

A painting of a forest path leading to a bright opening. The path is made of stones and is flanked by large, dark trees. The light from the opening creates a strong contrast with the dark shadows of the forest. The overall mood is one of hope and a path forward.

**Proposed FY 2011/12
Operating Budget**

**Weathering the Storm
and Charting a Course
for the Future**

June 13, 2011

Fiscal Year 2010/11

- ▶ A year of change
- ▶ Ongoing and unparalleled challenges
- ▶ Structural and long standing fiscal problems
- ▶ A new “normal”

Weathering the Storm

- ▶ New paradigm for service offerings and delivery
- ▶ High public expectation; low confidence in ability to deliver
- ▶ Several difficult fiscal years ahead
- ▶ Operate within our means

Weathering the Storm (cont'd.)

- ▶ Bring new energy to change the way we do business
- ▶ Seek and implement efficiencies
- ▶ Weathering the storm and charting a new course
- ▶ Commit to fiscal stability
- ▶ Balance current and future needs

Fiscal Year 2011/12 Proposed Budget

- ▶ Significant and severe service level impacts
- ▶ Balanced and reflects Board's priorities
- ▶ Prepared with input from all department heads
- ▶ Focused on accountability, transparency, continuous improvement & innovative solutions
- ▶ Motivated by critical public outcomes
- ▶ "Rightsizing" of County government

Fiscal Year 10/11 Accomplishments

During these challenging times we have found innovative service solutions. As an example:

- Created the Community Services Department
- Increased the use of generic drugs to decrease costs
- Facilitated no cost Spanish-language translation services
- Enhanced services at Lake Cachuma and Jalama Beach
- Created successful training partnerships with Ventura and San Luis Obispo counties

Charting a Course

- ▶ Projected \$72M Gap
- ▶ Ongoing and one-time solutions including:
 - \$13M in expenditure reductions
 - \$9M in revenue increases
 - \$26M of service level and staffing reductions
 - \$24M of one time funds

Charting a Course (cont.)

- ▶ Innovation leads to cost savings
 - Public Health Department's Electronic Health Record (EHR)
 - Child Support Services Technology Improvements
 - Laguna County Sanitation

Charting a Course (cont.)

- ▶ Pursuing revenue solutions
- ▶ Continuing discussions with labor
- ▶ Reducing service levels and staffing

Planning for the Future

- ▶ Investing strategically to meet future County needs
 - Loss of one-time funds
 - Deferred maintenance of County facilities
 - Strong demands for social services, health and mental health services
 - Previously negotiated wage increases
 - Anticipated increases in the County's retirement contributions
 - Lack of adequate jail capacity

Summary

- ▶ Proposed budget is “bare bones”
- ▶ Limited revenue and growing costs
- ▶ A new era
- ▶ Operating Plan guides, prioritizes and directs the organization