

**ECONOMIC DEVELOPMENT AGENCY
SUMMARY**

<u>GENERAL FUND</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Local Cost</u>
ECONOMIC DEVELOPMENT AGENCY SUMMARY	94			
ECONOMIC DEVELOPMENT	96	5,210,767	80,000	5,130,767
TOTAL GENERAL FUND		<u>5,210,767</u>	<u>80,000</u>	<u>5,130,767</u>
<u>SPECIAL REVENUE FUNDS</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Fund Balance</u>
ECONOMIC DEVELOPMENT:				
SAN BERNARDINO VALLEY ENTERPRISE ZONE	102	240,998	101,140	139,858
COMMUNITY DEVELOPMENT AND HOUSING	105	73,405,284	55,502,636	17,902,648
WORKFORCE DEVELOPMENT	109	28,860,792	28,860,792	-
TOTAL SPECIAL REVENUE		<u>102,507,074</u>	<u>84,464,568</u>	<u>18,042,506</u>



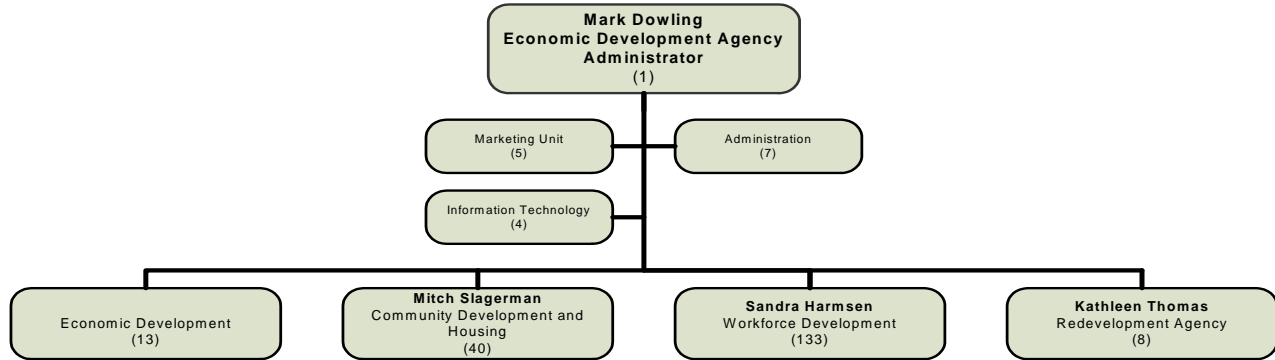
ECONOMIC DEVELOPMENT AGENCY

Mark Dowling

MISSION STATEMENT

As civic entrepreneurs, the Economic Development Agency (Agency) serves existing and future residents, business/community leaders and visitors. The Agency facilitates economic growth through the development and implementation of strategic policies to enhance human and capital infrastructure which leads to a dynamic globally engaged economy.

ORGANIZATIONAL CHART



STRATEGIC GOALS

1. Implement a marketing strategy for the agency that provides clear and effective lines of communication connecting client departments with stakeholders.
2. Implement an agency-wide information technology (IT) infrastructure to support agency/departmental IT initiatives.

SUMMARY OF BUDGET UNITS

	2009-10				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	5,210,767	80,000	5,130,767		30
Total General Fund	5,210,767	80,000	5,130,767		30
Special Revenue Funds					
San Bernardino Valley Enterprise Zone	240,998	101,140		139,858	-
Community Development and Housing	73,405,284	55,502,636		17,902,648	40
Workforce Development	28,860,792	28,860,792		-	133
Total Special Revenue Funds	102,507,074	84,464,568		18,042,506	173
Other Agencies					
Economic and Community Development Corp	124	5		119	-
County Industrial Development Authority	39,056	1,000		38,056	-
Redevelopment					
Speedway Project Area	62,045,774	13,632,335		48,413,439	8
Cedar Glen Project Area	10,921,297	655,878		10,265,419	-
VVEDA Project Area	3,331,773	933,100		2,398,673	-
Mission Boulevard Project Area	112,768	34,700		78,068	-
Total Other Agencies	76,450,792	15,257,018		61,193,774	8
Total - All Funds	184,168,633	99,801,586	5,130,767	79,236,280	211



The Agency provides overall administrative support and policy implementation to four departments. This includes the facilitation of communication between the County Administrative Office as well as the Board of Supervisors. In addition, the Agency oversees the information technology function and public relations and marketing support.

Through the combination of four departments with common goals and objectives, the Agency provides leadership and direction to all 24 cities and private economic development organizations within the county.

Detailed information for each departmental budget unit follows, along with a description of the services provided, budget unit history and analysis of the budget unit.

NOTE: The “Other Agencies” budget units are reported in a separate document. The budget for the Agency is incorporated within the Department of Economic Development’s budget unit.

ECONOMIC DEVELOPMENT

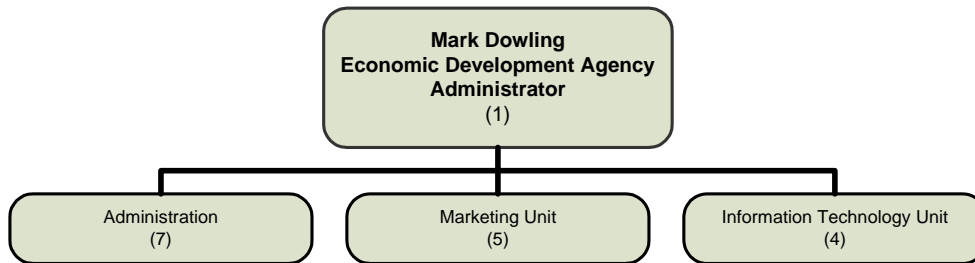
Mark Dowling

MISSION STATEMENT

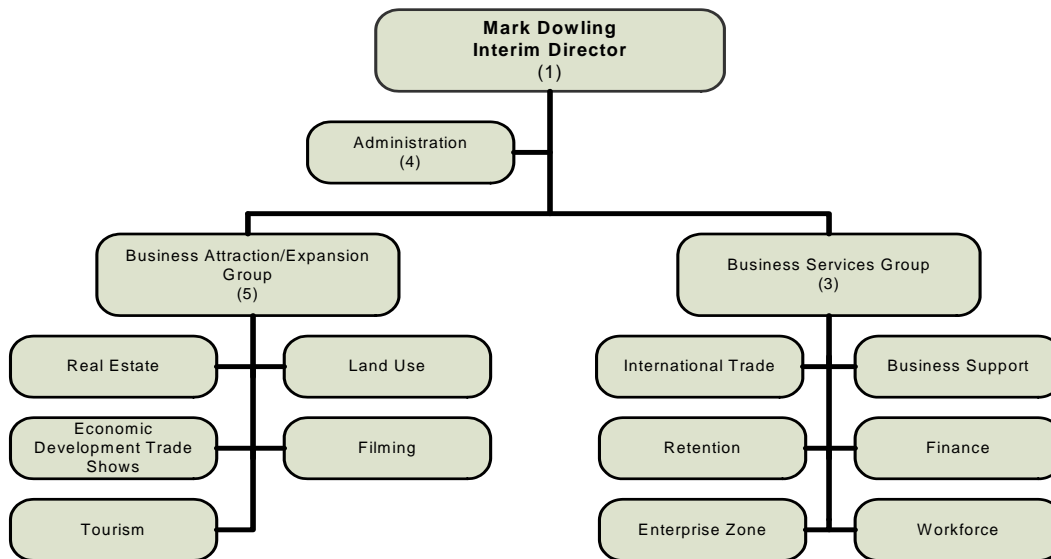
The Economic Development Department fosters sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will create strategic partnerships with public and private entities to enhance global competitiveness and entrepreneurial development.

ORGANIZATIONAL CHART

Economic Development Agency:



Department of Economic Development:



STRATEGIC GOALS

1. Foster job creation, increase private investment and enhance county revenues through the attraction and expansion of business.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to develop overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position as a tourist destination and promote the County as a viable location to make films through branding and marketing.



