COUNTY OF SAN MATEO

**County Manager's Office**

**Date:** January 30, 2007
**Board Meeting Date:** February 6, 2007
**Special Notice/Hearing:** None
**Vote Required:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** John L. Maltbie, County Manager

**SUBJECT:** FY 2006-07 County Budget Update

**RECOMMENDATIONS**

1. Accept the FY 2006-07 County Budget Update.
2. Review key budget assumptions and provide direction regarding the preparation of the FY 2007-08 and FY 2008-09 Budget.
3. Accept the reports on the status of the Sheriffs Office Relief Staffing Recommendation and the Alcohol and Other Drugs Strategic Plan.

**Vision Alignment**

**Commitment:** Responsive, effective and collaborative government
**Goal 20:** Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

The County Budget Update contributes to this goal by providing information on the County's financial condition for the current fiscal year as well as issues and trends that will significantly affect future budgets. Projections for General Fund deficits and identified solutions are also provided for purposes of budget planning and management.

**Background**

The Board reviews the current fiscal year budget at mid-year to ensure revenues and expenditures are in accordance with estimates and to provide direction to the County Manager regarding preparation of the next budget. The FY 2007-08 and FY 2008-09 Recommended Budget will be submitted to the Board on May 25. Budget hearings will begin Monday, June 25.

This County Budget Update includes year-end Fund Balance estimates and variance analysis for all County funds, identification of major issues affecting the preparation of the upcoming budget, data for local economic indicators and projections for general purpose revenue and Public Safety Sales Tax. It also provides a plan for managing General Fund deficits for the next four fiscal years.

## FY 2006-07 County Financial Status

Based on year-end estimates, the General Fund is expected to begin FY 2007-08 with $248.8 million in Fund Balance. This includes $26.3 million in unanticipated return of prior and current year Education Revenue Augmentation Fund (ERAF) contributions above mandated levels of school funding. The table below provides a summary of all County funds followed by an explanation of significant variances. Major budget issues to consider in preparing the upcoming budget include the impact of the Governor's proposed budget; unfunded pension liability and retiree health care costs; the impact of recent salary negotiations; Sheriff's overtime/relief costs; the Medical Center's financial situation; and major capital projects on the horizon, including a new Women's Jail.

## FUND BALANCE SUMMARY

The following table provides a summary of updated FY 2007-08 Beginning Fund Balance estimates for the General Fund and other County funds. The total Fund Balance of $325.2 million represents 19.6% of the County's $1.66 billion budget. Significant variances to original Fund Balance estimates for each County agency are explained below.

| *County Agency by Fund (Dollars in Thousands)* | *FY 2006-07 Working Budget* | *FY 2007-08 Budgeted Fund Balance* | *FY 2007-08 Updated Fund Balance* | *Unanticipated Fund Balance Variance ** |
|---|---|---|---|---|
| Administration/Fiscal - General Fund | 97,097 | 13,374 | 13,285 | (90) |
| Criminal Justice - General Fund | 261,280 | 11,510 | 5,837 | (5,674) |
| Community Services - General Fund | 68,173 | 5,560 | 4,644 | (916) |
| Community Services - Other Funds | 151,426 | 52,037 | 52,227 | 190 |
| Health Services - General Fund | 216,895 | 13,802 | 15,504 | 1,702 |
| Health Services - Other Funds | 18,617 | 4,783 | 4,670 | (113) |
| Medical Center Gen Fund Contribution | 70,286 | 0 | 0 | 0 |
| Medical Center Enterprise Fund | 223,425 | 0 | (5,477) | (5,477) |
| Children, Youth & Family Services - GF | 215,957 | 4,675 | 6,773 | 2,098 |
| Non-Departmental - General Fund | 257,887 | 178,612 | 202,788 | 24,176 |
| Non-Departmental - Other Funds | 77,716 | 25,807 | 24,906 | (901) |
| *Subtotal General Fund* | **$1,187,575** | **$227,533** | **$248,830** | **$21,297** |
| *Subtotal Non-General Fund* | **$471,183** | **$82,627** | **$76,327** | **($6,300)** |
| **Total ALL Funds** | **$1,658,758** | **$310,160** | **$325,157** | **$14,996** |

* Unanticipated variance represents additions (surplus) or reductions (shortfall) to budgeted FY 2006-07 Beginning Fund Balance based on updated estimates prepared as part of this County Budget update.

## Administration and Fiscal

Administration and Fiscal departments are estimated to carry over $13.2 million in Fund Balance; approximately $90,000 less than budgeted for next year. The following factors have contributed to the net decrease in projected Fund Balance:

- Cost saving measures and projects not completed in the current year in the County Manager's Office, Board of Supervisors, Assessor/County Clerk//Recorder, Human Resources Department, Grand Jury, and ISD and will generate an additional $1.9 million for FY 2007-08.
- The shortfall of $1.3 million in the Treasurer/Tax Collector's Office is due to earlier completion of budgeted technology projects.
- The shortfall of $498,000 in the County Counsel's Office is due mostly to a reduction in revenue for legal services to the County's self-insured program.
- The shortfall of $140,000 in the Controller's Office is primarily due to unanticipated contract costs for the upgrade of Controller's Office system interfaces

**Criminal Justice**

Criminal Justice departments are estimated to carry over $5.8 million in Fund Balance, approximately $5.7 million less than budgeted next year. The updated Fund Balance estimate contains $584,000 in adjustments to cover midyear negotiated Salary and Benefit increases. The following factors have contributed to the projected net reduction in Criminal Justice Fund Balance:

- Within the past three years both the Probation Department the Sheriff's Office have used departmental reserves to achieve budget targets, resulting in both departments falling well below the 2% Reserves Policy requirement. Combined, the Sheriff's Office and Probation Department account for $5.4 million of the estimated $5.7 million shortfall in meeting next year's Fund Balance target.
- The Sheriff's Office will miss next year's Fund Balance target by $2.5 million due to overruns in Salaries and Benefits, primarily due to overtime to meet ongoing relief needs to fill mandated posts at the correctional facilities and patrol.
- The Probation Department will miss next year's Fund Balance target by $2.9 million due to cost overruns associated with the Youth Services Center move. Probation expects to spend its entire Salary and Benefits budget this year due to high overtime costs and they are currently estimating an overrun of $735,000 in Services and Supplies. The County Manager's Office has requested an itemized list of the Services and Supplies overruns and will examine current purchase orders to determine if some portion of the overruns can be mitigated.

**Community Services**

Community Services, which includes the County Library, Planning and Building, LAFCo, the Parks Department, Public Works and the Department of Housing, is estimated to carry over $57.5 million in Fund Balance, which is approximately $1.2 million less than budgeted next year. This represents a decrease of $1.4 million in General Fund departments and an increase in Non-General Fund departments of $190,000. The following factors have contributed to a reduced Fund Balance in Community Services General Fund departments:

- Estimated elimination of existing $504,000 fund balance in Fire Protection Services due to revenue shortfall in the Structural Fire Fund caused by stagnant revenues and increasing contract costs.
- Shortfall of $357,000 in Parks and Recreation due to lower than anticipated revenues from park entrance fees, concessionaires, and reduced reimbursements from projects.

The following factors have contributed to net reduced Fund Balance in Community Services Non-General Fund departments:

- Shortfall of $452,000 in the Structural Fire Protection Fund due to higher contract expenditures for California Department of Forestry (CDF) services coupled with reduced revenue growth.
- Shortfall of $925,000 in Coyote Point Marina Fund Balance due to completion of Phase II of the dredging project during the current fiscal year.
- Shortfall of $764,000 in Vehicle and Equipment Services due to increased fuel and maintenance costs and higher purchase prices for hybrid vehicles.
- Reduced Fund Balance partially offset by one-time repayment of $1.9 million in Proposition 42 sales tax revenues that were previously diverted to the State's General Fund.

**Health Department**

The Health Department is estimated to carry over $20.2 million in Fund Balance—$15.5 million in General Fund programs and $4.7 million in Non-General Fund programs. The General Fund portion represents an increase of $1.7 million from the amount budgeted for next year due primarily to salary savings. The department has also projected lower than anticipated fees, increased costs associated with the South County Fire contract in Environmental Health, and uncollectible patient fee revenues in Public Health from the Medical Center.

**San Mateo Medical Center**

At mid-year the Medical Center is estimating a $5.5 million deficit by fiscal year end. This deficit is in addition to the $12.2 million County loan used to balance the Medical Center's budget. This deficit can be directly attributed to Medi-Cal restructuring last year. The Medical Center had projected $25.8 million in FY 2006-07 based upon prior year receipts and models that were used during budgeting. Recent statewide estimates indicate that the Medical Center will receive only

$18.9 million in FY 2006-07. However, these estimates are subject to State audit and review of the Medical Center's claimable costs as compared to the other 22 Designated Public Hospitals' (DPH) claimable costs. Additional information related to the Medical Center's budget can be found on pages 11-12 of this report.

**Children, Youth and Family Services**

Children, Youth and Family Services—which is comprised of First 5 San Mateo County, the Department of Child Support Services, and the Human Services Agency—is estimated to carry over $6.8 million in Fund Balance, approximately $2.1 million higher than budgeted next year, due primarily to salary savings and lower than anticipated costs related to General Assistance and Interim Aid caseloads.

**Non-Departmental**

Non-Departmental General Fund is estimated to carry over a net additional $24.6 million, primarily from the following:

- $26.3 million in unanticipated prior and current year excess Education Revenue Augmentation Fund (ERAF) contributions above mandated levels of school funding.
- $1.9 million in higher interest earnings.
- $3.6 million reduction to current year secured property tax revenues due to tax equity adjustments to meet requirements for Minimum City Tax apportionments and anticipated refund and tax roll adjustments.

**MAJOR BUDGET ISSUES AND UPDATES**

The following issues will have a significant impact on the County Budget in the current and subsequent fiscal years:

- **Governor's January Budget Proposal**
- **Criminal Justice**
  - Governor's Corrections Reform Proposal
  - Long-Term Solutions to Jail Overcrowding
  - Women's Jail Facility Planning
  - Sheriff's Overtime/Relief Pool Update
- **Employee Compensation**
  - Negotiated Salary and Benefits Increases
  - Retirement Contribution Rates and Unfunded Liability
  - Purchase of Additional Retirement Credit (ARC or Air Time)
  - Retiree Healthcare Costs and Unfunded Liability
- **San Mateo Medical Center**
  - Financial Status
  - Federally Qualified Health Centers (FQHC) Audit
  - Medi-Cal Waiver
  - Indigent Healthcare Pilot Study
- **Capital Improvement Projects**
  - Youth Services Center Turner Settlement
  - Transfer of Court Facilities to the State
  - Ongoing Capital Maintenance (Facility Assessment Study)
  - Debt Service Projections for Next 20 Years
- **Other Budget Updates**
  - Excess Educational Revenue Augmentation Fund (ERAF) Revenues
  - Fire Protection Fund Revenue Shortfall
  - Alcohol and Other Drug Strategic Plan
  - Planning and Building Implementation of Task Force Recommendations
  - Elimination of Fiscal Services Provided to Superior Court
  - Pandemic Flu Preparations

## Key Budget Assumptions

Given the significant issues identified above, the General Fund deficit is projected to grow from $46.2 million in FY 2007-08 to $128 million by FY 2010-11. The table on the next page summarizes the components of the deficit as well as solutions to balance the budget through FY 2010-11. The following assumptions have been included:

**Major Budget Issues/Costs:**

- Annual estimate of $2.4 in funding losses currently identified in the Governor's January budget proposal; this will be updated as the state budget process continues and more information is known
- Annualized General Fund increases in Salaries and Benefits of $22 million in FY 2007-08 based on recently concluded labor negotiations, with increases upwards of $18-$19 million thereafter
- Average Employer Retirement Contribution Rates will decrease from 25.16% to 24.71% effective July 1, 2007; no additional fiscal impact is factored in as a result
- Assumption of a 5% annual increase in retiree healthcare costs to fund annual required contributions for other post-employment benefits; this assumption does not yet include negotiated changes
- Debt service payments associated with bonds issued to construct the Youth Services Center to grow from $5.3 million in FY 2007-08 to $9 million annually beginning in FY 2008-09
- Continuation of the $12 million loan to the San Mateo Medical Center (not shown in the table on the following page as this loan is already included in the FY 2006-07 baseline budget)
- Increase in the Medical Center Loan of $12.5 million in FY 2007-08 to cover ongoing shortfall of $5.5 million in Medi-Cal Waiver and $7 million in Salary and Benefit increases, increased by $5 million in each of the subsequent years through FY 2010-11
- The 3% annual increases to Health, Human Services and Probation agreements with community-based organizations will continue through FY 2010-11
- Increases in the Sheriff's budget of $1.75 million in FY 2007-08 and $1.5 million in FY 2008-09 to add 18 positions over two years to the Sheriff's Overtime Relief Pool with assumed increases of three percent thereafter
- Continued General Fund support totaling $1.2 million over the next two years for staffing and other operating costs to complete implementation of Phases One and Two recommendations of the Planning and Building Task Force; General Fund support will be phased out in FY 2009-10 for Development Review Services
- Private Defender Program contract costs will grow 4% per year through FY 2010-11 based on contract provisions

**Budget Solutions:**

- Include growth in general purpose revenue and Public Safety Sales Tax at a total average annual growth rate of $15.9 million or 4.3% from FY 2007-08 through FY 2011-12 (includes the return of 50% County portion of jet fuel sales tax from United Aviation in January 2008)
- Assume Salary and Benefit cost offsets of $5.5 million in FY 2007-08, growing to $17 million by FY 2010-11 from those General Fund operating departments that can generate additional revenue from increased costs through higher State and federal claims, grants and fees for services
- Reflect a 3% annual increase in SB90 State Mandated Claims reimbursement
- As with last year, reflects the anticipated Excess ERAF from the upcoming April 2007 property tax distributions in FY 2007-08, which amounts to $22 million; no assumptions are made for Excess ERAF beyond FY 2007-08
- Reduce General Fund operating department budgets by increments of $5 million from FY 2007-08 through FY 2010-11 so that by FY 2010-11 the structural deficit of $40.0 million has been cut in half, with the remaining half covered by General Fund Reserves
- Spend down General Fund Contingencies and Reserves to $153.4 million or 11.4% of General Fund net appropriations by FY 2010-11

**Other Budget Considerations:**

- No funds are included for the implementation of the Alcohol and Other Drugs Strategic Plan. A staff report is attached that describes the types of services that could be provided and number of clients served with additional funding in increments of $500,000, beginning with $1 million up to $2 million.
- Once a new Retiree Health actuarial study has been completed that includes recently negotiated enhancements, the Board could consider paying down the entire unfunded liability with a one-time lump sum payment out of Reserves. This would reduce the ongoing structural deficit by approximately $5 to $6 million annually.

