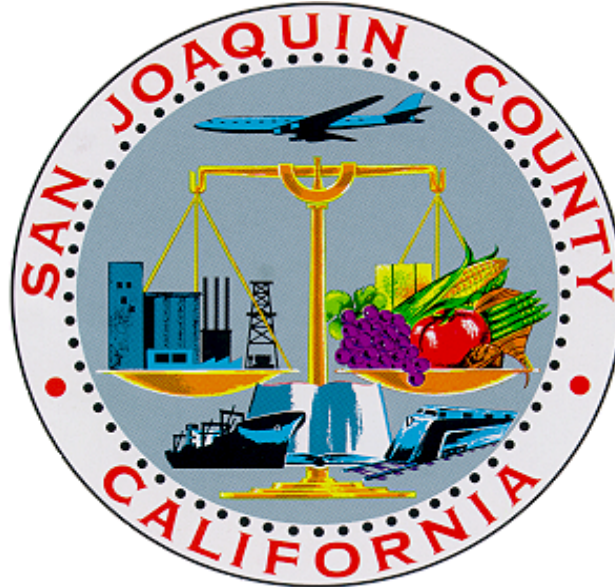


County of San Joaquin Board of Supervisors



2011-12 Budget Workshop
February 8, 2011

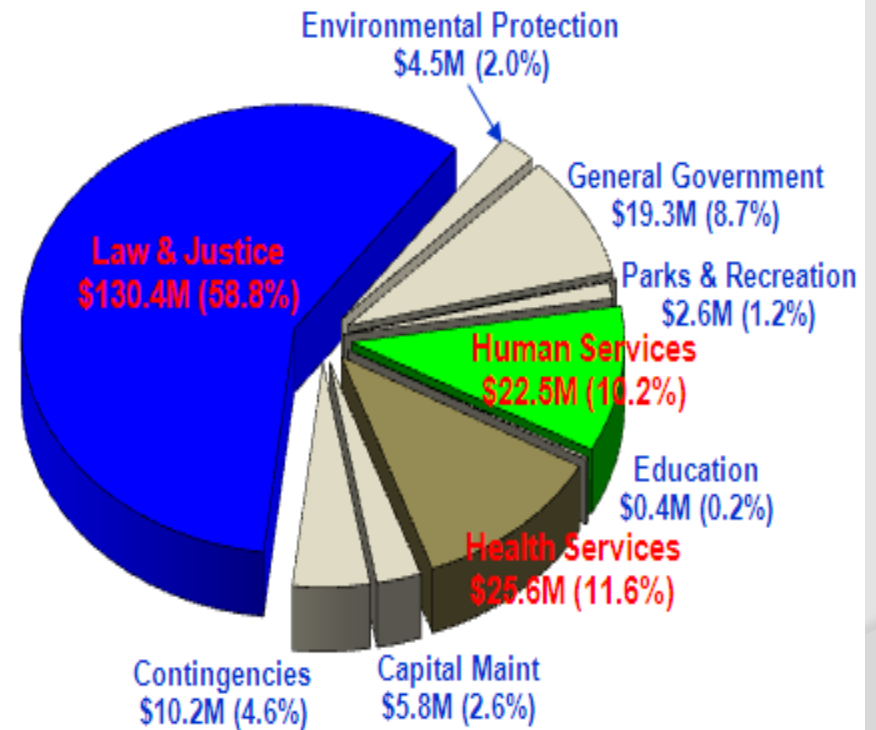
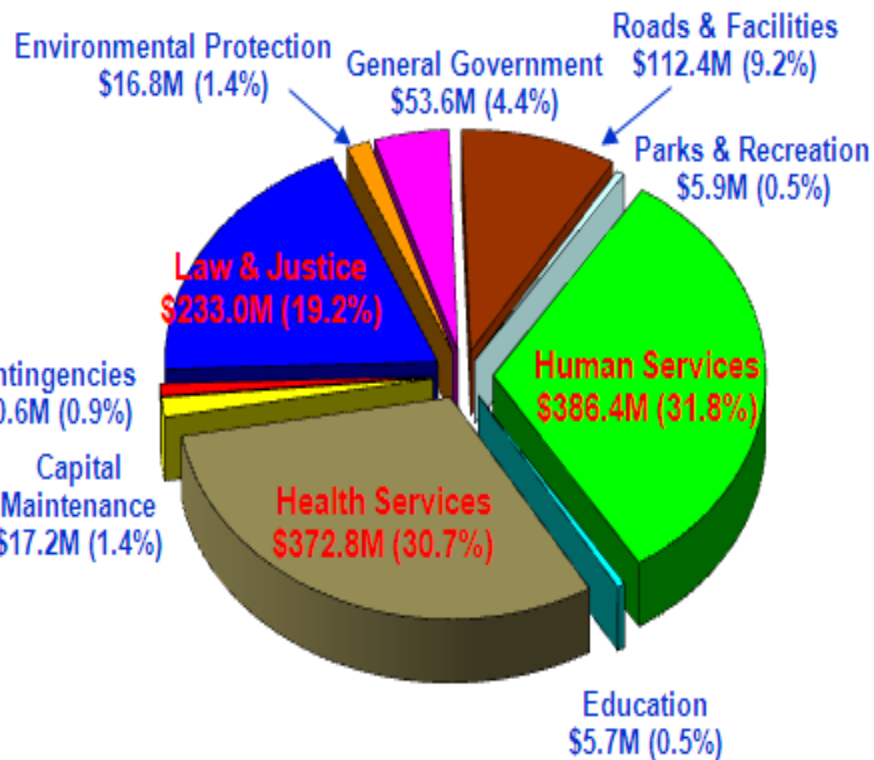
Today's Presentation

