



March 5, 2014

Ms. Kathleen Howard  
Executive Director  
Board of State and Community Corrections  
600 Bercut Drive  
Sacramento, CA 95811

**RE County of Humboldt SB 1022 Appeal**

Dear Ms. Howard,

We are in receipt of the SB 1022 appeal from Humboldt County. The County states the following as the issue on appeal:

"The County of Humboldt's area of dissatisfaction is that the county did not receive any indication that the additional submittal of information, submitted as technical clarification, still did not meet the requirements that the Department of Finance was looking for in order to recommend approval of Criterion #1. The county appeal states that if the county had been notified again of the shortcomings the County Administrative Officer would have taken immediate steps to correct the problem.

You have requested an explanation of what the Department of Finance (Finance) considered and analyzed in determining whether Humboldt County should be awarded Preference Criteria #1.

Analysis

All proposals were due to the BSCC by 5:00 p.m. on October 24, 2013. After Finance reviewed all proposals for technical compliance, we notified counties when we felt that additional clarification, in addition to the initially-submitted documentation, could be provided.

In the initial submission, Humboldt provided a copy of the Fund Summary report for the Criminal Justice Construction Fund showing a balance, as of October 17, 2013 of \$2,242,954 (see Exhibit 1).

On November 5, 2013, 20 counties were sent consistently-worded requests asking for further clarifying information. The email to Humboldt stated the following:

**Humboldt County**

- For each fund source to be used to provide the total county cash contribution, please provide the legal citation(s) authorizing establishment of the fund and the purpose(s) for which monies deposited into the fund can be expended. If the fund(s) cited are actually sub-funds or sub-accounts of the county General Fund (i.e. the source of the funds to be used originate from the county General Fund) please provide a statement and supporting accounting documentation to that affect.

- Please provide accounting documentation (i.e. balance sheet(s), account ledger(s), or similar) for each fund source authorized by the BOS to provide the county cash contribution demonstrating that the authorized amount is available on-hand in the available balance of the authorized fund source(s) and is designated specifically for the proposed SB 1022 project. (Emphasis added.) If this project is attached to a specific account number within a fund(s) please make that clear. If authorized fund source(s) contain amounts for purposes other than this project we need to be able to clearly see how the amount authorized for this project is set-aside with the fund solely for this project. (Emphasis added.)

Although Finance (through the BSCC) sent a follow up request for documentation, Humboldt County did not show how funds were "..... available on-hand in the available balance of the authorized fund source (s) and.... designated specifically for the proposed SB 1022 project." (Emphasis added)

Upon review of Humboldt's submittal it was not evident that any specific set aside or subaccount or other ways to designate funds specifically for this project had been completed. The only information Finance received was an updated copy of the Fund Summary report for the Criminal Justice Construction Fund showing a balance, as of October 31, 2013 of \$2,258,421 (see Exhibit 2). While the county's cash contribution was \$398,000 there was no way to prove that the balance was not committed to other projects or that the necessary funds would be available when the project needed them. (If authorized fund source(s) contain amounts for purposes other than this project we need to be able to clearly see how the amount authorized for this project is set-aside with the fund solely for this project.)

Since this was a competitive funding process, it would not have been possible to give the county any more direction than other counties received.

Finance did receive adequate funding documentation from 18 counties. Please see Exhibit 3, which is an example of adequate funding documentation provided by another county. It clearly shows the amount the county set aside " . . . specifically for the SB 1022 project."

If you have further questions, please call me at 916-324-0043



Karen Finn  
Program Budget Manager

Attachments

Exhibit 1

County of Hun. It  
Fund Summary  
Report Date: 10/17/2013

Special Revenue Funds

	Cash	Adv. Receivable	Intr. Receivable	Fixed Assets	Prepaid Exp.	Adv. Payable	Checks Payable	Deferred Rev.	Total Revenue
	Impress Cash	Accts Receivable	Inventories	Accum. Depr.	Other Assets	Accts Payable	Accrued Payroll	Other Liabilities	Total Expend
Fund 1410		Criminal Justice Construction							
\$1,421,110.46	\$821,844.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,493.70
\$0.00	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$20,472.00
<b>Total Special Revenue Funds</b>									
\$1,421,110.46	\$821,844.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,493.70
\$0.00	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$20,472.00



