

PROGRAM IV: GENERAL GOVERNMENT SERVICES

Summary of Appropriations and Revenues

Agency	Agency Name	FY 2006-2007 Appropriations	FY 2006-2007 Revenue	FY 2006-2007 Net County Cost
002	Assessor	33,280,880	7,464,357	25,816,523
003	Auditor-Controller	15,139,189	7,615,303	7,523,886
006	Board of Supervisors - 1st District	809,085	0	809,085
007	Board of Supervisors - 2nd District	798,899	0	798,899
008	Board of Supervisors - 3rd District	772,371	0	772,371
009	Board of Supervisors - 4th District	768,252	0	768,252
010	Board of Supervisors - 5th District	811,064	0	811,064
011	Clerk of the Board	2,790,624	144,327	2,646,297
014	CAPS Program	15,369,200	0	15,369,200
017	County Executive Office	16,982,245	2,296,066	14,686,179
025	County Counsel	8,556,984	1,510,000	7,046,984
031	Registrar of Voters	12,751,319	16,927,516	(4,176,197)
054	Human Resources Department	3,768,945	6,000	3,762,945
059	Clerk-Recorder	11,245,893	17,496,309	(6,250,416)
074	Treasurer-Tax Collector	15,275,410	10,187,277	5,088,133
079	Internal Audit	2,554,401	37,440	2,516,961
	GENERAL FUND SUBTOTAL	141,674,761	63,684,595	77,990,166
107	Remittance Processing Equipment Replacement	100,836	100,836	0
127	Property Tax Admin State Grant	4,338,988	4,338,988	0
12D	Clerk Recorder's Special Revenue Fund	5,813,944	5,813,944	0
12P	Assessor Property Characteristics Revenue	110,000	110,000	0
135	Real Estate Development Program	412,724	412,724	0
	OTHER FUNDS SUBTOTAL	10,776,492	10,776,492	0
	TOTAL - GENERAL GOVERNMENT SERVICES	152,451,253	74,461,087	77,990,166

002 - ASSESSOR

Operational Summary

Mission:

To serve the citizens of Orange County by valuing all legally assessable property with uniformity and impartiality, producing property tax assessment rolls in accordance with the laws of the State of California, and helping property owners to understand their property valuations.

Strategic Goals:

- Identify and properly value all taxable property in Orange County.
- Make property valuation information more accessible and easier to understand.
- Enhance operational efficiency and productivity through the implementation of new technology, policies and procedures.
- Encourage employee development by providing access to relevant training opportunities.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
VALUE ALL TAXABLE PROPERTY IN ORANGE COUNTY. What: Fulfills the Assessor's Constitutional mandates. Why: Implements the provisions of Proposition 13 and other property tax laws.	Valued 859,112 real property parcels and 168,342 business/personal property accounts.	Continue to value all taxable property in the County, an estimated 880,000 real property parcels and 170,000 business and personal property accounts.	We continue to respond to market dynamics and real estate transactions that have increased significantly from year to year, as well as changes in property tax laws and a workload that is increasing and shifting continually.
PUBLISH THE SECURED AND UNSECURED ASSESSMENT ROLLS OF VALUE EVERY JULY. What: Fulfills the Assessor's Constitutional mandates. Why: Establishes the basis for property tax assessments that fund schools and local government services.	Published the secured and unsecured assessment rolls in July 2005.	Publish the secured and unsecured assessment rolls in July 2006.	We are in the process of valuing all taxable property in the County for the FY 2006-07 assessment rolls of value.
IMPLEMENT HOMEOWNER, VETERAN & INSTITUTIONAL EXEMPTIONS FOR ELIGIBLE INDIVIDUALS AND ORGANIZATIONS. What: Limits or reduces taxable value, as mandated by the State Constitution. Why: Qualifying individuals and organizations receive the tax-saving benefits of these exemptions.	More than 503,200 Homeowners, Veterans and Institutional exemptions were enrolled.	Implement exemptions in accordance with property tax laws.	We process claims and application forms on a continuous basis.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	30,942,876
Total Recommended FY 2006-2007	33,280,880
Percent of County General Fund:	1.13%
Total Employees:	337.00



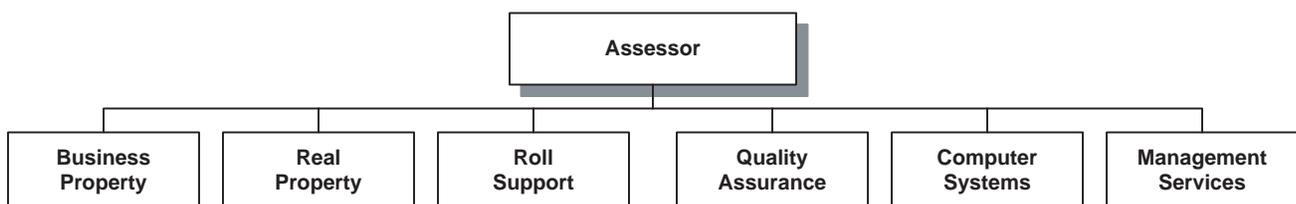
Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
<p>APPLY TAXABLE VALUE RESTRICTIONS ADOPTED BY CALIFORNIA VOTERS. What: Restricts taxable value based on qualifying events. Why: Implements Prop. 13 and other property tax laws that restrict the taxable value of property.</p>	<p>Applied taxable value restrictions to eligible parcels in accordance with property tax laws. Value may be restricted if property declines in value, is transferred between parent and child, or is purchased as a replacement residence by a senior citizen or disabled property owner.</p>	<p>Continue to apply taxable value restrictions to eligible properties in accordance with property tax laws.</p>	<p>We process claims and application forms on a continuous basis, and evaluate Prop. 8 parcels annually.</p>
<p>CONTINUE TO PRODUCE LOCAL ASSESSMENT ROLLS THAT MEET LEGAL QUALITY STANDARDS. What: The SBE conducts periodic surveys to determine if assessment rolls meet legal quality standards. Why: Reduces appeals and related costs, provides uniformity statewide, builds confidence in the system.</p>	<p>In the most recent survey conducted by the State Board of Equalization (SBE), Orange County's local assessment rolls meet legal quality standards established by Government Code Sections 15640 and 15642. The minimum legal quality rating is 95.0%, and Orange County's rating is 98.6%.</p>	<p>Continue to produce assessment rolls in accordance with property tax laws and exceed the minimum legal quality rating of 95%.</p>	<p>The Orange County Assessor and staff continually monitor the status of property tax laws and state rules. Property assessment practice is modified to implement changes in the law.</p>

FY 2005-06 Key Project Accomplishments:

- Businesses that operate in California are required by law to report business personal property holdings to the County Assessor in which the property is located. Property is reported annually on standard business property statement forms approved by the State Board of Equalization. The Orange County Assessor was appointed by the California Assessors' Association to take the lead role in developing a centralized on-line system that businesses could use to file property statements statewide. The Standard Data Record (SDR) system was first implemented in March 2005. In FY 2005-06, based on a new State legislation, SDR was expanded to allow filing of businesses statements for commercial aircrafts. A project was also initiated to add e-Filing functions to SDR in FY 2006-07 for small businesses and individual filers.
- The Assessor Department implemented a new tool to perform appraisal of newly constructed tract homes. This new tool incorporates tablet PC, electronic documents and images, and online workflow to streamline the new construction field appraisal and office review process. This new approach almost completely eliminates the paper handling required of appraisers.
- Orange County is the most productive of all urban California counties in terms of roll units worked per appraiser according to the latest report from State Board of Equalization.
- Staff productivity, as measured by the number of assessed parcels per authorized position, has increased 60% since 1975, from approximately 1,550 parcels per position to roughly 2,500 parcels per position in 2005.

Organizational Summary



Assessment Of Business Property - Audits and appraises business personal property and assesses all trade fixtures, leased equipment, boats and aircraft with taxable situs in Orange County.

Assessment Of Real Property - Appraises real property, new construction and reassessable changes in ownership, and maintains records on all real property parcels including residential, commercial, rural, industrial and special use properties.

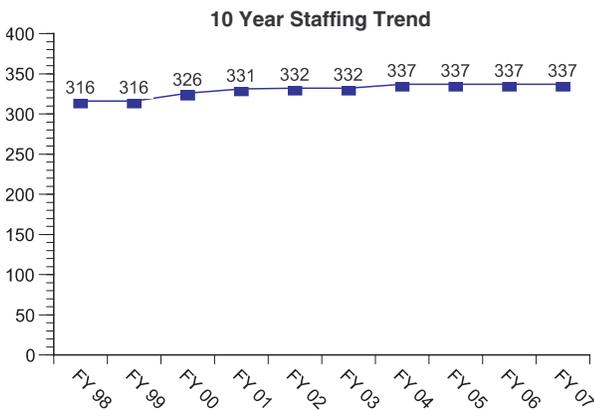
Roll Support - Reviews and maintains recorded documents evidencing a change in ownership of real property, prepares Assessor parcel maps and processes Homeowner, Veteran and Institutional exemptions.

Quality Assurance - Provides appraisal methodologies, procedures, training and quality control for roll production, audit and appraisal staff.

Computer Systems - Provides programming and data processing services, system security and technical services to support the development of the assessment rolls of value.

Management Services - Provides fiscal management, process integration, contract administration, procurement and personnel services, general department administration and public service support to the public and other government agencies.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Twenty-one (21) positions were deleted in FY 1995-96 due to the County bankruptcy. Extra help and overtime labor has been used as appropriate to complete the work.
- Ten (10) positions were added back in January 1999 to accommodate the increased workload base, and to help with the annual workload increases. The department still had a significant shortage in permanent labor hours.
- Five (5) unfunded limited-term positions were added in FY 2000-01 to manage vacancies and better accommodate recruitment timeframes and to meet a larger workload. One (1) full-time regular position was added mid-year FY 2000-01.
- Five (5) extra-help positions were converted to regular positions in FY 2002-03 to meet a growing workload and to get the department back to the 1994 staffing level. The department continues to use extra-help and overtime labor to manage seasonal workload fluctuations and complete the significant workload increase that has occurred since 1994. The staffing level also allowed the department to apply for the State-County Property Tax Administration Grant Program (AB-589).
- In FY 2005-06, a significant number of senior and experienced staff retired from the Assessor Department. As of March 2006, there was a total of 36 retirements representing a loss of almost 900 years of work experience in the department. The Assessor Department has been aggressively recruiting new staff, conducting training and promoting existing staff.
- In March 2004, the Assessor Department received a grant from the State of California, under the AB-589 program. Positions funded by the grant are budgeted in Agency 127. However, the Governor eliminated the funding for AB 589 Grant for FY 2005-06, and did not include funding in his proposed FY 2006-07 budget. The carry-over funds in Fund 127 may be exhausted by FY 2007-08.



Budget Summary

Plan for Support of the County's Strategic Priorities:

The Assessor Department recognizes the County's Strategic Priorities, and will continue to operate in concert with those priorities to the extent that they do not interfere with the Department's Constitutional mandate to produce valuation rolls and provide valuation services to Orange County's property owners and businesses.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	337	337	337	337	0	0.00
Total Revenues	10,813,099	6,720,825	6,788,315	7,464,357	676,042	9.96
Total Requirements	28,986,764	31,785,410	31,318,237	33,280,880	1,962,643	6.27
Net County Cost	18,173,665	25,064,585	24,529,922	25,816,523	1,286,601	5.25

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Assessor in the Appendix on page A8

Budget Units Under Agency Control:

No.	Agency Name	Assessment Of Business Property	Assessment Of Real Property	Roll Support	Quality Assurance	Computer Systems	Management Services	Total
002	Assessor	4,876,924	8,403,059	8,369,986	741,611	2,388,604	8,500,696	33,280,880
127	Property Tax Admin State Grant	0	0	0	0	0	4,338,988	4,338,988
12P	Assessor Property Characteristics Revenue	0	0	0	0	0	110,000	110,000
	Total	4,876,924	8,403,059	8,369,986	741,611	2,388,604	12,949,684	37,729,868

127 - PROPERTY TAX ADMIN STATE GRANT

Operational Summary

Description:

The State-County Property Tax Administration State Grant Program (AB-589) was implemented by the legislature on January 1, 2002. The grant provides funding to help maintain efficient property tax administration, in accordance with legislated guidelines and restrictions.

The Governor eliminated the funding for AB-589 Grant for FY 2005-06, and did not include funding in his proposed FY 2006-07 budget. The Assessor Department has carry-over funds that Orange County received in FY 2003-04 and FY 2004-05. These funds are expected to last through FY 2006-07, and into FY 2007-08, and they are being used to finish the work approved in the contract with the State.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	9,244,550
Total Recommended FY 2006-2007	4,338,988
Percent of County General Fund:	N/A
Total Employees:	38.00

Strategic Goals:

- The Assessor will use State-County Property Tax Administration Grant (AB-589) to perform a real property field canvass of the County over a period of several years. The county has undergone significant development since the last field canvass was performed more than 25 years ago, and a physical review is necessary to verify, update and correct property records as needed.
- The Assessment Tax System (ATS) is the central program used by the Orange County Assessor and other property tax administration departments to prepare, deliver and support property tax assessments, billings and collections. ATS is operating on outdated hardware and software systems that must be replaced. A complete reengineering is required to prevent eminent operational and functional obsolescence. The Assessor will fund a portion of this project with State-County Property Tax Administration Grant (AB-589) funds.
- Some grant funds may be used to help meet increasing Department workloads and implement other property tax system enhancements.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
PERFORM REAL PROPERTY FIELD REVIEW. What: Physical review of properties to verify, update and correct property records. Why: Updated and corrected property records ensure accurate assessment as required by law.	Anticipated to complete over 6,000 property reviews.	Continue to perform Real Property Field Reviews as long as funds are available. Expected number of property to be reviewed: 125,000.	The project is moving ahead on schedule and within the funding as available.

FY 2005-06 Key Project Accomplishments:

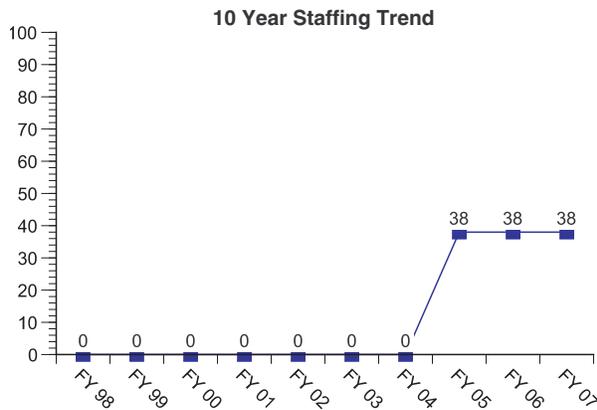
- Real Property Field Review: Since July 2005, the department has invested substantial time in training of the field review team, developed an implementation plan, completed pilot field reviews to refine the procedures and is expected to complete over 6,000 property reviews in FY 2005-06. In addition to the field reviews conducted by the team funded directly



under the AB-589 Grant, the Assessor Department also use the same field review elements for another approximately 40,000 properties each year related to transfer and new constructions. This project is moving ahead on schedule and within the funding as appropriate.

- Business Property Field Review: Since June 2005, the Assessor Department has completed a review of about 23,000 businesses in Orange County that had not filed or updated their business property statement in the past three (3) years or more.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- All positions funded by the grant are limited-term positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Assessor Department recognizes the County's Strategic Priorities and will develop grant programs with input from other property tax administration departments. The Property Tax Administration State Grant will be administered in accordance with the terms and conditions of the grant.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	38	38	38	38	0	0.00
Total Revenues	13,808,421	11,329,454	11,530,618	4,338,988	(7,191,630)	-62.37
Total Requirements	2,628,967	11,329,454	9,264,557	4,338,988	(4,925,569)	-53.17
Balance	11,179,454	0	2,266,062	0	(2,266,062)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Property Tax Admin State Grant in the Appendix on page A118



12P - ASSESSOR PROPERTY CHARACTERISTICS REVENUE

Operational Summary

Description:

The Assessor’s Property Characteristics Revenue Fund (Fund 12P) was created in FY 2005-06 in compliance with the implementation of GASB 34. In coordination with the Auditor Controller Department, the Assessor Department requested establishment of Fund 12P, closure of Assessor’s Property Characteristics Trust Fund 300-352 and requested transfer of all funds in Trust Fund 300-352 to Fund/Agency 12P - Assessor's Property Characteristics Revenue Fund through a Quarterly Budget Adjustment Request (Q-Bar) in the first quarter Budget Adjustment to the Board in FY 2005-06.

This fund is subject to the Revenue and Taxation Code Section 408.3 and will be used to support, maintain, improve, and provide creation, retention, automation, and retrieval of assessor information. Accordingly, part of these funds may be used to purchase system tools e.g. computers and servers, for collecting and maintaining assessor information data.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	486,430
Total Recommended FY 2006-2007	110,000
Percent of County General Fund:	N/A
Total Employees:	0.00

Assessor Property Characteristics Revenue - This fund is subject to the Revenue and Taxation Code Section 408.3 and can only be used to support, maintain, improve, and provide creation, retention, automation, and retrieval of assessor information. The source of revenue is sale of property characteristics produced by the Assessor Department. There is no expiration date for the fund. Interest earned from the fund will be deposited in County General Fund based on Management decision.

Budget Summary

Plan for Support of the County's Strategic Priorities:

This budget is consistent with the priorities and operational plans contained in the Assessor Department Business Plan and Strategic Financial Plan.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Revenues	0	536,430	541,430	110,000	(431,430)	-79.68
Total Requirements	0	536,430	486,430	110,000	(376,430)	-77.39
Balance	0	0	55,000	0	(55,000)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Assessor Property Characteristics Revenue in the Appendix on page A127



003 - AUDITOR-CONTROLLER

Operational Summary

Mission:

To promote public oversight, provide accountability, and support financial decision-making for the County.

Strategic Goals:

- To assist in controlling the financial risk faced by the County.
- To promote accountability by developing and enforcing systems of accounting controls.
- To anticipate and satisfy our stakeholders' and clients' needs for financial services and reliable information.
- To increase Countywide organizational effectiveness by making the appropriate investments in our staff and technology.

Key Outcome Indicators:

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	16,005,007
Total Recommended FY 2006-2007	15,139,189
Percent of County General Fund:	0.51%
Total Employees:	409.00

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
RECEIVE UNQUALIFIED OPINION AND GFOA CERTIFICATE FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE CAFR. What: Measures the integrity and accuracy of the County's annual financial statements. Why: Provides assurance that the CAFR fairly presents the financial position of the County.	The County received both an unqualified opinion and the GFOA certificate for the FY 2003-2004 CAFR. The County received an unqualified opinion for FY 2004-2005 and expects to receive the GFOA certificate for the FY 2004-2005 CAFR.	The department plans to continue maintaining the books and records of the County in a manner that will ensure that the County receives an unqualified opinion and the GFOA certificate on its CAFR.	The department leads a countywide team in a successful implementation of significant new pronouncements from GASB in order to stay in compliance with financial reporting requirements and with generally accepted accounting principles.
99% OF ALL PROPERTY TAXES WILL BE ALLOCATED TO TAXING AGENCIES ON TIME. What: Measures ability to meet deadlines for computing property tax bills and allocating tax revenues. Why: Provides timely revenue to County taxing agencies that receive funding from tax revenues.	The department met all property tax deadlines, apportioning over \$4.9 billion in property taxes, penalties, special taxes/assessments, and interest to over 380 cities, schools, and special districts (including redevelopment projects) in 61 separate apportionments.	The department fully expects to meet all property tax deadlines.	Property tax apportionment deadlines continue to be met in spite of the complexity of the tax allocation process.



Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
<p>99% OF STATE AND FEDERAL CLAIMS WILL BE FILED IN TIME TO SATISFY CASH FLOW REQUIREMENTS.</p> <p>What: Measures compliance with deadlines that assure timely receipt of funds and avoidance of penalties.</p> <p>Why: The amount of revenue associated with these claims is over \$1 billion.</p>	<p>The department achieved better than 99% compliance for FY 2004-2005.</p>	<p>The department will remain committed to timely submission of more than 1,600 required claims and reports, in order to maximize revenue, avoid penalties, and maintain funding for the many County programs, which rely on State and Federal participation.</p>	<p>State and Federal funds continue to be claimed in a timely manner.</p>
<p>ACHIEVE CAPS USER SATISFACTION WITH FINANCIAL AND PAYROLL SYSTEMS OF 90% OR HIGHER.</p> <p>What: Measure client satisfaction with support provided by AC Information Technology Staff.</p> <p>Why: To meet and exceed expectations of CAPS users.</p>	<p>Survey was distributed to approximately 1,800 CAPS users. We received 468 responses. Measured satisfaction in key functional areas (Payroll, Job Cost, Claims Processing, etc.). Satisfaction was at 98% for Staff Support and 96% for Quality of Information Provided.</p>	<p>Continue conducting an annual survey to stay on track and address clients' needs.</p>	<p>For the third year, distribution of the survey was substantially increased. The results continue to be outstanding. The feedback provided through comments will allow us to focus on areas requiring further improvement.</p>
<p>REDUCE HARD COPY/FICHE PRINTING/DISTRIBUTION COST BY 20%.</p> <p>What: Measures reduction of report preparation and access costs due to new imaging technology.</p> <p>Why: Ready access to report information coupled with ability to extract report information for other uses</p>	<p>Countywide rollout of WebERMI has been completed. User training substantially completed. Expanded usage of Data Mining. Resulting savings for report print and distribution was approximately \$186,000 for FY 2004-2005 beating a projection savings of \$120,000.</p>	<p>Continue reductions as warranted. A new measure will be established to reduce internal and external keypunch by 80%, see next key outcome indicator.</p>	<p>Over the past two years we have turned off printing of over 90% of hardcopy reports and microfiche. With a few exceptions, the remaining print jobs are for laser printed forms, turn around documents, and reports requiring a printed hard copy.</p>
<p>REDUCE INTERNAL AND EXTERNAL KEYPUNCH BY 80%.</p> <p>What: Measures reduction in use of internal and external keypunch.</p> <p>Why: Direct entry into the system eliminates the need for double entry of data and a paper based process.</p>	<p>New measure.</p>	<p>Reduce or eliminate data entry for Journal Vouchers, Mileage Claims and Deposit Orders. Reduce timecard data entry services through further implementation of VTI.</p>	<p>RFP for software has been issued and review team will complete selection process in Q4 FY 2005-2006.</p>

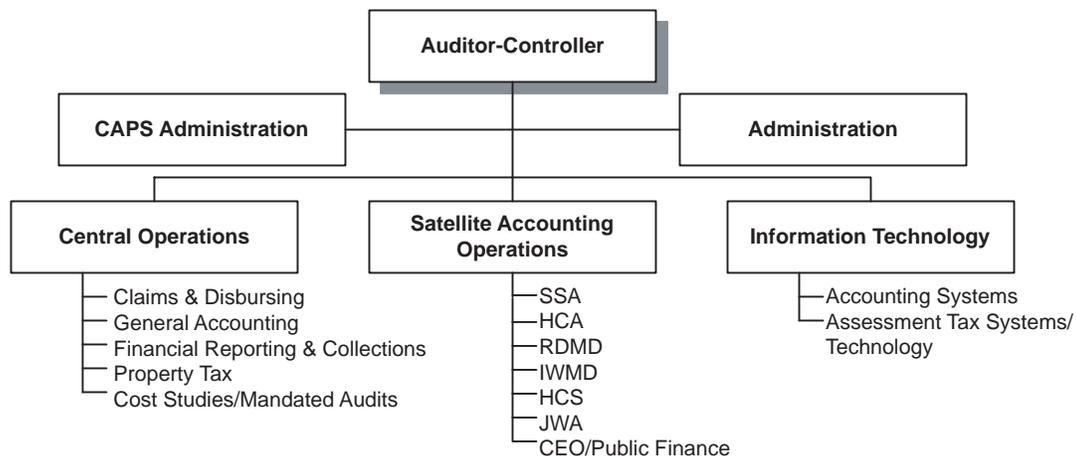
FY 2005-06 Key Project Accomplishments:

- Maintained appropriation control over a \$4.2 billion budget.
- Successful implementation of the 2005 succession plan.
- Helped oversee the county's control structure through the Audit Oversight Committee.
- As chair of State Auditor Controller Association's legislative committee, assisted in preventing costly and needless legislation detrimental to the County.
- Hosted annual State Controller's Conference with County Auditors.
- Participated in the State Association of County Auditors as the President.



- Promoted the accounting profession at the national and state level by active participation in the Western Intergovernmental Audit Forum and the National Intergovernmental Audit Forum.
- Met daily, biweekly, monthly or other deadlines for basic services such as payroll, property tax distributions, vendor payments, revenue collection and reporting, appropriation/budget control, reports to the Board, and submission of State and Federal reports.
- Successfully allocated \$4.9 billion in property taxes.
- Participated in the oversight of the county's \$5.2 billion investment pool.
- Completed the County's FY 2004-05 CAFR and component unit financial statements in compliance with Generally Accepted Accounting Principles (GAAP) by scheduled deadlines with unqualified audit opinions for all statements. Anticipate receiving the GFOA Certificate of Achievement for excellence in financial reporting for the CAFR for FY 2004-2005.
- Completed site visits with department heads of host departments/agencies to assess satisfaction in meeting their accounting needs. Received feedback that the department is meeting the accounting needs of host departments/agencies as they were requested and agreed to, including claiming, payroll, reconciliations, cash monitoring, etc.
- Worked with CEO and HCA on implementation of Health Insurance Portability and Accountability Act (HIPAA) requirements, including the Security Rule phase.
- Automating the upload of summary billing invoices into the CUTS System for SCE and Cal Net.
- Implementation of on-line chart of accounts.
- Completed mandated, department wide NIMS Training.
- Continued employee recognition program that allows managers, supervisors and employees to acknowledge outstanding achievement. Continued publication of quarterly newsletter to increase communication throughout the department.
- Successful pilot implementation of internet based office supplies procurement/invoicing system.
- Converted all VTI agencies to version 4.0 and consolidated to a single server.

Organizational Summary



Central Operations - This division provides the core accounting activities required of the Auditor-Controller which benefit the County as a whole, including: apportionment of property taxes for all County tax-receiving agencies; providing payroll and claims processing for the benefit of all County departments; accounts receivable and collections functions for many County departments; Cost Studies and Mandated Audits Section, which prepares the County's annual Countywide Cost Allocation Plan (CWCAP) that is utilized for cost reimbursement claiming purposes by most County departments; and preparation of the County's annual financial statements. With the exception of Collections/Accounts Receivable, which is cost-applied to client departments, the core services provided by the Accounting Operations and Reporting division are financed by general-purpose revenues of the General Fund.

Satellite Accounting Operations - This division supports seven other agencies/departments by providing outstationed specialized accounting/financial services. The outstationed agency/department accounting support sections are entirely funded by host agencies that have outside revenue sources.

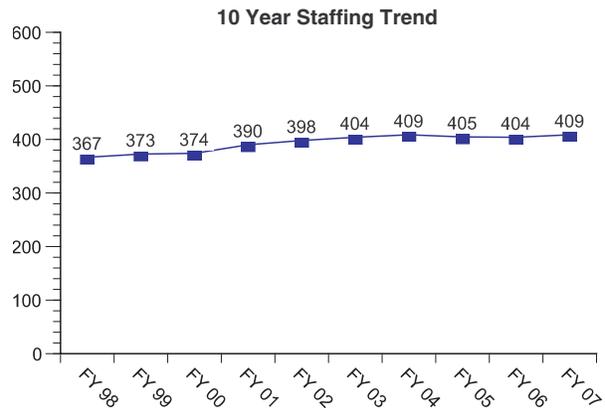
Caps Administration - CAPS Administration provides administrative support for the County Accounting and Personnel System (CAPS). This function is assigned to the Auditor-Controller but represents the interests of all owner organizations: CEO/CFO, CEO/Human Resources, and the Auditor-Controller.

Executive Management - This section includes the executive management team that provides leadership and direction for the department. It consists of the Auditor-Controller, Chief Assistant Auditor-Controller, their secretaries, and the Communications/Staff Development Coordinator.

Information Technology - The Information Technology division is responsible for the implementation, maintenance and upgrade of the County's central accounting and financial systems, as well as the development of other accounting-related systems.

Administration - This division includes human resources, purchasing, budget management, and administrative support and staff services. This division provides central administrative and staff support to the rest of the department.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 97/98 - Restructure resulted in a net decrease of 10 positions.
- FY 98/99 - Added 6 positions to Agency Accounting with no NCC effect.
- FY 99/00 - Added 1 position in the central office as additional clerical support for purchasing and HR function.
- FY 00/01 - Added 26 positions that were transferred in from HCA with no NCC effect. Added 1 Limited Term position for GASB 34 implementation. Eliminated 10 positions that were transferred to CEO/HR with no NCC effect. Eliminated 1 position from central office.
- FY 00/01 Mid year adjustments - In November 2000, added 2 Limited Term positions for GASB 34 implementation, added 1 HR manager, added 1 Systems Analyst for ATS, added 1 limited term for DA/Family Support study, deleted 2 positions in SSA Accounting Services. In February 2001, added 3 positions due to Systems reorganization. In May 2001, deleted 1 limited term DA/FS position, added 1 position in PF&RD Accounting for Dana Point leases. Base budget of 396 positions.
- FY 01/02 - Added 1 position in General Ledger, added 1 limited term position in Information Technology for the CAPS upgrade.



- FY 01/02 Mid year adjustments - Added 1 position in CSA Accounting for the Area Agency on Aging, added 2 positions in PF&RD Accounting for Dana Point leases, added 1 position to HCA Accounting for Medi-Cal Administrative Activity/Targeted Case Management, and added 1 position transferred to SSA Accounting from SSA for a collection officer. Base budget of 403 positions.
- FY 02/03 - Added 1 Sr. Systems Programmer/Analyst in the Information Technology division.
- FY 02/03 Mid Year Adjustment - Added 1 limited term Sr. Accountant/Auditor II added to Information Technology to support CAPS fit analysis and CAPS Upgrade. Base budget of 405 positions.
- FY 03/04 - Added 1 Sr. Accountant/Auditor I and 1 Accounting Assistant II to Planning and Development Services Department Accounting and added 2 Accounting Assistant II positions to HCA Accounting (converting 2 extra help positions to regular status).
- FY 03/04 Mid Year Adjustment - Added 3 Senior Accounting Assistants, transferred from RDMD to RDMD Accounting, deleted 6 vacant Accounting Assistant II positions from SSA Accounting, deleted 3 vacant Accounting Assistant II, 2 vacant Office Assistants and 1 vacant Office Technician from HCA Accounting/CCS. Base budget is 400 positions.
- FY 04/05 - Added 3 Accounting Assistant II positions and 1 Accounting Office Supervisor, transferred from SSA to SSA Accounting. Added 1 Senior Accountant/Auditor II in the Information Technology division, effective January 1, 2005.
- FY 04/05 Mid Year Adjustment - Deleted 1 vacant, limited term Accounting Assistant II from HCA Accounting. Base budget is 404 positions.
- FY 05/06 - Added 2 Systems Programmer/Analyst positions in Information Technology; added 1 Accounting Technician in JWA Accounting; added 1 Accounting Technician in RDMD Accounting/Santa Ana River; added 1 Accountant/Auditor II in RDMD Accounting/Dana Point; added 1 Accountant/Auditor II and 1 Administrative Manager in RDMD Accounting/Watershed.
- FY 05/06 Mid Year Adjustment - Added 1 Senior Accountant-Auditor I position, transferred from RDMD to RDMD Accounting; added 1 Accounting Technician

position in General Ledger Unit; deleted 1 Accounting Assistant II, 2 Office Assistants, and 1 Utility Worker/Driver positions from SSA Accounting. Base budget is 409 positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Although the Auditor-Controller does not have responsibility for a specific priority item, the department budget reflects support of the overall priorities including initiation, implementation and continued support of several technology projects designed to enhance overall efficiency and enable data gathering and processing to be more efficient throughout the County.

Changes Included in the Recommended Base Budget:

The budget request continues to reflect the Auditor-Controller's desire to increase the usefulness and accessibility of financial systems. As County departments change and re-engineer their business processes to increase efficiencies and implement new technologies, the Auditor-Controller is consistently working to control risk at the appropriate level. As County departments are now struggling to maintain or reduce their budgets and operating costs continue to increase, the Auditor-Controller will work to ensure that all risk controlled measures are comprehensively enforced, and that the gate-keeping function of the office remains secure.

The Auditor-Controller department is limited to a 3% growth budget. The base budget request includes significant increases in retirement costs. The department manages budget resources through analysis of requirements and allocation of resources according to service priorities. Employer retirement contributions are expected to increase 46% in FY 2006-2007.

Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Equipment Purchase for Conference/ Training Center Capital Project Amount:\$ 60,000	Purchase office furniture/equipment including tables, chairs, two projectors for conf/training room	Provide accommodations for an occupancy of 75+ for training associated with the CAPS, ATS, IP3	5077

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	404	409	409	409	0	0.00
Total Revenues	6,617,942	6,990,665	6,914,786	7,615,303	700,517	10.13
Total Requirements	14,457,152	16,182,797	16,868,628	15,139,189	(1,729,439)	-10.25
Net County Cost	7,839,209	9,192,132	9,953,842	7,523,886	(2,429,956)	-24.41

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Auditor-Controller in the Appendix on page A11

Highlights of Key Trends:

- The Auditor-Controller workload increases proportionately with the addition and expansion of County programs and with the general growth in the County budget and number of positions. Workload also increases as a result of requests from client departments for new and enhanced services and for interfaces with our automated systems.

- Significant information technology department development work will continue for the basic financial systems that manage the County. The Assessment Tax System is in the process of being totally rewritten. The County Accounting and Personnel Systems are also being analyzed for replacement. Additional resources to support these projects will be required.

Budget Units Under Agency Control:

No.	Agency Name	Central Operations	Satellite Accounting Operations	Caps Administration	Executive Management	Information Technology	Administration	Total
003	Auditor-Controller	6,853,015	4,123,874	0	646,883	2,415,559	1,099,858	15,139,189
014	CAPS Program	15,369,200	0	0	0	0	0	15,369,200
14A	Option B Pool Participants Registered Warrants	16,855	0	0	0	0	0	16,855
14C	Class B-27 Registered Warrants	32,267	0	0	0	0	0	32,267
15Q	Pension Obligation Bond Amortization	16,000,000	0	0	0	0	0	16,000,000
15W	1996 Recovery Certificates of Participation (A)	3,290,897	0	0	0	0	0	3,290,897
15Z	Plan of Adjustment Available Cash	8,851,951	0	0	0	0	0	8,851,951
	Total	50,414,185	4,123,874	0	646,883	2,415,559	1,099,858	58,700,359



014 - CAPS PROGRAM

Operational Summary

Description:

The CAPS Program agency was established by Board Minute Order dated November 1, 2005, for the purpose of controlling appropriations and expenditures relating to CAPS (County-wide Accounting and Personnel System.) The CAPS systems are the County's Financial, Purchasing, and Human Resources information systems and are a vital component of the County's infrastructure. These systems are required for

County operations, such as financial planning and budget development, maintaining the County's financial records and the generation of financial statements, collecting costs for federal and state billings, procuring goods and services, making vendor payments, processing the County's payroll, and administering personnel records.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	0
Total Recommended FY 2006-2007	15,369,200
Percent of County General Fund:	0.52%
Total Employees:	0.00

Strategic Goals:

- Continuous Improvement: Keep improving the utility of CAPS, and related administrative practices, with the on-going expansion of features, functions and capabilities which demonstrate a clear return on investment.
- Single-Source Solution: Position CAPS to be the single source of "Corporate-Level" Financial, Purchasing, and Human Resources information within the County to minimize system redundancy, reduce related costs, and eliminate conflicting data.
- Stay Current with Technology: Keep the CAPS Systems at the leading edge of information technology in order to leverage the County's workforce and improve services to our constituents.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
MAINTAIN SYSTEM OPERATIONAL READINESS. What: Measures the availability of information systems resources to County staff. Why: CAPS is required for key administrative processes and its availability impacts staff productivity.	N/A.	On-line systems available and fully functional 99% of scheduled up-times and batch processing completed on time 99% of established schedules.	The twelve month rolling average, as of January, 2006, is being met at 99.7% for finance and purchasing. The human resources rolling average for the same time period is 98.8% and is trending upward.
MAINTAIN A HIGH QUALITY AND PRODUCTIVE SYSTEM MAINTENANCE PROGRAM. What: Maintenance is mandated changes to the systems or fixes for problems which are encountered. Why: Ensures technology compatibility as well as compliance with regulatory and policy changes.	N/A.	Complete 95% of planned maintenance tasks on time and within budget.	The twelve month rolling average, as of January, 2006, is slightly below the target number at 92% but is trending up towards the target 95%.

Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
MAINTAIN A HIGH QUALITY SYSTEM USER SUPPORT PROGRAM. What: Training/documentation and assistance program for the CAPS user community. Why: Program is necessary to ensure the correct and effective use of the CAPS systems.	N/A.	Maintain a satisfaction rating of 4.0 or higher (scale of 1-5 with 5 the highest score) with student evaluations of training/documentation and user assistance survey ratings.	All student training evaluations and contact follow-up surveys satisfaction target ratings are being met.
COMPLETE MAJOR PROJECTS ON TIME AND WITHIN BUDGET. What: Measures project management effectiveness. Why: CAPS projects typically have county-wide impacts and compete for limited County funds.	N/A.	All major projects (\$250,000 or higher in total cost) completed within 15% of planned timeframes and budget.	This is a new objective which will be implemented during FY2006-07.
MAINTAIN A HIGH LEVEL OF SYSTEM USER SATISFACTION. What: Measures relative satisfaction with CAPS in meeting the County's business needs. Why: A formalized feedback mechanism is needed to ensure CAPS is meeting the needs of the County.	N/A.	Maintain a minimum 4.0 (scale of 1-5 with 5 being highest rating) overall satisfaction rating.	Selective surveys in various areas of CAPS have met the target ratings. A system-wide survey process will be implemented during FY2006-07.