1. 2010-11 County Budget Summary
2. 2011-12 Preliminary Budget Outlook
3. Labor Contract Status
4. Potential Cost Containment Areas
5. 2011-12 Budget Planning

2010-11 Adopted Budget

Appropriations: \$1.214 Billion

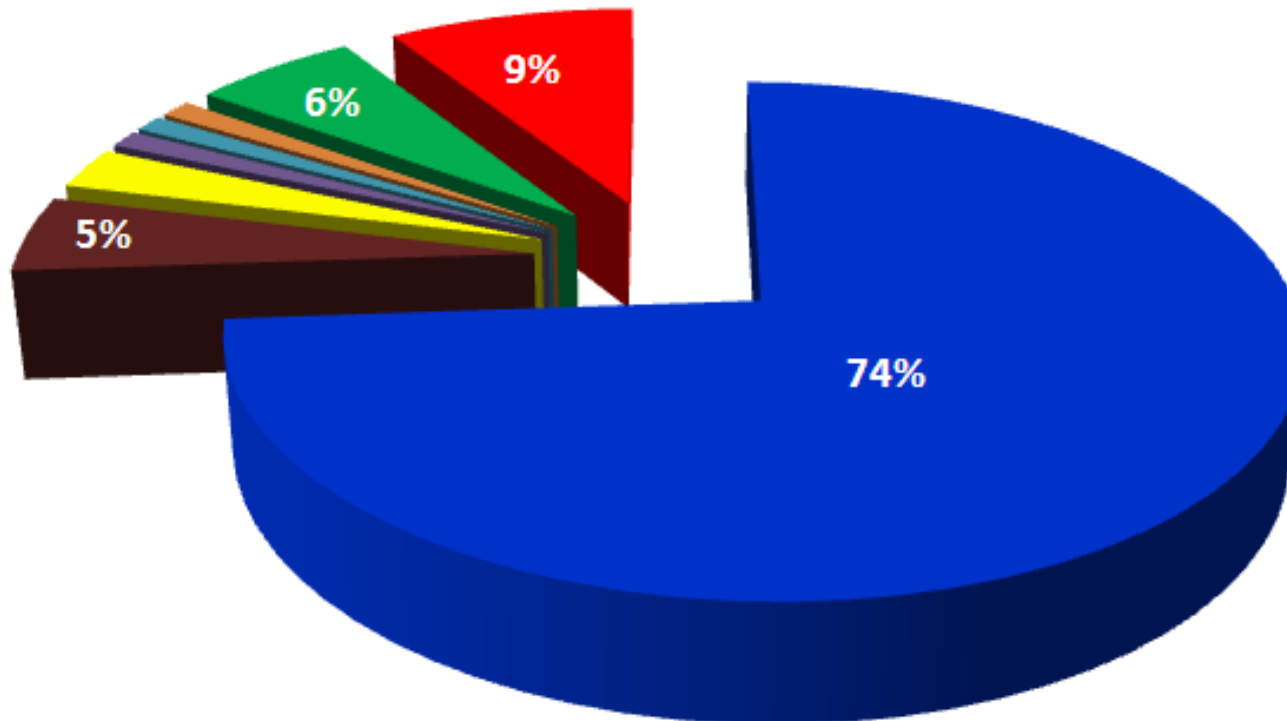
Net County Cost: \$223.5 Million



2010-11 Adopted County Budget Staffing

	Full-Time Allocated	Part-Time FTE	Total	% of Grand Total
General Government	440.0	15.5	455.5	7.8%
Capital Maintenance	50.0	0.5	50.5	0.9%
Environ Protection	133.0	15.9	148.9	2.5%
Law & Justice	1,518.0	39.5	1,557.5	26.7%
Road & Facilities	222.0	1.2	223.2	3.8%
Health Services	1,853.0	330.8	2,183.8	37.4%
Human Services	1,070.0	84.0	1,154.0	19.8%
Education	3.0	0.0	3.0	0.1%
Parks & Recreation	47.0	15.1	62.1	1.0%
Grand Total	5,336.0	502.5	5,838.5	100.0%
Labor Costs	\$527.0 M	\$37.6 M	\$564.6 M	

