b>	<b>\$ (400)</b>	<b>\$ -</b>

<b>Total County Projected Operating Balance</b>	<b>\$ 210,104</b>	<b>\$ (113,640)</b>	<b>\$ 96,464</b>
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**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
-------------------------	---------------------	------------------------------------------------------------------------------------

**General Fund Departments**

Animal Control	\$ 444	\$ 9	\$ 452
Community Services Group Exec Office	7,046	-	7,046
Contribution to ISFs	-	-	-
General Services Funds	-	-	-
Housing & Community Development	866	(944)	(78)
Library Services	-	-	-
Registrar of Voters	497	(448)	49
<b>Total General Fund</b>	<b>8,852</b>	<b>(1,383)</b>	<b>7,469</b>

**Special Revenue Funds Departments**

Library Services	1,736	(35)	1,701
Housing & Community Development	23,512	(23,512)	-
<b>Total Special Revenue Funds</b>	<b>25,248</b>	<b>(23,547)</b>	<b>1,701</b>

**Internal Service Funds Departments**

Facilities Management	2,000	(2,000)	-
Fleet Management	2,052	(1,952)	100
Purchasing & Contracting	670	(421)	249
Document Services	-	-	-
<b>Total Internal Service Funds</b>	<b>4,723</b>	<b>(4,373)</b>	<b>349</b>

**Other County Funds Departments**

Redevelopment Agency	400	(400)	-
<b>Total Community Services Group</b>	<b>\$ 39,223</b>	<b>\$ (29,704)</b>	<b>\$ 9,519</b>

**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 584	\$ 859	\$ 1,443
Board of Supervisors	166	2	168
Board of Supervisors-General	-	-	-
CAC-Major Maintenance	-	-	-
CFO/Auditor & Controller	1,721	109	1,831
Chief Administrative Officer	522	(24)	498
County Technology Office	1,500	-	1,500
Civil Service Commission	107	-	107
Clerk of the Board of Supervisors	468	3	471
Contributions to Capital Outlay Fund	565	-	565
County Counsel	540	2	542
Finance & GG Exec Office	17,787	-	17,787
Human Resources	422	48	470
Treasurer/Tax Collector	18	-	18
<b>Total General Fund</b>	<b>24,400</b>	<b>1,000</b>	<b>25,399</b>

**Special Revenue Funds Departments**

Media & Public Relations	431	131	562
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**Internal Service Funds Departments**

County Technology Office	-	-	-
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**Total Finance & General  
Government Group**

<b>\$ 24,831</b>	<b>\$ 1,131</b>	<b>\$ 25,961</b>
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**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Programs**

Agency Administration	\$ 22,098	\$ (10,489)	\$ 11,609
Adult Mental Health	2,807	(5,673)	(2,866)
Aging & Independence Services	4,232	(3,933)	299
Children's Mental Health	5,600	(10,051)	(4,452)
Children's Team	-	-	
Office of Public Health	3,667	(1,700)	1,966
Policy & Program Support	5,401	(5,442)	(41)
Proposition 10	156	(156)	-
Regional Operations	26,013	(28,999)	(2,986)
Strategy & Planning	742	(170)	572
<b>Total General Fund</b>	<b>70,716</b>	<b>(66,614)</b>	<b>4,101</b>

**Special Revenue Funds**

Social Services Realignment	2,038	-	2,038
Mental Health Realignment	1,470	246	1,715
Health Realignment	1,416	-	1,416
Tobacco Settlement Fund	480	1,759	2,240
<b>Total Special Revenue Funds</b>	<b>5,405</b>	<b>2,005</b>	<b>7,410</b>

**Internal Service Funds**

DMI-Working Capital	-	-	-
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**Special District Funds Departments**

Ambulance Districts	-	-	-
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**Other County Funds Departments**

