

Midyear Financial Report July – December 2021

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Introduction

This is the 2021-2022 Midyear Financial Report for Stanislaus County submitted by the Chief Executive Office for the period of July 1, 2021, through December 31, 2021. It has been prepared to inform the Board of Supervisors, County leadership, and the public of the County's fiscal status at the midpoint of the fiscal year. The report provides revenue and

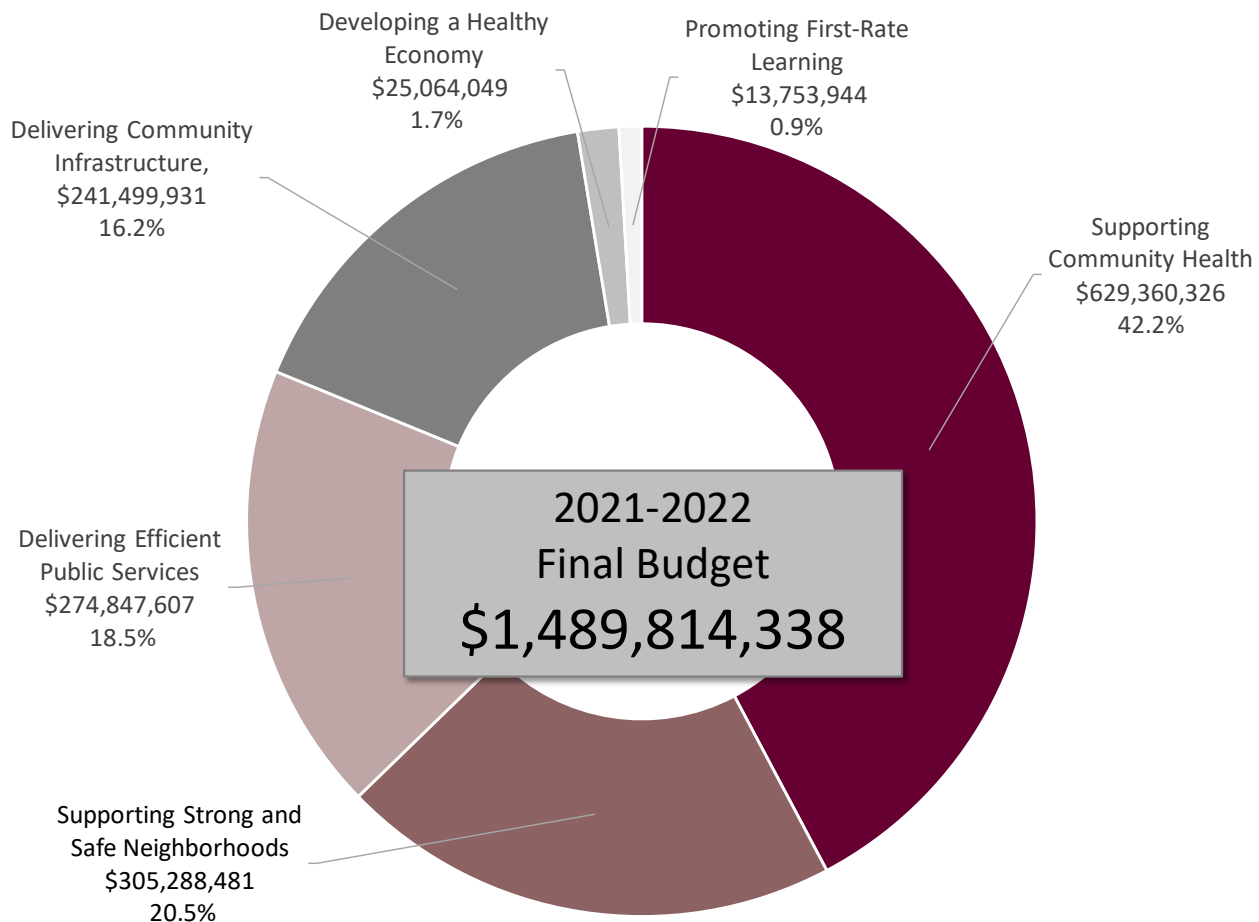
expenditure summaries for County programs organized by Board of Supervisors' priority area and highlights adjustments to County budgets since the adoption of the Final Budget in September 2021. The Midyear Financial Report also includes a look forward at significant budget challenges and opportunities facing Stanislaus County.

Background

On September 21, 2021, the Board of Supervisors adopted the 2021-2022 Final Budget for Stanislaus County. This \$1.5 billion operational plan reflected a net decrease of \$36.6 million from the 2020-2021 Adopted Final Budget. The 2021-2022 Adopted Final Budget was balanced using a combination of \$1.4 billion in estimated revenue and \$58.1 million in fund

balance, retained earnings, and other one-time funding sources. It also included support for 4,587 full-time allocated positions, an increase of 58 positions from the 2021-2022 Adopted Proposed Budget adopted in June 2021. The following chart reflects the total Adopted Final Budget organized by the Board of Supervisors' priority:

Fiscal Year 2021-2022 Adopted Final Budget Expenditures by Board Priority



2021-2022 First Quarter Adjustments

The 2021-2022 First Quarter Financial Report contained changes to the 2021-2022 Adopted Final Budget, including a total increase in estimated revenue of \$9.9 million and appropriations of \$14.7 million for a 2021-2022 First Quarter Budget totaling \$1.6 billion. The First Quarter recommendations

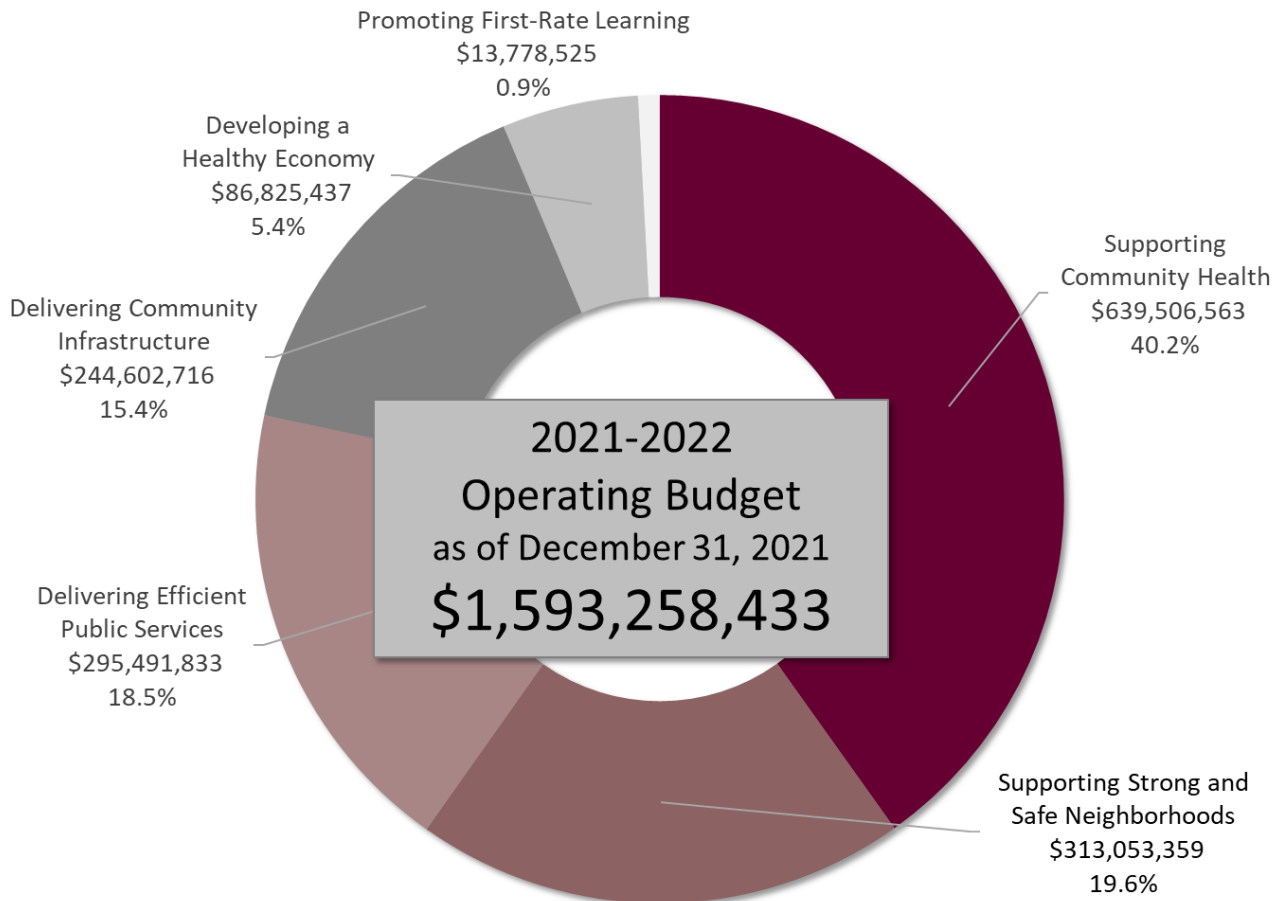
were largely technical or administrative in nature, either adjusting to accommodate items previously approved by the Board of Supervisors, to right-size appropriations and/or revenues already contained within the budget, or to integrate updated costs and/or revenues related to existing service levels.