2010-11 Adopted Budget General Purpose Revenues



■ Property Taxes \$165.1M

■ Prop Transfer Tax/Penalties \$6.1M

■ Franchise Fees \$2.4M

■ Capital Funds \$13.5M

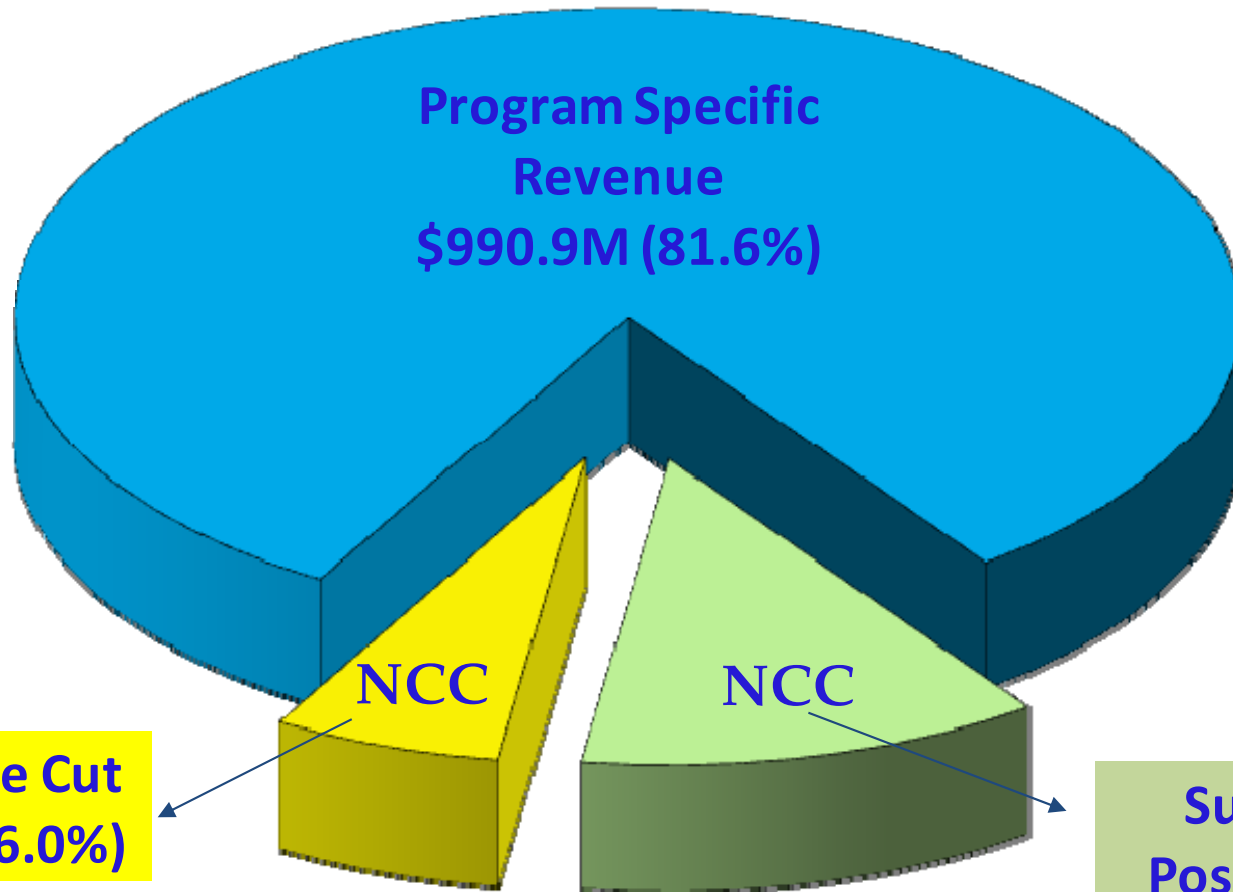
■ Sales Taxes \$11.1M

■ Redevelopment Pass-Thru \$2.5M

■ Interest/TOT/State Subv \$2.6M

■ Fund Balance \$20.2M

2010-11 Adopted Budget \$1.214 Billion



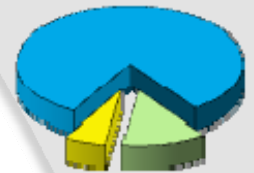
**Cannot Be Cut
\$73.0M (6.0%)**

**Subject to
Possible Cuts
\$150.3M (12.4%)**

**Net County Cost
\$223.5M (18.4%)**