PERFORMANCE MEASURES				
Description of Performance Measure	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
Economic Development Agency				
Percentage of total marketing and collateral materials developed to incorporate the Agency's branding.	80%	100%	20%	N/A
Percentage increase on the total number of page views for redesigned www.OpportunityCA.us.	N/A	N/A	N/A	10%
Percentage increase in number of times the agency appears in positive neutral news coverage.	N/A	N/A	N/A	10%
Percentage implementation of the IT Assessment objectives that have been funded.	25%	50%	58%	100%
Department of Economic Development				
Number of jobs created through the attraction and expansion efforts of the Economic Development Department within the County of San Bernardino.	N/A	New	750	1500
Increase the percentage of businesses retention visits within the county. (Baseline for 2008-09 visits is 160 visits)	N/A	N/A	N/A	237%
Percentage of global business partners established and actively engaged with the County of San Bernardino. (Baseline for 2006-07 is 15 partners)	130%	100%	100%	25%
Percentage of individuals that are provided with customized international training services. (Baseline for 2006-07 is 64 individuals)	50%	16%	16%	16%
Number of business delegates participating in trade missions led by the department.	15	40	20	20

SUMMARY OF BUDGET UNITS

	2009-10				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	5,210,767	80,000	5,130,767		30
Total General Fund	5,210,767	80,000	5,130,767		30
Special Revenue Fund					
San Bernardino Valley Enterprise Zone	240,998	101,140		139,858	-
Total Special Revenue Fund	240,998	101,140		139,858	-
Total - All Funds	5,451,765	181,140	5,130,767	139,858	30

Detailed information for each departmental budget unit follows, along with a description of the services provided, budget unit history and analysis of the budget unit.

Economic Development

DESCRIPTION OF MAJOR SERVICES

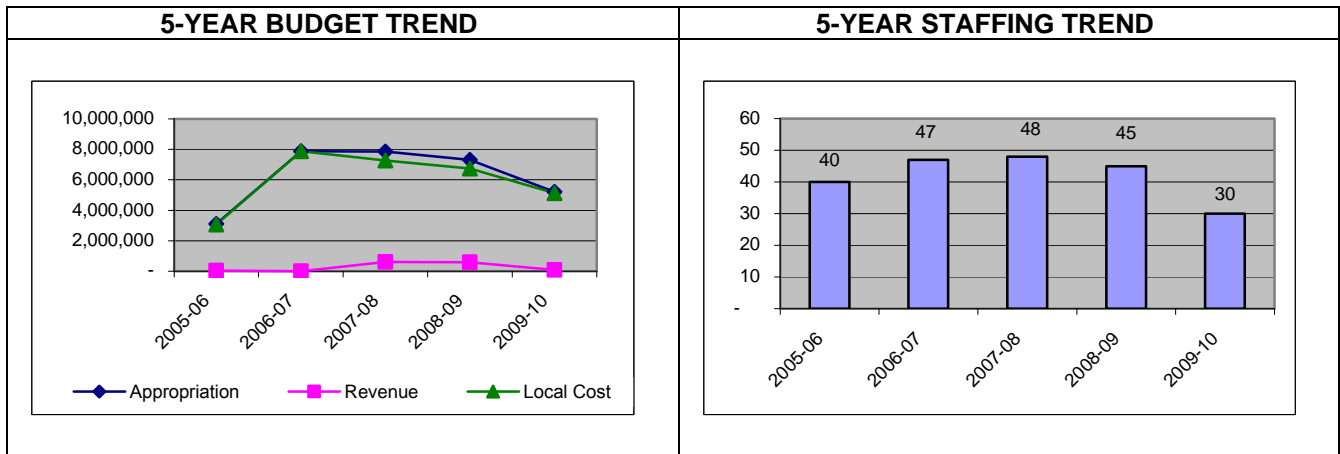
The Department of Economic Development's (ED) major goal is to foster job creation, increase private investment and enhance county revenues through the implementation of a countywide economic development strategy. The strategy focuses on maximizing the standard of living of the county's residents, providing economic opportunities for the county's businesses, fostering a competitive environment and positioning the county as a highly competitive region for business opportunities. The strategy will emphasize industry sectors with high-growth potential and offering high paying jobs.

The department spearheads initiatives with local, national and international impact by forming internal and external strategic partnerships with key public and private sector organizations including, but not limited to, the State of California, San Bernardino County cities, the County of Riverside, as well as non-profit development corporations, developers, brokers, site selectors, corporate real estate executives and tenant representatives. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign.

The department also creates and develops necessary support structures to foster a positive, creative and expanding business climate by offering a wide array of economic development programs and services including the following:

- Site Selection Assistance
- Market Analysis and Demographics
- Permitting Assistance
- International Trade Services
- Economic Development Loan Programs
- Enterprise Zone and Program Management
- Small Business Assistance and Technical Support
- Technical assistance and marketing support to county cities and economic development stakeholders.

BUDGET HISTORY



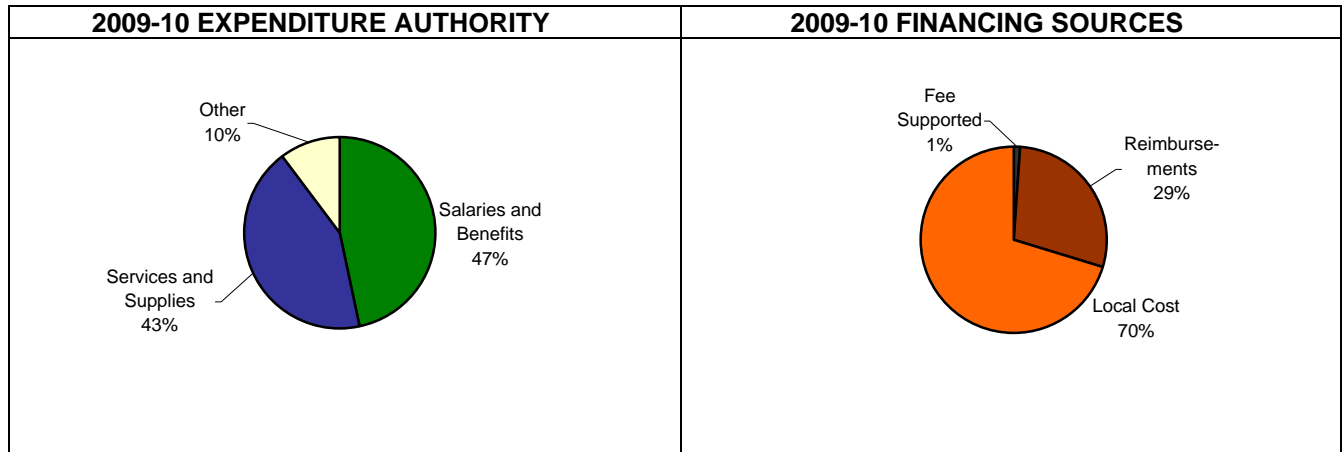
PERFORMANCE HISTORY

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	3,112,150	7,084,529	7,584,183	6,885,867	6,392,067
Departmental Revenue	43,634	357,883	754,216	580,000	586,115
Local Cost	3,068,516	6,726,646	6,829,967	6,305,867	5,805,952
Budgeted Staffing				31	

Estimated appropriation for 2008-09 is lower than the modified budget due to salaries savings related to delays in hiring positions.



ANALYSIS OF PROPOSED BUDGET



As a result of the current economic condition, the 2009-10 proposed budget was impacted by an 8% cut and a salary reduction. The total of these budget reductions was a decrease of \$601,152 to appropriation and local cost; and the details are listed in the following schedule. Budgeted staffing was reduced by 2 vacant positions.