Summary of Other Adjustments

The Adopted Final Budget is adjusted each year to include appropriations that are carried forward from the prior fiscal year for projects that were planned for and authorized by the Board of Supervisors but were not fully completed. In addition, throughout the year the Board of Supervisors approves adjustments to department budgets either through quarterly financial reports or in separate Board item actions. The sum of all these adjustments through

December 31, 2021, total \$103.4 million, with \$61.9 million in carry-forward of prior year appropriations, and \$41.5 million in budget adjustments approved by the Board of Supervisors in the current fiscal year. The County's Operating Budget as of December 31, 2021, prior to the inclusion of any recommended budget adjustments identified in this Midyear Financial Report, totals \$1.6 billion, as reflected in the following chart:

Fiscal Year 2021-2022 Operating Budget as of December 31, 2021 by Board Priority



2021-2022 Midyear Financial Report Overview

The Midyear Financial Report provides an update on the status of the County budget midway through the fiscal year. Its presentation is the result of significant analysis performed by staff in all County departments and the Chief Executive Office. This extensive review includes an assessment of revenue received and costs expended through December 2021 for comparison to that experienced halfway through prior fiscal years. Using this data for trend analysis provides the basis for updated projections for the remainder of the fiscal year, with results compared to original year-end estimates. This report identifies recommended budget adjustments to meet departmental needs in support of their two-year objectives and to ensure sufficient funding and appropriations exist to end the year in a positive fiscal position based on projected figures.

Midyear recommendations result in an overall increase of 5.7 million in estimated revenue and a decrease of \$14.4 million in appropriations, bringing the total Midyear Budget to \$1.6 billion. If approved, the recommendations contained in this report will result in an overall decrease of \$20.1 million in the use of fund balance and retained earnings along with a \$756,426 decrease in Net County Cost.

The recommended Midyear Budget contains several technical adjustments associated with updated cost estimates that do not affect existing service levels. Additionally, departments are rightsizing budget estimates to accommodate anticipated activities for the remainder of the year. Of particular note are the following adjustments: a decrease of \$17.3 million in Health Services Agency (HSA) – Public Health to align spending with projected COVID-19 response efforts that are significantly reduced from those of the prior year allowing multi-year revenue allocations to roll forward to benefit local customers in future years; a decrease of \$8.5 million in HSA – Clinics and Ancillary Services, primarily due to a reduction in patient visits; an increase of \$3 million in HSA –

Administration to account for the portion of State-donated personal protective equipment (PPE) expected to be utilized this fiscal year; and an increase of \$3 million in County Operations – General Fund Match Vehicle License Fees to accommodate the pass through of increased revenue. The remaining adjustments for various departments will increase appropriations approximately \$5.4 million

Midyear recommendations also include updated Realignment revenue projections based on California State Budget estimates and growth revenue received, increasing overall estimated revenue by approximately \$3.5 million.

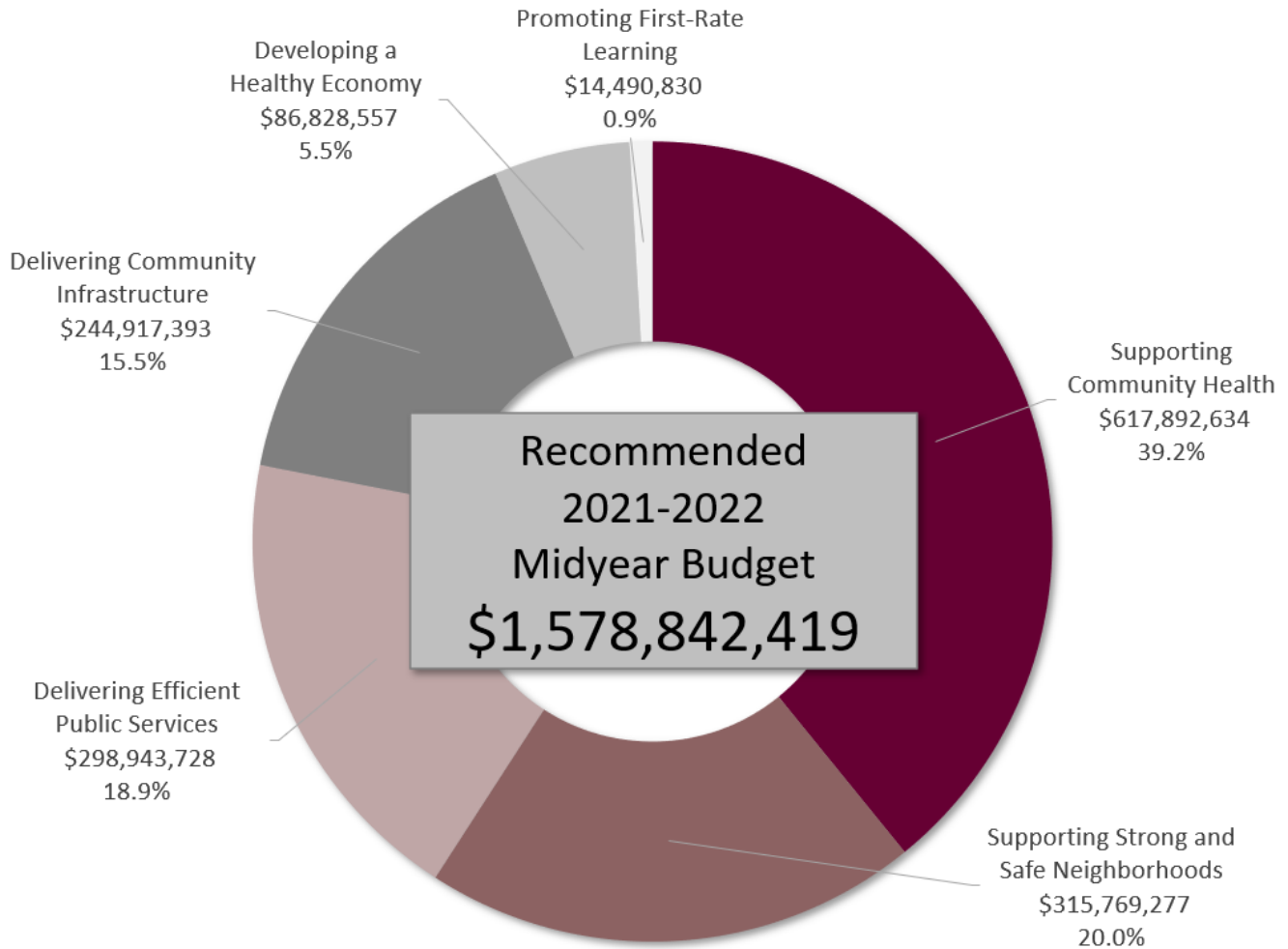
Updated Discretionary Revenue estimates result in an increase of \$10 million at midyear, approximately 3.9% over that included in the Legal Budget, due to an ongoing positive economic outlook, with increases anticipated in sales and use taxes, Prop 172, interest earned, and various one-time adjustments.

The remainder of estimated revenue adjustments reflects a net decrease of approximately \$7.8 million, largely due to the deferral of multi-year revenue allocations to meet future customer needs in HSA – Public Health.

Finally, County General Fund support for various departments is made possible through the transfer of \$3.6 million from Appropriations for Contingencies, the County's contingency funding reserved for use throughout the fiscal year to cover unanticipated needs as they arise.

The following chart depicts the \$1.6 billion Midyear Budget, inclusive of the recommended budget adjustments that are described in greater detail by department in subsequent sections of the report. Consistent with past practice, the budget and financial report are organized by Board priority area.

Fiscal Year 2021-2022 Recommended Midyear Budget Expenditures by Board Priority



Consistent with standard accounting practices, the County’s budget is divided into separate financial entities known as “funds”. These fund types are used to segregate resources and demonstrate legal

compliance. The following table reflects the 2021-2022 Adopted Final Budget, alongside the Midyear Operating budget, and the Recommended Midyear Adjustments and resulting Budget.

Development of the Midyear Budget Recommendations

Fund Type	2021-2022 Adopted Final Budget	2021-2022 Midyear Operating Budget As of 12/31/2021	Recommended 2021-2022 Midyear Adjustments	Recommended 2021-2022 Midyear Budget
General Fund	\$ 411,779,754	\$ 451,448,957	\$ 4,421,971	\$ 455,870,928
Special Revenue	866,341,731	917,931,198	(11,951,791)	905,979,407
Capital Projects	799,692	799,692	-	799,692
Enterprise	74,699,763	77,812,735	(8,525,989)	69,286,746
Internal Service	136,193,398	145,265,851	1,639,795	146,905,646
Total	\$ 1,489,814,338	\$ 1,593,258,433	\$ (14,416,014)	\$ 1,578,842,419

General Fund

The 2021-2022 Recommended Midyear Budget for the General Fund is \$455.9 million, an increase of \$4.4 million over the 2021-2022 Midyear Operating Budget. The increase represents the net of \$2.9 million in departmental requests and \$5.1 million in technical adjustments, offset by a transfer from Appropriations for Contingencies of \$3.6 million.

