



Description

The responsibility for this grouping of funds and organizations rests primarily with departments in the Finance and General Government Group. Additionally, this grouping contains historical information of departments or other organizations formerly included in the Fiscal Year 1998–1999 Adopted Budget that do not have appropriations in this year’s Proposed Operational Plan.

The following provides a brief description of the purpose of these organizational units along with supporting and explanatory information:

Cash Borrowing

These appropriations fund the cost of financing the County’s cash borrowing program. In Fiscal Year 1999–2000, the gross cost of financing cash flow requirements is \$11,830,000. This estimate reflects total borrowing needs in the range of \$165 – \$175 million for Tax and Revenue Anticipation Notes (TRANS) at an interest rate of approximately 4.25%. The estimated cost of the TRANS borrowing is \$9 million. Additionally, these appropriations include an additional cost in the range of \$2 to \$3 million for an estimated \$36 million Teeter Borrowing Program.

Community Enhancement

Community Enhancement Program funds are appropriated to fund cultural activities, museums, visitor and convention bureaus, economic development councils, and other similar institutions. These organizations promote and

generate tourism and/or economic development both at the regional and community levels throughout San Diego County. The amount of funding from General Revenues proposed by the CAO for the Community Enhancement Program equals the amount of Transient Occupancy Tax (TOT) revenues estimated to be collected in the Proposed Operational Plan. Applications for funding are submitted to the Board of Supervisors, and approval of projects is given through the budget adoption process.

Contingency Reserve – General Fund

Contingency Operating Reserve appropriation of \$18.5 million is proposed for Fiscal Year 1999–2000 and Fiscal Year 2000–2001. This is an \$8.5 increase over the Fiscal Year 1998–1999 Adopted Budget. These appropriations are a source of funding for extraordinary needs or events that may occur during the fiscal year. Examples of potential needs include emergency repairs, projects, or costs for county-wide appropriations and revenue shortfalls.



Contributions To Capital Outlay

Contributions to Capital Outlay are appropriations that are provided to fund the Capital Program through an operating transfer from the General Fund. This funding is appropriated for various items purchased through long-term lease payments on a fiscal year basis. It also provides funding for capital improvement projects for the life of those projects.

Contributions To The County Library System

Contributions to the County Library System are appropriations that are provided to fund the County Library System through an operating transfer from the General Fund. These appropriations are used primarily for Library operations.

Pension Obligation Bonds

These appropriations support bond principal and interest payments as well as administrative expenses. The County is obligated to make annual payments to the Retirement Association for County employees and to fund accrued actuarial liabilities. Based on a 1993 Actuary Report, accrued unfunded liabilities were determined to be \$431,836,641. On February 15, 1994 the County issued \$430,430,000 of taxable bonds to satisfy this obligation.

Employee Benefits Internal Service Fund (ISF)

In Fiscal Year 1994–1995, the County established an Employee Benefits Internal Service Fund (ISF) to report all of its uninsured risk management activities. The County is self-insured through the ISF for Workers' Compensation. The fund also accounts for the cost of claims and administrative

cost for Unemployment and Medical and Dental benefit reserves. Revenues are earned via biweekly payroll charges to all participating entities. These revenues support the claims payments and administrative costs associated with these programs, as well as the funding of reserves, determined by an actuarial review, as required by GASB Statement 10 of the Governmental Accounting Standards Board.

Unemployment is paid through the State of California and is reimbursed on a quarterly basis. The Medical and Dental reserves are held as required of a self-insured program.

The rates for Workers' Compensation are based on a combination of experience and CIRB (California Insurance Rating Bureau) rates. The distribution is 70% based on the last three years' actual loss experience and 30% based on CIRB rates. Unemployment rates are determined based on historical costs and apportioned based on departmental staff hours. The medical and dental reserve requirements rates are determined by Aetna Life and Health Plans and Standard Insurance Company of Oregon, respectively, which act as a paying agents for the County.

