

Riverside County Executive Office



Larry Parrish  
County Executive Officer

May 28, 2003

Honorable Board of Supervisors  
County of Riverside  
Robert T. Andersen Administrative Center  
4080 Lemon Street-5th Floor  
Riverside, CA 92501-3651

---

Subject: **FY 2003/04 Budget Workshop**

---

Board Members:

In response to issues raised at the Third Quarter Budget Report, a budget workshop has been scheduled for Tuesday afternoon. At that time, my staff will present an overview of the potential impact of State actions affecting the local budget, including a projected structural gap in the General Fund.

The discussion Tuesday will revolve around the concerns you raised April 22, including the need for a plan and the feasibility of various strategies. The attached charts will be explained in greater detail then.

Respectfully submitted,

LARRY PARRISH  
County Executive Officer

Att.

F:\USERS\ORRANT\LPARRISH\Budgetwork\030528.doc

07/01/06 09:13 AM

# **BUDGET STRATEGY**

**Proposed 2003/04 Budget will be presented June 9. It is balanced, maintains essential service levels, includes a \$10 M Contingency and \$46 M Reserve for Economic Uncertainties.**

## **Potential State Budget Impact**

**S.B. 90 reimbursement for mandated services - \$10 M  
VLF delayed implementation - \$25 M  
Other service level cuts, delayed reimbursements  
Possible "realignment" of programs  
Multi-year budget shortfall? Economy?**

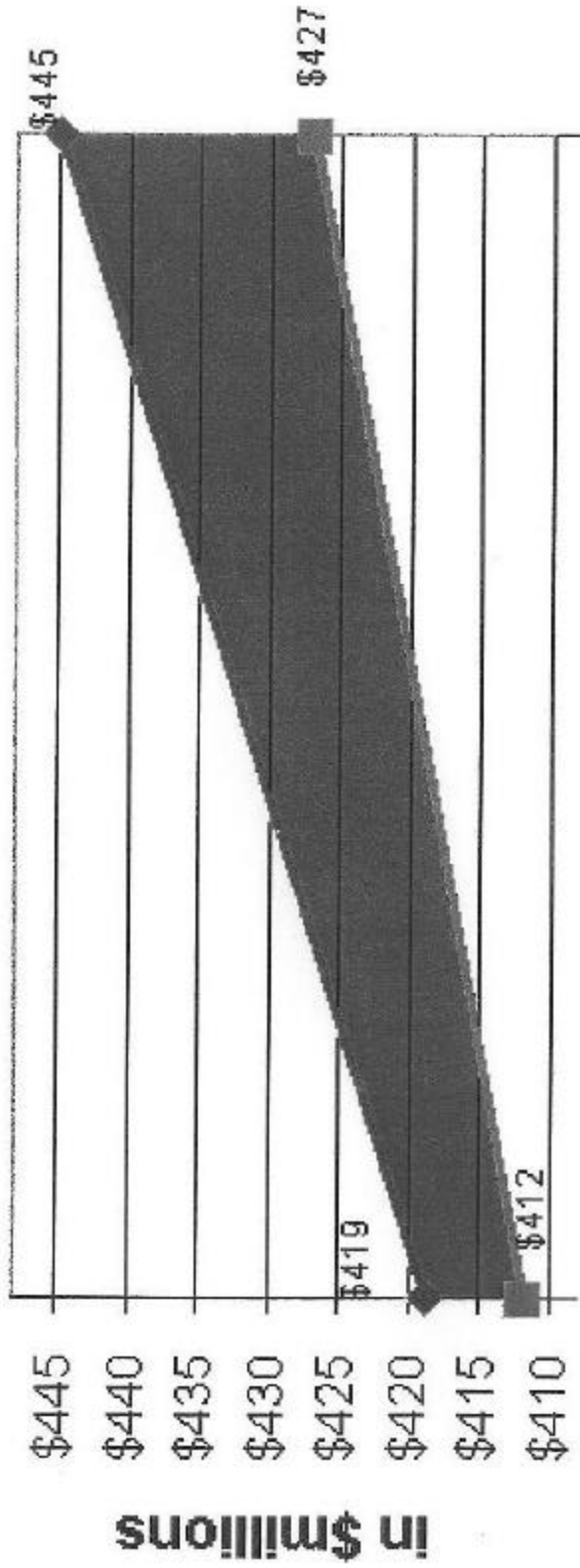
## **General Fund Structural Gap**

**Ongoing expenses exceed ongoing revenue  
Use of one-time monies  
Impact of State budget crisis  
Welfare caseload and cost increases**