**FY 2007-08 through FY 2010-11 General Fund Budget Planning**

The following table summarizes the General Fund deficit and recommended solutions for the next four fiscal years. At the end of FY 2010-11, there will be $153.4 million remaining in Reserves and Contingencies, equivalent to about 11.4% of net appropriations.

| GENERAL FUND | | | | | Four-Year |
|---|---|---|---|---|---|
| **Budget Planning FY 2008-2011** | **FY 2007-08** | **FY 2008-09** | **FY 2009-10** | **FY 2010-11** | **TOTALS** |
| | | | | | |
| **Beginning Gen Fund Reserves/Contingencies *** | **$202,113,358** | **$209,054,614** | **$191,587,518** | **$173,086,158** | **$775,841,647** |
| | | | | | |
| **GENERAL FUND MAJOR BUDGET ISSUES:** | | | | | |
| State Budget Impact - January Estimate | $2,400,000 | $2,400,000 | $2,400,000 | $2,400,000 | $9,600,000 |
| Salaries and Benefits Increases-Cumulative | 21,910,815 | 40,270,830 | 59,181,645 | 78,659,785 | 200,023,076 |
| Growth in Retiree Health Contributions | 250,000 | 512,500 | 788,125 | 1,077,531 | 2,628,156 |
| New Youth Services Center Debt Service Payments | 5,300,000 | 9,000,000 | 9,000,000 | 9,000,000 | 32,300,000 |
| San Mateo Medical Center Deficit (loan) | 12,500,000 | 17,500,000 | 22,500,000 | 27,500,000 | 80,000,000 |
| Increases Community-Based Orgs-3% thru FY11 | 803,716 | 1,631,543 | 2,484,206 | 3,362,448 | 8,281,913 |
| Sheriff's Office Relief Staffing | 1,750,000 | 3,275,000 | 3,373,250 | 3,474,448 | 11,872,698 |
| AOD Strategic Plan / Fire Fund Contribution | | | | | 0 |
| Phases 1 and 2 Planning and Building Recomm | 735,439 | 456,276 | | | 1,191,715 |
| Private Defender Contract Negotiations | 584,926 | 1,193,248 | 1,825,904 | 2,483,866 | 6,087,943 |
| **Major Budget Costs/Issues Subtotal** | **$46,234,896** | **$76,239,398** | **$101,553,130** | **$127,958,078** | **$351,985,501** |
| | | | | | |
| **COUNTYWIDE BUDGET SOLUTIONS:** | | | | | |
| General Revenue Growth-Cumulative | 14,020,057 | 27,790,945 | 41,878,607 | 56,842,927 | 140,532,536 |
| Public Safety Sales Tax Rev Growth-Cumulative | 1,289,886 | 2,605,571 | 3,947,569 | 5,316,406 | 13,159,432 |
| Other Sources-Youth Services Center Debt Service | 5,300,000 | 9,000,000 | 9,000,000 | 9,000,000 | 32,300,000 |
| Department Salary and Benefit Increase Offsets | 5,501,129 | 9,323,735 | 13,146,342 | 16,968,948 | 44,940,155 |
| Restore SB90 Mandate Reimbursement - State | 25,641 | 52,051 | 79,254 | 107,273 | 264,219 |
| Estimated Excess ERAF Returned to County | 22,039,438 | | | | 22,039,438 |
| Use of Existing Non-Departmental Reserves | (6,941,256) | 17,467,096 | 18,501,359 | 19,722,522 | 48,749,721 |
| **DEPARTMENTAL SOLUTIONS:** | | | | | |
| Departmental Reductions | 5,000,000 | 10,000,000 | 15,000,000 | 20,000,000 | 50,000,000 |
| **Solutions Subtotal** | **$46,234,896** | **$76,239,398** | **$101,553,130** | **$127,958,078** | **$351,985,501** |
| | | | | | |
| **BALANCE** | **$0** | **$0** | **$0** | **$0** | **$0** |
| | | | | | |
| **Ending Gen Fund Reserves/Contingencies *** | **$209,054,614** | **$191,587,518** | **$173,086,158** | **$153,363,636** | |
| * Represents Non-Departmental General Fund only; approx. $30 million in Departmental Reserves are not included | | | | **Balance is approximately 11.4% of General Fund Net Appropriations** | |

**Medical Center Impact on Structural Deficit**

To illustrate the impact of the growing County contribution to the Medical Center on the County's structural deficit, the following table shows what the fiscal outlook would look like over the next four years if the County were able to reduce its subsidy for indigent heath care services to $50 million annually, with a 3% annual increase. (This table is identical to the previous one except for the contribution to the Medical Center.) Under this scenario, Reserves are not needed to balance the budget, department reductions are not needed until year four (and then only a modest reduction of $859,000 is required), and the County ends the four-year period without a structural deficit. This may be an unrealistic goal, but it illustrates the impact that the Medical Center's fiscal situation is having on the long-term financial health of the County and ultimately, other County services.

| GENERAL FUND<br>Budget Planning FY 2008-2011 | FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 | Four-Year<br>TOTALS |
|---|---|---|---|---|---|
| | | | | | |
| **Beginning Gen Fund Reserves/Contingencies *** | **$202,113,358** | **$232,554,614** | **$237,087,518** | **$239,041,158** | **$910,796,647** |
| | | | | | |
| **GENERAL FUND MAJOR BUDGET ISSUES:** | | | | | |
| State Budget Impact - January Estimate | $2,400,000 | $2,400,000 | $2,400,000 | $2,400,000 | $9,600,000 |
| Salaries and Benefits Increases-Cumulative | 21,910,815 | 40,270,830 | 59,181,645 | 78,659,785 | 200,023,076 |
| Growth in Retiree Health Contributions | 250,000 | 512,500 | 788,125 | 1,077,531 | 2,628,156 |
| New Youth Services Center Debt Service Payments | 5,300,000 | 9,000,000 | 9,000,000 | 9,000,000 | 32,300,000 |
| Increases Community-Based Orgs-3% thru FY11 | 803,716 | 1,631,543 | 2,484,206 | 3,362,448 | 8,281,913 |
| Sheriff's Office Relief Staffing | 1,750,000 | 3,275,000 | 3,373,250 | 3,474,448 | 11,872,698 |
| AOD Strategic Plan / Fire Fund Contribution | | | | | 0 |
| Phases 1 and 2 Planning and Building Recomm | 735,439 | 456,276 | | | 1,191,715 |
| Private Defender Contract Negotiations | 584,926 | 1,193,248 | 1,825,904 | 2,483,866 | 6,087,943 |
| **Major Budget Costs/Issues Subtotal** | **$33,734,896** | **$58,739,398** | **$79,053,130** | **$100,458,078** | **$271,985,501** |
| | | | | | |
| **COUNTYWIDE BUDGET SOLUTIONS:** | | | | | |
| General Revenue Growth-Cumulative | 14,020,057 | 27,790,945 | 41,878,607 | 56,842,927 | 140,532,536 |
| Public Safety Sales Tax Rev Growth-Cumulative | 1,289,886 | 2,605,571 | 3,947,569 | 5,316,406 | 13,159,432 |
| Other Sources-Youth Services Center Debt Service | 5,300,000 | 9,000,000 | 9,000,000 | 9,000,000 | 32,300,000 |
| Department Salary and Benefit Increase Offsets | 5,501,129 | 9,323,735 | 13,146,342 | 16,968,948 | 44,940,155 |
| Restore SB90 Mandate Reimbursement - State | 25,641 | 52,051 | 79,254 | 107,273 | 264,219 |
| Estimated Excess ERAF Returned to County | 22,039,438 | | | | 22,039,438 |
| Use of Existing Non-Departmental Reserves | (30,441,256) | (4,532,904) | (1,953,641) | | (36,927,801) |
| **DEPARTMENTAL SOLUTIONS:** | | | | | |
| Reduced Contributions to the Medical Center | 16,000,000 | 14,500,000 | 12,955,000 | 11,363,650 | 54,818,650 |
| Departmental Reductions | | | | 858,872 | 858,872 |
| **Solutions Subtotal** | **$33,734,896** | **$58,739,398** | **$79,053,130** | **$100,458,078** | **$271,985,501** |
| | | | | | |
| **BALANCE** | **$0** | **$0** | **$0** | **$0** | **$0** |
| | | | | | |
| **Ending Gen Fund Reserves/Contingencies *** | **$232,554,614** | **$237,087,518** | **$239,041,158** | **$239,041,158** | |
| * Represents Non-Departmental General Fund only; approx. $30 million in Departmental Reserves are not included | | | | **Balance is approximately 18.9% of General Fund Net Appropriations** | |

**Preliminary Impact of Governor's January Budget Proposal**

At its January 23 meeting, the Board was provided with a preliminary analysis of the Governor's January budget proposal. County staff estimates potential reductions of $2.4 million in General Fund programs. The Governor's budget includes significant cuts to CalWORKs which could increase Net County Cost by an estimated $1.5 million should the County elect to backfill the lost CalWORKs services with General Assistance payments. The Governor also proposes to eliminate the Integrated Services for Homeless Adults and Serious Mental Illness Program for a loss of $914,000. The full cost and programmatic impacts of the Governor's Budget have yet to be determined with the major areas of concern being the Corrections and Healthcare reform proposals. We will continue to provide the Board with updates throughout the budget process.

**Criminal Justice**

**Governor's Corrections Reform Proposal** – The Governor's plan calls for placing low-level adult and juvenile offenders in county facilities rather than state facilities to allow offenders who pose a minimal public safety risk to serve their sentences closer to their communities and families. To accomplish this, it is proposed that inmates sentenced to three years or less be housed in county jails for the duration of their sentences. This plan would provide $5.5 billion for local jail and juvenile facility construction ($4.4 billion in lease revenue bonds and $1.1 billion in local matching funds). The Governor has not identified solutions to the ongoing operating costs caused by the shift in population. Currently the County sends approximately 500 adult inmates a year to state prison. Approximately 60% of those are sentenced for three years or less, meaning that an additional 300 prisoners per year could be housed in San Mateo County. By year three, this could result in 700 to 800 additional inmates—some inmates in their third year of incarceration, some in their second year, and some in their first year simultaneously. After the third year the amount would level off, assuming that the number of new inmates equals the number of inmates leaving custody. This would require building another men's jail in San Mateo County or teaming with other Bay Area counties in a shared facility that would house only sentenced inmates. To put these costs in perspective, the annual operating budget for the Maguire facility is $43.2 million to house 920 inmates. We will continue to monitor the Governor's proposal closely.

**Long-Term Solutions to Jail Overcrowding Situation** – On January 26, 2007 the Maguire Correctional Facility is 46.5% above rated capacity with 1,008 inmates and the Women's Correctional Center (WCC) is 64% over rated capacity with 138 inmates. At one point in November 2006 the population at WCC reached 185 inmates or 120% over rated capacity. To relieve overcrowding at the Women's Jail to manageable levels, 24 of the 1,008 inmates currently housed at Maguire are women. More information on inmate population trends can be found on page 25 of this report.

The Board Jail Overcrowding Task Force will be examining new facilities and new and/or expanded programs that will introduce alternatives to incarceration that are aimed at controlling inmate populations at acceptable levels. Jail space is limited and needs to be used to house those individuals that represent the greatest danger to the general public and themselves. Overcrowding in the County's jails is not only dangerous to both inmates and Correctional staff, but it is also very costly. County leaders need to develop a plan that increases the number of jail beds to an appropriate level given the County's projected population and demographic growth and simultaneously introduces creative solutions for rehabilitating non-violent offenders in out-of-custody programs.

**Women's Jail Facility Planning** – The County operates a Women's Correctional Center (WCC) with an average daily inmate population of 139 inmates. The facility is situated on a two-acre parcel of land that is jointly used by the WCC, the Sheriff's Work Program, a Men's Transitional Facility and a building leased to a local non-profit that operates Maple Street Shelter for the homeless. The existing facility has a number of issues including inadequate visiting and child care areas, lack of usable storage, drainage issues, lack of recreational space and limited programmatic space. With these concerns in mind, the Board approved $100,000 in the current budget to hire a consultant to conduct a program and facility needs assessment for incarcerated women. The County has contracted with DMJM to perform the needs assessment and DMJM has sub-contracted with Bobbie Huskey to perform the programming needs component. The work performed will include locating a site for the new facility; projecting pre-trial and post adjudication inmate growth over the next twenty years; identifying the programming needs of the women's population; and based on future inmate projections and programming, determining the size of the facility. Consideration must also be given to building in overflow capacity for the men. To this end, the County is currently in the process of amending the agreement with DMJM to include a jail overcrowding study for the men as well as the women. Following completion of the needs assessment, the Jail Overcrowding Task Force, led by Supervisors Church and Tissier, will report back to the full Board with recommendations for next steps that will include cost and timeframe estimates.

**Sheriff's Overtime/Relief Pool Update** – In 2005, the Board authorized the Sheriff, in exchange for reducing the overtime budget by $1 million, to establish a Relief Staffing Pool with an initial nine positions. In June 2006, the Sheriff requested an additional nine positions be added to the Relief Pool. At that time, the Board and the County Manager requested further information be brought back to the Board in September 2006 before moving forward with the additional relief positions. Based on the information provided at the September hearings, the Board approved a $1.4 million overtime allocation to help alleviate Sheriff's relief staffing budget needs, in lieu of approving additional positions. Since September, a workgroup of Sheriff's and CMO staff continue to meet to analyze and assess relief staffing needs, including current overtime usage, current year usage as it compares with the prior year, status of filling the nine Relief Pool positions added in 2005, relief staffing practices by other county Sheriffs, and to formulate staffing recommendations for the upcoming budget.

To summarize the workgroup's findings, overtime use in the current fiscal year is nearly identical to usage for the same period in FY 2005-06, with 85% of the overtime used to staff mandated posts in Patrol, Maguire, Custody, and Court Security and Inmate Transportation, compared to 84% last year; and the total number of hours for the first ten pay periods in FY 2005-06 and FY 2006-07 was 64,761 and 64,660 respectively. The Sheriff's Office has made significant headway in filling its vacancies. As of January 2007, approximately 14 months after the authorization of the initial relief positions, all nine positions have been filled and are in various stages of training. Upon completion of training, all nine will be eligible for full-time, regular Relief Pool assignments. It is expected that the initial Relief Pool Assignments will begin April 1st, with all nine Relief Pool positions active by August 2007.

The workgroup's recommendation is to move forward with rectifying staffing shortages for relief needs, by increasing the relief pool from nine to 27 positions over a two-year period. The recommendation is to add nine positions in FY 2007-08 (one Sergeant and eight Deputy Sheriffs) and nine more in FY 2008-09 (some combination of Deputy Sheriffs and Correctional Officers, to be determined by February 2008). The fiscal impact is expected to be ongoing increase in Salaries and Benefits of approximately $1,750,000 in FY 2007-08 and an additional $1,525,000 in FY 2008-09. The workgroup will continue to monitor overtime usage and evaluate the impacts of the permanent relief staff on the overtime budget. A full report on the workgroup's findings is attached.

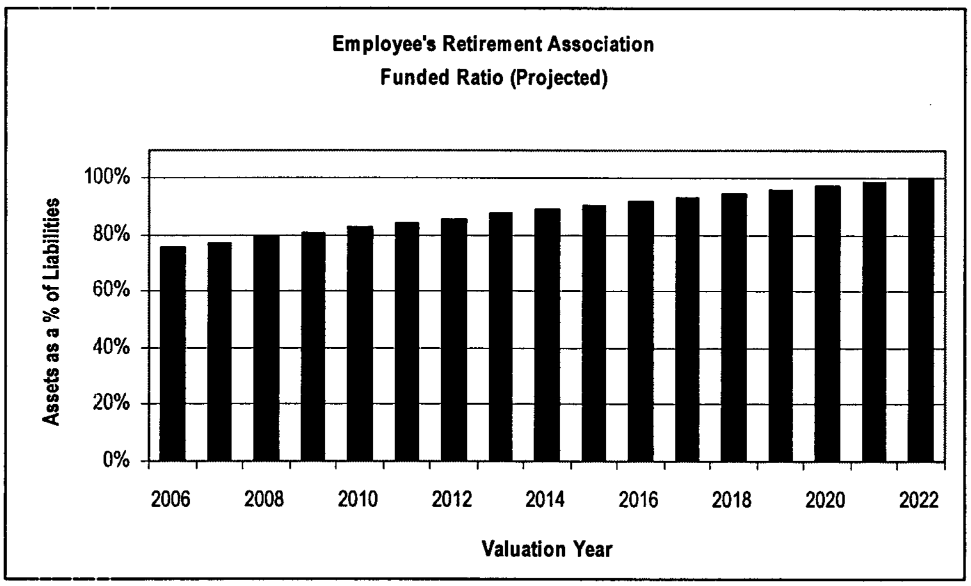
**<u>Employee Compensation</u>**

**Negotiated Salary and Benefits Increases** – Based on recently concluded negotiations with the major bargaining units and salary surveys for the Deputy Sheriff's Association, Salaries and Benefits for the entire County are projected to increase an additional $7.8 million over what was already budgeted in FY 2006-07 for a total of $637.1 million. The General Fund will increase by $6.0 million to $479.5 million. This includes existing negotiated salary increases and related benefits, increases in employee health benefits costs, and other estimated labor costs. In FY 2007-08, negotiated increases will amount to $23 million for the entire County and $16.6 million for the General Fund. In FY 2008-09, the increases will be $24 million and $18.4 million, respectively. The chart on the following page shows budgeted Salaries and Benefits for the past two years, the adjusted FY 2006-07 budget (including recent negotiations), and estimates for the next two years for the entire County and the General Fund. The large increases in FY 2006-07 were the result of the negotiations and a 25% increase in the County's Retirement Contribution rates that resulted from an actuarial study conducted in March 2006.

| Salary and Benefit Increases - FY 2004-05 through FY 2008-09 | | | | | |
|---|---|---|---|---|---|
| **Fund Level** | **FY 2004-05** | **FY 2005-06** | **FY 2006-07** | **FY 2007-08** | **FY 2008-09** |
| All Funds | 526,841,254 | 564,625,714 | 637,118,223 | 660,170,596 | 684,194,699 |
| All Funds % Inc | 7.0% | 7.2% | 12.8% | 3.6% | 3.6% |
| | | | | | |
| General Fund | 398,538,598 | 425,434,956 | 479,466,067 | 496,326,825 | 514,686,840 |
| General Fund % Inc | 6.0% | 6.7% | 12.7% | 3.5% | 3.7% |

It should be noted that these increases are out pacing general purpose revenues as well as combined caseload growth. As you can see on the table on page six, general purpose revenues are expected to grow $153.7 million over the next four years while the growth in General Fund Salaries and Benefits approximates $200 million. Fortunately, we anticipate that most operating departments can generate additional revenues through federal and State claims and/or fees for services that will offset these cost increases by as much as $45 million over the next four years. The greater concern is that the three departments that manage the County's 24/7 facilities—the Medical Center, the Sheriff's Office and the Probation Department—are not able to offset cost increases. In FY 2002-03 the three departments accounted for 41.5% of the County's Net County Cost. That percentage is expected to increase to 48.5% by the end of FY 2006-07.

