

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



1.0

9:00 a.m. being the time set for Fiscal Year 2011 Budget Cut Impact Hearings.

EXECUTIVE OFFICE - OPENING COMMENTS

Bill Luna, Executive Officer

Ed Corser, County Financial Officer

ASSESSOR-CLERK RECORDER

Larry Ward presented the matter.

In order to meet the NCC he will need to cut 8 staff positions and reduce IT services and supplies.

Recommendations to handle appeals backlog:

- Funding for additional appraisal staff
- Use of Hearing Officers
- Increase number of Hearing days.

AUDITOR-CONTROLLER

Robert Byrd presented the matter.

- Budget cuts would require a cut of 18 staff positions.

Supervisor Stone requested progress regarding reducing the number of warrant drafts being sent out.

Continued on page 2

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on March 29, 2010 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: March 29, 2010
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: 

Deputy

AGENDA NO.
1.0

XC:

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**Fiscal Year 2011 Budget Cut Impact Hearings
Page 2**

TREASURER-TAX COLLECTOR

Don Kent presented the matter.

- Budget cuts would require a cut of 2 staff positions.

Supervisor Stone agreed that the County should keep its investment in the CREST Program. Supervisor Stone also questioned if there's a state law that says all property tax bills must be mailed.

County Counsel will look into the matter.

Supervisor Stone suggested a cost savings to tax payers with incentives for paying and receiving bills online or electronically.

TLMA/PLANNING

Ron Goldman presented the matter.

- Combine Planning and Environmental Programs.
- Ron Goldman and Jerry Jolliffe retiring.

RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

Douglas Bagley presented the matter.

MENTAL HEALTH

Jerry Wengerd presented the matter.

ECONOMIC DEVELOPMENT AGENCY (Cont'd. to 3/30/10 at 11:30AM)

DEPARTMENT OF PUBLIC SOCIAL SERVICES

Susan Loew presented the matter.

Continued to page 3

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**Fiscal Year 2011 Budget Cut Impact Hearings
Page 3**

CHA - ENVIRONMENTAL HEALTH

Steve Van Stockum presented the matter.

CHA - ANIMAL SERVICES

Robert Miller presented the matter.

CHA - PUBLIC HEALTH

Susan Harrington presented the matter.

DEPARTMENT OF CHILD SUPPORT SERVICES - No impact anticipated.

PUBLIC DEFENDER

Gary Windom Presented the matter.

- Fully funded by the general fund.
- No state funding.
- Can manage 3% cut, but a 10% cut will mean layoffs.

INDIGENT DEFENSE

Dean Deines presented the matter.

Roll Call:

All Present: Buster, Tavaglione, Stone, Benoit and Ashley



Budget Impact Workshop

March 29, 2010

Schedule for FY 2011 Budget-Cut Impact Hearings

Beginning Monday, March 15 and concluding Tuesday, April 13

Time Allotments = 15min Day1, 30min Day2, 1hr Day3

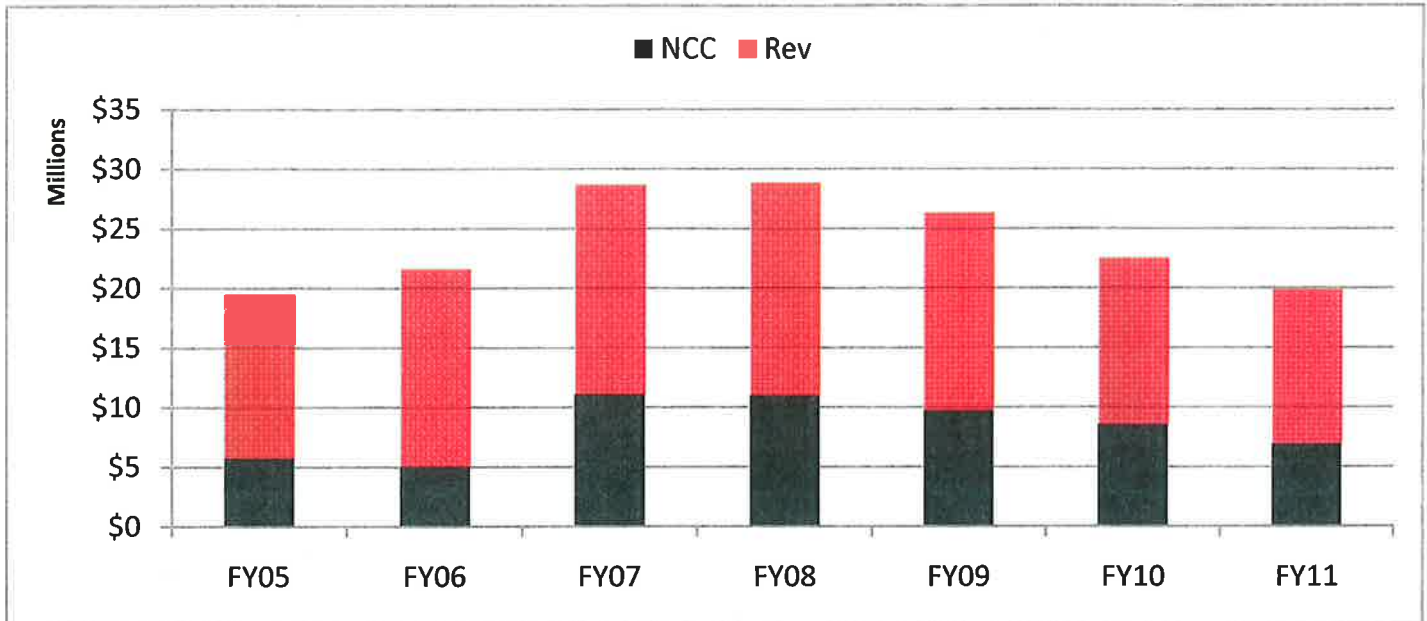
| | Day1 3/15/2010 | Day2 3/29/2010 | Day3 3/30/2010 | Day4 4/13/2010 |
|--|-------------------|-------------------|-------------------|-------------------|
| Executive Office | 1:00 PM | | | If Needed |
| Agricultural Commissioner | 1:30 PM | | | |
| Veterans Services | 1:45 PM | | | |
| Cooperative Extension | 2:00 PM | | | |
| Office on Aging | 2:15 PM | | | |
| Parks | 2:30 PM | | | |
| RCIT | 2:45 PM | | | |
| BREAK | 3:00 PM | | | |
| County Counsel | 3:15 PM | | | |
| Registrar Of Voters | 3:30 PM | | | |
| Purchasing | 3:45 PM | | | |
| Community Action Partnership | 4:15 PM | | | |
| Clerk of the Board | 4:30 PM | | | |
| Assessor-Clerk Recorder | | 9:00 AM | | |
| Auditor-Controller | | 9:30 AM | | |
| Treasurer-Tax Collector | | 10:00 AM | | |
| BREAK | | 10:30 AM | | |
| TLMA | | 10:45 AM | | |
| RCRMC | | 11:15 AM | | |
| Mental Health | | 11:45 AM | | |
| LUNCH | | 12:15 PM | | |
| EDA (EO recommends continuance to 3/30/10 at 11:30 am) | | 1:30 PM | | |
| DPSS | | 2:00 PM | | |
| BREAK | | 2:30 PM | | |
| CHA | | 2:45 PM | | |
| Dep Of Child Supt Svcs | | 3:15 PM | | |
| Public Defender | | 3:45 PM | | |
| Indigent Defense | | 4:15 PM | | |
| Fire | | | 9:00 AM | |
| OASIS ISF | | | 10:00 AM | |
| Purchasing-Fleet ISF | | | 10:15 AM | |
| Probation | | | 10:30 AM | |
| EDA-Facilities ISF | | | 11:30 AM | |
| Human Resources ISF | | | 11:45 AM | |
| LUNCH | | | 12:00 PM | |
| Sheriff | | | 1:30 PM | |
| BREAK | | | 2:30 PM | |
| District Attorney | | | 2:45 PM | |

ASSESSOR-CLERK RECORDER

Assessor's Office

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|--------------|------------|--------------|------------|-----------|
| \$ 22,492,740 | \$ 9,242,400 | \$ 924,240 | \$ 2,310,600 | 207 | 8 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------|---------|-----------|------------------|
|--------------|---------|-----------|------------------|

In order to retain existing appraisal personnel and focus on core functions only, the Assessor has cut non-appraisal positions (that includes 8 layoffs), and has reduced IT services & supplies and other professional services. As a result of having lost 15 appraisal personnel in 2009, and because of the increased workload in RFR's & Assessment Appeals, without funding for additional appraisal staff, the County of Riverside is at risk of the following:

| Program Name | Amount | Staffing | Service Impacted |
|----------------------|------------|----------|---|
| 1 Assessment Appeals | \$ 477,000 | 6 | The assessment appeals process will be drawn out, putting the county as risk of missing the appeal window, which would require the Assessor to value a property at the constituents assessed value. The roll value at risk is \$15 billion dollars, or \$165 million tax dollars. |
| 2 Public notices | \$ 190,000 | 1 | Value Notices, that are required to be sent to all property owners who have a change in value from the previous year, are being funded through PTAP, a one-time funding resource. |

| | | | |
|------------------------|------------|---|--|
| 3 Assessor Supervision | \$ 140,000 | 1 | Line staff will operate without direct supervision in the desert area. |
| <u>\$ 807,000</u> | | | |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

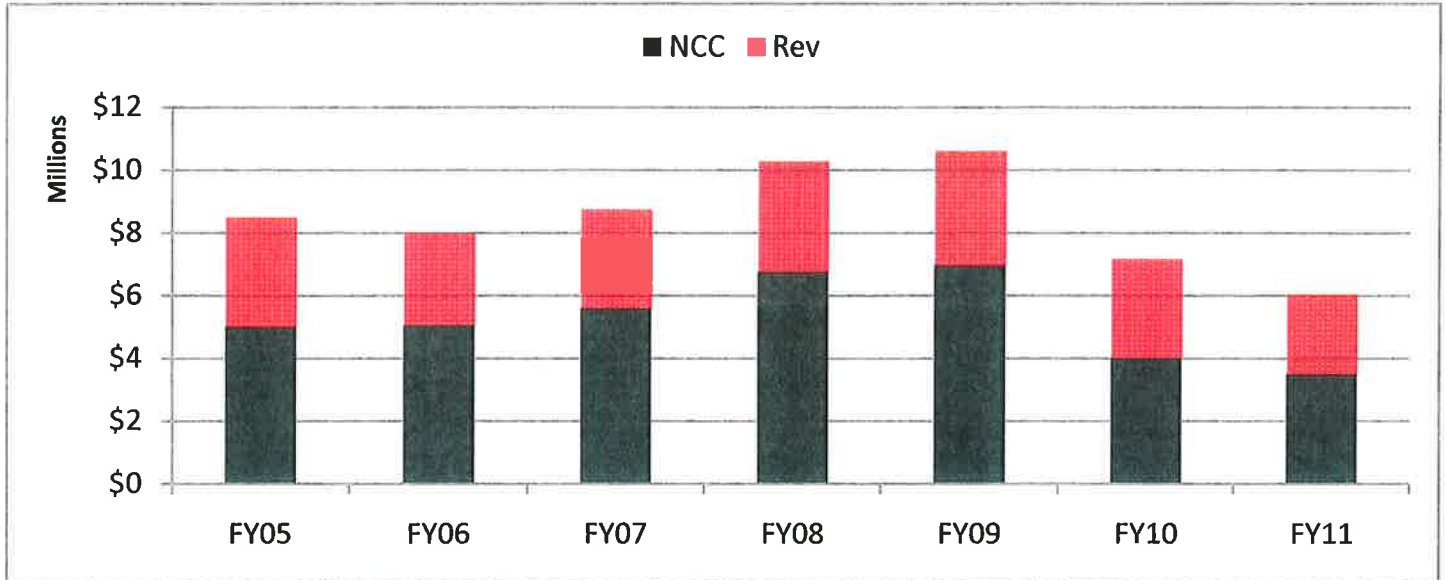
This Assessor's Office provides essential county services. This office has been drawing down funds held in reserve to mitigate reductions in general fund support over the past two years. These funds are limited and when exhausted, the end of next year, the Assessor's Office will be hard pressed to absorb additional NCC cuts without closing service centers across the county. Although the department can provide an acceptable level of service with it's proposed cut this year, without added appraisal support, there is increased risk of losing assessment roll value and County tax dollars.

AUDITOR-CONTROLLER

Auditor-Controller

| | Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|-----------------|--------------|--------------|------------|--------------|------------|-----------|
| Operations | \$ 7,163,458 | \$ 4,679,471 | \$ 467,947 | \$ 1,169,868 | 69 | 13 |
| Internal Audits | \$ 1,684,003 | \$ 1,788,912 | \$ 178,891 | \$ 447,228 | 16 | 5 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|----------------------------|------------|-----------|---|
| 1. County Accounts Payable | \$ 285,527 | 4 | Review and approval of all county payments will be affected, doubling the time required to process and approve vendor warrants, which will now take up to 4 days. Early payment discounts could be lost. Year-end vendor 1099 reporting could be delayed. The department will discontinue processing overnight warrant requests and raise internal review parameters of warrants, putting the county at risk of making erroneous or inaccurate vendor payments. |
| 2. Property Tax functions | \$ 371,050 | 4 | Delays will occur in processing tax refunds and roll changes. The implementation of legislative changes to the apportionment process could be slowed. |
| 3. Internal Auditing | \$ 447,228 | 4 | Internal auditing will be minimized, putting the county at risk of not achieving its Board-approved objectives. The Auditor will lose ability to highlight organizational problems and recommend solutions that enforce operational efficiency, fraud avoidance, accurate reporting, the safe guarding of assets, and compliance with state law. |
| 4. Countywide Cash Mgmt | \$ 203,623 | 2 | |

Monitoring general fund cash flow, reconciling cash balances to the county treasury, and reporting of the county's cash position will be completed less frequently. Inputting budget adjustments and processing internal journal vouchers into the financial system will be delayed as will countywide accounting meetings, which will have to be held quarterly instead of monthly.