IMPACTS DUE TO BUDGET REDUCTIONS

Brief Description of Budget Impact	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2009-10 8% Reduction Reduction made to salaries and benefits and services and supplies - deleted 2 vacant Business Services Specialist positions, service contracts with consultants and other professional advisory services, advertising and public relations reduced.	(2)	(481,435)	-	(481,435)
Salary Reduction Reduction made to services and supplies - professional services, web site services, and professional contracts were reduced.	-	(119,717)	-	(119,717)
Total	(2)	(601,152)	-	(601,152)

The preceding reductions were incorporated into the departmental budget and are reflected in the following schedule that details the budget by appropriation unit.



GROUP: Economic Development Agency
 DEPARTMENT: Economic Development
 FUND: General

BUDGET UNIT: AAA EDF
 FUNCTION: Public Assistance
 ACTIVITY: Other Assistance

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
Appropriation							
Salaries and Benefits	2,172,363	3,107,617	3,303,854	2,841,766	4,205,135	3,417,821	(787,314)
Services and Supplies	2,267,354	6,018,225	6,657,720	5,035,988	5,732,323	2,835,259	(2,897,064)
Central Computer	2,342	24,961	46,981	48,694	48,694	34,369	(14,325)
Travel	-	-	-	227,762	228,600	261,000	32,400
Equipment	39,110	107,737	-	-	-	-	-
Transfers	143,961	226,483	430,552	180,946	264,929	759,052	494,123
Total Exp Authority	4,625,130	9,485,023	10,439,107	8,335,156	10,479,681	7,307,501	(3,172,180)
Reimbursements	(1,542,435)	(2,400,494)	(2,854,924)	(1,943,089)	(3,160,783)	(2,096,734)	1,064,049
Total Appropriation	3,082,695	7,084,529	7,584,183	6,392,067	7,318,898	5,210,767	(2,108,131)
Operating Transfers Out	29,455	-	-	-	-	-	-
Total Requirements	3,112,150	7,084,529	7,584,183	6,392,067	7,318,898	5,210,767	(2,108,131)
Departmental Revenue							
Current Services	-	49,549	83,333	75,000	75,000	75,000	-
Other Revenue	43,634	11,334	120,883	11,115	5,000	5,000	-
Other Financing Sources	-	-	550,000	500,000	500,000	-	(500,000)
Total Revenue	43,634	60,883	754,216	586,115	580,000	80,000	(500,000)
Operating Transfers In	-	297,000	-	-	-	-	-
Total Financing Sources	43,634	357,883	754,216	586,115	580,000	80,000	(500,000)
Local Cost	3,068,516	6,726,646	6,829,967	5,805,952	6,738,898	5,130,767	(1,608,131)
Budgeting Staffing:					45	30	(15)

Salaries and benefits of \$3,417,821 fund 30 budgeted positions. The decrease of \$787,314 reflects a total reduction of 15 budgeted positions. Board approved items related to a reorganization of the Economic Development Agency accounted for 13 of those positions, all of which were moved to the Workforce Development Department (WDD) (10 Employment Services Specialists; 2 Supervising Employment Services Specialists and 1 Employment Services Technician). In addition to moving these positions, the Agency, as part of its reorganization strategy, requested and received Board approval to add 4 Business Services Specialist positions and delete 4 vacant budgeted positions (Economic Development Manager, Education Specialist, Geographic Information Systems Technician, and Public Service Employee).

Furthermore, as a result of reduced local cost financing, 1 vacant Business Services Specialist position was deleted midyear and 2 additional vacant Business Services Specialist positions are being deleted in 2009-10. Partially offsetting these decreases is the addition of 1 Office Assistant III to support the High Desert Business Resource Center. This position will assist businesses and county residents that have or are thinking about starting a business with available resources.

Services and supplies of \$2,835,259 include costs of sponsorships and real estate related trade shows, advertising, special events, public relations, international trade, film and tourism and economic and real estate related studies. The net decrease of \$2,897,064 is primarily due to the reduction in local cost financing due to the following: 1) the elimination of one-time carryover funds in the amount of \$327,141, 2) the expiration of the speedway contract funding of \$210,000, 3) the transfer of the Quad State Joint Powers Authority Payment of \$131,799 to the Legislative budget unit, and 4) the reduction in local financing due to budget cuts in the amount of \$753,595; out of which \$377,952 is related to the 2009-10 budget reductions discussed above and \$375,643 is related to the 2008-09 budget reductions approved in February 2009. The 2008-09 budget reductions resulted in reductions to professional services, advertising, and public relations expenditures. Other major budget impacts include a transfer of the Speedway contract expense of \$746,000 to the Redevelopment Agency, the elimination in operating transfers in of \$500,000 related to economic development projects in the 4th District, the elimination of training costs for TAD of \$267,717, reduction of costs related to the positions transferred to WDD of \$89,901, transferring \$53,206 in funding to salaries and benefits to cover the costs of the new Office Assistant III, plus an increase in information services support of \$118,000 and miscellaneous increases of \$64,295.



Travel of \$261,000 includes private mileage, air travel, car rental, and conference fees. The increase of \$32,400 is to properly account for expenditures previously budgeted in services and supplies.

Transfers of \$759,052 represent payments for staff support and rent charges paid to WDD and the new internal cost allocations between the Agency and ED. The increase of \$494,123 is primarily attributed to the inclusion of the internal cost allocations between the Agency and ED.

Reimbursements of \$2,096,734 represent payments from other departments primarily for administrative activities provided by the Agency. Reimbursements decreased by \$1,064,049 due to the Speedway contract expenses being moved to the Redevelopment Agency (\$746,000), the transfer of the business services function to WDD (\$1,199,112), and transferring back the Business Expansion Loan Program to the Department of Community Development and Housing (\$140,000). These decreases were partially offset by an increase of \$438,995 due to the inclusion of reimbursements from ED to the Agency, reimbursements for the Bark Beetle Loan Program of \$75,000, reimbursements from the Airports Department for marketing services of \$104,965, and Agency charges increases of \$402,103.

Departmental revenue of \$80,000 was reduced by \$500,000 due to the elimination of one-time funding for economic projects within the 4th District.

ADDITIONAL GENERAL FUND FINANCING REQUESTS						
Rank	Brief Description of Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2009-10 Performance Measurement
1	Continue the Fan Zone Title Sponsorship (Policy Item Request)	-	210,000	-	210,000	
	<p>The department is requesting funding to continue the Fan Zone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event at the Auto Club Speedway. The previous contract ends on June 30, 2009. The department is negotiating a contract renewal and anticipates keeping the costs at the same level or lower. In the previous contract, \$746,000 was paid by the Redevelopment Agency and \$210,000 by general fund financing. Marketing at the Auto Club Speedway and through NASCAR continues to provide San Bernardino County the broadest possible audience to extend its image at far lower cost than would otherwise be possible. Through the FanZone, race sponsorship, signage throughout the venue and various broadcasts ranging from regional shows to nationally syndicated hosts, the county has been able to reach an audience of over 16.5 million people annually. Funding is requested for 2009-10 through 2011-12, which is the anticipated agreement period.</p>					
	<p><i>Percentage increase of audience reached (16.5 million people reached in 2006-07)</i></p>					1%
Total		<u>-</u>	<u>210,000</u>	<u>-</u>	<u>210,000</u>	

San Bernardino Valley Enterprise Zone

DESCRIPTION OF MAJOR SERVICES

On August 22, 2006 (Item No. 50), the Board of Supervisors approved a Memorandum of Understanding with the City of Colton, City of San Bernardino, and the Inland Valley Development Agency (IVDA) to fund, manage and describe the jurisdictional responsibilities of the San Bernardino Valley Enterprise Zone (SBVEZ). The SBVEZ is a state designated geographical area that offers local businesses state tax incentives in order to stimulate economic growth in the economically distressed areas of the City of Colton, City of San Bernardino, and the county. The SBVEZ facilitates economic growth through assistance to local businesses, jurisdictional leadership, public/private collaborations, attraction of new investment, the retention/expansion of existing businesses, and the employment of the most difficult-to-hire workers into private sector jobs.

