

The County Fiscal Plan (five-year fiscal forecast) primarily focuses on increases in costs to maintain current services and how much discretionary revenue is available to fund these costs and/or what mitigations are needed. Under the direction of the Chief Executive Officer, Finance and Administration also identifies needs within the County that are not currently funded and require funding with ongoing or one-time sources.

**ONGOING NEEDS**

The 2014-15 Recommended Budget funds \$47.6 million in increased ongoing costs that are included in the County Fiscal Plan that ultimately were decided to be funded (\$21.6 million to maintain current services and \$26.0 million in increased needs as detailed below).

**Ongoing Costs Identified to be Funded  
(in millions)**

|  | Ongoing       |
|--|---------------|
| High Desert Detention Center Staffing  | \$11.5        |
| Probation - Loss of Title IV-E and Fee Revenue                                   | 6.3           |
| Sheriff - Reduction in revenue from Federal Prisoners                            | 4.7           |
| Earned Leave Program   | 1.0           |
| Public Defender - Loss of SB 90 Revenue  | 0.6           |
| Land Use Planning - Indirect Costs for General Fund Projects                     | 0.6           |
| District Attorney - Loss of SB 90 Revenue  | 0.4           |
| Indigent Defense - Additional AB 109 Categories                                  | 0.2           |
| Public Defender - New Leased Space   | 0.2           |
| Indigent Defense - Reimburse Finance for Administrative Positions                | 0.1           |
| Auditor-Controller/Treasurer/Tax Collector - Revenue Decrease and Legal Expenses | 0.1           |
| Land Use Code Enforcement - Graffiti Removal                                     | 0.1           |
| Public Health - Non- Profits Permits for Temporary Events and Snack Bars         | 0.1           |
| Purchasing/Clerk of the Board  | 0.1           |
| <b>Additional Ongoing Costs in 2014-15 Recommended Budget</b>                    | <b>\$26.0</b> |

**\$11.5 million for High Desert Detention Center Staffing**

Construction commenced in June 2011 and was completed in February 2014 on the Sheriff/Coroner/Public Administrator’s High Desert Detention Center (formerly Adelanto Detention Center) Expansion Project, which added 1,392 jail beds to the existing 706 bed facility (for a total of 2,098 beds). In 2013-14, the County developed a plan to use one-time AB 109 growth funds to staff 222 of the new beds at the facility. Additionally, the County moved 706 existing inmates to the new facility resulting in the use of 928 beds at the High Desert Detention Center. This provided for expanded levels of service in the High Desert, which includes a new booking area and the ability to house female, protective custody, and high security inmates. For 2014-15, it is recommended that \$11.5 million in ongoing Discretionary General Funding be allocated to fund the full year cost of staffing the additional 222 new beds at the facility. The County has developed a phased approach in the County Fiscal Plan whereby it is anticipated that the facility’s 2,098 beds will be fully operational using Discretionary General Funding by 2018-19.

**\$6.3 million for Probation – Loss of Title IV-E and Fee Revenue**

The Probation Department is anticipating a decrease of \$5.8 million in Title IV-E foster care revenue received by the Department for juveniles on probation. It is anticipated that Title IV-E Administrative claims will be reduced statewide based upon new claiming procedures developed by the California Department of Social Services per federal guidelines. Additionally, the Department is anticipating a reduction of fee revenue totaling \$0.5 million. The use of Discretionary General Funding to backfill these revenue losses will enable the Department to continue to provide necessary public safety services to the residents of the County.



**\$4.7 million for Sheriff – Reduction in Revenue from Federal Prisoners**

Sheriff/Coroner/Public Administrator has seen \$4.7 million in reduced revenue associated with the loss of U.S. Marshall funding for holding federal inmates in County jails. The number of inmates has steadily declined since 2012-13 and the loss for 2014-15 represents a net reduction of 160 federal inmates. The allocation of ongoing Discretionary General Funding will enable the Department to continue to fill these beds with County inmates.

**\$1.0 million for Earned Leave Program**

In a given fiscal year an employee can have paid time off earned but not used that is carried forward to future years until taken or cashed out. Since 2011-12, the County has been allocating resources to begin funding these costs on an ongoing basis (Earned Leave Program). This has resulted in \$6.9 million in ongoing Discretionary General Funding being set aside in 2013-14. The additional \$1.0 million in ongoing Discretionary General Funding towards this program provides the necessary ongoing resources to fully fund this program.

**\$0.6 million for Public Defender – Loss of SB 90 revenue**

The Public Defender's Office is projecting reduced revenue totaling \$0.6 million as a result of the elimination of SB 90 reimbursements from the State for the defense of sexually violent predators. Ongoing Discretionary General Funding is requested to backfill this revenue loss to the Department.