FY 2005-06 Key Project Accomplishments:

- Operations: During the past year, processed over 860,000 financial transactions in support of a \$4.9 billion dollar County budget managed through more than 700 funds. During the same period processed over 52,000 personnel/payroll transactions and generated over 500,000 paychecks/EFT payments.
- Maintenance: During the past year, resolved 369 system problem tickets, completed 14 maintenance tasks, and implemented over 100 program fixes supplied by software vendors.
- User Support: During the past year training over 900 students in 14 subject areas, and resolved over 100 user helpline problems.
- On-Going Enhancements: During the past year, completed 34 enhancements to the systems.
- Strategic Initiatives: Met all major milestones for three major projects in progress. CAPS Strategic Assessment; Integrated Purchasing and Payables Pilot; and Human Resources Personnel Action Workflow rollout.

CAPS Program - Includes Operations and Maintenance; User Support; On-going Minor Enhancements; and Strategic Initiatives.

Operations and Maintenance: Provides support for the operations of the systems according to established schedules, processing deliverables, and service levels. It also provides software maintenance to ensure the timely and accurate processing of finance, purchasing and human resources information.

User Support: Provides system documentation, training and assistance for the CAPS user community.

On-Going Minor Enhancements: Provides on-going improvements to the CAPS systems which improve the utility of the system, enhances staff productivity, and demonstrate a clear return on investment.

Strategic Initiatives: Encompasses all major CAPS enhancement projects (over \$250,000 in total cost.)

Budget Summary

Plan for Support of the County's Strategic Priorities:

There are two Strategic Priorities associated with CAPS: CAPS Replacement and Process Re-engineering. The replacement effort addresses the need to upgrade the existing systems to newer technology. A Strategic Assessment is in progress which will evalu-

ate alternatives and make recommendations to the Board of Supervisors. The process re-engineering strategic priority is being addressed with a series of in-progress, and soon to be started work flow projects which will improve and automate the County's current business processes.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Requirements	0	0	0	15,369,200	15,369,200	0.00
Net County Cost	0	0	0	15,369,200	15,369,200	0.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: CAPS Program in the Appendix on page A25

Highlights of Key Trends:

- County business needs are driving an increasing demand for more information capabilities. Examples are the need for additional automated work to increase

transaction productivity to keep up with increasing workload and the need for more ad-hoc capabilities to access information for analysis and trending purposes.

006 - BOARD OF SUPERVISORS - 1ST DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions, and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and depart-

ments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The First Supervisorial District represents the citizens of Santa Ana, Westminster, a large portion of Garden Grove, and the unincorporated area of Midway City.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	748,012
Total Recommended FY 2006-2007	809,085
Percent of County General Fund:	0.02%
Total Employees:	8.00

Strategic Goals:

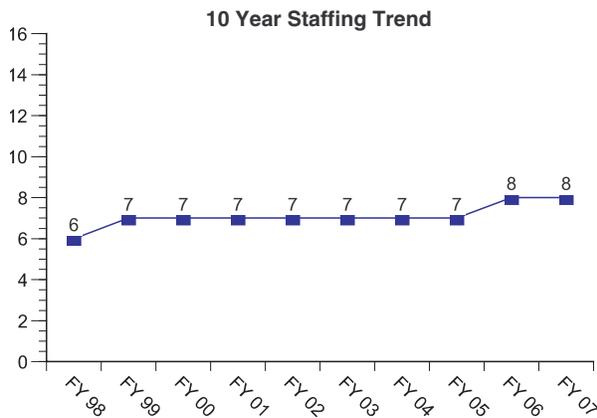
- Provide better access to government for all.

FY 2005-06 Key Project Accomplishments:

- Established the Information & Technology (IT) Working Group in an effort to enhance IT operations and improve quality of services to the public.
- Initiated the creation of an anonymous website for County staff and the public to report fraud and misuse, as well as submit suggestions for improvements.
- Continued focus on meeting the recreation, parks and open space needs of the inner cities.
- Continued advocacy for regional transportation improvements, including the extension of Orange County's Measure M.

- Initiated program to provide health care for uninsured children.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the eight positions budgeted for First District, one is occupied by the Supervisor and one is vacant.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	8	8	8	8	0	0.00
Total Revenues	200	0	0	0	0	0.00
Total Requirements	741,734	787,924	748,282	809,085	60,803	8.13
Net County Cost	741,534	787,924	748,282	809,085	60,803	8.13

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 1st District in the Appendix on page A15

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 1st Dist
006	Board of Supervisors - 1st District	809,085
	Total	809,085



007 - BOARD OF SUPERVISORS - 2ND DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget alloca-

tions, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Second Supervisorial District represents the citizens of Costa Mesa, Cypress, Fountain Valley, Huntington Beach, La Palma, Los Alamitos, Newport Beach, Seal Beach, Stanton, a portion of Garden Grove, and the unincorporated areas of Rossmoor, Santa Ana Heights, and Sunset Beach.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	738,707
Total Recommended FY 2006-2007	798,899
Percent of County General Fund:	0.02%
Total Employees:	7.00

Strategic Goals:

- To effectively and efficiently represent the people of the Second District in promoting economic prosperity, preserving public safety, and maintaining the quality of life.

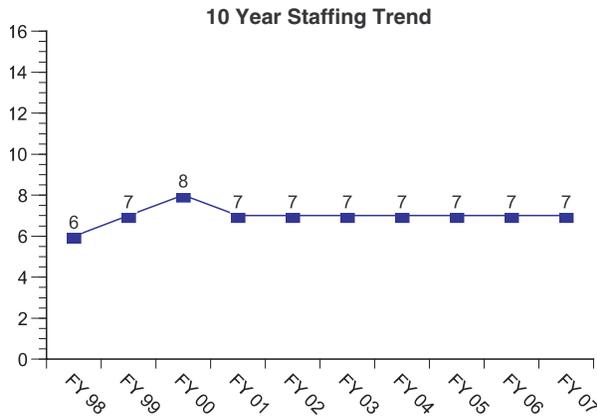
FY 2005-06 Key Project Accomplishments:

- Refinancing of Bankruptcy Debt
- Bankruptcy Debt Defeasance Reserve Funding
- Upper Newport Bay Ecosystem Restoration Commencement
- Edinger Bridge Refurbishment
- Mile Square Park Restroom And Playground Refurbishments
- Mile Square Park Youth Camping Facility
- Sunset Beach Kid's Beach Walkway Completion
- Establishment of Pacific Coast Highway Underground Utility District
- John Wayne Airport Improvement Program Finance Scenario Approval
- John Wayne Airport Investment Grade Bond Rating Retention
- Received 90% Passenger Approval Rating of John Wayne Airport Services
- Warner Avenue Bridge Widening
- Santa Ana River Sediment Removal Project Completion
- Huntington Beach Channel 100-Year Protection



- SR-22 50% Completion
- I-405/SR-55 Freeway High Occupancy Vehicle Connectors Completion
- I-405 Major Investment Study Completion
- Establishment Of Sunset Beach Sphere Of Influence
- Analysis Of Rossmoor Future Governance And Policing Issues

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Second District, one is occupied by the Supervisor.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget	Projected ⁽¹⁾	Recommended	Projected	Percent
Total Positions	7	7	7	7	0	0.00
Total Requirements	726,514	776,420	738,707	798,899	60,192	8.15
Net County Cost	726,514	776,420	738,707	798,899	60,192	8.15

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 2nd District in the Appendix on page A16

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 2nd Dist
007	Board of Supervisors - 2nd District	798,899
	Total	798,899



008 - BOARD OF SUPERVISORS - 3RD DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects

and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Third Supervisorial District represents the citizens of Brea, Irvine, Orange, Tustin, Villa Park, Yorba Linda, a portion of Anaheim, and the unincorporated areas of Cowan Heights, El Modena, Lemon Heights, MCAS El Toro, Olinda, Olive, Orange Hills, Orange Park Acres, Tustin Foothills, Modjeska Canyon, Santiago Canyon, Silverado Canyon and Trabuco Canyon.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	722,859
Total Recommended FY 2006-2007	772,371
Percent of County General Fund:	0.02%
Total Employees:	7.00

Strategic Goals:

- Strive daily to represent the interests of the men, women and children of Orange County.
- Continue to make Orange County the best place to live, work and play.

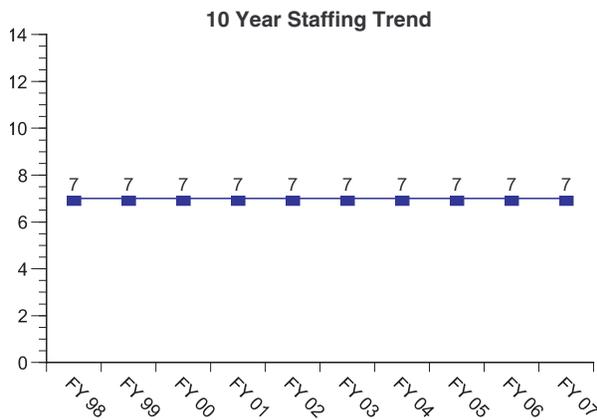
FY 2005-06 Key Project Accomplishments:

- Received the highest possible rating from the financial rating agencies for County bonds. The 2005 refunding of the County's bankruptcy debt resulted in \$505.3 million of debt service savings for the County.
- Finalized the major investment study on the 91 Freeway, emphasizing widening within existing right of ways and the consideration of double-decking a portion.
- Supported the locally preferred alternative for extending the State Route 241 toll to connect with Interstate 5 at the San Diego County line.
- Extended the Esplanade Trail in North Tustin and completed plans for planting and landscaping of the extension areas.
- Passed the horse density ordinance for the unincorporated area of Orange Park Acres.
- Replaced sewer mains throughout the unincorporated area of North Tustin.
- Repaired storm drains, buckled streets and sidewalks, and fortified hillsides during winter storms.
- Sponsored legislation allowing for the continuous, electronic monitoring of high-risk probationers on a cost-recovery basis.
- Oversaw the opening of 414 county-financed, affordable housing units in four new developments.
- Received \$62-million federal appropriation for continued construction on the raising of the Prado Dam.



- Equipped every County of Orange branch library with "Wi-Fi" wireless Internet access.
- Provided interim and near-term housing and relief services to over 1,000 evacuees from the Gulf Coast in response to Hurricane Katrina.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Third District, one is occupied by the Supervisor.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	7	7	7	7	0	0.00
Total Requirements	672,722	746,293	722,859	772,371	49,512	6.85
Net County Cost	672,722	746,293	722,859	772,371	49,512	6.85

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 3rd District in the Appendix on page A17

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 3rd Dist
008	Board of Supervisors - 3rd District	772,371
	Total	772,371



009 - BOARD OF SUPERVISORS - 4TH DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and depart-

ments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Fourth Supervisorial District represents the citizens of Anaheim, Buena Park, Fullerton, La Habra, Placentia, and the unincorporated area of West Anaheim.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	694,195
Total Recommended FY 2006-2007	768,252
Percent of County General Fund:	0.02%
Total Employees:	7.00

Strategic Goals:

- Provide leadership, formulate new ideas and build consensus on programs and projects benefiting the Fourth District and all of Orange County.
- Be the personal conduit between Anaheim, Fullerton, Buena Park, Placentia and La Habra constituents with Orange County government.

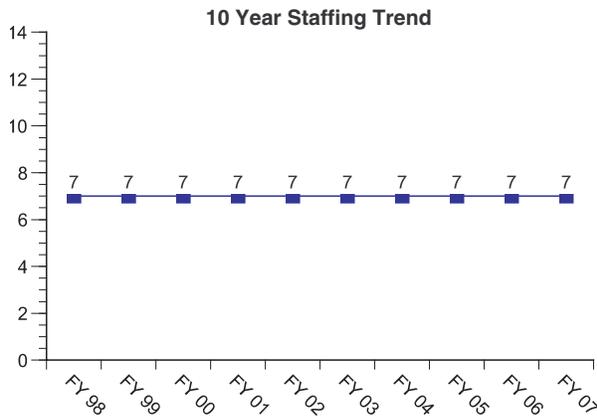
FY 2005-06 Key Project Accomplishments:

- Elected Vice Chairman of the Board of Supervisors
- Approved refinancing the County's Bankruptcy Debt which will save the taxpayers \$505.3 million in debt service
- Wrote and led the effort to place Measure "A" on the ballot which prohibits the County from using eminent domain to acquire private property for private use
- Approved the creation of the Board's Information Technology Working Group
- Helped write Assembly Bill 2197 which would protect County property tax from being taken by Redevelopment Agencies
- Led Youth N Motion campaign, encouraging youth to ride the bus
- Settled La Habra Landfill Litigation
- Began construction on I-5 Gateway project (to improve I-5 between Beach and County line)
- Expanded Metrolink services and stations
- Approved the expansion of John Wayne Airport
- Helped prevent Public Safety sales tax money from being taken from the Sheriff and the District Attorney
- Worked for equitable distribution of park funds throughout Orange County



- Lobbied the federal government to reexamine reauthorization of the Voting Rights Act to ease unfunded mandates on counties and require reasonable fluency thresholds

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Fourth District, one is occupied by the Supervisor and one is vacant.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	7	7	7	7	0	0.00
Total Revenues	0	0	32	0	(32)	-100.00
Total Requirements	620,607	753,291	694,195	768,252	74,057	10.67
Net County Cost	620,607	753,291	694,163	768,252	74,089	10.67

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 4th District in the Appendix on page A18

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 4th Dist
009	Board of Supervisors - 4th District	768,252
	Total	768,252



010 - BOARD OF SUPERVISORS - 5TH DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget alloca-

tions, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Fifth Supervisorial District represents the citizens of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, San Juan Capistrano, and the unincorporated areas of Coto de Caza, Las Flores, Newport Coast and Ladera.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	746,853
Total Recommended FY 2006-2007	811,064
Percent of County General Fund:	0.02%
Total Employees:	8.00

Strategic Goals:

- To represent the people of the Fifth District by enhancing and protecting the quality of life, promoting economic prosperity and being an effective advocate for Fifth District issues.

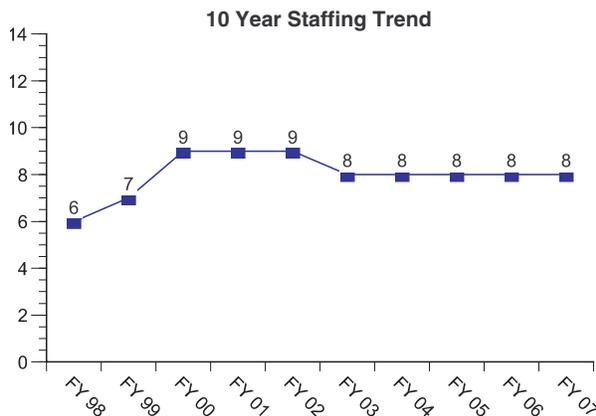
FY 2005-06 Key Project Accomplishments:

- Led the changes within the County structure to create a more effective and accountable government to serve our residents, and advocated for a more responsive management to benefit all of the County's employees.
- Chaired monthly meetings of the Orange County Criminal Justice Coordinating Council to improve coordination and effectiveness of the County's public safety entities.
- Coordinated discussions to accelerate South Court and Laguna Niguel City Hall programs.
- Continued advocacy for housing and social service programs at the County's property at MCAS El Toro.
- Advocated for aggressive implementation of the County's National Pollutant Discharge System (NPDES) permits, pressed for the completion of short-term projects to improve beach water quality, and championed continued emphasis on watershed level planning.
- Continued to chair the Orange County Coastal Coalition; also served on several executive committees of water entities, such as CalCoast, The California Wetlands Recovery Project and The American Shore and Beach Preservation Association to ensure Orange County's coastal issues receive the highest priority at every level of government.
- Coordinated regional discussions regarding Rancho Mission Viejo development governance planning with LAFCO.
- Chaired biweekly conference calls between federal, state and local agencies and consultants intended to complete coordinated Nature Reserve design activities for Rancho Viejo land use planning.



- Spearheaded the Dana Point Harbor Concept plan and adoption of the EIR by the Board of Supervisors. Worked with the City of Dana Point, interest groups and the community-at-large for the completion of the Local Coastal Plan and the financing plan.
- Continued to work with the newly created Dana Point Harbor Department to improve project management and allow the harbor to operate as an enterprise.
- Promoted the construction-related activities of the Nix Interpretive Center in Laguna Coast Wilderness Park to ensure it will open concurrently with the hard-fought realignment of Laguna Canyon Road.
- Continued to champion senior transportation through the County's Senior Non-Emergency Medical Transportation program, as well as working with Orange County Transportation Authority to come up with reasonable and effective transportation for the most frail seniors.
- Provided support and leadership to ensure success of the County's domestic violence shelters, as well as county-wide training of influence groups (i.e., teachers and faith-based leaders) to train and educate mandated reporters of domestic violence.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the eight positions budgeted for Fifth District, one is occupied by the Supervisor and one is a part-time position.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	8	8	8	8	0	0.00
Total Requirements	730,658	789,496	746,853	811,064	64,211	8.60
Net County Cost	730,658	789,496	746,853	811,064	64,211	8.60

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 5th District in the Appendix on page A19



Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 5th Dist
010	Board of Supervisors - 5th District	811,064
	Total	811,064

011 - CLERK OF THE BOARD

Operational Summary

Mission:

The Mission of the Clerk of the Board of Supervisors is to provide the County and its citizens easy access to information; and guidance to facilitate fair, equitable and open participation in the decision and policy making of Orange County government.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	2,598,146
Total Recommended FY 2006-2007	2,790,624
Percent of County General Fund:	0.09%
Total Employees:	32.00

Strategic Goals:

- Facilitate the decision and policy making of Orange County government.
- Ensure the assessment appeals process is fair, timely and equitable; and promote public understanding of the process.
- Ensure records are maintained, legislative history of the County is preserved and documents are readily available to our clients.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
PERCENT OF ACCURATE BOARD OF SUPERVISORS AGENDA TITLES. What: Measurement of COB's accuracy and training. Why: Indicator of COB's compliance with Brown Act and identifies areas requiring training.	99.4% of published agenda titles were accurate with no errors.	99.25% of agenda titles are published with no errors.	COB has consistently maintained a high level of accuracy.
PERCENT OF ACCURATELY COMPLETED AND TIMELY FILED ASSESSMENT APPEALS APPLICATIONS. What: Indicator of taxpayers' and agents' understanding of applications and process. Why: Measures success of the COB's training and outreach efforts to the public and tax agents.	86% of applications were completed accurately and timely filed.	88% of applications accurately completed and timely filed.	The State mandated form can be confusing to taxpayers. Increased use of e-filing and continued outreach should improve these statistics.
PERCENT OF ASSESSMENT APPEAL CLAIMS DECIDED OR WAIVED WITHIN 2 YEAR DEADLINE. What: Indicator of success managing caseload to ensure required actions are taken before legal deadline. Why: Assesses whether policies and procedures result in processing appeals within the statutory deadline.	Although the 2 year deadline has not yet expired for all of the 2004 filings, 99.2% of the appeals have been resolved or waivers received. Cases in litigation included in unresolved.	100% of appeals resolved or waivers filed, excluding cases in litigation.	COB meeting goal due to manageable number of filings and quality tracking of database information and appeals.



