

## STATE OF THE COUNTY ADDRESS

Supervisor Ray Watson, Chairman

Kern County Board of Supervisors

January 18, 2005

Allan Krauter just introduced our Board. Let me take this opportunity to again welcome the newest member of the Board, Supervisor Mike Rubio.

- He has quickly demonstrated his enthusiasm and commitment.
- He will work hard to serve the 5<sup>th</sup> District and all of Kern County.

I would also like to acknowledge other members of the team serving Kern County.

- Will those Department Heads who are present please stand and be recognized.
- We can't talk about our team without noting the pending retirement, April 1, of CAO, Scott Jones.
  - Scott has given us 32 years of dedicated service
  - He's a strong leader highly respected by our Board, department managers and employees alike. We'll miss him, but we're not letting him go just yet.
- 8387 full time and part County employees work to serve you.
- 525 members of 62 appointed boards and commissions volunteer their time and talents and make recommendations to the Board and County departments.
- Many non-profit organizations partner with Kern County for the improvement of quality of life in our communities.
- We must recognize the volunteer groups who provide tens of thousands of hours of priceless service, with very little recognition:
  - 671 volunteers in the Sheriff's Search & Rescue, Reserves, Chaplains, Citizen Service Unit, & Explorers
  - 350-400 Library volunteers who contribute over 20,000 hours a year
  - 60 Kern Medical Center Auxiliary members
  - 60 in the Human Services Department
  - 45 Hosts at the Administration Building
  - 35 in the Firefighters Reserve Program
  - 3 in the Public Health Department

If you are a part of any of the groups I just mentioned, please stand and let us give you a huge thank you!

I'd like to introduce just one of these wonderful volunteers, Louis Kerker, from the Sheriff's Department Citizen Service Unit. Louis will be 94 years young on February 12. He began volunteering in the Sheriff's Department in 1992, and is one of only three original members still active since the very first CSU academy. During his tenure he has done everything from deliver paperwork and evidence between Wasco and Bakersfield, to assembling Christmas baskets for distribution, to directing traffic at the Kern County Fair. He keeps everyone around him motivated and smiling! He is at headquarters every Monday and Wednesday between 6 & 7 AM and generally puts in 10-12 hours on those days. In 2004, Louis volunteered a total of 625 hours with CSU, as has done for the past 12 years. Let's give a special thank you to Louis Kerker!

Louis is a good example of over 1200 people who volunteer their services to Kern County.

When you consider our employees, boards, commissions, volunteers and community partners, we have quite a team (or should I say army) of over 10,000 people working on behalf of the residents of Kern County!

Now let's look back on 2004 and ahead to 2005 and beyond at some of the highlights.

First and foremost, it is the responsibility of the Board of Supervisors and County management to maintain fiscal stability.

Thanks to the leadership of CAO, Scott Jones, and Kern County Department heads, we delivered another on time, balanced budget for 2004-2005 without substantial negative impacts on County services. Their early anticipation of State budget problems, and hiring freezes over the past two years, enabled us to survive significant reductions of discretionary revenues and make major staff reductions without layoffs of county employees. Balancing the budget has become more challenging every year for the past 12 years since Sacramento began taking revenues from the general funds of local governments and returning them as realignment funds tied to state mandates. Over the past 12 years the discretionary portion of the budget per capita dropped by 6%, while the consumer index rose by 45% and the portion of the county budget tied to federal and state mandates increased 83%.

The 2004-2005 budget is slightly over \$1 billion. 81% of that total has no flexibility in use, consisting of federal and state mandates, mostly for social services, funded with pass through dollars and required matches from county general funds. Another 15% has limited flexibility in use, requiring general funds to maintain various public services required by law. Only 4 3/4% of our budget is totally discretionary, being available to supplement dwindling state funds for road maintenance, probation and juvenile crime prevention, maintain adequate levels of sheriff patrols, provide the District Attorney with the forensic tools and staff to prosecute felonies, maintain parks, keep libraries open, and provide other services important to Kern County citizens.

Uncontrolled spending by the State has largely been funded on the backs of local government. Since 1992, nearly \$550 million in property taxes has been taken from our County general fund by Sacramento, including \$62 million in the current fiscal year. While those dollars basically come back to us in the form of realignment funds for mandated programs, the result is that discretionary revenues to meet priorities determined by local taxpayers and your elected officials have dwindled to less than 5% of the budget. How many potholes could have been repaired and how many youth could have been rehabilitated with that \$550 million?