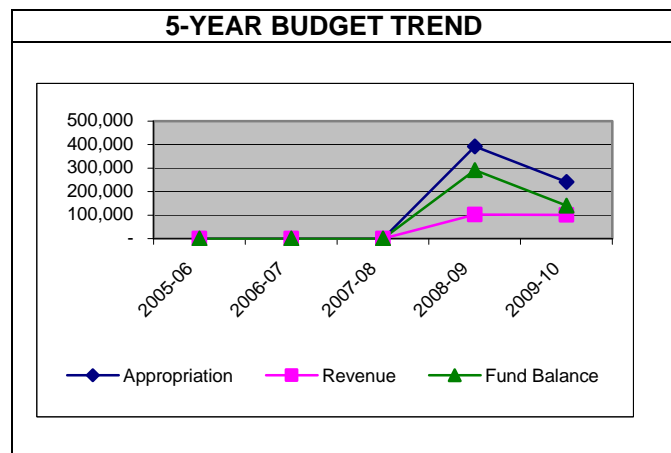
Major services offered to SBVEZ businesses include the following:

- Educational workshops for businesses to understand how they can take advantage of state tax credits.
- Employment and training assistance for zone businesses.
- Assistance in accessing and procuring state contracts.
- Process employment vouchers to allow businesses that hire qualified individuals to receive state's hiring tax credits.
- Site selection assistance for new and expanding businesses.
- Permitting assistance for new and expanding businesses.

The services are offered through the Department of Economic Development and in collaboration with the cities of Colton and San Bernardino and IVDA.

There is no staffing associated with this budget unit.

BUDGET HISTORY



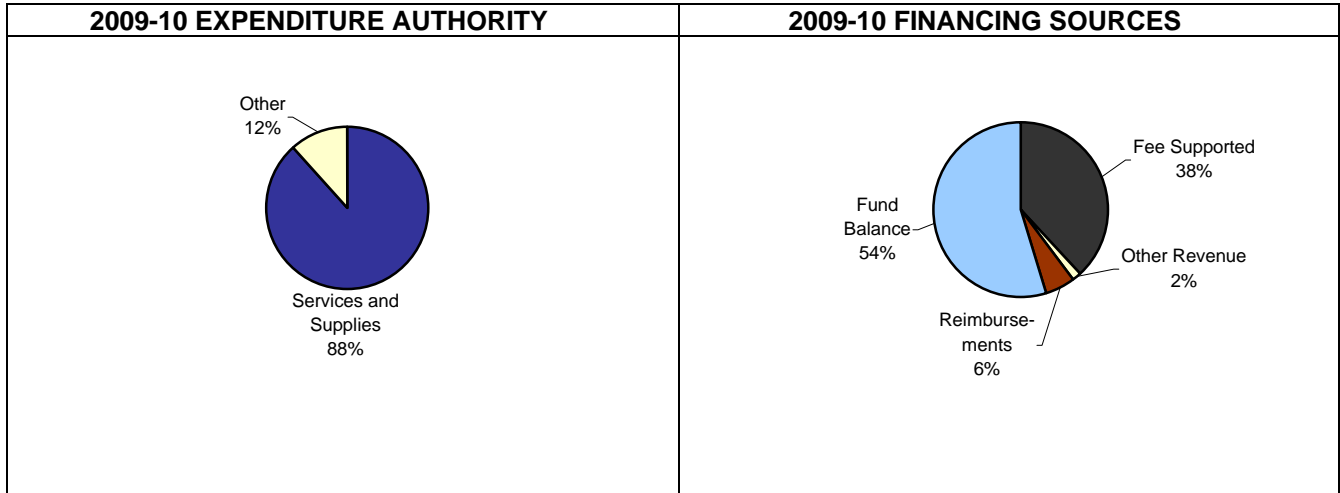
PERFORMANCE HISTORY

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	-	-	35,230	392,911	151,521
Departmental Revenue	-	-	326,250	101,891	359
Fund Balance				291,020	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, estimated appropriation in this budget unit is typically less than budget. The amount not expended is carried over to the subsequent year's budget.

Departmental revenue and reimbursements for 2008-09 are less than modified budget as a result of the decision made by the participants to utilize the fund balance to cover the participant payments in 2008-09.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development Agency
DEPARTMENT: Economic Development
FUND: San Bernardino Valley Enterprise Zone

BUDGET UNIT: SYZ EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
Appropriation							
Services and Supplies	-	-	42,716	121,521	373,911	222,358	(151,553)
Travel	-	-	-	-	-	3,000	3,000
Transfers	-	-	29,602	30,000	30,000	30,000	-
Total Exp Authority	-	-	72,318	151,521	403,911	255,358	(148,553)
Reimbursements	-	-	(37,088)	-	(11,000)	(14,360)	(3,360)
Total Appropriation	-	-	35,230	151,521	392,911	240,998	(151,913)
Departmental Revenue							
Use Of Money and Prop	-	-	7,470	4,712	2,554	4,000	1,446
Current Services	-	-	317,810	-	99,337	97,140	(2,197)
Other Revenue	-	-	970	(4,353)	-	-	-
Total Revenue	-	-	326,250	359	101,891	101,140	(751)
Fund Balance					291,020	139,858	(151,162)

Services and supplies of \$222,358 represent costs for marketing, professional services, professional memberships, trade show attendance, advertising, auditing, County Counsel services, and mapping. The decrease of \$151,553 in services and supplies is due to the reduction in fund balance.

Travel of \$3,000 represent costs for the California Enterprise Zone Association (CAEZ) conference registrations and all associated costs.

Transfers of \$30,000 represent the cost for the SBVEZ Manager incurred by the Department of Economic Development.

Each partner in the SBVEZ has been authorized by its legislative body to contribute funds to cover the administrative costs of the Enterprise Zone. Partner amounts are based on a fair share percentage of area within the SBVEZ that is covered by that jurisdiction. The county's portion of administrative costs for the 2009-10 budget is \$14,360 and shown as a reimbursement.

Departmental revenue of \$101,140 represents interest earned and amounts to be received from the City of Colton, the City of San Bernardino, and IVDA to cover administrative costs.



