

## PROGRAM VII: INSURANCE, RESERVES & MISCELLANEOUS

### Summary of Appropriations and Revenues

Agency	Agency Name	FY 2007-2008 Appropriations	FY 2007-2008 Revenue	FY 2007-2008 Net County Cost
004	Miscellaneous	277,445,044	270,772,043	6,673,001
056	Employee Benefits	2,683,782	1,458,205	1,225,577
100	General Fund	250,000	0	250,000
	GENERAL FUND SUBTOTAL	280,378,826	272,230,248	8,148,578
13A	Litigation Reserve - Escrow Agent FTCl	203,015	203,015	0
145	Revenue Neutrality	3,024,697	3,024,697	0
14C	Class B-27 Registered Warrants	32,367	32,367	0
14F	Deferred Compensation Reimbursement (HR)	1,961,238	1,961,238	0
14X	Tobacco Settlement	763,935	763,935	0
14Y	Indemnification Reserve	53,384	53,384	0
14Z	Litigation Reserve	4,021,753	4,021,753	0
15S	Designated Special Revenue	20,753,870	20,753,870	0
15Z	Plan of Adjustment Available Cash	17,766,764	17,766,764	0
289	Information Technology Internal Service Fund	61,080,293	61,080,293	0
290	Health Maintenance Organization Health Plans ISF	105,504,472	105,504,472	0
291	Unemployment Insurance Internal Service Fund	9,735,385	9,735,385	0
292	Self-Insured PPO Health Plans ISF	89,420,736	89,420,736	0
293	Workers' Compensation Internal Service Fund	40,901,706	40,901,706	0
294	Property and Casualty Risk Internal Service Fund	36,788,219	36,788,219	0
295	Retiree Medical Internal Service Fund	81,049,308	81,049,308	0
296	Transportation Internal Service Fund	28,515,023	28,515,023	0
297	Reprographics Internal Service Fund	5,409,031	5,409,031	0
298	Self-Insured Benefits Internal Service Fund	11,788,644	11,788,644	0
29Z	Life Insurance Internal Service Fund	3,350,333	3,350,333	0
	OTHER FUNDS SUBTOTAL	522,124,173	522,124,173	0
	TOTAL - INS., RESERVES & MISCELLANEOUS	802,502,999	794,354,421	8,148,578

## 004 - MISCELLANEOUS

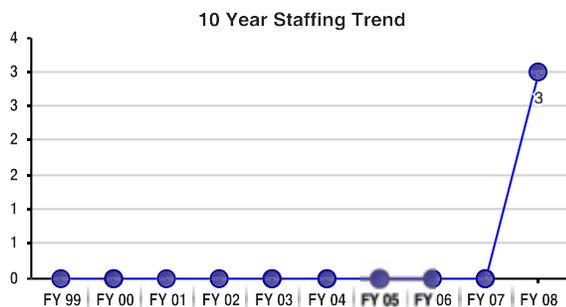
### Operational Summary

#### Description:

This budget unit is a compilation of miscellaneous General Fund activities that includes: required contributions to the Orange County Employees Retirement System (OCERS), General Fund transfer to Internal Service Funds for purchase of new equipment exceeding accumulated depreciation, retirement expense reimbursement from County departments and County General overhead recovery from non-General Funds (CWCAP).

At a Glance:	
Total FY 2006-2007 Actual Expenditure + Encumbrance:	274,974,616
Total Final FY 2007-2008	277,445,044
Percent of County General Fund:	9.13743%
Total Employees:	3.00

#### Ten Year Staffing Trend:



#### Ten Year Staffing Trend Highlights:

- Three positions were added via the FY 2007-08 Budget Augmentation process. These positions were created to support a new, Performance Audit function and were placed in the Miscellaneous Fund temporarily until a permanent location in the County's organization structure could be identified.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

The FY 2007-08 budget includes \$2.1 million to be transferred to Fund 15L - 800 MHz Countywide Coordinated Communications System, for site construction/development. This item has been carried forward from previous fiscal years and is expected to be completed during FY 2007-08.

#### Changes Included in the Base Budget:

In January of 2007, the County pre-paid 100.0% of the employer's estimated FY 2007-08 pension expense. The FY 2007-08 Miscellaneous Fund budget includes \$222.4 million for scheduled payments to Agency 022 - Prepaid Pension Obligation.

Prior to FY 2007-08, retiree medical expenses were processed through this budget. Beginning FY 2007-08, the retiree medical plan will be operated and maintained by the County of Orange Retiree Medical Trust.

### Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
<b>Funding for Purchase of 6 Vehicles for Probation Transportation - YLA and Youth Guidance Center</b> Amount: \$ 164,000	Operating transfer to Fund 296 Transportation ISF for purchase of 6 vehicles for Probation.	Enable Probation to maintain adequate transportation services for institutional staff/field deputies	2683



## Approved Budget Augmentations and Related Performance Results: (Continued)

Unit Amount	Description	Performance Plan	BRASS Ser.
<b>Funding for Purchase of 2 Public Admin/Public Guardian Vehicles</b> Amount:\$ 54,000	Operating transfer to Fund 296 Transportation ISF for purchase of PA/PG vehicles.	Addition of vehicles will result in 30% reduction in PA/PG private auto mileage reimbursement cost.	2691
<b>Funding for Purchase of 3 Vehicles for Communications Transport of Emergency Services Personnel</b> Amount:\$ 124,000	Operating transfer to Fund 296 Transportation ISF for purchase of 3 Communications vehicles.	Provide vehicles for Communications staff to complete work in field.	2692
<b>Funding for Purchase of 1 Vehicle for HCA to Transport Water Lab Personnel and Samples</b> Amount:\$ 38,000	Operating transfer to Fund 296 Transportation ISF for purchase of a vehicle for HCA for water lab.	Provide transportation for movement of necessary lab equipment, supplies and personnel.	2693
<b>Add 3 Positions for Performance Audit Division</b> Amount:\$ 750,000	Add 1 Admin Mgr III, 1 Admin Mgr II, 1 Admin Mgr I & funding for consultant services for perf audits	Reduced cost of operations, increased productivity, improved service delivery	3082

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	0	0	0	3	3	0.00
Total Revenues	238,840,446	292,329,455	294,528,216	270,772,043	(23,756,173)	-8.07
Total Requirements	230,712,233	304,054,810	274,974,617	277,445,044	2,470,427	0.90
Net County Cost	(8,128,213)	11,725,355	(19,553,599)	6,673,001	26,226,600	-134.13

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Miscellaneous in the Appendix on page A493

# 056 - EMPLOYEE BENEFITS

## Operational Summary

### Description:

Employee Benefits administers a wide variety of self-funded benefits and group insurance plans for County employees, retirees and their dependents.