True to his word, Governor Schwarzenegger convinced the Legislature to place an initiative on the November ballot and California voters passed Proposition 1-A by an overwhelming 84 percent. Thank you to virtually all local elected officials, public safety agencies and many civic leaders for helping get the job done!

To be sure, Prop. 1A won't reinstate what we've been losing, but it should keep it from getting worse. Nevertheless, we must remain alert to attempts in Sacramento to chip away Proposition 1-A's constitutional protection of local revenues. At this very moment, the state is considering a change in reimbursement formulas for mandatory care of indigent patients at public hospitals. That could generate millions of dollars of additional losses at Kern Medical Center, all of which would come from our extremely limited discretionary funds. I urge you to stay in contact with the Governor and your state legislators and insist that additional adjustments required to balance the state budget be taken from state mandated programs and not from local discretionary funds.

And that brings us to Kern Medical Center. Clearly, KMC poses the greatest internal threat to the County general fund, and our ability to maintain discretionary services. During the past year, the Board of Supervisors began conducting hospital board meetings at KMC, in addition to the typical business conducted on behalf of the hospital at regular Board of Supervisors meetings. This additional focus has enabled Board members to become more familiar with hospital operations. After experiencing a loss of \$10 million in FY 2002-2003, KMC operated at a break even last fiscal year, primarily the result of a one-time Federal reimbursement windfall. But it is important to note that significant operational improvements have been accomplished in the areas of screening patients for financial ability to pay, collections of amounts due and diverting patients from costly emergency room services to less costly county health clinics where appropriate. Physician employment contracts are being modified to tie compensation directly to documented services performed on behalf of the hospital.

The overriding threat to KMC's financial condition is caused by federal and state funding policies that do not cover the cost of mandated care of indigent patients who are uninsured and cannot pay for services rendered. These policies have the potential to bankrupt the County general fund. Kern County is particularly vulnerable because of its high poverty level.

Some have suggested we consider closing the hospital and contracting indigent care to private hospitals. The private hospitals do not have the capacity to handle this responsibility, and it would cost the County even more to satisfy its legal obligation in this manner. Many services provided by KMC generate revenues to help offset un-reimbursed costs of indigent care. Most importantly, KMC operates the only trauma center in the County and operates the only residency-teaching program which is the largest source of new doctors in the County. The solution to the KMC problem is continued pursuit of operational improvements and equitable reimbursement policies for indigent care from federal and state governments.

In spite of limited discretionary budgets, Kern County managers have aggressively sought federal and state grants that can be obtained with matching local funds. With these resources, the County managed to complete and continue some important capital projects in 2004.

Last June, for example, we dedicated the Probation Department's Larry J. Rhoades Kern Crossroads Facility, which houses 80 of Kern's most delinquent youth using strict military regimen to help juvenile offenders develop personal discipline, responsibility, teamwork, and leadership skills. County probation officers and counselors, personnel from the Superintendent of Schools and numerous volunteer groups provide counseling and education to help these kids get their lives back on track. Intervention will save kids from a life of crime and incarceration, and save taxpayer dollars in the long run. An ounce of prevention is truly worth a pound of cure. Kern County's program is a model that is being considered for adoption throughout the state.

By targeting federal housing grants, we were able to add to the low and moderate-income rental housing supply by building 173 rental units in Lamont and Southeast Bakersfield and rehabilitating 62 rental units in Delano. This same funding source also financed rehabs of 13 owner-occupied residences and accessibility improvements to 91 residences.

The County secured Federal community development block grants to finance:

- The new Mountain Health Clinic in Frazier Park for Clinica Sierra Vista;
- Street and drainage improvements in the North Beardsley area of Oildale;
- Renovation and expansion of the Kern Valley Youth Center in Lake Isabella;
- A community swimming pool renovation in Wasco;
- Water tank replacement for the communities of Randsburg, Johannesburg, and Red Mountain; and
- Water system improvements for Buttonwillow and the Casa Loma Mutual Water Company.

We continued construction on the new Bill Thomas Terminal at Meadows Field in 2004, and we're planning a ribbon-cutting later this year for Kern County's new "front door" to the world.

That door could open to our neighbor to the south, with whom Kern has very close ties. As you may know, Mexicana Airline has approached the County with a proposal to serve Bakersfield with direct flights to destinations in Mexico. The day may not be far off when you can board a jet in Bakersfield and fly non-stop to Guadalajara, which was the #1 of all travel destinations from Kern County last year.