**Retirement Contribution Rates/Unfunded Pension Liability** – As of June 30, 2005, the County's Unfunded Actuarial Accrued Liability (UAAL) for retirement was $576 million with a funded ratio of 74.2%. The UAAL remained static in FY 2005-06, however, the funded ratio increased to 75.4%. The primary reason for the increase was due to a higher than anticipated County payroll in FY 2005-06. This higher payroll also reduces the Average Employer Contribution Rate the County must pay in subsequent years. As a result, the Average Rate will drop from 25.16% in FY 2006-07 to 24.71% in FY 2007-08. Based on current actuarial assumptions and a 15-year amortization schedule, the following chart illustrates the County's timeline for achieving a funded ratio of 100% by 2022.




**Purchase of Additional Retirement Credit (ARC or Air Time)** – The County is currently examining the feasibility of implementing the Air Time benefit, whereby contributing employees with at least five years of County service may purchase up to five years of additional service for Retirement purposes. This benefit should be cost neutral to the County as participating employees would pay an amount, either as a deduction to payroll or in lump sum payments, which would equal the present value of the benefit. The lump sum payments may include pre-tax dollars transferred from deferred compensation accounts. The study will provide recommendations on the formulas and assumptions to be used when calculating the employee costs. The plan is to have the study completed by the end of February and, based on the results of the actuary's findings and recommendations, present a resolution to the Board at the March 13, 2007 Board meeting that could authorize program implementation with a July 1, 2007 effective date.

**Other Post Employment Benefits (OPEB)/Unfunded Retiree Health Liability** – Over the past two years, the Board appropriated $79 million to provide advance funding of liability related to retiree health and other post-employment benefit costs. On December 4, 2006, these funds were transferred to Vanguard's Balanced Index Fund (Institutional Shares) to obtain a higher rate of return while the County evaluates its options for pre-funding post retirement medical benefits. The new Government Accounting Standards Board (GASB 45) mandates, effective July 1, 2007, the reporting of annual required contributions related to other post-employment benefits, including the amortization of any unfunded actuarially accrued liability.

A new actuarial study will be needed to factor in the enhanced benefits recently negotiated with the major bargaining units. The estimated unfunded liability, based on the past actuarial study conducted in 2005, was $98.8 million, but the new number will be considerably larger. Currently, retiree health costs approximate $3.8 million annually on a pay-as-you-go basis. Amortizing these costs over a predetermined number of years and depositing them in an approved fund, much like retirement contributions are handled, will result in higher cost at the beginning of the amortization cycle but result in savings in the long-run. The County won't be able to estimate the amount of the annual contributions until the new actuarial study has been completed in February. Annual contributions could be reduced significantly by using Reserves to pay down the liability.

**San Mateo Medical Center**

**San Mateo Medical Center Financial Status** –The Medical Center is projecting a $5.5 million deficit this fiscal year as a result of under-realized proceeds from the Medi-Cal waiver. This is in addition to the County providing SMMC with a $12 million loan in the current fiscal year. Given the Medical Center's limited ability to offset rising costs, it is assumed that an additional loan of $15-$20 million will be necessary in FY 2007-08 given the projected budget deficit and Salary and Benefit increases in FY 2007-08 of $7 million.

The Governor's proposed Healthcare Reform Proposal by the California Association of Public Hospitals and Health Systems estimates that the Medical Center could sustain additional reductions of $11 million in each of the next three years, as the Governor is proposing to use the safety net care pool to fund his proposal. Hospital Administration and my staff will work diligently with elected officials and legislative advocates in Sacramento to design a political strategy to prevent this from happening.

The overall financial outlook of the Medical Center continues to worsen. General Fund support of the Medical Center has gone from $16.8 million in FY 1998-99 to an estimated $72 million in FY 2006-07. We can expect that number to rise to as much as $85 million in FY 2007-08 (not including the Governor's Healthcare Reform Proposal). The General Fund cannot sustain this type of growth much longer.

**Federally Qualified Health Centers (FQHC) Audit** – FQHC is a federal payment option that enables qualified providers in medically underserved areas to receive cost-based Medicare reimbursement. California's Medi-Cal program now uses a Prospective Payment per visit reimbursement methodology. The State began conducting audits in 2003 of FQHC funded providers, including the Medical Center. The audits showed FQHC overpayments to the Medical Center in FY 2001 and FY 2002 in the amount of $5.5 million. As of June 30, 2006, the Medical Center's audited statements indicate an estimated total repayment liability of $18.5 million since FY 2001. The Medical Center is taking immediate steps to evaluate the FQHC anticipated liabilities and has set aside $9.8 million from Long-Term Care Supplemental Payments for the sole purpose of addressing the FQHC anticipated re-payment. The General Fund may need to pay the difference after the audits are completed.

**Medi-Cal Waiver** – Under the waiver, the Medical Center went from a FY 2004-05 base year payment amount of $8.5 million to a projected final FY 2005-06 payment amount of $23.7 million. This increase includes a base year adjustment to bring the Medical Center's baseline to $16.5 million. This exceptional increase in payments, under the Medi-Cal waiver, was the basis for the FY 2006-07 projected payment amount of $25.8 million. However, the mechanics of distributing waiver payments among all 22 Designated Public Hospitals (DPH) are complex and resulted in a revised payment projection of $18.9 million in the current budget year. These projections did not address the additional Health Plan of San Mateo (HPSM) supplemental payments, which will impact the distribution of funds among the 22 Hospitals. Final FY 2005-06 payment distributions will not be determined until the spring of 2007 and FY 2006-07 in the spring of 2008.

**Indigent Healthcare Pilot Study** – As part of the FY2005-06 budget, amid concern over the continued increases in indigent healthcare costs and County contributions, the Board approved recommendations toward the creation of a long-term financially viable business model for providing healthcare to the County's medically indigent (Section 17000) population. One of these recommendations was to pilot a full financial screening and verification process using the modified One-e-App web-based system from October 2005 through March 2006. Full screening and verification using One-e-App has been rolled out at all San Mateo Medical Center clinics, as well as at 14 community-based sites. The Pilot Study has been extended to June 30, 2007, and results from the pilot will be used to develop a Memorandum of Understanding (MOU) with the Medical Center for the provision of care to the County's 10,000 medically indigent residents, as well as to explore the possibility of a proposed ordinance or other approaches to address the provision of and payment of charity care in the county.

**<u>Capital Improvement Projects</u>**

**Youth Services Center Turner Settlement** – The Youth Services Center construction project is now substantially complete and the County is using and occupying the buildings. Turner Construction has requested additional compensation from the County for those items that Turner claims are the responsibility of the County and according has presented or threatened certain claims. Conversely, there are aspects of Turner's performance and delivery of project that support claims and demands against Turner by the County. The parties have been discussing and considering how to resolve the outstanding issues between them and have recently reached a final settlement. The final settlement and mutual release agreement provide for the completion of all tasks necessary to finalize the entire project, for an upward adjustment in the payment to Turner and for the complete resolution of all claims between the parties regarding the work required to complete the project. The Agreement provides for an additional adjustment payment of $1.4 million to Turner for the release of the claims between the parties. Of this amount, $900,934 will come from Criminal Justice Facility Fund Reserves and the balance will be paid with project funds held by Union Bank. There is no impact on the General Fund as a result of this final settlement.

**Transfer of Court Facilities to the State** – In last year's mid-year report we apprised the Board of the State's intention of assuming ownership and responsibility of the County's court facilities, as follows: the Hall of Justice and the Traffic Annex in Redwood City, the Central Courthouse in San Mateo, the Youth Services Center on Tower Road, and the Northern Courthouse/Jail Annex in South San Francisco. Where there are shared-use facilities, such as the Hall of Justice, Youth Services Center, and the Northern Courthouse, the County would only transfer title and/or responsibility for the space in those facilities that is currently occupied by the Court.

To date, approximately 14 facilities out of 450 facilities statewide have been transferred and it's now a forgone conclusion that the San Mateo County transfers will not occur before the statutory deadline of July 1, 2007. The County remains committed to negotiations that will result in a satisfactory outcome for both the Court and the County, but it is important that the County ensure that the final outcome of these negotiations provides for both current needs and future growth of County services. At some point in the future, once the transfers have been successfully negotiated and completed, the County will be required to provide annual Maintenance of Effort funding to the State for the maintenance of the facilities transferred based on costs expended to maintain those facilities from 1995 to 2000, adjusted up for inflation. County staff is working with the State's Administrative Office of the Courts on these calculations and figures will be provided to the Board as we move further along in the process.

The transfer of County facilities to the Court will require the relocation of County services within the Redwood City campus, including a new office building to house the administrative departments in the Hall of Justice as well as space for the Sheriff's Office and 9-1-1 Dispatch Services. This build-out has been incorporated in the County Center Master Plan that was updated three years ago. Funding will need to be identified in future budgets for this purpose.

**Ongoing Capital Maintenance (Facility Assessment Study)** – Public Works is nearing completion of a countywide facility assessment study, which will evaluate the condition of all county-owned facilities. Once completed, the assessment will provide a baseline Facility Condition Index (FCI) number for each facility. The purchase of a Facility Condition Information System (FICIS) will assist the Department in prioritizing long-term maintenance and capital improvement projects for all County facilities. Completion of the study and software implementation is anticipated in March 2007.

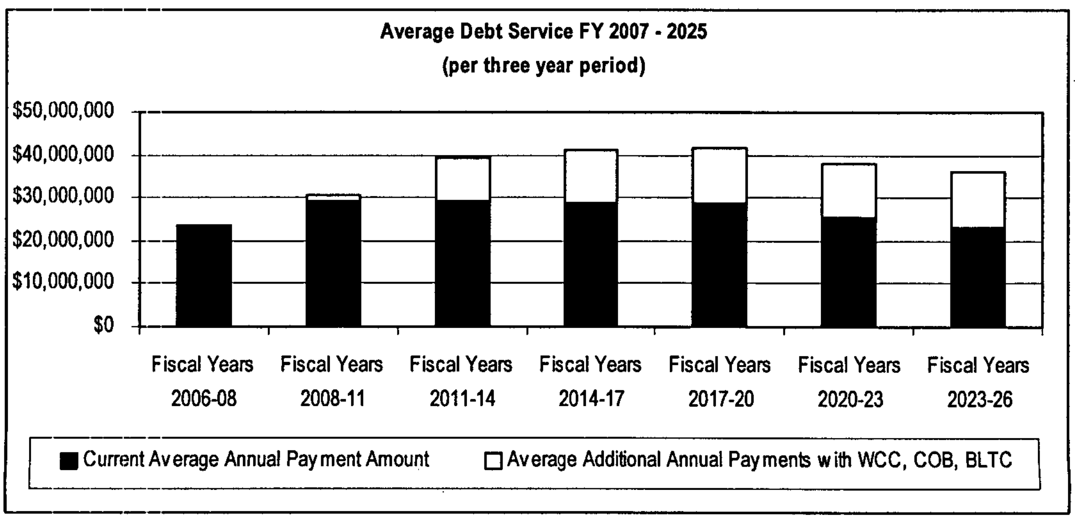
**Debt Service Projections for Next 20 Years** – The County's annual debt service obligation for FY 2006-07 is $21.8 million and will increase by $5.2 million in FY 2007-08 to $27 million when payments begin for the new Youth Services Center. In future years, the County will begin new projects that will significantly affect the amount of debt service payments over the next 30 years. New facility construction may include a new Women's Correctional Center (WCC), County Office Building (COB), and replacement of the Burlingame Long Term Care Facility.

One planning scenario includes completion of the new Women's Correctional Facility in FY 2010-11, new County Office Building in FY 2012-13, and new Long Term Care Facility in FY 2016-17. Cost assumptions based on this scenario were made by evaluating buildings of similar size and design and projecting debt service payments over a 30-year amortized period. Cost calculations use current construction costs estimates and are based on the following design assumptions:

- The Women's Correctional Facility construction costs are based on a 200 inmate capacity facility and no land acquisition expenses. Total project cost is estimated at $60 million.

- The County Office Building construction costs are based on comparing construction costs for 555 County Center with assumptions made for inflation, increased construction costs and without land acquisition expenses. Total project cost is estimated at $45 million. (Please note that this project can't move forward until the County and the Court have reached agreement on the transfer of court facilities at the Redwood City campus.)

- The Long Term Care Center costs are based on an industry standard of $300,000 per bed with the assumption that the replacement facility would house 285 beds and have no land acquisition expenses. Total project cost is estimated at $86 million.



## Other Budget Updates

**Excess Educational Revenue Augmentation Fund (ERAF) Revenues** – In December 2006, the County received $52.1 million in excess ERAF revenues for FY 2006-07. This distribution includes Excess ERAF from the April and December 2006 tax payments. This represents $26.3 million in unanticipated revenue as the County had budgeted $25.8 million. The County will budget $22 million in FY 2007-08. This amount represents the anticipated Excess ERAF from the upcoming April 2007 property tax distributions.

**Fire Protection Fund Revenue Shortfall** – The Board approved a final budget change last September to provide continued General Fund support for the Structural Fire Protection Fund due to a decline in property tax revenues. Fund Balance and Reserves in the Fire fund were also used to balance the budget. Revenues from the fund are used to pay for a contract with the California Department of Forestry (CDF) to provide fire protection services in the unincorporated area. A Board Subcommittee is currently developing a plan which could include a combination of new revenue, reductions in services provided by CDF, and/or additional General Fund support.

**Alcohol and Other Drug Strategic Plan** – On November 7, 2006, the Board of Supervisors adopted Strategic Directions 2010, the three-year strategic plan for alcohol and other drug prevention and treatment services. The plan outlined three principal strategic directions: primary access to services for Priority Populations; System Improvements; and Resource Development. The four priority populations identified are: (1) Families with Youth Children; (2) Youth; (3) Homeless Individuals and Families; and (4) Adults returning to the community from incarceration. In adopting the plan, the Board requested staff, as part of the mid-year budget review, to identify additional funds to support the implementation of the plan commencing in FY 2007-08.