5. Countywide Asset Mgmt

 \$ 79,703 1

County departments will be forced to input asset data into the financial system not reviewed and unaudited by trained ACO staff. Inaccurate asset reporting, including depreciation and the capitalization of building improvements, could produce misstatements in the county's official financial reporting documents.

6. ACO office support

 \$ 83,964 1

Internal support services will be impacted. Delays in support activities: handling customer inquiries, processing mail, distributing internal documents, and the distribution of office supplies, will fall on remaining staff. Inevitably, operational efficiency across the department will be reduced.

7. County Financial Reporting

 \$ 146,001 1

Timeliness of financial reporting will suffer. Specifically, countywide financial reporting, countywide training on general accounting standards, maintenance and upkeep of the county's chart of accounts, and the maintenance of the ACO's financial reporting tool (Simpler), will be delayed.

8. County Budget

 \$ 89,488 1

Modifications and updates to budgeted appropriations, authorized through the form-11 process and appropriation transfer request, will be delayed.

9. Policies and Procedures

 \$ 85,965 1

The production, upkeep, and distribution on standard accounting practice manuals will be delayed.

10. Other

 \$ 476,454 0

Expenditures for professional services as well as supplies will be impacted.

\$ 2,269,003

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

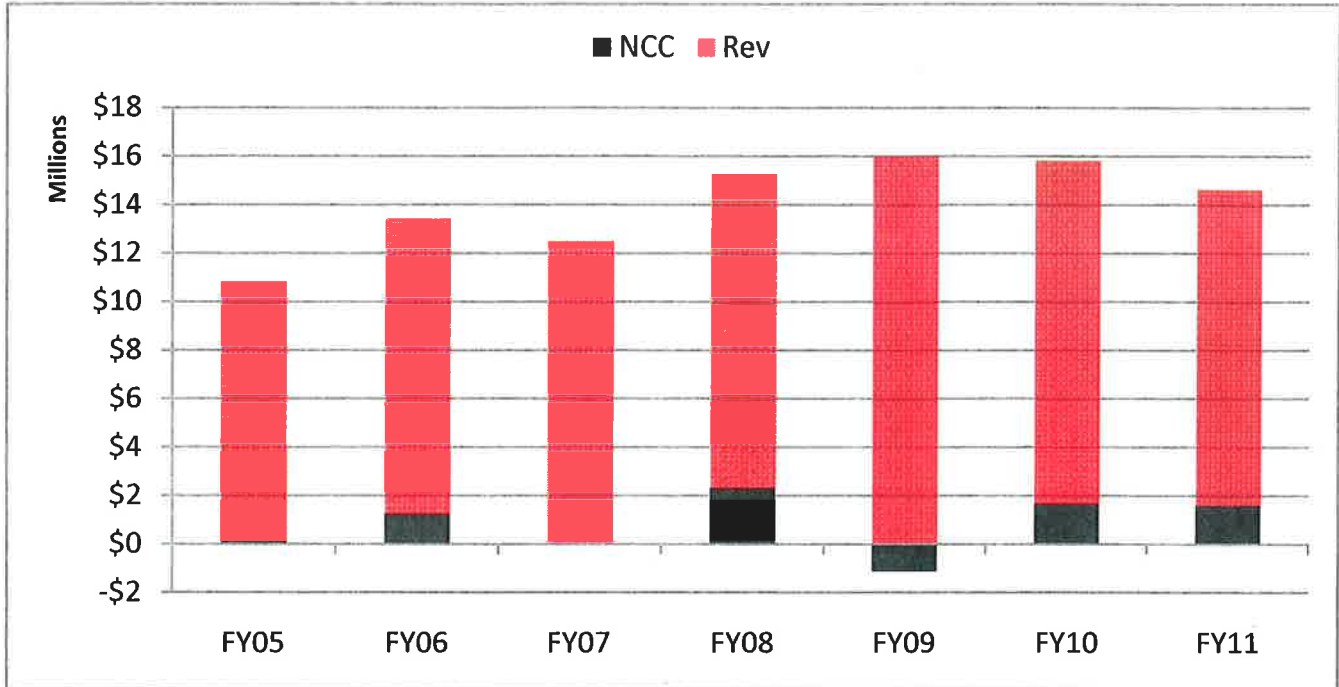
Proposed cuts will reduce funding to a department almost entirely reliant on NCC contributions. General fund support will effectively be reduced to the level provided ten years ago, at a time when the county is processing more accounting activities than ever before. Implementation of the proposed cut will not force the department to violate any mandated levels of service.

TREASURER-TAX COLLECTOR

Treasurer-Tax Collector

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|--------------|------------|------------|------------|-----------|
| \$ 15,811,194 | \$ 2,138,054 | \$ 213,805 | \$ 534,514 | 113 | 2 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------------------------|------------|-----------|---|
| 1 Treasurer-Tax Collector Operations | \$ 534,514 | 2 | No Layoffs are planned. The Treasurer-Tax Collector anticipated this looming budget crisis. He has an ongoing plan to aggressively reduce his budget. Actions already taken - like reduced staffing, closing a satellite phone center, embracing new technology that improves office efficiency - reduce reliance on NCC while minimizing negative impacts to staff and the public. |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

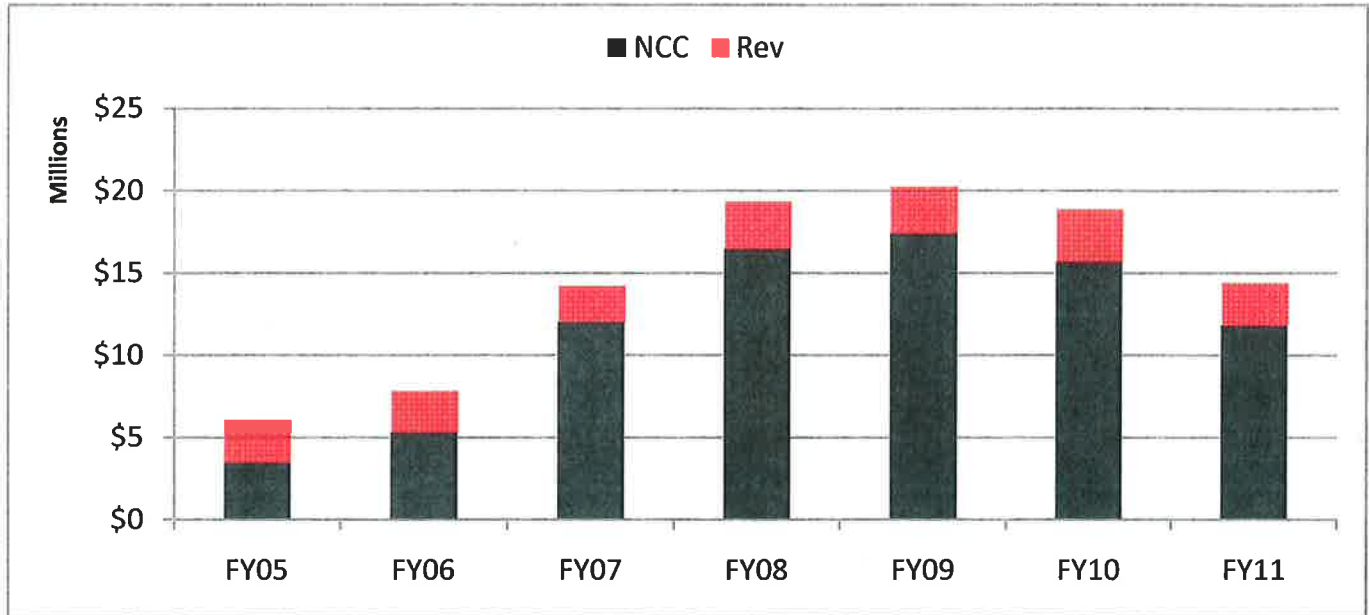
Planning ahead has put this department in the position to be able to make cuts while minimizing impacts to staff and the public.

TLMA
TRANSPORTATION LAND
MANAGEMENT AGENCY

Code Enforcement

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|---------------|--------------|--------------|------------|-----------|
| \$ 18,855,173 | \$ 15,751,931 | \$ 1,575,193 | \$ 3,937,983 | 110 | 20 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------|--------------|-----------|--|
| 1 Field Operations | \$ 2,558,921 | 18 | <p>The 25% NCC cut scenario is expected to have the following impacts on field operations: (1) Code Enforcement Officer staffing will be reduced 33% from 54 to 36; (2) Officer caseload will increase 55% from an average of 127 cases per officer to 197 cases per officer; (3) Weekend coverage may be reduced or eliminated due to lack of staffing; (4) Response time to complaints may increase; (5) Proactive enforcement may be reduced or eliminated; and, (6) Foreclosure ordinance enforcement may be reduced or eliminated.</p> <p>The 10% NCC cut scenario has no impact on field operations including no staff reductions and no reductions in service levels.</p> |

| | | | | |
|---|-------------------------|------------|---|---|
| 2 | Administrative Support | \$ 284,325 | 2 | <p>The 25% NCC cut scenario is expected to cause a 20% reduction in admin services staff, which could mean over \$102,000 in revenue loss to the department. Additionally, the department expects that administrative and parking citation processing would be adversely effected. The processing of foreclosure registrations would be severely impacted or cease.</p> <p>The 10% NCC cut scenario has no impact on admin services operations including no staff reductions and no reductions in service levels.</p> |
| 3 | Roadside Litter Program | \$ 500,000 | 0 | <p>This program was funded in FY09/10 at \$1.09 million. The 25% NCC cut scenario is expected to result in reducing the Dept. of Transportation crews assigned to clean up the roads and trash from private property from 3 crews (with 12 persons) to one 5-person crew.</p> <p>The 10% NCC budget cut scenario currently includes funding for one Dept. of Transportation 5-person crew.</p> |

Executive Office Comment

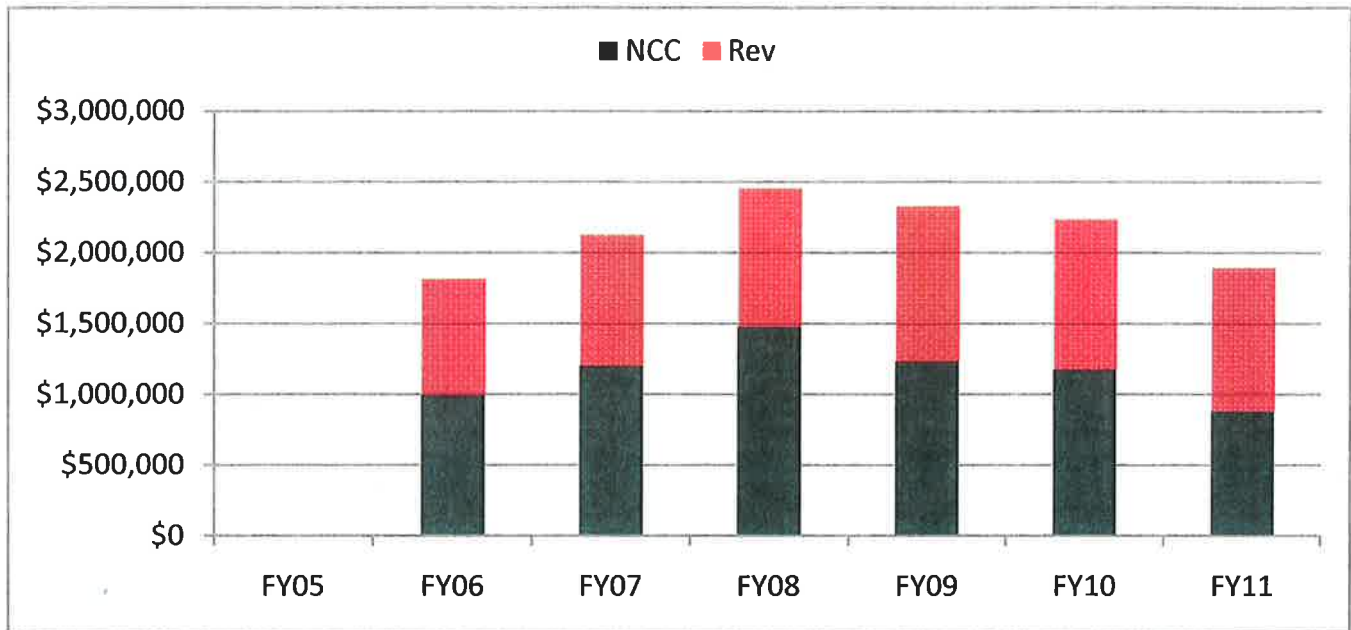
Executive Office Comment on Programs (by Department's Analyst)

The amounts listed above do not reflect the total amount of a 25% cut to the NCC. The department will take the remaining amount from the litter program, which will impact the service. The department will layoff a total of 19. There is only 1 anticipated early retirement. The department reports that a 10% cut will not include any lay offs.