	-	-	-
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<b>Total Health &amp; Human Services Agency</b>	<b>\$ 76,120</b>	<b>\$ (64,609)</b>	<b>\$ 11,511</b>
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**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

	Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Departments**

Agriculture, Weights & Measures	\$ 296	\$ (319)	(23)
Environmental Health	1,540	(1,032)	508
Farm Advisor	-	-	-
Land Use & Environment Group Exec Office	1,118	(128)	989
Parks & Recreation	527	322	849
Planning & Land Use	127	748	875
Public Works	(540)	3	(536)
<b>Total General Fund</b>	<b><u>3,068</u></b>	<b><u>(406)</u></b>	<b><u>2,662</u></b>

**Special Revenue Funds Departments**

Agriculture, Weights & Measures	-	-	-
Parks & Recreation	3,677	(28)	3,649
Public Works	1,610	(1,275)	335
<b>Total Special Revenue Funds</b>	<b><u>5,287</u></b>	<b><u>(1,303)</u></b>	<b><u>3,985</u></b>

**Internal Service Funds Departments**

Public Works	2	(2)	-
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**Enterprise Funds Departments**

Public Works	687	(513)	174
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**Special District Funds Departments**

Air Pollution Control District	290	(109)	181
Parks and Recreation	125	-	125
Public Works	84	(27)	57
<b>Total Special Districts Funds</b>	<b><u>498</u></b>	<b><u>(135)</u></b>	<b><u>363</u></b>

**Other County Funds Departments**

Debt Service-Local Boards	-	-	-
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<b>Total Land Use &amp; Environment Group</b>	<b><u>\$ 9,544</u></b>	<b><u>\$ (2,360)</u></b>	<b><u>\$ 7,184</u></b>
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**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

***PUBLIC SAFETY GROUP***

Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
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***General Fund Departments***

Alternate Public Defender	\$ 650	\$ (156)	\$ 494
Child Support	10,345	(9,094)	1,251
Contributions for Trial Courts	-	-	-
Defense Attorney Contract Admin.	-	-	-
District Attorney	2,319	(753)	1,566
Grand Jury	-	-	-
Law Enforcement Review Board	5	-	5
Medical Examiner	116	3	119
Office of Disaster Preparedness	65	-	65
Probation	7,424	(2,638)	4,786
Public Defender	1,050	(75)	975
Public Safety Executive Office	9,574	26	9,600
Sheriff	6,735	(4,024)	2,711
<b>Total General Fund</b>	<b>38,284</b>	<b>(16,711)</b>	<b>21,573</b>

***Special Revenue Funds Departments***

District Attorney	-	-	-
Probation	83	33	116
Sheriff	0	23	23
Public Safety - Proposition 172	5,800	(5,800)	-
<b>Total Special Revenue Funds</b>	<b>5,883</b>	<b>(5,744)</b>	<b>139</b>

***Internal Service Funds Departments***

Probation	-	-	-
Sheriff	0	25	25
<b>Total Internal Service Funds</b>	<b>0</b>	<b>25</b>	<b>25</b>

***Special District Funds***

-

**Total Group Projected Fund Balance**

<b>\$ 44,167</b>	<b>\$ (22,429)</b>	<b>\$ 21,738</b>
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**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

**GENERAL REVENUES &  
GENERAL COUNTY EXPENSES**

Expenditure Variance	Revenue Variance	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund**

General Revenues:

All Current Property Taxes	\$ -	\$ -	\$ -
All Other Taxes-Local	-	3,214	3,214
Licenses, Permits & Franchises	-	1,000	1,000
Fines, Forfeitures & Penalties	-	651	651
Revenue for Use of Money & Property	-	(5,000)	(5,000)
Intergovernmental Revenue	-	4,521	4,521
Charges for Current Services	-	(56)	(56)
Miscellaneous Revenue	-	-	-
<b>Total General Revenues</b>	<b>-</b>	<b>4,329</b>	<b>4,329</b>

General County Expenses:

Cash Borrowing Program	3,512	-	3,512
Community Enhancement	-	-	-
Contingency Reserve	11,000	-	11,000
Contributions to Library Fund	-	-	-
Community Projects & Services	-	-	-
Countywide Expenses	5,691	-	5,691
<b>Total General County Expenses</b>	<b>20,203</b>	<b>-</b>	<b>20,203</b>
<b>Total General Fund</b>	<b>20,203</b>	<b>4,329</b>	<b>24,533</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**

Unemployment & Workers Compensation	(3,982)	-	(3,982)
Public Liability	(1)	1	-
<b>Total ISF Funds</b>	<b>(3,983)</b>	<b>1</b>	<b>(3,982)</b>

**Total General Revenues & General County  
Expenses Operating Budget**

\$	16,220	\$	4,331	\$	20,551
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**FY 2002-2003 1st Quarter  
Projected Year-end Results**

(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY02-03 Projected Fund Balance Favorable/ (Unfavorable)
<b>General Fund</b>			
Community Services	7,893	(423)	7,469
Finance & General Government	12,033	13,366	25,399
Health and Human Services	13,284	(9,183)	4,101
Land Use and Environment	1,523	1,139	2,662
Public Safety	9,600	11,973	21,573
<b>Agency/Group Totals</b>	<b>\$ 44,333</b>	<b>\$ 16,872</b>	<b>\$ 61,205</b>
General Revenues		4,329	4,329
General County Expenses	-	9,203	9,203
Contingency Reserve	11,000	-	11,000
<b>Total Gen'l. Revs &amp; Gen'l. County Exp.</b>	<b>\$ 11,000</b>	<b>\$ 13,533</b>	<b>\$ 24,533</b>
<b>Total General Fund</b>	<b>\$ 55,333</b>	<b>\$ 30,405</b>	<b>\$ 85,738</b>

Numbers may not total due to rounding.

Numbers may not total due to rounding.

**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULE A  
FY 2002 - 2003 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, 2003 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 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.

**COMMUNITY SERVICES GROUP**

***General Fund:***

*Animal Control*

The projected net positive variance of \$.5 million is primarily due to unexpended Management Reserves.

*Community Services Group Executive Office*

A projected net positive variance of \$7 million is due to unexpended Management Reserves.

***Special Revenue Funds:***

*County Library*

A net positive variance of \$1.7 million is due to unexpended Management Reserves of \$1.5 million and \$.2 million in staff savings.

**FINANCE & GENERAL GOVERNMENT GROUP**

***General Fund:***

*Assessor/Recorder/County Clerk*

A net positive variance of \$1.4 million is projected for the Assessor/Recorder/County Clerk. The variance is the result of projected savings in services and supplies of \$.6 million due to a more conservative automation expansion plan, and an anticipated net over-realization of revenues of \$.8 million, primarily attributable to an anticipated over-realization of recording revenues offset by an anticipated under-realization of AB2890 Recovered Costs revenue.

*Auditor & Controller*

A net positive variance of \$1.8 million is projected for the Auditor & Controller. The variance is the result of projected savings in salaries and benefits of \$.4 million due to staff savings resulting from retirements, a projected savings in services and supplies of \$.8 million due to information technology expenditure savings, a projected year-end balance of \$.5 million in Management Reserves, and an anticipated over-realization of various revenues totaling \$.1 million.

*Chief Administrative Office*

A net positive variance of \$.5 million is projected for the Chief Administrative Office. The variance is the result of projected savings in salaries and benefits of \$.2 million due to staff savings, and a projected savings in services and supplies of \$.3 million primarily due to information technology expenditure savings.

*County Technology Office*

A net positive variance of \$1.5 million is projected for the County Technology Office. The variance is the result of projected savings in salaries and benefits of \$.2 million due to staff savings, a projected savings in services and supplies of \$.8 million due to the elimination of critical milestone incentive payments to a contractor, and a projected year-end balance of \$.5 million in Management Reserves.