2010-11 Adopted County Budget

Net County Cost \$223.5M



Cannot Be Cut \$73.0 M

Required Matches/MOE

1. Public Safety \$46.0M
 - a. Jail \$13.7M
 - b. Sheriff Non-Jail \$14.0M
 - c. District Attorney \$5.9M
 - d. Indigent Defense \$7.4M
 - e. Juvenile Detention \$3.6M
 - f. Probation \$1.4M
2. Trial Courts \$5.2M
3. Health \$4.5M
4. Social Services/Public Asst \$15.7M

Fixed Obligations

5. Debt Payments \$1.6M

Subject to Cuts \$150.5 M

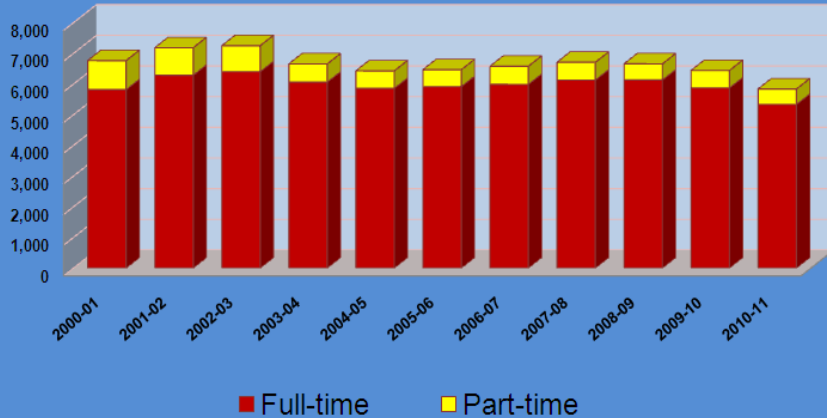
(Virtually All Mandated But Not Service Level)