Environmental Programs

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|--------------|--------------|------------|------------|------------|-----------|
| \$ 2,235,355 | \$ 1,173,262 | \$ 117,326 | \$ 293,316 | 13 | 2 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------------|------------|-----------|---|
| 1 Environmental Programs | \$ 293,316 | 2 | ESA day outreach to the communities school children will be scaled down in participation and contribution due to less staffing and funding. Overall decrease of level of services to the public, Board of Supervisors, and other county departments due to staff reduction. Collaboration with other departments/attendance at various committees compromised due to decreased staff levels. Potential loss of grant money for MSHCP land acquisition because of lack of staffing and inability to provide required grant matching funds. |

Executive Office Comment

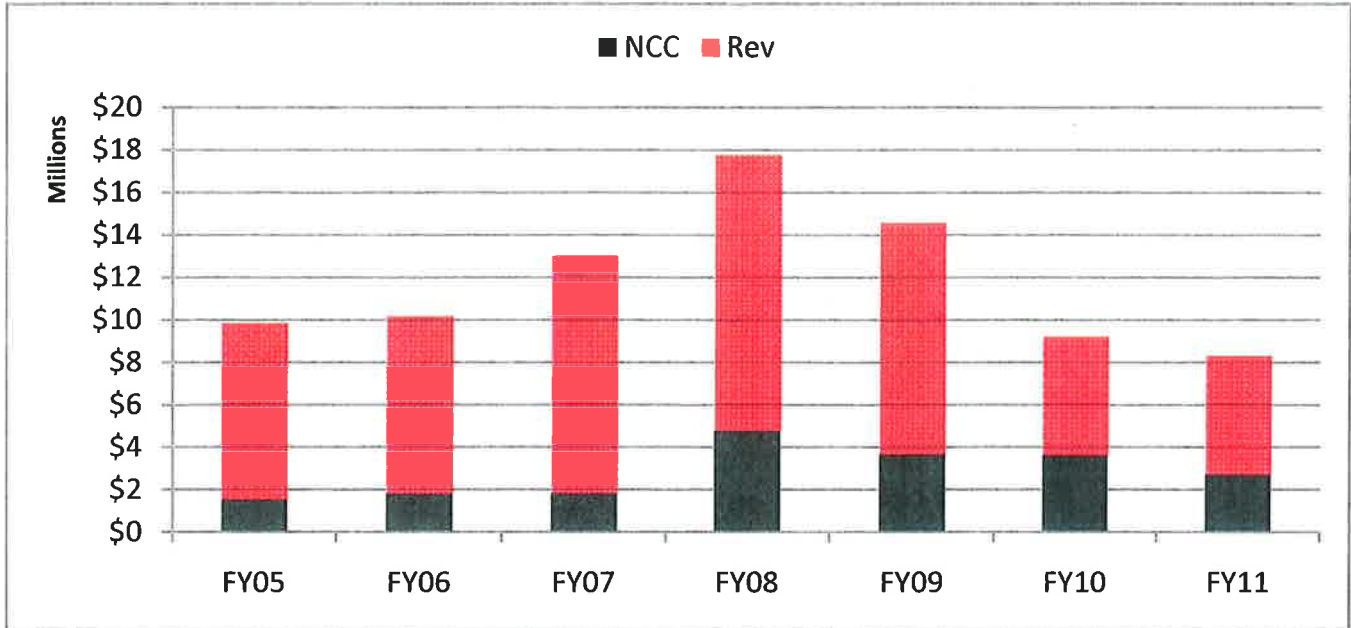
Executive Office Comment on Programs (by Department's Analyst)

There will be no lay offs due to recent departure of employees to other employment. The department will not be filling these positions due to the loss in NCC funding.

TLMA - Planning Department

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|--------------|--------------|------------|------------|------------|-----------|
| \$ 9,054,924 | \$ 3,610,045 | \$ 361,005 | \$ 902,511 | 39 | 11 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------|------------|-----------|--|
| 1 Advance Planning | \$ 500,000 | 1 | The following programs cannot be completed if the Planning Department does not receive the \$500,000; Wine Country Community Plan \$144,000, Idyllwild - Historic ADA Compliance \$81,000, Coachella Valley General Plan Amendment \$75,000, San Gorgonio Pass Heritage Corridor \$40,000, Lakeview Nuevo Funding Program \$45,000, Winchester Community Plan \$85,000, Group Mobile Homes Provisions (Ord. 348) \$10,000, Coronita Design Overlay \$20,000. |

2 Counter Services

\$ 402,511

4

To reduce costs and improve coordination, the Planning Department has increasingly relied on TLMA Counter Services to address planning questions. This has allowed the Planning Department to reduce its staffing levels and control costs. Restoring the \$402,511 NCC and directing it to TLMA Counter Services would reduce overhead costs, which TLMA departments pay using development fees. The net result of restoring these NCC funds and applying them to TLMA Counter Services could control the rates charged to the building industry from the Planning, Building and Safety, Transportation, and Environmental Programs Department.

Executive Office Comment

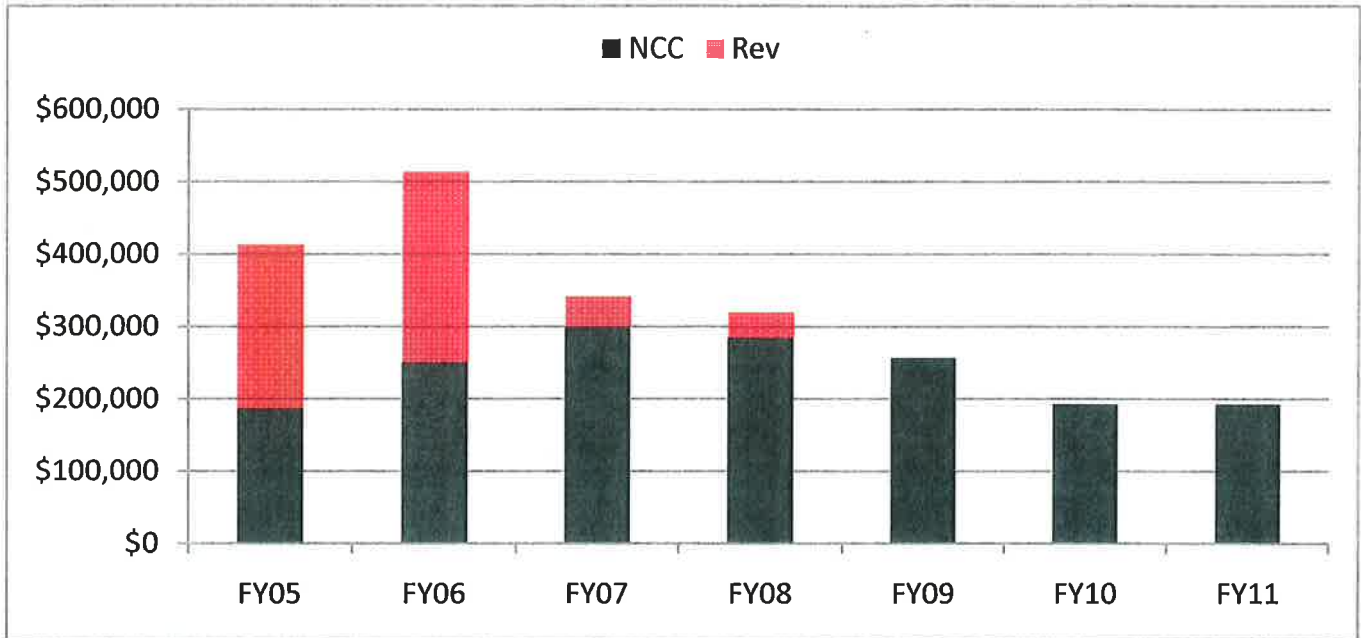
Executive Office Comment on Programs (by Department's Analyst)

The department expects to layoff approximately 6 people the remaining 5 positions will be lost through early retirements. Besides the areas listed above deposit-based fee funded positions will also be reduced through layoffs. Additional retirements may impact the number of layoffs.

TLMA - Transportation Operations (Litter Control)

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|-------------|------------|-----------|-----------|------------|-----------|
| \$ 256,500 | \$ 256,500 | \$ 25,650 | \$ 64,125 | 0 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|------------------------|-----------|-----------|--|
| 1 Pilot Litter Program | \$ 64,125 | 0 | The crew dedicated to this function will be reassigned. Program services will be performed at a reduced level, by existing Highway Operations Maintenance crews. |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

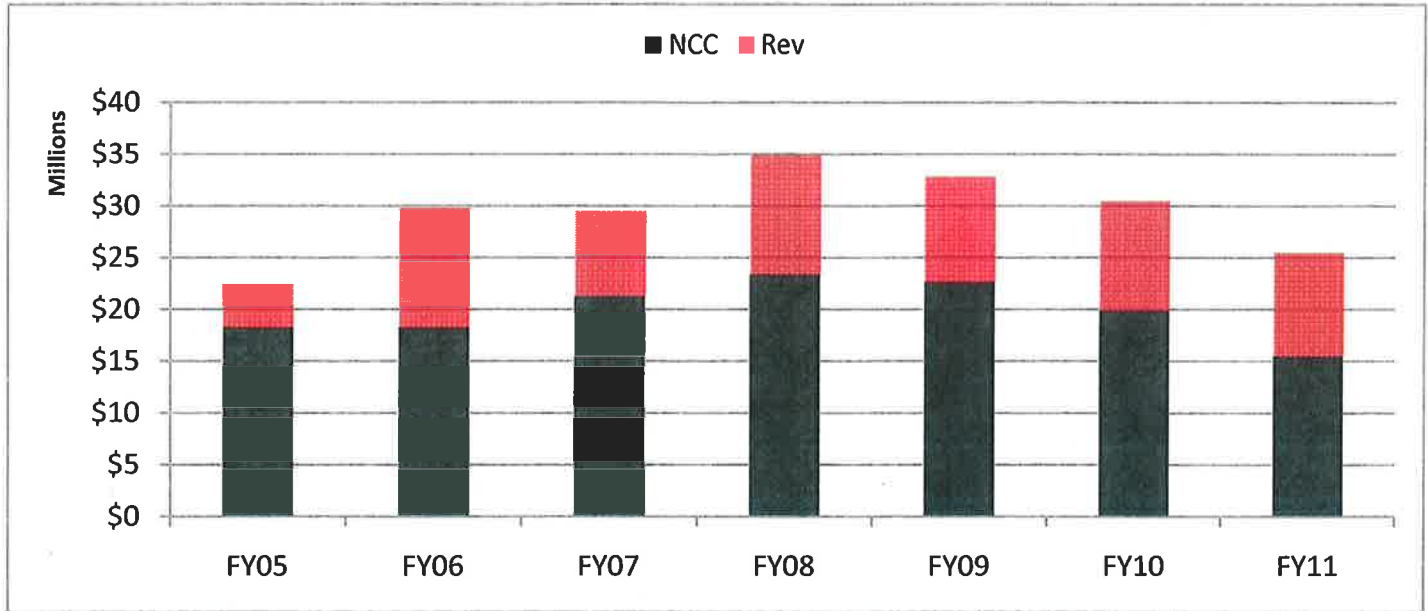
- Historically, Transportation has been subsidizing the program using non-general fund dollars. The department is unable to commit additional funding FY 09/10 or in the future, as funding is dependant upon State actions with respect to public works funding. There will be no layoffs due to this reduction.

RCRMC
RIVERSIDE COUNTY REGIONAL
MEDICAL CENTER

RCRMC Detention and Indigent Services

| | Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|------------------|---------------|---------------|--------------|--------------|------------|-----------|
| Detention Health | \$ 16,860,317 | \$ 16,860,317 | \$ 1,686,032 | \$ 4,215,079 | 0 | 0 |
| MISP | \$ 10,611,728 | \$ 3,805,855 | \$ 380,586 | \$ 951,464 | 0 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------|------------|-----------|--|
| 1 MISP | \$ 951,464 | 0 | Income level to qualify for the program will be increased, therefore department estimates that 5,000 fewer indigent patients will be eligible to receive services. It is likely that some of those not eligible will seek care in local emergency rooms. |

| | | | |
|-----------------------------|--------------|----|---|
| 2 Detention Health Services | \$ 4,215,079 | 41 | The department will reduce services at Smith and Indio correctional facilities from 20 to 12 hours per day and physician sick calls will be reduced from 3 to 1 day per week. Services will be eliminated at Blythe. Nursing services will be eliminated at Van Horn and Twin Pines. Nursing sick calls will be eliminated at all facilities. Monitoring and observation of safety and sobering cells will be eliminated. Inmates requiring services will be transported to a facility providing services. The County may be at risk of being out of compliance with CDCR Title 15. |
|-----------------------------|--------------|----|---|

| | | | |
|-----------------------------|------|---|---|
| 3 Detention Health Services | \$ - | 0 | The department anticipates the need for 16 additional staff at an annual cost of \$1,382,183 to serve the additional inmates expected when the Banning jail expansion is completed. |
|-----------------------------|------|---|---|

Executive Office Comment

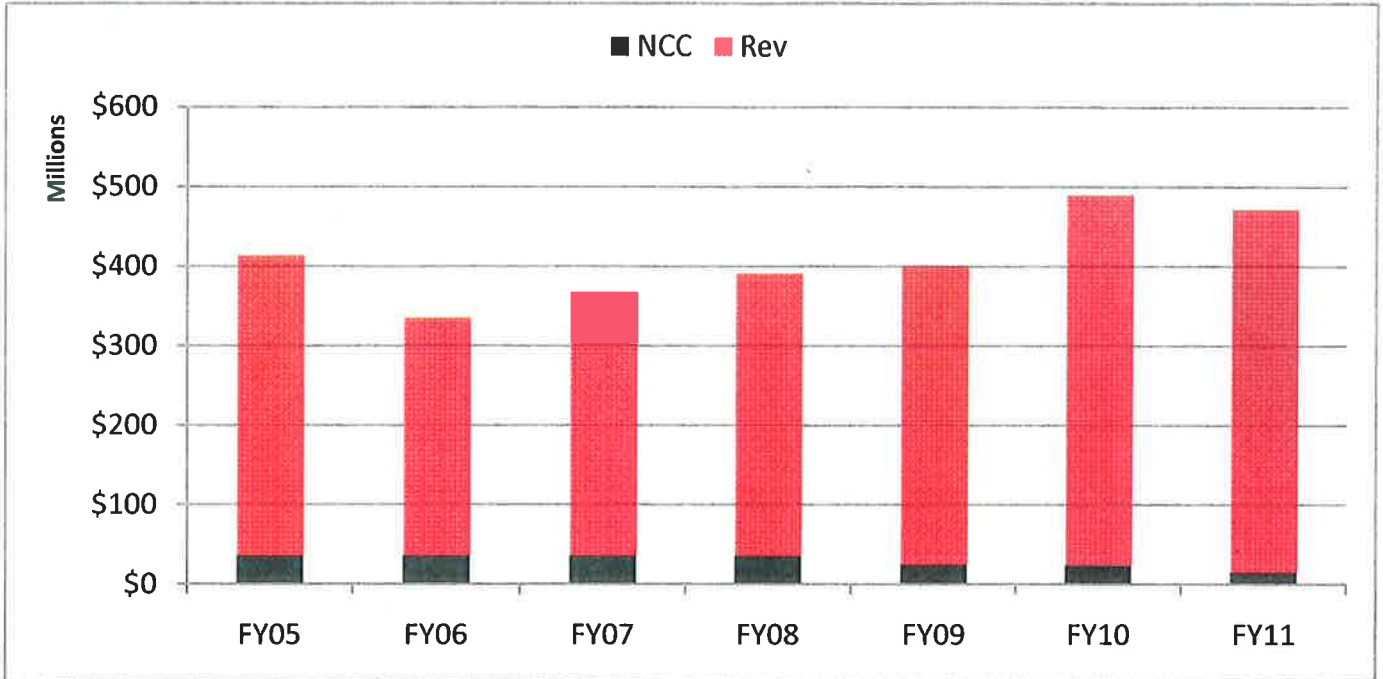
Executive Office Comment on Programs (by Department's Analyst)

- 1 It has not been confirmed that the County has the ability to raise the income eligibility standard and if it is necessary to notify the state.
- 2 Detention Services are required by Title 15, the standards are being reviewed.
- 3 Detention Services are required by Title 15, the standards are being reviewed.