Special Revenue Funds

The 2021-2022 Recommended Midyear Budget for Special Revenue Funds is \$906 million, a decrease of \$12 million from the 2021-2022 Midyear Operating Budget. The primary contributors to the decrease include a reduction of \$17.3 million in Health Services Agency (HSA) – Public Health to align spending with projected COVID-19 response efforts that are significantly reduced from the prior year and a decrease of \$300,000 in Child Support Services due to attrition and challenges in filling high-level positions. These decreases are offset by various increases in Aging and Veterans Services, Behavioral Health and Recovery Services (BHRS), Community Services Agency (CSA), and HSA.

Capital Projects Funds

The 2021-2022 Recommended Midyear Budget for Capital Projects Funds totals \$799,692, consistent with the Midyear Operating Budget; there are no recommended adjustments at midyear.

Enterprise Funds

The 2021-2022 Recommended Midyear Budget for Enterprise Funds is \$69.3 million, a decrease of \$8.5 million from the 2021-2022 Midyear Operating Budget. The decrease occurred in HSA – Clinics and Ancillary Services due to vacancy-related salary savings, patient visits materializing below projected levels, the re-allocation of administration charges to Public Health for COVID-19 response efforts, and changes in the reporting and payment cycle affecting the Intergovernmental Transfer Program, reducing expenditures being recognized this fiscal year.

Internal Service Funds

The 2021-2022 Recommended Midyear Budget for Internal Service Funds is \$146.9 million, an increase

of \$1.6 million from the 2021-2022 Midyear Operating Budget. The increase is primarily attributed to General Services Agency (GSA) – Fleet Services and GSA – Utilities for security and increased costs related to inflation. Additional adjustments include County Operations – General Liability for claim costs, Integrated Criminal Justice Information System for contract costs, and Information Technology Central – Telecom for translation and salary costs.

Fund Balance

The beginning fund balance for all funds on July 1, 2021, was \$710.7 million. The 2021-2022 Adopted Final Budget included the planned use of \$58.1 million in fund balance. Adjusted to include prior year encumbrance carryovers and Board of Supervisors' actions approved through December 31, 2021, a total use of \$109.9 million in fund balance was projected for all departments. The net of the recommendations contained in the Midyear Financial Report will decrease the use of fund balance by \$20.1 million to a projected total of \$89.8 million.

The decreased reliance on fund balance is primarily the result of a \$10 million increase to Discretionary Revenue plus several departmental adjustments which reduced use of fund balance, including recognition of \$7.8 million in fair market value for donated personal protective equipment in HSA – Administration; increased grant revenue in Community Services Agency – Housing and Homeless Services of \$5.6 million; adjustments to right-size COVID-19 funding sources and projected expenditures in HSA – Public Health resulting in \$4 million fund balance savings, plus smaller adjustments affecting other departments, netting about \$500,000. The reductions are partially offset by an increase of \$7.8 million in technical adjustments across multiple departments.

Note that fund balance for Capital Projects Funds only contains balances for two budgets, CEO – Courthouse Construction Fund and CEO – Criminal Justice Facility Fund, funds traditionally included in the overall County budget that do not require

adjustment at midyear. However, various funds exist within the financial management system for Board-approved projects that maintain a fund balance. Inclusive of these other project funds, the fiscal year began with \$61.6 million in fund balance, with \$46.4 million projected to remain at year end. Details on the totality of all Capital Projects are available in the Comprehensive Annual Financial Report prepared by

the Stanislaus County Auditor-Controller. The following chart illustrates the beginning fund balances on July 1, 2021, for the various fund types, as well as the projected year-end balances, inclusive of recommended adjustments contained in this Midyear Financial Report. Overall, Fund Balance projected for the fiscal year ended June 30, 2022 is approximately \$620.8 million.

Summary of Fund Balance by Fund Type

Fund Type	Beginning Fund	Operating Budget	Operating Budget	Midyear	
	Balance on 7/1/2021*	Revenue on 12/31/2021	Appropriations on 12/31/2021	Recommended Use of Fund Balance	Projected Fund Balance on 6/30/2022
General Fund	\$ 250,480,805	\$ 408,321,348	\$ 451,448,957	\$ (10,766,426)	\$ 218,119,622
Special Revenue Funds	287,744,474	867,989,362	917,931,198	(20,122,645)	257,925,283
Capital Projects Funds	3,554,734	680,000	799,692	-	3,435,042
Enterprise Funds	121,279,579	65,426,418	77,812,735	1,184,208	107,709,054
Internal Service Funds	47,627,984	140,901,449	145,265,851	9,612,765	33,650,817
Total All Funds	\$ 710,687,576	\$ 1,483,318,577	\$ 1,593,258,433	\$ (20,092,098)	\$ 620,839,818

**Note: The Final Budget document reported a total beginning fund balance of \$724,131,326. Since that time, post-closing adjustments totaling \$13,443,750 have been posted for all funds which resulted in a revised beginning fund balance of \$710.7 million, as depicted above. Significant post-closing adjustments included interest accruals and fair market value adjustments for all funds and decreased amounts in Health Services Agency Public Health and Behavioral Health and Recovery Services in the Special Revenue Funds, among others.*

General Fund Update

Discretionary Revenue

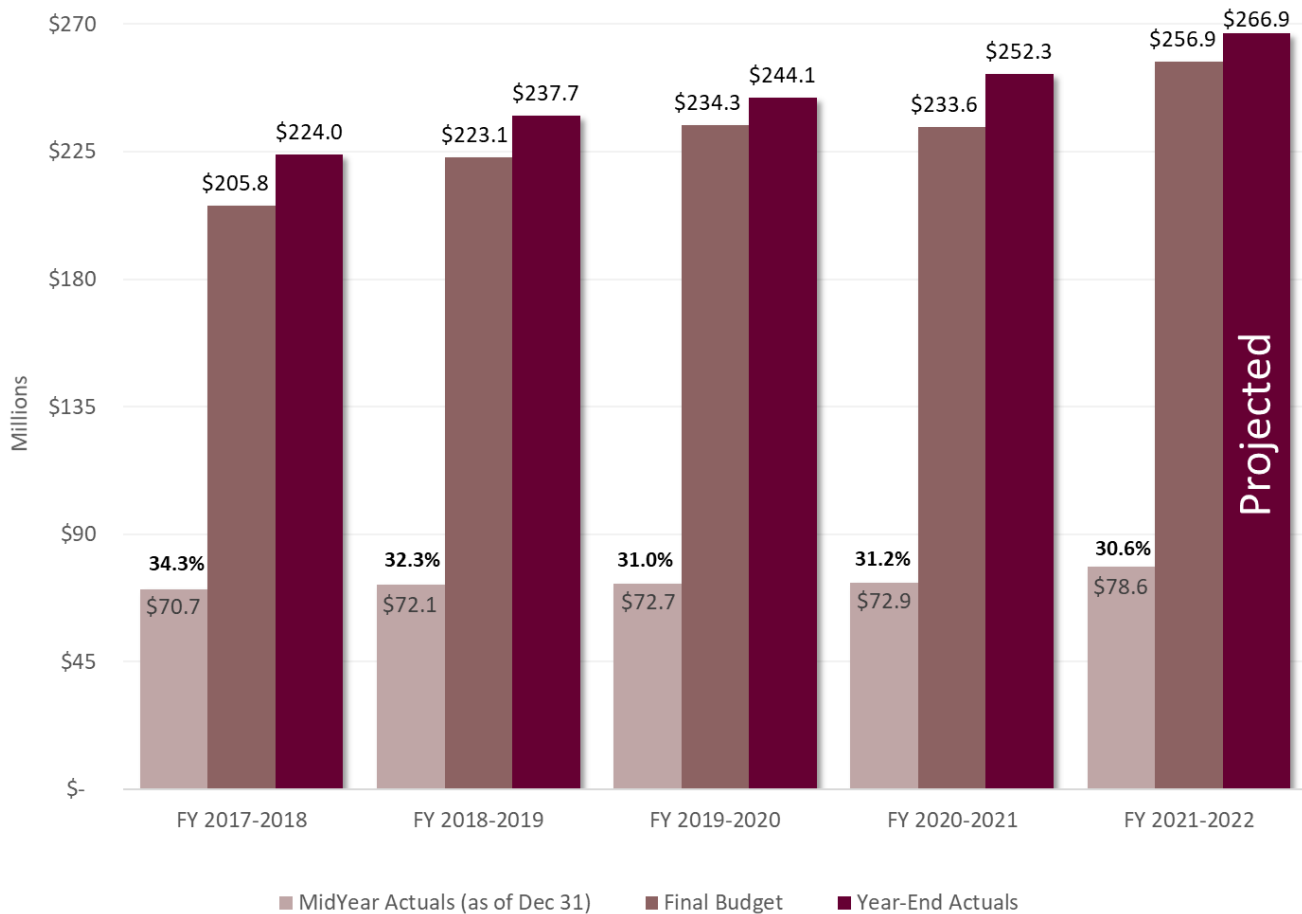
Discretionary Revenue refers to revenue received in the General Fund that is available to fund programs at the Board of Supervisors' discretion. Total Discretionary Revenue included in the 2021-2022 Adopted Final Budget was projected at \$256.9 million. As of December 31, 2021, approximately \$78.6 million in revenue had been received, representing 30.6% of Final Budget projections. Over the past four years, Discretionary Revenue collected through midyear ranged from 31% to 34.3% of the Final Budget projection, placing this year's receipts slightly below the historical range.