### Strategic Goals:

- The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

### FY 2006-07 Key Project Accomplishments:

- Negotiated changes to the retiree medical program with 95% of the labor organizations. The changes were implemented and significantly reduced unfunded liability while retaining a restructured retiree medical program.
- Completed application with Centers for Medicare and Medicaid Services (CMS) for Medicare Part D program and began receiving quarterly reimbursements for prescription subsidies (Medicare Part D) available to some of the County's health plans on behalf of its retiree health plan participants.
- Developed program scope, finalized vendor contract, and initial communication campaign for phase I of the Wellness Program which will include a Health Care Management Program with an online Health Risk Assessment Tool, Lifestyle Management programs, a 24/7 Nurse line and e-health website and a variety of Health information materials. Implementation of Phase I is scheduled for FY 07-08.

**Employee Benefits** - Employee Benefits designs, implements and administers a wide variety of self-funded benefits and insurance plans for County employees, retirees and their dependents.

### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	2,127,793
Total Final FY 2007-2008	2,683,782
Percent of County General Fund:	0.0883882%
Total Employees:	11.00

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- Employee Benefits implemented the County of Orange Benefits Center on January 1, 2003. The Benefits Center allows employees and retirees to access their benefits information via the Web Site and/or the Benefits Center Toll-Free Benefits Resource Line resulting in streamlined administration and enrollment of the Employee Benefits functions. As a result, one position was deleted mid-year of FY 02-03 and 10 positions were deleted in the FY 03-04 budget. From FY 03-04 through FY 07-08, the number of Employee Benefits positions has remained at 11.
- For FY 98-99 through FY 99-00, the number of Employee Benefits positions was lower due to the majority of the employees were Auditor-Controller employees.

### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	11	11	11	11	0	0.00
Total Revenues	1,119,282	1,171,471	1,098,826	1,458,205	359,379	32.71
Total Requirements	1,347,687	2,510,579	2,114,959	2,683,782	568,823	26.90
Net County Cost	228,405	1,339,108	1,016,133	1,225,577	209,444	20.61

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Employee Benefits in the Appendix on page A539

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### Changes Included in the Base Budget:

The Wellness Program budget is being transferred to 298 ñ Self-Insured Benefits Internal Service Fund in the Recommended Base Budget. The Board approved this strategic priority to promote Countywide Wellness for all employees.

## 100 - GENERAL FUND

### Operational Summary

#### Description:

Support the Activities of the General Fund.

Beginning in 1998-99 funds have been reserved for Strategic Priorities approved in the various Strategic Financial Plans. The reserve is increased when the Board of Supervisors allocates Fund Balance Available and decreased when the reserve is reduced, as planned, to fund implementation of strategic priorities.

#### Strategic Goals:

- Funds the Net County Cost of strategic priorities identified in the various Strategic Financial Plans.
- Funds the County General Fund Reserve for Contingencies. Prior to FY 2005-06, this reserve was appropriated in Agency 099 - Provisions for Contingencies. As part of the County's General Fund Reserve Policy, it was determined that the total contingency amount would be officially reserved thus eliminating the need for Agency 099.

#### FY 2006-07 Key Project Accomplishments:

- Increased the General Fund reserve for Contingencies by \$16.0 million for a revised total of \$39.0 million.

The Strategic Priority reserve currently has a balance of approximately \$138.4 million. For FY 2007-08, anticipated reserve uses include \$7.6 million to fund the Assessment Tax System (ATS) rewrite project and \$3.9 million for the Countywide Accounting and Personnel System (CAPS) upgrade leaving the reserve with a projected balance of \$126.9 million.

Also included in the FY 2007-08 budget is a \$250,000 increase to the Public Administrator/Public Guardian's Economic Uncertainty reserve bringing the total to \$500,000.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Funds the Net County Cost of strategic priorities identified in the various Strategic Financial Plans.

Funds the County General Fund Reserve for Contingencies. Prior to FY 2005-06, this reserve was appropriated in Agency 099 - Provisions for Contingencies. As part of the County's General Fund Reserve Policy, it was determined that the total contingency amount would be officially reserved thus eliminating the need for Agency 099. For FY 2007-08, the County General Fund Reserve for Contingencies balance will remain at the current level of \$39.0 million.

#### Changes Included in the Base Budget:

\$7.6 million reduction to reserves for Assessment Tax System rewrite.

\$3.9 million reduction to reserves for the Countywide Accounting and Personnel System (CAPS) upgrade.

\$250,000 increase to the Public Administrator/Public Guardian Economic Uncertainty reserve.

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	0	0	439,830	0	(439,830)	-100.00
Total Requirements	0	0	0	250,000	250,000	0.00
Net County Cost	0	0	(439,830)	250,000	689,830	-156.84

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: General Fund in the Appendix on page A570

## Budget Units Under Agency Control:

No.	Agency Name	CGRV	COGN	Total
100	General Fund	250,000	0	250,000
	Total	250,000	0	250,000

## 13A - LITIGATION RESERVE - ESCROW AGENT FTCl

### Operational Summary

#### Description:

To pay future expenses, fees and other charges incurred by the Representative's Escrow Agent (under the County's Bankruptcy Plan of Adjustment), the Fiduciary Trust Company International, as required by court order for the distribution of bankruptcy related litigation proceeds. If funds remains at the end of FY 2009-10, the balances will be distributed by the County.

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	194,760	197,591	204,854	203,015	(1,839)	-0.90
Total Requirements	169	197,591	199	203,015	202,816	101,876.59
Balance	194,591	0	204,654	0	(204,654)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Litigation Reserve - Escrow Agent FTCl in the Appendix on page A613

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	199
Total Final FY 2007-2008	203,015
Percent of County General Fund:	N/A
Total Employees:	0.00

### Budget Summary

## 145 - REVENUE NEUTRALITY

### Operational Summary

#### Description:

On June 29, 2001 the Auditor-Controller established Fund 252 - Revenue Neutrality Trust Fund to record payments from cities pursuant to existing and future incorporation agreements. On November 5, 2002, the Board of Supervisors directed the Auditor-Controller to: establish Fund 145 - Revenue Neutrality Fund; transfer the remaining cash balance

from Fund 252 to Fund 145; and to close Fund 252. The new fund was established to fulfill new GASB requirements regarding proper categorization of trust funds. This reserve serves as an endowment to the General Fund with interest credited annually in arrears.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	584,068
Total Final FY 2007-2008	3,024,697
Percent of County General Fund:	N/A
Total Employees:	0.00

#### FY 2006-07 Key Project Accomplishments:

- During FY 2006-07, \$565,682 will be transferred to the General Fund. This amount represents net interest earned by the Revenue Neutrality Fund during FY 2005-06.

### Budget Summary

#### Changes Included in the Base Budget:

The FY 2007-08 budget includes an increase to reserves of \$2.0 million to the departmental reserve for contingencies bringing the reserve total to \$22.5 million. The FY 2007-08 budget also includes an anticipated transfer of \$918,520 to the General Fund which represents the FY 2006-07 net interest proceeds.

