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**COUNTY OF
SAN BERNARDINO**

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On June 30, 2011, the Board of Supervisors and the San Bernardino Associated Governments (SANBAG) Board adopted a Countywide Vision, which has since been adopted by nearly every city and town in the County as well as many school, water, and special districts. This fulfilled a key goal established by the Board of Supervisors, and has provided County government with clearer direction as it makes budget decisions.

The Countywide Vision calls for the creation of a “complete county” that capitalizes on its many assets to collaboratively establish a sustainable system of economic opportunity, education, well-being and amenities. In this document you will see that the County organization incorporated the Countywide Vision’s elements and values into the 2012-13 Adopted Budget.

I hereby submit the 2012-13 Adopted Budget, guided by the Countywide Vision. This budget of \$4.06 billion lays the framework to achieve the “complete county” by allocating resources to achieve Board priorities and objectives. The 2012-13 Adopted Budget has been balanced and is consistent with policy direction received from the Board of Supervisors. No reserves are being used to fund ongoing costs. There is limited use of one-time sources to fund costs as part of a multi-year plan to address the five-year structural deficit, which is consistent with county policy. The 2012-13 Adopted Budget addresses the following key issues:

- A continuing structural budget deficit in both the General Fund and the Fire District;
- Underfunded programs/projects, in Land Use Services and Public Works which could result in service deficiencies;
- Unaddressed needs for basic operating systems, such as maintenance, support, and upgrade of countywide applications;
- Facility needs, such as the Downtown Building Project and the Sheriff/Coroner/Public Administrator’s Crime Lab and Aviation Facility.

In May 2011, a plan was implemented to eliminate the cumulative five-year structural deficit for fiscal years 2011-12 through 2015-16. The County continues to focus on this five-year period. The County has resolved the 2011-12 structural deficit, so the 2012-13 Adopted Budget focuses on the remaining \$91.5 million cumulative structural budget deficit through 2015-16, of which \$33.2 million pertains to 2012-13. Significant ongoing issues include declining revenues, previously negotiated salary and benefit increases, retirement cost increases, a necessary increase to the County Fire subsidy, and additional staffing requirements for the Sheriff/Coroner/Public Administrator Adelanto Detention Center Expansion.



To address this deficit, the County Administrative Office has developed a strategic plan which includes the following measures:

- Defer funding the \$34.2 million Adult Detention Center Staffing. In the interim, work with the Sheriff/Coroner/Public Administrator to look into funding from non-general fund sources or transition a portion of staff from other County facilities to this facility;
- Implement departmental reductions of \$11.8 million;
- Achieve employee compensation reductions of \$18.4 million;
- Increase AB 109 revenue for jailed prisoners by \$5.8 million;
- End funding of increased health care benefits after current labor agreement expires, estimated at \$5.2 million;
- Reduce contributions to the 800 MHz Upgrade project by \$4.0 million;
- Reduce the base allocation to the Capital Improvement Program by \$3.3 million.

It is important to note that this strategic plan does not include any potential impacts of the 2012-13 State Budget, which are unknown and unpredictable at this time.

Ongoing mitigations beginning in 2012-13 that have a departmental impact include a reduction of discretionary general funding for the Economic Development Agency, Public Defender, Regional Parks, and County Counsel. In addition, reductions were achieved in the Information Services Department internal service fund programs. The Sheriff/Coroner/Public Administrator will also have a departmental impact as a result of anticipated employee compensation reductions not achieved in 2011-12 and funding prior year MOU increases with one-time sources. County Fire also had to make service reductions totaling \$3.0 million to be in balance in 2012-13, despite increased discretionary general funding of \$4.6 million in 2012-13.

THE BUDGET IN BRIEF

This budget book presents the general fund, restricted funds, capital project funds, special revenue funds, enterprise funds and internal service funds of the County. The total spending authority for these funds in 2012-13 is \$4.06 billion. The general fund spending authority totals \$2.3 billion and is funded by countywide discretionary revenues (primarily property taxes), departmental revenues, and other funding sources of the General Fund. Of this \$2.3 billion, only \$456.8 million is truly discretionary.

	Spending Authority		
	(In Millions)		
	2011-12	2012-13	
	Final	Adopted	Change
General Fund	\$ 2,103.5	\$ 2,296.0	\$ 192.5
Restricted Funds	99.1	111.4	12.3
Capital Project Funds	238.6	195.2	(43.4)
Special Revenue Funds	582.8	587.4	4.6
Enterprise Funds	668.0	670.5	2.5
Internal Service Funds	159.2	194.7	35.5
	\$ 3,851.2	\$ 4,055.2	\$ 204.0