## **Options to Maintain Balance**

**Control measures already in place  
Action Plan = Use of Reserves  
Potential labor and expense cutbacks  
Across-the-Board cuts  
DPSS projections  
Remain prepared – Build Reserves**

# General Fund Structural Gap

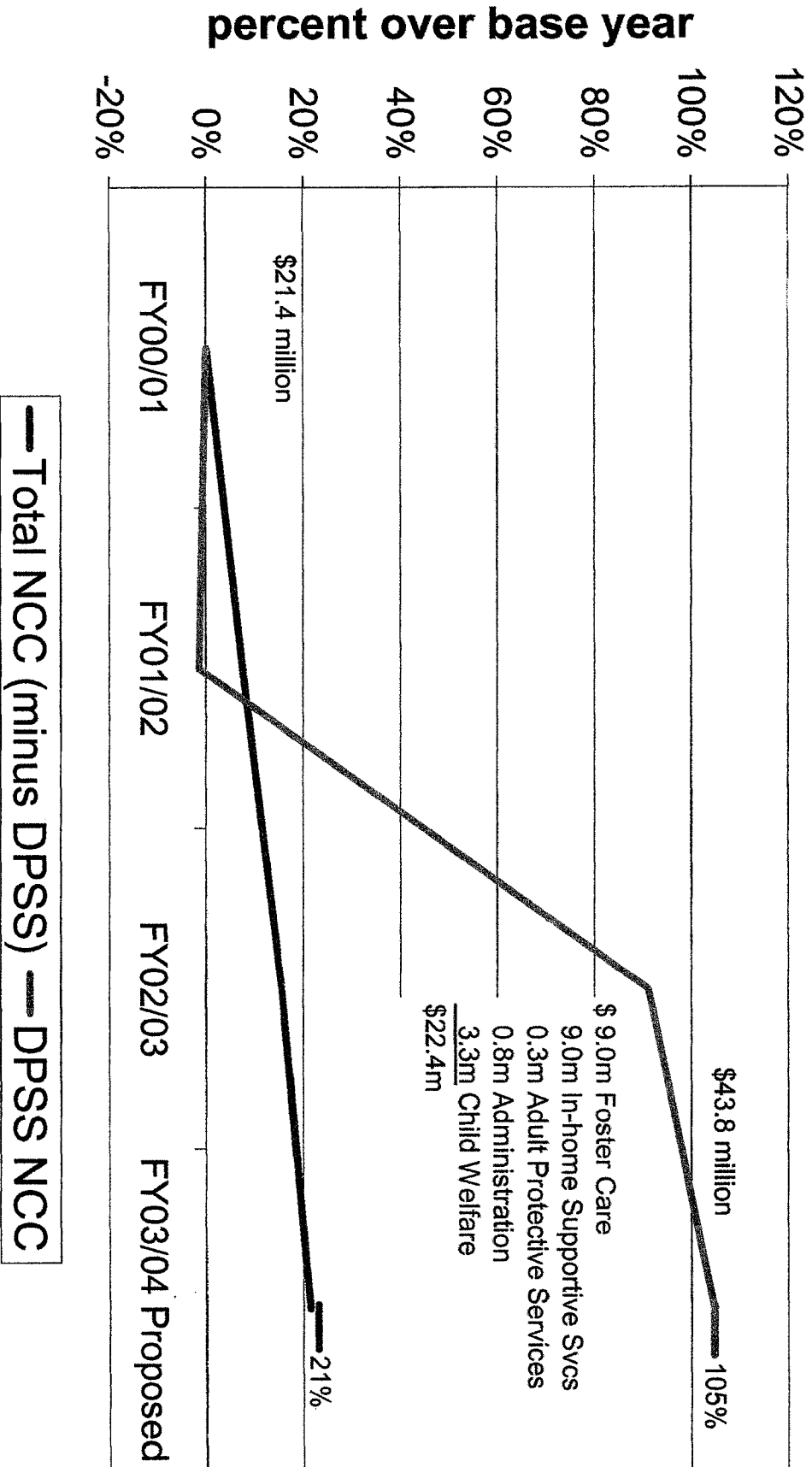


FY 03/04

FY 04/05

◆ Appropriations    ■ Ongoing Revenue

# Growth in NCC of DPSS over 3 years



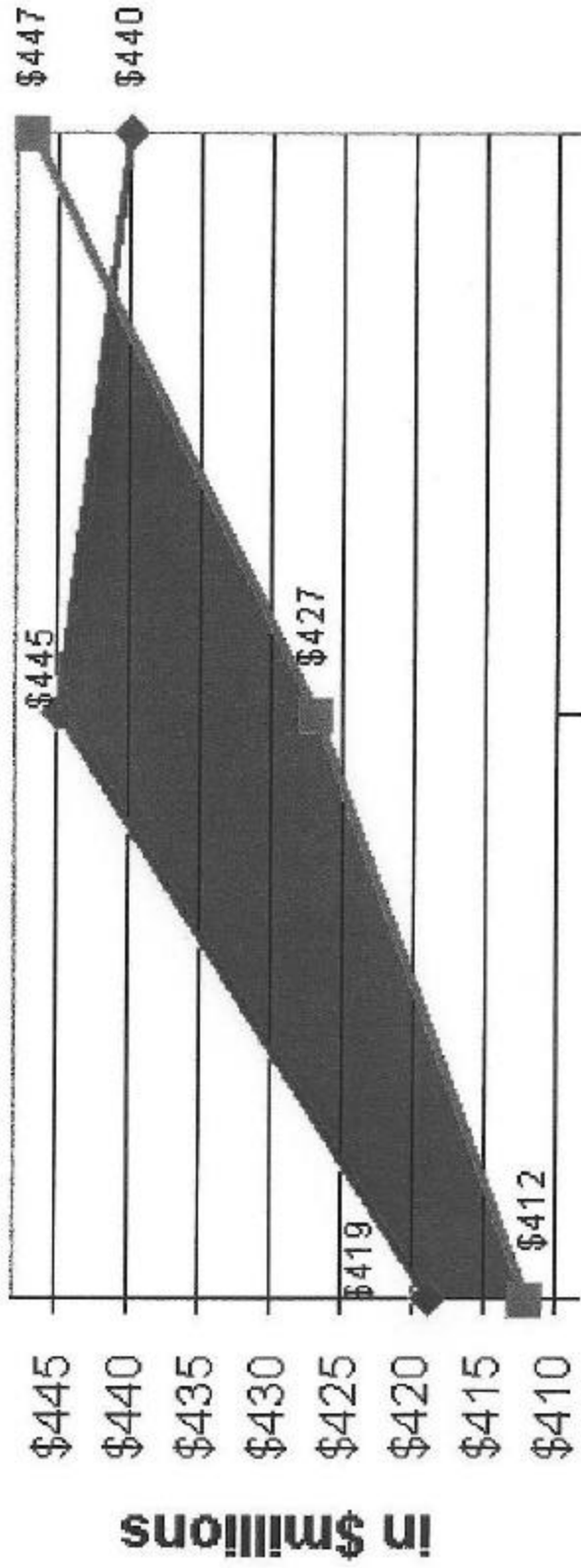
REVISED

**FY 03-04**  
**ACTIONS TO BALANCE**

	<b><u>\$ M</u></b>
Departments absorb PERS Misc. costs	11
Cap self-insurance rates one year	10
Reduce deferred maintenance	3
Defer Healthy Kids contribution	3
Surplus Prop. 172 revenue	4
Assume year-end carry-over	12
Use Reserve for State mandates	10
Reduce Contingency	10
Development Fees	7
	<b><u>\$70 M</u></b>