1. Public Safety \$78.9M
 - a. Jail \$19.0M
 - b. Sheriff Non-Jail \$20.2M
 - c. District Attorney \$9.2M
 - d. Indigent Defense \$5.1M
 - e. Juvenile Detention \$9.9M
 - f. Probation \$6.7M
 - g. Jail Medical \$8.8M
2. SJGH/EMS/SAS \$10.4M
3. Public/Environmental Health \$10.7M
4. Children's Shelter \$3.0M
5. General Assistance \$3.3M
6. Tax/Fiscal Systems \$8.5M
7. BOS/Admin/Support/Bldg Maint \$13.8M
8. Parks/Ag/Community Svcs Prog \$7.6M
9. Planning/Envir Review/Elections \$4.1M
10. Reserve for Contingencies \$10.2M

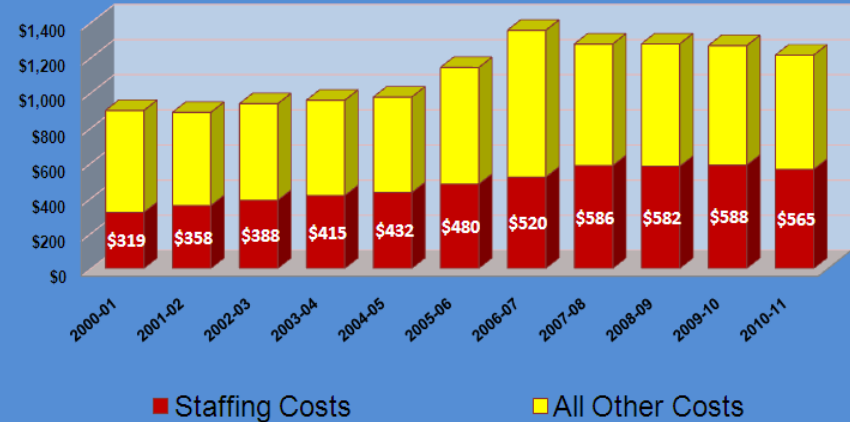
Statistical Summaries

2000-01 to 2010-11 Adopted Budget

Staffing Trend



Appropriation Trend (\$ in Millions)



Fiscal Year 2000-01

- Population 563,598
- Total budget \$898.9M
- 6,899.5 FTEs
- Staffing cost \$319.2M (35% of budget)
- Avg. position cost \$46K

Fiscal Year 2010-11

- Population 694,300
- Total budget \$1.2B
- 5,838.5 FTEs, 1,061 less staff
- Staffing cost \$564.6M (46% of budget)
- Avg. position cost \$97K; more than doubled since 2000-01 (CPI = 28.7%)

2011-12 Preliminary Budget Outlook

2011-12 Preliminary Budget Outlook

	1 st Quarter Report	January 2011 Update
NCC Cost Increases	\$15.8 M	\$17.7 M
Labor	\$12.6 M	\$13.2 M
Public Asst FMAP	\$3.2 M	\$3.2 M
Elections		\$2.4 M
GPR Decreases	(\$17.9)M	(\$19.5)M
Reserve/Capital	(\$23.5)M	(\$23.5)M
Sales Tax (GPR/Prop 172/Realign.)	\$4.7 M	\$7.1 M
Property Taxes	\$1.0 M	(\$3.2)M
2011-12 NCC Deficit	\$34M - \$36M	\$36M - \$38M