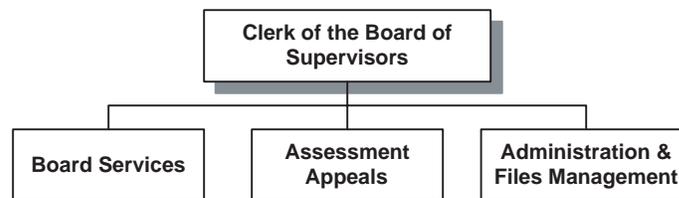
Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
PERCENT OF ASSESSMENT APPEALS HEARINGS HELD OR SCHEDULED WITHIN ONE YEAR OF FILING. What: Indicator of efficiency in processing and scheduling appeals. Why: Measures COB's success in timely resolution of appeals & reduces duplicates in following year.	99% of 2004 filings held initial hearings within one year, excluding those with applicant waivers filed.	95% of hearings scheduled within one year, excluding filings with applicant waivers.	With filings remaining at a manageable level for several years and usage of automation, COB has been successful in providing this level of client service. However, with increased filings and more complex cases, ability to provide this level of service may decline.
RESULTS OF CUSTOMER SATISFACTION SURVEYS. What: Measurement of success in meeting clients' needs. Why: Assesses COB's success in meeting the needs of its customers in a professional and courteous manner.	COB has received favorable ratings from 95%-100% of respondents.	97% rating of services as good or outstanding.	COB has consistently received favorable ratings from its clients.

FY 2005-06 Key Project Accomplishments:

- Continued participation with property tax administration departments in development of new Orange County Assessment Tax System
- Increased usage of e-filing for assessment appeals applications
- Began needs assessment and planning for development of Conflict of Interest form e-filing

Organizational Summary



COB - Executive - Provides leadership and vision, management oversight and direction to all COB functions; performs administrative functions including budget preparation and monitoring, strategic financial projections, human resources, legislative analysis, prepares business plan and monitors progress in meeting goals and performance indicators.

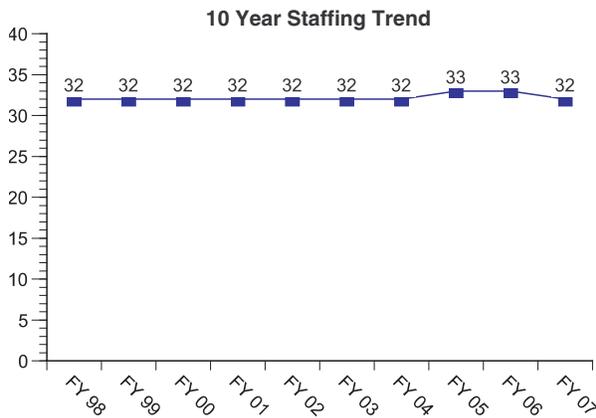
Board Services - Prepares and publishes agendas for Board of Supervisors and other authorities in accordance with legal requirements for public meetings; records and publishes actions taken by the Board; maintains official rosters of Boards, Commissions and Committees; processes legal publications, post-

ings and notices; receives and administers bid openings for County projects; administers oaths of office for various elected and appointed officials and employees; serves as filing officer for Statement of Economic Interest forms; receives and processes claims, summons and complaints against the County.

Assessment Appeals - Receives and processes assessment appeal applications; schedules hearings in accordance with legal requirements; prepares minutes and processes actions of the Appeals Boards and Hearing Officers; provides assistance and education on the assessment appeals process to the general public and professional groups through workshops, brochures and the Internet.

Administration/Files Mgmt - Provides files management for all records that the Clerk of the Board is required to maintain; assists County staff and the public with research and retrieval of information; provides technical knowledge and coordination in development and implementation of automation projects; provides end-user system support services; performs purchasing, petty cash and payroll functions for COB and the Board of Supervisors Offices.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Even with increased workload and additional responsibilities and services, Clerk of the Board has maintained level staffing requirements for over ten years and has virtually eliminated the use of extra and temporary help. This has been accomplished primarily through automation of previously labor-intensive activities. Increase of one position in FY 04-05 was due to the transfer from the County Executive Office of the position supporting the Board Chairman.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Through use of automation developed and implemented over the past few years, COB has been able to reduce ongoing operational costs and maintain level staffing. This has been accomplished while at the same time enhancing the availability of information and documents both internal to the County and to the general public. COB will continue to pursue cost savings and revenue enhancements where efficient and cost-effective. Ideas implemented include use of on-line filing of assessment appeals applications to reduce errors and eliminate costs of data entry and utilization of online document storage to reduce printing costs and for faster and easier document location and retrieval.

Changes Included in the Recommended Base Budget:

In order to meet its 06-07 Net County Cost limit, the Clerk of the Board was required to delete one position. An augmentation request has been submitted for its restoration as loss of the position would jeopardize the department's ability to provide services in a timely manner or result in errors or omissions that could make the County vulnerable to lawsuits or legal challenge of actions.

Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Restore Board Services Specialist Position and NCC to Maintain Current Level of Service Amount:\$ 42,580	Restore one Board Services Specialist position deleted to meet NCC limit	Complete mandated/time sensitive files management and public record requests; ASR review/tracking	5125



Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Projected Percent
Total Positions	33	33	33	32	(1)	-3.03
Total Revenues	201,996	121,100	84,695	144,327	59,632	70.41
Total Requirements	2,698,016	2,690,320	2,653,088	2,790,624	137,536	5.18
Net County Cost	2,496,021	2,569,220	2,568,393	2,646,297	77,904	3.03

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Clerk of the Board in the Appendix on page A20

Highlights of Key Trends:

- The department continues to focus on new automation techniques and public outreach efforts to enhance service levels to both the public and internal clients.

Budget Units Under Agency Control:

No.	Agency Name	COB - Executive	Board Services	Assessment Appeals	Administration/Files Mgmt	Total
011	Clerk of the Board	378,368	795,967	992,845	623,444	2,790,624
	Total	378,368	795,967	992,845	623,444	2,790,624



017 - COUNTY EXECUTIVE OFFICE

Operational Summary

Mission:

The mission of the County Executive Office is to support and implement Board policy and direction through corporate action and leadership, communication and coordination of strategic and regional planning, and to ensure effective service delivery through efficient management of the County's workforce and resources, and to identify and respond to needs in a proactive style focused on customer service.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	14,774,666
Total Recommended FY 2006-2007	16,982,245
Percent of County General Fund:	0.58%
Total Employees:	103.00

Strategic Goals:

- Goal 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors in a proactive style focused on customer service.
- Goal 2: Improve County government's effectiveness in addressing community issues and needs.
- Goal 3: Ensure the financial strength and integrity of the County of Orange.
- Goal 4: Preserve and advance the regional services and infrastructure that the Orange County community relies upon by working collaboratively with other levels of government and community-based organizations to ensure that regional issues and needs are addressed.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
BOARD RATING OF CEO SUPPORT What: Board Members rate quality of support provided by CEO Why: To provide CEO with feedback on quality of support provided to the Board	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	The CEO will continue to conduct regular briefings with each Board office	The Board of Supervisors provides immediate feedback to the CEO and staff at regular briefings
AGENCY/DEPT RATING VALUE OF CEO'S STRATEGIC, FINANCIAL, TECHNOLOGY AND COMMUNICATIONS SUPPORT What: Feedback on agencies assessment of CEO's strategic, financial, technology and employee support Why: To measure the effectiveness of leadership and services provided by the CEO to agencies/ departments	Surveys in progress or completed include: CEO/IT Services, CEO/Purchasing, CEO Support of Computerized Agenda Management System (CAMS) and CEO/Media Affairs Services	CEO will identify and conduct additional service surveys	Two CEO/IT semi-annual surveys completed. Scores averaged 3.4 of a possible 4.0. Third semi-annual survey in progress.



Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
COUNTY OF ORANGE CREDIT RATINGS What: Ratings by major bond rating companies (Moody's, S&P, Fitch) Why: Credit ratings are indicative of financial credit worthiness and factor into borrowing costs	Moody's and Standard & Poor's continued County's issuer ratings of Aa2 and A+, respectively	Maintain / Improve rating	The County has maintained its credit rating
COUNTY PROPOSED BUDGET CONSISTENCY, MEASURED IN DOLLARS AND PROJECTS, TO STRATEGIC FINANCIAL PLAN What: Indicates extent to which departments consider SFP in developing programs/budget Why: The annual budget implements the first year of the SFP requiring the two to be consistent	The adopted budget contained \$551 million in discretionary funding; 99.1% of the amount used in the SFP. Net County Cost limits were set level for the second year. Adopted budget was consistent with the strategic priorities.	The November 2005 Plan projects \$637 million available. Net County Cost limits will be increased by 3%. Augmentations included maintaining key services while absorbing increased retirement costs and funding a few strategic priorities.	The SFP continues to be an excellent financial management and strategic planning tool for the Board and County Management. Decisions are made in context of the SFP recommendations.
LEGISLATIVE AGENDA AND LOCAL GOVERNMENT AWARENESS OF REGIONAL SERVICES AND COORDINATION PROVIDED What: Provide local governments within Orange County information on the County's leadership on legislation Why: Provides CEO a measure of success in defining legislative agenda and achieving favorable results	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	CEO will publish regular and timely bulletins on current legislative issues	Published 20 Legislative Tracking Reports, 19 Legislative Bulletins and 11 Washington Reports

FY 2005-06 Key Project Accomplishments:

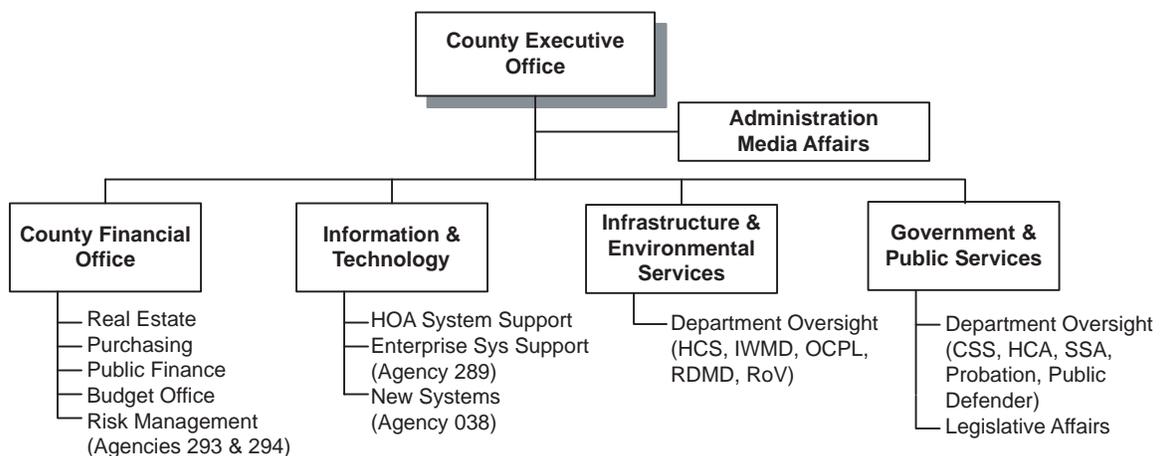
- GOAL 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors
- Developed and presented two quarterly IT project reports.
- Developed IT Strategic Overview to provide policy/structural direction for future IT projects.
- Developed and implemented plan for effective IT governance and change management throughout the County.
- Reassigned Employee Relation function to Human Resources Department in November 2005.
- The 2005 Strategic Financial Plan was adopted by the Board in December, 2005.
- The 2005 Business Plan process was implemented with final plans due in March 2005.
- Conducted Strategic Financial Plan Workshops and Budget briefings to provide the Board with up-to-date information and data to assist the Board in becoming familiar with the fiscal challenges facing the County in the up-coming Fiscal Year, and to assist the Board in making the necessary decisions to adopt the FY 2006-07 County Budget.
- Conducted Department Strategic Financial Plan Workshops and Budget briefings to assist the Board in making decisions necessary to adopt the FY 2005-06 County Budget.
- Provided timely impact analysis of State and Federal Budgets.
- Developed and recommended strategies on preserving the County's allocation of Public Safety Sales Tax.
- Briefed each Board member and Board Executive Assistants, as needed, regarding future agenda items as well as off-agenda items to assist each Board office in preparing for Board meetings and to keep them apprised of key policy issues.
- Conducted weekly Board staff briefings.

- Presented the fiscal impact analysis to Board of Supervisors concerning proposed diversion of Proposition 172 funds to the Orange County Fire Authority.
- Monitored State and Federal legislative activity closely and assessed potential impacts to the 2005-06 County budget following the Board adopted Legislative Platform and procedures.
- Updated and published the Community Indicators Report in March 2005.
- Continued to publish monthly the "County Connections" employee newsletter.
- Developed a County IT Strategic Plan and a revised IT Governance Model.
- Implemented Orange County's first IT Project Management training program to develop project management skills in support of succession planning and staff development.
- Developed and implemented an online customer satisfaction survey instrument for Department Heads/Agency Directors and Executive Management to assess CEO/IT County wide technical and non-technical service. This survey also measures ACS performance.
- Conducted SFP survey to collect feedback from County agencies/departments to ensure an efficient and effective SFP process
- Started the process of revising the policies and procedures of the Public Financing Advisory Committee which will continue in 2006.
- Reviewed the actuarial data of the Orange County Employees Retirement System (OCERS) and initiated analysis of relevant aspects of OCERS as compared with the California Employee's Retirement System (CalPERS) which will be continuing in 2006.
- Initiated facilities master plan process.
- GOAL 2: Improve County government's effectiveness in addressing community issues and trends
- Provided training to County employees in core areas such as executive development and coaching, performance management and EEO.
- Graduated the fourth of Orange County Leadership Academy class of 30 employees and commenced the fifth class in support of succession planning and development,
- Continued timely dissemination of critical purchasing information and policies through the CEO-Purchasing Bulletin format.
- Continued meeting regularly with County purchasing/contracting staff through the Human Services Best Practices Group, the Public Works/A-E Contracts Workgroup, and the Purchasing Best Practices Committee.
- Continued chairing the Human Services Best Practices Group, setting goals and documenting decisions and achievements.
- Continued conducting the Purchasing Best Practices Group meetings with mini training sessions at each meeting and frequent vendor presentations.
- Developed and implemented semi-annual on-line IT customer satisfaction survey.
- Accomplished the April 2005 Federal deadline for e-HIPAA implementation.
- Implemented statewide SDR (Standard Data Record) project for the Assessor
- GOAL 3: Ensure the financial strength and integrity of the County of Orange
- Created short-term business continuity site for Agency/Department use at the Orange County Data Center.

- Continued effective defense of County network security by preventing loss or corruption of data or interruption of services offered.
- Replaced IBM hardware and software saving approximately \$2M over three years.
- Created County-wide IT Project Management Office.
- Developed and implemented standardized IT Project Management training in partnership with UCI.
- Created professional IT contract and purchasing team.
- Prevented 150,000 attempts of cyber-terrorism against the County each day including 1,000-2,000 new types of virus and 'worms' per month.
- Updated the Strategic Financial Plan in April and November. The April plan included the first ever County General Fund reserves policy.
- Streamlined the Strategic Financial Plan model and effectively used the existing budget system in the process.
- Presented a balanced budget for 2005-06 which was adopted by the Board in June 2005.
- Prepaid 50% of the FY 2005-06 pension costs saving nearly \$2 million.
- Restructured the bankruptcy debt, shortening the term by 10 years saving over \$4 million per year.
- Enhanced the quarterly budget report to include a consolidated look at budgeted vs. actual labor related costs.
- Prepared cost impacts of the projected FY 2006-07 retirement cost increase and prepared macro and detailed plans on how they would be funded.
- Enhanced the Quarterly Budget Report to include a Grant Activity section.
- Prepared cash flow analysis to verify potential savings from a proposed Central Utility Plant cogeneration project.
- Prepared cost analysis of various bargaining unit MOU proposals.
- Maintained Moody's and Standard & Poor's credit ratings of Aa2 and A+, respectively.
- Conducted investor relations meetings in New York with rating agencies and bond insurers.
- Prepared and presented to the Board of Supervisors a Debt Capacity Report addressing the County's General Fund debt.
- Developed a formal reserves policy that will clarify purpose, targets, and current balances of reserves
- Maintained a central working relationship with OCERS, including coordination with Human Resources Employee Benefits, CEO Employee Relations and CEO Budget Office, to manage the impacts of the new retirement benefit rate, retiree medical costs and other matters relating to the retirement system.
- Issued numerous countywide master contracts to secure volume discounts and reduce duplicative procurement solicitations.
- Issued the Lease Revenue Refunding Bonds, Series 2005 (\$419.8 million) and Refunding Recovery Bonds, 2005 Series A (\$146 million) to refinance the County's bankruptcy recovery debt which resulted in savings of \$102.5 million and reduction of the debt term by effectively 10 years.
- Initiated issuance of the 2006 Pension Obligation Bonds in the amount of \$106 million to prepay a portion of the County's Unfunded Actuarial Accrued Liability (UAAL) to OCERS which would result in estimated savings of nearly \$4 million.
- Issued the Special Tax Revenue Bonds, 2005 Series A (Ladera Ranch) in the amount of \$84 million which refunded debt of the Ladera Ranch Community Facilities District Nos. 99-1, 2000-1, and 2001-1 and resulted in total savings of \$7.2 million.

- Issued the Newport Coast Phase IV Assessment District No. 01-1, Limited Obligation Improvement Bonds, Group One which converted \$20.5 million of \$30 million total bond principal amount to fixed rate of interest, and initiated the process for conversion of the remaining \$9.5 million variable rate bonds plus issuance of new bonds.
- Worked with all departments to conduct a "wall-to-wall" inventory of all chemical and chemical compounds that are being used in County operations.
- Updated the Risk Management Website to include required programs and safety training, Cal/OSHA Log 300, and the Ergonomic Evaluation request form.
- Revised the Employee Safety and Loss Prevention Handbook and the Supervisor Safety Handbook.
- Completed 283 worksite facility safety inspections, trained 1,569 employees, 153 ergonomic evaluations, and reviewed and made recommendations on 21 Department safety program evaluations.
- Brought in Leased Space IT revenue that was used to offset \$2 million in Enterprise Data Center (EDC) operations costs.
- Board approved reserve of \$50.5 M in November 2005 to further secure the County financially.
- Goal 4: Preserve and advance the interest of the Orange County Community by working with other levels of government and ensuring regional issues and needs are addressed
- Opened disaster recovery site for Los Angeles County Information Technology department.
- Completed a very active and successful legislative program in Sacramento and Washington, D.C.
- Testified at a State Assembly committee in support of improved property tax equity for Orange County.
- Facilitated and coordinated, with other public agencies, the annexation of an additional 9 County islands into four cities.
- Employee Relations continued tracking and monitoring legislation relating to workforce, employment and benefits issues as developments occurred during the legislative session and coordinated with CSAC and the CEO's Legislative Affairs to provide information on potential impacts and articulated positions.
- Worked closely with the Local Agency Formation Commission (LAFCO) to develop strategies to address regional issues and regional service delivery.
- Supported the Board of Supervisors with full participation in two LAFCO sponsored Municipal Service Review Committees.
- Conducted monthly meetings with Orange County City Managers to address issues of common interest.