Regional Medical Center

| Budget 2010 | NCC 2010 | Proposed Cut | Staff 2010 | Staff Cut |
|----------------|---------------|--------------|------------|-----------|
| \$ 464,871,420 | \$ 21,000,000 | \$ 6,000,000 | 3332 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|---------------------|--------------|-----------|---|
| 1 RCRMC - Jail Ward | \$ 6,000,000 | 0 | At the current time, the jail ward at RCRMC generates \$6 million in uncompensated costs. The hospital proposes to use fund balance to cover the costs in FY10/11, however a long terms solution will be necessary. |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

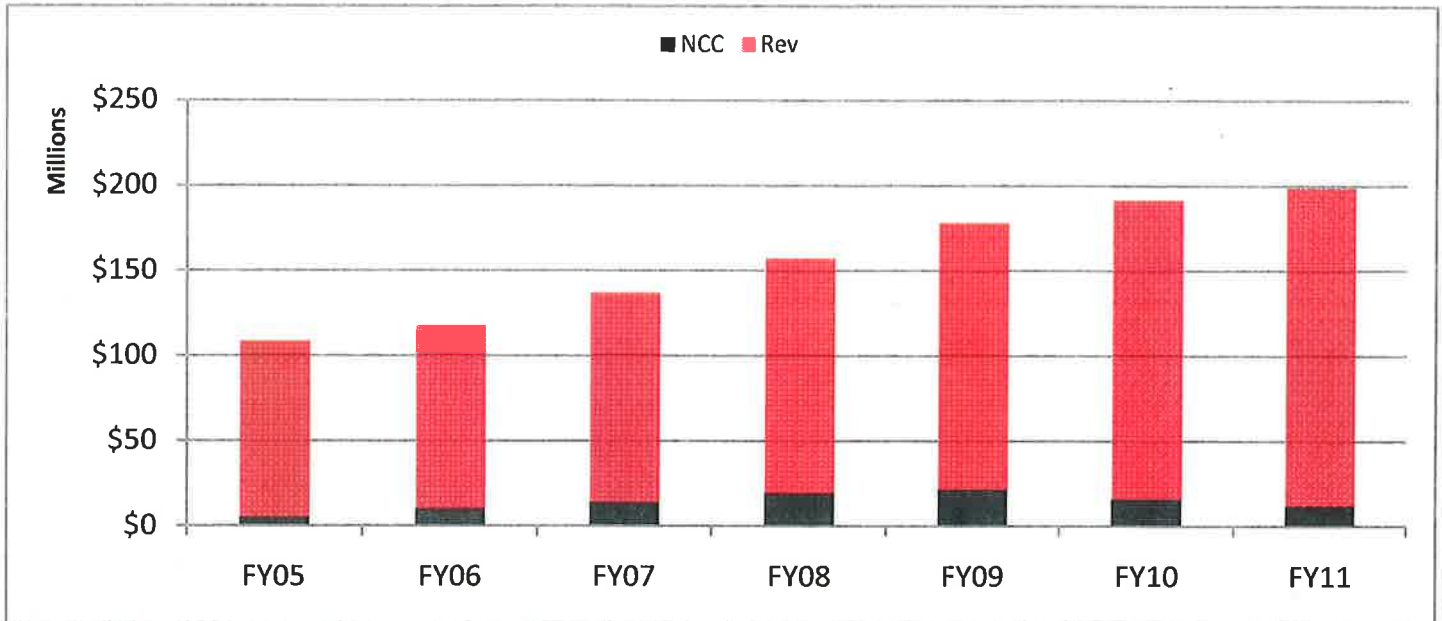
- 1 Department will explore options to address the shortfall in future years.

MENTAL HEALTH

Mental Health Department

| | Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|-----------------|-----------------------|----------------------|---------------------|---------------------|--------------|-----------|
| Public Guardian | 4,710,391 | 698,484 | 69,848 | 174,621 | 33 | 3 |
| Treatment | 137,903,901 | 10,144,066 | 1,014,407 | 2,536,016 | 712 | 0 |
| Detention | 6,510,876 | 4,964,618 | 496,462 | 1,241,154 | 65 | 9 |
| MH Admin | 13,516,469 | 0 | 0 | 0 | 198 | 0 |
| Substance Abuse | 28,604,762 | 341,821 | 34,182 | 85,455 | 131 | 0 |
| | \$ 191,246,399 | \$ 16,148,989 | \$ 1,614,899 | \$ 4,037,246 | 1,139 | 12 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|---|------------|-----------|---|
| 1 Mental Health Treatment - Oasis Crisis Center | \$ 468,826 | 0 | Closure of the mental health emergency treatment facility in the desert would require Sheriff responders to transport 5150s to Riverside to receive services. Staff provides 182 assessments monthly. |

| | | | | |
|---|--|--------------|---|---|
| 2 | Public Guardian - Probate | \$ 174,621 | 3 | Probate is court mandated. Cuts to NCC will further delay conservatorships investigations with those that are court ordered receiving priority. Referrals from adult protective services and the community regarding abused seniors will not be investigated. |
| 3 | Detention Mental Health | \$ 1,241,154 | 9 | Currently, approximately 1000 inmates receive crisis intervention and medication services. Intake screenings at most jails will be discontinued, there will no longer be night nurse coverage and wait times for non-emergency services will increase from 2 to 4 weeks as a result of cuts to NCC. |
| 4 | Mental Health Treatment-Skilled Nursing Facility Providers | \$ 1,105,315 | 0 | Cuts will reduce number of mental health inpatient beds available at contract facilities creating a backlog of patients unable to "step down" to a lower level of service. Cuts in prior years and a lack of resources have aggravated the problem. |
| 5 | Mental Health Treatment - ITF/ETS | \$ 961,875 | 0 | NCC cut will decrease funding provided to RCRMC for Arlington Inpatient Treatment Facility (ITF) and Emergency Treatment Services (ETS). Fewer beds available and 24 hour wait time issues. |
| 6 | Substance Abuse | \$ 85,455 | 0 | NCC cuts will further erode services. State funds were eliminated for FY 2010/2011 and prisoner release is expected to increase the number of parolees needing services. |

7 Detention Mental Health -
Banning Jail Expansion

Currently, 4 staff serve the inmates in Banning. With the expansion to a total of 1,572 inmates, the department anticipates that the costs for supplies, including medication, and for 18 additional staff to be \$2.9 million.

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

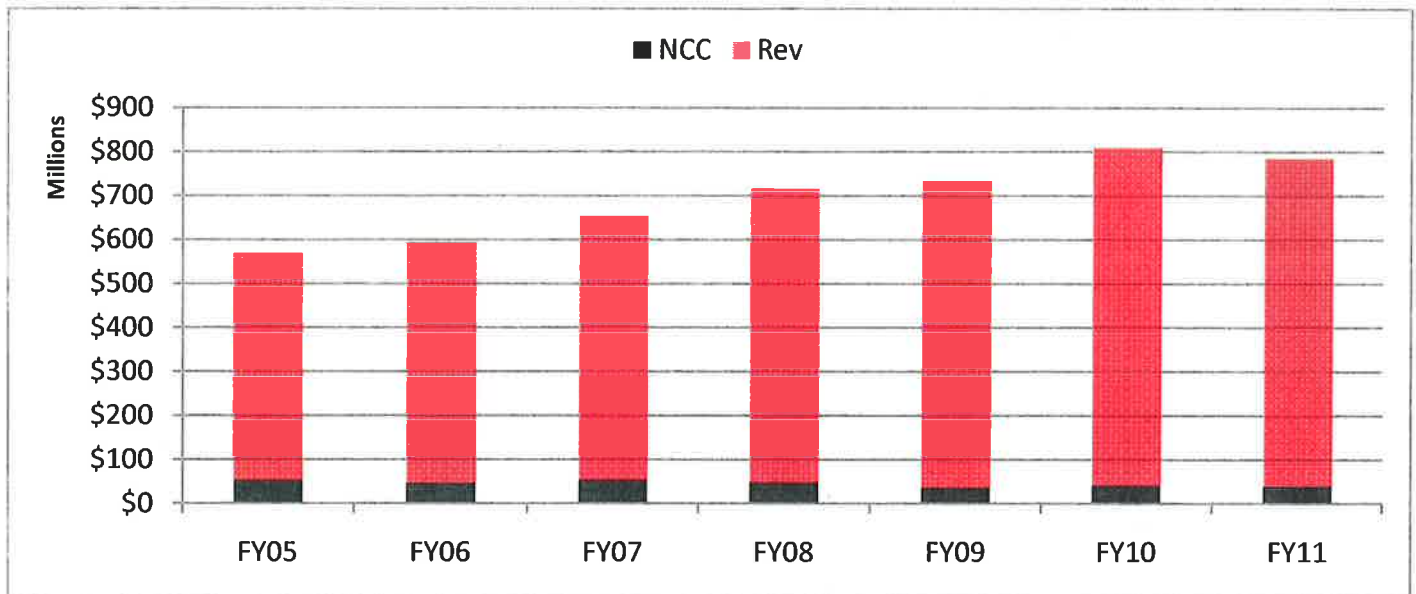
- 1 Funding this request would keep the only facility available for 5150s in the desert open. The alternative would be transporting the individuals to Riverside for evaluation, which already has overcrowding issues.
 - 2 Potential repercussions in the event mandated investigations are not addressed as directed by the courts.
 - 3 Mental health services are not required for inmates although the department is under pressure from the Sheriff's office to provide assessments and services 24/7. Staffing reductions will likely result in transporting inmates in crisis in order to receive services.
 - 4 A reduced number of skilled nursing beds will provide few beds for patients needing a lower, less costly level of care to move into.
 - 5 As the amount of NCC available for emergency treatment services(ETS) and inpatient treatment facility(ITF) has decreased, the department has proportionally reduced funding provided to RCRMC to support the Arlington ETS/ITF. RCRMC has indicated that one-time funding is available however, a long term solution is necessary.
 - 6 Elimination of state funding for the Offender Treatment Program combined with NCC reductions, may result in approximately 156 substance abuse clients being waitlisted rather than receiving services.
 - 7 In anticipation of the Banning jail expansion completion, the department estimates that annual costs to provide services to the additional inmates will be \$2.9 million and require 18 additional staff members.
-

DPSS
DEPARTMENT OF SOCIAL
SERVICES

Department of Public Social Services

| | Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|-------------------------|-----------------------|----------------------|---------------------|----------------------|--------------|-----------|
| Admin | 399,894,157 | 21,089,183 | 2,108,918 | 5,272,296 | 3,332 | 0 |
| Mandated | 63,505,310 | 5,810,172 | 581,017 | 1,452,543 | | |
| Categorical | 342,970,140 | 21,825,462 | 2,182,546 | 5,456,366 | | |
| Other Aid | 1,775,114 | 1,385,114 | 138,511 | 346,279 | | |
| Homeless HUD | 6,042,914 | 0 | 0 | 0 | | |
| Homeless Housing Relief | 5,218,343 | 3,210,972 | 321,097 | 802,743 | | |
| | \$ 819,405,978 | \$ 53,320,903 | \$ 5,332,089 | \$ 13,330,227 | 3,332 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|-------------------------------------|--------------|-----------|---|
| Mandated Client Services - IHSS, CW | \$ 1,452,543 | 0 | These programs have a specified county share of cost which is non-discretionary and if not met may result in sanctions such as withholding property tax, sales tax and other state and federal funds. In addition, the loss of FMAP which is scheduled to sunset in Dec 2010, will increase the county's share related to caseload growth. The department projects that additional general fund support, totaling \$9,650,681, is needed. |

| | | | |
|---|--------------|---------|---|
| Categorical Aid - CalWORKs, foster care, emergency and adoptions assistance | \$ 5,456,366 | 0 | These entitlement programs are non-discretionary and have a specified county share of cost which if not met may result in sanctions such as withholding property tax, sales tax, and other state and federal funds. The department anticipates increased costs due to increased group home rates and reduced realignment funding. The department projects a total of \$14,422,531 in general fund support will be needed. |
| Other Aid - County funded foster care, general relief and other smaller county programs | \$ 346,279 | 0 | Funding provides services to foster youth who the courts deem are not ready to emancipate. These mandated programs have seen caseload increases in recent years which is expected to continue. The department anticipates that additional general fund support of \$843,840 is needed provide the current level of service. |
| Homeless Housing Relief | \$ 802,743 | 0 | Countywide, 27,046 bed nights will be lost as a result of reduced general fund support. Funding will continue for 33,329 bed nights. |
| Administration - CPS, APS, IHSS and Food Stamps | \$ 5,272,296 | unknown | Child and adult protective services, in-home supportive services and food stamps will have impacts. Delays in investigating, completing regular contacts, application process, and adoptions. Decreased support for families, increases in foster care placement. Increased caseloads as well as processing time. Potential layoffs may be avoided due to early retirements and staff reassignments. |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