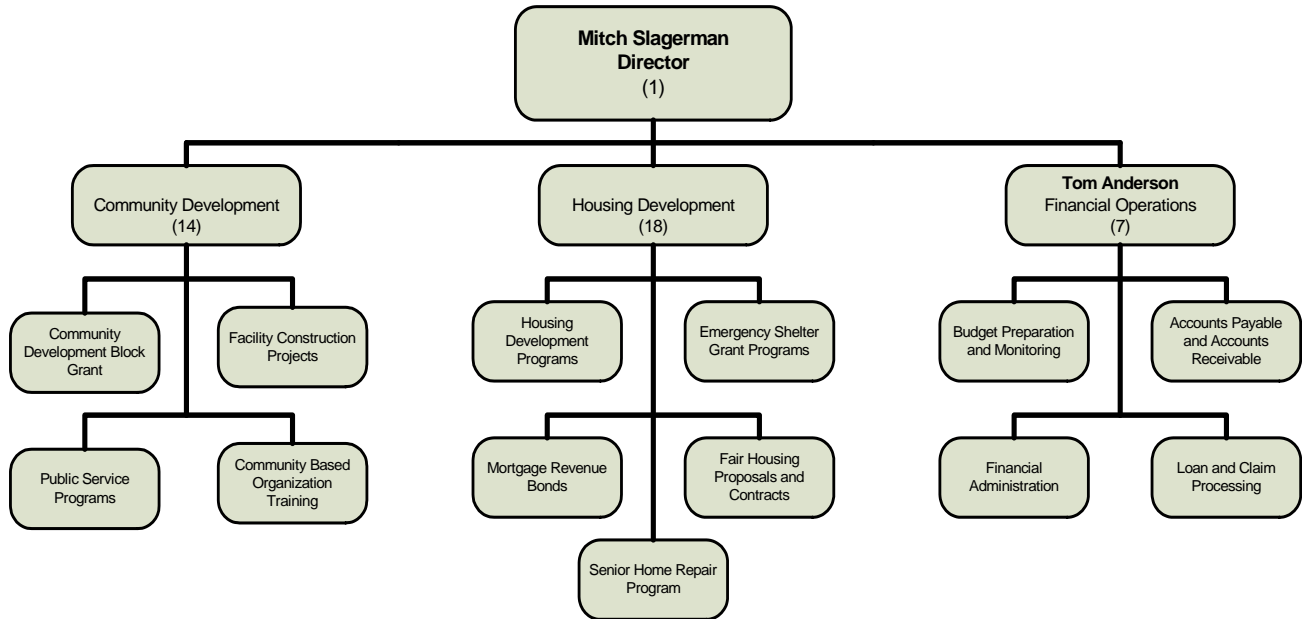
COMMUNITY DEVELOPMENT AND HOUSING

Mitch Slagerman

MISSION STATEMENT

The Community Development and Housing Department is a diverse team that utilizes experience and knowledge to achieve a better quality of life for county residents by providing quality programs and services. In addition, the department is a good steward of the Public Trust, effectively and efficiently delivering community development and housing program resources.

ORGANIZATIONAL CHART



STRATEGIC GOALS

1. Improve communities in San Bernardino County by financing construction projects and new and increased public services.
2. Expand the supply of quality, safe, sanitary and affordable housing for residents of San Bernardino County.

PERFORMANCE MEASURES				
Description of Performance Measure	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
Number of county residents benefiting from public service projects.	41,823	42,000	41,000	42,000
Number of public facilities benefiting from capital and infrastructure improvements.	35	35	33	35
Number of multifamily low, moderate or middle income units provided this fiscal year.	11	20	0 *	25
Number of home purchases for low, moderate and middle income persons assisted this fiscal year.	28	48	48	100

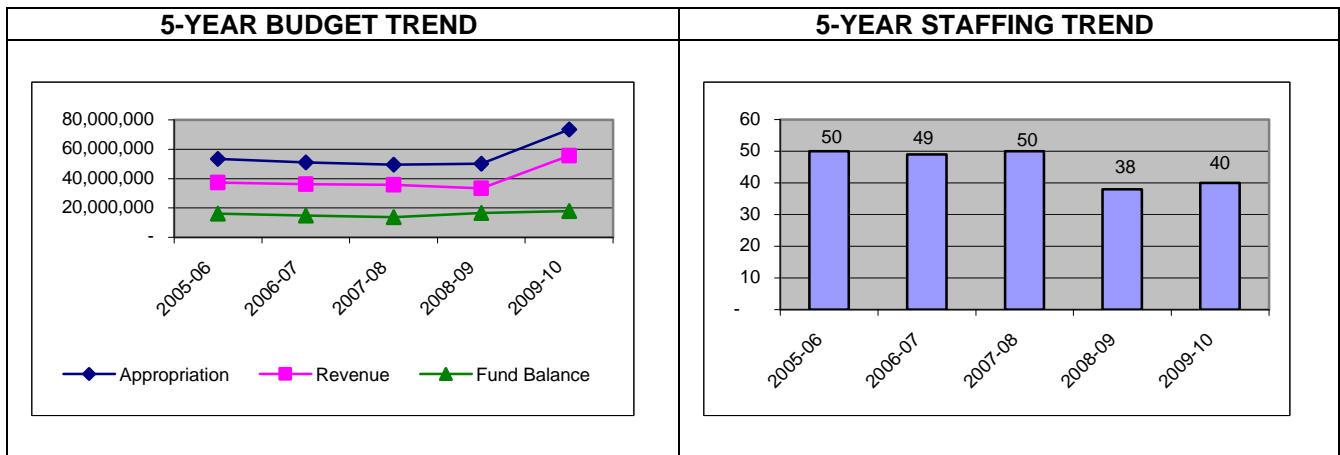
*Department released an RFP in 2008-09 to increase available units, results will be seen in 2009-10.



DESCRIPTION OF MAJOR SERVICES

The Department of Community Development and Housing (CDH) is responsible for administering federal, state, and local grant funds allocated to the County of San Bernardino for housing and community development programs. Federal funds comprise a large percentage of the total monies included in the department's budget through the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), the HOME Investment Partnership Act Grant (HOME), the Neighborhood Initiative Grant (NI), the Disaster Recovery Grant (DRI) and the new Neighborhood Stabilization Program Grant (NSP).

BUDGET HISTORY



PERFORMANCE HISTORY

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	24,763,111	25,635,360	15,422,594	58,565,727	16,746,803
Departmental Revenue	23,440,212	22,825,734	18,314,522	33,447,531	18,056,255
Fund Balance				25,118,196	
Budgeted Staffing				38	

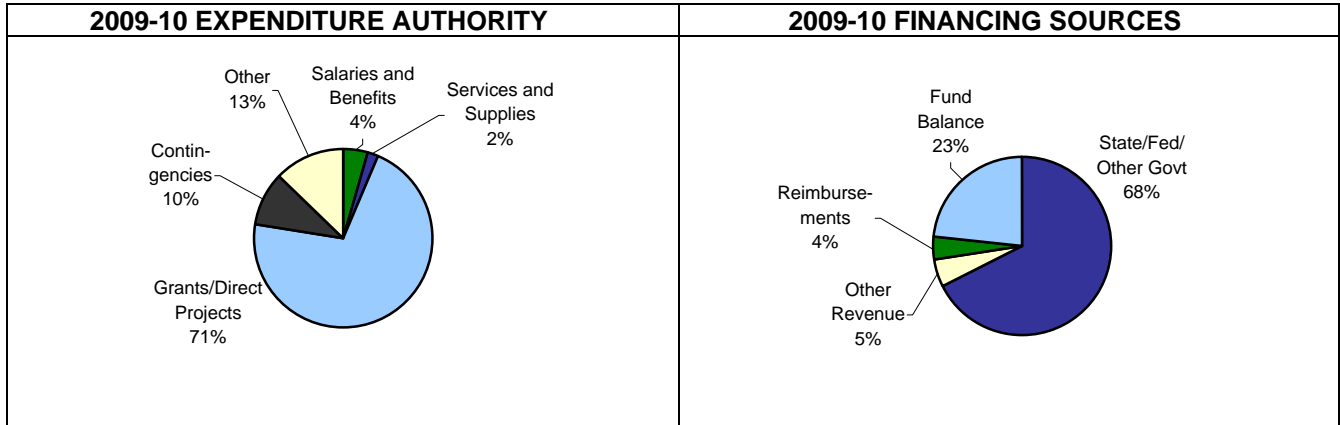
In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, estimated appropriation in this budget unit is typically less than budget. The amount not expended is carried over to the subsequent year's budget.

Most of CDH's revenue is from federally funded grants that are for longer than one year, thus revenue is under realized for each individual fiscal year, but totally realized over the period of the grants. The unexpected and unrealized amounts in 2008-09 have been carried over to the subsequent year's budget.