*Clerk of the Board of Supervisors*

A net positive variance of \$.5 million is projected for the Clerk of the Board of Supervisors. The variance is the result of projected savings in salaries and benefits of \$.2 million due to staff savings, and a projected year-end balance of \$.3 million in Management Reserves.

*Contributions to Capital Outlay Fund*

A net positive variance of \$.6 million is projected. The variance is the result of lease payment savings stemming from interest credits on long-term obligations, principally those related to the Regional Communications System (\$.3 million) and the Central Jail project (\$.2 million).

*County Counsel*

A net positive variance of \$.5 million is projected for County Counsel. The variance is the result of projected savings in salaries and benefits of \$.4 million due to staff savings, and a projected savings in services and supplies of \$.1 million in various expenditure accounts.

*Finance and General Government Group*

A net positive variance of \$17.8 million is projected for the Finance and General Government Group. The variance is the result of projected savings in salaries and benefits of \$3.1 million due to Enterprise Resource Planning (ERP) staff savings, a projected savings in services and supplies of \$4.1 million due to information technology expenditures savings, both of which result from the delay in ERP implementation, and a projected year-end balance of \$10.6 million in Management Reserves.

*Human Resources*

A net positive variance of \$.4 million is projected for Human Resources. The variance is the result of projected savings in salaries and benefits of \$.3 million due to staff savings, and a projected year-end balance of \$.1 million in Management Reserves.

***Special Revenue Funds:***

*Media and Public Relations*

A net positive variance of \$.5 million is projected for Media and Public Relations. The variance is the result of projected savings in salaries and benefits of \$.1 million due to staff savings, a projected savings in services and supplies of \$.3 million due to savings in projected equipment maintenance costs, as well as various other expenditure accounts, and an anticipated over-realization of revenue of \$.1 million due to cable franchise fee revenue.

**HEALTH & HUMAN SERVICES AGENCY**

***General Fund:***

*Agency Administration*

The Agency Administration consists of the following: Agency Executive Office, Financial Services, Community Action Partnership, Information Technology, Human Resources and Agency management reserve. A net positive variance of \$11.6 million is projected for Agency Administration. The variance is the result of

projected available Management Reserves of \$13.2 million, as well as expenditure savings of \$9.8 million in services and supplies and contract expenditures, and an over expenditure of salaries and benefits of \$1 million. Revenue is projected as under realized by \$10.5 million. This revenue represents State and Federal reimbursements for Agency administrative costs. The reduction in revenue corresponds to projected expenditure savings.

#### *Adult Mental Health*

A net negative variance of \$2.8 million is being projected. The negative variance includes anticipated over expenditures of \$2.8 million for Sheriff department pharmaceutical costs. Although this is offset with savings in salaries and benefits and services and supplies, there is no revenue to offset the pharmaceutical costs. Revenue is projected to be below budget by \$5.7 million, which includes the \$2.8 million of un-recovered expense for Sheriff pharmaceutical costs, as well as underutilization of inpatient services which results in under-realization of Managed Care revenue. Discussions are underway between HHS and the Sheriff's Department to address pharmacy medication costs.

#### *Aging and Independence Services*

A net positive variance of \$.3 million is projected for Aging and Independence Services. The variance is a result of projected over expenditures in salaries and benefits (\$.7 million) due to quality first payouts not being budgeted at this time. It is projected there will be a \$3.9 million savings from what is budgeted for Edgemoor and AIDS Waiver Case Management contracts. There is also a projected \$1.0 million savings from what is budgeted in operating transfers to the Public Authority for In Home Supportive Services.

#### *Children's Mental Health*

A net negative variance of \$4.4 million is being projected for Children's Mental Health. The variance is a result of projected expenditure savings of \$5.6 million, offset by an under-realization of \$10.0 million in revenue. The reduction in revenue corresponds, in part, to the suspension of SB-90 reimbursements which deals with un-funded State mandated programs and the State now requiring a 10% County match for EPSDT funding.