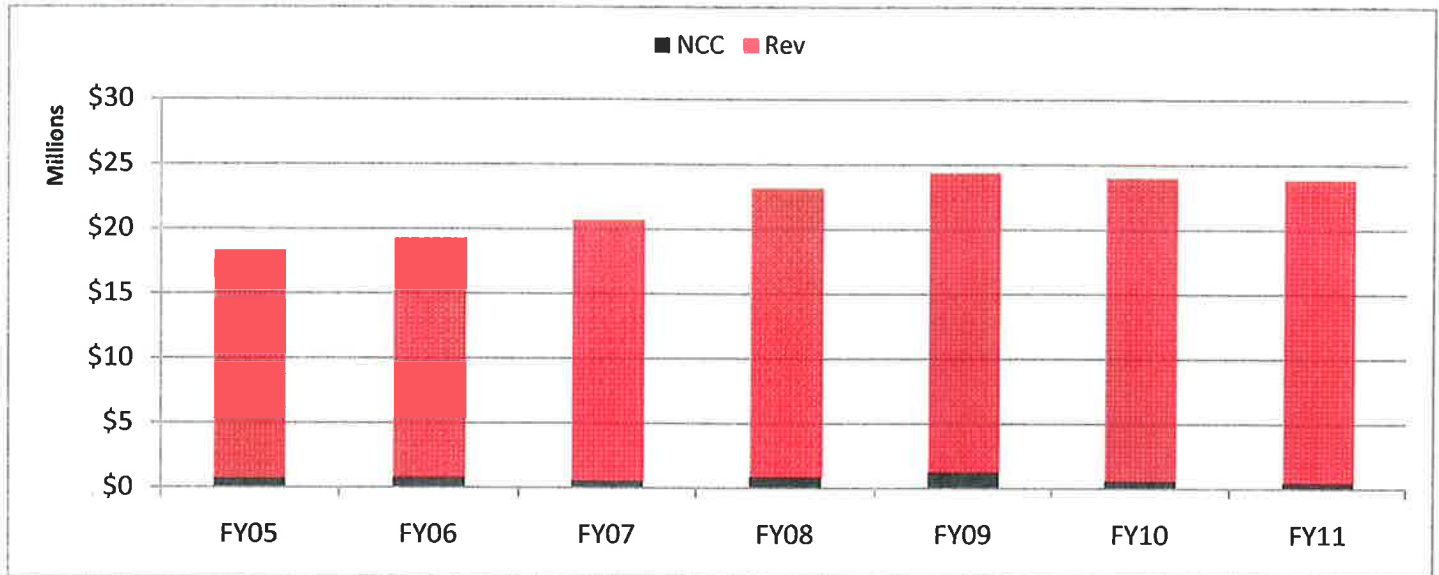
| | |
|----------|---|
| Mandated | The county is required to contribute a share of the cost, which varies, for these mandated and entitlement programs. In the event that the county does not contribute its share, EO concurs that state may withhold other sources of revenue. |
| Mandated | The county is required to contribute a share of the cost, which varies, for these mandated and entitlement programs. In the event that the county does not contribute its share, EO concurs that state may withhold other sources of revenue. |
| Mandated | The county is required to contribute a share of the cost, which varies, for these mandated and entitlement programs. In the event that the county does not contribute its share, EO concurs that state may withhold other sources of revenue. |
| | 1 These programs are discretionary. Funding was available in prior fiscal years to expand program services. |
| | 2 For each county dollar eliminated, an additional dollar of state and federal revenue will be lost. Uncertainty at both the state and federal level, may increase or decrease the anticipated revenue. |

CHA
COMMUNITY HEALTH AGENCY

Environmental Health

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|------------|-----------|------------|------------|-----------|
| \$ 24,026,108 | \$ 615,855 | \$ 61,588 | \$ 153,971 | 175 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------------------|-----------|-----------|---|
| 1 Hazardous Materials Response | \$ 83,144 | 0 | Fewer on-call staff will be available to respond to after hours hazardous materials emergencies. |
| 2 Vector Control | \$ 70,827 | 0 | Elimination of proactive vector control activities in the eastern county. Reduction of proactive surveillance for plague, lyme disease, and hantavirus countywide. Public health risk for disease transmission causing illness and potential death. |

Executive Office Comment

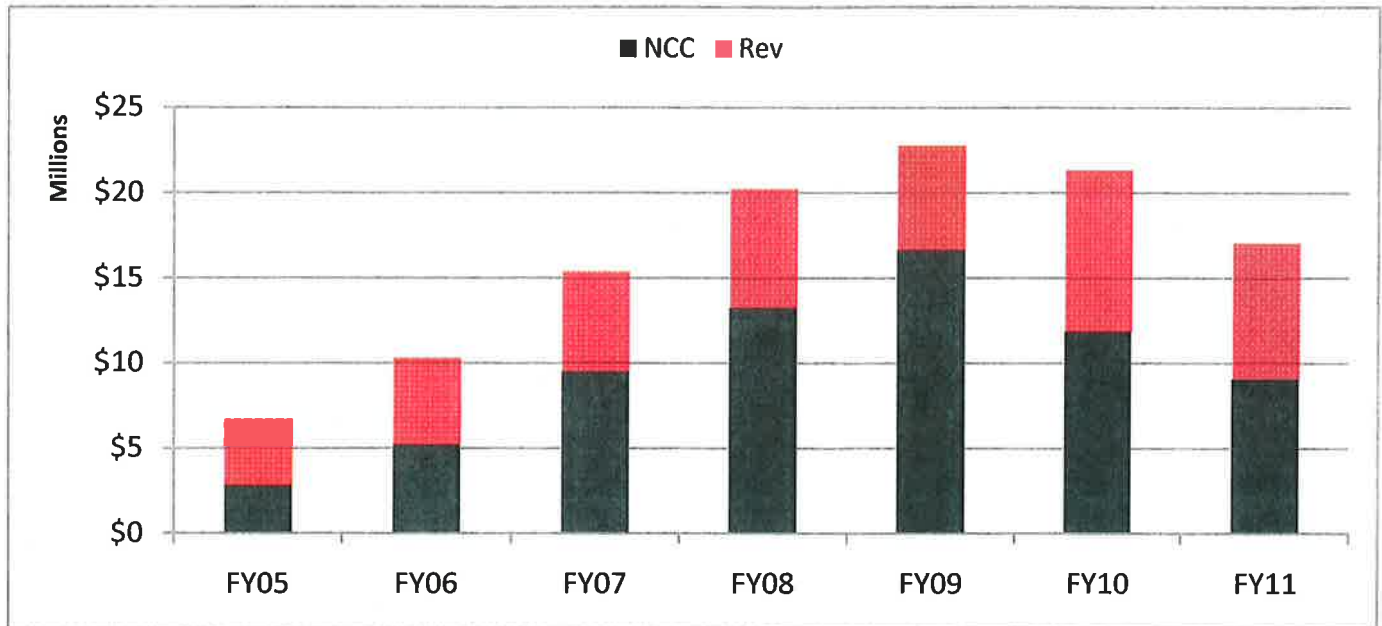
Executive Office Comment on Programs (by Department's Analyst)

- 1 Increased response time countywide to after hours calls.
- 2 Concur that proactive activities will likely be eliminated or reduced.

Animal Control Services

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|---------------|--------------|--------------|------------|-----------|
| \$ 22,221,733 | \$ 12,101,190 | \$ 1,210,119 | \$ 3,025,297 | 200 | 49 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|---|------------|-----------|--|
| 1 Animal Control Services | \$ 902,618 | 14 | Reduction to animal control services in unincorporated areas. |
| 2 Mobile Spay/Neuter | \$ 346,162 | 4 | Elimination of award-winning healthy pet zones program, spay and neuter outreach. Potential increase in shelter intakes resulting in higher population and euthanasia rates. |
| 3 Canvassing Program | \$ 250,596 | 5 | Decrease in licensing compliance, staff not available to target problem communities. |
| 4 Animal Sterilization Assistance Program | \$ 234,858 | 2 | Eliminates county funding used to offset the costs for spay and neuter procedures. |
| 5 Adoption Program | \$ 570,379 | 10 | Adoptions will be handled by technicians and volunteers rather than expert staff. More likelihood that animals will be returned and increased euthanasia of adoptable animals. |

| | | | | |
|---|---|------------|---|--|
| 6 | Animal Behavior & Shelter Life Enrichment Program | \$ 232,990 | 3 | Elimination of shelter and post adoption programs may decrease adoptions and increasing euthanasia for treatable |
| 7 | Closure of Banning Animal Shelter | \$ 382,598 | 7 | Animals will be transported to another facility, increasing the distance for staff and for owners retrieving pets. |
| 8 | Administration Services | \$ 497,233 | 4 | Reduction of management and staff commensurate with overall staff reduction. |
| 9 | New and expanded animal shelters | | | New and expanded clinics are scheduled to be completed prior to FY 10/11. The additional on-going annual county contribution to operate these shelters is estimated to be \$5.1 million. |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

- 1 - 8 The majority of these programs were implemented as a result of the 2004 Human Society of the United States consultation report. A reduction in county funding will result in curtailment or elimination of programs until such time as other revenue sources may be identified.
- 9 With the completion of these facilities additional county funds will be necessary for the additional cost associated with the new and expanded shelters.

| | | | | |
|---|---|------------|---|---|
| 4 | Public Health Medical Services Staffing | \$ 853,000 | 9 | Medical care nursing model and support staff will be restructured to reduce costs. Retirements will contribute to a reduction in management and administration costs. |
| 5 | CHA Administration | \$ 269,963 | 4 | Due to decreased demand for services from internal departments, facility functions will be reduced delaying services. |
| 6 | CHA Administration | \$ 260,792 | 0 | Agency anticipates that savings will be generated due to unfilled vacant positions and early retirements. |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

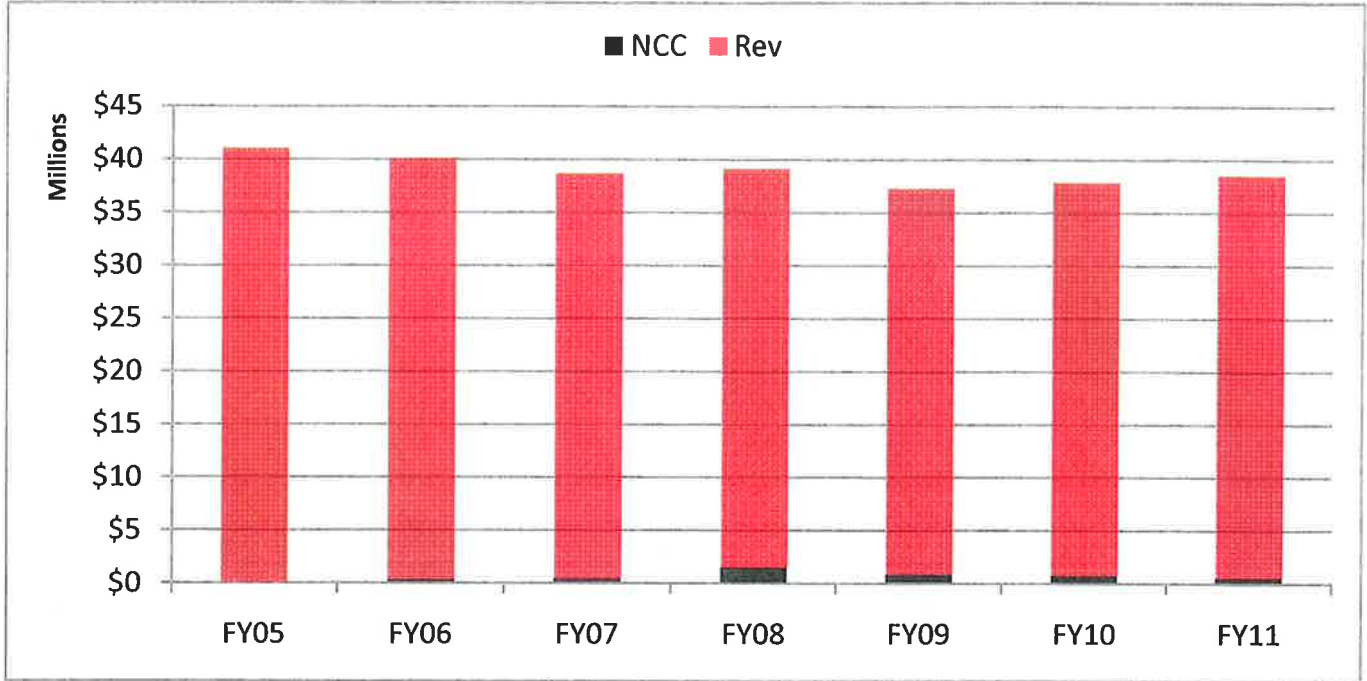
- 1 Reducing clinic services and hours will require a Beilenson hearing.
- 1a Services provided by agency staff directly related to a reduction in clinic services and hours.
 - 2 Minor impact as services will continue to be provided at clinics. Although administration is impacted, no impact to direct services to children. Beilenson hearing is not
 - 3 required for this change.
 - 4 This restructuring of staff will allow clinics to provide certain services at a lower cost.
 - 5 As internal departments reduce their need for services, agency administration will lower the number of staff to meet the decreased demand.
 - 6 As internal departments reduce their need for services, agency administration will lower the number of staff to meet the decreased demand.