**\$0.6 million for Land Use Planning – Indirect Costs for General Fund Projects**

Land Use Services Department – Planning Division is in need of \$0.6 million in additional Discretionary General Funding to pay for indirect expenses related to planning work on general fund projects that were not previously being charged. Historically, the Planning Division's general fund projects were only charged salary and benefit expense, rather than including all indirect costs for services as well. The ongoing Discretionary General Funding will allow the Department to reduce billing rates to the public, since indirect expenses attributable to general fund projects are currently included in rates charged to the public.

**\$0.4 million for District Attorney – Loss of SB 90 revenue**

The District Attorney's Office is projecting reduced revenue totaling \$0.4 million as a result of the elimination of SB 90 reimbursements from the State for the prosecution of sexually violent predators. Ongoing Discretionary General Funding is requested to backfill this revenue loss to the Department.

**\$0.2 million for Indigent Defense – Additional AB 109 Categories**

As a result of the implementation of 2011 Public Safety Realignment (AB 109), the County's Indigent Defense Program has been tasked with additional categories of service that it is required to provide for indigent defendants. Additional ongoing Discretionary General Funding is recommended in order to fund these costs.

**\$0.2 million for Public Defender – New Leased Space**

Additional ongoing Discretionary General Funding is requested to fund lease costs for the Public Defender that is needed due to the closures of the Fontana and Barstow courthouses. These closures have forced the reassignment of staff to the Victorville and Rancho Cucamonga offices, which do not currently have the space required to accommodate all staff.

**\$0.1 million for Indigent Defense: Reimburse Finance for Administrative Positions**

Historically, the Courts have provided for the administration of Indigent Defense Conflict Panel contracts and non-contract court-appointed defense services. The County has agreed to take over responsibility of this administrative function in 2014-15 by adding two new positions. Ongoing Discretionary General Funding is recommended to be included in the County's Indigent Defense budget to reimburse Finance and Administration for the positions.

**\$0.1 million for Auditor-Controller/Treasurer/Tax Collector – Revenue Decrease and Legal Expenses**

The Auditor-Controller/Treasurer/Tax Collector is in need of additional funding for specialized legal services related to the representation of the County's interest in unpaid property taxes that are due from tax payers who are in bankruptcy proceedings. Additionally, the Department is projecting a decrease in single audit revenue from County departments resulting from the County going from a high risk to low risk auditee. Employees that previously worked single audits are diverted to work on general fund audits. Additional



ongoing Discretionary General Funding is requested to fund the additional cost and backfill the lost revenue source.

**\$0.1 million for Land Use Code Enforcement – Graffiti Removal**

In 2013-14, the Land Use Services Department – Code Enforcement Division was allocated one-time Board Discretionary Funds to assist with Graffiti removal throughout the County. \$0.1 million in ongoing Discretionary General Funding is requested in order to enable the Code Enforcement Division to continue blight removal in areas that are currently serviced.

**\$0.1 million for Public Health – Non-Profits Permits for Temporary Events and Snack Bars**

Additional Discretionary General Funding of \$0.1 million is requested to provide funding to Public Health to cover the cost for permits issued to non-profits for temporary events and Snack Bars for youth sporting events.

**\$0.1 million for Purchasing Department and Clerk of the Board**

Ongoing Discretionary General Funding is recommended for the Purchasing Department to fund the annual licensing requirements for the County’s Electronic Procurement System (ePro) and to partially fund the addition of a position to provide workload relief and manage the Department’s countywide billing process. Additional funding to the Clerk of the Board is requested for Information Services Department Videoconferencing support for staffing the Board of Supervisor’s videoconferencing at the High Desert and Joshua Tree Government Centers.

**ONE-TIME NEEDS**

The 2014-15 Recommended Budget funds \$17.9 million in increased one-time costs. One-time costs include \$6.6 million per Board policy or direction and \$11.3 million in increased needs. The \$6.6 million in one-time costs per Board policy or direction includes funding of the Economic Development Agency with one-time Discretionary General Funding derived from revenue earned by the Department, funding the Registrar of Voters 2014-15 Election Cycle, and funding the required increase in the County’s Mandatory Contingencies. Further detail is provided below on an additional \$11.3 million in additional one-time needs included in the 2014-15 Recommended Budget.