#### *Public Health Services*

A net positive variance of \$2.0 million is projected for Public Health Services. The projected \$3.6 million in expenditure savings includes \$1.0 million savings in salaries and benefits, \$3.0 million savings in services and supplies, which is primarily a result of cost savings associated with contracts, and \$0.4 million over expenditures for other charges. The under realization of revenue by \$2.0 million corresponds to the projected expenditure savings.

#### *Regional Operations*

A net negative variance of \$3.0 million is projected for Regional Operations. This is a result of expenditure savings of \$26.0 million with a revenue reduction of

\$29.0 million. Increased costs are projected for Foster Care and Aid to Adoptive Parents. These costs are partially offset by savings in other subsistence payments including CalWORKs and General Relief, for a net cost impact of \$1.0 million. The FY 02-03 State allocation for Stage I Child Care is projected at being \$2.0 million less than projected expenditures. HHS is requesting additional funds from the State Child Care reserve to cover the anticipated amount over the allocation.

#### *Strategy and Planning Division*

A net positive variance of \$0.57 million is projected for the Strategy and Planning Division. There is a projected \$ 0.74 million in expenditure savings mainly in services and supplies for contracts and a \$ 0.03 million savings in salaries and benefits. There is a corresponding under realization of revenue projected at \$0.17 million.

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

A total net positive variance of \$7.4 million is projected for the three Realignment Special Revenue Funds and the Tobacco Securitization Fund. Expenditure savings are anticipated to be \$5.4 million, and will not be needed for transfer to the General Fund. The revenue variance of \$2.0 million is based on unanticipated interest for the Tobacco Securitization Fund and current estimates for the sales tax and vehicle license fee revenues associated with Realignment.

### **LAND USE AND ENVIRONMENT GROUP**

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

##### *Environmental Health*

This department is projecting a year-end fund balance of \$.5 million. The projected revenue shortfall of \$1 million is primarily as a result of the department's fees being implemented mid-year. This revenue decrease is offset with the accompanying expenditure reductions in staffing and the projected savings of their Management Reserve.

##### *Executive Office*

The year-end projected variance for this unit is due primarily to Management Reserves of \$1.0 million that are anticipated to remain unspent this year.

##### *Parks and Recreation*

This department projects a \$.8 million fund balance by year-end. Savings of \$.2 million are expected in salaries and benefits due to vacancies and delays in the hiring process. Projected savings in services and supplies of \$.2 million are due to contract savings. Revenue is projected to be over budget by \$.3 million which is primarily due to increases in parks and campground reservations.

### *Planning and Land Use*

This department projects nearly a \$.9 million fund balance by year-end. This is due to under expenditures in salaries and benefits as a result of vacancies. This under expenditure is offset by overages in services and supplies for a net under expenditure projection of \$.1 million. Revenue is projected to be over realized by \$.8 million, primarily in construction permits, plan check and field inspections.

### *Public Works*

This department projects a negative \$.5 million fund balance by year-end. The bulk of the overages are due to unbudgeted expenditures for the ERP Core Team and for costs attributed to the San Marcos pre-closure activities. These issues will be dealt with throughout the year once available resources are identified.

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

#### *Parks and Recreation*

Spending is projected to be well below budget as a result of Community priorities for larger, costlier projects requiring time to accumulate additional funds beyond the current year. A year-end fund balance of \$3.6 million is projected.

#### *Public Works*

This department projects a positive year-end fund balance of \$.3 million. This is primarily due to savings from under filling positions and potential savings in services and supplies due to lower contract costs. The revenue shortfall is as a result of low interest rate returns on funds.