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	9,711,581	4,775,369	4,933,876	3,024,697	(1,909,179)	-38.70
Total Requirements	8,297,116	775,369	4,584,068	3,024,697	(1,559,371)	-34.02
Balance	1,414,465	4,000,000	349,808	0	(349,808)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Revenue Neutrality in the Appendix on page A631

## 14C - CLASS B-27 REGISTERED WARRANTS

### Operational Summary

#### Description:

Certain tort claims which existed prior to the County's filing for Chapter 9 Bankruptcy Protection in December 1994 are classified as "B27 Claims". This fund records available revenues and payments for Class B27 claims as required under the County's Second Amended Modified Plan of Adjustment (Bankruptcy Recovery Plan).

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	2,286	32,317	2,408	32,367	29,959	1,244.12
Total Requirements	(2)	32,317	2	32,367	32,365	1,377,219.15
Balance	2,287	0	2,406	0	(2,406)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Class B-27 Registered Warrants in the Appendix on page A636

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	2
Total Final FY 2007-2008	32,367
Percent of County General Fund:	N/A
Total Employees:	0.00

### Budget Summary

## 14F - DEFERRED COMPENSATION REIMBURSEMENT (HR)

### Operational Summary

#### Description:

The Deferred Compensation Reimbursement Fund was established to make payments pursuant to the Fixed Fund Retirement contract with Nationwide Life Insurance Company.

#### Strategic Goals:

- Fund 14F is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### FY 2006-07 Key Project Accomplishments:

- The Contingent Deferred Sales Charges were eliminated starting in 09/30/06.

**Deferred Compensation Reimbursement (HR)** - The Deferred Compensation Reimbursement Fund was established to make payments pursuant to the Fixed Fund Retirement contract with Nationwide Life Insurance Company.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 14F is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	137,654
Total Final FY 2007-2008	1,961,238
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Changes Included in the Base Budget:

The Contingent Deferred Sales Charges were eliminated entirely starting in 09/30/06. The funds in the Nationwide Fixed Fund were transferred to the Stable Value Fund managed by Great West Retirement Services with no Market Value Adjustment cost to the County.

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	2,157,140	2,070,227	2,070,864	1,961,238	(109,626)	-5.29
Total Requirements	187,515	2,070,227	137,654	1,961,238	1,823,584	1,324.76
Balance	1,969,625	0	1,933,210	0	(1,933,210)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Deferred Compensation Reimbursement (HR) in the Appendix on page A639

## Highlights of Key Trends:

- The funds in the Nationwide Fixed Fund were transferred to the Stable Value Fund managed by Great West Retirement Services with no Market Value Adjustment cost to the County

## 14X - TOBACCO SETTLEMENT

### Operational Summary

#### Description:

The Tobacco Settlement Fund budgets the Board-approved uses of the County's share of the national tobacco settlement received before July 1, 2001. On November 7, 2000, the voters of Orange County overwhelmingly approved Measure H which resulted in an ordinance that restricts the use of Tobacco Settlement Revenue (TSR) received after July 1, 2001 (see Fund 13N).

The FY 2007-08 budget for this fund reflects the carryover of unspent funds allocated by Board action on December 5, 2000. At that time, the Board allocated 50% of the FY 2000-01 TSR of \$28.4 million for health care initiatives, including \$1.2 million for an ocean water quality monitoring lab. The

remaining 50% was allocated as follows: \$5.4 million for the Phase III Theo Lacy Branch Jail expansion, \$1.3 million to reimburse the County General Fund for a 60-bed secured substance abuse rehabilitation pilot program at the Theo Lacy Branch Jail, and \$7.5 million for debt reduction.

In the 2007-08 budget year, \$0.5 million is budgeted for the water quality lab, in addition to \$0.3 million interest earnings to be spent on lab equipment and supplies.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	162,892
Total Final FY 2007-2008	763,935
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Strategic Goals:

- To use the balance of Tobacco Settlement Revenue (TSR) received in FY 2000-2001 toward constructing and equipping a Water Quality Lab in Upper Newport Bay.

### Budget Summary

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	2,264,846	1,451,651	1,475,428	763,935	(711,493)	-48.22
Total Requirements	863,195	1,451,651	162,892	763,935	601,043	368.98
Balance	1,401,651	0	1,312,535	0	(1,312,535)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Tobacco Settlement in the Appendix on page A646

# 14Y - INDEMNIFICATION RESERVE

## Operational Summary

### Description:

To provide for indemnification of the Representative and others under the County’s Second Amended Modified Plan of Adjustment (Bankruptcy Recovery Plan) as required by court order for the distribution of bankruptcy related litigation proceeds. If funds remain at the end of FY 2009-2010, balances will be distributed by the County in accordance with the Bankruptcy Recovery Plan.

### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	1,236
Total Final FY 2007-2008	53,384
Percent of County General Fund:	N/A
Total Employees:	0.00

**Indemnification Reserve** - The Indemnification Reserve Fund was established to provide for indemnification of the Representative and others under the County's Second Amended Modified Plan of Adjustment as required by court order.

## Budget Summary

### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	60,602	59,069	97,463	53,384	(44,079)	-45.23
Total Requirements	26,849	59,069	57,305	53,384	(3,921)	-6.84
Balance	33,753	0	40,158	0	(40,158)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Indemnification Reserve in the Appendix on page A647



## 14Z - LITIGATION RESERVE

### Operational Summary

#### Description:

To provide a reserve for potential litigation costs incurred by the Representative under the County's Bankruptcy Plan of Adjustment (Bankruptcy Recovery Plan) as required by court order for the distribution of bankruptcy related litigation proceeds. If funds remain at the end of FY 2009-2010, balances will be distributed by the County in accordance with the Bankruptcy Recovery Plan.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	3,918
Total Final FY 2007-2008	4,021,753
Percent of County General Fund:	N/A
Total Employees:	0.00

**Litigation Reserve** - The Litigation Reserve Fund was established to provide a reserve for potential litigation costs incurred by the Representative under the County's Bankruptcy Plan of Adjustment as required by court order.

### Budget Summary

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	3,833,082	3,899,834	4,031,807	4,021,753	(10,054)	-0.25
Total Requirements	3,249	3,899,834	3,918	4,021,753	4,017,835	102,538.16
Balance	3,829,834	0	4,027,888	0	(4,027,888)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Litigation Reserve in the Appendix on page A648

# 15S - DESIGNATED SPECIAL REVENUE

## Operational Summary

### Description:

To provide cash for intra/inter fund cashflow loans and to fund strategic priorities identified in the County's Strategic Financial Plan.

On May 12, 1998, the Board approved the strategy in the 1998 Strategic Financial Plan which programmed the use of cash in this fund to pay for one-time costs such as jail construction. When the cash in this fund is insufficient for cashflow loans, another source (e.g., short term market borrowing) will be developed. As with any long-term plan, the Board could re-program the funding toward different uses should priorities change or if funding is needed to address other financial issues.