DCSS
DEPARTMENT OF CHILD SUPPORT
SERVICES

Child Support Services

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|------------|------------|------------|------------|-----------|
| \$ 37,923,286 | \$ 768,011 | \$ 701,290 | \$ 584,408 | 374 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------------|------------|-----------|-----------------------|
| 1 Child Support Services | \$ 197,748 | 0 | No impact anticipated |
| 2 | \$ - | 0 | |
| 3 | \$ - | 0 | |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

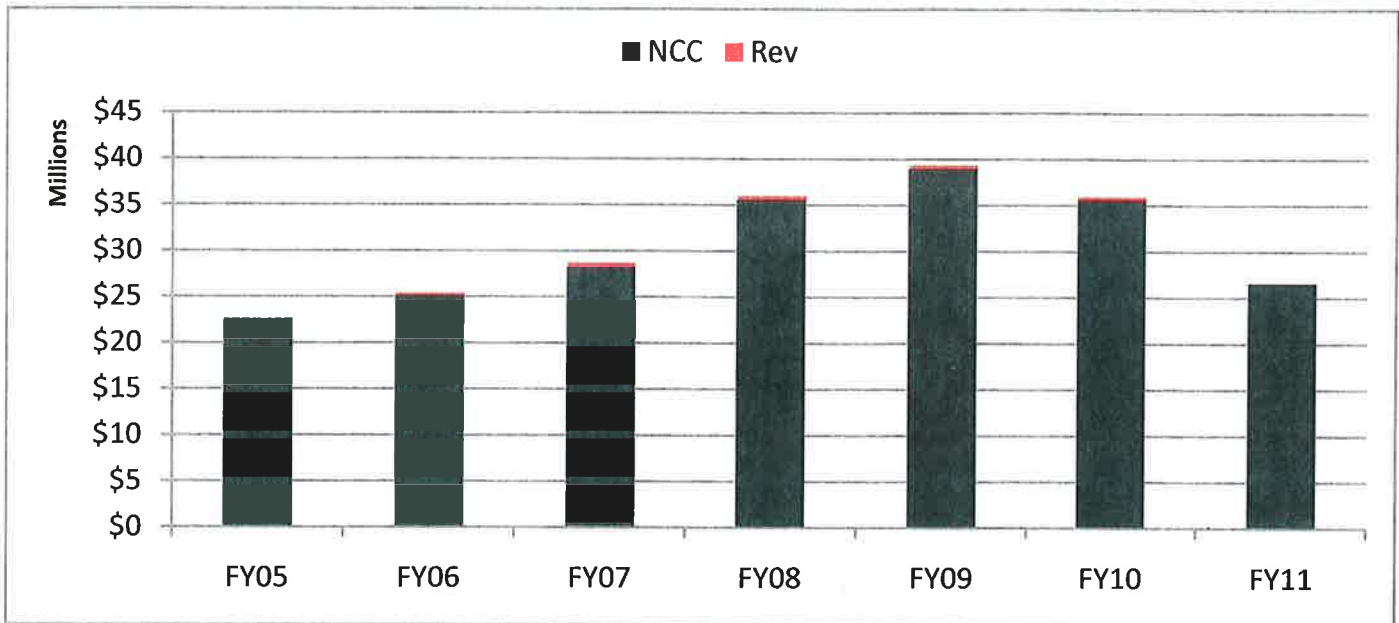
- 1 This department's service is essential for normal county operations. However, the department proposes a cut of 26% with no reduction in services or staffing.
- 2
- 3

PUBLIC DEFENDER

Public Defender

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|---------------|---------------|---------------|------------|-----------|
| \$ 35,618,463 | \$ 35,406,317 | \$ 31,865,658 | \$ 26,554,738 | 299 | 109 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------------------------|--------------|-----------|--|
| 1 Indigent Defense | \$ 7,594,441 | 82 | Overload, continuances, pvt. Counsel |
| 2 Mental Health/Juv. Social Wk | \$ 181,258 | 2 | Staff for Mental Health Court |
| 3 Indigent Defense | \$ 756,992 | 5 | Supervision and oversight |
| 4 IT support | \$ 275,627 | 3 | Fewer staff spread countywide |
| 5 Administration | \$ 56,530 | 1 | HR reduction, time sensitivity lost |
| 6 Paralegal Support | \$ 1,093,494 | 16 | Increases attorney workload, trailings |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

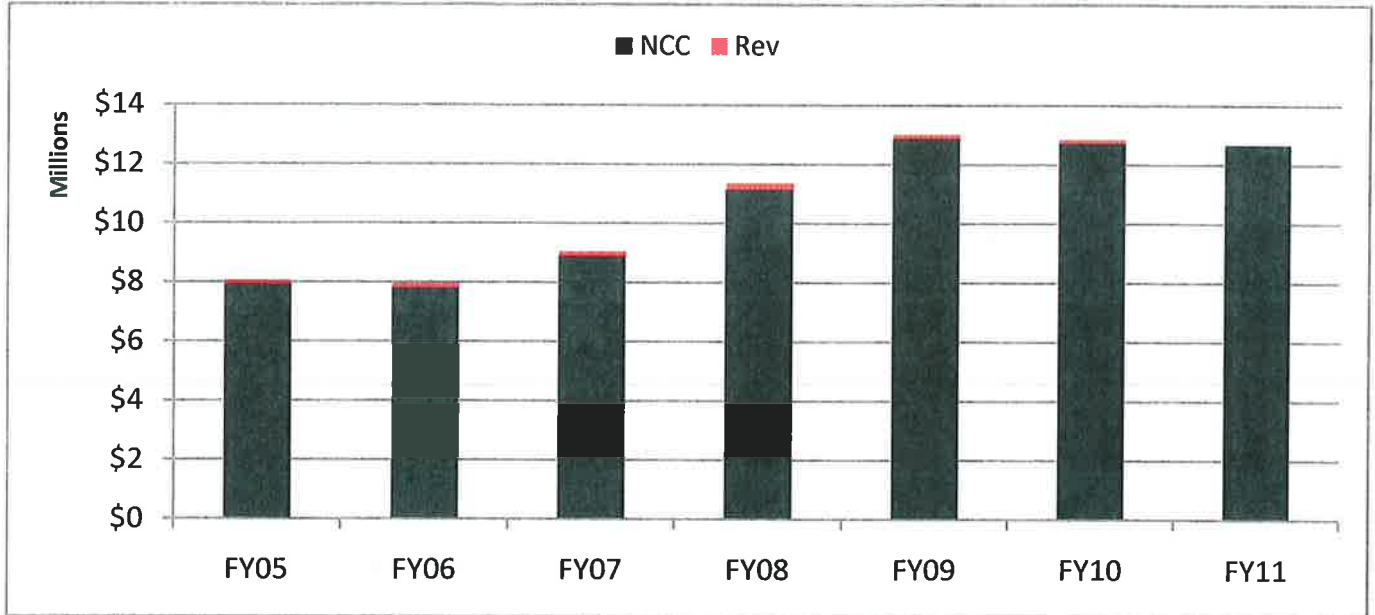
- 1 This department's service is essential for defending indigents; cuts will mean overload, continuances and more funding for contractors
- 2 Cut to successful recidivism effort could result in more mentally ill in jail
- 3 Critical oversight to ensure cases are moving and handled appropriately is risked.
- 4 Fewer staff mean longer periods without service; could render units unproductive
- 5 Two HR staff for dept of nearly 200 could greatly impact assistance to employees in need
- 6 Paralegals provide supportive paperwork so attorneys can focus on essential case elements.

INDIGENT DEFENSE

Indigent Defense

| Budget 2010 | NCC 2010 | 10% Cut | 25% Cut | Staff 2010 | Staff Cut |
|---------------|---------------|---------|---------|------------|-----------|
| \$ 12,728,198 | \$ 12,665,396 | \$ - | \$ - | 0 | 0 |

Department Budget History



Prioritized List of Department Impacts

| Program Name | NCC Cut | Staff Cut | Service Impacted |
|--------------|---------|-----------|------------------|
| 1 | \$ - | 0 | |
| 2 | \$ - | 0 | |
| 3 | \$ - | 0 | |

Executive Office Comment

Executive Office Comment on Programs (by Department's Analyst)

1 The estimated FY 10/11 budget will be reduced by \$1,012,195 making this amount available to be allocated to the Alternate Public Defender.

2

3

Assessor

Budget Presentation



Larry W. Ward
Assessor-County Clerk-
Recorder

Assessor Responsibilities

- The Assessor must locate, inventory and value all taxable and exempt secured and unsecured property in Riverside County (R&T 401).
- The Assessor must complete an assessment roll showing the assessed value for all taxable property and forward to the Auditor-Controller annually.
- Properties that make up the annual assessment roll: Residential, Commercial, Business Personal Property, Agriculture, Manufactured Homes, Boats, Aircraft, Timeshares, and Vacant Land.
- The Assessor must also reduce values in accordance with Prop 8 and defend values for Assessment Appeals.

Assessor Funding & Workload

| | FY 2007/08 | FY 2008/09 | FY 2009/10 | FY 2010/11 |
|-----------------|--------------|--------------|--------------|--------------|
| Total | \$28,610,967 | \$26,783,025 | \$21,974,114 | \$19,871,326 |
| Dept. Revenue: | \$17,888,862 | \$16,597,025 | \$13,738,427 | \$12,939,526 |
| Net County Cost | \$10,722,105 | \$10,186,000 | *\$6,235,687 | \$6,931,800 |
| % NCC to Total | 37.48% | 38.03% | 28.38% | 34.88% |

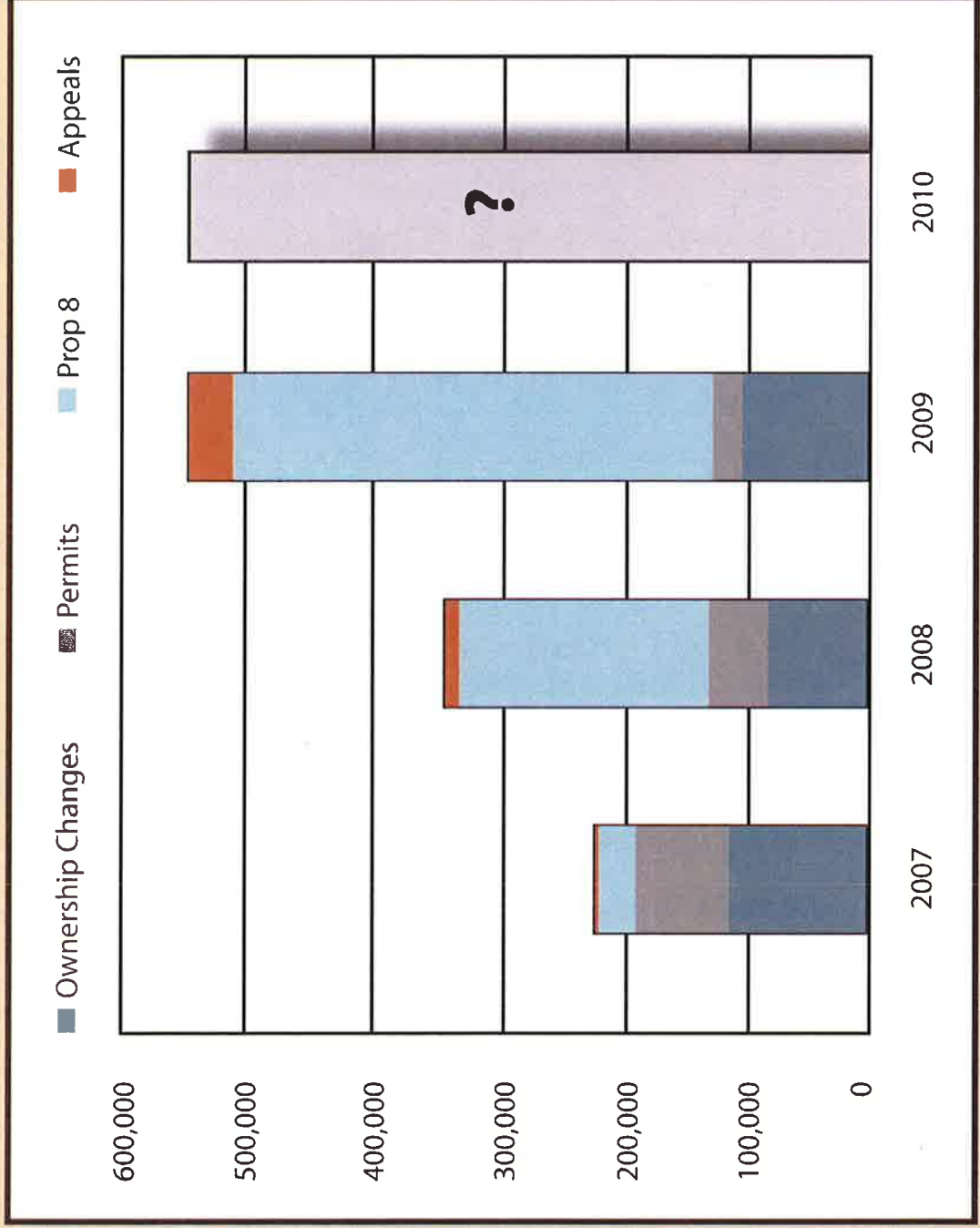
*ACR agreed to one-time use of \$2 mil from PTAP funds

| | | | | |
|-------------------|---------|---------|---------|---------|
| Appeals** | 2,909 | 12,330 | 36,191 | ≈30,000 |
| Prop 8 | 31,333 | 200,190 | 384,289 | ? |
| Permits | 74,264 | 47,436 | 22,709 | ? |
| Ownership Changes | 108,906 | 80,490 | 99,416 | ? |
| Assessments | 877,405 | 895,189 | 901,189 | ? |

**Filed for previous year's assessments

| | | | | |
|-------------------|-----|-----|-----|-----|
| Assessor - Filled | 249 | 245 | 207 | 201 |
| ACR - Filled | 491 | 458 | 404 | 391 |

Assessor Workload



Budget Impacts - General

Staffing Losses & Risks to the County:

For FY 10/11, the Assessor projects to use over \$1 million dollars in one-time Property Tax Administration Program (PTAP) Funds to fund ongoing staff Salaries & Benefits. The Assessor is projecting 8 positions for layoff; however, due to bump back rights and a retirement, 4 staff members are projected to be laid off. By the end of FY 10/11, the PTAP funding will be effectively exhausted.