The performance history for the CDH budget represents a decrease in actual funding until 2008-09. During this year, the federal government passed the Housing and Economic Recovery Act (HERA) bill that allocated \$22 million dollars to CDH for the Neighborhood Stabilization Program and the American Recovery and Reinvestment Act (ARRA) bill that allocated another \$5 million; \$2 million for community development projects and \$3 million for assisting in the prevention of homelessness. The ARRA grant is not reflected in this budget, but as soon as the department receives notification of the exact amount of the grant the department will bring the grant acceptance as well as the appropriation and revenue increases to the Board of Supervisors. These two bills will increase the amount of funding to the department for the next two budget years.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development Agency
DEPARTMENT: Community Development and Housing
FUND: Community Development and Housing

BUDGET UNIT: Various
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
Appropriation							
Salaries and Benefits	3,634,300	3,441,243	3,029,496	2,573,461	3,393,694	3,385,375	(8,319)
Services and Supplies	1,444,425	1,578,342	1,051,306	2,170,885	2,245,478	1,521,945	(723,533)
Grants/Direct Projects	16,579,071	13,980,687	8,735,354	8,979,000	27,667,823	54,290,790	26,622,967
Central Computer	49,817	54,454	47,077	50,417	50,417	38,521	(11,896)
Travel	-	-	-	19,800	29,000	36,500	7,500
Other Charges	-	-	-	-	20,000	-	(20,000)
Equipment	39,463	24,972	-	-	-	150,000	150,000
L/P Struct/Equip/Vehicles	-	-	-	-	52,000	-	(52,000)
Transfers	5,306,274	6,148,674	5,383,323	5,187,840	10,664,803	9,113,368	(1,551,435)
Contingencies	-	-	-	-	8,394,120	7,475,000	(919,120)
Total Exp Authority	27,053,350	25,228,372	18,246,556	18,981,403	52,517,335	76,011,499	23,494,164
Reimbursements	(3,484,053)	(3,311,338)	(3,535,197)	(2,434,600)	(2,908,700)	(3,106,215)	(197,515)
Total Appropriation	23,569,297	21,917,034	14,711,359	16,546,803	49,608,635	72,905,284	23,296,649
Operating Transfers Out	1,193,814	3,718,326	711,235	200,000	432,092	500,000	67,908
Total Requirements	24,763,111	25,635,360	15,422,594	16,746,803	50,040,727	73,405,284	23,364,557
Departmental Revenue							
Taxes	32,482	85,638	63,553	11,500	40,000	10,000	(30,000)
Fines and Forfeitures	3,274	4,668	4,145	2,000	2,000	1,000	(1,000)
Use Of Money and Prop	730,660	1,067,055	1,322,458	790,450	1,024,200	731,000	(293,200)
State, Fed or Gov't Aid	17,579,128	15,487,219	13,323,234	13,911,620	29,389,348	51,650,780	22,261,432
Current Services	4,735	-	-	-	-	-	-
Other Revenue	5,085,564	6,181,154	3,601,132	3,340,685	2,991,983	3,109,856	117,873
Other Financing Sources	4,369	-	-	-	-	-	-
Total Revenue	23,440,212	22,825,734	18,314,522	18,056,255	33,447,531	55,502,636	22,055,105
Fund Balance					16,593,196	17,902,648	1,309,452
Budgeted Staffing					38	40	2

Salaries and benefits of \$3,385,375 fund 40 budgeted positions and are decreasing by \$8,319 primarily due to the reduction of Worker’s Compensation expenses and new personnel starting at lower steps on the wage scale. The increase of two extra help positions was approved by the Board during mid-year to help with the additional workload on the new Neighborhood Stabilization Program Grant.

Services and supplies of \$1,521,945 represents charges related to equipment needs, communication expense, general office expense, costs for publications, and special department expenses. The overall decrease of \$723,533 is due primarily to a \$1,000,000 one-time Priority Policy Needs item that was budgeted in 2008-09; which was partially offset by an increase of \$276,467 for planned expenditures related to the new Neighborhood Stabilization Program Grant.



Grants and direct projects of \$54,290,790 represent the majority of CDH's expenses. These expenses generally consist of contracts with other government, nonprofit, or private businesses to provide community development and housing assistance for low and moderate income citizens of the County of San Bernardino. The increase of \$26,622,967 was caused by the receipt of the Neighborhood Stabilization Program Grant (\$20,412,000), the planned expenditure increase of HOME funds (\$2,006,245), an increase in CDBG programs (\$1,278,798), an increase for the IVDA fund (\$3,939,020), and transferring the Home Senior Repair Program (\$750,000) to this category. These increases were partially offset by decreases in the Business and Micro Loan programs. The Senior Home Repair Program is in a holding account until the department returns to the Board for direction.

Travel of \$36,500 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental, training, and conference fees for this budget unit. The increase of \$7,500 is caused by the expected need of training for the new Neighborhood Stabilization Program Grant.

Equipment of \$150,000 is a new line item this year due to the planned purchase of emergency electrical generators for senior center programs within the county.

Other charges and lease/purchase equipment are not budgeted in 2009-10 due to the cancellation of the planned new furniture lease.

Transfers of \$9,113,368 represents interdepartmental transfers from CDH's grant funds to its administrative fund and transfers to other departments for services provided on behalf of CDH. The decrease in transfers of \$1,551,435 is primarily related to the completion of projects in 2008-09 and the transfer of the Home Senior Repair program funding to the grant and direct projects category.

Contingencies of \$7,475,000 in the HOME Fund and the CDBG Projects Fund represent the amount of grant funding that the department anticipates will not be obligated this fiscal year. The decrease of \$919,120 reflects the anticipation to reduce fund balances by distributing an increased amount of program income in 2009-10.

Reimbursements of \$3,106,215 represent interdepartmental reimbursements to the CDH administrative fund for staff charges. The increase of \$197,515 is primarily caused by the reimbursement of labor charges from the new Neighborhood Stabilization Program Grant to the administration fund.

Operating transfers out of \$500,000 increased by \$67,908 primarily due to an anticipated increase in capital projects to be completed by the Architecture and Engineering Department.

Departmental revenue of \$55,502,636 generally represents grants received from HUD, which include CDBG, HOME, ESG and NSP grant funds. In 2009-10, CDH anticipates receiving \$12,000,000 from HUD; \$2,500,000 from the State Department of Housing and Community Development for the Cedar Glen Water/Road Improvement Grant; \$2,000,000 from the Inland Valley Development Authority; and \$21,658,000 in Neighborhood Stabilization funds. The remaining \$17,344,636 in revenue primarily represents funding from previously approved federal grant projects that have not been completed and program income received through the loan programs. There is an overall increase of \$22,055,105 primarily due to the receipt of the new Neighborhood Stabilization Program Grant with slight decreases in other revenue and interest due to the reduced fund balances and a reduction in loan payoffs.

The fund balance increase in 2009-10 of \$1,309,452 is primarily due to the receipt of funds from IVDA development zone.

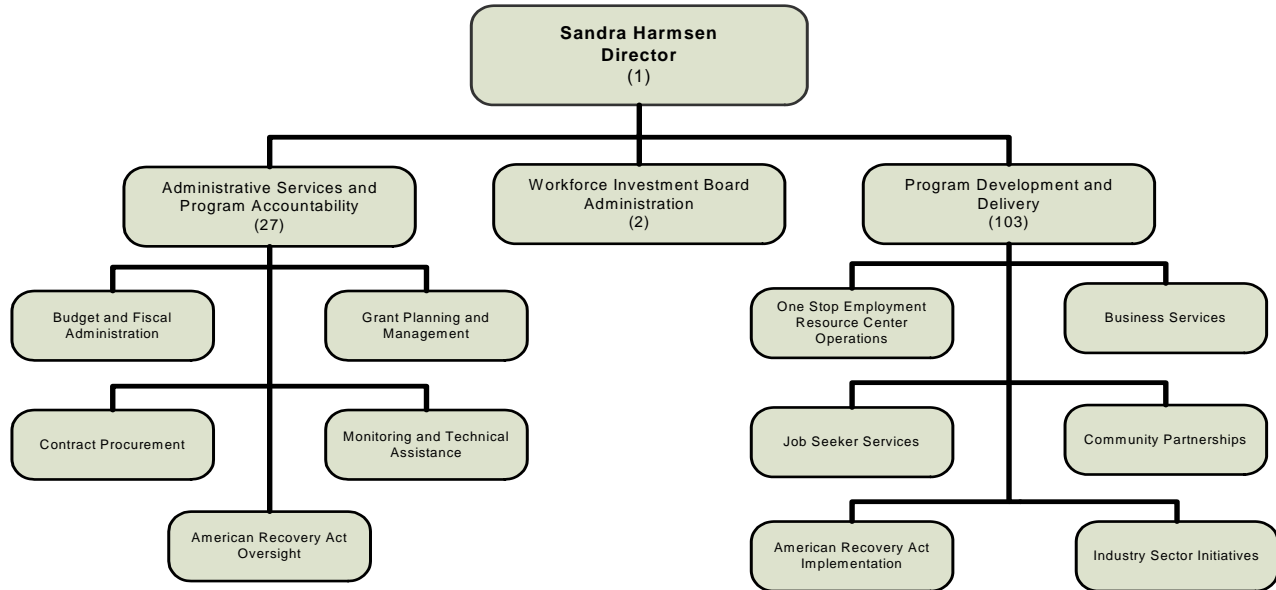
WORKFORCE DEVELOPMENT

Sandra Harmsen

MISSION STATEMENT

The Workforce Development Department serves residents and businesses in the County of San Bernardino by developing a skilled workforce that meets the emerging demands of the business community.