Additionally, the four-year history of Discretionary Revenue shows that revenue realized through midyear varied from 28.9% to 31.6% of *actual* year-end total receipts. Using revenue data from the first six months along with historical trend analysis, the 2021-2022 Midyear Budget reflects Discretionary

Revenue estimated at \$266.9 million, an increase of \$10 million over that originally projected in the Final Budget and what currently exists in the Midyear Operating Budget. Revenue received through December 2021 represents 29.4% of this updated revenue estimate, placing receipts-to-date within the historical range. The chart on the following page provides a five-year comparison of midyear activity to show the first six months in revenue receipts, each year's Adopted Final Budget, and year-end actuals for the previous four years, with midyear projections noted for Fiscal Year 2021-2022.

Discretionary Revenue Five-Year Comparison

Midyear Discretionary Revenue projections, totaling \$266.9 million, represent an increase of \$10 million, or 3.9%, over that estimated in the 2021-2022 Midyear Operating Budget. This net increase includes projected growth in Sales and Use Taxes,



Public Safety Sales Taxes, increased investment earnings, and one-time project close-out funds. The following is a summary of the recommended changes and estimate information in each of the effected Discretionary Revenue categories.

Taxes

Included in this category are various property-related taxes (secured, unsecured, supplementals, redevelopment pass-through increment, property tax received in lieu of vehicle license fees, and property transfer tax), 1% sales and use taxes, and transient occupancy taxes. Analysis of receipts through December 2021 shows a potential for additional revenue from Supplemental Property Taxes and Property Tax transfers through the end of this fiscal year; however, it is not recommended to increase the budget at this time, pending additional postings and analysis. Statewide sales tax projections continue to grow, and the County continues to benefit from a one-time bump in its share of

Statewide Sales Tax pool. Overall, it is recommended to increase the Taxes category by \$2 million.

Revenue from the Use of Money

Interest earnings from pooled cash are trending higher than that budgeted in the Midyear Operating budget. In consultation with the County Treasury division, it is recommended to increase this category by \$1 million.

Intergovernmental Revenue

Intergovernmental Revenue includes revenue from Federal, State, and other local governmental sources in the form of grants, shared revenues, and payments in lieu of taxes. The main source of revenue in this category is from a one-half cent Sales and Use Tax for local public safety services, also known as Proposition (Prop) 172. Revenue estimates for Prop 172 are recommended to increase by \$4.3 million due to a stronger economic forecast locally and higher receipts through the end of the prior

fiscal year, which have continued through the current fiscal year.

In addition, Assembly Bill (AB) 1869 eliminated 23 different administrative Criminal fees which provided revenue to departments to partially fund their operations. The State Budget Act of 2021-2022 included State backfill funds intended to assist counties in mitigating the impact from the revenue loss of these criminal fees. Statewide, \$65 million will be made available to counties annually through Fiscal Year 2025-2026. Stanislaus County's share of these backfill funds is approximately \$950,000 annually. These funds have been received for the current fiscal year in December 2021. It is recommended to increase Intergovernmental Revenue by \$5.3 million.

Miscellaneous Revenue

In Fiscal Year 2019-2020, an emergency project was initiated to deal with the effects of water damage at the Sheriff's Public Safety Center West. An insurance claim was submitted for reimbursement of costs incurred to abate hazardous material. That claim has been processed and the total amount of insurance claim funds projected to be received in Fiscal Year 2021-2022 is \$980,000. It is recommended to increase Miscellaneous Revenue by \$980,000.

Other Financing Sources

Investment income from the 2002 and 2006 Tobacco Endowment Funds, as well as operating transfers for the Stanislaus Animal Services Facility debt payments and one-time project closeout funds represent the revenue sources budgeted in this category. Investment income received for the Tobacco Endowment Funds was budgeted at \$2.4 million in the Adopted Final Budget. Compared to prior year actuals of \$2.9 million, and in consultation with the Treasury Division, year-end revenue is estimated at \$3.8 million, an increase of \$365,000. In addition, a Capital Project was closed out for work done at the Sheriff's Honor Farm after the site was damaged from a large fire. Close-out of the project identified \$375,000 remaining and these were deposited back into Discretionary Revenue. As a result, Other Financing Sources is recommended to increase by \$740,000.

The following chart summarizes 2021-2022 Midyear Budget projections and recommended adjustments totaling \$10 million, for a revised Discretionary Revenue budget of \$266.9 million. Discretionary Revenue is continuously monitored and analyzed throughout the fiscal year. Any budget adjustments identified through that review process will be addressed at third quarter, if necessary.

Discretionary Revenue Midyear Adjustments				
Discretionary Revenue Category	Fiscal Year	Fiscal Year		Midyear Recommended Adjustments
	2020-2021	2020-2021	Midyear 2021-2022	
	Actuals	Operating Budget	Projections	
Taxes	\$ 186,420,915	\$ 186,754,000	\$ 188,794,000	\$ 2,040,000
Licenses, Permits, and Franchises	1,160,216	1,100,000	1,100,000	-
Fines, Forfeitures, and Penalties	1,240,819	1,100,000	1,100,000	-
Revenue from the Use of Money	2,570,376	3,300,000	4,300,000	1,000,000
Intergovernmental Revenue	53,877,061	57,732,000	62,982,000	5,250,000
Charges for Services	3,185,009	3,783,949	3,783,949	-
Miscellaneous Revenue	180,870	-	980,000	980,000
Other Financing Sources	3,706,447	3,084,000	3,824,000	740,000
Total Discretionary Revenue	\$ 252,341,713	\$ 256,853,949	\$ 266,863,949	\$ 10,010,000

Recommendation: It is recommended to increase estimated Discretionary Revenue by \$10,010,000.

General Fund Classification of Fund Balance

Of the five fund balance classifications, Non-spendable, Restricted, and Committed are the most restrictive categories and are legally or contractually obligated components of fund balance. Assigned fund balance is comprised of amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Unassigned fund balance is the least restrictive and is technically available for any purpose. The Chief Executive Officer has been authorized by the Board of Supervisors to assign portions of Unassigned fund balance for specific purposes such as contingencies, carryover appropriations, budget balancing, and debt service.

Within the Non-spendable category, post-closing entries related to Fiscal Year 2020-2021 increased the fund balance by \$561,336, leaving a projected year-end balance of \$16.9 million. The balance in the Restricted category will remain at \$5.8 million for the year. The Committed category includes a Fiscal Year 2020-2021 post-closing entry increasing fund balance by \$476,830 related to Frank Raines Park, leaving a projected year-end balance of \$1.7 million.

Assigned fund balance included a post-closing entry related to Fiscal Year 2020-2021 which decreased the fund balance by \$5.4 million, a technical accounting adjustment related to fair value of investments. Budgeted use of fund balance includes assignments approved in the Adopted Final Budget and funding for approved uses by separate Board actions through December 2021.

The 2021-2022 Adopted Final Budget included the use of \$28.3 million in Assigned fund balance for Budget Balancing, Performance Visioning Carryover

Savings (PVCS), and Americans with Disabilities Act (ADA) improvements.

At the end of Fiscal Year 2020-2021, prior year encumbrances of \$4.3 million were added to the County's budget, increasing use of Assigned fund balance by the same amount. The First Quarter Financial Report included the use of approximately \$10.7 million for Enterprise and Technology upgrades, demolition/ abatement of old County Buildings, and CRF Presumptively Eligible Benefit to the General Fund.

Midyear adjustments to Assigned Fund Balance includes the use of \$397,405 in CRF Presumptively Eligible Benefit to General Fund to support COVID one-time recovery payments to essential workers. Projected fiscal year-end Assigned Fund Balance is \$166.5 million.

The Unassigned category includes increases of \$551,343 for post-closing entries. Midyear adjustments include a return to Unassigned fund balance of \$11.2 million mainly related to increases in Discretionary Revenue, resulting in a fiscal year-end projected Unassigned fund balance of \$27.2 million.

The beginning total fund balance of \$250.5 million is \$3.8 million lower than that reported in the 2021-2022 Adopted Final Budget due to post-closing adjustments within the Non-spendable, Restricted, Assigned, and Unassigned fund balances. Inclusive of the budgeted use of fund balance and midyear budget adjustments, the total fund balance is projected at \$218.1 million on June 30, 2022.