### Strategic Goals:

- Provide a source of funding for specific strategic priorities identified by the Board in the Strategic Financial Plan, confirmed in subsequent plan updates and committed to in annual County budgets.

There is sufficient cash projected to be available in this fund during FY 2007-2008 to make necessary cashflow loans, however as a back up, the Auditor-Controller has identified additional sources for cashflow loans in FY 2007-2008.

### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	7,795,639
Total Final FY 2007-2008	20,753,870
Percent of County General Fund:	N/A
Total Employees:	0.00

## Budget Summary

### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev <sup>(1)</sup>	Final Budget	Actual	Percent
Total Revenues	26,568,294	28,574,709	28,574,708	20,753,870	(7,820,838)	-27.37
Total Requirements	1,026,388	28,574,709	7,795,639	20,753,870	12,958,231	166.22
Balance	25,541,906	0	20,779,069	0	(20,779,069)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Designated Special Revenue in the Appendix on page A663



## 15Z - PLAN OF ADJUSTMENT AVAILABLE CASH

### Operational Summary

#### Description:

This fund records the use of the annual excess of diverted revenues needed to meet the debt service requirements of the 1996 Recovery Certificates of Participation and now the 2005 Lease Revenue Bonds (see Fund 100, Agency 016). The money in this fund is used to amortize bankruptcy related losses to County Administered Accounts in accordance with the Second Amended Modified Plan of Adjustment.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	6,788,295
Total Final FY 2007-2008	17,766,764
Percent of County General Fund:	N/A
Total Employees:	0.00

### Budget Summary

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	15,200,489	18,591,113	18,573,417	17,766,764	(806,653)	-4.34
Total Requirements	8,409,480	18,591,113	6,788,296	17,766,764	10,978,468	161.73
Balance	6,791,009	0	11,785,121	0	(11,785,121)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Plan of Adjustment Available Cash in the Appendix on page A666

# 289 - INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

## Operational Summary

### Description:

CEO Information Technology takes a leadership role to enable County Departments and Agencies to achieve their business goals and to support the County's Mission of providing outstanding, cost-effective regional public services.

### Strategic Goals:

- The goals for the Information Technology ISF for FY 2007-2008 are to: 1) Sponsor the development of a business-goals driven Information Technology Strategy and Portfolio of IT initiatives; 2) Establish Enterprise Architecture and Standards; 3) Lead IT Policy formulation; 4) Establish a "Federated" Governance framework and organizational structure; 5) Design and implement "Shared Services" Enterprise Applications, Information Repositories, and Technology Platforms; 7) Support agency specific applications and platforms; 8) Plan for and ensure availability of sufficient IT resources; 9) Lead continuous improvement; 10) Plan IT Business Continuity.

### Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<b>CEO/IT DEVELOPED AN ONLINE CUSTOMER SATISFACTION SURVEY FOR CUSTOMERS TO EVALUATE CEO/IT SERVICES.</b> <b>What:</b> The Survey is a review of CEO/IT Data and Telephone Services by its customers. <b>Why:</b> CEO/IT must meet its targets to enable County Agencies to meet their business goals.	The 2005-2006 survey has been completed.	CEO/IT will be rated using the Customer Satisfaction Survey and will target a score that will exceed performance objectives.	CEO/IT has met or exceeded all objectives.
<b>REDUCTION IN COSTS OF SERVICE DELIVERY</b> <b>What:</b> The rate charged to clients using the mainframe. <b>Why:</b> Reflects the ability to provide cost effective services clients.	New Measure	Reduce mainframe processing charges by at least 30 percent.	The 2007-2008 proposed rates for the mainframe have been reduced by 31 percent.
<b>COMPLETE PROJECTS WITHIN BUDGET AND ON SCHEDULE</b> <b>What:</b> A measure of our organization's ability to deliver projects on time and within budget. <b>Why:</b> Clients are given a measure of our ability to meet timelines and budgets.	New measure	Establish a baseline to measure completion of projects, set targets and commence measurement.	CEO-IT is providing quarterly reports to the Board on project status including budget and schedule. Recently acquired portfolio management tools will provide for easier tracking and more sophisticated metrics.
<b>IMPROVED ONLINE SERVICE DELIVERY TO THE CITIZENS OF ORANGE COUNTY</b> <b>What:</b> Modernization of the existing County website to improve our clients experience. <b>Why:</b> Constituents are increasingly dependent on online access to services.	New measure	Deploy a citizen and 'life event' centric web portal which is the portal of choice for government services.	CEO-IT is completing the acquisition process for tools to support this initiative and preparing a project for deployment.

### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	51,752,527
Total Final FY 2007-2008	61,080,293
Percent of County General Fund:	N/A
Total Employees:	63.00



**FY 2006-07 Key Project Accomplishments:**

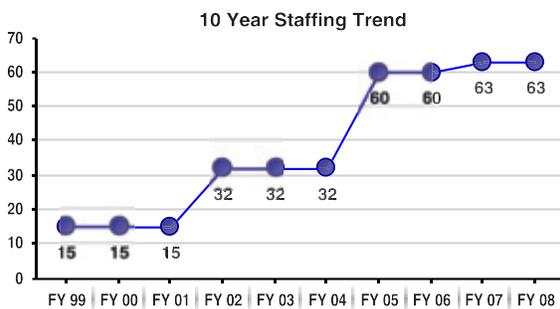
- Upgrade of Countywide Network to support increased technology usage of existing and future solutions.
- Upgrade of Voice Network to replace obsolete equipment and prevent failure.
- Support of IT Strategic Initiatives implementation which enable Countywide services, such as Public eGovernment.
- Upgrade of Network hardware and software to support new and upgraded applications and increased security.
- Review and resizing of mainframe support to prepare for applications moving to new environment and lower overall total cost of ownership to the County.
- Reorganization to properly align with technology activities with business needs.

**Telephone ISF** - The Information Technology Internal Service Fund supports a wide range of data and telecommunications activities. The ISF operates the World Class County of Orange Data Center, the County Enterprise Network, and the County Telephone System. Telephone services provided include voice mail, cabling, and repair and maintenance of telephone systems. Data services include mainframe and PC Server processing, Enterprise Applications programming, laser printing, imaging, WEB services, Help Desk services, and telecommunications data services. Network and Server Services include connectivity to the internet, data warehouse as well as maintenance and provisioning of servers. Day to day operations are contracted out to Affiliated Computer Services (ACS) and their subcontractor AT&T in accordance with the County extended staffing model.

**Ten Year Staffing Trend Highlights:**

- CEO IT positions have been realigned to meet the business needs of the organization. The total number of staff remains the same as during Fiscal Year 2006-2007.