ORGANIZATIONAL CHART



STRATEGIC GOALS

1. Increase employability of county residents through services provided.
2. Increase awareness in the business community of the services available through the department.
3. Align workforce development, economic development, education and funding strategies to enhance the competitiveness of San Bernardino County's workforce and support positive economic growth.

PERFORMANCE MEASURES				
Description of Performance Measure	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
Number of County residents enrolled in WDD programs. (Beginning in 2008-09 there is significantly higher enrollment due to integrated services implemented July 1, 2008.)	1,556	25,000	25,000	26,250
Number of businesses contacted.	2,223	1,600	1,800	1,900
Number of regular meetings of stakeholders for the purpose of aligning strategies, policies, networks, funding sources and training services to meet the workforce demands of local businesses.	4	4	4	6
Number of new funding sources available for demand driven training services to include sources other than WIA grants from the Department of Labor.	2	2	2	2
Number of industry-specific/demand-driven training programs.	4	4	4	4

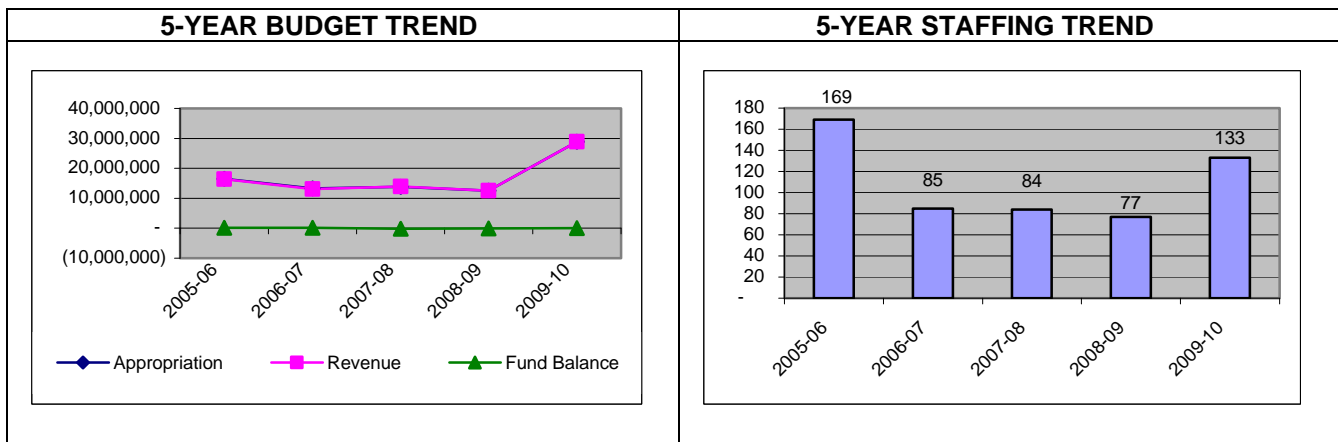


DESCRIPTION OF MAJOR SERVICES

The Workforce Development Department (WDD) provides services to job seekers, incumbent workers, entrepreneurs and employers through Workforce Investment Act (WIA) funds from the Department of Labor. Services are delivered to job seekers and businesses throughout the County via WDD’s Employment Resource Centers. These offices are strategically placed in three of the County’s economic regions. In addition, we provide services through two centers for State of California Workforce Services. Services delivered include job search, skills assessments, vocational training, job readiness skills, connection to employers, and assisting businesses with outreach services, recruitment efforts and retention. Understanding that increased employment opportunities enhance the quality of life for residents, WDD strives to ensure the needs of local businesses are met by providing them with a skilled workforce, thus supporting the mission of the County.

The Workforce Investment Board (WIB) administratively oversees the programs offered through the department. The WIB’s focus has been on demand industry sectors and the Board has worked diligently with businesses to target these demand occupations and high growth industries. The WIB is composed of private business representatives, labor organizations and public sector partners who have been appointed by the County Board of Supervisors.

BUDGET HISTORY



PERFORMANCE HISTORY

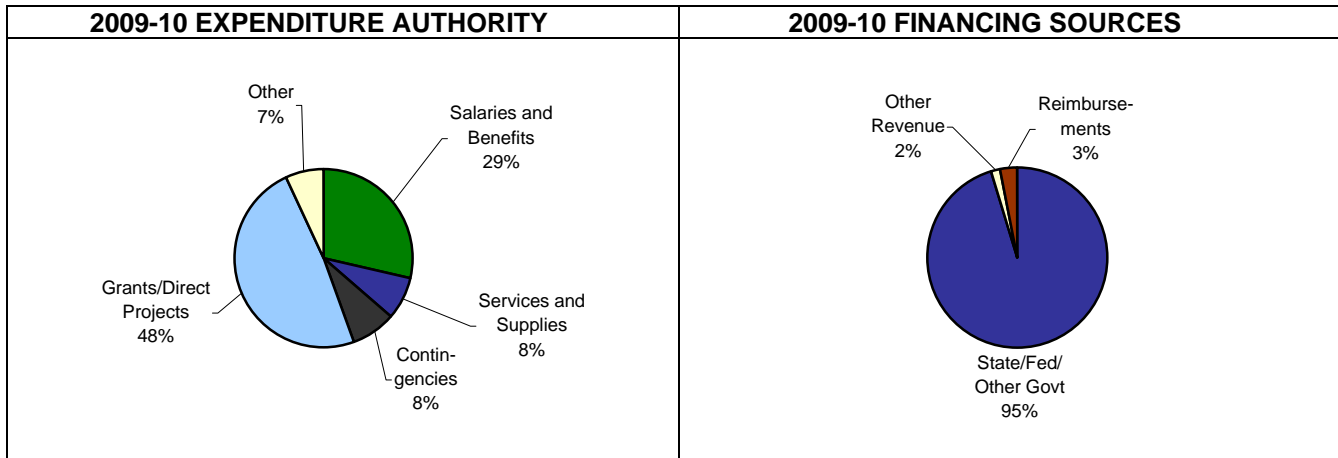
	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	12,586,217	11,873,041	11,199,044	15,468,183	17,062,666
Departmental Revenue	12,611,371	11,499,821	11,341,090	15,504,262	17,098,745
Fund Balance				(36,079)	
Budgeted Staffing				88	

The trend for the WDD budget had been a steady decrease in funding beginning in 2004-05 through 2007-08. However, the allocation methodology utilized by the federal Department of Labor is tied to local unemployment rates and, due to the economic downturn, WIA formula funds for Adult, Dislocated Worker and Youth grants began to experience increasing allocations in 2008-09 for the State of California. To assist local areas in addressing the economic situation, WIA programs experienced an additional infusion of funding under the American Recovery and Reinvestment Act (ARRA) passed by Congress in February, 2009. WDD also continues to actively seek competitive grant funding, both alone and in collaboration with other entities, in order to expand its services and further assist County residents and businesses through this difficult time.