A U.S. Customs designation will be required to realize this opportunity. A Customs facility would provide an additional checkpoint for immigration and control of potentially harmful agricultural pests. We will need to work with the agricultural community to insure that local and regional resources are protected. I am confident that we can solve these challenges and seize this opportunity for Kern County to become an international air travel and marketing hub, not only for Mexico, but for other world destinations as well.

County government is truly a team effort, both among County agencies and with our external partners. Some recent initiatives show how we continue to apply this team approach to government.

Kern County Mental Health, Kern Medical Center, and UCLA jointly launched the UCLA-Kern Psychiatric Residency Program last year, the first new psychiatric residency program to be established in California in more than 30 years. The first group of five residents will have the opportunity to work in both hospital and outpatient community-based mental health training programs.

The Waste Management department received national awards for innovation and community service for "Keep Kern Clean", for a public-private partnership to clean up illegal dumping and the "E-Waste Collaborative", which employs local nonprofit groups to recycle electronic devices that contain hazardous materials. Our Code Compliance staff are developing a pilot project with the Kern County Farm Bureau to address illegal dumping on farmland, which has been a chronic problem for growers. And starting this year, the County will make curbside recycling available through its waste hauling contractors in the unincorporated Bakersfield area. Universal trash collection mandated in Lost Hills starting in 2004 not only eliminated most of the illegal dumping in that area, it also enabled the County to close the Lost Hills transfer station and re-deploy the staff elsewhere.

Kern County Child Support Services received a state award for most improved of all counties in collections of child support payments. The department, in collaboration with Employers Training Resource, also came up with the innovative idea of setting up job referral services at the Child Support Services office to assist delinquent parents with finding a job. Lack of employment is the #1 factor in delinquent child support payments. Kern County's model is being recommended throughout the state. The department is committed to protecting dependent children and will revoke driver licenses if necessary to enforce payments from non-responsive parents.

Speaking of cost-effectiveness, last year also marked the beginning of what will become a countywide effort to improve our performance and customer satisfaction. Departments establish their customer service criteria based on their missions and mandates, and then measure their results annually. The purpose is not just to determine the output of the department, but more importantly to measure the results of that output. Performance will be compared from year to year to measure progress, and will be compared with our government counterparts and even the private sector where appropriate. Performance measurement debuted in 12 County departments in 2004 and will be used in all departments by the end of this year. We expect the initial measurement criteria to be continually refined. We will post results on the County's web site and invite public input as to what they would like our priorities to be.

Throughout the year, residents have the opportunity to observe at Board of Supervisors meetings or on KGOV as individual decisions are being made regarding their County government. Rarely, if ever, do they get to see the whole picture. Even budget sessions provide limited information beyond summary financial information. I will be asking the Board to approve a procedure whereby each week a different department will make a presentation at the Board meeting, including its mission and mandates, funding sources, the means by which it measures itself, its performance reports, significant accomplishments, challenges and opportunities for improvement. The report would be placed on the Board agenda and published on the County web site. This would provide additional opportunity for public evaluation and input as to our priorities.

I believe in many cases the public will gain a greater appreciation for the challenges faced by departments and the amount of work they accomplish. These efforts are intended to make county government more transparent and open to more comprehensive public input.

KGOV is important to that mission. Many people watch local government proceedings on KGOV as part of their busy days, whereas they would not have the time to actually attend the meetings. KGOV played a big part in the local telecast of the historic Spaceship One flights out of Mojave Airport, as well as to Internet audiences around the world. This is slightly less dramatic, but KGOV for the first time is telecasting today's event for rebroadcast throughout the week. KGOV has tremendous untapped potential as a public information and promotional source for issues that affect the quality of life for Kern County residents. It will take additional resources to realize that full potential. We'll be looking for ways to get the job done.

As you know, Kern County is and will be one of the fastest growing counties in California. Population growth will occur whether we like it or not. Our job is to enable the private sector to provide housing and jobs, while protecting the environment and our basic agricultural and oil industries. At the beginning of the next century we want our descendants to live in a safe environment, be proud of where they live and say that we did a good job.

The County's comprehensive environmental impact report and draft ordinance on dairies addresses some of the conflicts about which we are all concerned. The draft ordinance may serve as the starting point for State legislation in this area. If, and when, additional dairies are permitted in Kern County, I believe even the dairy operators would agree that they must employ the best available technology. Not just new dairies will be required to comply with best available technology. The San Joaquin Valley APCD is in the process of identifying best available technology and rules for existing dairies as well. Supervisor Patrick, our representative to the APCD is taking an active role in that process. According to the APCD, dairies presently account for about 10% of the ozone in the valley, and about 1% of PM 10 and PM 2.5.