Organizational Summary



County Executive Office - Provides corporate leadership and oversight to assure implementation of Board policies and directions. The CEO has eight direct reports and budget oversight responsibility for all County departments. CEO Administration and Media Relations provides leadership in developing and presenting strategies for communication of County programs; manages and guides internal operations for CEO including departmental budget, building security, agenda reviews, and coordination with County agencies.

County Financial Office - Provides leadership and oversight of the overall financial operations of the County. Major responsibilities include long-range strategic financial planning, public finance, risk management, County budget, corporate business planning, corporate purchasing, and real-estate support.

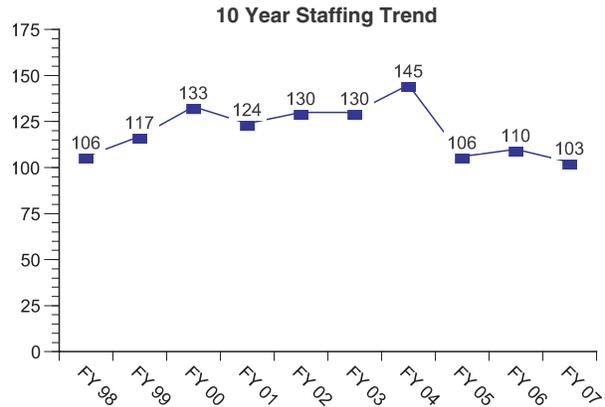
Information & Technology - Provides leadership in the strategic planning, implementation, and overall best practices operations of corporate information technology to achieve County goals and objectives. Major responsibilities include the County IT Strategic Plan, IT Standards, IT Governance oversight and management, IT policy development, IT and HIPAA security, Data Center operations, local and wide area network operations applications development and programming, County-wide IT procurements, IT project management, County-wide IT business continuity and disaster recovery coordination, and telecommunications.

Infrastructure & Environmental Services - Provides leadership and oversees management of the following county agencies/departments: Housing & Community Services, Resources & Development Management, Public Library, Integrated Waste Management Department, and Registrar of Voters. Coordinates service delivery and policy development of key countywide regional services to accomplish county corporate and regional goals.

Government & Public Services - Provides leadership in planning and establishing effective governance structures and relationships to accomplish county corporate and regional goals. This office oversees management of the following County agencies/departments: Social Services Agency, Health

Care Agency, Probation, Public Defender, and Child Support Services. Other major responsibilities include coordination of all Federal and State legislative advocacy efforts, and the County's External Restructuring Program.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 97/98 - As a result of County restructuring, the Office of Human Resources (HR), Purchasing, Real Estate, and the Records Management Program (Record Center), and an accompanying 62 positions, merged into the County Executive Office. Prior to FY 97/98, the Office of HR was an independent operating agency, and Purchasing, Real Estate, and the County Records Center were divisions within General Services Agency, which was disbanded during the restructuring process.
- FY 98/99 - Positions increased to support strategic priorities and other activities, such as Real Estate, Homeless Issues Coordination, and El Toro Master Development Program. This included position transfers from other operating agencies, i.e., PF&RD and HCD, to the CEO, as well as some limited-term positions.
- FY 99/00 - Positions increased to support strategic priorities. This included a position transfer from SSA, ongoing program support conversions from extra help to regular, and limited-term positions to support the El Toro Master Development Program.
- FY 00/01 - Positions decreased as limited-term positions related to El Toro MCAS were deleted.
- FY 01/02 - One position added to Human Resources for clerical support of the Volunteer Program and virtual employment center. Two long term extra help positions converted to regular positions, one for Strategic Affairs



to support Media Relations and one to support CEO Administration. Four positions transferred in from Data Systems to support the Hall of Administration. In the Final Budget one additional position added in Purchasing to jointly support both Children and Families Commission and the LRA. Mid year, in 00-01, four positions transferred from CEO to the Local Redevelopment Authority and two positions added for the Watershed Program and child care coordination.

- FY 02/03 - One position transferred to Housing and Community Development for coordination of homeless issues. One position transferred in from Information and Technology ISF to provide purchasing support.
- FY 03/04 - One position deleted in Human Resources as a result of the Strategic Financial Plan reductions. Two positions transferred in to support the new federal mandate for Health Insurance Portability and Accountability Act (HIPAA). Ten positions transferred in from Employee Benefits as Limited Term for CEO IT pilot project for scanning County documents. Four positions added as an augmentation to CEO purchasing to accomplish the goals of the Board's Ad Hoc Committee recommendations.
- FY 04/05 - The CEO Reorganization was approved by the Board, and adopts a Deputy CEO approach to improve the span of control. Eight positions were deleted, two positions were transferred out, and two positions, one Deputy CEO and one Executive Secretary were added to accomplish this reorganization. Human Resources became a distinct department, while the CEO retains the ten positions for Labor Relations. Ten positions under the CIO were transferred to agency 289 to provide scanning services for the County.
- FY 05/06 - CEO purchasing and real estate functions were separated and one position was transferred out from CEO Real Estate to RDMD Real Estate. One position was also transferred in to CEO IT Support from County Counsel to facilitate supervision and share resources. The Board also approved augmentations, with no increase in Budget appropriations, to convert four contract positions, three in Information and Tech-

nology and one in the Budget Office, to regular positions, for on-going work which supports advances in technology.

- FY 06/07 - The CEO First Quarter adjustment transferred eight positions to Human Resources and one position for Volunteer Programs was transferred in. One position was also deleted in exchange for two lower level positions with no increased costs. In addition FY 06/07 includes the deletion of one vacant position and defunding of one other vacant position as a cost savings to cover increased retirement costs as proposed in the Strategic Financial Plan.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The County Executive Office will lead the Board's strategic planning process, update the Strategic Financial Plan and continue development and implementation of the County's financial systems, including debt reduction, integrate and coordinate regional planning efforts, provide leadership in the development of the County's financial, technology, and administrative functions, and support the Board in developing and pursuing the Orange County Legislative Platform.

Changes Included in the Recommended Base Budget:

The Recommended Base Budget which meets the NCC limit, includes the first quarter transfer of Employee Relations to Human Resources, deletion of one and defunding of two vacant positions, and reclassification of four positions to reflect current incumbents. Also included is an adjustment for intrafund transfers of \$540K to capture County-wide systems costs for budgeting and purchasing.

Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Reclassification Adjustments Amount:\$ 423,000	An increase in NCC is required to fund resolution of reclassification issues	Resolution of classification issues	6054



Requested Budget Augmentations and Related Performance Results: (Continued)

Unit Amount	Description	Performance Plan	BRASS Ser.
Water Quality Governance Matching Funds Amount:\$ 500,000	Funding to match contributions from cities for mandated water quality improvement projects	Meet federal/state water quality mandates	6074

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Amount	Percent
Total Positions	106	104	104	103	(1)	-0.96
Total Revenues	2,191,735	2,191,000	2,204,164	2,296,066	91,902	4.17
Total Requirements	14,845,208	17,088,039	15,819,516	16,982,245	1,162,729	7.35
Net County Cost	12,653,473	14,897,039	13,615,352	14,686,179	1,070,827	7.86

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: County Executive Office in the Appendix on page A27

Highlights of Key Trends:

- The most significant challenge faced by County government has been, and continues to be, the uncertainty of the State budget and its potential impact on County services. This daunting task includes addressing the impacts of another major property tax revenue shift from the County of nearly \$37 million for the second year from the General Fund, Harbors, Beaches and Parks, Flood and Redevelopment funds.
- The County Executive Office, where possible, has developed strategies and approaches to identify alternatives for the Board and the Legislature to minimize local impacts. The County Executive Office continues to focus on identifying various financial options for the Board of Supervisors to utilize in addressing potential impacts from these budget scenarios. CEO staff continues to tightly monitor our expenditures and has maintained a limited hiring freeze.

- In addition, there are a variety of issues and projects that will continue to be addressed in 2006. These include software upgrade and hardware replacement for the assessment tax system and CAPS, the Animal Care Services potential relocation, the proposed new South Orange County Courthouse, the SB1732 transition of trial court facilities from the County to the State, and the impacts of various legislative items during 2005. Additionally, CEO staff will support focused efforts to accelerate the development of Dana Point Harbor, and establish a new equestrian center. Collaborative efforts aimed at encouraging additional annexation of unincorporated areas will continue in 2006. CEO Staff continues to analyze and recommend strategies for long-term debt reduction while still meeting the County's financing needs.



Budget Units Under Agency Control:

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government & Public Services	Total
016	2005 Lease Revenue Refunding Bonds	0	71,248,504	0	0	0	71,248,504
017	County Executive Office	6,066,535	6,135,368	1,996,921	309,183	2,474,238	16,982,245
019	Capital Acquisition Financing	0	7,134,672	0	0	0	7,134,672
021	2005 Refunding Recovery Bonds	0	18,727,700	0	0	0	18,727,700
036	Capital Projects	0	76,172,897	0	0	0	76,172,897
038	Data Systems Development Projects	0	0	3,445,164	0	0	3,445,164
081	Trial Courts	0	70,374,913	0	0	0	70,374,913
104	Criminal Justice Facilities - Accumulative Capital Outlay	0	10,368,425	0	0	0	10,368,425
105	Courthouse Temporary Construction	0	4,254,148	0	0	0	4,254,148
12J	DNA Identification Fund	0	730,118	0	0	0	730,118
135	Real Estate Development Program	0	412,724	0	0	0	412,724
13A	Litigation Reserve - Escrow Agent FTCl	0	193,971	0	0	0	193,971
13J	Children's Waiting Room	0	641,996	0	0	0	641,996
13N	Orange County Tobacco Settlement	0	38,431,627	0	0	0	38,431,627
13X	Substance Abuse & Crime Prevention Act Fund	0	7,975,067	0	0	0	7,975,067
145	Revenue Neutrality	0	4,775,369	0	0	0	4,775,369
14B	County Public Safety Sales Tax Excess Revenue	0	81,339,621	0	0	0	81,339,621
14U	Court Facilities	0	3,564,774	0	0	0	3,564,774
14X	Tobacco Settlement	0	1,384,225	0	0	0	1,384,225
14Y	Indemnification Reserve	0	36,723	0	0	0	36,723
14Z	Litigation Reserve	0	3,828,711	0	0	0	3,828,711
15J	Pension Obligation Bonds Debt Service	0	15,331,274	0	0	0	15,331,274
15S	Designated Special Revenue	0	28,559,121	0	0	0	28,559,121
289	Information Technology Internal Service Fund	0	0	52,805,114	0	0	52,805,114
293	Workers' Compensation Internal Service Fund	0	43,408,002	0	0	0	43,408,002
294	Property and Casualty Risk Internal Service Fund	0	35,596,516	0	0	0	35,596,516
522	Newport Coast AD 01-1 Construction Group 2	0	1,850,000	0	0	0	1,850,000
523	Newport Coast AD 01-1 Group 2 Debt Service	0	1,650,000	0	0	0	1,650,000
531	Newport Coast AD 01-1 Construction '06 Variables	0	13,795,000	0	0	0	13,795,000
599	O. C. Special Financing Authority Debt Service	0	82,312,688	0	0	0	82,312,688

Budget Units Under Agency Control:

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government & Public Services	Total
9A0	Debt Service	0	55,833,254	0	0	0	55,833,254
9B0	Debt Service	0	158,919,915	0	0	0	158,919,915
9C0	Debt Service	0	232,180,642	0	0	0	232,180,642
	Total	6,066,535	1,077,167,965	58,247,199	309,183	2,474,238	1,144,265,120

135 - REAL ESTATE DEVELOPMENT PROGRAM

Operational Summary

Description:

This Fund contains appropriations for up-front costs related to real estate development projects such as advance planning, appraisals, advertising, etc. Revenue from such projects is then transferred to the General Fund. Rents from automated teller machines, cafeterias, and vendor carts are the primary sources of ongoing revenue.

FY 2005-06 Key Project Accomplishments:

- Sale of Santa Ana Boulevard parcel projected to complete in FY 05-06.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	356,859
Total Recommended FY 2006-2007	412,724
Percent of County General Fund:	N/A
Total Employees:	0.00

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Revenues	2,033,678	949,856	442,108	412,724	(29,384)	-6.65
Total Requirements	2,010,681	949,856	419,110	412,724	(6,386)	-1.52
Balance	22,997	0	22,997	0	(22,997)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Real Estate Development Program in the Appendix on page A132

Highlights of Key Trends:

- The budget includes ongoing vendor concession revenues.

025 - COUNTY COUNSEL

Operational Summary

Mission:

To provide the highest quality legal advice and representation to the Board of Supervisors, elected and appointed department heads, County agencies/departments and staff, and Board-governed special districts.

Strategic Goals:

- Provide highly competent legal advice to clients on matters related to their public duties and responsibilities in the administration of the public's business, in accordance with high ethical and professional standards.
- Effectively prosecute and defend civil actions in which clients are involved.
- Deliver all legal services to clients as efficiently and economically as possible.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
PERCENTAGE OF CLIENTS RATING ADVISORY & LITIGATION SERVICES AS SATISFACTORY IN TERMS OF TIMELINESS. What: Measurement of timelines of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	93% based on 2004 survey results.	Be rated as satisfactory by 100% of clients in terms of timeliness.	Based on survey results and ongoing dialogue with clients, County Counsel is doing well in the area of providing satisfactory litigation services in terms of quality and responsiveness.
PERCENTAGE OF CLIENTS RATING ADVISORY SUPPORT AS SATISFACTORY IN TERMS OF QUALITY & RESPONSIVENESS. What: Measurement of quality and effectiveness of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	93% based on 2004 survey results.	Continue to be rated as in 2004-05 or better.	Based on survey results and ongoing dialogue with clients, County Counsel is doing well in the area of providing satisfactory advisory legal services in terms of quality and responsiveness.
PERCENTAGE OF WRITTEN OPINIONS CHALLENGED IN COURT OR ADMINISTRATIVE PROCEEDINGS. What: Measurement of the quality of legal advice. Why: Provides measure of quality of services provided.	One opinion was challenged.	Maintain 5% or less.	County Counsel is doing very well in producing quality written opinions that stand up to legal scrutiny.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	8,362,092
Total Recommended FY 2006-2007	8,556,984
Percent of County General Fund:	0.29%
Total Employees:	98.00



Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
<p>PERCENTAGE OF CHALLENGED WRITTEN OPINIONS THAT ARE UPHELD.</p> <p>What: Measurement of the quality of legal advice.</p> <p>Why: Provides measure of quality of services provided.</p>	One opinion that was challenged was upheld.	Maintain 90% or better rate of success.	County Counsel is doing very well in producing quality written opinions that stand up to judicial review.
<p>PERCENTAGE OF CLIENTS RATING LITIGATION SUPPORT SATISFACTORY IN TERMS OF QUALITY & RESPONSIVENESS.</p> <p>What: Measurement of quality and effectiveness of services provided.</p> <p>Why: Client satisfaction is the primary measure of success for a service agency.</p>	91% based on 2004 survey results.	Continue to be rated as in 2004-05 or better.	Based on survey results and ongoing dialogue with clients, County Counsel is doing well in the area of proving satisfactory litigation services in terms of quality & responsiveness.
<p>PERCENTAGE OF DEPENDENCY CASES UPHELD ON APPEAL.</p> <p>What: Measurement of the quality of services provided by County Counsel.</p> <p>Why: Provides measure of quality and effectiveness of services provided.</p>	The percentage of cases upheld on appeal is over 90%. Indian Child Welfare Act (ICWA) reversals were reduced 72% and the number of published cases was reduced 25%.	Maintain 90% or better rate of success.	Very well.
<p>PERCENTAGE OF MENTAL HEALTH CASES WON OR RESOLVED WITH APPROVAL OF CLIENT.</p> <p>What: Measurement of the quality of services provided by County Counsel.</p> <p>Why: Measure of the quality of services provide by County Counsel.</p>	90% won or resolved.	Maintain 90% or better rate of success.	Very well.
<p>PERCENTAGE OF GENERAL LITIGATION CASES WON OR RESOLVED WITH APPROVAL OF CLIENT.</p> <p>What: Measurement of the quality of services provided by County Counsel.</p> <p>Why: Provides measure of quality and effectiveness of services provided.</p>	Estimated to be 90-95%.	Maintain 90% or better rate of success.	Very well.
<p>PERCENTAGE OF CLIENT REQUESTS FOR LEGAL ADVICE RESPONDED TO WITHIN 30 DAYS.</p> <p>What: Measurement of the timeliness and effectiveness of services provided.</p> <p>Why: Provides measure of quality and effectiveness of services provided.</p>	Number of opinion requests still outstanding after 30 days is 20 requests, compared to baseline of over 200 opinion requests still outstanding after 30 days in 1998. (This figure is 10% of the 1998 baseline, and represents a 68% decrease in outstanding opinion requests since 2002.)	Maintain inventory of 30-day old opinion requests at 15% or less of 1998 baseline.	Opinion backlog has been reduced below target level.

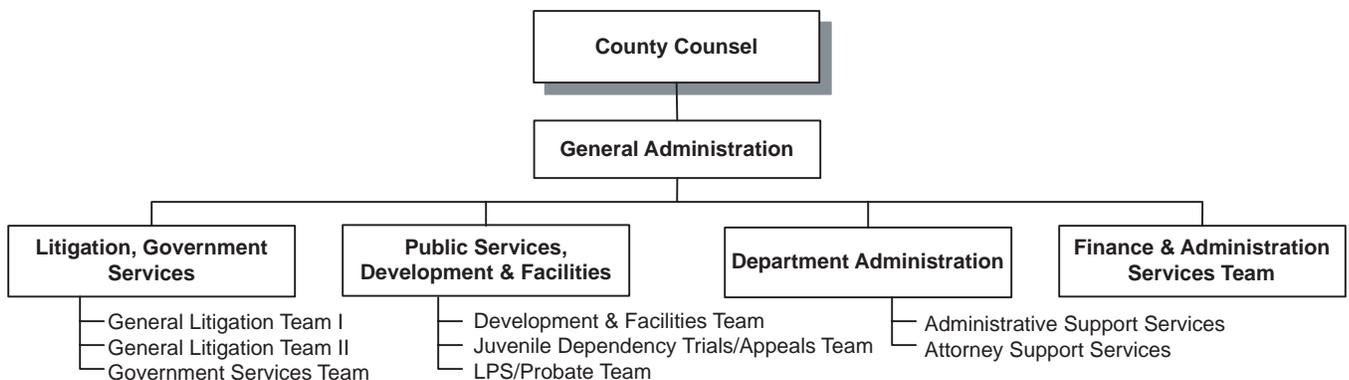
FY 2005-06 Key Project Accomplishments:

- In addition to the general training offered through the Law Awareness Workshops, we have provided individualized training and legal advice to County departments on responding to subpoenas and public records requests (thus avoiding liability to the County for a failure to properly respond to a subpoena or public records request in a timely manner).
- Assisted Planning and RDMD departments in response to rock falls and mudslides related to last year's heavy rains, and aided in successful resolution of most legal problems without major controversy.