**Ten Year Staffing Trend:**



**Budget Summary**

**Plan for Support of the County's Strategic Priorities:**

CEO Information Technology is supporting County Departments and Agencies by offering enterprise solutions, enterprise infrastructure, project management and knowledge area experts to County departments for their IT projects.

CEO IT will also implement Countywide initiatives that will increase access to government functions for residents, business owners, employees and others who will benefit from improved service delivery.

**Changes Included in the Base Budget:**

The major change is an increase to the cost of the contract with Affiliated Computer Services, Inc. (ACS), for Programming Services. The increased cost is due to additional support requested by County Departments for two major projects, the upgrade of the County Accounting and Personnel System and rewriting the Assessment Tax System.

**Approved Budget Augmentations and Related Performance Results:**

Unit Amount	Description	Performance Plan	BRASS Ser.
<b>Add 1 Administrative Manager II Position for Business Continuity Planning</b> Amount:\$ 96,685	This position will provide Countywide Business Continuity and Disaster Recovery planning.	Implementation of successful Business Recovery and Disaster Recovery Plans.	2658



### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	60	61	61	63	2	3.28
Total Revenues	53,493,492	60,389,994	58,990,519	61,080,293	2,089,774	3.54
Total Requirements	45,019,311	60,389,994	57,648,173	61,080,293	3,432,120	5.95
Balance	8,474,181	0	1,342,346	0	(1,342,346)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Information Technology Internal Service Fund in the Appendix on page A687

### Highlights of Key Trends:

- Movement of applications from a mainframe to network environment
- Consolidation and redundancy of network servers
- Refresh network backbone to support growth of network transmissions
- Increase security and redundancy for network servers



## 290 - HEALTH MAINTENANCE ORGANIZATION HEALTH PLANS ISF

### Operational Summary

#### Description:

The Health Maintenance Organization Health Plans Internal Service Fund (ISF) provides health benefits to employees, retirees, and their dependents enrolled in health plans covered by Health Maintenance Organizations (HMO).

#### Strategic Goals:

- Fund 290 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

**Health Maintenance Organization Health Plans** - The Health Maintenance Organization Health Plans Internal Service Fund (ISF) provides health benefits to employees, retirees and their dependents enrolled in health plans covered by Health Maintenance Organizations (HMO).

#### Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 290 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	89,454,334
Total Final FY 2007-2008	105,504,472
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Changes Included in the Base Budget:

Medical inflation (trend) continues to rise causing an increase in medical, hospital, and prescription drug costs. These rising costs are reflected in an increase in health plan premiums.

The health plan premiums for active employees and retirees will be pooled separately (split pool) in 2008. This will result in a redistribution of the total health plan premiums between employees and retirees. The implementation of split pool rates will partially help to offset the projected trend increase for in HMO premiums for County employees.

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	85,090,098	89,454,334	92,854,454	105,504,472	12,650,018	13.62
Total Requirements	80,953,073	89,454,335	89,454,334	105,504,472	16,050,138	17.94
Balance	4,137,025	(1)	3,400,120	0	(3,400,120)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Health Maintenance Organization Health Plans ISF in the Appendix on page A690

### Highlights of Key Trends:

- Medical inflation (trend) continues to rise causing an increase in medical, hospital, and prescription drug costs. These rising costs are reflected in an increase in County health plan premiums as well as other employers. The health plan premiums for active employees and

retirees will be pooled separately (split pool) in 2008. This will result in a redistribution of the total health plan premiums between employees and retirees. The implementation of split pool rates will partially help to offset the projected trend increase for in HMO premiums for County employees.

## 291 - UNEMPLOYMENT INSURANCE INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Unemployment Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

#### Strategic Goals:

- Fund 291 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

**Unemployment ISF** - The Unemployment Insurance Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	913,878
Total Final FY 2007-2008	9,735,385
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Changes Included in the Base Budget:

Unemployment claims experience has remained stable allowing for rate reductions charged to County departments from the current .0012 of payroll in FY 06-07 to .0008 in FY 07-08. Savings associated with reductions in claim experience is held to maintain sufficient reserves to fund potential economic downturns or internal labor market issues.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 291 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	9,091,238	9,172,372	9,371,950	9,735,385	363,435	3.88
Total Requirements	1,616,316	9,172,372	913,878	9,735,385	8,821,507	965.28
Balance	7,474,922	0	8,458,072	0	(8,458,072)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Unemployment Insurance Internal Service Fund in the Appendix on page A691

## Highlights of Key Trends:

- Unemployment claims experience has remained relatively stable and has allowed for rate reductions charged to County departments in FY 06-07 and again in FY 07-08 while still maintaining sufficient reserves to fund potential economic downturns or internal labor market.

## 292 - SELF-INSURED PPO HEALTH PLANS ISF

### Operational Summary

#### Mission:

The County Self-Insured PPO Health Internal Service Fund (ISF) provides for self insurance of health benefits and administrative fees associated with claims from employees, retirees, and their dependents enrolled in the Premier Wellwise and Premier Sharewell health plans.

#### Strategic Goals:

- Fund 292 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

**County Self-Insured PPO Health Plans** - The County Self-Insurance PPO Health Plans Internal Service Fund (ISF) provides for self insurance of health benefits and administrative fees associated with claims from employees, retirees, and their dependents enrolled in the Premier Wellwise and Premier Sharewell health plans.

#### Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 292 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	50,733,501
Total Final FY 2007-2008	89,420,736
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Changes Included in the Base Budget:

Medical inflation (trend) in the industry continues to rise and had been causing an increase in medical and prescription claims within the PPO health plans. In January 2005, the County implemented plan design changes for the PPO plans and contracted with a new Claims Administrator, PacificCare Health Plan Administrators. We still see savings generated as the result of the health plan design changes and improved PPO discounts from PacificCare Health Plan Administrators which has limited the increase in medical and prescription claims costs.

The health plan rates for active employees and retirees will be pooled separately (split pool) in 2008. This will result in a redistribution of the total cost associated with health plan rates between employees and retirees. The implementation of split pool rates and will partially help to offset the projected trend increase for PPO rates for County employees. Health plan design changes for Premier Wellwise are projected for 2008. The implementation of health plan design changes will also help to offset the projected trend increase for PPO rates. In addition, a portion of the reserve from ISF

292 will be used to absorb any increase in medical and prescription claims and reduce increase to the Premier Wellwise rates due to trend. The combined changes are projected reduce the health plan rates for Premier Wellwise active employees.