A separate report is attached for the Board's consideration. It includes sample spending plans that identify how additional funds might be distributed among the four populations to increase access to services as well as support prevention efforts. Should the Board allocate additional funding, the Alcohol and Other Drug Steering Committee would make specific recommendations for inclusion in the FY 2007-08 Recommended Budget. Any increased funding would result in a corresponding increase to the General Fund structural deficit requiring additional reductions in other operations.

**Planning and Building Implementation of Task Force Recommendations** – The Planning and Building Department is in the process of filling the nine new positions the Board of Supervisors approved in December 2005. The Department has filled five of the nine positions and will have the remaining four filled by the end of FY 2006-07. The Board approved use of General Fund money to cover the costs of these new positions for a three-year period. The Department is tracking the costs of the new positions and how those costs relate to the existing permit application fees. Once the Department has collected two full years of data, it will be evaluating which permit fees need to be raised to cover the costs of the new positions and how much those fees would need to be raised. It is anticipated that the Development Review Services Program will be completely self-sufficient by FY 2009-10 and the annual General Fund allocation will no longer be required. Fee revenue will need to be monitored closely to reach this goal. General Fund support will continue for City/County Association of Governments (C/CAG) and Long Range Planning Services.

**Elimination of Fiscal Services Provided to Superior Court** – The Court recently provided the County with its intention to discontinue certain County fiscal services and transition to a State Court accounting system effective July 1, 2007. These services are being discontinued through a statewide directive from the Administrative Office of the Courts (AOC). The services to be discontinued include Purchasing, IFAS Accounting, Accounts Payable, some Banking services, and use of the County's Data Network Infrastructure. The Court will continue to use County Payroll services. Currently, the Court reimburses the County for these services through A-87 overhead charges, which is a state approved method for allocating overhead costs. We anticipate that County A-87 revenues will be reduced by approximately $150,000 as a result. To offset the loss in funding, the budget targets for the affected service departments will be adjusted accordingly.

**Pandemic Flu Preparations** – Since the last budget update, the Health Department and the Sheriff's Office of Emergency Services and partners across the County and community have worked together to strengthen planning and preparation for the threat of Pandemic Influenza. A multi-sector group including business, schools, hospitals, city/county departments, vulnerable populations, and community/faith-based organizations has been formed to support preparation of key sector-specific Pandemic Influenza response plans. Plans in the areas of Healthcare, Vulnerable Populations, Public Health, Cities, County Departments, Courts/Corrections, Business, Community and Faith Based Organizations, Transportation, and Schools will be completed by March 2007. A Pandemic Influenza exercise is being planned for May 2007, in order for the many public and private stakeholders to test and refine their plans by putting them into use.

The Board of Supervisors received a briefing on May 2, 2006 during a study session on Pandemic Influenza, and approved the Public Health Response to Pandemic Influenza at that time. The briefing provided information on the essential elements of the plan including: public and private information campaigns on how to stay healthy, care for people at home and during a pandemic, and how to care for people who usually receive care at healthcare facilities; coordination with local hospitals to develop policies and procedures for triage/assessment and treatment; development of training methods for volunteers to assist during an outbreak; and development of polices and procedures for procuring and storing supplies. The first key public education piece—*The Influenza Home Care Brochure and Guide to Flu Prevention: A Guide for Group Homes and other Residential Settings*—has been prepared and is available through the Health Department website: http://www.smhealth.org/flu. The cost of the response to Pandemic Influenza is being handled within existing budget resources, with approximately 25% of the cost offset by Federal and State funding.

## LOCAL ECONOMIC INDICATORS

The following indicators provide information on current local economic activity compared to prior years and state/national trends. Trends in the data assist in generating projections for general purpose revenue such as property tax, sales tax, and transient occupancy tax:

- Bay Area Consumer Price Index (CPI)
- Housing Affordability Index
- Median Home Price
- Office Space Availability and Asking Rates per Square Foot
- Assessment Appeal Filings
- Building Permits Issued
- Unemployment Rate
- PeninsulaWorks Visits
- Emergency Room Visits
- Enrollment in WELL, Medi-Cal, Healthy Families and Healthy Kids
- Public Assistance Caseloads
- San Francisco International Airport – Total Passengers
- Jail and Juvenile Hall Populations

### Bay Area Consumer Price Index (CPI)

The Consumer Price Index (CPI) measures the change in the price of goods over time. The change in the index is referred to as the rate of inflation, and is used in assumptions for calculating future costs. Bay Area Consumer Price Index (CPI) is projected to grow this fiscal year by 2.7%, which matches the level of growth in FY 2006. While Bay Area CPI is expected to remain flat, California CPI is projected to decrease from 4.2% to 3.0%, as is the national CPI from 3.8% to 2.2%. Bay Area CPI is projected to decrease moderately to 2.5% in FY 2008 due to expected reductions in home construction and a leveling of gasoline, fuel and utilities costs.

| *General CPI Fiscal Year* | *Bay Area % Change* | *California % Change* | *U.S. % Change* |
|---|---|---|---|
| 2008* | 2.5% | 2.7% | 2.3% |
| 2007* | 2.7% | 3.0% | 2.2% |
| 2006 | 2.7% | 4.2% | 3.8% |
| 2005 | 1.7% | 3.3% | 3.0% |
| 2004 | 0.9% | 1.9% | 2.2% |
| 2003 | 1.9% | 2.6% | 2.2% |
| 2002 | 3.2% | 2.9% | 1.8% |
| 2001 | 5.5% | 4.3% | 3.4% |
| 2000 | 4.2% | 3.2% | 2.9% |
| 1999 | 3.6% | 2.5% | 1.7% |
| 1998 | 3.4% | 2.0% | 1.8% |
| 1997 | 3.0% | 2.3% | 2.9% |
| 1996 | 1.9% | 1.4% | 2.7% |

Source: FY96 to FY06 Bureau of Labor Statistics.
*FY07 to FY08 CA Dept of Finance projections for CA and U.S. and Bay Area CPI, Governor's Budget Forecast November 2006.

**First-Time Housing Affordability Index**

The housing affordability index is the most fundamental measure of housing well-being in the state. The percentage of first-time buyers in the Bay Area who can afford to purchase a median-priced home in the third quarter of 2006 was 25%, representing a decline of four percentage points compared with the same period a year ago. San Mateo County continues to remain one of the least affordable places to buy a home in California. Only 20% of first-time buyers can afford to buy a home in the county as of the third quarter in 2006, down from 24% in 2005.

| *First-Time Buyer Housing Affordability Index* | *3rd Quarter 2004* | *3rd Quarter 2005* | *3rd Quarter 2006* |
|---|---|---|---|
| California | 35% | 28% | 24% |
| United States | 68% | 61% | 59% |
| SF Bay Area | 29% | 29% | 25% |
| Sacramento | 46% | 40% | 38% |
| Santa Clara | 42% | 33% | 27% |
| Monterey Region | 24% | 19% | 17% |
| Alameda County | 30% | 27% | 24% |
| Contra Costa County | 25% | 30% | 27% |
| San Francisco | 22% | 21% | 17% |
| Marin County | 26% | 23% | 22% |
| **San Mateo County** | **30%** | **24%** | **20%** |
| San Joaquin County | 38% | 34% | 27% |
| Stanislaus County | 48% | 38% | 35% |

Source: CA Association of Realtors www.car.org

**Median Home Price**

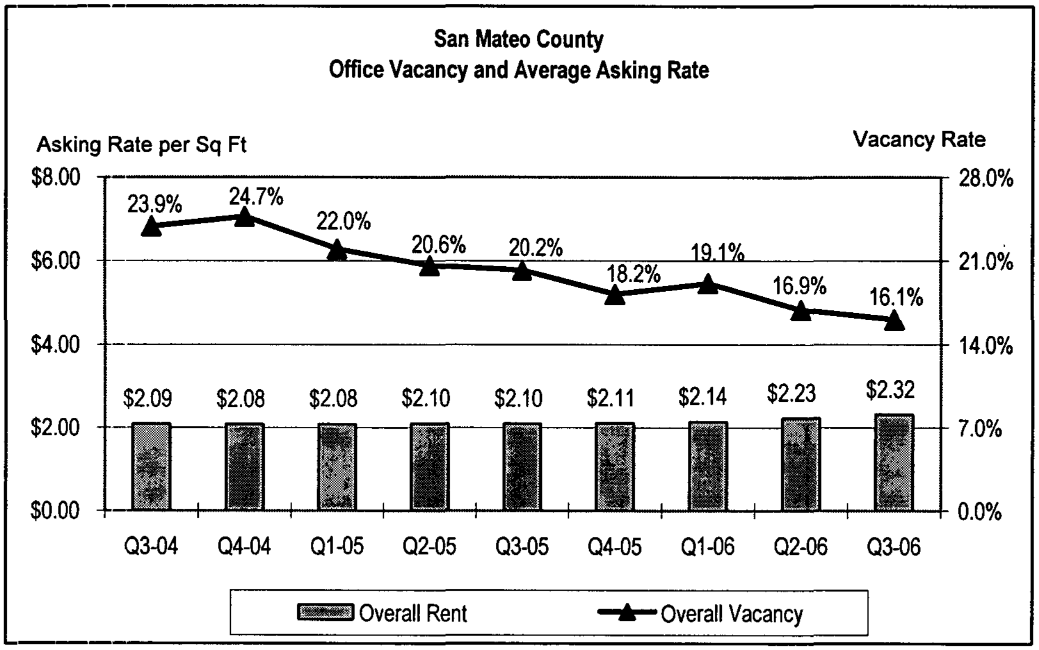
Median home prices in the Bay Area were flat, up by only 0.5% compared to the prior year, when prices were up by 14.3%. The median price paid for a Bay Area home was $612,000 in December 2006 compared to $609,000 a year ago. The San Mateo County median home price dropped by 1.2% to $730,000 compared to $739,000 last year when prices were up by 10.6%. The number of homes sold in the Bay Area continues to decline, down by 19.9% from last December. This decline was the steepest since sales fell 27.2% in November 2001.

| *Bay Area Counties* | *Number Homes Sold December 2005* | *Number Homes Sold December 2006* | *Median Price December 2005* | *Median Price December 2006* | *Median Price % Change* |
|---|---|---|---|---|---|
| Bay Area | 9,347 | 7,488 | $609,000 | $612,000 | 0.5% |
| Alameda | 1,903 | 1,473 | 575,000 | 585,000 | 1.7% |
| Contra Costa | 1,963 | 1,559 | 573,000 | 572,000 | -0.2% |
| Santa Clara | 2,305 | 1,908 | 642,000 | 648,000 | 0.9% |
| **San Mateo** | **738** | **592** | **739,000** | **730,000** | **-1.2%** |
| San Francisco | 552 | 431 | 727,000 | 753,000 | 3.6% |
| Marin | 292 | 253 | 771,000 | 795,000 | 3.1% |
| Napa | 174 | 127 | 572,000 | 586,000 | 2.4% |
| Solano | 773 | 588 | 473,000 | 449,000 | -5.1% |
| Sonoma | 647 | 557 | 558,000 | 523,000 | -6.3% |

Source: DataQuick Information Systems www.dqnews.com/RRMain.shtm

**Office Space Availability**

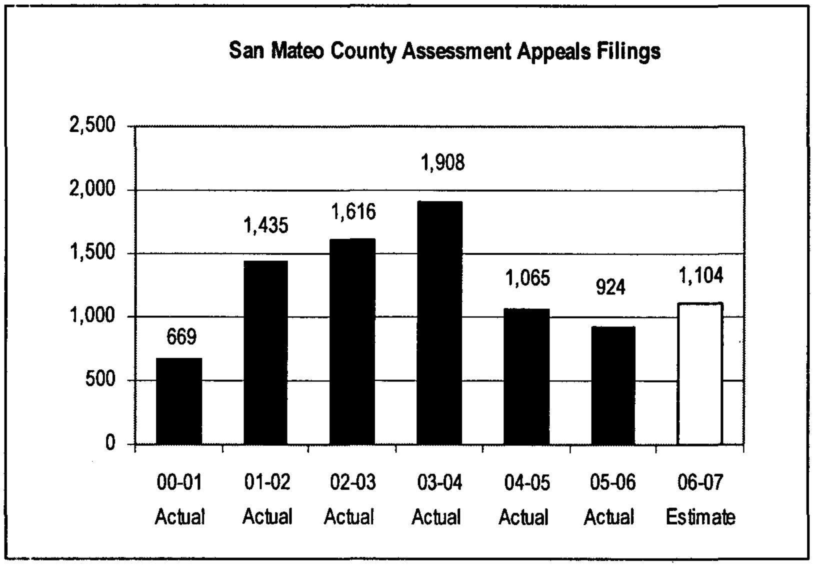
Vacancy rates in the San Mateo County office market showed continued improvement during the past twelve months, dropping from 20.2% for the third quarter of 2005 to 16.1% by the third quarter of 2006, its lowest point in five years. The highest vacancy rates were reflected in the southern part of the county at 18.4%; however, this is a major improvement over the 30% vacancy rate experienced just one year prior. About 24.5% of the listings in the southern region are for spaces over 20,000 square feet, which may account for its historically high vacancy rate in comparison to the northern and central regions. Office space ranging from 1,000 to 10,000 is most in demand in all sub-markets. The laws of supply and demand were in full force in the southern and central regions of the County as the average asking rate countywide rose to $2.32 per square foot per month, its highest mark since year-end 2002. The average asking rate reached $2.33 in the southern region and $2.39 in the central region, but lingers at $2.09 in the northern region. The average length of time office space has remained on the market dipped from 25.5 months for the third quarter of 2005 to 12.5 months for the third quarter of 2006, representing a 51% decline over a twelve-month period.




Source: NAI BT Commercial

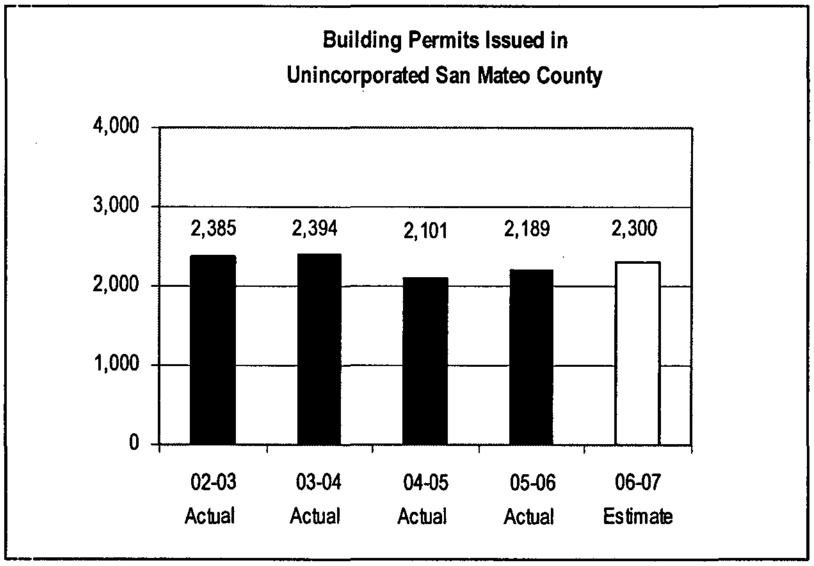
**Assessment Appeals Filings**

There were 1,104 assessment appeals filed with the Assessment Appeals Board as of December 2006, representing an increase of 180 filings or 19.5% over FY 2005-06 appeals. The filing period for appeals is from June 2 through November 30. The appeals received after the deadline are primarily base year value appeals, which are a result of reassessments and supplemental transactions during the year. There are currently 1,174 open appeals of which 82% were filed in the past two years.




**Building Permits**

It is estimated that the number of building permits issued by the end of this fiscal year will reflect a steady three-year upward trend in development. Previous fiscal years reflected stalled economic growth that appears to be reversing. Current activity indicates that the majority of building permits processed are for improvements to existing structures.

