



# County of Orange

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**Fiscal Year 2007-2008**

**Second Quarter Budget  
Report**

**February 5, 2008**



# County Budget

## *2nd Quarter At-a-Glance*

### State – Current Year

- \$3 Billion Projected Budget Shortfall

### County

- Continued Slow-Down in Revenue Growth
  - Public Safety Sales Tax
  - Health & Welfare Realignment
- Budget Reduction Plan



# County Budget

## Total County Budget

- Revenues – 8.7% above budget
- Expenses – 14% below budget

## General Fund

- General Fund Revenues – 1.5% above budget
- General Fund Expenses – 1% above budget
- Net County Cost - 1% above budget



# County Budget

## Other Revenues:

- Public Safety Sales Tax
  - 7.4% below budget
- Realignment revenue
  - 12% below budget
- SB 90 status of unpaid claims for reimbursement over past 10 years: \$62 m



# Other Actions/Information

- Negotiated Salary Increase Adjustments
- Budget Reduction Plan
- Grant Activity
  - 12 departments reporting activity
  - \$8.1m received in grant funds
  - \$34.4m pending award notification



# Departmental Issues

## Program I – Public Protection

- Probation Juvenile Offender Fund 12Y (\$1.5M grant received in 1<sup>st</sup> Quarter)
- Sheriff Equipment Purchases



# Departmental Issues

## Program II - Community Services

- HCA reductions prompted by decline in Realignment revenue
- CSS Reconcile to final State budget
- SSA 18 position adds for Medi-Cal caseload growth
- Workforce Investment Act Grants



# Departmental Issues

## Program III – Infrastructure & Environmental Resources

- Dana Point Harbor \$43M deferral – project delay
- 11 Positions transferred from Building & Safety (Fund 113) to OC Parks (Fund 405)



# Departmental Issues

## Program IV – General Government Services

- \$5.89M use of CAPS reserve
- \$6.5M use of Clerk-Recorder reserve



# Departmental Issues

## Program VII – Insurance, Reserves & Miscellaneous

- \$1.5M use of Information Technology ISF for Uninterruptible Power Supply units



# Position Summary

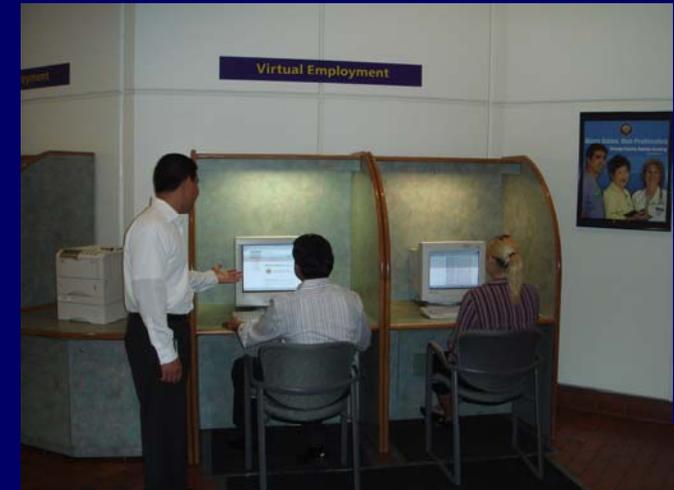
Position Changes	
Add	19
Delete	-126
Net	-107

## Vacant/Limited-Term Review

- 94 vacant position deletions
- 5 limited-term extensions
- 2 limited-term conversions to regular

## Highlights

- 30 HCA position deletions
- 11 positions transferred from Fund 113 to 405
- 18 position adds for SSA



# Next Steps

## Continue to Monitor State Budget

- Mid-Year Adjustments
- FY 2008/09 Budget Proposal

## Governor's January Budget

- \$14.5B State Budget Deficit
- One-Time Solutions
- 10% Across-the-Board Reduction
- Delay in Disbursements to Local Government



# Next Steps

## Governor's Proposed Budget – Impact to Orange County

### Public Safety - \$4M Impact

- 10% Reduction to Most State Funded Programs
  - Juvenile Justice Crime Prevention Act (\$1M)
  - Juvenile Probation Camps Funding (\$1.7M)
  - Vertical Prosecution (\$80K)
  - Proposition 36 (\$600K)
  - Mentally Ill Offender Crime Reduction (\$300K)
  - Citizen's Options for Public Safety (\$100K)



# Next Steps

## Community Services - \$20M Impact

- 10% Reduction to Most State Funded Programs
  - Medi-Cal (\$2.7M)
  - California Children's Services (\$1.1M)
  - California Healthcare for Indigents Program (\$400K)
  - Foster Care (\$1.9M)
  - Family Health Programs (\$500K)
  - Mental Health Managed Care (\$1.1M)
  - In Home Supportive Services (\$1.7M)
  - Child Welfare Services (\$5.5M)
  - CalWORKs (increase of \$1.1M)
  - Adult Protective Services (\$400K)



# Recommended Actions

1. Revise Appropriations and Revenues (4/5 vote)
2. Negotiated Salary Increase Adjustments (4/5 vote)
3. Budget Reduction Plan (4/5 vote)
4. Amend Master Position Control