The reserve requirement for Workers' Compensation was established by an actuarial study and will be funded over a 10-year period as part of the rate structure. As of Fiscal Year 1998–1999, the County has funded \$16 million of an estimated \$55.8 million liability. In Fiscal Year 1999–2000 the County plans to fund an additional another \$4 million and will continue to do so until the total liability is funded. A new actuarial study is now being conducted to determine the total estimated liability as of June 30, 1999.



Public Liability Insurance Internal Service Fund (ISF)

In Fiscal Year 1994–1995, the County established the Public Liability Insurance Internal Service Fund (ISF) to report all of its uninsured risk management activities. The County is self-insured through this ISF for premise liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, and general liability. Revenues are earned via quarterly premium charges to all participating entities. These revenues support the claims payments, litigation cost associated with claims and the funding of reserves, determined by an actuarial review, as required by GASB Statement 10 of the Governmental Accounting Standards Board.

The cost of insurance to General Fund departments, other funds and special districts is distributed based on a weighted risk factor. The cost is allocated 90 percent based on the last five years loss experience, and 10 percent based on staff hour’s exposure.

The reserve requirement was established through an actuarial study and will be funded over a 10-year period as part of the rate structure. As of Fiscal Year 1998–1999, the County has funded \$7.5 million of an estimated \$28.4 million liability.

General Designation Contingency

In Fiscal Year 1998–1999, the County established a General Contingency of \$50 million for extraordinary unforeseen catastrophic needs. These funds have been set aside, and not included in the Proposed Operational Plan Fiscal Year 1999–2000 and Fiscal Year 2000–2001.

In Fiscal Year 1999–2000, the County plans to fund an additional \$4 million and will continue to do so until the total liability is funded. A new actuarial study is now being conducted to determine the current total estimated liability as of June 30, 1999.

Historical Information

Organizations with prior year adopted budgets that do not have appropriations in this year’s Proposed Operational Plan are the following:

HISTORICAL INFORMATION	
	1998–1999 APPROPRIATIONS
Community Projects And Services	\$900,000
Competition & Re-Engineering	\$1,540,978
Equal Opportunity Management	\$32,461



County Of San Diego
Operational Plan Summary By Department

Finance/Other

EXPENDITURES BY
DEPARTMENT

	FISCAL YEAR 1998-1999 ADOPTED BUDGET	FISCAL YEAR 1998-1999 ADJUSTED ACTUALS	FISCAL YEAR 1999-2000 ADOPTED BUDGET	FISCAL YEAR 2000-2001 APPROVED BUDGET
Cash Borrowing Program	\$11,830,000	\$10,481,822	\$9,230,000	\$11,830,000
Community Enhancement	\$2,745,179	\$2,738,048	\$2,850,000	\$2,850,000
Contingency Reserve - General Fund	\$10,600,000	\$-	\$20,728,482	\$18,500,000
Contributions to Capital Outlay	\$38,565,426	\$42,320,106	\$64,286,883	\$52,736,654
Contribution to County Library	\$3,044,337	\$3,038,980	\$5,597,017	\$8,252,017
Pension Obligation Bonds	\$46,453,725	\$46,430,739	\$48,797,930	\$51,214,883
Employee Benefits Fund (ISF)	\$21,506,961	\$8,978,810	\$23,413,738	\$23,287,161
Public Liability Insurance (ISF)	\$11,500,000	\$(6,984,448)	\$12,775,075	\$12,775,075
Community Projects & Services	\$900,000	\$493,500	\$3,362,700	\$-
Competition & Re-engineering	\$1,540,978	\$1,230,901	\$-	\$-
Equal Opportunity Management Office	\$32,461	\$32,461	\$-	\$-
General Designation-Contingencies	\$50,000,000	\$-	\$-	\$-
County-Wide-General Expense	\$2,000,000	\$-	\$-	\$-
Total	\$200,719,067	\$108,760,919	\$191,041,825	\$181,445,790