When all existing and new dairies employ the best available technology, it is our expectation that they will not contribute to ground water pollution, odors and flies will be reduced and air emissions will be reduced to manageable levels. I am pleased for example to note that incentives to use biodigesters on new and existing dairies to convert methane emissions to electricity are finally being discussed in Sacramento as a potential part of the solution. I asked Kern County legislators, supervisors throughout the state, public utilities officials and dairy industry leaders to support this concept two years ago. Lastly, we are working on a dairy inspection program to insure compliance with the conditions of their permits.

We should recognize that every person and every economic activity in our county contributes to pollution of our environment. Our job is to minimize those negative impacts by adoption of the best technologies and by good planning. I believe the goals we have established for dairies are aggressive but achievable.

The same aggressive stance must be taken with new development. In the past two years the Board has employed policies that discourage leapfrog development, require sewer connections for all areas in the path of metropolitan area development, and promote increased densities where driven by market demand. These policies reduce the impact of urban development on the environment and minimize conversion of farmland.

Kern County also recognizes the potential impact that spreading of bio-solids on farmland could have on air quality and water quality. In 1999, the Board passed an ordinance prohibiting the application of anything less than Class A Exceptional Quality bio-solids that have been treated to remove all pathogens---the most restrictive ordinance in the state. The County had to defend that ordinance in court, and won. The bio-solids generators have complied with the conditions of their permits, and there has been no evidence that their operations pose a threat to groundwater. Nevertheless, our agriculture and water interests are concerned about the potential for contamination of ground water supplies and storage facilities over the long term.

Supervisor McQuiston and I have been working with the Kern County Water Agency to find a viable means of moving bio-solids operations from any areas within the ground water basin. The Kern County Water Bank is the largest in the world, providing water supplies in drought years. The quality and integrity of this multi-billion dollar asset must be protected.

Furthermore, it is critical that we identify the additional sources of water that we will need for our growing population and agricultural production for the next 100 years and beyond. I represent our Board on the Southern California Water Committee, whose mission is to assure that all of Southern California from Kern County to the Mexican border has an adequate water supply for the future. We have organized a four hour water symposium featuring top water experts in the State, including some from right here in our county, to evaluate our current supply status, project our future needs, and determine how those needs will be met. Kern County has been at the forefront of water negotiation, legislation and litigation in California for the past hundred years. The symposium will be held the morning of Friday, February 11. Most, if not all, of you will receive invitations. I urge your participation.

Dogs are man's best friend, and also happen to be one of Kern County's biggest problems. Actually, it's many of the owners of dogs and cats that are the problem. Only 11% of dogs are licensed and only 14% are neutered. They are allowed to breed indiscriminately, they often run loose creating a public danger, many create a public nuisance with their barking and many are mistreated by their owners. County animal control officers are unable to keep up with the complaints that come from every corner of our 5800 square mile county. Over 25,000 stray animals are picked up and euthanized every year. License fees are not adequate to cover the cost of animal control. Taxpayers should not have to foot the bill for irresponsible animal owners by building new kennels and endless hiring of more staff to satisfy a continually growing animal population. We need to enforce the concept of animal owner responsibility. We need a licensing and penalty structure that rewards those who license and neuter their animals and more heavily penalizes those who do not. We need a hearing officer or panel to enforce violations and penalties. Our courts are too overloaded to respond to these needs. Supervisor Maben has been working with animal advocacy groups and we hope to come up with a workable plan this year.

There are areas where we need to devote greater resources. Anyone who looks at California's overburdened highway system can see that we're courting gridlock and a failing infrastructure by lack of investment in the transportation network that is vital to our economy. Here in Kern County, the backlog of maintenance and repairs is \$300 million and the list of capital projects for new freeways, arterials, signals, and other improvements is over \$2 billion. In addition, the State gasoline sales taxes that Proposition 42 had earmarked for State and local highways have, for the third straight year, been used to reduce the State budget deficit. Kern County can't afford to wait for the State and Federal governments to solve their budget deficits before they send highway funds our way. We need to join all of the other major counties in California, representing 80% of the population, who have already voted for a local transportation sales tax. They have improved their roads and freeways while ours continue to deteriorate. Our ½ cent sales tax would generate funds that could be leveraged with matching state and federal funds that would otherwise be unavailable. A local citizens group has been working to place a Kern County sales tax measure on the ballot in 2006. All of us need to get behind this measure and thank those far sighted leaders for their efforts.