- Coordinated the activities of RDMD staff, outside appraisers, consultants, and outside counsel in pursuing acquisition of properties necessary for the Prado Dam expansion project.
- Upheld in Federal Court the duty of the Clerk-Recorder to refuse to issue marriage licenses to same-sex couples.
- Argued before the U. S. Court of Appeals for the Ninth Circuit, to defend a challenge to a recall election conducted by the Registrar of Voters in February 2003. The plaintiffs alleged the election was invalid, because the recall petitions were not printed in more than one language. Because the Ninth Circuit panel returned a decision adverse to the County's position; County Counsel has requested a further hearing before the Court "en banc". Several other states and public and private interest groups have filed briefs in support of the County's position.
- In *Hafen v. County of Orange*, successfully appealed a Superior Court judgment which would have allowed an owner of undeveloped residential property in the Foothill-Trabuco Specific Plan (FTSP) area to bypass the site development permit requirements of the FTSP prior to rough grading of his land, thus vindicating the County's right to enforce the planning and land use requirements of the FTSP.
- Provided primary coordination and oversight of efforts to negotiate and document the acquisition of Green River Golf Course, while avoiding the need to file condemnation proceedings. Similarly, assisted the Flood District and RDMD staff in their efforts to achieve voluntary acquisitions of several other properties vital to the project.
- In *Slocum v. State Board of Equalization*, successfully defended Opinion No. 2002-077 relating to the legality of classifying lost business opportunity resulting from a catastrophic event.
- Successfully defended \$2 Million + lawsuit regarding alleged misallocation of property tax revenue dating back to 1989.
- Represented the Social Services Agency in an action where a news organization filed a Welfare and Institutions Code section 827 petition requesting juvenile court records and internal child death review reports. Although the presumption is in favor of release of records involving deceased children, the court was persuaded by County Counsel's argument that releasing those reports without redacting certain information would have a chilling effect on further investigation of child deaths and limited the release of the information.
- Bail collection increased significantly during the last several years. From July 1, 2004 to June 30, 2005 County Counsel collected \$3,449,761. For the first six months of the current fiscal year, County Counsel has collected an additional \$500,000. These collections have been the result of contested court proceedings in which County Counsel represented the County of Orange. A significant portion of this money goes to the County of Orange and its law enforcement agencies. Additional funds are disbursed to other local law enforcement agencies and the courts.
- Provided training to Coroner's Division on legal issues relating to mass fatality incidents and general legal issues relating to coroner functions, including certified training as part of the Commission on Peace Officers Standards and Training.
- Provided legal support to Dana Point Harbor as part of the ongoing implementation of the Dana Point Harbor Revitalization Plan. This has included advice on legal issues and support in development and completion of the Environmental Impact Report on an expedited basis and assistance toward obtaining Coastal Commission approval, assisted with the creation of the new Dana Point Harbor Department (DPHD) and the final transition of the entire harbor from master leases to DPHD control. Currently providing legal assistance for the revitalization of the harbor.
- Assisted with negotiations and preparation of the new management agreement for the west basin of the Dana Point Harbor.
- Provided legal advice and support for IWMD in preparation of Environmental Impact Reports on Bowerman and Prima Deschecha landfills, to facilitate early completion of important waste management projects.
- Advised the Flood, Watershed and Planning functions within RDMD and IWMD in response to the proposed Special Area Management Plan for the San Diego Creek Watershed, which includes most of central Orange County.

- Advised RDMD/Flood control district on various improvement and maintenance projects related to San Diego Creek, including review and advice on environmental documents and successful defense of a lawsuit challenging the emergency capacity maintenance project.
- Facilitated preparation and adoption of ordinances regulating body art, kennel noise and equestrian zoning.
- Prepared documents and assisted Housing and Community Development Services staff in loan closings for approximately \$1.9 million in loans for construction of affordable housing within Orange County.
- In the process of standardizing the form of public works contract to be used by all County departments and County governed special districts to ensure, among other things, that all such contracts contain the latest indemnification, termination for convenience and statutory provisions.
- Working with CEO/Risk Management about the correct language to be used on Insurance Endorsement forms when naming the County of Orange or one of its special districts as an additional insured.
- Provided a four-session, nine-hour training program on bankruptcy for staff of the Tax Collector’s office.
- Provided a full day of legal training for Assessor employees.
- Provided legal advice to the Social Services Agency when drafting policies and procedures to increase their goal of best welfare practice, including creating a policy and procedure for the internal child death reviews and amending the grievance review process to comply with appellate ruling requiring review for reports to the Department of Justice's Child Abuse Central Index.
- Continued to provide extensive, ongoing training for Social Services Agency personnel relating to dependency law and proceedings.

Organizational Summary



Executive Management - Provides executive management oversight for department. The County Counsel attends Board of Supervisors' meetings and provides legal services to the Board of Supervisors and Department Heads. Executive Managers perform the most complex legal tasks and advise members of

the Board of Supervisors and their staff and department heads.



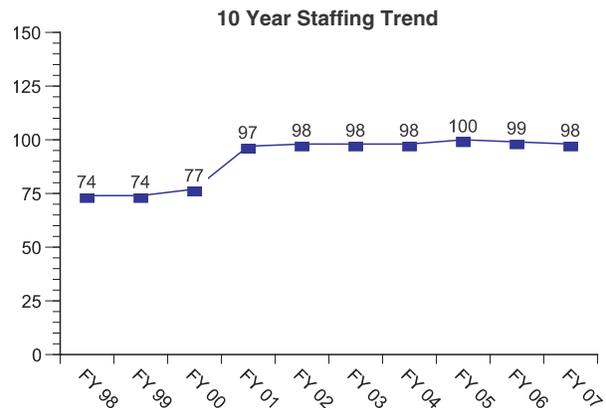
Litigation, Government Services - Prosecutes and defends civil actions in which the County or Board governed entities (Orange County Flood Control District, Orange County Development Agency and Orange County Housing Authority) are involved. These include eminent domain proceedings, tax cases, zoning matters, environmental issues, contract actions, personnel matters, matters involving public records and records of peace and probation officers, damage suits, and election matters. Provides legal advice to officers and employees of specific County departments on matters relating to their duties and responsibilities in the administration of county business. Drafts and reviews legal opinions, contracts, purchase orders, ordinances, resolutions, and bills for introduction in the Legislature. Advises and represents the Human Resources Department and Employee Relations on employee benefit and employee relations issues. Attends meetings and closed sessions of the Board of Supervisors and other County boards and commissions.

Public Services, Development & Facilities - Represents the Public Administrator/Public Guardian in conservatorship and probate matters and the Social Services Agency in Juvenile Court cases concerning abused, abandoned, or neglected children. Also provides legal advice to the Resources and Development Management Department, Housing and Community Services and the Dana Point Harbor Department, and drafts and reviews CEQA, public works, land use, flood, roads and Harbors Beaches and Parks contracts, leases, licenses, permits, deeds and conveyances, and franchises.

Department Administration - Provides administrative, clerical, and general support for County Counsel attorneys. Responsibilities include: direct secretarial support to the attorneys, law library support and resources, human resources functions, budget, records management, computer systems and network administration, accounting, safety, and purchasing.

Finance & Administration Services Team - Provides legal advice to the Board of Supervisors, elected officials and County departments and agencies on public finance matters and tax collection issues, conflict of interest issues, and elections.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- One position was added mid-year in FY 05/06 to handle the increasing caseload of the Public Administrator/Public Guardian.
- One position was transferred to CEO Information Technology in FY 04/05 to provide better utilization of personnel, backup and cross cultivation of skills.
- Two new positions were added during the FY 04/05 budget hearings. One position was added to respond to an increase in work for the Sheriff-Coroner. The other position was added to provide additional support and reduce the attorney caseload in the area of SSA/Juvenile Dependency.
- No new positions were added in 03/04 or in FY 02/03.
- One position was added in FY 01/02 in response to client department request for additional service in the area of Health Care Agency special education and juvenile client issues.
- Twenty positions were added in FY 00/01 in response to client department requests for additional services in the areas of SSA/Juvenile Dependency, litigation support and for CSA/Public Administrator-Public Guardian LPS/Probate.
- Five positions were added from FY 95/96 to FY 99/00 to meet increased service requests by client departments.

Budget Summary

Plan for Support of the County's Strategic Priorities:

County Counsel will continue to improve efficiencies, effectiveness, and economies within the department through expanded use of technology for communications, document review and production, and legal research. The Office has aggressively

engaged staff in identifying any and all possible cost savings that do not compromise our ability to provide our current level of service. This includes careful timekeeping to capture billable time and identification of other revenue sources. Economy also involves maximizing the value of work performed. To this end, County Counsel is involved in two ongoing programs to make its work product more available and more useful to County employees; a training program for County employees, and the continued updating of the Intranet web site.

Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Restore 2 Attorney Positions and Associated Net County Cost to Maintain Current Level of Service Amount:\$ 455,602	Restore two attorney positions on the Litigation Team deleted to meet NCC limit	Provide satisfactory service to clients resulting in lawful achievement of client program objectives	5010
Add 1 Senior Deputy Attorney and Associated Net County Cost for Human Resources Support Amount:\$ 145,227	Respond to increasing workload due to complex/changing Federal/State laws covering public employees	Provide satisfactory service to clients resulting in lawful achievement of client program objectives	5039
Add 1 Deputy Attorney IV and Associated Net County Cost for Purchasing Support Amount:\$ 141,831	Comply with Board Rule 14 requiring all agreements on Board agenda be reviewed & approved by Counsel	Review & approve all agreements for Board approval; lawful achievement of client program objectives	5040
Add 1 Senior Deputy Attorney to Support Social Services Agency (SSA) Amount:\$ 0	Represent SSA on dependency cases pending in Juvenile Court; address increased workload	Provide satisfactory service to SSA; lawful achievement of SSA program objectives	5048
Increase Net County Cost for Annual Leave/Sick Leave Payoffs Due to Retirements Amount:\$ 160,000	Restore annual leave payoff budget reduced to meet NCC limit	Restoration is required to fund mandatory payouts	5173

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06		Projected Amount	Projected Percent
Total Positions	99	100	100	98	(2)	-2.00
Total Revenues	1,593,634	1,834,000	1,513,500	1,510,000	(3,500)	-0.23
Total Requirements	7,156,489	8,940,014	8,522,230	8,556,984	34,754	0.41
Net County Cost	5,562,855	7,106,014	7,008,730	7,046,984	38,254	0.55

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: County Counsel in the Appendix on page A34

Highlights of Key Trends:

- In the past decade there has been a shift in the skill mix required in the practice of law. Highly specialized professionals have replaced the generalist lawyer. Attorneys in the Office of County Counsel have always been specialists in public law. In recent years, both County Counsel advisory and litigation attorneys have followed the general trend towards specialization in substantive areas of practice. Developing and maintaining this high level of legal expertise presents a continuing challenge for the Office.
- Advisory attorneys typically provide highly specialized legal services to elected officials, one or more major departments such as the Social Services Agency, the Health Care Agency, Sheriff-Coroner, Probation, Public Facilities and Resources Department and the County Executive Office, as well as smaller departments. General litigation attorneys are focusing their practice on subjects identified with specific departments, including the Treasurer-Tax Collector and the Assessor, the Orange County Flood Control District, Public Facilities

and Resources Department, Planning and Development Services Department and the Human Resources Department. Attorneys working in the Juvenile Dependency and Mental Health/Probate Sections are likewise engaged in highly specialized areas of the law and are physically located in two outlying locations. Moreover, County Counsel attorneys are being called upon not only to provide general legal advice and representation, but also to become more involved in transactional services and client training.

- Specialization is essential to providing timely, comprehensive legal services, and minimizing the cost of retaining outside counsel. However, with the advantages of specialization come organizational challenges, such as: 1) ensuring that there is sufficient ongoing legal training to minimize the disruption to client services related to changing client needs, attorney vacancies and assignment changes; and 2) maintaining a corporate perspective among attorneys working at different locations.

Budget Units Under Agency Control:

No.	Agency Name	Executive Management	Litigation, Government Services	Public Services, Development & Facilities	Department Administration	Finance & Administration Services Team	Total
025	County Counsel	581,880	2,470,209	707,750	3,552,188	1,244,957	8,556,984
	Total	581,880	2,470,209	707,750	3,552,188	1,244,957	8,556,984



031 - REGISTRAR OF VOTERS

Operational Summary

Mission:

To ensure the integrity of elections in a uniform, consistent and accessible manner.

Strategic Goals:

- Make elections accessible to all eligible voters.
- Ensure public confidence in the elections process by conducting transparent and accurate elections.

Key Outcome Indicators:

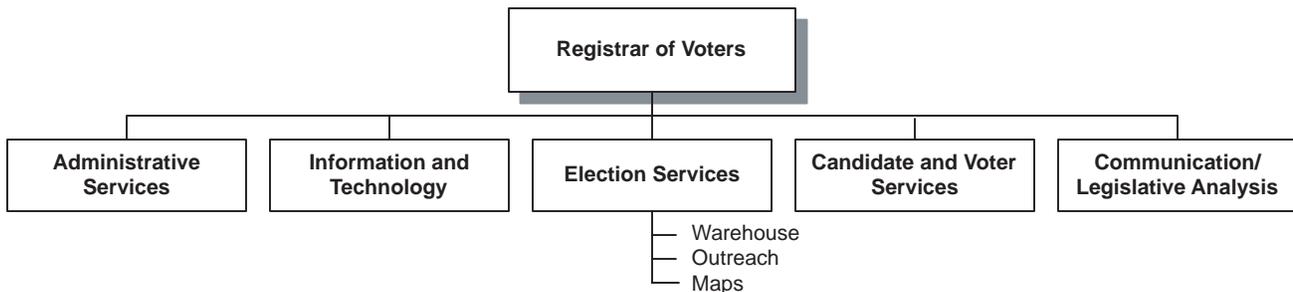
Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
DEBUT OC VOTE PROJECT. What: Exhibit demonstrating the history of voting, highlighting gains in independence for disabled voters. Why: Public outreach supports voter registration and poll worker recruitment.	New.	Full implementation prior to November poll worker recruitment. To allow for full outreach schedule after Labor Day, 2006.	New indicator.
1% HAND COUNT WILL TAKE PLACE FROM AVVPAT AUDIT RECEIPTS AND WILL REFLECT 100% ACCURACY. What: Accuracy of the initial vote count against the 1% manual recount. Why: Maintain and improve voter confidence in the accuracy of the voting process.	100% accuracy for Primary and General Elections. Secretary of State parallel monitoring also showed 100% accuracy of vote count using the eSlates.	The mandated 1% manual recount will confirm the accuracy of the initial machine vote count and parallel monitoring will continue to be 100% accurate.	The count MUST be accurate and the Registrar of Voters has never failed to match the count with the 1% manual recount.
ALL VOTING EQUIPMENT WILL BE RETROFITTED WITH VOTER VERIFIABLE PAPER AUDIT TRAIL (VVPAT) DEVICES. What: Availability of paper audit trail mandated by state law effective January 1, 2006. Why: To comply with state law.	New.	All existing DREs to be retrofitted with certified devices by June, 2006 Primary Election.	New.
EFFECTIVE VOTER EDUCATION CAMPAIGN FOR IMPLEMENTATION OF THE VOTER VERIFIABLE PAPER AUDIT TRAIL. What: Success of VVPAT will be proportional to the number of voters comfortable with its use. Why: California jurisdictions are required to provide a paper audit trail when using DREs.	This is a new indicator.	Full impact of VEO will be observable by the November, 2006 General Election.	New.

FY 2005-06 Key Project Accomplishments:

- Streamlined organization and instituted periodic employee opinion surveys. A committee of managers and employees guided the implementation of the transition successfully, building higher morale in the department.

- Departmental reorganization implemented early in the fiscal year provided a flattened organization structure more conducive to customer service, employee empowerment and cost-effective use of human resources.
- A web-based mapping application provided the ability for voters and candidates to track the return and processing of voted ballots on the web. This was augmented by webcams that allow voters to watch the warehouse as ballots and/or equipment is returned on election night.
- Employee and Board of Supervisors newsletters instituted to improve information flow concerning election developments.
- City Clerks and ROV establish a partnership to assist cities in the elections process, newsletter and frequent meetings enhance cooperation and communication.

Organizational Summary



Registrar Of Voters - Oversee all functions of the department.

Administrative Support - Provide purchasing, human resources, fiscal management, and budget support.

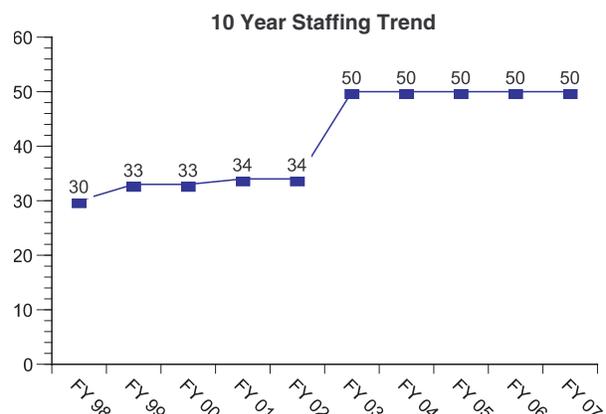
Election Services - Recruit poll sites and poll workers. Manage the mapping of precincts. Store, inventory and distribute voting equipment and supplies. Maintain relationships in language-based communities. Maintain community alliances with businesses in Orange County.

Information Services - Maintain election and district data bases/programs, voter file, GIS, 5 LANS as well as all election-related hardware.

Candidate & Voter Services - Provide information and services to candidates, campaigns and voters. Manager voter registration process, and voting alternatives such as Absentee and Early Voting.

Communication/Legislative Analysis - Provide consistent message from the Registrar of Voters to the public via internet, print, electronic media concerning elections issues. Maintain a liaison with Secretary of State, legislators and other elections officials.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- The Registrar of Voters Department was a budget unit within the General Services Agency with a staff as high as 58 but decreased to 29 by FY 95-96 as a result of the bankruptcy.
- In September 2001, the Board of Supervisors approved Registrar of Voters strategic plan and increase staffing to the current level of 50.
- In July 2005, the department was reorganized to reflect the County's priorities of servant leadership and employee development with no net increase in FTEs. The changes reflected an adaptation of existing FTEs to changes in the technical and legislative/regulatory environment of the elections operation.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Consistent with the departmental business plan as all functions within this department are driven toward conducting elections at the most efficient, cost effective level. Implementation of the electronic voting system was originally designated a strategic priority in 2002-03. In 2004, the addition of a voter verifiable paper audit trail to all electronic voting equipment was mandated by state law. This latest adaptation of the system is reflected in the department's "Key Trends".

Changes Included in the Recommended Base Budget:

The revenue estimates are raised by \$13 million to account for the offsetting state funding to support the retrofitting of all Direct Record Electronic Voting Systems (DREs) as required by state law. This reimbursement is for expenditures in FY 05-06.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	50	50	50	50	0	0.00
Total Revenues	6,773,385	14,214,000	2,309,163	16,927,516	14,618,353	633.06
Total Requirements	14,335,864	28,215,908	15,222,258	12,751,319	(2,470,939)	-16.23
Net County Cost	7,562,479	14,001,908	12,913,095	(4,176,197)	(17,089,292)	-132.34

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Registrar of Voters in the Appendix on page A41

Highlights of Key Trends:

- As of January, 2006, all electronic voting systems used in California must provide a Voter Verifiable Paper Audit Trail (VVPAT) for voters to review selections before casting their ballot. While funding resources were not clear at the time the legislation was implemented, the date was firm. Therefore, the County was required to provide the equipment at its expense and subsequently seek reimbursement from the state.
- A recent court decision requires the County to provide all materials in the required languages (Spanish, Vietnamese, Korean and Chinese). In the past, the interpre-



tation was to provide all election materials in the required languages. This increases the cost of materials and timeframes required to produce them.