2011-12 Preliminary Budget Outlook

Labor Costs

	2010-11 Adopted		2011-12 Prelim		Increase
	Amount	% of Total Labor Costs	Amount	% of Total Labor Costs	
Salary	\$329.4 M	62.5%	\$333.6 M	59.9%	\$4.2 M
Benefits					
Retirement	\$102.5 M		\$115.5 M		\$13.0 M
Health	66.8 M		78.6 M		11.8 M
Other (e.g. unempl, FICA, uniform, etc.)	28.3 M		29.4 M		1.1 M
Subtotal – Benefits	\$197.6 M	37.5%	\$223.5 M	40.1%	\$25.9 M
Total Labor Costs	\$527.0 M		\$557.1 M		\$30.1 M

2011-12 Preliminary Budget Outlook

Labor Costs – Impact on Non-Gen Fund

- Limited ability to recover increased costs
 - ❖ SJGH – negotiated Medi-Cal/Medicare rates
 - ❖ Refuse Operations – competitive gate fees
- Flat federal/state funding
 - ❖ Human Services Agency Administration
 - ❖ Child Support Services
 - ❖ Grant-funded programs (e.g. public safety)

Budgetary Actions/Strategies

1. Limit/suspend fixed assets purchases
2. Reduce County-issued cell phones
3. Restrict business-related travels
4. Adjust fee for cost-recovery
5. Defund capital improvement projects
6. Redirect reserve funds
7. Reinstate hiring freeze

Potential Cost Containment Areas

1. Size of Workforce
2. Retirement
3. Employee Health Plans
4. Employee Paid Time-Off

1. Size of Workforce

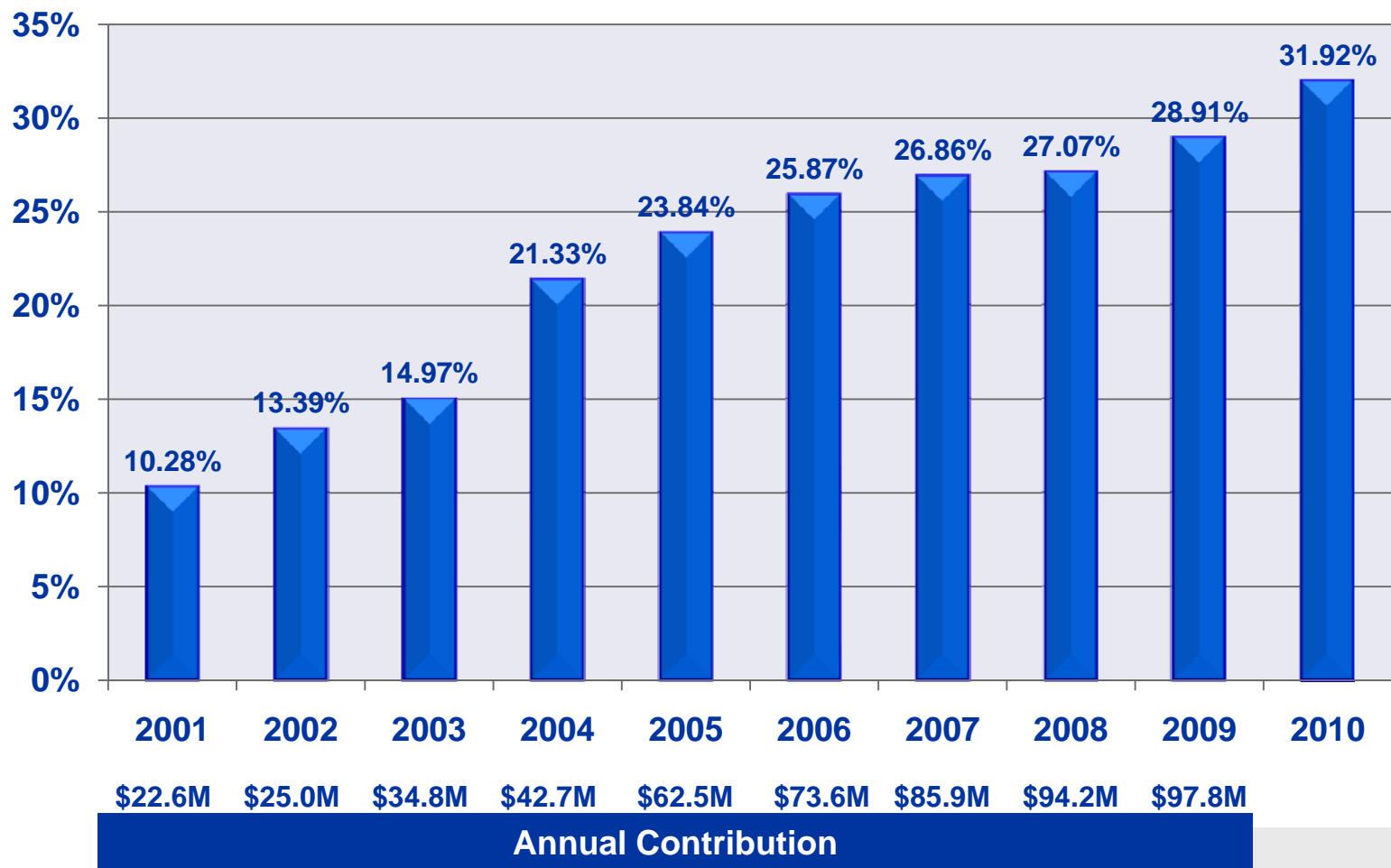
- 2011-12 labor costs \$557.1M
 - ❖ \$30.1M more than 2010-11
- 2011-12 GPR Available \$251.8 M
 - ❖ \$19.5M less than 2010-11
- Identified funding shortfall of \$36M to \$38M to maintain current staffing & service levels