Another challenge facing communities throughout California is BRAC, the military Base Realignment and Closure process that the Pentagon will conclude this year. For decades, China Lake Naval Weapons Station and Edwards Air Force Base have led the nation's military research and development efforts and our national aerospace achievements. These bases are a vital element to national defense and would be extremely difficult to match elsewhere. They are also the major component of the economy of Eastern Kern County. In a fair BRAC process, these valuable bases will not only survive but thrive, but political maneuvering could swing the budget axe at these vital national security assets. Supervisor McQuiston has devoted several years of effort working with committees in Eastern Kern County, Sacramento and Washington D.C. to come up with a solution that meets national security interests and hopefully preserves a vital element of our County's economy. Supervisor Maben recently has also become involved in this effort.

Public safety is the most important duty to our citizens and emergency preparedness is a vital component. All of our public safety agencies have collaborated to develop response plans and during the past year conducted two system wide emergency drills to test our readiness for potential terrorist attacks and other emergencies. Our new emergency radio network being completed this year will link every County administrative center, fire station, Sheriff substation and public safety vehicle, providing a valuable tool for coordination.

I would like to commend the planning and hard work our emergency departments put into preparation for the potential flood dangers posed by our last series of storms. There was potential for the “perfect storm” which could have caused extensive damage and threat to lives. It did not fully materialize, but we were ready.

One of our most challenging tasks is deciding when and how to intervene to protect children from their own families. When families neglect or become outright abusive to their children, California law entrusts their welfare to counties and foster parents. Kern County Child Protective Services professionals take this public trust very seriously. While they have enormous responsibilities for the protection of children, they are tightly constrained by laws and court orders that protect the rights and privacy of families they oversee.

The pioneering collaborative efforts of County agencies, schools, and nonprofit groups formed the Kern County Network for Children more than a decade ago. These participating organizations examine the welfare and quality of life of children from every aspect, and they combine resources to help solve problems from a multi-disciplinary approach. We recently conducted an intensive effort to re-examine and strengthen the County’s Child Protective Services division. The department conducted a self-assessment program involving more than 100 people from various organizations involved with child advocacy.

At the request of our Board, CPS has established an ombudsman position to clear the way for quick, efficient resolution of complaints from anyone within their jurisdiction or from any member of the public. All serious cases of neglect or abuse are immediately reviewed by social workers, supervisors, managers and the department head of Human Services, and corrective action is taken where appropriate. The internal audit team also reviews serious cases within 24 hours. CPS has contracted with the Kern County Child Abuse Prevention Council, an independent, non-profit organization, to objectively review all cases of child death or serious abuse to determine whether proper procedures were followed and to make recommendations for improvement. A new level of urgency has been established between CPS and law enforcement whereby each agency will respond immediately to the other whenever potential danger to a child exists. For a number of years Kern County has been at the forefront of innovation on child welfare issues and we continue to lead the pack. Last year our CPS department received the NACO award for its “Independent City” program geared to help foster children in the 15 to 18 age group make a successful transition to independent living by assisting them with finding an apartment, job interviews, opening bank accounts and applying for college. This is a cooperative effort with Bakersfield College and is unique to Kern County. Last year, CPS facilitated 327 adoptions, a 7% increase over 2003, and 36% over a 2-year period. CPS hired 3 parents’ advocates to help those parents who are in the CPS system to be better parents and to manage their own lives. We are the only county in the state to have parent advocates on staff rather than only on a volunteer basis.

In 2004, there was one child death at the hands of an unknown suspect. While no death is acceptable, that is a reduction from 3 child deaths in 2003. It is impossible for CPS or any agency to monitor every child in the County and prevent any circumstance that could result in death. But we are confident that Kern County CPS is at the forefront of collaboration, internal control and outreach to create more safe environments for our children.

At the beginning of my remarks, I identified the types of groups that partner with the County to serve the needs of our residents. These quietly effective partnerships – as well as the efforts of so many County departments in carrying out their duties – don’t get the public attention they deserve. I’ve given you some of the highlights of our teamwork and accomplishments today, and there are many other

examples that could have been presented. We're on an aggressive agenda with a demonstrated commitment to excellence. We will continue to pursue more transparent government, public input and accountability.

Meanwhile, I want to again thank every employee, volunteer and partner for their service to the residents of Kern County. It is a high calling. This morning we saw the telecast of Spaceship One making the first launch of a private spacecraft to the edge of space. We recognize the innovation, dedication and hard work required for that accomplishment. We will continue to demonstrate the same innovation, dedication and hard work in our own mission of service. I wish you a good day and a good year ahead.