- The Registrar of Voters University was implemented to improve and enhance employee's job-related skills and knowledge.

- A Transition Oversight Committee of employees was formed and monitored the progress of the reorganization and the adaptation of employees to a new management model and organizational relationships in a team-based environment.

Budget Units Under Agency Control:

No.	Agency Name	Registrar Of Voters	Administrative Support	Election Services	Information Services	Candidate & Voter Services	Communication/ Legislative Analysis	Total
031	Registrar of Voters	360,371	1,617,569	6,827,226	2,510,408	1,183,117	252,628	12,751,319
	Total	360,371	1,617,569	6,827,226	2,510,408	1,183,117	252,628	12,751,319

054 - HUMAN RESOURCES DEPARTMENT

Operational Summary

Mission:

Our mission, as the County's Human Resources Department, is to foster business and customer partnerships, provide exceptional customer service, and to proactively lead in the creation and use of effective organizational systems within a dynamic and diverse environment.

Strategic Goals:

- Provide leadership in the delivery and creation of Human Resources knowledge and systems to assist County Departments in developing and achieving exceptional employee performance.
- Foster and strengthen customer and business partnerships to facilitate and enhance timely, contemporary and exceptional countywide Human Resources services.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
TIME TO HIRE What: Measurement that provides an understanding of how quickly we are able to fill a vacant position. Why: Top talent is in demand and will be lost if hiring process takes too long.	Completed	Implement the Online Hiring Center component of the Neo-Gov system	Pilot was completed. Data will be available when Departments implement the Online Hiring Center component of the Neo-Gov system.
CUSTOMER SATISFACTION What: One measure of the responsiveness and delivery of HR programs and services. Why: Measures degree to which customers see business needs met by HR programs, services and policies.	Customer Satisfaction Survey completed	To be determined	HRD's Customer Satisfaction Survey was completed in August 2005 to identify baseline data. Overall service rating was 3.1 on a scale of 1 to 4. While the overall rating was "good" some service gaps were identified and targeted for improvement.
PERCENT OF EMPLOYEES USING WEB FOR OPEN ENROLLMENT What: Measure to determine the extent of employee use of web for open enrollment and benefits management. Why: Employees have 24/7 benefits information access; determines educational needs to increase usage.	50% usage.	Expect 55% usage.	Usage increased by 10% in FY 2005-06. Anticipate 5% increase in employee usage during FY 2006-07.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	3,619,784
Total Recommended FY 2006-2007	3,768,945
Percent of County General Fund:	0.12%
Total Employees:	29.00

FY 2005-06 Key Project Accomplishments:

■ RECRUITING

- Implemented new online recruiting system, Neo-Gov, within planned timeframes. Received Customer Innovation Award for system rollout.
- Established and lead the Countywide Recruitment Taskforce to coordinate organization wide recruiting strategies to support Board direction regarding Managed Retirement Planning.
- Provided periodic reports to the Board on progress towards coordinating recruitments and filling key positions vacated by retirements.
- Provided countywide HR staff training on Merit System rules and principles.

■ BENEFITS

- Implemented the new Benefits Center Web Site with two new web tools; Select-a-health Plan and the Health Care Advisor.
- Successfully completed three RFP processes for a Health Maintenance Organization health plan, for an Administrator for the Prescription Drug Card and Mail Order program and for an Administrator for the 457, 401(a) and 3121 Defined Contribution plans.
- Negotiated a contract with CIGNA Health Plan holding the health plan rates for 2006 at the 2005 level saving the County approximately \$1.2 million dollars for 2006 in health plan premium costs to the County.
- Introduced a new benefits communications campaign which was rolled out for the annual benefits Open Enrollment period with success.
- Established an IRC 415 Replacement Plan.
- In the process of implementing the change of the Administrator for the Prescription Drug Card and Mail Order program from Caremark to Walgreens.
- In the process of implementing a Loan Program for the 457 and 401(a) plans to be effective January 4, 2006.

■ CLASSIFICATION

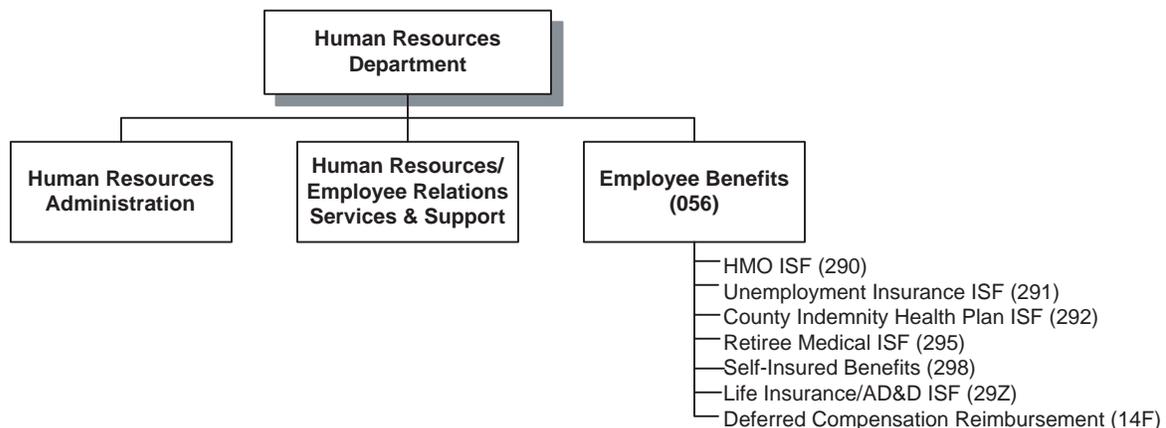
- Completed development and implementation of new administrative management occupational structure and performance management plan for executive law enforcement and administrative management.
- In cooperation with labor, provided training to approximately 800 administrative, law enforcement and executive managers for MAP and EMAP.
- Implemented classification elements of agreement with Probation Services bargaining unit.
- Updated Classification Authorities list.
- Provided "Basic Compensation" training to Countywide HR professionals.
- Acquired the services of Salary.com for use by Countywide HR professionals.

■ EEO

- Provided EEO Update Training for 3300 county managers and supervisors to ensure compliance with the state AB 1825 mandated harassment prevention training and disability issues.
- Conducted training for all county human resources professional about the interplay among ADA/FEHA, Workers Compensation and disability retirement laws.

- CONTRACT NEGOTIATIONS
- AFSCME three-year contract adopted by the Board of Supervisors September 27, 2005.
- OCEA Probation Services Unit and Probation Supervisory Management Unit two-year contract adopted by the Board of Supervisors October 25, 2005.
- OCMA one-year contract adopted by the Board of Supervisors October 25, 2005.
- IHSS two-year contract adopted by the Board of Supervisors November 22, 2005.
- EMPLOYEE RELATIONS
- Established Health and Wellness Commission.
- In collaboration with labor, trained 800 administrative, law enforcement and executive managers on the County's new performance management system.
- County Rideshare Program received the "Rideshare Program of the Year" from the Orange County Transit Authority.
- ORGANIZATIONAL DEVELOPMENT
- Finalized and implemented Customer Service Survey in conjunction with Human Resources Systems and Program Support.
- Identified service gaps and followed up with selected department heads to clarify input.
- Resumed monthly HR Leadership Forum meetings with insertion of HR Manager development activities and an outcome of strengthening the working relationship between corporate and department HR managers.
- Provided definition and communication of restructure, both internally and externally.
- Provided definition and parameters for review of disciplinary process and related training.
- Assessed and provided recommendations regarding employee satisfaction survey.
- Developed a training calendar in conjunction with the HR Leadership Forum and HR Manager Training.

Organizational Summary



Human Resources Department - HR ADMINISTRATION: The manager of this unit serves as the Assistant to the HR Director and provides critical support on high level matters for and oversees a staff

that provides direct support to the HR Director on critical projects; handles Department administrative functions including: budget, contracts and purchasing.

EMPLOYEE BENEFITS: Strategic partner with the Board of Supervisors, CEO/Finance, and departments in the development of Countywide benefits strategies; manages and monitors all employee retiree benefits programs including those associated with medical, dental, disability, defined contribution, unemployment insurance and Employee Assistance Program (EAP); negotiates and oversees provider and actuarial contracts; conducts research and makes recommendations on benefits related issues, alternatives and legislation; develops, initiates and administers benefits related technical systems.

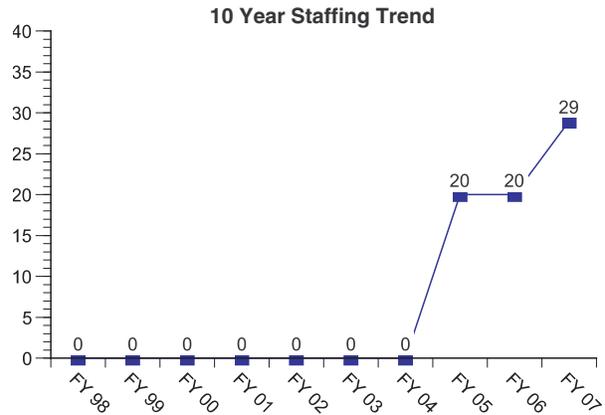
HR PROGRAMS AND SERVICES: This is a new division that integrates HR programs including classification, recruiting, labor relations and discipline administration with the delivery of direct service to the departmental HR management. Each of the three HRD service teams is assigned specific departments and serve as the central point of contact for consultation and support on all HR matters. Team members also coordinate strategy development and implementation with countywide functions such as EEO, County Counsel and the Auditor/Controller. This Division maintains the County's classification and recruiting systems; participates in labor contract negotiations, administers the County's discipline and appeals programs, coordinates Countywide workforce planning; audits personnel and recruiting systems transactions for compliance with policies and procedures; manages HR related contracts and programs including DOT and related Drug Testing, DMV Pull Notice; Employment Verification, DOJ Fingerprinting and Classification Consultants; and manages the development, implementation and maintenance of County HR systems.

EEO: Manages compliance of County EEO policies and procedures; consults with departments on case issues and mandated disability related interactive process; provides liaison to State and Federal regulatory agencies on case resolution; counsels employees

with concerns/complaints relative to EEO issues; coordinates Countywide EEO training programs; coordinates annual filing of County EEO statistics with regulatory agencies and reviews/comments on HR and EEO legislation.

ORGANIZATIONAL DEVELOPMENT AND TRAINING: This function is responsible for providing consultation and support to agencies/departments on organizational and training issues. Staff to this function also keeps current on best practices in HR and employee development and disseminates information throughout the organization. Finally, staff to this function plans, organizes and coordinates the HR Leadership Forum and training and development of HR professionals throughout the County.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 04/05 - As a result of the CEO reorganization, the Human Resources function and an accompanying 20 positions (plus 11 Employee Benefits positions) formed the new department in FY 04-05.
- FY 05/06 - In July 2005, the human resources and employee relations functions were consolidated under one organizational structure to better align resources and functions to improve service delivery. The restructuring resulted in a net increase of 9 positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Human Resources Department will continue to take a leadership role with the CEO in developing a Countywide succession plan consistent with the Board/CEO goals and vision, work with stakeholders to identify cost-saving opportunities for the County's benefits programs, and strive to enhance the County's image as an employer of choice.

The Human Resources Department will work closely with CEO/IT, CEO/Finance and the Auditor/Controller's office to identify alternatives and set a strategic course to implement a new value driven approach specific to Personnel/Payroll functions. Additionally the Department will continue to evaluate and strengthen customer service and engage mechanisms to help improve service delivery.

Changes Included in the Recommended Base Budget:

The Human Resources Department has not added any new programs. In order to keep costs down for FY 06-07, the department will cut funding for County-wide marketing and eliminate funding for advertising of executive recruitments and lodging for executive management candidates.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Projected Percent
Total Positions	20	29	29	29	0	0.00
Total Revenues	13,045	6,000	32,680	6,000	(26,680)	-81.64
Total Requirements	2,028,525	3,736,523	3,641,299	3,768,945	127,646	3.51
Net County Cost	2,015,480	3,730,523	3,608,619	3,762,945	154,326	4.28

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Human Resources Department in the Appendix on page A59

Highlights of Key Trends:

- During the upcoming year, the Department will work with the Board of Supervisors, the County Executive Office, Agency/Department Heads, and HR Managers to strengthen communication and HR service delivery by:
- Working with our business partners to identify and implement strategies to contain costs for the Retiree Medical programs and other County Benefits Programs in a context of a global compensation.
- Collaboratively working with our business partners to create and implement contemporary HR systems and policies that support the operational needs of the departments and provides for further decentralization of HR services in areas where accountability can be clearly defined.
- Defining corporate leadership, direction, compliance standards, and oversight for countywide HR practices and policies by providing knowledge, HR systems, and professional networks to strengthen service delivery and accountability.
- The Human Resources Department will be working to achieve its mission and meet its goals in a challenging environment which includes budget constraints, intense competition for skilled workers, the need for and the

reality of increasing workforce diversity, changing workforce expectations and skill sets, and complex and dynamic legislative mandates.

Budget Units Under Agency Control:

No.	Agency Name	Human Resources Department
054	Human Resources Department	3,768,945
056	Employee Benefits	2,651,179
14F	Deferred Compensation Reimbursement (HR)	2,064,616
290	Health Maintenance Organization Health Plans ISF	88,051,971
291	Unemployment Insurance Internal Service Fund	9,650,955
292	Self-Insured PPO Health Plans ISF	80,767,278
295	Retiree Medical Internal Service Fund	62,637,176
298	Self-Insured Benefits Internal Service Fund	8,914,775
29Z	Life Insurance Internal Service Fund	1,206,249
	Total	259,713,144

059 - CLERK-RECORDER

Operational Summary

Mission:

The Clerk-Recorder Department's mission is to provide a reliable repository for public records and to provide efficient service to the public in a way that exemplifies the highest standard of courtesy, cost effectiveness, and ethical performance. Public records will be readily accessible to citizens/taxpayers in a convenient manner while safeguarding confidentiality and the security of those records.

Strategic Goals:

- Provide prompt and reliable service to the public.
- Enhance public records accessibility.
- Safeguard security over the public's records.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
CONTINUE CUSTOMER SATISFACTION SURVEYS WHICH RATE OVERALL VALUE OF OUR SERVICE TO THE PUBLIC. What: Survey forms measure customer satisfaction and ensure we are addressing customer needs. Why: Quality customer service is our top priority.	Survey results are 99% above standard.	Survey results are targeted to be at least 99% above standard.	The Orange County Clerk-Recorder Department provides the highest level of service at the lowest cost-per-service unit of any major county in California.
THE NUMBER OF DOCUMENTS UTILIZING ELECTRONIC RECORDING. What: This measurement provides higher levels of transactions with minimal staffing increases. Why: Public has access to recorded documents within short timeframes.	367,441 documents using electronic recording were processed.	600,000 documents are targeted to use Electronic Recording.	Documents submitted via Electronic Recording are recorded within one-two hours of submittal.
NUMBER OF RECORDS CONVERTED TO ALTERNATE MEDIA TO ENSURE EASE OF ACCESS AND PRESERVATION AND SAFETY. What: This measurement is a tool to evaluate efforts to provide access and safeguard the public's records. Why: To provide added security to public records now and for future retrieval.	4 million recordable/vital record images transferred from microfilm to digitized images.	Over 10 million official records targeted for processing to digital images.	The Office's technology plan enhancements are on track and priority continues to be placed on security of records.

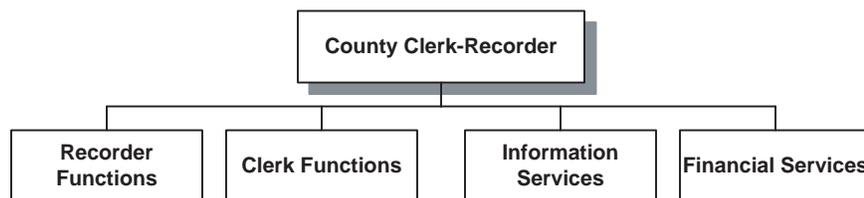
At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	8,232,916
Total Recommended FY 2006-2007	11,245,893
Percent of County General Fund:	0.38%
Total Employees:	102.00

FY 2005-06 Key Project Accomplishments:

- The Clerk-Recorder Department opened a new South County branch office in the Laguna Hills Civic Center in February 2006 to better serve the growing customer base in the south Orange County Region.
- In 2006, the Clerk-Recorder department implemented a new telephone program. Our customers now have the opportunity to speak to a "live" person to assist them.
- The number of title and insurance companies, city and other government entities that record electronically has increased to 112 users.
- The total number of electronically recorded documents has exceeded 3 million since implementation in 1997.
- The Department converted approximately 95,000 official record images from microfilm to TIFF image.
- The Department converted approximately 2.5 million Grantor/Grantee records from microfilm to a digital format. This enhances and accelerates the retrieval, handling and processing time involved in locating a record from 20 minutes to five minutes.
- The Clerk-Recorder Department continues to serve an instrumental role in helping the California Attorney General's staff establish guidelines to certify Electronic Recording systems throughout the state.
- The department is on pace to surpass its record number of marriage ceremonies for FY 2005-2006.
- The Archives unit presented ten presentations to the Orange County Board of Supervisors on a variety of topics, including the history of various Orange County cities, the history of the county, Disneyland's 50th Anniversary and the 100th Birthday of the Orange County Register.
- The Archives unit also prepared and displayed the following two collections: The Orange County Civic Center - Past and Present, which tells the story of the development of the Civic Center, and the Orange County Archives, which included a general overview of our entire collection.

Organizational Summary



County Clerk-Administration - The Clerk-Recorder is an elected official who, with the administrative staff, directs the activities of the department in satisfying the needs of the public regarding the recording of various real property documents, filing of birth, death and marriage records, issuing marriage licenses, and filing Fictitious Business Names and other documents.

Recorder Functions - This division assists the public and title companies in recording documents pertaining to real property transactions. Included in this process is the examination of documents to determine ability to record, recording and indexing documents, and optically imaging all recorded documents for storage and retrieval.

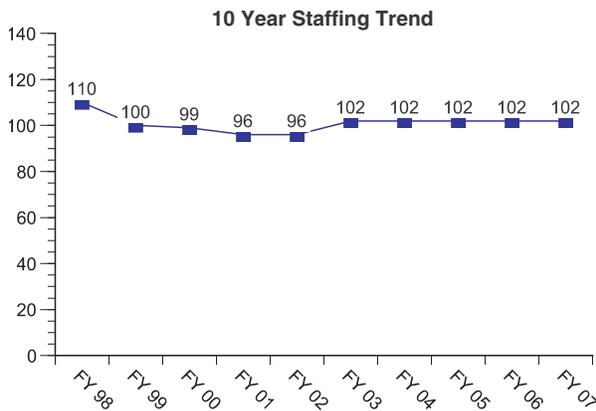
Clerk Functions - This division is responsible for issuing marriage licenses and performing civil wedding ceremonies. It also registers Notary Publics, Process Servers, Professional Photocopiers, and Unlawful Detainer Assistants; files documents related to Fictitious Business Name registrations and

Environmental Impact Reports; and produces copies of recorded documents and issues birth, death, and marriage certificates. The Archives division identifies, collects, preserves, arranges, maintains records of historical significance relevant to the County and County government, and educates the public as to their use. The Archives serves as both a repository for these unique documents and as a resource center open to the public.

