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The Honorable Board of Supervisors
County of San Bernardino
San Bernardino, California

The County's final budget for 2006-07 was adopted on August 22, 2006. As has been the case in past years, the budget stands as a fiscally sound spending plan and provides for the operational needs of county departments. The 2006-07 final budget continues to focus county resources on public safety, capital improvements (including alleviating the maintenance backlog on county buildings), the economic development of the County, and planning for the future by setting aside ongoing financing.

In Spring 2006, the County implemented the Service FIRST program. This program established consistent service standards and expectations for all County employees to ensure that our customers and co-workers receive the quality and level of service they desire. This initiative was also incorporated in the development of the 2006-07 budget.

Additionally, the County directed departments to build a business plan that focused on measuring departmental accomplishment of specific goals and objectives, rather than reporting the number of activities and services the department performs. The County intends to show how departments affect their customers and determine if the County is receiving the desired results. These business plans are a new starting point for the budget process and support the annual budget plan by tying the budget to department's goals and objectives.

Also new in 2006-07 is the setting aside of \$20.0 million in ongoing revenues to finance future capital improvements. This financing will be used to satisfy the need for increased space necessitated by the service demands of the County's growing population.

THE BUDGET IN BRIEF

The County produces two budget books. This budget book represents the general fund, restricted financing funds, special revenue funds, capital project funds, and enterprise funds for the County. Additionally, there is a budget book for Board Governed Special Districts. The total appropriation for the County and Board Governed Special Districts in 2006-07 is \$3.3 billion and \$0.6 billion, respectively for a combined total of \$3.9 billion.

General Fund appropriation, including restricted financing of Prop.172 and Realignment, total \$2.2 billion and is funded by countywide discretionary revenues, financing transfers from departments, the use of reserves, and the beginning fund balance of the General Fund. Of this \$2.2 billion, the Board of Supervisors has discretion over \$664.0 million. The General Fund budget includes approximately \$1.0 billion for salaries and benefits, which is a \$100.6 million increase from the previous year. Of the \$100.6 million increase, \$58.7 million is for the Law and Justice Group to fund MOU increases for the safety and safety management units, retirement costs, workers compensation costs, and the addition of 312.2 new positions. The remaining \$41.9 million in the non-law and justice groups funded MOU increases, retirement costs, workers compensation costs, and the deletion of 1.1 positions.

When the 2006-07 final budget was adopted, there was \$52.5 million in general purpose reserves and \$115.5 million in specific purpose reserves. Additionally, on-going set asides were established to pay the on-going annual costs for the county's future space needs (\$20.0 million), retirement costs (\$7.9 million), and jail expansion due to the growing population (\$7.0 million).

THE HONORABLE BOARD OF SUPERVISORS

2006-07 Final Budget

Page 2

BUDGET HIGHLIGHTS

Public Safety

In the Sheriff's Department, the 2006-07 final budget includes approved work-force increases equivalent to an additional 219.5 budgeted positions. \$4.6 million is allocated for design services for the expansion of the Adelanto Adult Detention Center. The total cost of this project, which will add an additional 896 beds to the facility, is estimated to be \$86.0 million. The final budget also set aside \$3.7 million that will assist in funding the renovation of Central Juvenile Hall and a portion of the \$20.0 million on-going set aside will be used to build a new Crime Lab.

The 2006-07 budget also includes \$4.0 million for additional staffing in the County Fire Department. This staffing is for fire stations in the outlying desert areas and certain mountain areas of the County. In addition, \$5.7 million in one-time funding, including \$3.5 million for a new fire station in Phelan, is included in the budget.

Capital Improvements

In the 2006-07 final budget, \$60.4 million in new projects are funded, primarily using County discretionary funds. Major new projects include \$5.2 million for the renovation of Central Juvenile Hall in San Bernardino, \$4.6 million towards the expansion of the Adelanto Adult Detention Center, \$6.0 million for the expansion of the Fontana Government Center, \$4.0 million to fund a Community Center in the City of Chino Hills, and \$2.7 million for the expansion of the Hall of Geological Wonders at the County Museum in Redlands. Projects approved in prior years but not yet completed total an additional \$127.4 million. The three major carryover projects are the \$40.9 million seismic retrofit and remodel of the historic County Courthouse in San Bernardino to be funded primarily by an existing civil filing fee surcharge, a \$30.0 million remodel of the sixth floor of the Arrowhead Regional Medical Center in Colton, to convert the floor from administrative space to a medical/surgical wing, and the \$23.7 million acquisition and renovation of the 303 W. 3rd Street office building in San Bernardino.

Economic Development

The County continues to enhance the development of a countywide economic strategy to serve as a framework for policy decision-making when planning for the explosive growth and development the County now faces. In the 2006-07 final budget, an additional \$2.5 million and 7.0 new positions were added for this purpose.

Transportation

The 2006-07 final budget includes increased transportation spending of \$43.3 million to improve the County's road system. This increase in spending makes it possible to rehabilitate several highways and roads, widen and install passing lanes and signals, pave roads, replace bridges, and finance drainage improvements on certain roads.

Behavioral Health Program Funding

The County's 2006-07 final budget includes \$30.6 million in funding from Proposition 63, which established a state personal income tax surcharge of 1 percent on taxpayers with annual taxable incomes of more than \$1 million. New and expanded services will include a child/family support system, children's crisis response teams, one-stop integrated service centers for transitional-age youth, a consumer-operated peer-support and clubhouse expansion program, a forensic integrated mental health services program, and an assertive community treatment team for frequent users of hospital and jail services.

LOOKING AHEAD – CHALLENGES IN FISCAL YEAR 2006-07 AND BEYOND


As the population of the County continues to increase, the needs of the County continue to grow. Among the County financing issues on the horizon are:

- Building Needs
- Jail Expansion
- Hospital Expansion
- State/Federal Financing Issues
- New Judgeships
- Economic and Redevelopment Needs

CONCLUSION

The fiscal year 2006-07 San Bernardino County Budget meets the County's budget objectives and addresses the major policy issues that face the County. As the County enters a new year and looks forward to the challenges that lie ahead in future years, we will continue to strive to efficiently and effectively meet the needs of San Bernardino County's citizens.

Respectfully submitted,



MARK H. UFFER
County Administrative Officer