Key Note: In FY 09/10, the Assessor used over \$2 million dollars of PTAP funds to fund staff Salaries & Benefits. Because 25 Assessor staff (including 17 appraisal staff) had taken early retirement, the Assessor did not have to layoff in FY 09/10.

The substantial cuts that have been taken by the Assessor over the past two years places the County at financial risk of not being able to complete the assessment roll timely and to defend assessment roll values accurately. The Assessor is only funding positions and other costs that directly contribute to the core functions of the Assessor. We have serious concerns about having insufficient resources to process RFR's, Assessment Appeals, and to handle taxpayer assessment matters and constituent concerns adequately.

Funding Losses:

For every \$1 of lost funding from either departmental revenue or NCC, budget reductions are compounded by a loss of state reimbursement equating to approximately 50 cents of every dollar.

Budget Impacts – Specific Priorities

1. Budget Impact (Salaries/Benefits - \$477,000)

Six appraisers (permanent & temporary staff) assigned to handle commercial and industrial property valuations, RFR's, and assessment appeals.

2. Budget Impact (Postage/Printing - \$190,000):

Funding to pay for Printing and Postage costs to mail out Value Notice Letters to Riverside County taxpayers.

3. Budget Impact (Salaries/Benefits - \$140,000)

One management position to oversee desert locations (Palm Springs, Indio, & Blythe), to provide necessary supervision to staff, and to handle constituent concerns.

Budget Impacts – Assessment Appeals

The increased volume of assessment appeals has negative budgetary impacts for the Assessor. It takes a considerable amount of time to conduct the additional field work and to prepare and present the case before the Assessment Appeals Board. The volume of appeals has gone from 2,909 in 2007, to over 36,000 in 2009. We anticipate the volume for 2010 to be about 30,000. By not being able to sufficiently prepare and hear assessment appeals timely and accurately, the amount of assessment roll at risk is approximately \$15 billion dollars in value, or \$165 million tax dollars.

The Assessor is also concerned about the impacts to the Clerk of the Board and County Counsel, who also participate in the appeals process.

In order to handle the backlog of appeals in a more timely manner, the Assessor recommends:

1. Funding for additional appraisal staff.
2. The use of hearing officers.
3. The scheduling of more than one Assessment Appeals Board per day to better ensure that appeals will be heard within the 2-year time limit.

County of Riverside Enterprise Solutions for Property Taxation (CREST)

- The Assessor is committed alongside the Auditor-Controller and the Tax Collector to create a new property tax system for Riverside County.
- Regarding the FY 10/11 NCC cut to CREST - the CREST team adapted by moving from the Rivercrest facility to the CAC 6th floor, saving \$340,000 annually in lease and utility costs.
- The CREST team is closely working with Purchasing in order to provide a recommended property tax solution to the Board of Supervisors by summer 2010. Any additional funding requests will be included as part of this Board request.

Questions?

Robert E. Byrd
Auditor Controller
March 29, 2010



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

ACO Division Overview

- Property Tax
- Payroll
- General Accounting
- Cost and Specialized Accounting
- Internal Audits



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

Property Tax Facts

| | 2007 | 2008 | 2009 |
|-------------------------------|------------------------|------------------------|------------------------|
| Secured Levy | 2,599,448,076 22.2% | 2,964,341,768 15.8% | 3,029,936,136 2.2% |
| Secured Collections | 2,532,293,674 19.7% | 2,928,205,634 15.6% | 3,416,419,870 16.7% |
| Increased Assessment Tax Levy | 344,014,168 2.8% | 171,506,667 <50.1%> | 60,817,712 <64.5%> |
| Decreased Assessment Refunds | 2,948,680 62.2% | 9,019,397 205.9% | 46,478,150 415.3% |



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

Payroll Facts

| | 2007 | 2008 | 2009 |
|---|---------|---------|---------|
| Payroll Warrants (Checks) Issued | 496,386 | 522,215 | 532,202 |
| Average Payroll Warrants Per Pay Period | 19,092 | 20,085 | 20,469 |
| Percent Increase from Prior Year | 5.7% | 5.2% | 1.9% |



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

General Accounting Facts

| | 2007 | 2008, | 2009 |
|------------------------------------|-------------------|------------------|-------------------|
| Invoices Paid | 449,367 <1.8%> | 504,866 12.4% | 522,097 3.4% |
| Vendor Warrants (Checks) Issued | 237,645 1.1% | 255,767 7.6% | 320,613 25.4% |
| Active Vendors | 68,358 9% | 75,575 10.6% | 59,685 <21.0%> |
| Form 1099s | 12,079 | 14,974 24% | 14,081 <6.0%> |



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

Impact of Internal Audits

| | |
|---|---------------------|
| Total Identified Cost Savings and Revenue Opportunities | \$ 22,000,000 |
| Average Number of Audit Staff | <u>17</u> |
| Average Savings Per Auditor (3 Years) | <u>\$ 1,300,000</u> |
| Annual Average Savings Per Auditor | \$ 433,000 |
| Average Salary & Benefit Cost FY11 | <u>\$98,000</u> |
| Average Return Per Auditor Salary & Benefit \$ | <u>4.4%</u> |



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

The Real Story FY10/11

| | | |
|---|---------------------------|--------------|
| Beginning NCC No Furloughs | \$ 6,468,383 | |
| Projected FY11 NCC Reduction | \$ 1,617,096 | 25% |
| <u>Projected Dept Revenue Shortfalls</u> | | |
| Supplemental 5% | \$ 325,000 | |
| Timeshare | 145,000 | |
| OES | 73,000 | |
| Other | <u>108,907</u> | |
| OUR REAL PROBLEM | <u>\$ 651,907</u> | 35.1% |
| | <u>\$2,269,003</u> | |

FY11 Budget Impact

| | | |
|---|--|--------------------------|
| | | |
| Total Anticipated Budget Shortfall | | \$2,269,003 35.1% |
| Impact 1 | Accounts Payable/ Vendor Codes | |
| | Four (4) Staff | <u>\$ 285,527</u> |
| | <ul style="list-style-type: none"> » Increase Audit Threshold » No Overnight Warrants » No Same Day Warrants » No Pick-Up Warrants | |
| | <ul style="list-style-type: none"> » Processing Time Extended: * 2 to 4 Days = AP Warrants * 24 to 72 Hours = Vendor Establishment | |
| | | \$1,983,476 30.7% |

FY11 Budget Impact

| | | |
|---|---|--------------------------|
| | | |
| Remaining Budget Shortfall (Impact 1 Funded) | \$1,983,476 | 30.7% |
| Impact 2 Property Tax | Four (4) Tax Specialists <ul style="list-style-type: none"> » Delay Tax Refund Processing » Delay Tax Roll Change Updates » Increase Time: Tax Apportionments & Reporting » Other Areas Impacted: <ul style="list-style-type: none"> * Revenue Projections * Legislative Changes * Testing Apportionment Assumptions » Reduced Cost Reimb. FY 12 (1 Yr Delay) | <u>\$ 371,050</u> |
| | \$1,612,426 | 24.9% |

FY11 Budget Impact

| Remaining Budget Shortfall (Impact 1 - 2 Funded) | \$1,612,426 | 24.9% |
|--|--------------------------|--------------|
| Impact 3 Internal Audits | | |
| Four (4) Auditors & Partially Funded Support Staff | <u>\$ 447,228</u> | |
| <ul style="list-style-type: none"> » 11 of 24 Authorized Positions Funded » Limit Scope For 35 Mandatory Audits » Reduction In Cost Savings Findings: <ul style="list-style-type: none"> * Fire \$5 million * Sheriff \$6 million * RCRMC \$1 million * Vehicles \$2.3 million | | |
| | \$1,165,198 | 18.0% |

FY11 Budget Impact

| | | |
|---|--|--------------------------|
| | | |
| Remaining Budget Shortfall (Impact 1 - 3 Funded) | | \$1,165,198 |
| Impact 4 Cash Management | | |
| Two (2) Accountants | | |
| » No Daily Cash Monitoring or Dash-boarding | | |
| » Reduced : | | |
| * Oversight of TRANS Forecasting | | |
| * GF & RCRMC Cash Flow Monitoring | | |
| * Budget Adjustments/ Approp Transfers | | |
| » Integrated Billing/ Accounts Receivable | | |
| | | \$ <u>203,623</u> |
| | | \$ 961,575 |
| | | 18.0% |
| | | 14.9% |

FY11 Budget Impact

| | | |
|---|---|------------------------------|
| | | |
| Remaining Budget Shortfall (Impact 1 - 4 Funded) | | \$ 961,575 14.9% |
| Impact 5 Capital Assets | | |
| | One (1) Accountant | |
| | <ul style="list-style-type: none"> » Risk External Audits & State Funding » Implementation of Lease Module: Reduced Oversight & Training Countywide » Dept Training & Assistance Minimized » Specialized Accounting Unit Merged Into Other Dept Divisions | |
| | <u>\$ 79,703</u> | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 881,872 13.6% |

FY11 Budget Impact

| Remaining Budget Shortfall (Impact 1 - 5 Funded) | | \$ 881,872 | 13.6% |
|---|---|-------------------------|--------------|
| Impact 6 Office Reception | | | |
| | One (1) Support Staff | <u>\$ 83,964</u> | |
| | Require Staff Rotation: | | |
| | » Impact Direct Time of Property Tax & AP/VC Staff | | |
| | » No Consistency In Customer Service | | |
| | » No Dedicated Support Staff For Customer Service / Employee Assistance | | |
| | | \$ 797,908 | 12.3% |



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

FY11 Budget Impact

| | | | |
|--|--|--------------------------|--------------|
| | | | |
| Remaining Budget Shortfall (Impact 1 - 6 Funded) | | \$ 797,908 | 12.3% |
| Impact 7 Financial Reporting | | | |
| <p>One (1) Accountant & Partially Funded Support Staff</p> <ul style="list-style-type: none"> » Timeliness of Reporting (Not Accuracy) » Impact Bond / Audit Rating » No “Simplier” Management Reporting Enhancement » “Excellence In Financial Reporting” Achievement Possibly Jeopardized | | | |
| | | <u>\$ 146,001</u> | |
| | | \$ 651,907 | 10.1% |

FY11 Budget Impact

| | | | |
|--|--|--------------------------|--------------|
| | | | |
| Remaining Budget Shortfall (Impact 1 - 7 Funded) | | \$ 651,907 | 10.1% |
| Impact 8 | County Budget | | |
| | One (1) Accountant | <u>\$ 89,488</u> | |
| Remaining Budget Shortfall (Impact 1 - 8 Funded) | | \$ 562,419 | 8.7% |
| Impact 9 | Accounting Policies & Procedures | | |
| | One (1) Accountant | <u>\$ 85,965</u> | |
| Remaining Budget Shortfall (Impact 1 - 9 Funded) | | \$ 476,454 | 7.4% |
| Impact 10 | Other | | |
| | Professional Services & Misc Approp 2 | <u>\$ 476,454</u> | |
| Remaining Budget Shortfall (Impact 1 - 10 Funded) | | \$ 0 | 0.0% |



CREST PROJECT Year Three

- No Postponements & No Cutbacks
- 40 Year Old Legacy System
- Mainframe Costs Expensive
- Difficult To Find IMS Developers
- Subject Matter Experts Retiring
- No Integrated Solution
- Excel Spreadsheets Used For Tax Extensions & Apportionments



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

OASIS/ PeopleSoft; What's Next?