2. Retirement

	2010-11 Adopted		2011-12 Prelim		
	Amount	% of Total Labor Costs	Amount	% of Total Labor Costs	Increase
Salary	\$329.4 M	62.5%	\$333.6 M	59.9%	\$4.2 M
Benefits					
Retirement	\$102.5 M	19.4%	\$115.5 M	20.7%	\$13.0 M
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Total Labor Costs	\$527.0 M		\$557.1 M		\$30.1 M

2. Retirement

Employer Contributions – 2001 to 2010



Note: Approximately 93% of the total active membership are San Joaquin County employees.

Source: SJCERA Actuarial Reports

2. Retirement

County Costs – 2010-11 & 2011-12

	No. of Pos	2010-11 Adopted	2011-12 Prelim	Inc/(Dec)
General	4,552	\$74.3 M	\$85.2 M	\$10.9 M
Safety	784	28.2 M	30.3 M	2.1 M
Total	5,336	\$102.5 M	\$115.5 M	\$13.0 M

Contribution Rates	General		24.9%	27.8%	2.9%
	Basic		17.8%	20.5%	
	COLA		7.1%	7.3%	
	Safety		47.5%	49.9%	2.4%
	Basic		33.6%	36.1%	
	COLA		13.9%	13.8%	

3. Employee Health Plans

	2010-11 Adopted		2011-12 Prelim		
	Amount	% of Total Labor Costs	Amount	% of Total Labor Costs	Increase
Salary	\$329.4 M	62.5%	\$333.6 M	59.9%	\$4.2 M
Benefits					
Retirement	\$102.5 M		\$115.5 M		\$13.0 M
Health	\$66.8 M	12.7%	\$78.6 M	14.1%	\$11.8 M
Other (e.g. unempl, FICA, uniform, etc.)	28.3 M		29.4 M		1.1 M
Subtotal – Benefits	\$197.6 M	37.5%	\$223.5 M	40.1%	\$25.9 M
Total Labor Costs	\$527.0 M		\$557.1 M		\$30.1 M

3. Employee Health Plans

2010-11 & 2011-12 Costs

Nov 2010 Enrollment	Select	Premier	Kaiser	Total
Employee Only	1,234	255	1,089	2,578
Employee +1	401	169	458	1,028
Family	442	162	689	1,293
Total	2,077	586	2,236	4,899

	2010-11 Adopted	2011-12 Prelim	Inc/(Dec)
County Share	\$66.8 M	\$78.6 M	\$11.8 M
Employee Share	11.7 M	13.3 M	1.6 M
Total	\$78.5 M	\$91.9M	\$13.4 M