## **PUBLIC SAFETY GROUP**

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

#### *Alternate Public Defender*

A net positive variance of \$.5 million is projected for the Alternate Public Defender. The variance is the result of projected salaries and benefits savings of \$.65 million due to staffing vacancies. Revenue is projected to be \$.15 million under budget due to a lack of reimbursement from Trial Court funding for unfilled positions.

#### *Child Support Services*

A net positive variance of \$1.25 million is projected for the Department of Child Support Services. The variance is the result of projected salaries and benefits savings of \$2.5 million due to the department maintaining approximately 100 budgeted position vacancies due to uncertainty in the State budget and projected services and supplies savings of \$7.5 million due to several projects being placed on hold also due to State budget concerns. Overall, the department is currently

projecting expenditures to be \$10.3 million under budget, with offsetting state revenues to be \$9.1 million less than budget.

*District Attorney*

A net positive variance of \$1.5 million is projected for the District Attorney. The variance is the result of projected salary and benefit savings of \$4 million due to managed hiring due to uncertainty surrounding the State budget and increased department costs in FY 03-04. Services and supplies are projected to be \$ .3 million in excess of the adjusted budget level. The projection includes routine costs, estimates for the General Services and Information Technology ISFs and for case related costs. Cost applied amounts are projected to be \$ 1.5 million less than the budgeted amount due primarily to unspent salary (\$ 1.0 million) and services and supplies (\$.3 million) appropriations. Total revenues are projected to come in at \$.7 million under budget. The most significant variance in expected revenue is the loss of State reimbursement for the Child Abduction Recovery program (SB 90) in the amount of \$.95 million. This is partially offset by an increase in Worker's Compensation Insurance Fraud revenue (\$.26 million).

*Probation Department*

A net positive variance of \$4.8 million is projected for the Probation Department. The variance is the result of a projected savings in salaries and benefits of \$4.5 million due to a combination of factors, primarily frozen positions associated with the closure of Camp West Fork, and a higher than normal number of vacant positions a result of retirements. Services and supplies will be overspent by \$1.5 million due to a projected over-expenditure in the Facility Maintenance ISF of \$1.4 million in anticipated costs. The other charges accounts will be under spent by \$4.4 million due to decreased Foster Care placements. Revenue will be under realized by \$2.6 million due to a corresponding reduction in State and Federal Foster Care reimbursement revenue, less than anticipated Proposition 172 revenue and the elimination of revenue for the Challenge Grant "WINGS" (Working to Insure and Nurture Girls Success).

*Public Defender*

A net positive variance of \$1.0 million is projected for the Public Defender. The variance is the result of a projected savings in salaries and benefits of \$1 million due to staffing vacancies and under filling positions.

*Executive Office*

A net positive variance of \$9.6 million is projected for the Public Safety Group Executive Office. This is due to projected unexpended Management Reserves that are set aside for unexpected issues.

*Sheriff*

A net positive variance of \$2.7 million is projected for the Sheriff. The variance is the result of projected salaries and benefits savings of \$6.6 million due to vacancies within the department. Revenue is projected to be under budget



approximately \$4 million. The estimated shortfall includes a \$5 million reduction in Proposition 172. The Proposition 172 shortfall is partially offset by over realized revenue of \$.85 million from contract cities.

***Special Revenue Funds:***

*Proposition 172 Funds*

Based on preliminary monthly information from the State Controller's Office, Fiscal Year 2002-03 Proposition 172 revenues are expected to be realized at the budgeted level or perhaps slightly higher. Initial information on Sales & Use receipts from the California Department of Finance shows a marginal 1.5% improvement year-to-date over the Governor's 2002 May Revision.

The \$5.8 million expenditure savings and matching decrease in revenue is the result of available fund balance being less than what was anticipated in the adopted budget. The expenditure savings, however, means a revenue shortfall for some of the Public Safety Group departments as noted above. To the extent Fiscal Year 2002-03 funds come in higher than budgeted, the fund balance shortfall will be mitigated. These funds will be monitored carefully throughout the year.