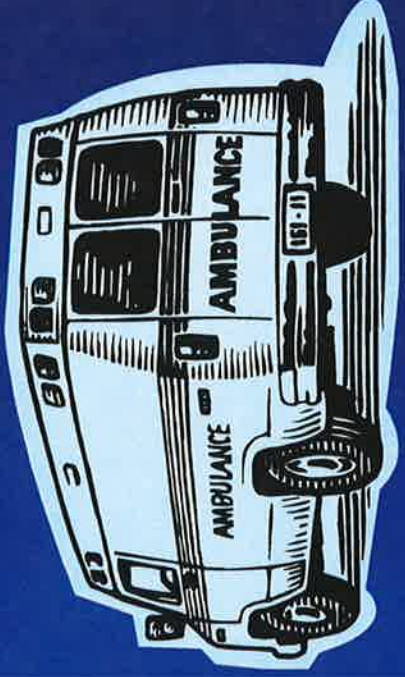
If we lose skill-sets, it will take years to get back institutional knowledge:

- Preserve - functionality
- Direct - Governance Committee; Working Groups; collaborative business plan
- Reorganize - organizational effectiveness
- Invest - skilled resources/ training



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

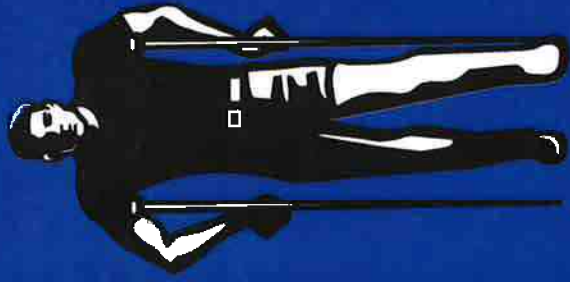
NO RECOVERY FROM 35.1% BUDGET CUT



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

COULD RECOVER FROM 15% BUDGET CUT

Request Impact 1 – 4 Funding



COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

RIVERSIDE
COUNTY



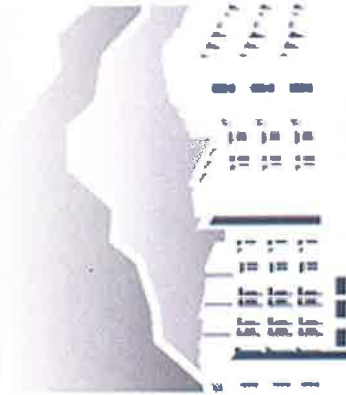
REGIONAL
MEDICAL
CENTER

Budget Impact Reports

Douglas Bagley
Chief Executive Officer

March 29, 2010

RIVERSIDE
COUNTY



REGIONAL
MEDICAL
CENTER



County Health Rankings
Mobilizing Action Toward Community Health

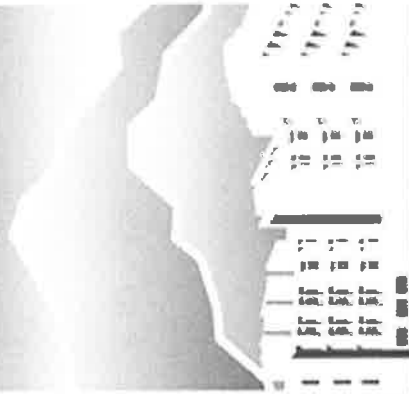
2010
California



UNIVERSITY OF WISCONSIN
Population Health Institute
Unifying Research into Policy and Practice



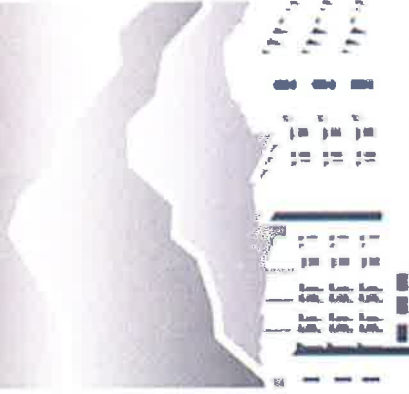
2/17/10



**Ranking of California Counties
With Population Greater Than 1,000,000**

| Health Outcomes | Health Factors |
|-------------------------|----------------|
| Santa Clara (highest) | Santa Clara |
| Orange | Orange |
| San Diego | Contra Costa |
| Contra Costa | Alameda |
| Alameda | San Diego |
| Los Angeles | Sacramento |
| Riverside | Riverside |
| Sacramento | Los Angeles |
| San Bernardino (lowest) | San Bernardino |

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“County Health Rankings – 2010 California”,
University of Wisconsin – Population Health
Institute

Robert Wood Johnson Foundation. 2/17/10

Health Outcomes:

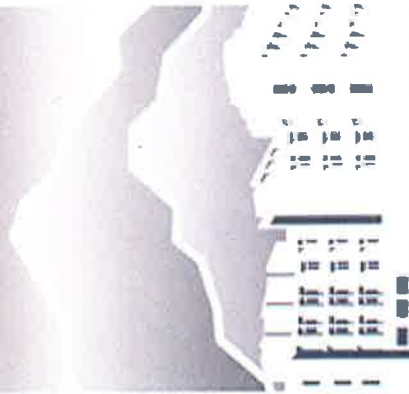
Mortality (50%), Morbidity (50%)

Health Factors:

Health Behaviors (30%), Clinical Care (20%),

Socio-Economic Factors (40%),

Physical Environment (10%)



Three Budget Units

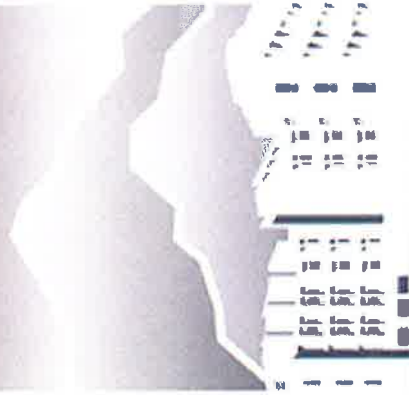
Detention Health Services (DHS) – General Fund

- Services provided in Sheriff and Probation facilities

Medically Indigent Services Program (MISP) – General Fund

- Services provided in non-County facilities

Riverside County Regional Medical Center (RCRMC) – Enterprise fund



Detention Health Services (DHS)

Detention Health Services (DHS) – 100% General Fund

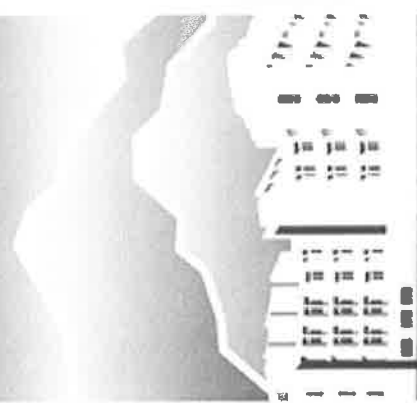
A. 10% Cut (\$1.7 million)

1. Sheriff Facilities:

- Services at Smith, Indio reduced from 20 hours/day to 12 hours/day
- Southwest reduced from 24 hours to 20 hrs./day with closure of Sheltered Housing Unit
- 24 hour coverage remains at Presley with Sheltered Housing Unit
- Services eliminated at all sites: monitoring of safety and sobering cells and nurse sick call
- Physician sick call reduced from 3 days to 1 day per week
- Inmates needing service to be transported by Sheriff

Detention Health Services (DHS) – (Cont.)

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2. Probation Facilities

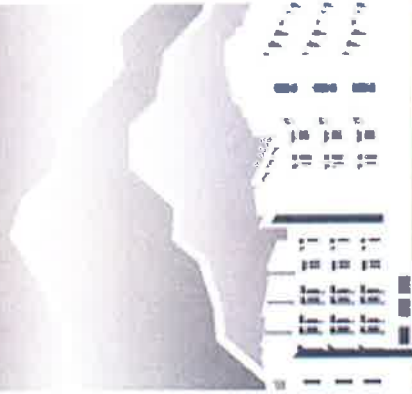
- Twin Pines: Nursing reduced from 3 days to 1 day per week
- Van Horn: Nursing services eliminated
- Minors needing service to be transported to Riverside
- Regulatory standard of physical exam within 96 hours will not be met at all juvenile facilities

3. Other:

- 17 layoffs (of 98 employees)
- Sheriff, Probation responsible for any outside services, e.g. hospital ER

Detention Health Services (DHS) – (Cont.)

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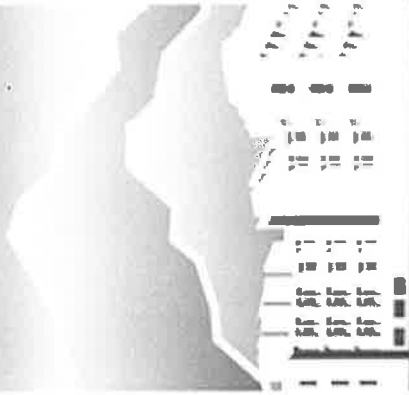
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B. 25% Cut (\$4.2 million): 10% Cut Level Plus –

1. Sheriff
 - Services at Blythe eliminated
 - Services at Southwest further reduced from 20 to 12 hours/day
 - Presley is the only 24 hour facility
 - All services cut except medication administration, chronic disease care and monitoring and emergencies
 - Inmates needing service to be transported by Sheriff

Detention Health Services (DHS) – (Cont.)

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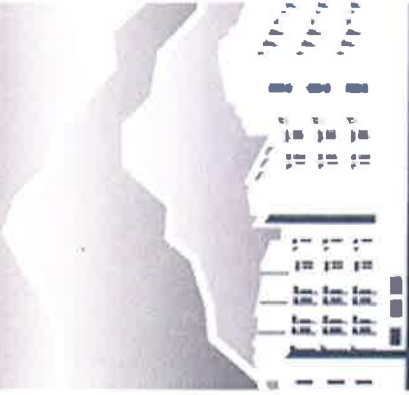
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2. Probation

- Nursing services eliminated at Van Horn, Twin Pines
- All minors needing service to be transported to Riverside facility

3. Other

- Potential risk of being out of compliance with health care standards of California Department of Corrections and Rehabilitation Title 15
- 41 layoffs (of 98 employees)
- Sheriff, Probation responsible for any outside services, e.g. hospital ER's



Medically Indigent Services Program (MISP)

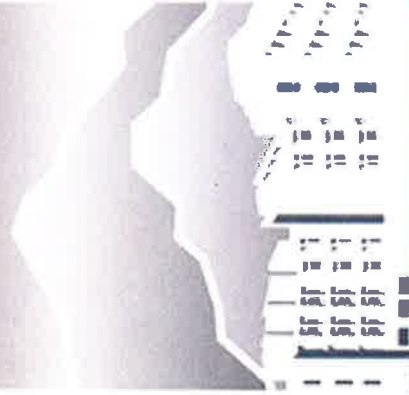
Medically Indigent Services Program (MISP) -
38% General Fund, 54% Health
Realignment, 8% Other

Note: This budget unit pays for purchased services outside of RCRMC and CHA; mainly services not provided by County or geographically inaccessible.



Medically Indigent Services Program (MISP)-(Cont.)

| | |
|---|---------------------|
| Services Purchased | |
| • Heart surgery | \$ 2,376,000 |
| • Retina surgery | \$ 84,000 |
| • Other medical specialties (e.g. Radiation Therapy, Burn and Reconstructive Care) | \$ 1,185,000 |
| • Durable Medical Equipment/Supplier | \$ 845,000 |
| • Home Health Care | \$ 565,000 |
| • Contract Clinics | \$ 385,000 |
| • Dental Services | \$ 125,000 |
| • Diabetic Pharmaceuticals | \$ 3,220,000 |
| • Hypertension/Cholesterol Heart Failure Pharmaceuticals | \$ 1,610,000 |
| • Renal/Liver/Lung-COPD/Asthma Pharmaceuticals | \$ 966,000 |
| • Acute Coronary Syndrome/Acute Myocardial Infarction/ Post Emergency Care/ Anti-Coagulation | \$ 322,000 |
| • All others MISP drugs | \$ 325,000 |
| TOTAL | \$12,008,000 |



Medically Indigent Services Program (MISP) - (Cont.)

10% Cut = \$ 2,446,423

25% Cut = \$ 3,017,302

From above list

Possible options:

- 10% cut: Reduce MISP eligibility from 200% FPL to 133%
- 25% cut: Reduce MISP eligibility from 200% FPL to 100%

Medically Indigent Services Program (MISP) - (Cont.)

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New Issue: New Federal Health Reform Law

- Significant number of current MISP eligibles will become Medicaid eligible
- New source of future revenue
- 90% Federal match rate (100% early years)
- We need “bridge” plan to 2014
- Re-examine MISP alternatives
- Also impacts RCRMC, CHA, potentially DMH
- Also could be impacted by Renewal of current Medi-Cal Hospital Waiver in September 2010

Riverside County Regional Medical Center (RCRMC)

Riverside County Regional Medical Center (RCRMC) Baseline County Contribution Budget

| Year | General Fund | Cumulative Reduction % | Tobacco Settlement | Cumulative Reduction % | MoVal Redevel |
|-------------------|----------------|------------------------|--------------------|------------------------|---------------|
| 2006-2007 | \$17 million | 0% | \$14 million | 0% | \$5 million |
| 2007-2008 | \$14.4 million | 15.2% | \$10 million | 28.5% | \$5 million |
| 2008-2009 | \$9.7 million | 42.9% | \$10 million | 28.5% | \$5 million |
| 2009-2010 Budget | \$9 million | 47% | \$10 million | 28.5% | \$5 million |
| 2009-2010 Midyear | \$4.9 million | 71.2% | \$10 million | 28.5% | \$5 million |
| 2010-2011 | 0 | 100% | \$10 million | 28.5% | \$5 million |

Net Bond Payment Obligation \$12.5 Includes P & I

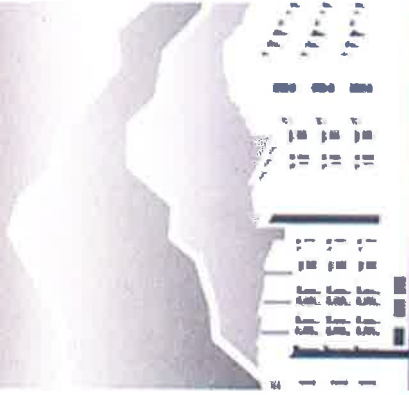
Riverside County Regional Medical Center (RCRMC) – (Cont.)

County Contribution Comparison to Other Counties

| | <u>County G.F.</u> | <u>Tobacco Settlement</u> | <u>MoVal</u> | <u>Redev</u> | <u>Total</u> |
|---|--------------------|---------------------------|--------------|--------------|---------------|
| Los Angeles Department of Health Services (4 hospitals, ambulatory facilities; Excludes Public Health/Mental Health/Realignment | 670.5 | - | - | - | 670.5 million |
| Orange (No hospital, excludes Public Health/Mental Health/Realignment | 63.5 | 18.9 | - | - | 82.4 million |
| RCRMC | 0 | 10 | 5 | 5 | 15 million |

Riverside County Regional Medical Center (RCRMC) – (Cont.)

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Cumulative Total County Contribution Reduction

– 4 Fiscal years

(Includes Tobacco Settlement reduction) \$ 55 million

Proposed 10-11 Cumulative Annual County

Contribution Reduction from Beginning Baseline \$ 21 million/year

Services Funded by County Contribution:

Jail Ward – Sheriff Inmates- RCRMC \$ 6 million

Child Abuse/Sexual Assault \$ 0.8 million

Mental Health Uncompensated Cost \$ 15 million

W & I Code Section 17000 Obligation \$??

\$ 21.8 million