**One-time Costs Identified to be Funded  
(in millions)**

|  | One-Time      |
|--|---------------|
| 2014-15 Transportation Projects (\$5.3 million from General Fund Reserves) | \$5.6         |
| Backfill AB 109 Revenue Shortfall  | 2.1           |
| Pavement Rehab - Fleet Management and Public Works                         | 1.4           |
| County Museum Bridge Funding and Transition Costs                          | 0.7           |
| General Plan Update (Funded from General Fund Reserves)                    | 0.3           |
| District Attorney - Temporary Lease Space                                  | 0.3           |
| Home Ownership Protection Program  | 0.2           |
| Code Enforcement - Medical Marijuana Legal Expenses                        | 0.2           |
| Human Resources - Enhancements for Western Region Item Bank                | 0.2           |
| Joshua Tree Sidewalks and Signage  | 0.1           |
| Clerk of the Board - Assessment Appeals                                    | 0.1           |
| Lucerne Valley Park County Services Area                                   | 0.1           |
| <b>Additional One-time Costs in 2014-15 Recommended Budget</b>             | <b>\$11.3</b> |



**\$5.6 million one-time 2014-15 Transportation Projects**

A one-time contribution of \$5.6 million from the General Fund, of which \$5.3 million is funded by the use of General Fund Reserves, will help construct the Glen Helen grade separation (\$4.0 million), San Bernardino Avenue Widening (\$0.9 million), National Trails Highway (\$0.3 million), Glen Helen Parkway Bridge Replacement (\$0.2 million), and Slover Avenue Widening (\$0.1 million).

**\$2.1 million one-time Backfill of AB 109 Revenue Shortfall**

The County is projecting a one-time net reduction in 2011 Public Safety Realignment (AB 109) base revenue funding in 2014-15. In order to enable Law and Justice Group Departments to continue to provide public safety services, it is recommended that \$1.8 million be allocated to the Sheriff/Coroner/Public Administrator, \$0.2 million to the District Attorney, and \$0.1 million to the Public Defender.

**\$1.4 million one-time for Pavement Rehab – Fleet Management and Public Works**

Funding of \$1.4 million is recommended in order to help rehabilitate the roads, driveways and parking lots that serve the Public Works Building and Fleet Management/County Fire maintenance facilities in San Bernardino.

**\$0.7 million one-time for County Museum Bridge Funding and Transition Costs**

For 2014-15, Museum sources are decreasing primarily due to state and federal contracts that are ending with no replacement contracts currently approved, and the reduction of fee and program revenue projections to a conservative level. A more comprehensive study will be conducted in 2014-15 with respect to reorganizing and developing innovative solutions for the Museum's financial challenges, and one-time bridge funding is recommended until a more sustainable solution can be developed. One-time funding is also recommended for the transition of the Victor Valley Museum.

**\$0.3 million for General Plan Update**

Additional one-time Discretionary General Funding is recommended through the use of the General Fund Reserve for the Land Use General Plan/Development Code Amendments. This will fund three contract positions that will work on the General Plan and Community Plan updates.

**\$0.3 million for District Attorney – Temporary Lease Space**

Additional one-time funding will enable the leasing of office space by the District Attorney's Office in close proximity to the Foothill Law and Justice Center that is the direct result of the courts relocating criminal felony and misdemeanor cases from Fontana to Rancho Cucamonga. The lease allows for sufficient time to proceed with improvements to the Foothill Law and Justice Center that will eventually accommodate District Attorney staff.

**\$0.2 million for Home Ownership Protection Program**

As part of its efforts to reduce foreclosures and stabilize neighborhoods within the County, the Home Ownership Protection Program was established in 2012. Discretionary General Funding is requested in order to supplement the costs of this program.

**\$0.2 million for Code Enforcement – Medical Marijuana Legal Expenses**

Additional one-time Discretionary General Funding of \$0.2 million is recommended to be used to offset legal expenses incurred by Code Enforcement as a result of continuing civil and criminal proceedings relating to medical marijuana.

**\$0.2 million for Human Resources – Enhancements for Western Region Item Bank**

The Human Resources Department is responsible for the Western Region Item Bank (WRIB), a cooperative, computer-based test question bank used by 120 public agencies to develop employment tests. The Computerized Item Banking (CIB) application that is used for the WRIB was written approximately 20 years ago and requires a significant amount of manual processing and the use of outdated hardware and software that is no longer supported. This, coupled with the application vendor going out of business, has led to the request for additional one-time Discretionary General Funding for a new application.

**\$0.1 million for Joshua Tree Sidewalks and Signage**

One-time Discretionary General Funding is requesting to be used to construct 1 and a half blocks of sidewalk from Joshua Tree National Park Visitor's Center to Highway 62.



**\$0.1 million Clerk of the Board – Assessment Appeals**

Funds are requested to fund two Contract Assessment Appeals Processors that are needed in order to input, review and dispose of the abnormally high number of Assessment Appeals cases, which must be resolved within two years of the filing date in accordance with Revenue and Taxation Code section 1604 (c).