**Final Budget History:**

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	72,388,468	81,700,504	83,750,407	89,420,736	5,670,329	6.77
Total Requirements	50,582,184	81,700,504	50,733,501	89,420,736	38,687,235	76.26
Balance	21,806,284	0	33,016,906	0	(33,016,906)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Self-Insured PPO Health Plans ISF in the Appendix on page A692

**Highlights of Key Trends:**

- Medical inflation (trend) in the industry continues to rise and had been causing an increase in medical and prescription claims within the PPO health plans. In January 2005, the County implemented plan design changes for the PPO plans and contracted with a new Claims Administrator, PacifiCare Health Plan Administrators. We still see savings generated as the result of the health plan design changes and improved PPO discounts from PacifiCare Health Plan Administrators which has limited the increase in medical and prescription claims costs.
- The health plan rates for active employees and retirees will be pooled separately (split pool) in 2008. This will result in a redistribution of the total cost associated with health plan rates between employees and retirees. The implementation of split pool rates will partially help to offset the projected trend increase for PPO rates for County employees. A portion of the reserve from ISF 292 will be used to absorb any increase in medical and prescription claims and reduce increase to the Premier Wellwise rates due to trend.



## 293 - WORKERS' COMPENSATION INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Workers' Compensation Internal Service Fund is a division of the CEO/Office of Risk Management whose mission is to preserve and protect the human and capital assets of the County of Orange.

#### Strategic Goals:

- It is the goal of the self-insured Workers' Compensation Program to provide prompt state-mandated benefits to injured County employees and manage the anti-fraud program. This program also integrates workers' compensation benefits with specific benefits within labor agreements.
- The Safety and Loss Prevention Program strives to provide a safe environment for both County employees and members of the public who visit County facilities and receive County services through its pro-active safety, loss prevention, training and inspection programs. This strategy complements current departmental efforts to reduce the total cost of workers' compensation and liability claims.

#### Key Outcome Indicators:

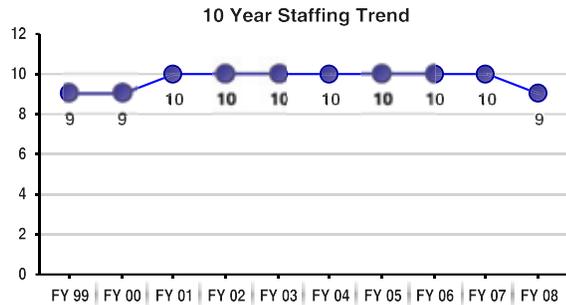
Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<b>RELATIVE COST OF SAFETY AND WORKERS' COMPENSATION PROGRAM</b> <b>What:</b> Shows the total expenditures of this program as a percent of total county expenditures. <b>Why:</b> Provides a constant measure of costs for all County departments.	The overall cost of this statutory benefit program was 1.07% of total county expenditures.	Remain 1% of total county expenditures.	Safety and Workers' Compensation Program costs for FY 2005/2006 were slightly over 1% of total county expenditures which is substantially lower than commercial insurance would have been.

#### FY 2006-07 Key Project Accomplishments:

- Charges to county departments for this program are 25% less than what comparable commercial insurance would have cost based upon the California Workers' Compensation Uniform Statistical Plan rates.
- More than 2,600 claims from the prior third party claims administrator were successfully transitioned to the interim administrator.

**Workers Compensation ISF** - Workers' Compensation insurance and claim administration, Safety and Loss Prevention, and Anti-Fraud programs.

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- There is a reduction of one position in Fiscal Year 2007-2008. An Administrative Manager position was transferred to Fund 294, Property and Casualty Risk Internal Service Fund, to support the insurance consultation and review function.

### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	10	9	9	9	0	0.00
Total Revenues	51,139,155	42,700,038	42,700,582	40,901,706	(1,798,876)	-4.21
Total Requirements	50,965,273	42,701,671	42,258,469	40,901,706	(1,356,763)	-3.21
Balance	173,882	(1,633)	442,113	0	(442,113)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Workers' Compensation Internal Service Fund in the Appendix on page A694

### Highlights of Key Trends:

- Even though temporary disability payment amounts were increased by the State, total Workers' Compensation program costs continue to level. This is due, in part, to legislative changes implemented by the State in 2004 and 2005.

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

Support the overall mission of the County Executive Office and the Strategic Financial Plan.

### Changes Included in the Base Budget:

The total Workers' Compensation program charge to participants is reduced by \$3,000,000 from FY 2006-2007.

Services and Supplies expenses are higher due to Risk Management moving to leased space and increased professional service costs.

## 294 - PROPERTY AND CASUALTY RISK INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Property & Casualty Risk Internal Service Fund is a division of the CEO/Office of Risk Management whose mission is to preserve and protect the human and capital assets of the County of Orange.

#### Strategic Goals:

- It is the goal of the Property & Casualty Risk Internal Service Fund to reduce costs associated with property damage, personal injury, and litigation. This goal is achieved by acquiring commercial insurance, effective liability claims management, prudent administration of the self-insured Liability Program, and providing risk assessment and risk avoidance consultation services to all County departments.

#### Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<b>RELATIVE COST OF LIABILITY CLAIMS AND INSURANCE PROGRAM.</b> <b>What:</b> Shows the total expenditures of this program as a percent of total county expenditures. <b>Why:</b> Provides a constant measure of costs for all County departments.	Cost of Liability Claims and Insurance Program was .57% of total county expenditures.	Remain under 1% of total county expenditures.	Liability Claims and Insurance Program costs for FY 2005/2006 were .57% of total county expenditures, far less than the benchmark.

#### FY 2006-07 Key Project Accomplishments:

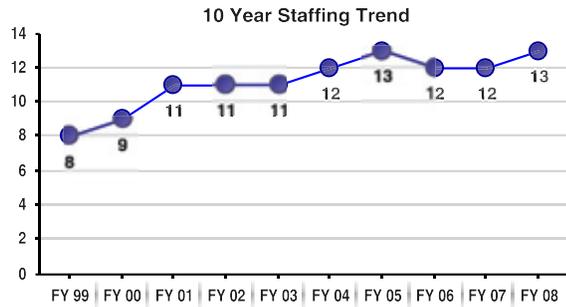
- Successfully placed all required commercial insurance for diverse and complex county needs.
- Increased insurance consultations and support in contract protections, insurance requirements, and program design to reduce risk of loss and cost.

**Property & Casualty Risk ISF** - The Property & Casualty Risk ISF administers and manages the County's Liability Claims Management Program, the Insurance and Financial Management Program, and the Americans with Disabilities Act (ADA II) Compliance Program.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	18,730,071
Total Final FY 2007-2008	36,788,219
Percent of County General Fund:	N/A
Total Employees:	13.00

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- There is an increase of one position in Fiscal Year 2007-2008. An Administrative Manager position was transferred from Fund 293, Workers' Compensation Internal Service Fund, to support the insurance consultation and review function.

### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008 Final Budget	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07		Actual Amount	Percent
Total Positions	12	13	13	13	0	0.00
Total Revenues	34,269,311	32,243,781	27,741,275	36,788,219	9,046,944	32.61
Total Requirements	27,295,641	32,244,325	18,681,809	36,788,219	18,106,410	96.92
Balance	6,973,670	(544)	9,059,466	0	(9,059,466)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Property and Casualty Risk Internal Service Fund in the Appendix on page A697

### Highlights of Key Trends:

- Complexity and diversity of liability claims continues to increase.
- The sharp increase in commercial property premiums previously experienced as a result of Hurricane Katrina, will be mitigated as a result of recent marketplace conditions.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Support the overall mission of the County Executive Office and the Strategic Financial Plan.

