



DIGEST

Board of Supervisors Adopts 1985-86 Budget

On July 12, 1985, the Board of Supervisors adopted the County Budget for fiscal year 1985-86. The budget totals \$6.7 billion and is up to 10.4% and 533.1 positions over the 1984-85 budget. However, the increase in funding and positions is largely for earmarked or other programs and unavailable to augment the services of most County departments.

Prior to final adoption the Board held public hearings and deliberated on the Proposed Budget adopted last April. The Proposed Budget included no reserve for economic uncertainties, minimal service increases, no employee salary increases, and no provision for a large number of potential costs.

Since April the County has focused on obtaining legislation to address both the immediate and long-term fiscal problems confronting the County. While the State Budget does provide some immediate relief in health and mental health services, it has compounded our problem in children's services. Further, the State Budget does nothing to address counties' chronic fiscal difficulties which include funding numerous open-ended, caseload driven State mandates with essentially fixed local revenues.

Recent reductions in anticipated local revenues, coupled with upsurges in State mandated local programs, resulted in a \$37.5 million shortfall in

our ability to finance the Proposed Budget.

The Board took several actions to meet the shortfall, including:

1. Across-the-Board Curtailments

A 2% county-wide cut was achieved by a reduction of 394 positions from the Proposed Budget.

Departments were instructed to attempt to minimize any adverse impact on services and employees by emphasizing:

- Contracting out;
- Improving productivity;
- Enhancing revenues;
- Setting expenditure priorities; and
- Achieving savings through consolidation of County departments.

The Board also decreased the Services and Supplies appropriation by 1% across-the-board for a savings of \$5,238,935.

2. Use of Reserves

The Board also used reserves such as those accumulated for capital outlays to meet the shortfall.

As with the Proposed Budget the Final Budget does not include provisions for salary increases. Although negotiations with employee groups continue, any salary increases must rely on additional funding. All major unions are joining in the support of Senate Bill 1091 to get additional funding for the County.

The County supports Senate Bill 1091 (Campbell) which is being amended to provide for additional motor vehicle license fee revenues to counties in 1985-86. The maximum gain to the County would be \$42.4 million in 1985-86 with a lesser amount more likely due

to delays in implementing the legislation.

The following factors contributed to the shortfall with which the County had to deal:

1. General Relief

Despite efforts to contain costs, the General Relief caseload and case costs have continued to grow primarily because of the homeless population. In May 1985, for example, General Relief costs hit an all-time monthly high of \$9 million. This contrasts with \$7.8 million in December of 1984.

2. Children's Services

The final State Budget reduced Child Welfare Services funding to reflect a state-wide caseload decrease. Los Angeles County, however, has experienced a dramatic upsurge in reported cases of child abuse and neglect.

3. Aid To Families With Dependent Children Caseload Growth

Recent caseload statistics reflect an increase in AFDC Family Group and Unemployed Parent cases beyond the levels in the Proposed Budget.

4. Drop in Interest Earnings

Interest estimates in the Proposed Budget based on experience in the first and second quarters of this fiscal year assumed an increase in interest rates. However, interest rates dropped by 15% in the third and fourth quarters.

The final Budget augmented funding for Medically Indigent Adults and mental health grants and may ultimately provide for reimbursement for local unemployment insurance benefits.

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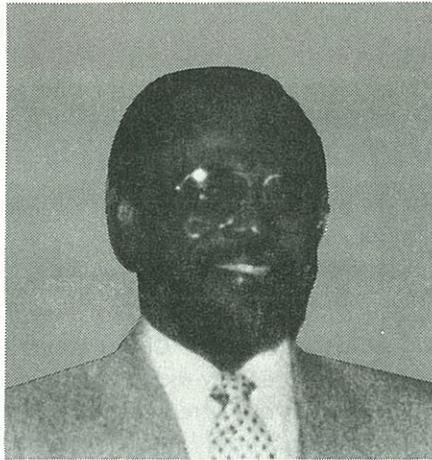
June Employee of the Month

In recent Board Room ceremonies, Chester Land, Recreation Therapy Chief — Department of Health Services, was honored as the June, 1985 County Employee of the Month. A scroll was presented to him by Supervisor Kenneth Hahn in recognition of his selection.

Land has been a County employee for 23 years and since December, 1980 has served as the Chief of the Recreation Therapy Department at Rancho Los Amigos Medical Center in Downey.