Classification of Fund Balance

Account #s	General Fund	Est Fund Balance 7/1/21	Post-Closing Adjustments	Beginning Fund Balance 7/1/21	Budgeted Use of Fund Balance	Midyear Recommendations	Projected Fund Balance 6/30/22
Fund Balance - Nonspendable							
03681	Imprest Cash	\$ 86,555	\$ 238,347	\$ 324,902	-	\$ -	324,902
03682	Advances to Other Funds	100,000	-	100,000	-	-	100,000
03683	Advances to Other Governments (100)	71,000	(71,000)	-	-	-	-
03683	Advances to Other Governments (107)	12,000	(4,000)	8,000	-	-	8,000
03683	Economic Development Advances (105)	979,966	(12,336)	967,630	-	-	967,630
03684	Teeter Receivable	14,893,824	-	14,893,824	-	-	14,893,824
03686	Prepaid Items	175,301	-	175,301	-	-	175,301
03687	Cash with Fiscal Agent	34,760	325,295	360,055	-	-	360,055
03688	Inventory	-	85,030	85,030	-	-	85,030
Total Nonspendable		\$ 16,353,406	\$ 561,336	\$ 16,914,742	\$ -	\$ -	\$ 16,914,742
Fund Balance - Restricted							
03693	Tax Loss Reserve (106)	\$ 5,796,221	\$ -	\$ 5,796,221	-	\$ -	5,796,221
Total Restricted		\$ 5,796,221	\$ -	\$ 5,796,221	\$ -	\$ -	\$ 5,796,221
Fund Balance - Committed							
03676	Total Committed - Other	\$ 481,894	\$ 476,803	\$ 958,697	-	\$ -	958,697
03677	Total Committed - Capital Acquisition	694,920	-	694,920	-	-	694,920
Total Committed		\$ 1,176,814	\$ 476,803	\$ 1,653,617	\$ -	\$ -	\$ 1,653,617
Fund Balance - Assigned							
03663	Contingency (General Fund Reserve Policy)	\$ 18,096,000	\$ -	\$ 18,096,000	-	\$ -	18,096,000
03666	Retirement Obligation	7,322,097	-	7,322,097	-	-	7,322,097
03667	Teeter Plan	18,134,739	-	18,134,739	-	-	18,134,739
03668	Carryover Appropriations (100) - Funds Avail:	7,682,372	-	7,682,372	(7,682,372)	-	-
03679	Encumbrances (100)	5,825,606	-	5,825,606	(4,266,241)	-	1,559,365
03679	Encumbrances (107)	-	-	-	-	-	-
03672	Assigned - Budget Balancing	19,477,419	-	19,477,419	(4,477,419)	-	15,000,000
03673	Assigned - PVCS	18,809,946	-	18,809,946	(15,621,787)	-	3,188,159
0365A	Assigned - Cash-out Obligations	4,000,000	-	4,000,000	-	-	4,000,000
03694	Assigned - Community Impact - Housing	10,000,000	-	10,000,000	-	-	10,000,000
	Assigned - Community Impact - Jobs/Crows						
03695	Landing Industrial Business Park	15,800,248	-	15,800,248	-	-	15,800,248
03671	Assigned - Debt Service Reserve	600,000	-	600,000	-	-	600,000
03678	Assigned - Fair Value Adjustments	6,515,960	(5,424,415)	1,091,545	-	-	1,091,545
03697	Assigned - Future Budget Balancing	5,190,116	-	5,190,116	-	-	5,190,116
03691	Assigned - Housing and Community Developi	123,307	-	123,307	-	-	123,307
03690	Assigned - Revenue Stabilization	14,383,909	-	14,383,909	-	-	14,383,909
	Assigned - CRF Presumptively Eligible						
03699	Benefit to General Fund	12,881,345	-	12,881,345	(4,670,523)	(397,405)	7,813,417
03674	Total Other Assignments	50,856,138	-	50,856,138	(6,611,669)	-	44,244,469
Total Assigned		\$ 215,699,202	\$ (5,424,415)	\$ 210,274,787	\$ (43,330,011)	\$ (397,405)	\$ 166,547,371
Fund Balance - Unassigned							
03610	General Fund (100)	\$ 10,156,625	\$ 474,491	\$ 10,631,116	\$ 346,377	\$ 11,163,831	22,141,324
03610	Economic Development Bank (105)	691,697	11,893	703,590	(143,974)	-	559,616
03610	Tax Loss Reserve (106)	1,481,199	-	1,481,199	-	-	1,481,199
03610	Community Development Bank (107)	2,960,573	64,959	3,025,532	-	-	3,025,532
Total Unassigned		\$ 15,290,094	\$ 551,343	\$ 15,841,437	\$ 202,403	\$ 11,163,831	\$ 27,207,671
Total Fund Balance		\$ 254,315,737	\$ (3,834,933)	\$ 250,480,804	\$ (43,127,608)	\$ 10,766,426	\$ 218,119,622

Cash Review

General Fund Overall Cash Position

General Fund	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Variance
Beginning Cash Balance	\$ 268,699,397	\$ 234,752,435	\$ (33,946,962)
Midyear Cash Balance (as of December 31)	\$ 182,042,599	\$ 197,882,182	\$ 15,839,583

The Fiscal Year 2021-2022 beginning cash position of \$234.8 million represents a decrease of \$33.9 million from the prior year beginning balance. The decrease is mainly due to CARES Act Coronavirus Relief Funds received in the prior year for response to the COVID-19 pandemic, this was a one-time benefit to the County. As of midyear, the General Fund cash balance was \$197.9 million, an increase of \$15.8 million in cash over that identified in Fiscal Year 2020-2021. The increase is largely due to increases in Discretionary Revenue receipts realized in the current fiscal year.

Special Revenue Funds Overall Cash Position

Special Revenue Funds	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Variance
Beginning Cash Balance	\$ 218,857,865	\$ 329,390,228	\$ 110,532,363
Midyear Cash Balance (as of December 31)	\$ 240,063,066	\$ 330,056,662	\$ 89,993,596

As of midyear, the Special Revenue Funds have a positive cash balance of \$330 million compared to \$240 million for the same period last fiscal year. The variance of \$90 million is primarily due to the receipt of two new COVID-19 related Federal funding sources; Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – American Rescue Plan Act (ARPA) funding and Emergency Rental Assistance Program (ERAP) funding. The first tranche equivalent to 50% of the \$107 million in total County SLFRF-ARPA was received in October 2021 and totaled \$53.4 million. As of December 31, 2021, \$51.4 million remains in cash balance after \$2.1 million were distributed to Stanislaus Equity Partners as directed by the Board (Board Item No 2021-0522). It is anticipated the second tranche of \$53.5 million will be received this fiscal year. Funds must be obligated by December 31, 2024, and all projects funded with SLFRF-ARPA must be completed by December 31, 2026. In addition, \$8.4 million in cash balance can be attributed to the ERAP to assist households unable to pay rent and utilities due to COVID-19 pandemic impacts. The County is redirecting the majority of State and Federal ERAP funding back to the State to administer the program per Board direction (Board Item No. 2021-0491) and the cash balance of this fund will be zero prior to the end of the fiscal year.

Behavioral Health and Recovery Services (BHRS) has a net cash balance that is \$15.2 million higher than the previous fiscal year primarily due to Realignment Growth Revenue received in December 2021 and \$5.2 million in increased retained earnings for the Mental Health Services Act budget unit resulting from a Fiscal Year 2020-2021 budget surplus. Additionally, Public Works Measure L cash balance is \$4.6 million higher than the previous fiscal year due to projects not moving forward as quickly as planned and revenues received coming in stronger than expected. Lastly, the Library has a cash balance that is \$4.5 million higher than the previous fiscal year due to sales tax revenue coming in 33% higher than budgeted and salary savings of 14% in Fiscal Year 2020-2021. Other adjustments in cash position across Special Revenue departments net to an increase of \$5.9 million.

Capital Projects Funds Overall Cash Position

Capital Project Funds	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Variance
Beginning Cash Balance	\$ 3,731,480	\$ 3,537,904	\$ (193,576)
Midyear Cash Balance (as of December 31)	\$ 3,391,744	\$ 3,258,328	\$ (133,416)

As of midyear, the Capital Projects Funds have a positive cash balance of \$3.3 million compared to a positive cash balance of \$3.4 million for the same period last year. The decrease is primarily attributable to increased lease costs for space at 801 10th Street and a decrease in revenue received from court fines and fees.