**\$0.1 million Lucerne Valley Park County Service Area**

One-time funding is recommended to be used to rehabilitate an existing multi-use sports facility that was previously operated by a Homeowner Association (HOA). The refurbished facility will be operated as a neighborhood park in one of the more populated areas of Lucerne Valley.

**FUTURE ONE-TIME NEEDS**

In addition to one-time needs allocated for use in 2014-15, there are additional one-time needs that are recommended to be set aside for the future within County Specific Purpose Reserves. Detail of those needs are described below.

**One-time Needs Set-Aside in General Fund Reserves  
(in millions)**

|  | One-Time      |
|--|---------------|
| Labor  | \$15.1        |
| Asset Replacement  | 5.6           |
| Capital Improvement Projects: Lake Gregory Dam                                       | 5.0           |
| Capital Improvement Projects: Sheriff/Coroner/Public Administrator Building          | 5.0           |
| Capital Improvement Projects: Rancho Court Remodel - District Attorney               | 1.6           |
| Capital Improvement Projects: Victorville & Rancho Court Remodel - Public Defender   | 0.6           |
| Transportation Projects: National Trails Highway                                     | 5.0           |
| Transportation Projects: Rock Springs Bridge Replacement/Widening Construction       | 2.1           |
| Transportation Projects: Glen Helen Parkway Bridge Replacement/Widening Construction | 1.8           |
| <b>Additional One-time Costs in 2014-15 Recommended Budget</b>                       | <b>\$41.8</b> |

**\$15.1 million one-time for Labor**

The County is currently in contract negotiations with various labor groups and it is anticipated that one-time funds may be required as a result of those negotiations.

**\$5.6 million one-time Asset Replacement**

The County historically has not set aside funds for the ongoing replacement of capital assets (e.g. equipment, vehicles, capitalized software). This has resulted in \$22.1 million in assets that are currently exceeding their useful life in the General Fund alone. Although full funding is not available in 2014-15 to cover the cost of all assets requiring replacement, it is recommended that \$5.6 million be set aside for the highest priority asset replacement needs throughout 2014-15. As soon as funding is available, it is recommended that funds be set aside on an ongoing basis to begin to address capital asset replacement needs.

**\$5.0 million one-time for Capital Improvement Project: Lake Gregory Dam**

In April of 2008, the County received a violation notice from the California Department of Safety of Dams (DSOD) stating that Lake Gregory Dam did not meet the State’s requirements for stability during a major seismic event and the required evacuation rate. The County allocated \$4.0 million in 2012-13 towards remediating the dam with knowledge that further inspection was required to determine the amount needed to fully stabilize it. Since that time, it has been determined that an additional \$5.0 million will be required to fully remediate the dam.

**\$5.0 million one-time for Capital Improvement Project: Sheriff/Coroner/Public Administrator Building**

\$5.0 million in one-time funding is recommended for a building that will support a variety of law enforcement activities for the Sheriff’s Department. It is anticipated that this will replace an existing leased building that supports these activities.



**\$1.6 million one-time for Capital Improvement Project: Rancho Court Remodel – District Attorney**

\$1.6 million one-time funding to allow for improvements to the Foothill Law and Justice Center that will eventually accommodate District Attorney staff. This is required as a result of the Court relocating criminal felony and misdemeanor cases from Fontana to Rancho Cucamonga.

**\$0.6 million one-time for Capital Improvement Project: Victorville and Rancho Court Remodel – Public Defender**

\$0.6 million is recommended in order for Public Defender Fontana staff to be relocated to a combination of leased space and space the Court will no longer need in the Rancho Courthouse. This is necessary due to the relocation of criminal felony and misdemeanor cases from Fontana.

**\$5.0 million one-time for Transportation Projects: National Trails Highway**

\$5.0 million in one-time funding is recommended in order to repair the National Trails Highway. There are over 125 bridges along the Highway and some are in need of either replacement or repair. The additional funds will be used to repair 13 bridges identified as high priority in order to keep the National Trails Highway from being closed.

**\$2.1 million one-time for Transportation Projects: Rock Springs Bridge Replacement/Widening**

\$2.1 million in one-time funding is recommended in order to assist in the replacement of the Rock Springs Bridge, which will be widened from 2 to 4 lanes.

**\$1.8 million one-time for Transportation Projects: Glen Helen Parkway Bridge Replacement/Widening**

\$1.8 million in one-time funding is recommended in order to assist in the replacement of the Glen Helen Parkway Bridge, which will be widened from 2 to 4 lanes.