Under his leadership an excellent recreation therapy program has been developed. The improved patient care generated through Land's knowledge and skills has resulted in shortening the length of hospital stay for handicapped patients.

Not only was Land commended for his professional skills and dedication on behalf of disabled person, reference was made to the sharing of his expertise with groups in the community and at the state level. He is a leader in his profession and has received several commendations from other organizations. Land has served as chairman or in an advisory capacity and as a session speaker or panelist for such groups as the National Therapeutic



Chester Land

Recreation Society and the Therapeutic Section of the California Parks and Recreation Society.

Land was active in the 1984 Olympics Committee Handicapped Section and continues on the Citizen's Advisory Committee. Because of his participation, the Rancho Los Amigos Medical Center was recognized by the Los Angeles Olympic Organizing Committee.

Insurance Dividend Checks Received By Some County Employees

For the second time in two years certain employees who were enrolled in the Optional Term Life Insurance Plan received a dividend check from the underwriter.

Checks were sent in June after Pacific Mutual Life Insurance Company declared its final dividend for the two contract agreement periods from December 1, 1973 through November 30, 1983. Premiums paid exceeded claims not only in the Optional Group Term Life Insurance Plan but in the Accidental Death and Dismemberment Plan as well. Dividend checks were also sent to certain employees enrolled in the latter plan.

Letter to the Editor

It appears that all we read about in the newspapers and see on television news are the negative aspects of government and taxation. Some examples would be hearing about a few cases of welfare fraud rather than hearing about the millions of people that the program sincerely helps. Another example would be about a few greedy people in the massive health care system rather than reading about all the good these governmental agencies do. I feel that with all the negativism that I read and hear, I would like to mention something positive about taxation.

Twenty years ago, when my son was 5 years old, he was hit by an automobile. He was in a coma for three months and then reverted back to infancy with brain damage and some physical impairments.

Four months after the accident, he was admitted to Rancho Los Amigos Hospital in the City of Downey, a Los Angeles County Rehabilitation Facility. If I had one thousand years, I could not begin to fully compliment the quality of service, the personnel employed at the Facility, and the patience and the compassion of the Physical Therapist. After 18 months at Rancho Los Amigos, my son was sent home as an out-patient for years to follow. He then was enrolled in a special education program and continued this program until he graduated at the age of 18. He worked at sheltered workshops for the handicapped for 3 years after graduation. It was recommended at age 20 that he attempt to participate in an independent living program. This program develops the basics needed to deal with everyday living and it also provides job training. After spending one and one-half years in this program, my son returned home where he is living today.

All the programs I have mentioned were funded wholly or partially by taxation. If it wasn't for governmental subsidy in this case, my son would still be crawling and not standing tall and proud like he is today.

Jim Cummings
Facilities Management

County of Los Angeles

DIGEST

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County Budget Adopted

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LONG-TERM LEGISLATIVE SOLUTIONS

As previously noted, the County's difficulties arise from the fact that the current level of County expenditures cannot be supported by the current level of County revenues. This is due primarily to the fact that the State mandates that we fund open-ended, caseload-driven programs such as General Relief, courts, and jails with little or no State support. The County has constitutional limitations on increasing or creating new taxes to increase its revenue.

Ongoing fiscal stability could be provided for the County if legislation were introduced and enacted to:

1. Provide State Financing For General Relief

California is the only state with a population over one million that requires counties to provide General Relief with no state financial participation. Los Angeles County accounts for approximately one-half of state-wide expenditures for General Relief. These costs continue to grow due to the influx of homeless and transient persons into the Los Angeles area.

2. Provide State Financing for the Courts

Under existing law, the cost of funding the trial courts is borne by

counties with limited provision for State contributions to Superior Court operations. Due to constitutional separation of powers, the Board of Supervisors has no control over the cost of operating the courts, but must devote an increasing proportion of county revenues to this purpose.

3. Fully Fund State Mandated Programs

More than one-half of the County's local discretionary revenues are committed to State mandates whose expenditures are not under County control. The State is obligated under law (SB 90) to fund some of these mandated costs. In practice, however, these costs are reimbursed only partially or not at all.