**GENERAL REVENUES & GENERAL COUNTY EXPENSES**

**General Revenues & General County Expenses**

The General Fund fund balance for these two categories combined is projected to be \$24.5 million, comprised of \$4.3 million in additional General Revenues and \$20.2 million of savings in General County Expenses.

*General Revenues*

San Diego's economy has continued to grow at a slow, but positive rate. Currently, the San Diego economy continues to outperform the State economy, primarily due to a strong local construction sector and continued demand for housing. Significant components of the \$4.3 million favorable revenue variance include:

*All Current Property Taxes*

All Current Property Taxes are estimated at budget with no favorable net variance based on the preliminary data available through apportionment 3.

*All Other Taxes - Local*

All Other Taxes are anticipated to exceed budget by an aggregate of \$3.2 million:

- Sales and Use Tax revenue is expected to exceed budget by \$0.4 million, attributable to continued steady retail activity in the unincorporated area.

Southern California gained 1.2% over the same period a year ago while the State declined by 1.3%.

- Due to the strong economy, Aircraft Unsecured Taxes are estimated to exceed the FY02-03 budget by \$0.3 million.
- An additional \$2.5 million in revenue is estimated in Real Property Transfer Taxes. This is based on actual receipts through September, which are 22% higher than last year at the same time. This is attributed to the continued record low interest rates.

#### *Licenses, Permits & Franchises*

An additional \$1.0 million in Franchise fees is anticipated from Sempra Energy Company (SDG&E) for calendar year 2002. The County receives Franchise fees and Franchise fee equivalents from SDG&E for the right to utilize land in the unincorporated area. The franchise fees are based on the number of miles of lines and the sales of the electric and gas energy. This year-end estimate is based on last year's actual revenues.

#### *Fines, Forfeitures & Penalties*

Penalties & Costs Delinquent Taxes represents a revised estimate of an additional \$.64 million based on last year's final year-end actuals.

#### *Revenue from Use of Money & Property*

Interest on Deposits and Investments is projected to be \$5.0 million less than budget due to the difference between the interest rate assumed in the budget of 3.25% and current earnings rate of 2.75%.

#### *Intergovernmental Revenue*

A favorable variance of \$4.5 million is projected due to:

- a) Vehicle License Fee (VLF) revenues are expected to exceed budget by \$4.2 million as a result of sustained strength in automotive sales.
- b) Federal and State In-Lieu Taxes will exceed budget by \$.3 million.

#### *Miscellaneous Revenues*

A negative variance of \$.06 million is anticipated due to less than expected Recovered Expenditures and other miscellaneous items.

## General County Expenses

### *Cash Borrowing Program*

Debt service costs are projected to be lower than budget by \$3.5 million due to:  
a) lower interest expenditures of 3.0% versus 3.5% estimated for the budget and  
b) higher premium discounts realized at the time of the sale of the Tax Revenue Anticipation Notes (TRANS) in July 2002.

### *Contingency Reserve*

The entire \$11.0 million budgeted in the Contingency Reserve is expected to be unspent at year-end.

### *Countywide Expenses*

Year-end savings of \$ 5.7 million is estimated due to:

- Savings of \$3.0 million is expected to be available at year-end based on the favorable financial condition of the County. These monies may be recommended for augmenting the General Reserve in Fiscal Year 2003-04 depending on the impact of the State's budget on the County.
- Savings of \$2.7 million in the ERP lease purchase payment. \$9.2 million was budgeted for the Enterprise Resource Planning (ERP) system lease-purchase payment. Only \$6.5 million is required this year because the Property Tax System component of the ERP Program is on hold pending further review of available technology.

## **Special Revenue Funds**

### *Employee Benefits Fund (ISF)*

Increased Workers Compensation claims costs in the Employee Benefits Fund are estimated at \$3.9 million. Options are being reviewed to mitigate these costs.