Enterprise Funds Overall Cash Position

Enterprise Funds	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Variance
Beginning Cash Balance	\$ 95,158,193	\$ 109,140,464	\$ 13,982,271
Midyear Cash Balance (as of December 31)	\$ 98,052,813	\$ 107,301,761	\$ 9,248,948

As of midyear, the Enterprise Funds have a positive cash balance of \$107.3 million compared to a positive cash balance of \$98.1 million for the same period last year. The variance of \$9.2 million is primarily attributable to Health Services Agency (HSA) – Clinics and Ancillary Services realizing increased cost efficiencies related to clinic consolidation, advanced payments of COVID-19 funding, and a reduced share of administration costs that were applied to the Public Health division in response to COVID-19, resulting in a cash balance that is \$3.8 million more than the previous fiscal year. Environmental Resources experienced an increase in cash in the Fink Road Landfill due to increased sanitation services and solar revenues received in Fiscal Year 2020-2021 combined with a decrease in salary and contract service expenditures resulting in a cash balance that is \$3.5 million higher than the previous fiscal year. Lastly, Public Works Transit is no longer part of the County; therefore, no spending has taken since June 30, 2021, resulting in a cash balance that is \$2.1 million higher than the previous fiscal year. The Auditor-Controller’s Office is handling the close-out of the fund and the cash will be sent to the Stanislaus Council of Governments (Stan COG) to support the new Joint Powers Authority.

Internal Service Funds Overall Cash Position

Internal Service Funds	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Variance
Beginning Cash Balance	\$ 68,103,767	\$ 78,527,215	\$ 10,423,448
Midyear Cash Balance (as of December 31)	\$ 63,972,638	\$ 62,123,383	\$ (1,849,255)

As of midyear, the Internal Service Funds cash balance is \$62.1 million compared to \$64 million for the same period last fiscal year. The variance of \$1.8 million is attributed to timing differences between when charges for services that were posted in the general ledger for the General Services Agency (GSA) Facility Maintenance and Information Technology Central (ITC). As of December 31, 2020, the Auditor-Controller posted five months’ worth of charges for both GSA and ITC. As of December 31, 2021, only three months of charges were posted for GSA resulting in a cash balance of \$1.7 million less than the previous year and only four months of charges were posted for ITC resulting in a cash balance of \$1.5 million less than the previous fiscal year.

In addition, the General Liability budget cash balance as of December 31, 2021, was \$1.5 million lower compared to the same period last year due to increased costs for insurance premiums and attorney claims. Lastly, the Chief Executive Office (CEO) – Medical Self-Insurance cash balance as of December 2021 was \$3.1 million higher

compared to the same period last year. Plan performance has been very positive to retained earnings, generating excess revenue over expenditures in the last two fiscal years. Medical rates have been reduced for calendar year 2022 which will spend down some of this retained earnings while remaining well within plan requirements for sustainability of operations.

Challenges and Opportunities

Supporting Strong and Safe Neighborhoods

- **Post-conviction Legislative Changes** – Post-conviction work changes continue to be passed by the legislature and affect both the Public Defender and District Attorney. The Public Defender has secured a Grant that will provide resources for this workload by funding extra help staff and a part-time attorney. The extra help position is being filled with an attorney specializing in this type of work. It is not anticipated that this level of support will be sufficient to address the full workload from post-conviction legislative changes for the Public Defender, but both departments will continue to monitor how this develops.
- **Court Efficiency Study and Workload Streamlining** – In March 2021, the National Center of State Courts produced a Final Report titled, “Criminal Caseflow and Calendaring Study Superior Court of California, Stanislaus County”. The report detailed case processing and the involvement of each criminal justice partner, offering analysis of current operations and recommended several changes aimed at improving case processing and court operations. Center staff have held recent follow-up meetings with all the justice partners to help them implement changes. County public safety departments are also included in the review and currently assessing the recommended changes for their respective areas.
- **Juvenile Hall and Institutions Capacity/Operations** – The Juvenile Hall and Institutions facilities for juvenile occupants have a bed capacity of 218. In the past five years, occupancy data shows that the facilities have averaged a high of approximately 120 juveniles to an average of 58 juveniles in the past seven months. In addition, the Department is experiencing significant challenges around recruitment and retention of Probation Corrections Officers and is working with CEO staff to identify mitigating solutions.
- **Educational Revenue Augmentation Fund (ERAF) Shift for Fire Districts** – With the 2021-2022 Adopted Final Budget, a new allocation methodology was implemented to support fire districts that is equivalent to the actual ERAF shift amount for each district. The new methodology will be completed at Final Budget each fiscal year based on the prior year actual ERAF property tax shift impacts to fire districts. The 2022-2023 Final Budget will include \$1.3 million for Fire Districts.
- **Emergency Medical Services (EMS) Transition** – Staff from the Office of Emergency Services/Fire Warden, Sheriff, Health Services Agency, County Counsel, and Chief Executive Office continue to work through the process of transitioning from a five-member Joint Powers Authority (JPA) to a single-county EMS agency over the next several months, continuing to work with partners and JPA staff to manage transitional activities while working to bring on the new division for full implementation July 1, 2022.
- **Elimination of Criminal Justice Fees** – Effective July 1, 2021, Assembly Bill 1869 eliminated 23 criminal justice administration fees. The loss of revenue impact for County Departments is estimated at \$1.5 million in Fiscal Year 2021-2022. The California State Budget included backfill funds for all counties of \$65 million to help mitigate any impacts of this revenue loss. Stanislaus County received \$950,000 in Fiscal Year 2021-2022 to help offset the loss of fee revenue. This funding is approved for annual distribution to counties for a period of five years. Staff have worked with departments to ensure that mandates continue to be met and services continue to be provided at the level necessary despite the loss of fee revenue and no service impacts have been identified at this time.

Supporting Community Health

- **UDWA Contract Negotiations** – The United Domestic Workers of America (UDWA) contract for In-Home Supportive Services (IHSS) expires June 30, 2022. The County is tentatively set to begin negotiations in April.

- **Stanislaus Veterans Center Support** – A new Manager III position was requested at midyear and is being recommended for study to ensure the continuity of operations of the Stanislaus Veterans Center and to expand services to include a "One-Stop Shop" for veterans. The study will allow CEO-HR to review the totality of the Department management structure and ongoing needs. Cost sharing partnerships with veterans' groups is a future funding challenge that will be explored.
- **Anticipated Staffing Needs** – An additional 12 staffing requests are anticipated following midyear, by separate Board Items and through the Proposed Budget process, for the following programs in support of Behavioral Health and Recovery Services' (BHRS) newly implemented Core Treatment Model:
 - 10 positions are required and fully funded by a Substance Abuse and Mental Health Services Administration (SAMHSA) Community Mental Health Centers Grant and two positions are related to a possible partnership with Modesto Police Department for embedded mental health clinicians as part of the Mobile Community Emergency Response Team (MCERT) effort; all positions are funded with no General Fund impact.
 - Proposed Budget staffing requests will be largely focused on supporting the California Advancing and Innovating Medi-Cal (CalAIM) initiative, which is a multi-year plan to transform California's Medi-Cal program to make it integrate more seamlessly with other social services. Led by California's Department of Health Care Services, the goal of CalAIM is to improve outcomes for the millions of Californians covered by Medi-Cal.
- **Valley Consortium for Medical Education (VCME)** – For many years, VCME, a successful partnership between the County, Doctors Medical Center, Memorial Medical Center, and Scenic Faculty Medical Group, has provided for a family medicine residency program that supports health services in the community, recruits doctors to the County, and aids operations of County clinics. This relationship is memorialized in a Master Participation Agreement (MPA) that that will soon expire. Conceptual agreement for a new financial sharing relationship has been reached that is beneficial to all parties; the final agreement will be brought to the Board of Supervisors for review and approval in Spring 2022.

Delivering Efficient Public Services

- **Cannabis Market Conditions** – The Cannabis Program currently has 18 Commercial Cannabis Businesses operating of the 26 businesses (41 permits) approved. Three businesses have ceased operations and canceled their Development Agreements and five are pending operations. Additionally, at least six businesses have requested amendments to their Development Agreements that will result in lower fees collected for the program. The market conditions surrounding the cannabis industry have changed significantly over the last few years. Additionally, the illegal market continues to thrive. The increased volume of legal cannabis businesses locally and Statewide, along with the enduring presence of illegal operations, has resulted in an oversaturation of product and resulting compression of wholesale pricing. The County will need to evaluate program activities and fee structure in the current calendar year.
- **Update on Capital Projects** – The General Services Agency – Capital Facilities division is currently engaged in nearly 100 facility projects in various stages of design or construction throughout the County. The value of these projects exceeds well over \$100 million ranging from designing the new Health Services Agency Administration/Public Health Facility and replacing aging infrastructure to demolition/surplus of County properties. The recent reorganization of Capital Projects from the Chief Executive Office to the General Services Agency has necessitated new ways of working together and partnering with County departments and the 10th Street Place Joint Powers Agency to ensure policy and operations remain aligned with Board of Supervisors' priorities.
- **Staffing Challenges** – Recruitment and retention remain consistent challenges across much of the organization and in the labor market in general. Vacancy rates have continued to increase throughout the pandemic and may be a sign of an increase in the standard "structural vacancy" rate that can be expected as

an organization. CEO – HR staff continue to work with department leaders to increase proactive recruitment efforts and ensure competitive compensation packages.