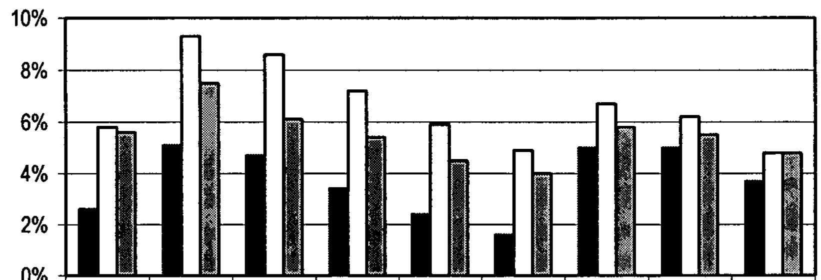



Source: San Mateo County Planning and Building Department

## Unemployment Rate

The County's latest unemployment figures show definite signs of improvement averaging 3.3% in December 2006 compared to 3.6% in December 2005. The average unemployment figure for California in December 2006 was 4.6% and the U.S. average was 4.3%. The County's December 2006 unemployment rate of 3.3% remains one of the lowest in the state. Only Marin (3.1%) and Orange (3.2%) were lower. Though the final 2006 numbers have not been published yet, the County's 2006 annual rate will be in the 3.7% – 3.8% range, down from 4.3% in 2006. By comparison, the final California and U.S. Unemployment rates for 2006 are expected to be in the 4.8% range.

**San Mateo County Unemployment (Annual)**




| | 1990 | 1992 | 1994 | 1996 | 1998 | 2000 | 2002 | 2004 | Est. 2006 |
|---|---|---|---|---|---|---|---|---|---|
| ■ San Mateo | 2.6% | 5.1% | 4.7% | 3.4% | 2.4% | 1.6% | 5.0% | 5.0% | 3.7% |
| □ California | 5.8% | 9.3% | 8.6% | 7.2% | 5.9% | 4.9% | 6.7% | 6.2% | 4.8% |
| ▩ U.S. | 5.6% | 7.5% | 6.1% | 5.4% | 4.5% | 4.0% | 5.8% | 5.5% | 4.8% |

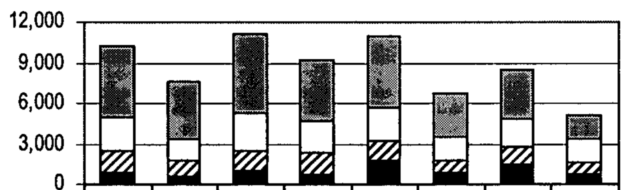
■ San Mateo □ California ▩ U.S.

Source: CA Employment Development Department http://www.labormarketinfo.edd.ca.gov

## PeninsulaWorks Visits

Utilization of the County's PeninsulaWorks Centers has seen a gradual decline over the past twelve months. In December 2006, the total number of clients seeking career counseling, skills assessment, job training, and job search assistance was 5,179 compared to 6,767 in December 2005. It should be noted that December is traditionally a month of lower aid applications and usage.

**PeninsulaWorks Visits**

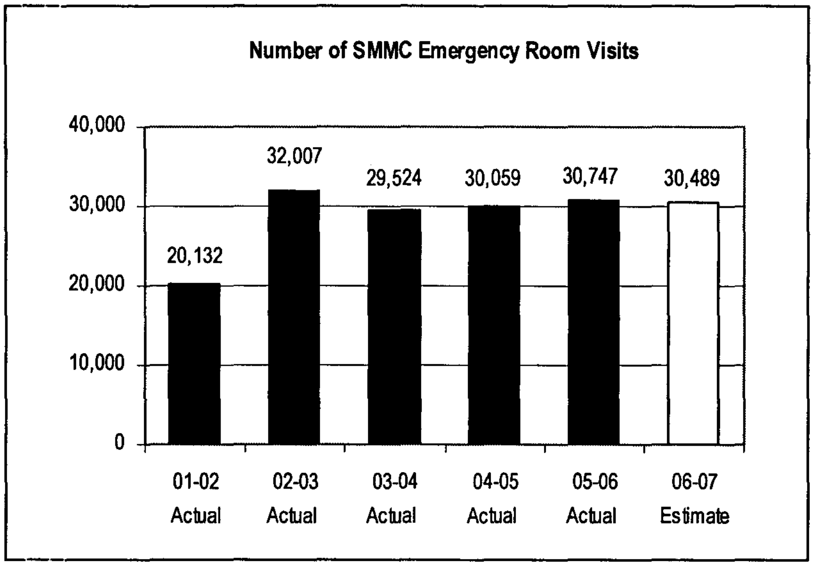



| | Jun 03 | Dec 03 | Jun 04 | Dec 04 | Jun 05 | Dec 05 | Jun 06 | Dec 06 |
|---|---|---|---|---|---|---|---|---|
| ▩ Northern Region | 5,292 | 4,289 | 5,804 | 4,539 | 5,261 | 3,232 | 3,777 | 1,788 |
| □ Central Region | 2,496 | 1,541 | 2,910 | 2,372 | 2,402 | 1,753 | 2,006 | 1,714 |
| ▨ South RWC Region | 1,628 | 1,147 | 1,401 | 1,519 | 1,477 | 915 | 1,327 | 918 |
| ■ South OICW Region | 865 | 647 | 1,014 | 773 | 1,798 | 867 | 1,450 | 759 |

Source: Human Services Agency

**Emergency Room (ER) Visits**

ER visits at the Medical Center increased dramatically from FY 2000-01 to FY 2002-03, largely due to increased unemployment and corresponding loss of health benefits associated with the recent economic downturn. Through November of the current fiscal year, there have been 12,233 ER visits. The Medical center forecasts 30,489 visits this fiscal year, a 0.1% decrease from last year.

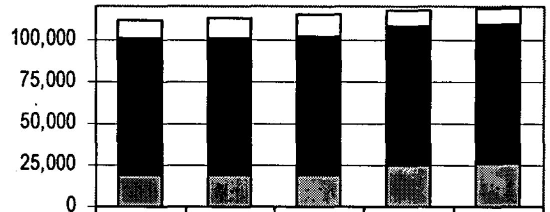



**Insurance Enrollments**

The Health Department continues to lead efforts in identifying individuals who are eligible for health insurance, successfully enroll them in the appropriate program, and assist them in accessing needed preventive care. Several community enrollment sites have been established throughout the County and application assistance is available seven days a week including evening and weekends. The enrollment locations include schools, family centers, and all free and low-cost clinics in the County. There are over 50 Certified Application Assistors (CAAs) in the County assisting families with both enrollment and re-enrollment into the various health programs. With One-e-App, the web-based application processing system, CAAs have conducted phone enrollments with families unable to come in for in-person appointments. The Health Department has also partnered with community-based organizations to conduct new member orientations throughout the County in which important information on preventive care is discussed and families are encouraged to utilize their health benefits.

In addition, the WELL Program—the County's Section 17000 program that provides coverage for healthcare services at SMMC facilities at little or no cost for persons living below 200% of the federal poverty line who are not eligible for other programs—continues to support the County's indigent population. Enrollments rose steadily between FY 2002-03 and FY 2004-05, due in part to reductions in employer-sponsored insurance offered to patients. More recently, tighter screening and documentation requirements have led to a decrease in WELL Program enrollments and an increase in other assistance programs.

**Number of Eligible San Mateo County Adults Enrolled in Health Insurance**

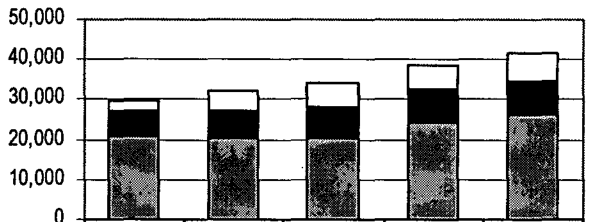



| | 02-03 Actual | 03-04 Actual | 04-05 Actual | 05-06 Actual | 06-07 Estimate |
|---|---|---|---|---|---|
| County WELL Program | 10,792 | 12,029 | 13,054 | 9,686 | 9,440 |
| Medicare | 82,298 | 81,865 | 82,597 | 83,289 | 83,666 |
| Medi-Cal | 18,670 | 19,257 | 19,200 | 24,468 | 26,137 |

Source: Health Department, Human Services Agency

Another key element of this effort is the Children's Health Initiative, which had enrolled more than 6,000 children in the Healthy Kids insurance program by the end of FY 2005-06.

**Number of Eligible San Mateo County Children Enrolled in Health Insurance**



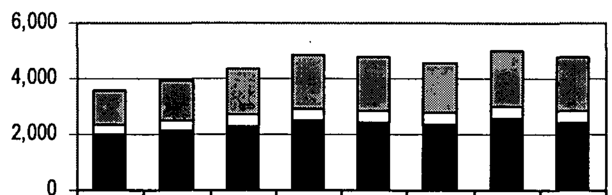

| | 02-03 Actual | 03-04 Actual | 04-05 Actual | 05-06 Actual | 06-07 Estimate |
|---|---|---|---|---|---|
| Healthy Kids | 2,850 | 4,861 | 5,805 | 6,073 | 6,768 |
| Healthy Families | 6,472 | 7,074 | 8,049 | 8,585 | 8,750 |
| Medi-Cal | 20,595 | 20,358 | 20,346 | 24,058 | 26,005 |

Source: Health Department, Human Services Agency

## Public Assistance Caseloads

The caseload data for June 2006 shows a 9% increase in the number of Food Stamps cases from the same period last year. This can be attributed to the successful implementation of the Food Stamp and Outreach program. Caseloads for CalWORKs also increased by 3.4%, from 2,325 in 2005 to 2,405 in June 2006. The General Assistance caseload has remained steady, with a slight decrease in June 2006.

**Public Assistance Caseloads**

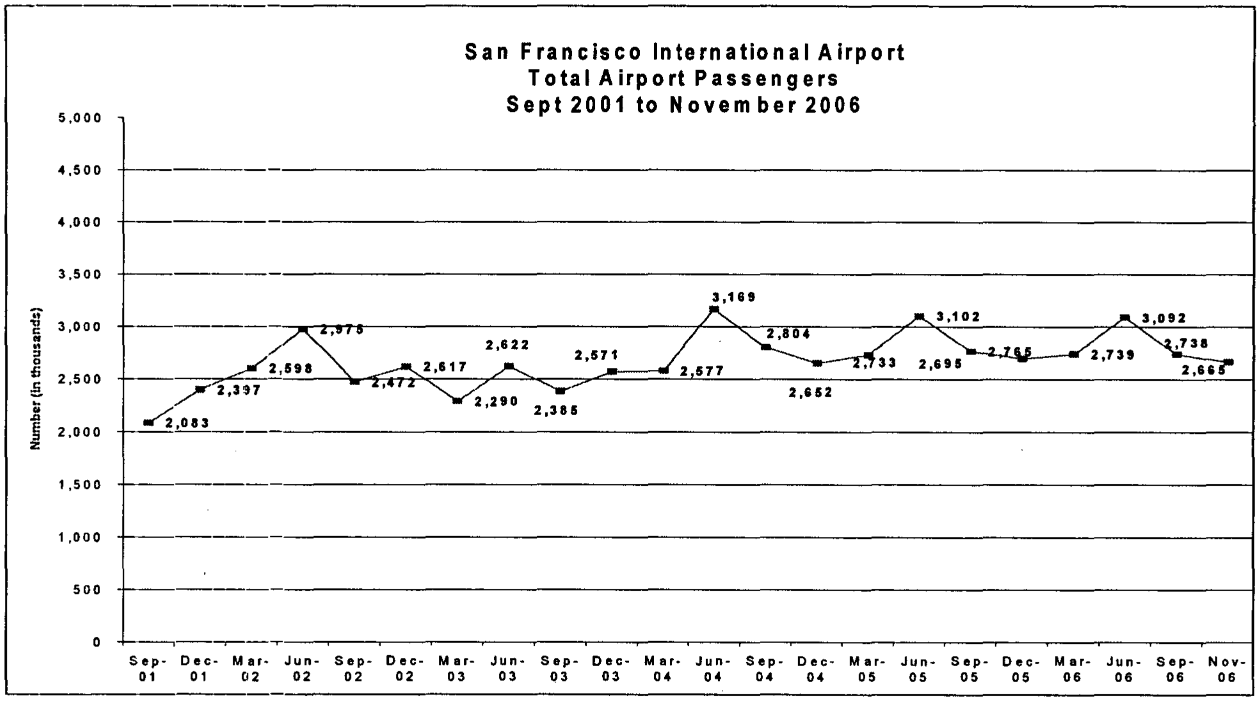



| | Jan 03 | Jul 03 | Jan 04 | Jun 04 | Jan 05 | Jun 05 | Jan 06 | Jun 06 |
|---|---|---|---|---|---|---|---|---|
| Food Stamps Cases | 1,244 | 1,418 | 1,637 | 1,918 | 1,951 | 1,806 | 1,990 | 1,969 |
| GA Cases | 320 | 355 | 401 | 456 | 429 | 448 | 459 | 439 |
| CalWORKS Cases | 2,004 | 2,141 | 2,288 | 2,471 | 2,406 | 2,325 | 2,542 | 2,405 |

Source: Human Services Agency

**San Francisco Airport – Total Passengers**

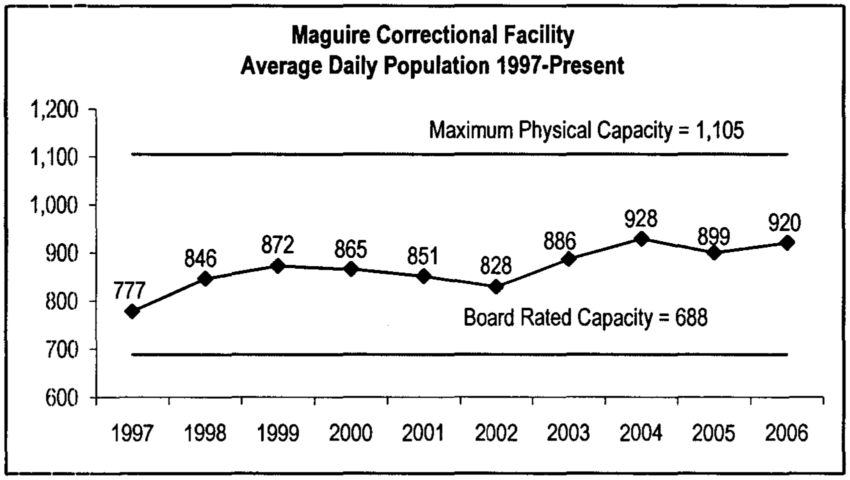
A significant portion of the County's unsecured property tax and sales tax revenues come from businesses at San Francisco International Airport, so it is important to monitor patterns in airport activity. In November 2006, the total number of passengers arriving and departing from the airport was up by 1% at 2.67 million compared to last November at 2.64 million. Passenger activity is slightly above prior year levels with 0.5% growth. There were 30.9 million total passengers from January to November 2006 compared to 30.7 million in the prior year. Activity should increase if Virgin American is approved to start operations at SFO.