Estimated appropriation and departmental revenue for 2008-09 are higher than the modified budget due to receiving ARRA allocation in April, 2009 and immediately utilizing the funding to implement a Summer Youth Employment Program. This funding is currently not reflected in the modified budget. However, actual revenue received is the result of reimbursement for actual expenses incurred.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development Agency
DEPARTMENT: Workforce Development
FUND: Workforce Development

BUDGET UNIT: SAC JOB
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
Appropriation							
Salaries and Benefits	6,383,851	5,016,039	4,537,849	5,417,587	5,462,587	8,512,716	3,050,129
Services and Supplies	1,057,202	1,355,473	1,088,908	1,730,033	1,220,911	2,046,527	825,616
Central Computer	94,502	93,979	79,303	94,175	83,615	88,088	4,473
Travel	-	-	-	128,762	66,118	141,000	74,882
Grants/Direct Projects	4,096,217	3,357,642	3,835,491	8,347,067	3,622,815	14,489,823	10,867,008
Equipment	-	51,997	866	39,925	9,800	-	(9,800)
Transfers	1,588,459	2,193,444	1,911,879	1,799,226	2,102,987	2,072,304	(30,683)
Contingencies	-	-	-	-	183,398	2,404,276	2,220,878
Total Exp Authority	13,220,231	12,068,574	11,454,296	17,556,775	12,752,231	29,754,734	17,002,503
Reimbursements	(634,014)	(195,533)	(255,252)	(494,109)	(259,050)	(893,942)	(634,892)
Total Appropriation	12,586,217	11,873,041	11,199,044	17,062,666	12,493,181	28,860,792	16,367,611
Departmental Revenue							
Use Of Money and Prop	218,399	210,694	228,279	380,702	324,361	410,744	86,383
State, Fed or Gov't Aid	12,389,553	11,276,100	11,015,642	16,430,445	12,153,088	28,341,048	16,187,960
Current Services	2,305	-	-	-	-	-	-
Other Revenue	1,114	13,027	97,169	287,598	51,811	109,000	57,189
Total Revenue	12,611,371	11,499,821	11,341,090	17,098,745	12,529,260	28,860,792	16,331,532
Fund Balance:					(36,079)	-	36,079
Budgeted Staffing:					77	133	56

Salaries and benefits of \$8,512,716 fund 133 budgeted positions and are increasing by \$3,050,129 and a net 56 budgeted positions. Staffing changes are the result of the midyear reorganization of the Economic Development Agency (EDA) which transferred the business services function (13 positions) from the Economic Development Department to WDD effective September 1, 2009. Additionally, 43 positions were added; 3 regular positions which include 1 WIB Business Education Coordinator and 2 Staff Analyst I, and 40 extra help contract positions; which include 28 Workforce Development Specialists, 2 Workforce Development Technicians, 4 Staff Analyst I, 2 Fiscal Assistants, and 4 Office Assistant III. The regular positions were added to increase regional collaborative workforce partnerships, as well as increasing customized training programs with community colleges, Regional Occupation Programs, and other educational institutions. The WIB Business Education Coordinator is a new classification and will be responsible for working directly with the WIB, WDD's Director, and the business and education communities to identify workforce training needs. The Staff Analyst I positions will be responsible for providing technical assistance, conducting the required oversight and monitoring activities for Title I Youth providers and for contracts established due to the above mentioned collaborative efforts. The other forty contract positions are limited-term and were added to perform the activities required by the one-time ARRA funding



received by WDD in 2008-09. These positions will assist WDD in doubling the enrollment of job seekers into training classes and/or supportive services; developing incumbent worker training programs; conducting specialized workshops; and providing oversight of a WIA Summer Youth Employment Program (SYEP) that will serve approximately 1,600 youth throughout the County in 2009.

Services and supplies of \$2,046,527 represent general office supplies, computer software and hardware, furniture and equipment, professional services, utilities, insurance and outreach events and are increasing by \$825,616. This increase is primarily attributed to increases in other professional services (\$695,000) in anticipation of conducting specialized layoff aversion activities for businesses under the ARRA Rapid Response grant; increases in special department expenses (\$101,393) to provide additional informational workshops and events throughout the County for employers and job seekers to address relevant issues being faced by residents and businesses during the current economic condition; and increases in computer hardware and general maintenance equipment (\$146,923) to replace one-third of the existing computer inventory and to provide necessary equipment maintenance. These increases were partially offset by decreases in COWCAP, non-inventoriable equipment related to the 2008-09 relocation of the San Bernardino Employment Resource Center (ERC), and rents and leases that are now budgeted under the transfers category.

Travel of \$141,000 includes private mileage, air travel, hotel, car rental and conference/training fees. An increase of \$74,882 was primarily due to the anticipated need for training of department staff and WIB members as new programs and services are identified, designed and implemented to increase delivery of services under ARRA.

Grants/Direct Projects of \$14,489,823 represent payments to vocational and educational schools for classroom training and supportive services for WIA customers, customized training programs to assist businesses, incumbent worker training, SYEP and year-round WIA Youth programs. The increase of \$10,867,008 is primarily due to receiving one-time ARRA funding intended to significantly increase direct training and services for residents and businesses, increases in WIA formula funding, and obtaining a new grant from Riverside County.

Transfers of \$2,072,304 represent payments to other departments and include \$702,616 for administration, marketing, payroll, and information technology services provided by EDA; \$62,797 for costs related to the procurement of office supplies through the Purchasing Department; \$18,208 for the Employee Health and Productivity program; and \$1,288,683 for rent costs paid to the Real Estate Department. The decrease in transfers of \$30,683 is attributed primarily to moving the business services function totaling \$539,112 from Economic Development (ED) to WDD. This decrease was offset in part by increases in rent and EDA administrative charges.

Reimbursements of \$893,942 represent rent payments received from ED, reimbursement for staffing assistance provided to EDA and the Redevelopment Agency, and reimbursement for job development services provided to the Transitional Assistance Department (TAD) as a result of WDD now performing the business services function. The increase of \$634,892 is due to the new reimbursement from TAD.

Contingencies of \$2,404,276 are increasing by \$2,220,878 and represent 20% of the WIA formula allocations for Title I Adult, Dislocated and Youth grants anticipated for 2009-10. The contingency funds are designated to provide one year of follow-up services to youth served in the WIA Youth program and may be utilized to pay for costs associated with direct training and services under the WIA Adult and Dislocated Worker programs that begin in 2009-10, but are not completed until 2010-11.

Departmental revenue of \$28,860,792 represents funding from interest, rent, various state/federal grants, and other revenue sources and is increasing by \$16,331,532. Use of money and property revenue of \$410,744 consists of \$20,000 in interest revenue and \$390,744 in rent from the California Employment Development Department for space it occupies in all three ERCs. The rent revenue has increased by \$82,115 as a result of relocating the San Bernardino ERC to a new facility.

State and federal aid revenue of \$28,341,048 includes 2009-10 allocations under WIA of \$4,084,816 for Title I Youth, \$4,044,218 for Title I Adult, \$3,892,345 for Title I Dislocated Worker, \$600,000 for Rapid Response, \$75,000 for the Disability Navigator Program, and \$450,000 for the Veteran Employment Assistance Program (VEAP). Also included is one-time ARRA funding of \$12,217,379 for the following programs: \$3,641,256 for Title

I Youth, \$2,629,063 for Title I Adult, \$5,067,980 for Title I Dislocated Worker and \$879,080 for Rapid Response. Furthermore, the department anticipates carrying over \$2,977,290 in WIA funds allocated and budgeted in 2008-09.

Other revenue of \$109,000 represents a revenue agreement from Riverside County to provide services under a WIA Construction Talent Transfer (CTT) grant.

The net increase to revenue of \$16,331,532 is associated with one-time ARRA funding of \$12,217,379, the new VEAP and CTT grants of \$559,000, an increase in the annual WIA formula allocations of \$2,314,973, an increase in the Rapid Response allocation of \$293,172, an increase in carry-over funds of \$1,119,095, and a small decrease in federal grants due to the conclusion of special grants funded in 2008-09.

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