State Budget – On January 10, 2022, Governor Newsom presented the proposed State budget to the Legislature. As proposed, the State would end Fiscal Year 2022-2023 with nearly \$25 billion in general purpose reserves. This represents an increase of \$4.2 billion over the enacted reserve level of \$20.7 billion in Fiscal Year 2021-2022. Departments have reviewed various details of the State budget, which generally indicates consistent and/or growing funding for existing programs. Per the Legislative Analyst’s Office (LAO), the budget proposal continues multiyear commitments adopted in the prior year for: climate resilience, student housing, sustainable agriculture, middle class scholarship program, and foundational support for public health. New proposals include business tax reductions, non-renewal of the Managed Care Organization (MCO) tax, an array of new initiatives for K-14 programs, funding for attendance changes and one-time support for college and career pathways, and a housing/homelessness package to address near-term homelessness needs. CEO and department staff will monitor the State budget throughout the Spring and report on impacts with the 2022-2023 Proposed Budget.

Supporting Strong and Safe Neighborhoods

County Capital Projects
County Operations
District Attorney
Grand Jury
Integrated Criminal Justice Information System
Probation
Public Defender
Sheriff





Supporting Strong and Safe Neighborhoods for Individuals and Families to Thrive

Priority Overview

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continues to be a top priority of the Board of Supervisors. The departments within this priority area focus on the safety of our neighborhoods and strengthening our communities. The impact of gangs, drugs, and vagrancy directly contributes to the decline of the physical, economic, and social health of the County. Robust partnerships within the organization, local municipalities, and community-based organizations throughout the region can maintain effective public safety programs and the ability to respond to emergencies on behalf of the community.

Departments assigned to the Board of Supervisors' priority area of *Supporting Strong and Safe*

Neighborhoods include District Attorney, Probation, Public Defender, and Sheriff. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other Discretionary Revenue sources. Public Safety Sales Tax (Proposition 172) revenue is also used to partially fund the District Attorney, Probation, and Sheriff's Department budgets. These departments also receive dedicated funds for specific grant funded programs.

Overall, the departments within the priority of *Supporting Strong and Safe Neighborhoods* are on track to end the year within budget and in a positive fiscal position.

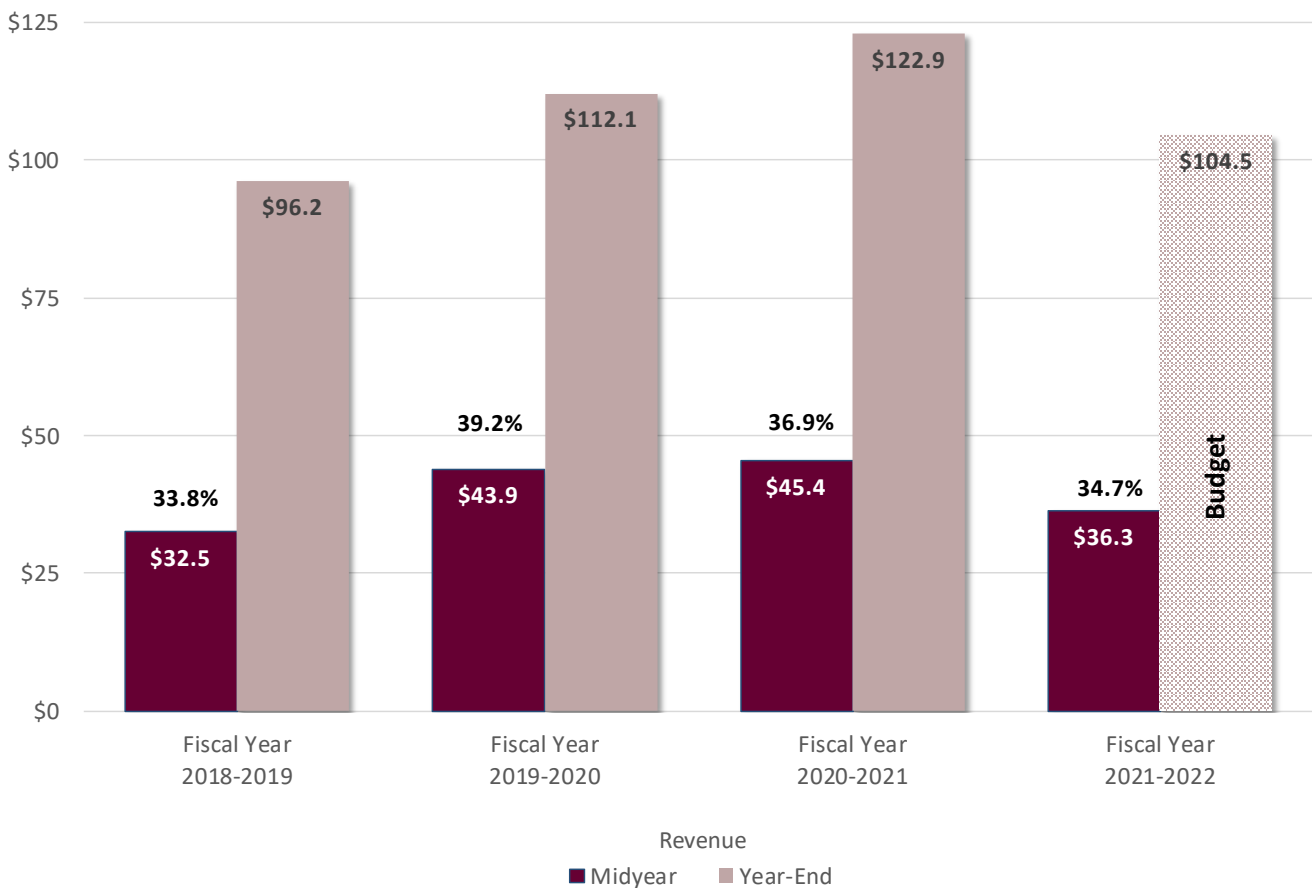
Departmental Revenue

For the departmental budgets that are part of the Board of Supervisors’ priority *Supporting Strong and Safe Neighborhoods*, as of December 31, 2021, actual revenue collected totals \$36.3 million, which represents 34.7% of the estimated annual revenue. This is within the trend of the prior three-year range where revenue collections ranged from 33.8% to 39.2% of the final actual revenue. Fiscal Year 2019-2020 included a significant one-time revenue of \$12 million in State funds for the Office of Emergency

Services (OES) to administer the 2019 Emergency Communications Equipment and Infrastructure Grant awarded to the County. Fiscal Year 2020-2021 reflects the benefit of State Pass-through CARES Act CRF funds of \$12.8 million recognized in the Sheriff’s Office budget for Presumptive Eligible costs that generated Net County Cost savings. These savings are placed in a General Fund assignment, made available to support continued COVID-19 pandemic response efforts.