Source: SFO Media Office http://www.flysfo.com/about/stat/pdf/as200511.pdf

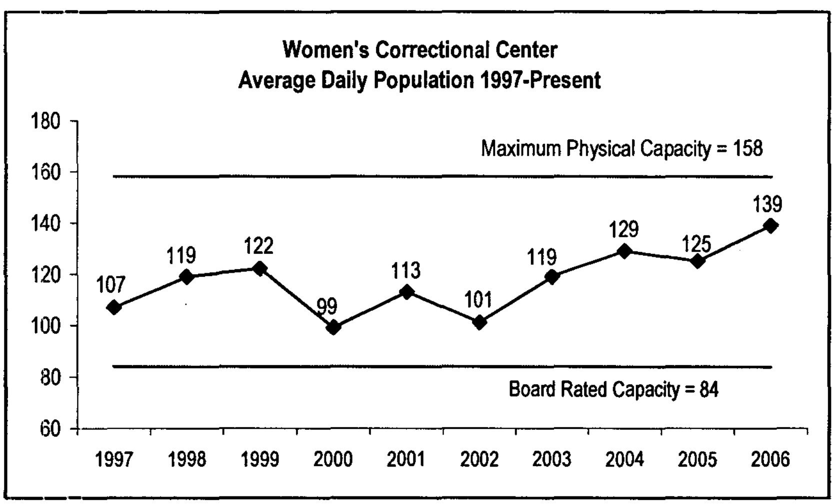
**Jail Populations**

Following a drop from the peak of the Maguire Average Daily Population (ADP) in mid-2004, when population levels approached 1,000 inmates, the ADP has risen again. The reason for the increase is related primarily to the rise in gang-affiliated inmates. This rise is both a reflection of increased gang activity in the County as well as the success of the Gang Suppression Task Force. The increase in gang-affiliated inmates presents its own set of jail management issues. In addition, overflow from the Women's Correctional Center (WCC) has been sent to Maguire to ensure a safe and manageable population at WCC. As of January 26, 2007, there were 24 women housed at Maguire. The Sheriff, the County Manager's Office and the Board's Jail Overcrowding Task Force continue to monitor jail population trends and seek alternatives to custody that can reduce inmate population and/or average length of stay. As you can see on the chart below, between 1997-2006 the average daily population at Maguire has increased 20%, from 777 inmates in 1997 up to 920 inmates in 2006. The trend continues to worsen, as the population at Maguire on January 26, 2007 was 1,008 or 46.5% over rated capacity.



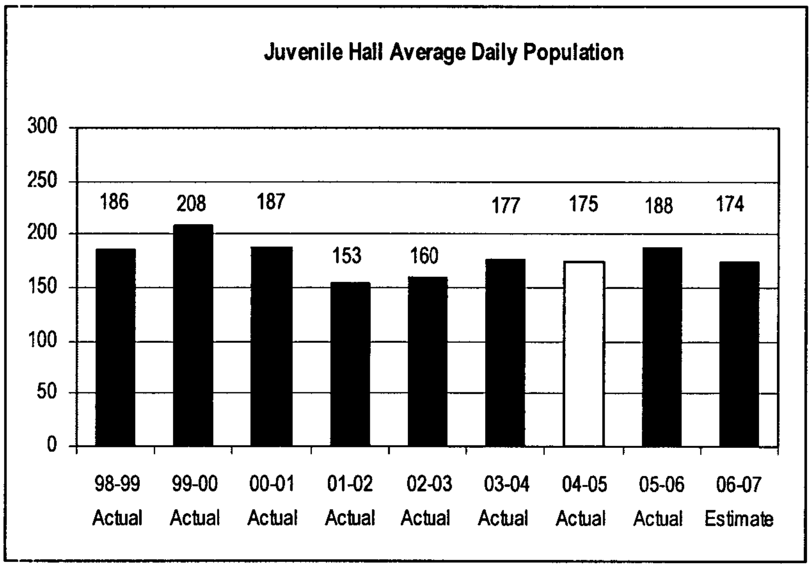

Source: Sheriff's Office Daily Population Report (CJIS)

While the female admissions grew at an average annual rate of two percent, ADP for women increased by three percent on an annual basis during 1997-2006. In November 2006, the ADP reached a staggering 185 women, which is 120% over the rated capacity of 84. Some of the reasons for this increase is due to limited alternatives to jail for women offenders, limited intermediate out-of-custody sanction options, and limited treatment options for women who either can't pay for treatment, have children, or both.



**Juvenile Hall Population**

The Average Daily Population at the Juvenile Hall has dropped from a rolling average of 180-190 juveniles five years ago to a current ADP of 174. The Hall population has decreased despite an increase in referrals from the gang suppression task force and the Court's decision to keep the most serious offenders in San Mateo County (thus reducing the number of youth remanded to the California Youth Authority and increasing our own commitments at the hall and camps). The reduction in ADP is the result of continued successful implementation of Electronic Monitoring (EM) for lower-risk offenders, increased diversion through the Risk Prevention Program and Assessment Center and the opening of the Margaret J. Kemp Girls Camp. The goal is to close one unit and operate the Juvenile Hall with a stable population of 135 to 140. The ADP is expected to continue to decline as a result of EM for post-adjudicated youth, and a new mandate to handle the majority of technical violators with sanctions other than detention. The department will continue to actively develop community-based alternatives to detention to support this effort and minimize disproportionate minority confinement. We expect the Girls Camp ADP to steadily increase over the next year to its capacity of 30 and Camp Glenwood to continue to operate at near capacity of 56.




Data Source: Probation Department Institutions Management

## HISTORICAL AND CURRENT YEAR GENERAL REVENUE TRENDS

The table below shows historical receipts and current year estimates for general revenue and Public Safety Sales Tax. Average annual growth without excess Education Revenue Augmentation Fund (ERAF) was $11.2 million or 3.9% in the last five years. Excess ERAF, which has been returned to the County since FY 2003-04, contributing over $187.2 million through the current fiscal year, has been set aside in Reserves and used for one-time purposes such as contributions toward unfunded liabilities. Revenue growth with excess ERAF averaged $21.7 million or 7.0% annually over the last five years.

| Revenue Source (In Thousands) | FY02-03 Actual | FY03-04 Actual | FY04-05 Actual | FY05-06 Actual | FY06-07 Estimated | Average Annual Growth |
|---|---|---|---|---|---|---|
| **AMOUNTS (In Thousands):** | | | | | | |
| Secured Property Tax | $113,247 | $121,498 | $129,370 | $139,153 | $144,185 | $6,743 |
| Unsecured Property Tax | 12,437 | $12,182 | $10,349 | $8,963 | $8,533 | (733) |
| Public Safety Sales Tax (Prop 172) | 64,179 | 61,746 | 62,269 | 63,774 | 64,494 | (610) |
| Sales Tax (includes property tax in-lieu) | 14,332 | 14,319 | 14,372 | 14,834 | 16,457 | 372 |
| Transient Occupancy Tax | 590 | 632 | 700 | 772 | 976 | 62 |
| Vehicle License Fees (VLF) | 49,713 | 37,955 | 3,724 | 0 | 0 | (9,132) |
| Property Tax In-Lieu of VLF | 0 | 0 | 50,074 | 62,238 | 63,078 | 12,616 |
| Other Revenue (without Excess ERAF) | 35,339 | 30,382 | 30,652 | 60,892 | 44,112 | 1,927 |
| **TOTAL without Excess ERAF** | **$289,837** | **$278,713** | **$301,511** | **$350,625** | **$341,835** | **$11,244** |
| Excess ERAF Transfers-Returned to County | 0 | 24,841 | 47,526 | 62,716 | 52,109 | 37,439 |
| **TOTAL with Excess ERAF** | **$289,837** | **$303,555** | **$349,037** | **$413,341** | **$393,944** | **$21,666** |
| **GROWTH RATES:** | | | | | | |
| Secured Property Tax | 2.5% | 7.3% | 6.5% | 7.6% | 3.6% | 5.5% |
| Unsecured Property Tax | 1.9% | -2.0% | -15.0% | -13.4% | -4.8% | -6.7% |
| Public Safety Sales Tax (Prop 172) | -5.0% | -3.8% | 0.8% | 2.4% | 1.1% | -0.9% |
| Sales Tax (includes property tax in-lieu) | -1.8% | -0.1% | 0.4% | 3.2% | 10.9% | 2.5% |
| Transient Occupancy Tax | -11.4% | 7.1% | 10.8% | 10.2% | 26.4% | 8.6% |
| Vehicle License Fees (VLF) | 8.9% | -23.7% | -90.2% | -100.0% | 0.0% | -41.0% |
| Property Tax In-Lieu of VLF | 0.0% | 0.0% | 0.0% | 24.3% | 1.3% | 5.1% |
| Other Revenue (without Excess ERAF) | 2.5% | -14.0% | 0.9% | 98.7% | -27.6% | 12.1% |
| **TOTAL % Change without Excess ERAF** | **1.5%** | **-3.8%** | **8.2%** | **16.3%** | **-2.5%** | **3.9%** |
| **TOTAL % Change with Excess ERAF** | **1.5%** | **4.7%** | **15.0%** | **18.4%** | **-4.7%** | **7.0%** |

## FIVE-YEAR FY 2007-11 GENERAL REVENUE PROJECTIONS

Given historical revenue patterns (adjusted for one-time events), current trends and forecasts for local and state economic data, as well as growth factors from the Assessor's Office, general revenues are projected to grow an average of $15.9 million or 4.3% annually for the next five years. No assumptions are made for Excess ERAF beyond FY 2007-08.

| Revenue Source (In Thousands) | FY07-08 Projected | FY08-09 Projected | FY09-10 Projected | FY10-11 Projected | FY 11-12 Projected | Average Annual Growth |
|---|---|---|---|---|---|---|
| **AMOUNTS (In Thousands):** | | | | | | |
| Secured Property Tax | $154,278 | $163,535 | $173,347 | $183,748 | $194,773 | $10,117 |
| Unsecured Property Tax | 8,533 | 8,618 | 8,791 | 8,967 | 9,146 | 123 |
| Public Safety Sales Tax (Prop 172) | 65,784 | 67,100 | 68,442 | 69,811 | 71,207 | 1,343 |
| Sales Tax (includes property tax in-lieu) | 16,961 | 18,055 | 18,566 | 19,094 | 19,641 | 637 |
| Transient Occupancy Tax | 1,024 | 1,076 | 1,129 | 1,186 | 1,245 | 54 |
| Property Tax In-Lieu of Vehicle License Fees | 66,547 | 70,207 | 74,068 | 78,142 | 82,440 | 3,872 |
| Other Revenue (without Excess ERAF) | 44,017 | 43,641 | 43,318 | 43,047 | 42,827 | (257) |
| **TOTAL without Excess ERAF** | **$357,145** | **$372,231** | **$387,661** | **$403,994** | **$421,278** | **$15,889** |
| Excess ERAF Transfers-Returned to County | 22,039 | 0 | 0 | 0 | 0 | 4,408 |
| **TOTAL with Excess ERAF** | **$379,184** | **$372,231** | **$387,661** | **$403,994** | **$421,278** | **$20,296** |
| **GROWTH RATES:** | | | | | | |
| Secured Property Tax | 7.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.2% |
| Unsecured Property Tax | 0.0% | 1.0% | 2.0% | 2.0% | 2.0% | 1.4% |
| Public Safety Sales Tax (Prop 172) | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Sales Tax (includes property tax in-lieu) | 3.1% | 6.4% | 2.8% | 2.8% | 2.9% | 3.6% |
| Transient Occupancy Tax | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Property Tax In-Lieu of Vehicle License Fees | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% |
| Other Revenue (without Excess ERAF) | -0.2% | -0.9% | -0.7% | -0.6% | -0.5% | -0.6% |
| **TOTAL % Change without Excess ERAF** | **4.5%** | **4.2%** | **4.1%** | **4.2%** | **4.3%** | **4.3%** |
| **TOTAL % Change with Excess ERAF** | **-3.7%** | **-1.8%** | **4.1%** | **4.2%** | **4.3%** | **1.4%** |

**SAN MATEO COUNTY**
**COUNTY MANAGER'S OFFICE**

**DATE:** February 6, 2007

**TO:** Board of Supervisors

**FROM:** John L. Maltbie, County Manager
Greg Munks, Sheriff

**SUBJECT:** Sheriff's Office Relief Staffing Recommendation

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## BACKGROUND

In 2000, in response to experiencing critical staffing levels, the Sheriff contracted with Management Partners which conducted a needs assessment and subsequently recommended establishing a relief staffing pool of 24 Deputies and/or Correctional Officers. In 2005, the board authorized the Sheriff, in exchange for reducing the overtime budget by $1 million, to establish a Relief Staffing Pool with an initial 9 positions. In 2006, the Sheriff requested an additional 9 positions be added to the Relief Pool. At the budget hearings in June, 2006, the Board and County Manager sought further information on relief staffing needs and overtime expenditures before moving forward with additional relief staffing resources.

At the September budget revision hearing's Sheriff's Office report back on relief staffing needs, the Board approved a $1.4 million overtime allocation to help alleviate Sheriff's relief staffing budget needs, in lieu of approving additional Relief Pool positions.

Since September, a workgroup of Sheriff's and CMO staff continue to meet to analyze and assess relief staffing needs. This mid year report

1) provides a current overtime usage analysis,
2) provides Sheriff's relief/overtime use as it compares with the prior year,
3) reports on the status of the current Relief Pool,
4) reports on relief staffing practices by other county Sheriffs,
5) and proposes a relief staffing recommendation for the FY 2007-2008 and FY 2008-2009 budgets.

## OVERVIEW OF OVERTIME USE

A comparison of overtime use in the first 10 pay periods of FY 2007 (July 2, 2006 – November 18, 2006) with the first 10 pay periods of FY 2006 (July 3, 2005 – November 19, 2005), show very similar levels of usage and hours.

- Between July and November 2006, the department used 64,660 overtime hours, compared with 64,761 hours in the same period in 2005.
- 85% of the 2006 overtime hours were used in the four mandated divisions: Patrol, Maguire Correctional Facility, Custody Programs, and Court Security & Inmate Transportation. This compares with 84% of the 2005 overtime hours used in the four mandated divisions.
- 75% of overtime in the first 10 pay periods of FY 2007 were for relief for the following types of leave: vacation, sick leave, disability leave, family/parent leave, military leave, training and position vacancies. This data is not available for the prior year's corresponding period. (*The Sheriff's Office began collecting this data, through ISD, in July 2006.)*

Broken out by classification, the hourly usage comparisons are listed below:

| | First 10 PP FY2006 | First 10 PP FY2007 |
|---|---|---|
| Correctional Officers | 14,008 Hours | 14,968 Hours |
| Deputy Sheriffs | 34,503 Hours | 35,873 Hours |
| Legal Office Specialists | 3,291 Hours | 3,678 Hours |
| Sergeants | 7,751 Hours | 5,729 Hours |
| Other | 5,208 Hours | 4,412 Hours |
| Total | 64,761 Hours | 64,660 Hours |

While the Sheriff's Office hourly overtime use for the two 10 Payroll Periods is almost the same, the Correctional Officer and Deputy Sheriffs' overtime hours have slightly increased this year. The increased hours in the two sworn classifications is primarily due to workload increases in the detention and custody facilities.

- The Maguire Correctional Facility, in response to heightened gang suppression efforts and rising population, opened a "close supervision" housing unit – the Administrative Segregation Pod – to allow staff to better monitor and control inmates who are disruptive, persistent rule violators or assaultive. While separating disruptive inmates has a positive impact on the facility's ability to more consistently support program services, the Administrative Segregation Pod requires maintaining full staffing to adequately support the inmates.
- The Women's Correctional Center has reached its maximum bed capacity, which doubled its rated capacity, several times during the past five months. This required Maguire staff to open a housing unit for the excess women inmates in the Maguire Medical Pod, necessitating additional staff to manage the temporary housing unit.

## YEAR-END PROJECTION FOR OVERTIME EXPENSE

**Year-To-Date Expenses**

| FY 2007 Total Overtime Budget | FY 2007 Expenses First 6 months | % Budget Expended (50% Year Elapsed) |
|---|---|---|
| $6,681,760 | $4,869,988 | 73% |

**Year End Projected Expenses**

| FY 2007 Total Overtime Budget | FY 2007 Expenses Projection | % Budget Expended Projection |
|---|---|---|
| $6,681,760 | $9,993,215 | 150% |

## STATUS REPORT ON RELIEF POOL

In September 2005 the Board authorized 9 positions to establish a Relief Pool. New positions become available for hire around two months after authorization. In December 2005, the Sheriff's Office had approximately 17 vacancies, in addition to the nine Relief Pool positions to recruit, hire and train. Recruiting and hiring sworn personnel, which includes a comprehensive background investigation, takes approximately six months; formal academy training followed by side by side training takes 14 months (Deputy Sheriff); with regular assignment beginning approximately 20 months from a new or vacant position opening. Timelines demonstrating the hiring and training processes for Deputy Sheriffs and Correctional Officers are provided in Attachments A and B of this report.