4. Provide an Independent Revenue-Raising Authority

The County has no independent revenue source to provide for its needed level of expenditures. Unlike cities, counties cannot impose taxes or charges in excess of costs. Legislation is needed that would, for example, permit a County Board of Supervisors to impose a county-wide Tippler's Tax. There would be no additional costs for the State.

Cash Reimbursement for Unused Sick Leave

The County Code provides that certain full-time permanent employees may elect to receive cash reimbursement for up to *three days* of unused full-pay sick leave. Eligibility under this section is restricted to those employees who:

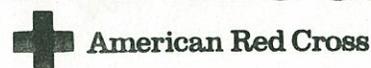
1. Continuously occupied a full-time permanent position on or before July 15, 1984 through June 30, 1985;
2. Completed at least twelve (12) consecutive full months of qualifying service;
3. Used no sick leave for any reason, including personal reasons, from January 1 through June 30.

Employees who elect reimbursement forfeit all rights to accumulate that portion of their sick leave for which reimbursement is received.

Cash reimbursement forms may be obtained from an employee's Personnel Office. In order to receive such reimbursement, an employee must return the request form by July 31, 1985.



Share Your Summer Vitality
GIVE BLOOD



Los Angeles County 1985-86 Final Adopted Budget

General County	\$4,794,925,910
Special Funds, Districts, Other Enterprise and Agency Funds	1,884,654,201
Total	\$6,679,580,111
Budgeted Positions	72,427.8

Contracting of County Services to be Accelerated

Under the Board of Supervisors' guidance, the Los Angeles County contracting program has grown to be nationally known for saving taxpayer dollars and is a model for other public agencies to follow. Privatization contracts are for services that County departments have determined to be more cost effective and in the public interest to provide through contracting rather than using County employees.

Thirty-three departments are currently included in the Contract Development Program. The program has saved in excess of \$62 million since 1978; an additional \$21 million would be required today to finance the same level of service annually if County employees performed the work rather than the private sector.

Since December 1982, no layoffs of County employees have occurred because of contracting. Avoidance of layoffs is a result of the concern by the County for employees through the establishment of a successful Retraining and Referral Program resulting in

placements in County jobs and with private contractors.

On July 2, 1985 the Board of Supervisors approved an Accelerated Contracting Plan. It is anticipated that approximately 97 new privatization contracts may be awarded in 1985-86. Each of the 33 departments in the Contract Development Plan has identified functional areas in which privatization contracts will be expedited. In addition to these departmental efforts the Chief Administrative Officer will annually identify and expedite contracts that cross departmental boundaries and have the potential to yield more savings than if contracted by individual departments. Sixteen County departments now have printing functions which will be analyzed for potential savings.

Although it is difficult to estimate the potential savings from this accelerated approach, a conservative estimate is that an annualized savings range of approximately \$6 to \$9 million may be realized. These savings can be used for other priority programs, thus minimizing service reductions.

RETIREES . . .

The following people have retired or have been approved for retirement by the Retirement Board in recent months after more than thirty years of service to the County:

Sheriff: Carl D. Cummins, Robert D. Fleming, Edward J. Matteson, William R. Hanke, Wayne W. Powell.

Fire: James E. Wilder.

Assessor: Doris M. Allen.

Superior Court: Joseph E. Miller.

L.A. Municipal Court: Patricia A. Minter.

Health Services: Doris H. Short, Evelyn Phillips.

Parks & Recreation: Joseph Thompson.

The following have retired or have been approved for retirement by the Retirement Board with over twenty-five years of County Service:

Health Services: Patricia Barlow, Gladys Bradley, Annette S. King.

Mechanical: Jose M. Ramirez.

Dist. Attorney: Irma J. Smith.

Aud./Controller: Mary E. Toyoda.

Sheriff: Woodrow Jackson.

Remember To Vote

The election to fill the office of the Second Member, Board of Investments, will be held on Tuesday, July 30, 1985. Under the procedures for this election the Registrar-Recorder must actually receive your ballot by that date. Please fill out your ballot and return it to the Registrar-Recorder by 5:00 p.m., Tuesday, July 30, 1985.

For further information or to obtain a copy of the election procedures, contact your personnel office; the Registrar-Recorder, 5557 Ferguson Drive, Los Angeles; or the Executive Office, Board of Supervisors, 500 W. Temple Street, Los Angeles 90012.



BLOOD IS LIKE A PARACHUTE

If it's not there when you need it, chances are you'll never need it again.