#### Changes Included in the Base Budget:

Billings to participants are higher due to an estimated increase in commercial insurance premiums, liability self-insurance costs, moving costs, and lease payments.

## 295 - RETIREE MEDICAL INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Retiree Medical Internal Service fund (ISF) provides for benefits under the Retiree Medical Insurance Program. Benefits include a monthly retiree medical grant to be applied to the health premiums of eligible retirees, and a lump sum cash benefit to separated employees not eligible to retire.

#### Strategic Goals:

- Fund 295 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### FY 2006-07 Key Project Accomplishments:

- The County successfully negotiated changes to the retiree medical program with 95% of the labor organizations. The changes were implemented which significantly reduced the unfunded liability while retaining a restructured retiree medical program.
- Beginning in FY 06-07, County received reimbursement from Centers for Medicare and Medicaid Services (CMS) for prescription subsidies (Medicare Part D) available to some of the County's health plans on behalf of its retiree health plan participants.

#### Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 295 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs. Fund 295 is being converted to Trust as part of the retiree medical restructuring.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	22,602,040
Total Final FY 2007-2008	81,049,308
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Changes Included in the Base Budget:

The budget assumes Retiree Medical Grants, reimbursement for Medicare Part B premiums and 1% Lump Sum payments will be paid from Fund 295 until the Retiree Medical Trust is established. The budget also includes all County and employee contributions for the Retiree Medical Program. Once the Retiree Medical Trust fund is established, it is anticipated that the expenses and revenues will flow through the Trust rather than Fund 295.

**Final Budget History:**

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev <sup>(1)</sup>	Final Budget	Actual	
		As of 6/30/07	As of 6/30/07		Amount	Percent
Total Revenues	58,199,247	66,672,235	79,346,788	81,049,308	1,702,520	2.15
Total Requirements	20,060,254	66,672,236	22,602,040	81,049,308	58,447,268	258.59
Balance	38,138,993	(1)	56,744,748	0	(56,744,748)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Retiree Medical Internal Service Fund in the Appendix on page A700

**Highlights of Key Trends:**

- The Retiree Medical Insurance Program Grant funding is higher compared to FY 06-07 based upon increases in the number of retirees, increases in Medicare Part B

premiums, and increases in the monthly Retiree Medical Grant as the result of higher health premium costs. County contribution is higher compared to FY 06-07 due to retiree medical restructuring.



## 296 - TRANSPORTATION INTERNAL SERVICE FUND

### Operational Summary

#### Description:

Transportation Fleet Management provides safe, reliable, cost effective, timely, and environmentally sensitive vehicles, equipment, maintenance and support services to many of the departments of the County of Orange so these departments can execute their missions serving the needs of the community.

#### Strategic Goals:

- Implement the Green Fleet Plan which includes the acquisition of alternative fuel vehicles and construction of fueling facilities.
- Work with the consultant team and Facility Operations to develop requirements for the Shop 2 (Douglas Rd) relocation project.

#### Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	
	Results	Target	How are we doing?
<b>AVAILABILITY OF FLEET FOR USE BY COUNTY EMPLOYEES.</b> <b>What:</b> Average percentage of time fleet vehicles are available for use by agencies and departments. <b>Why:</b> Indicates quantitative support to County agencies by operating & maintaining the vehicle fleet.	93%	A 94% average of time fleet vehicles will be available for use by agencies and departments.	On target at 93%.
<b>EFFICIENCY OF SUPPORT TO COUNTY AGENCIES &amp; OPERATIONS.</b> <b>What:</b> Total annual cost of active fleet divided by the total miles of active duty fleet use. <b>Why:</b> Indicates efficiency of support to County agencies by operating and maintaining the vehicle fleet.	\$1.52	\$1.46	On target at \$1.52 per active duty vehicle.
<b>COUNTY CUSTOMER SATISFACTION.</b> <b>What:</b> Percentage of fleet users rating quality of the vehicle fleet & service provided as good or better. <b>Why:</b> Indicates customer satisfaction with support to County agencies by operating the vehicle fleet.	95%	Business plan target of 95%.	On target at 95%.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	19,057,884
Total Final FY 2007-2008	28,515,023
Percent of County General Fund:	N/A
Total Employees:	88.00

### Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<b>NUMBER OF VEHICLES IN THE COUNTY FLEET THAT USE ALTERNATE FUEL.</b> <b>What:</b> Number of alternate fuel vehicles in the fleet. <b>Why:</b> Indicates the increasing number of vehicles in the County fleet use alternate fuel.	35 vehicles.	40 vehicles.	Increased from 2005 by four vehicles in 2006.

### FY 2006-07 Key Project Accomplishments:

- Developed and submitted requirements for the Katella Yard relocation project.
- Developed and submitted requirements for the CNG fueling station project and identified grant funds for this project.

**Transportation ISF** - Transportation ISF repairs and maintains County vehicles, operates pool vehicle fleet, operates body & paint shop, repairs motorized equipment, purchases new and replacement vehicles, and purchases automotive parts, supplies and contracted services.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

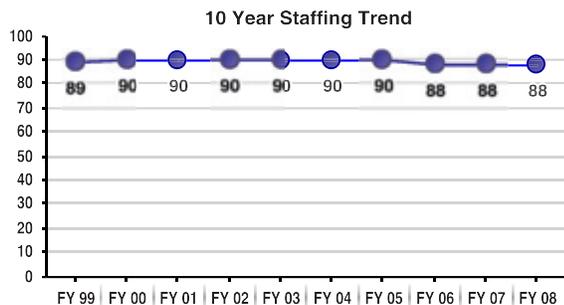
Pursue alternative fuel technologies as part of the Green Fleet Plan.

Develop and implement policies to collect the remaining depreciation for vehicles that are replaced before they are fully depreciated (e.g. due to accidents etc.) as they reach their mileage life cycle prematurely.

#### Changes Included in the Base Budget:

No changes in recommended base budget.

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- Staffing maintained at consistent level, currently 88 employees.

### Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Purchase 1 Vehicle for Health Care Agency to Transport Water Laboratory Personnel and Samples Amount:\$ 38,000	Transportation to collect water quality samples and carry and tow collection equipment.	Pick-up truck is necessary to carry out water quality projects starting in the Summer of 2007.	2011
Purchase 6 Vehicles for Probation Transportation-Youth Leadership Academy and Youth Guidance Center Amount:\$ 164,000	Six vehicles are requested based on increased travel and service requirements.	The addition of 6 vehicles will enable the department to maintain adequate transportation service.	2088



## Approved Budget Augmentations and Related Performance Results: (Continued)

Unit Amount	Description	Performance Plan	BRASS Ser.
<b>Purchase 2 Vehicles for PA/PG for Case Field Investigations, Probate, &amp; Mental Health Client Visits</b> Amount: \$ 54,000	Required PA/PG transportation case field investigation probate/mental health client/facility visits.	Meeting transportation requirement for PA/PG programs and reducing 30% in private auto mileage cost.	2092
<b>Purchase 3 Vehicles for Sheriff Communications for Transport of Emergency Service Personnel</b> Amount: \$ 124,000	Service vans transport Emergency Field Service personnel and associated equipment to various sites.	Service vans transport Communications' Emergency Field Service personnel/gear to various sites.	2190

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	88	88	88	88	0	0.00
Total Revenues	21,525,937	25,732,353	25,503,885	28,515,023	3,011,138	11.81
Total Requirements	18,757,388	25,078,229	22,522,263	28,515,023	5,992,760	26.61
Balance	2,768,549	654,124	2,981,622	0	(2,981,622)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Transportation Internal Service Fund in the Appendix on page A701

## Highlights of Key Trends:

- Continue to examine all costs that can be billed directly to the end user and remove them from the overhead expense pool to more accurately reflect the actual costs incurred by each end user.
- Update the rate model to project rates more consistently and avoid large surpluses or deficits.

## 297 - REPROGRAPHICS INTERNAL SERVICE FUND

### Operational Summary

#### Description:

Support County agencies and operations by providing printing and publishing services.

#### Strategic Goals:

- Provide essential services within existing resources in a cost efficient & effective manner.
- Improve customer service through utilization of new technology, better training, effective project management and incorporation of best practices.

#### Key Outcome Indicators:

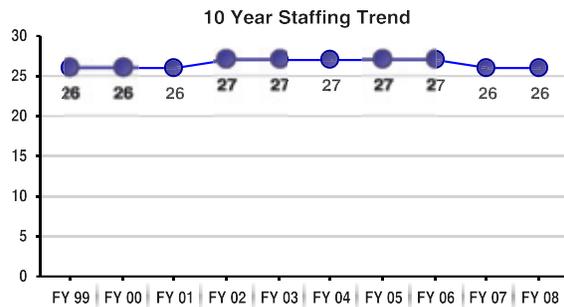
Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<b>CUSTOMER SATISFACTION WITH REPROGRAPHICS SERVICES.</b> <b>What:</b> Percentage of Publishing Services jobs completed to the satisfaction of requesting customers. <b>Why:</b> Indicates customer satisfaction with support to County agencies & operations by Publishing Services.	100%	97%	Exceeding 2006 plan target of 97%,customer surveys indicate 100% satisfied.
<b>EFFICIENCY OF PUBLISHING SERVICES TO COUNTY AGENCIES AND OPERATIONS.</b> <b>What:</b> Percentage of Publishing Services jobs completed and delivered on time. <b>Why:</b> Meet the printing requirements of our customers in an efficient cost-effective, and timely manner.	98%	97%	Exceeding target, completed and delivered 98% of the jobs on time.

#### FY 2006-07 Key Project Accomplishments:

- Security alarm system upgraded.
- Desktop PC's upgraded. Purchased state-of-art Direct Image Digital Color Press and Platemaker.



## Ten Year Staffing Trend:



## Ten Year Staffing Trend Highlights:

- Staffing has remained stable over the past 10 years, currently at 26 positions.

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	26	26	26	26	0	0.00
Total Revenues	3,954,673	4,940,625	4,299,973	5,409,031	1,109,058	25.79
Total Requirements	3,818,432	4,804,126	4,917,679	5,409,031	491,352	9.99
Balance	136,241	136,499	(617,706)	0	617,706	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Reprographics Internal Service Fund in the Appendix on page A705

## Highlights of Key Trends:

- Increase usage of online requisitions by County and other government agencies.

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

Support the overall mission of the County Executive Office and Strategic Financial Plan.

### Changes Included in the Base Budget:

Establish Balance Sheet Account 9821 for Equipment Replacement Reserves for future printing equipment replacement purchases.

## 298 - SELF-INSURED BENEFITS INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Self-Insured Benefits Internal Service Fund (ISF) provides for salary continuance, dental benefits, Long Term Disability (LTD) Insurance premiums, administration of the Health Care and Dependent Care Reimbursement Accounts and the Wellness Program.

#### Strategic Goals:

- Fund 298 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

**Self-Insured Benefits** - The Self-Insured Benefits Internal Service Fund (ISF) provides for salary continuance, dental benefits, Long Term Disability (LTD) Insurance premiums, administration of the Wellness Program and Health Care and Dependent Care Reimbursement Accounts.

#### Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	2,240,225
Total Final FY 2007-2008	11,788,644
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Changes Included in the Base Budget:

Long Term Disability (LTD) funding for Fiscal Year 07-08 is higher than Fiscal Year 06-07 based on projected increases in premiums. The Wellness Program budget is being transferred from Fund 100, Agency 056 to Fund 298 ñ Self-Insured Benefits Internal Service Fund in the Recommended Base Budget. The Board approved this strategic priority to promote Countywide Wellness for all employees.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 298 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

## Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev <sup>(1)</sup> As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	8,739,331	9,541,239	9,864,717	11,788,644	1,923,927	19.50
Total Requirements	3,071,247	9,892,703	2,240,225	11,788,644	9,548,419	426.23
Balance	5,668,084	(351,464)	7,624,492	0	(7,624,492)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Self-Insured Benefits Internal Service Fund in the Appendix on page A708

## Highlights of Key Trends:

- Long Term Disability (LTD) funding for Fiscal Year 07-08 is higher than Fiscal Year 06-07 based on projected increases in premiums.

## 29Z - LIFE INSURANCE INTERNAL SERVICE FUND

### Operational Summary

#### Description:

The Life Insurance Internal Service Fund (ISF) provides for life insurance and accidental death & dismemberment insurance (AD&D) coverage to eligible employees.

#### Strategic Goals:

- Fund 29Z is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

**Life Insurance Internal Service Fund** - The Life Insurance Internal Service Fund (ISF) provides for life insurance and accidental death & dismemberment insurance coverage to eligible employees.

#### Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

#### At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	1,260,366
Total Final FY 2007-2008	3,350,333
Percent of County General Fund:	N/A
Total Employees:	0.00

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Fund 29Z is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

#### Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev <sup>(1)</sup>	Final Budget	Actual	Percent
Total Revenues	3,949,172	3,577,618	3,611,609	3,350,333	(261,276)	-7.23
Total Requirements	1,399,574	3,577,619	1,260,366	3,350,333	2,089,967	165.82
Balance	2,549,598	(1)	2,351,243	0	(2,351,243)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Life Insurance Internal Service Fund in the Appendix on page A715

#### Highlights of Key Trends:

- Life and AD & D premiums have remained unchanged.