"Example of Adequate Funding documentation provided by another county"

Exhibit 3

ATTACHMENT E

3/1/13

TOBACCO SECURITIZATION BOND PROCEEDS

**Reconciliation:**

Beginning balance 4-12-06	\$ 37,794,190.29
Deposits	\$ 74,520.66
Dividends	\$ 2,917,481.07
<b>Total Tobacco Proceeds</b>	<b>\$ 40,788,172.02</b>
Paid Claims through 10/1/13	\$ (29,476,229.33)
<b>Total Paid Claims</b>	<b>\$ (29,476,229.33)</b>
Current Balance (Reconciled to GLSF9001-1 as of 10/1/13)	\$ 11,309,942.69
Pending Claims	\$ (792,611.13)
Remaining Original Commitments	\$ (17,901,706.54)
Less: Release of Unneeded Committed Funds (BOS 10/22/13 Item Addendum I)	\$ 8,400,000.00
<b>Outstanding Committed Tobacco Proceeds</b>	<b>\$ (10,294,317.67)</b>
<b>REMAINING UNCOMMITTED TOBACCO PROCEEDS</b>	<b>1,015,626.02</b>

**List of Capital Projects, Amount Committed, Current Status, and Reconciliation by Project:**

Project	Amount Committed	Status	Total Paid	Unspent Funds
MENDOTA LANDFILL CLEANUP 9/26/06	\$ 9,114,919.00	Completed/Closed	9,114,919.00	-
SOUTH JAIL ANNEX DOORS/CONTROLLERS 10/03/06	\$ 281,150.00	Completed/Closed	281,140.98	9.02
MAIL JAIL ENROUTER & DOOR OPERATORS 10/03/06	\$ 11,900.00	Completed/Closed	11,852.11	47.89
COURTHOUSE/SOUTH ANNEX JAIL GARAGE 10/03/06	\$ 116,500.00	Completed/Closed	110,434.67	6,065.33
NORTH ANNEX/MAIN JAIL SHOWER FLOORS 10/03/06	\$ 182,250.00	Completed/Closed	153,022.45	9,227.55
ELKHORN WATER WELL 10/03/06	\$ 125,000.00	Completed/Closed	108,355.65	16,644.35
ELECTIONS WAREHOUSE 10/31/06	\$ 1,230,059.00	Completed/Closed	1,229,743.28	315.74
PURCHASE CENTER FOR AG and FOOD SAFETY 8/14/07	\$ 4,640,500.00	Completed/Closed	4,635,778.13	4,721.87
MENDOTA LANDFILL ADDITIONAL 8/12/08	\$ 72,000.00	Completed/Closed	72,000.00	-
MORGUE 8/11/09	\$ 19,547,710.00	Completed/Closed	10,761,559.23	8,786,150.77
MORGUE COUNTY MATCH MEDICAL EQUIPMENT 8/11/09	\$ 346,232.00	Not Used/Closed	0.00	346,232.00
CROCKER BUILDING 5/28/2010	\$ 3,701,327.00	Completed/Closed	3,701,327.00	-
JJC WASTEWATER TREATMENT PLANT - LIFT STATION SCREEN 12/31/11	\$ 744,000.00	Open	88,707.98	655,292.02
JJC CENTRAL PLANT - BOILER ROOM VENTILATION 12/13/11	\$ 109,000.00	Open	0.00	109,000.00
WEST ANNEX JAIL PROJECT (related to SB 1022) 10/22/13	\$ 7,968,000.00	New	0.00	7,968,000.00
<b>Funds Committed for Capital Projects</b>	<b>\$ 48,170,547.00</b>			
Less: Release Unneeded Committed Funds 10/22/13	\$ 8,400,000.00			
<b>Net Funds Committed for Capital Projects</b>	<b>\$ 39,770,547.00</b>			

→ Funds Committed for Capital Projects