Information Services - This division provides technical and user support for all automated systems within the department. Staff provides short and long term automation planning, systems installation, user training, systems maintenance, and telecommunications support.

Financial Services - This division is responsible for the fiscal integrity of the department through the assessment of funding needs and fiscal issues that may impact department activities. This includes budget planning, development, monitoring and implementation; oversight of expenditures and revenues; purchasing and deposit of funds; and payroll.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- No new positions were added in FY 2005-2006.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Clerk-Recorder Department will continue to review costs of operation, maximize service to the public, and contribute revenues in excess of expenses to the County General Fund.



Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	102	102	102	102	0	0.00
Total Revenues	16,651,885	16,777,091	15,899,665	17,496,309	1,596,644	10.04
Total Requirements	8,756,462	10,240,360	8,591,522	11,245,893	2,654,371	30.90
Net County Cost	(7,895,423)	(6,536,731)	(7,308,143)	(6,250,416)	1,057,727	-14.47

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Clerk-Recorder in the Appendix on page A67

Budget Units Under Agency Control:

No.	Agency Name	County Clerk-Administration	Recorder Functions	Clerk Functions	Information Services	Financial Services	Total
059	Clerk-Recorder	3,932,381	3,190,719	1,328,176	2,278,681	515,936	11,245,893
12D	Clerk Recorder's Special Revenue Fund	5,813,944	0	0	0	0	5,813,944
	Total	9,746,325	3,190,719	1,328,176	2,278,681	515,936	17,059,837



12D - CLERK RECORDER'S SPECIAL REVENUE FUND

Operational Summary

Description:

The Clerk-Recorder Special Revenue Fund was established in FY 04/05 to better control specific revenues generated from services provided. The Fund is 100% revenue off-set by fees paid from recordation of real property transactions and from the collection of certified copy requests of birth, death, and marriage records.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	4,847,709
Total Recommended FY 2006-2007	5,813,944
Percent of County General Fund:	N/A
Total Employees:	0.00

Enhancement Fund To Clerk-Recorder - Mandated by Government Code 27361 to maintain/improve the Department's information technology including recovery of all operating costs from Information Systems staffing. Revenue is generated from the recordation of real property transactions.

Health Statistics Fund To Clerk-Recorder - Mandated by Health and Safety Code 103625(f) requires the Clerk-Recorder to collect fees for the purpose of modernization of vital record operations and improvements in the collection and analysis of health-related birth and death certificate information. Revenue is generated from the collection of certified copy requests of birth, death, and marriage records.

Micrographics Fund To Clerk-Recorder - Mandated by Government Code 2736.4 for the Clerk-Recorder to specifically convert document storage system to micrographics. Although no new revenue is being generated due to all conversions having been completed, balance of account will exist in order to maintain/improve recordation of vital information.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Revenues	14,337,515	6,294,815	5,734,024	5,813,944	79,920	1.39
Total Requirements	13,451,200	1,511,315	4,847,709	5,813,944	966,235	19.93
Balance	886,315	4,783,500	886,315	0	(886,315)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Clerk Recorder's Special Revenue Fund in the Appendix on page A122

074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts.

Strategic Goals:

- Manage and preserve the investment of all service recipient funds.
- To collect all property taxes for service recipients in accordance with applicable laws.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
NET INVESTMENT RETURN. What: Obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks. Why: To continue to provide safe, efficient and effective investment returns for our clients.	Interest rates remained at record lows. The Orange County Investment Pool was consistent with the 90-day US T-Bill.	Increase participants' earnings during the fiscal year.	On target.
ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS. What: To charge the lowest administration fee possible. Why: To provide a modest investment return to pool participants with minimum administrative costs.	Administration fee stayed at 11.25 basis points (i.e., 0.1125%).	A study will be done to determine if the administration fee should remain at 11.25 basis points (i.e., 0.1125%).	On target.
RATING OF INVESTMENT POOLS. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The Commingled and the Educational Investment Pools retained their highest credit ratings. Moody's: Aaa MR1; Fitch: AAA/V1+	Invest conservatively to maintain the investment pools credit ratings of: Moody's: Aaa MR1; Fitch: AAA/V1+	On target.
STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY. What: Exceed state property tax collection rates for Secured & Unsecured prop by minimizing unpaid taxes. Why: To maximize collections in property taxes for service recipients and County General Fund.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. The County of Orange maintained its Secured tax collection ranking of 3rd in the state, with a collection of 98.8%. And the Unsecured tax collection ranking was 12th in the state, with a collection of 97.5%.	To continue to exceed the state median.	On target.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	14,133,509
Total Recommended FY 2006-2007	15,275,410
Percent of County General Fund:	0.52%
Total Employees:	95.00



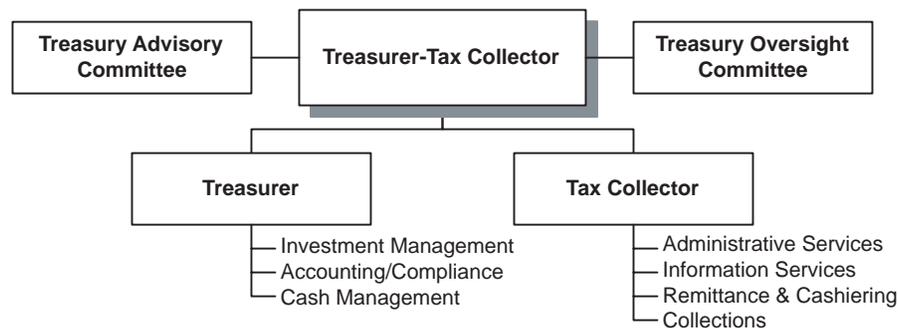
Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
ELECTRONIC PAYMENTS. What: Increase the number and amount of electronic tax payments received as a% of the taxes collected. Why: To reap the benefits of this payment method (i.e., cost effectiveness, efficiency, time savings).	Increased dollars collected electronically from 13% to 20% and the number of transactions paid electronically increased from 5% to 7%.	To increase electronic payments of taxpayers with tax liabilities equal to or greater than \$25,000.	On target.

FY 2005-06 Key Project Accomplishments:

- Added the City of San Clemente as a voluntary participant in the Orange County Investment Pool.
- Completed the implementation of the Controlled Disbursements program for the Department of Education.
- Completed the development of an efficient and advanced refund release method by enhancing our refund who-paid names and addresses databases of title companies, banks and lending institutions, and utilized for comparison and match to automate the process.
- Designed and implemented a unique portfolio strategy that accommodates County funds with long-term liabilities. Treasurer-Tax Collector staff met with several agencies to discuss the use of long-term investment portfolios to plan for their long-term liabilities. And the Children and Families Commission of Orange County recently funded the first of these portfolios.
- Mobile Home Tax Clearance Certificates made available on-line, at the Treasurer-Tax Collector website.
- Retained the following credit ratings on the Commingled and Educational Investment Pools: Aaa MR1 (Moody's) and AAA/V1+ (Fitch).

Organizational Summary



Treasurer-Tax Collector - Provides centralized treasury and tax collection services for the County of Orange.

Treasurer - Responsible for the receipt, custody, depository, investment and recording of funds for the County, school districts and special districts. Responsibilities also include issuance of short-term debt on behalf of the County and school districts. In addition, this office acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.



Investment Management: Provide portfolio management, broker/dealer relations, investment/economic research, and liaison for oversight committees and custody relation services.

Cash Management: Provide bank-related services and relationship management, cash optimization and forecasting, and financial electronic commerce solutions.

Accounting/Compliance: Provide financial reporting, fund accounting, general ledger reconciliations, bank reconciliations, investment accounting and compliance services, and accounting for unclaimed monies.

Tax Collector - Responsible for collecting taxes on all Secured and Unsecured property in Orange County. This office is also responsible for the sale of property subject to the "power to sell," formerly known as delinquent tax deeded property. In addition to collecting property taxes, the Tax Collector's Office collects Annual Racehorse Taxes, Transient Occupancy Taxes and Public Defender judgments.

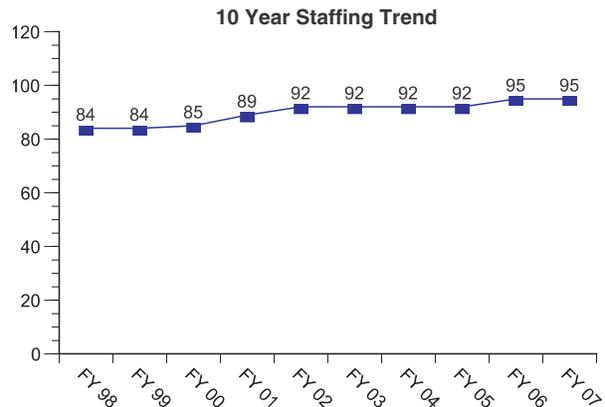
Collections: Provide centralized tax compliance services for Delinquent Unsecured tax collections, Prior Year Secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

Remittance & Cashiering: Provide automated remittance processing for all property tax rolls, refund accounting, tax roll accounting and cashiering for the Treasurer.

Administrative Services: Provide tax roll reconciliations, purchasing, contract administration, human resources, payroll services, budget, facility operations, telephone and network services for the Treasurer and Tax Collector Offices.

Information Technology: Provide systems development and maintenance support for numerous Treasurer-Tax Collector applications required for the depositing, accounting and collecting of funds.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Despite the modest increase in staffing during this time, as workloads have continued to grow (the number of real property tax bills increased to over 812,000), the department has continued to excel in providing efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts, as evidenced by the following: 1) The highest ratings, Aaa MR1 (Moody's) and AAA/V1+ (Fitch), continue to be maintained for the investment pools; and 2) Collection percentage ratings for the Secured and Unsecured tax rolls continue to exceed the state median.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Treasurer-Tax Collector will continue to pursue all major year 2006 service plan goals in support of County strategic priorities. The department will also continue to provide an effective, responsive and competitive organizational and operating structure. Staff will work diligently to meet our core business responsibilities of collecting and investing, while supporting the successful implementation of new corporate programs.



Changes Included in the Recommended Base Budget:

Significant changes in the base budget include: a) Decrease in Salaries & Employee Benefits by (\$3,588) b) Increase in Services & Supplies by \$1,105,017, which is primarily due to increased costs for Data Processing Services and a one-time cost for the Quantum (SunGard) License Perpetual Renewal Fee.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Amount	Percent
Total Positions	95	95	95	95	0	0.00
Total Revenues	8,766,137	10,507,422	8,701,345	10,187,277	1,485,932	17.08
Total Requirements	12,342,418	14,234,217	14,156,353	15,275,410	1,119,057	7.90
Net County Cost	3,576,281	3,726,795	5,455,008	5,088,133	(366,875)	-6.73

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Treasurer-Tax Collector in the Appendix on page A84

Highlights of Key Trends:

- The Treasurer-Tax Collector is an administrative function that is task-oriented. The department expects its investment results to consistently outperform its bench-

marks, and will continue to provide its constituents with efficient and effective investment, cash management and property tax collection services.

Budget Units Under Agency Control:

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	401,637	6,115,362	8,758,411	15,275,410
107	Remittance Processing Equipment Replacement	100,836	0	0	100,836
	Total	502,473	6,115,362	8,758,411	15,376,246

107 - REMITTANCE PROCESSING EQUIPMENT REPLACEMENT

Operational Summary

Description:

Establish reserves for the replacement of Remittance Processing Equipment.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	2,283
Total Recommended FY 2006-2007	100,836
Percent of County General Fund:	N/A
Total Employees:	0.00

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Projected Percent
Total Revenues	170,585	200,652	38,010	100,836	62,826	165.29
Total Requirements	204,423	5,950	5,652	100,836	95,184	1,683.99
Balance	(33,838)	194,702	32,358	0	(32,358)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Remittance Processing Equipment Replacement in the Appendix on page A100



079 - INTERNAL AUDIT

Operational Summary

Mission:

The mission of the Internal Audit Department (IAD) is to provide reliable, independent, objective evaluations and business and financial advisory services to the Board of Supervisors and County executive management. Our role is to assist both parties with their important business and financial decisions; as well as to contribute to protecting and safeguarding the County's resources and assets.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	2,331,499
Total Recommended FY 2006-2007	2,554,401
Percent of County General Fund:	0.08%
Total Employees:	22.00

Strategic Goals:

- Assist the Board of Supervisors and County executive management in ensuring the County's assets and resources are safeguarded; the County's accounting and financial reporting is timely and accurate, and the County's executive management has timely information and relevant analysis for its business and financial decisions.
- Maintain integrity, objectivity and independence and provide professional internal audits, assurance and attestation services, and corrective recommendations to our clientele. We report on the County's internal controls, accounting records, and financial and business operations through our public audit reports and reviews.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
DEFALCATIONS OF COUNTY RESOURCES. What: Defalcations are reported cash losses in County departments or agencies for varying reasons. Why: Defalcation of funds bring on bad publicity and weaken public confidence in County operations.	The County did not have a material defalcation or cash loss.	The County should not have a material defalcation or cash loss.	We are on track to achieve our goal and we submit quarterly reports to the Audit Oversight Committee (AOC) reflecting cash loss activity.
USEFULNESS OF REPORTS AND CLIENT SATISFACTION. What: Measures the value of our report product by the implementation of recommendations. Why: Provides clients with information on safeguarding the County's assets and making business decisions.	With few exceptions, management implemented IAD control recommendations. Overall IAD received positive customer feed back.	Maintain Follow-Up report status for Quarterly Audit Oversight Committee (AOC) meetings and maintain customer surveys and high-level satisfaction rating.	With few exceptions, our control recommendations were addressed by management and implemented. IAD continues to receive positive customer feedback.

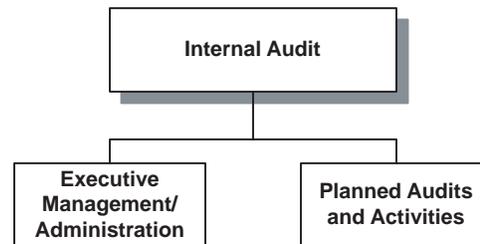
FY 2005-06 Key Project Accomplishments:

- Internal Audit Department (IAD) had a very successful and productive year in 2005. IAD finished over 100 audit projects while providing audit coverage to eighteen (18) out of twenty-three (23) County departments and agencies.



- IAD is the first County Audit Department in California's history to receive the very prestigious Institute of Internal Auditors' Award For Excellence. This recognition is only given to the best governmental and corporate internal audit departments in the world.
- In 2005 we added a new category of audits: Performance Measure Validations. In these audits we will validate the County departments accomplishment of key outcome indicators as stated in their Business Plans by reviewing their documentation supporting achievement.
- IAD developed a long-term, two-tier Information Technology plan to address the varied business needs of the County. The first tier addressed specific issues and areas in the County Accounting and Personnel System (CAPS), the County's financial recording and reporting backbone. The second tier addressed the distributed computing taking place in County departments and agencies.
- The Fraud Hotline was enhanced to allow employees, vendors and the public to report fraud by telephone or online on the IAD website.
- Additionally, all of the Audit Reports are now available online on our website.
- IAD assists the Board of Supervisors and County management in ensuring the County's assets and resources are safeguarded, the County's accounting and financial reporting is timely and accurate, and the County's management has timely information and relevant analysis for its business and financial decisions.
- IAD provides professional assurance, attestation, and corrective recommendations to our clientele on the County's internal controls, accounting records, and financial and business operations through our published audit reports and reviews.

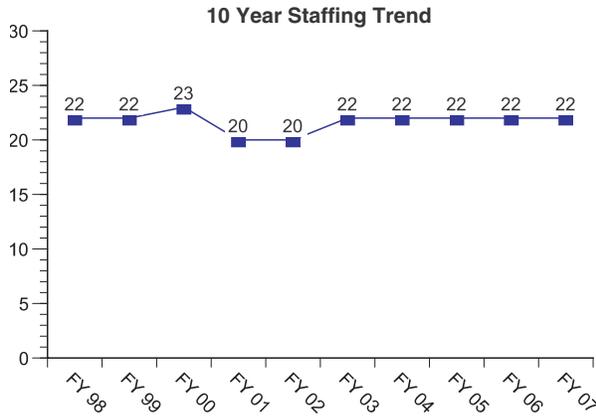
Organizational Summary



Executive Management - The Executive Management/Administration team provides fiscal management, procurement and human resources, system security and technical services support, leadership, management oversight and direction to Internal Audit function.

General Audits - This is the core function of the department and consists of sixteen professional audit staff.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- The Internal Audit Department was established as a separate department independent of the County Auditor-Controller by Board Resolution dated April 25, 1995. Arthur Andersen L.L.P. was contracted at that time by the County to manage the Internal Audit function until a permanent director could be recruited. In 1997, a director was appointed and eight additional positions were added; in 1999 one Staff Analyst position was added; in 2000, two positions were eliminated in the Information Systems Auditing function and outsourced to consultants; additionally, two Auditor II positions

were exchanged for one Senior Auditor I. In 2001, two auditor positions were added for integrated audits of specifically focused issues in the Countywide Accounting and Personnel System (CAPS).

Budget Summary

Plan for Support of the County's Strategic Priorities:

Internal Audit, through its Business Plan, is aligned with the County's strategic priorities and assists in their accomplishment. IAD supports and assists the Board of Supervisors and County Executive Management in the accomplishment of their functional business goals and objectives.

Changes Included in the Recommended Base Budget:

Internal Audit exceeded the CEO's recommended Net County Cost and submitted an augmentation request to restore its current level of service. This was primarily attributed to increase in retirement costs; slight increase in services and supplies; replacement of our network server and cost applied revenue that's received every other year.

Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Increase Net County Cost to Maintain Current Level of Service Amount: \$ 89,976	Restore reductions made to meet Net County Cost limit	Funding will allow Department to continue to operate at the same level of audit coverage and service	4957
Request Consultant Services for Board Directives Amount: \$ 100,000	Funding to respond to Board directives for audits requiring outside consultant services	Ability to hire minimal professional services consultants to meet Board directives for audit service	5456



Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	22	22	22	22	0	0.00
Total Revenues	81,278	37,440	38,241	37,440	(801)	-2.09
Total Requirements	2,077,967	2,481,091	2,408,502	2,554,401	145,899	6.06
Net County Cost	1,996,689	2,443,651	2,370,261	2,516,961	146,700	6.19

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Internal Audit in the Appendix on page A86

Highlights of Key Trends:

- The Internal Audit Department is adjusting its annual Audit Plan to assist County management in addressing the impact of budget reductions as a result of state defi-

cits. In addition, we will evaluate the effect of retirements on internal controls and issues of economy and efficiency.

Budget Units Under Agency Control:

No.	Agency Name	Executive Management	General Audits	Total
079	Internal Audit	749,597	1,804,804	2,554,401
	Total	749,597	1,804,804	2,554,401