CEO letter to managers  
No budget enhancements  
Defer add-back requests

# General Fund Structural Gap



FY 03/04      FY 04/05      FY 05/06

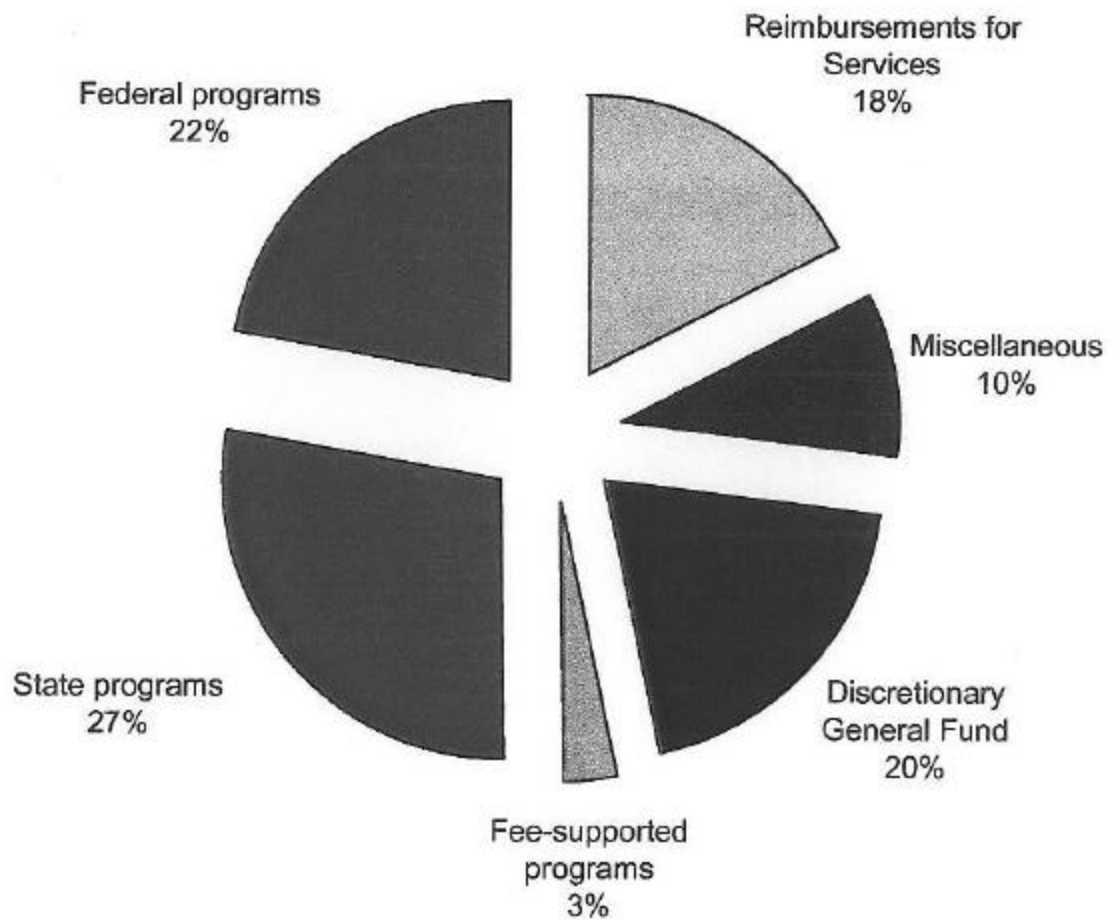
◆ Appropriations    ■ Ongoing Revenue

## Approximate General Fund Savings of Potential Budget Strategies

(estimates for FY 2003-04)

	Net County Savings, in millions
<u>Equipment and services:</u>	
Eliminate travel and training expenses (except public safety)	\$ 0.3
Freeze purchase of fixed assets (except public safety)	0.3
Freeze purchase of vehicles (except public safety)	1.1
Keep patrol cars beyond 85k miles for use in other departments	<u>0.2</u>
<b>Subtotal:</b>	<b>1.7</b>
<u>Personnel:</u>	
Discontinue use of temporary & TAP employees	2.6
Freeze all currently vacant GF positions	<u>10.1</u>
<b>Subtotal:</b>	<b>12.7</b>
<b>Potential net County savings of above strategies:</b>	<b>\$14.1 million</b>

## Uses of Budgeted County Funds



### Estimated Impact of 5% Across-the-Board Reduction

<b>Department</b>	<b>5% cut to NCC</b>	<b># of position equivalents</b>
Sheriff	8,548,937	108.7
DPSS	2,996,527	70.7
General Government	1,415,652	23.8
Probation	1,233,640	21.9
Community Health	938,413	19.7
Fire	1,038,560	17.7
District Attorney	1,587,301	17.7
Medical Center	850,052	15.4
Facilities Management	690,581	14.4
Public Defender	1,150,235	12.3
TLMA	340,502	5.0
Courts	193,980	3.1
Mental Health	80,302	1.1
Other	1,749,583	33.7
	<hr/>	
	22,814,266	365.0

# FY 2003/04 Proposed NCC