**Agency-wide**
**Sworn Staff in Training**
**Nov. 9, 2006 Snapshot**

**Academy = 6**
**Patrol/Field Training = 6**
**Jail Officer Training = 19**

**Total in Training = 32**

As of January 2007, approximately 14 months after the authorization of the initial nine Relief Pool positions, all nine positions have been filled and are in various stages of training.

Seven Deputy Sheriffs are entering their sixth and final month of Police Academy, scheduled to graduate on February 28th. Two of those will enroll in Jail Officer Training and then enter Patrol/Field Training, as slots become available (up to six officers can be trained at one time). The other five are Sheriff's Correctional Officers who promoted to Deputy Sheriffs and therefore will only require Patrol/FTO Training before regular assignments. They will be assigned Jail Relief Pool assignments until they can all enroll in and complete Patrol/FTO.

Two Correctional Officers were hired this month and will begin 6 weeks of Correctional Officer Academy on March 5th, followed by 4 months of Jail Officer Training.

Upon completion of all training, all nine will be eligible for fulltime, regular Relief Pool assignments. It is expected that the initial Relief Pool Assignments will begin April 1st, with all nine Relief Pool positions active by August 2007.

## ANALYSIS OF RELIEF NEEDS

### Background

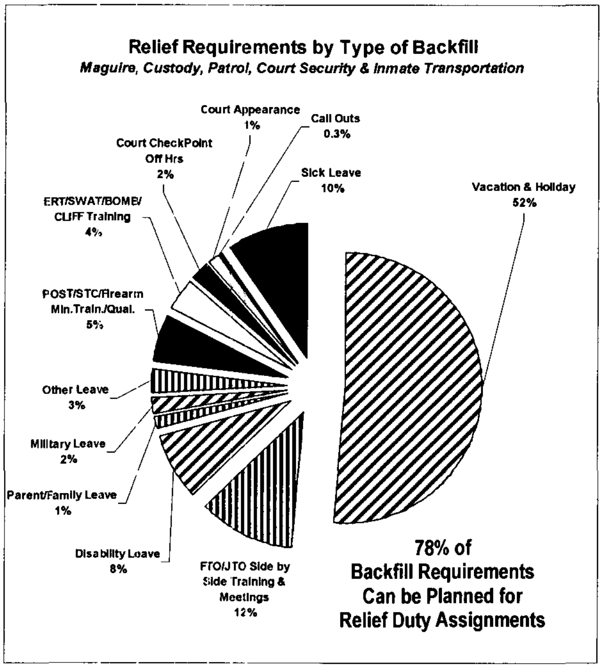
The analysis conducted in summer 2006 demonstrates that approximately 145,000 hours are required for relief in mandated posts. Relief requirements are those backfill staffing needs for vacation, sick, training, disability and other leave absences in mandated posts in Patrol, Detention and Custody Facilities, Court Security and Inmate Transportation. (This is the cost of maintaining 24/7 operations safely.) These hours equate closely to a relief factor of 1.16 for Correctional Officers and 1.2 for Deputy Sheriffs. Other mandated post positions include Sergeants and Legal Office Specialists working in Maguire Jail Admissions and Release Desks. A relief factor worksheet for each of the four classifications serving in mandated posts is provided as Attachment C to this report. Information about industry standards in the calculation of relief factors is provided in the next section of this report.

For several years, in a effort to keep costs down, the Sheriff's Office has managed relief staffing utilizing operational cost-cutting measures including but not limited to conducting a majority of mandated training on-duty and leaving the first one to three vacancy leave absences in Patrol and Maguire unfilled.

**Under current operational cost-cutting relief staffing management practices, the Sheriff's Office saves the equivalent of 10,000 hours a year in overtime.**

Under the current operational cost cutting relief staffing management model, the analysis found that approximately 135,000 hours is needed to meet the bare minimum relief requirements of mandated posts in four Sheriff's classifications: Correctional Officers, Deputy Sheriffs, Sergeants, and Legal Office Specialists. **This translates to full time equivalent positions of 18 Correctional Officers, 45 Deputy Sheriffs, 6 Sergeants and 5 Legal Office Specialists.** The Sheriff's Office is challenged daily with filling mandated post vacancies with only overtime as its relief staffing source. The current 9 Relief Pool positions can alleviate roughly 15,777 relief hours of the bare minimum 135,000 needed. This is based on approximately 1,753 productivity hours for each Relief Pool staff position.

The analysis conducted in summer 2006 also revealed that, based on FY 2006 overtime usage, 78% of relief needs can be planned (patterned pieces on pie chart to the left, showing relief by type of backfill), maximizing the use of relief staffing if enough positions are established in a Relief Pool. In the absence of adequate permanent relief positions, the Sheriff's Office must rely on volunteer overtime sign up for relief coverage, or consider instituting mandatory overtime – which, if ongoing, can become a morale and a safety issue for the department. From personnel and operational management perspectives, the creation of an adequately sized Relief Pool would help alleviate critical staffing issues the department now faces.




### Non Relief Overtime Need

The analysis conducted also found that the additional overtime used in non mandated divisions for extra workload due to call outs or position vacancies in the Crime Lab, Records, Technical Services and Investigations; and Legal Office Specialists in non-mandated positions in the jails, amounts to 34,000 hours of overtime use a year. This overtime cannot be addressed by the Relief Pool staffing and equates to approximately $1.9 million of total overtime. This overtime expense is in line with other Sheriff's Offices budgets which have built-in permanent relief staffing to cover their mandated sworn relief needs, and rely on overtime primarily for extra workload and position vacancies.

### Other Sheriffs' Staffing Relief Models for 24/7 Operations

In an effort to learn what other Counties do for Sheriff relief staffing, the Sheriff's Office surveyed other Sheriffs on their relief staffing models. Findings reveal other Sheriffs' Offices have built in permanent relief staffing and primarily utilize overtime budgets for position vacancies and emergency/unplanned needs.

While the survey was not exhaustive, no county responded that they rely solely on an overtime budget for relief staffing coverage. Survey responses are below:

| AUTHORIZED PERMANENT STAFFING LEVELS IN 24/7 OPERATIONS | |
|---|---|
| **County** | **Authorized/Budgeted Staffing Level** |
| San Mateo County Sheriff | 4.07* |
| Alameda County Sheriff | 5.00 |
| San Francisco County Sheriff | 5.75 |
| Santa Clara County Sheriff | 5.36** |
| Santa Clara County Department of Corrections | 4.65*** |

| | |
|---|---|
| Mendocino County Sheriff | 4.87*** |
| Kern County Sheriff | 5.20 |
| Riverside County Sheriff | 4.90 |
| Placer County Sheriff | 5.30 |
| Santa Barbara County Sheriff | 5.45 |
| San Joaquin County Sheriff | 4.56 |
| Sutter County Sheriff | 5.00 |

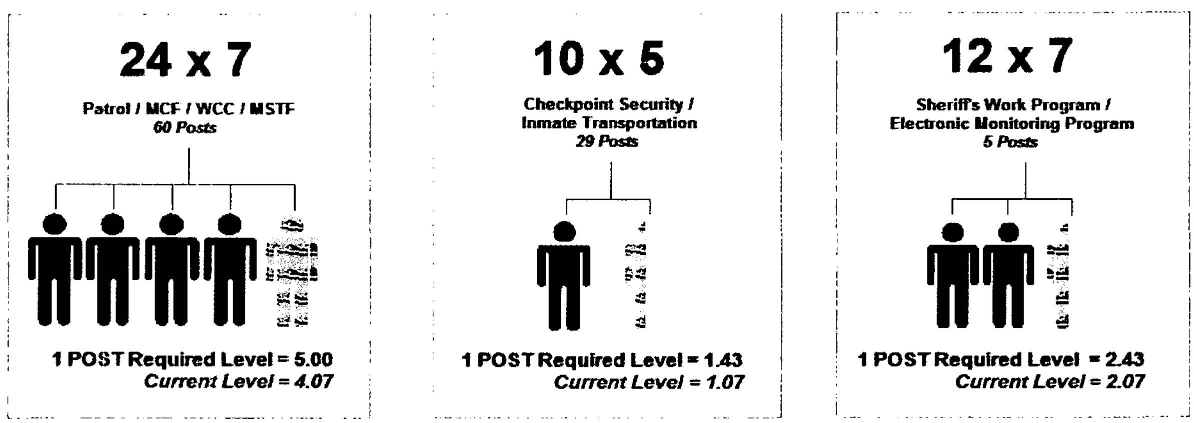
** 4.07 includes 9 Relief Pool positions*
*** Santa Clara County Sheriff – which is a smaller operation since a separate Dept. of Corrections manages their jails - was staffed at 5.36 until a few years ago, AND they had 12 Relief Pool positions specifically for Disability (4850) relief coverage. Temporary budget cuts have currently lowered their staffing level to minimal relief, and their Relief Pool is now at 9 positions – they go over their overtime budget to meet current relief needs. Their County recognizes the need for relief staffing and has promised to bring back their staffing level to 5+ when funding improves*
**** Counties who reported they must also regularly use overtime to cover relief needs*

San Mateo County Sheriff's Office does not have a relief factor built into its current permanent staffing, and therefore relies solely on overtime to cover for relief needs, as well as for position vacancies and extra workload. This explains why the Sheriff's Office is averaging over 160,000 hours in total annual overtime (135,000 hours for mandated relief plus 25,000 hours for non mandated divisions covering extra workload or position vacancies.)

The staffing levels for a 24/7 post reported above by other counties are supported by staffing level guidelines provided in materials published by the California State Corrections Standards Authority (www.cdcr.ca.gov/divisionsboards/csa/staffing_plans) and U.S. Department of Justice's National Institute of Corrections (www.nicic.org)

To illustrate FTEs and "relief factors": A 24/7, mandated post operates 8,760 hours a year. The productivity hours of a Deputy Sheriff posted in a 24/7 operation, after deducting vacation, sick, mandatory training and other leaves, is approximately 1,753 hours a year (refer to Attachment C). To staff one mandated post for 8,760 hours, requires 5.0 FTEs. A sample worksheet from the National Institute of Corrections demonstrating this relief calculation standard is provided in Attachment D.

**Post Position Staffing Factors for Various Shifts – Deputy Sheriffs and Correctional Officers**





*Shaded figures represent current authorized / budgeted permanent staffing, which includes 9 relief pool positions.*

## IMPLICATIONS OF RELYING SOLELY ON OVERTIME FOR RELIEF STAFFING

The use of overtime for relief staffing relies on having enough staff willing to work extra hours on a regular basis. However, unplanned, external factors can impact the Sheriff's ability to provide adequate levels of service either because the staffing needs change or the number of staff willing and able to work overtime do not meet the coverage needs. A 1998 National Institute of Justice report on police overtime states, "Persistent backfilling, or employing off-duty officers to fill necessary positions, indicates a chronic shortage of personnel in relation to work needing to be completed. Since local governments determine strength of police forces, this imbalance is generally beyond the ability of departments to fix, unless hiring is allowed." **(1)**

Specific issues of concern in lack of adequate permanent staffing include:

- **Retirements, coupled with long training times before new sworn officers can fill positions**: In the next 10 years, 53% of sworn officers in SMC Sheriff's Office will be age 50 or older. A California State Performance Review report states that 34% of the State of California's workforce is eligible to retire in the next 3 years, and that the percentage of public safety officers retiring is even higher **(2)**. This includes the California Highway Patrol, which San Mateo County will be competing with for recruitment and retention of new Deputy Sheriffs.

- **Emergencies**: Pandemic Flu, a prolonged state of emergency, will tax the current workforce, where an estimated 50% will not report to work because they or a family member will be sick. **(3)**

- **County Service Expansions**: In the event San Mateo County is tasked to provide additional services, the lead time to hire and train sworn personnel to support any law enforcement function is 18 to 20 months. Without any relief staffing and an average position vacancy rate of 10-15 deputies for which the Sheriff recruits on a continuous basis, this would tax the Sheriff's resources beyond short term ability.

In summary, at San Mateo County's current Sheriff's staffing levels, the Sheriff's Office struggles to meet the County's basic mandated duties, and may not be able to respond adequately to any future increased service demands due to emergencies or other events, without increasing permanent relief staffing.

## RECOMMENDATION

A combined Relief Staffing Pool and overtime budget for relief is recommended for moving forward with rectifying staff shortages for relief needs. This combined solution is cost efficient and the most attractive option from a management/planning perspective: it provides two sources for relief staffing which allows maximum flexibility in filling both planned and unforeseen vacancies. In addition to the advantages stated above of reducing reliance on overtime for relief, to completely replace overtime for relief with permanent staffing would require recruiting and hiring over 60 new sworn staff – not a realistic solution even if funding was authorized. The Relief Pool will be used to fill priority backfill needs, primarily for leaves in vacation, extended training and other non-sick leaves. Overtime can be utilized for sick leaves and other short-term vacancies.

**(1)** U.S. Department of Justice-National Institute of Justice Research Brief, "Police Overtime: An Examination of Key Issues", May 1998
**(2)** California Performance Review, "Creating a Workforce Plan for California State Employees" 2005, http://cpr.ca.gov/report/cprrpt/issrec/stops/pm/so43
**(3)** Estimates on the impact of a pandemic flu by San Mateo County Public Health Officer, 2006

26 Deputy Sheriff and Correctional Officer positions to meet 45,578 relief hours
1 Sergeant to manage the Relief Pool and supervise personnel assigned to the Relief Pool.

In addition to the nine relief positions already added in the FY 2005-06 budget, (for which the Sheriff converted budgeted overtime dollars), the remaining additional relief positions would be added incrementally over the next two years, as follows:

a) FY 2007-08, add 9 positions to the Relief Pool: 1 Sergeant and 8 Deputy Sheriffs. The Sergeant is required to manage the Relief Pool.

b) In FY 2008-2009, add 9 more positions to the Relief Pool: a combination of Deputy Sheriffs and Correctional Officers to be determined by February 2008, based on recruitment trends and in consultation with the County Manager's Office and Deputy Sheriff's Association.

If all additional 18 Relief Pool positions are approved by June 2008, the full impact of the Relief Pool on overtime expenditures would be expected to begin around Fall 2009 given the 18-20 month hiring and training timeline for a Deputy Sheriff. A 27 position Relief Pool would only offset overtime use by approximately 45,578 of the bare minimum 135,000 relief hours needed. Since current relief needs require overtime expenditures of approximately $3.2 million in excess of the current overtime budget, this would allow the Sheriff's Office to function within the existing overtime allocation.

**2) Annually Monitor and Evaluate Relief Staffing Resources and Needs to Assure Adequate Levels of Supplemental Relief Staffing Support**

Monitor the current overtime budget annually, to adjust for service level changes that affect relief needs, salary increases, and statutory benefit increases.

Evaluate the combination of number of permanent relief staff and overtime budget for relief, for optimum management of Department's relief staffing needs.

## FISCAL IMPACT

The fiscal impact for FY 2007-2008 is expected to be an ongoing increase in Salaries & Benefits of approximately $1,750,000.

The fiscal impact for FY 2008-09 is expected to be an additional ongoing increase in Salaries and Benefits of approximately $1,525,000.

