

The County's final budget for 2007-08 was adopted on June 26, 2007. As has been the case in past years, the budget stands as a fiscally sound spending plan, provides for the operational needs of County departments, and preserves the current level of service while addressing the County's growth. The 2007-08 final budget continues to focus County resources on public safety, capital improvements (including new construction and alleviating the maintenance backlog on County buildings), economic development, and planning for the future by setting aside ongoing financing.

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. Additionally, there is a budget book for Board Governed Special Districts. The total appropriation for the County and Board Governed Special Districts in 2007-08 is \$3.7 billion and \$0.5 billion, respectively for a combined total of \$4.2 billion.

The General Fund appropriation, including restricted financing of Prop 172 and Realignment, totals \$2.4 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 \$2.4 billion, the Board of Supervisors has discretion over \$650.0 million.

When the 2007-08 final budget was adopted, there was \$57.2 million in general purpose reserves and \$181.7 million in specific purpose reserves, including the 2007-08 ongoing set-asides established to fund the 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). Per County Policy unspent ongoing set-asides at the end of the fiscal year will be transferred to the corresponding specific purpose reserve.

2007-08 HIGHLIGHTS

Health

The County will have its first full year in 2007-08 with the Mental Health Services Act programs being fully operational providing ongoing services in the amount of \$26.6 million and \$11.7 million in start-up costs. This funding has enabled the County to build a system of care and treatment that will efficiently and effectively serve all clients, especially the homeless, the incarcerated and racial and ethnic communities.

Safety

The State has authorized 150 new judgeships in increments of 50 over a three-year period. The first year that this will impact the County is 2007-08. San Bernardino County received five new judgeships in June 2007, of which four are criminal judges. Additional staffing totaling \$5.2 million was included in the District Attorney, Public Defender and Probation budgets to address the workload from these new criminal judges.

In addition, the Sheriff's Department will begin the first phase in remodeling and expanding the Barstow Station totaling \$2.9 million due to the high population growth in that area. Also, an additional Crime Impact Team costing \$1.2 million was added to handle specialized operations such as gang activity and other violent crimes.

Well-Being

Human Services programs increased a net \$8.7 million which includes a \$5.0 million increase to Aid to Adoptive Children to provide additional assistance to adoptive parents and a \$2.4 million increase to the Kin-Gap Program for a new specialized care increment allowance and increased clothing allowance for children.

Quality of Life

In 2007-08, Regional Parks' budget increased by \$1.6 million primarily to enhance the County's existing park facilities and to develop a Healthy Parks Program.

One new branch library in Mentone and three expanded branch libraries located in Highland, Fontana, and Loma Linda are expected to open in 2007-08. These libraries will add 100,000 square feet of additional space for County Library customers.



CHALLENGES IN FISCAL YEAR 2007-08 AND BEYOND

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

Jail Expansion: The County has a severe jail crowding problem. As a result, the bail limit has increased and inmates are being cite released to remain in compliance with a court order to reduce jail overcrowding. In addition, an average of 150 sentenced inmates are consistently being held in the County pending transport to the state. To make matters worse, there is the potential for a cap on the state prison population whereby more than 2,500 convicted felons could be released early in San Bernardino County, and additional violators would adversely affect County jails. The Sheriff's Department has identified a need to add 3,200 beds by 2010 for a total of approximately 10,000 beds. To begin to address the shortage of jail beds, the Board of Supervisors has approved the expansion of the Adelanto Detention Center in 2006-07 to add 912 beds by 2010. Also the County has approved the funding for a design of the Adelanto Detention Center to add an additional 456 beds. In addition, the County is looking into additional construction of new beds in current or new facilities. In 2004-05, the County established an ongoing set-aside of \$7.0 million to assist in financing these jail expansion needs. This annual set-aside, net of expenditures incurred for design costs, is projected to have an estimated reserve balance of \$23.4 million at the end of 2007-08.

Building Needs: The County encompasses more than 20,000 square miles and the decentralization of facilities is required to serve the needs of each community. The County owns facilities in each region, but expansion space is very limited. New short-term space needs have been addressed through the leasing of space, however, several areas support the development or expansion of government centers due to a critical mass of services being provided in those areas. In 2006-07, the County established an ongoing set-aside of \$20.0 million to finance these building needs. This annual set-aside, net of expenditures incurred for design costs, is projected to have an estimated reserve balance of \$39.6 million at the end of 2007-08.

CONCLUSION

The 2007-08 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.



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