3. Employee Health Plans Redesign Objectives

1. **Curb future cost increases** and maintain self-funded options
2. Cost share to include “**Employee Only**”
 - Currently approximately 50% of employees pay nothing for coverage
3. Continue to provide **choice** to employees by providing several health plan options
4. Provide a **reduced cost** plan for **exclusive** use of **SJGH**
5. Incorporate **Health Care Reform** benefit changes
 - a. Preventive care – no out-of-pocket cost
 - b. Dependent coverage up to age 26

3. Employee Health Plans Timeline

- Open enrollment – May 2011
- Minimum of **90 days** for open enrollment process
- For 7/4/11 effective date – **4/1/11 is deadline**

4. Employee Paid Time-Off

Number of Annual Leave Days					
Years of Service	Vacation	Holiday	Sick Leave	Total	% of Time Off Available
Less than 3	10	14	12	36	13.8%
Less than 10	15	14	12	41	15.8%
Less than 20	20	14	12	46	17.7%
20 and more	23	14	12	49	18.8%

Number of Annual Leave Days						
Years of Service	Vacation	Holiday	Sick Leave	Admin Leave	Total	% of Time Off Available
Less than 3	10	14	12	10	46	17.7%
Less than 10	15	14	12	10	51	19.6%
Less than 20	20	14	12	10	56	21.5%
20 or more	23	14	12	10	59	22.7%

Labor Contract Status

Labor Contract Status

		Full-Time Positions	
Bargaining Unit/ Employee Organization	MOU Expires	Allocated	Percentage of Total
SEIU	6/30/11	3,794	71.1%
Middle Management	6/30/11	193	3.6%
Peace Officer Misc	6/30/11	17	0.3%
Nurses	12/31/11	357	6.7%
Attorneys	6/30/12	112	2.1%
Correctional Officers	6/30/12	231	4.3%
Probation Officers	6/30/12	116	2.2%
Deputy Sheriffs	6/30/15	241	4.5%
Law Enforcement Mgmt	6/30/15	20	0.4%
Sergeants	6/30/15	38	0.7%
Unrepresented	NA	217	4.1%
Total Positions		5,336	100.0%

Labor Costs By Bargaining Unit

Bargaining Unit/ Employee Organization	2010-11 Adopted	2011-12 Prelim	Increase
SEIU	\$308.4 M	\$323.3 M	\$14.9 M
Middle Management	28.8 M	31.4 M	2.6 M
Peace Officer Misc	2.8 M	3.1 M	0.3 M
Nurses	48.2 M	50.9 M	2.7 M
Attorneys	20.5 M	22.9 M	2.4 M
Correctional Officers	25.5 M	27.5 M	2.0 M
Probation Officers	12.4 M	13.1 M	0.7 M
Deputy Sheriffs	30.2 M	31.1 M	0.9 M
Law Enforcement Mgmt	4.3 M	4.4 M	0.1 M
Sergeants	6.7 M	7.0 M	0.3 M
Unrepresented	39.1 M	42.4 M	3.3 M
Total Labor Costs	\$527.0 M	\$557.1 M	\$30.1 M

Recap Potential Cost Containment Areas

Need \$36M - \$38M NCC Savings

1. Size of **Workforce**
2. **Retirement**
 - A. Employer/employee contributions
 - B. Less costly pension plans
3. Employee **health plans**
 - A. Curb premium increases
 - B. Exclusive use of SJGH
4. Employee Paid **Time-Off**

2011-12 Budget Planning

- Address **half** of deficit via **one-time solutions**
- General Fund operations for **remainder** of **2010-11**:
 1. **Freeze** on acquisition of **fixed assets**
 2. **Freeze** on **filling** vacant **positions**
- Reallocate **\$6M Hospital Tax set-aside** toward 2011-12 contribution to SJGH
- Identify **mid- & long-term capital projects** for possible **de-funding**