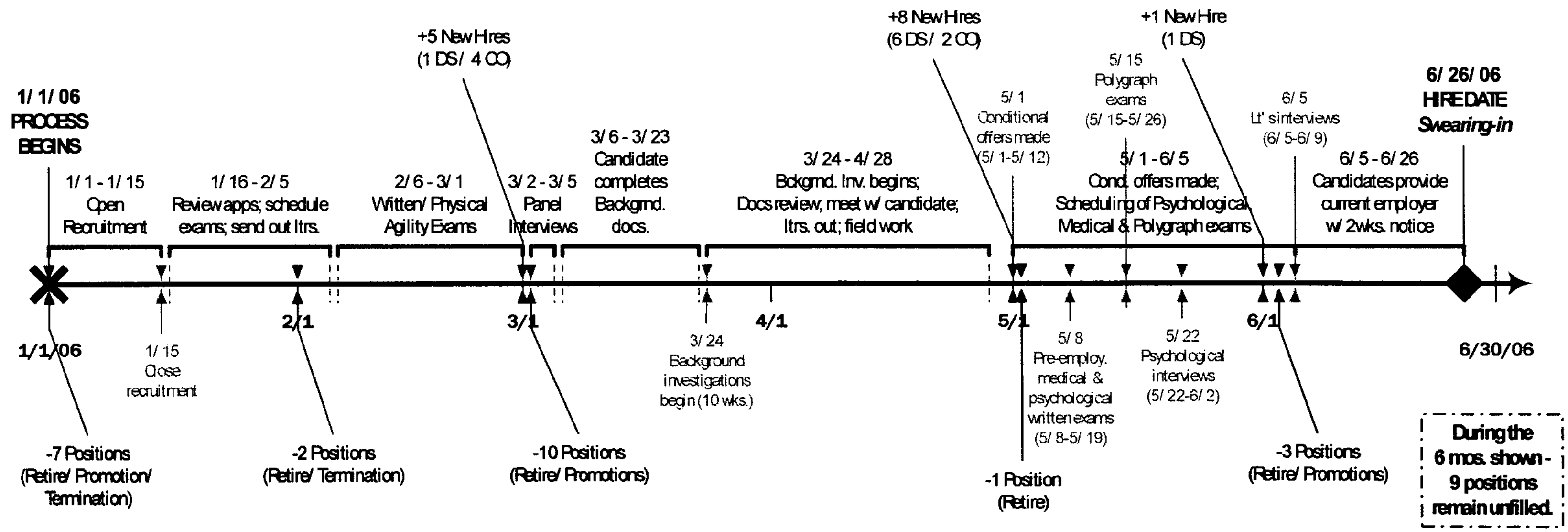
The long-term, net fiscal impact, beginning around FY 2010, is expected to be a conversion in overtime expenditures by the implementation of relief pool staffing, allowing the Sheriff's Office to function within the current overtime budget allocation.

ATTACHMENT A

# RECRUITMENT / SELECTION TIMELINE

- Correctional Officer (4x's a year)
- Deputy Sheriff Trainee (2x's a year)
- Laterals (monthly)

| TIMELINE CANDIDATE POOL: Jan-June 2006 | | | |
|---|---|---|---|
| | CO | DS | LATERALS |
| Applicants | 224 | 135 | 10 |
| Written Exam | 134 | 50 | 0 |
| Oral Exam | 48 | 22 | 7 |
| Bkgrnd. Inv. | 31 | 12 | 4 |
| Pass/ Hire | 7 | 3 | 2 |

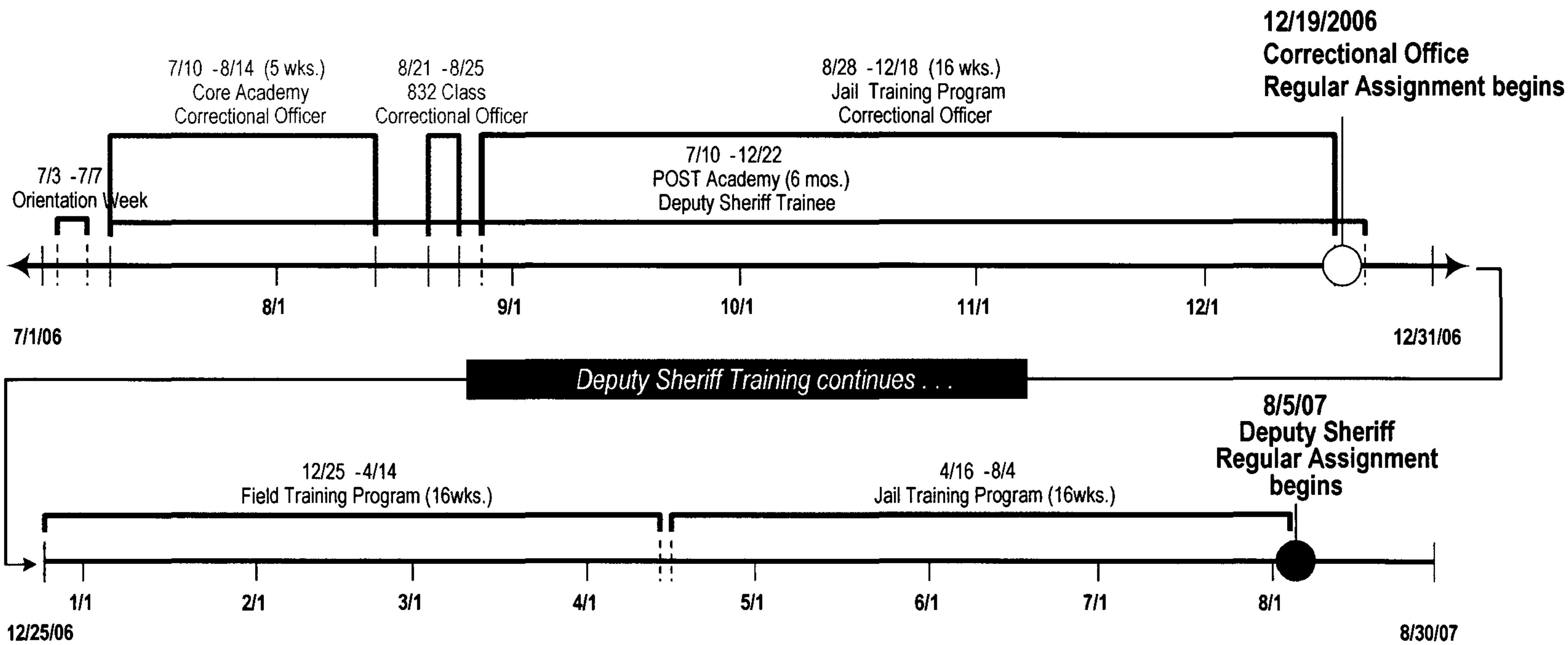


ATTACHMENT B

# TRAINING TIMELINE

## Correctional Officer Training – 6 Months

## Deputy Sheriff Training – 14 Months



ATTACHMENT C

# Relief Factor Worksheet

| Classification | Deputy Sheriff - 84 Plan | Deputy Sheriff - Regular | Correctional Officer | Sergeant | Legal Office Specialist | |
|---|---|---|---|---|---|---|
| **# in Mandated Programs** | **150** | **62** | **98** | **29** | **38** | |
| ***County Benefits*** | | | | | | |
| Base Hours | 2184 | 2080 | 2184 | 2184 | 2080 | |
| Vacation Hours | 160 | 160 | 160 | 160 | 160 | |
| Sick Hours | 40 | 40 | 40 | 40 | 40 | |
| ***Ongoing Mandated Training*** | | | | | | |
| Mandated STC or POST | 24 | 24 | 24 | 24 | 0 | |
| FireArms Qualification | 6 | 6 | 0 | 6 | 0 | |
| ***New Staff Mandated Training*** | | | | | | |
| New Supervisor Training (5/year) | 0.00 | 0.00 | 0.00 | 13.79 | 0 | |
| New Bailiff School (3/year) | 0 | 1.13 | 0 | 0 | 0 | |
| Academy | 45.28 | 45.28 | 24.49 | 0 | 0 | |
| Patrol Orientation Trainer(s) | 0.57 | 0.57 | 0 | 0 | 0 | |
| JTO/FTO Side by Side Training | 63.77 | 63.77 | 42.45 | 0 | 0 | |
| ***Required Meetings*** | | | | | | |
| JTO Meetings | 0.79 | 0.79 | 1.71 | 1.66 | 0 | |
| FTO Meetings | 0.51 | 0.51 | 0 | 3.72 | 0 | |
| ERT Meetings | 0 | 0 | 0 | 4.97 | 0 | |
| Sgt. Meetings | 0 | 0 | 0 | 39.72 | 0 | |
| ***Special Teams Training - Ongoing*** | | | | | | |
| ERT Trainings | 1.51 | 1.51 | 0 | 1.10 | 0 | |
| Bomb Squad | 3.62 | 3.62 | 0 | 6.62 | 0 | |
| SWAT | 20.60 | 20.60 | 0 | 6.62 | 0 | |
| Cliff Rescue | 1.81 | 1.81 | 0 | 1.66 | 0 | |
| K-9 | 3.92 | 3.92 | 0 | 0 | 0 | |
| ***(Use an average hourly rate of $65 across three SWORN positions -349- in calculating estimated leave hours, & based on FY 05-06 Actual Leave Records*** | | | | | | |
| Parent/Family Leave | 6 | 6 | 6 | 6 | 0 | |
| Disability Leave | 36 | 36 | 36 | 36 | 0 | |
| Military Leave | 9 | 9 | 9 | 9 | 0 | |
| Other Leave | 8 | 8 | 8 | 8 | 0 | |
| **Total Relief Hours Per Position*** | **431.40** | **432.53** | **351.65** | **368.86** | **200.00** | |
| **Relief Factor Per Position** | **1.20** | **1.21** | **1.16** | **1.17** | **1.10** | |
| ***Productivity Hours Per Position*** | ***1,753*** | ***1,647*** | ***1,832*** | ***1,815*** | ***1,880*** | |
| **TOTAL ANNUAL RELIEF HOURS** | **64,709** | **26,817** | **34,462** | **10,697** | **7,600** | **144,285** |

** The is an average total relief hours per position, based on current staffing levels and staffing leave* averages

ATTACHMENT D

# Converting Net Annual Work Hours to a Relief Factor

| Length of Shift | X | Number of Shifts/Day | X | Number of Days/Week | X | 52.14 (wks/yr) | ÷ | NAWH | = | SRF |
|---|---|---|---|---|---|---|---|---|---|---|

| **Example 1** | | **Example 2** | |
|---|---|---|---|
| 1. 8-hour shift | | 1. 10-hour shift | |
| 2. 3 shifts/day | 8 x 3 = 24 | 2. 1 shift/day | 10 x 1 = 10 |
| 3. 7 days/week | 24 x 7 = 168 | 3. 5 days/week | 10 x 5 = 50 |
| 4. 52.14 weeks/year times total hours/week | 168 x 52.14 = 8,760 | 4. 52.14 weeks/year times total hours/week | 50 x 52.14 = 2,607 |
| 5. Total annual hours divided by NAWH (NAWH is 1,600 for this job classification) | 8,760 ÷ 1,600 = **5.475** | 5. Total annual hours divided by NAWH (NAWH is 1,680 for this job classification) | 2,607 ÷ 1,680 = **1.55** |
| In other words, it takes 5.475 full-time equivalents (FTEs) to staff this post. This might be a typical calculation for a control-center post. | | In other words, it takes 1.55 FTEs to staff this post. This might be a typical calculation for a classification post. | |

1. Identify the number of hours in the basic shift for which you want a relief factor (e.g., 8).
2. Multiply this by the number of shifts per day (this equals total hours per day).
3. Multiply this by the number of days per week that the post needs coverage (this equals total hours per week).
4. Multiply this by the 52.14 weeks in a year (this is the total hours per year).
5. Divide this by the net annual work hours (NAWH) to produce a shift relief factor (SRF).

*Source: U.S. Department of Justice National Institute of Corrections, "Staffing Analysis: Workbook for Jails", Washington, DC, March 2003*

**COUNTY OF SAN MATEO**
**Inter-Departmental Correspondence**

County Manager's Office

**DATE:** February 6, 2007

**TO:** Board of Supervisors

**FROM:** John L. Maltbie, County Manager
Beverly Beasley Johnson, Director Human Services Agency
Stephen Kaplan, Director – Substance Abuse and Shelter Services

**SUBJECT:** Alcohol and Other Drugs (AOD) Strategic Plan Implementation

## VISION ALIGNMENT:

**Commitment:** Ensure basic health and safety for all.
**Goal #8:** Help vulnerable people—the aged, disabled, mentally ill, at-risk youth and others—achieve a better quality of life. Implementing the AOD strategic plan contributes to these commitments and goals by expanding alcohol and drug services to underserved populations in our community.

## BACKGROUND:

On November 7, 2006, the Board of Supervisors adopted Strategic Directions 2010, the three-year strategic plan for alcohol and other drug prevention and treatment services. The plan outlined three principal strategic directions: (1) Primary Access to Services for Priority Populations, (2) System Improvements, and (3) Resource Development. In adopting the plan, Supervisor Gordon directed, as part of the mid-year budget review, that the Board identify additional funds to support the implementation of the plan commencing in FY 2007-08.

## DISCUSSION:

Strategic Directions 2010 identifies the large gap between the need for prevention and treatment services and the current available resources. Unless additional funding is secured, approximately 10% fewer people will be able to access treatment services. The four priority populations: (1) Families with Young Children, (2) Youth, (3) Homeless Individuals and Families, and (4) Adults Returning to the Community from Incarceration were selected in part because of the significant potential to reduce costs in collateral services such as health, child welfare, and criminal and juvenile justice.

The County has focused significant time and resources on addressing issues in those service systems mentioned above. By adopting Strategic Directions 2010 and increasing local funding the Board will enhance its previous efforts to achieve better outcomes for families, individuals, and the community-at-large.

Strategic Directions 2010 intends to facilitate the prevention efforts identified in the prevention roadmap, and to make steady progress toward creating a treatment on demand system for these target populations. Attached is a sample spending plan that identifies how additional funds could be distributed among the four populations to increase access to services as well as support prevention efforts. For example, as shown on the attachment, an additional $1 million could serve 172 clients with $100,000 directed toward prevention efforts.

Should the Board allocate additional funding, the Alcohol and Other Drug Steering Committee will make specific recommendations which will be incorporated in the proposed budget for FY 2007-08.

In addition to funding increases provided by the Board, the steering committee will be focusing significant attention on resource development, which includes increasing capacity and sustaining it over the long term.

**FISCAL IMPACT:**

One possible source of ongoing funding could be the reinstatement of the Property Tax Administration Fee. Assembly Bill 83 would restore anywhere from $1.3 to $2.2 million to the County on an ongoing basis. If this money were reinstated, these funds would be allocated to the Assessor, Treasurer-Tax Collector and Controller's Office budgets and corresponding reductions could be made to their budget targets, thereby freeing up general purpose revenues to fund the strategic plan implementation.

A second option would be to set aside one-time money from Reserves to fund the plan for three or four years and then determine, at the end of that time frame, what savings were realized in collateral programs and use those savings to fund the program on an ongoing basis. It should be noted that calculating savings of this type are often difficult to quantify because of all the potential variables involved.

If ongoing funding sources can't be identified, then any additional funds allocated to the strategic plan would increase the structural deficit and potentially impact budget targets for other operating units in the County.

Attachment

**Alcohol and Other Drugs Strategic Directions 2010**

Sample Spending Plan for Increased County Funds

| Priority Population | $1 M Add'l Funding | Clients Served $1 M annually | $1.5 M Add'l Funding | Clients Served $1.5 M annually | $2 M Add'l Funding | Clients Served $2 M annually |
|---|---|---|---|---|---|---|
| Families with children 5 and under | | | | | | |
| residential | 15 (6 months per bed) | 30 | +5 = 20 | 40 | +5 = 25 | 50 |
| day treatment | 10 (4 months per slot) | 30 | +8 = 18 | 54 | +8 = 26 | 78 |
| outpatient | 10 (3 months per slot) | 40 | +0 = 10 | 40 | +0 = 10 | 40 |
| | | | | | | |
| Youth | | | | | | |
| outpatient | 14 (4 months per slot) | 42 | +10 = 24 | 72 | +8 = 32 | 96 |
| | | | | | | |
| Homeless | | | | | | |
| outpatient./case management | 0 (6 months per slot) | | +10 = 10 | 20 | +8 = 18 | 36 |
| | | | | | | |
| Adults leaving Jail | | | | | | |
| residential | 10 (4 months per slot) | 30 | +2 = 12 | 36 | +3 = 15 | 45 |
| | | | | | | |
| Total Clients Served Annual Cumulative | | 172 | | 262 | | 345 |
| | | | | | | |
| Prevention Projects | $100,000 | | $150,000 | | $200,000 | |