Supporting Strong and Safe Neighborhoods Four-Year Revenue Comparison

In Millions



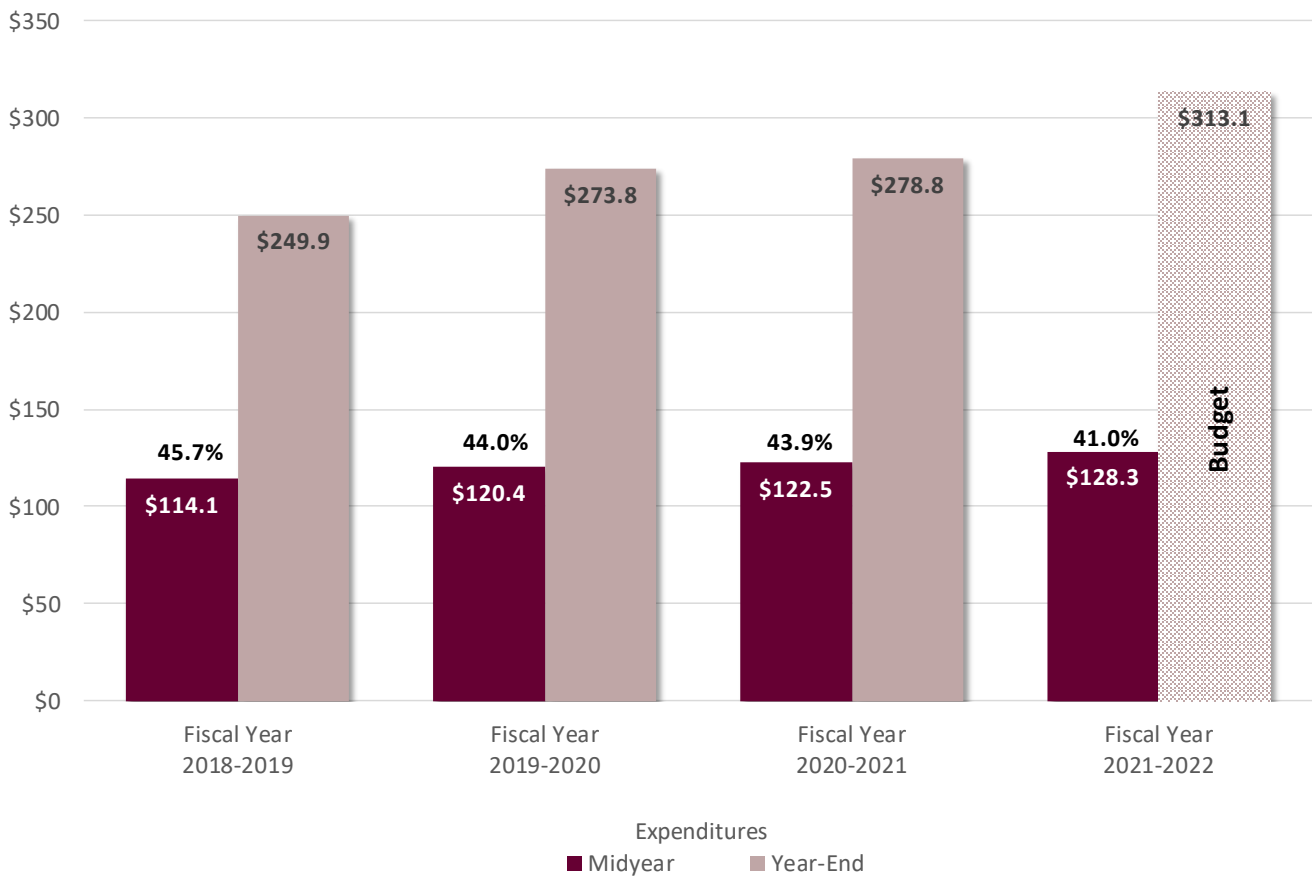
Departmental Expenditures

As of December 31, 2021, expenditures totaled \$128.3 million, representing 41% of budgeted appropriations. This is below the historical range when compared to the midyear point of the prior three years when expenditures varied from 43.9% to 45.7% of the final actual expenditures.

This lower expenditure percentage is due to significant budget investment in new initiatives that has resulted in a higher budget level, which includes Performance Visioning Carryover Savings, and significant salary savings resulting from vacancies achieved in prior years.

Supporting Strong and Safe Neighborhoods Four-Year Expenditures Comparison

In Millions



Midyear Issues and Recommendations

The recommendations contained in this report *Supporting Strong and Safe Neighborhoods* will increase appropriations by \$2.7 million. The budget adjustments are funded by \$4 million in department revenue, generating a savings of \$1.7 million in the use of departmental fund balance, and an increase of \$366,056 in Net County Cost, of which \$336,000 is for technical adjustments to reimburse departments for COVID-19 Recovery one-time payment costs.

County Operations

A net increase of \$65,449 in appropriations, an increase of \$20,147 in estimated revenue, and an increase of \$45,302 in the use of fund balance are recommended for County Operations.

DNA Identification Fund Prop 69 – Government Code Section 76104.6, effective November 3, 2004, directs California Courts to levy a \$1 penalty for every \$10 or fraction thereof upon every fine, penalty, and forfeiture levied on criminal offenses including traffic offenses, but excluding parking offenses, to implement the DNA Identification Fund. In Stanislaus County, the revenue is distributed equally to the Probation and Sheriff departments. An increase in appropriations of \$65,449 is recommended to distribute an increase in estimated revenue of \$20,147, increasing the use of fund balance by \$45,302.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
County Operations-DNA Identification Fund Prop 69	\$ 20,147	\$ 65,449	\$ 45,302	\$ -	Increase appropriations, estimated revenue, and use of fund balance to distribute all revenue equally between the Probation and Sheriff departments per policy.
Total	\$20,147	\$65,449	\$45,302	\$0	

Recommendation: It is recommended to increase appropriations by \$65,449, funded with estimated revenue of \$20,147 and the use of \$45,302 in fund balance.

District Attorney

An increase of \$507,379 in appropriations, funded by an increase of \$461,825 in estimated revenue, an increase of \$150,931 in the use of fund balance, and a decrease in Net County Cost of \$105,377 are recommended for the District Attorney.

Auto Insurance Fraud Prosecution – A technical adjustment to increase appropriations by \$7,472 is recommended for salary and benefit expenditures due to labor agreement increases for the Criminal Investigator assigned to this budget unit, funded by an increase in the use of fund balance.

Consumer Fraud Prosecution Program – In Fiscal Year 2017-2018, the Board approved the transfer of the positions allocated to this program to the general Criminal Division budget unit. Per the approval, all revenue received for this program is to be transferred to the Criminal Division Budget. As such, an increase in appropriations of \$156,205, funded by \$43,405 in estimated revenue and a \$112,800 increase in the use of fund balance is recommended to transfer the revenue to the Criminal Division budget unit to fund the positions allocated to this program.

Criminal Division – A net increase in appropriations of \$163,238, an increase in estimated revenue of \$317,897, and a net decrease of \$154,659 in Net County Cost is recommended.

An increase in appropriations of \$119,289, funded by Net County Cost, for employee termination cash outs is recommended to support the higher-than-expected termination cash outs.

An increase in appropriations of \$28,316, funded by Net County Cost, is recommended for an Application Specialist position. The Application Specialist will primarily assist with the backlog of processing digital evidence and providing court support for attorneys. The ongoing annual salary for the Application Specialist is \$113,265.

A transfer of \$15,633 in one-time COVID payments from Elder Abuse Advocacy and Outreach, Unserved/Underserved Victim Advocacy and Outreach, and Victim Services Program to the Criminal Division is recommended to clarify the expense is a General Fund expense and not a Special Revenue expense.

A net increase in estimated revenue of \$317,897, resulting in a decrease in Net County Cost, is recommended. This includes an increase in estimated revenue of \$156,205 for consumer fraud revenue received specifically earmarked to support the salaries and benefits expenditures for staff assigned to the Department's Consumer Fraud Program, which reside in the Department's General Fund budget unit. Additionally, an increase of \$161,692 in Intergovernmental Revenue for the receipt of revenue from SB 90 claims, Fiscal Year 2020-2021 Realignment growth funding, and projected Supplemental Law Enforcement Services Fund (SLESF) revenue is recommended.

Finally, several new laws were enacted in 2022 requiring additional work be done to protect prior convictions from being overturned, or to prevent previously sentenced inmates from being released early or relieved of previously court-ordered sanctions. It is recommended to delete the current Research Attorney and add a block-budgeted Attorney V position to support this increased work. The ongoing annual salary cost for the Attorney V is \$206,411, which is partially offset by the deleted Research Attorney's salary of \$123,448, increasing the annual cost by \$82,963, funded by Net County Cost. Due to the vacancy of the position, a midyear budget adjustment is not needed.

Criminal Division Asset Forfeiture – An increase in appropriations of \$25,000 to purchase tablets for the Department's Bureau of Investigations is recommended. The tablets will be used for note taking when responding to investigations and report writing when out in the field. The tablets are portable, do not require a keyboard and are easier to transfer information to a computer compared to handwritten notes. The tablets will be funded by an increase in estimated asset forfeiture revenue of \$11,095 and the use of \$13,905 in fund balance.

An increase in appropriations of \$35,000, funded by asset forfeiture revenue, is recommended to purchase 10 ergonomic workstations for the Department's support staff, and to relocate the staff in the former law library. The Department would like to convert the former law library located on the 4th floor of the District Attorney building into a work area for support staff. The conversion will provide space for sit/stand workstations allowing support staff to be located in closer proximity. This change will allow the unit to experience efficiencies by grouping the support staff in one location.

Elder Abuse Advocacy and Outreach – A technical adjustment transferring appropriations of \$920 in COVID one-time payments to the Criminal Division is recommended.

Real Estate Fraud Prosecution – The Real Estate Fraud unit investigates and prosecutes crimes of real estate fraud and is supported by collected revenues. An increase in appropriations of \$136,097, funded by an increase in estimated revenue of \$54,428, is recommended to support the actual costs of salaries in the budget unit. The increase in estimated revenue consists of \$51,928 for Charges in Services related to the receipt of fees collected from certain real estate documents and \$2,500 in Intergovernmental Revenue for Federal overtime reimbursement. An increase of \$16,754 in the use of the fund balance and an increase in Net County Cost of \$64,915 will fund the difference.

Unserved/Underserved Victim Advocacy and Outreach – A technical adjustment transferring appropriations of \$1,839 in COVID one-time payments to the Criminal Division is recommended.

Victim Services Program – A technical adjustment transferring appropriations of \$12,874 in COVID one-time payments to the Criminal Division is recommended.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
District Attorney-Auto Insurance Fraud Prosecution	\$ -	\$ 7,472	\$ 7,472	\$ -	Increase appropriation to support salaries and benefits expenditures of the Criminal Investigator related to new labor agreements, funded with fund balance.
District Attorney-Consumer Fraud Prosecution Program	\$ 43,405	\$ 156,205	\$ 112,800	\$ -	Technical adjustment to increase appropriations to transfer an estimated increase in revenue, along with the fund balance, to DA Criminal Division legal budget per policy.
District Attorney-Criminal Division	\$ -	\$ 147,605	\$ -	\$ 147,605	Increase appropriations for termination cash outs, and 1 new Application Specialist position, funded with an increase in Net County Cost.
District Attorney-Criminal Division	\$ 317,897	\$ -	\$ -	\$ (317,897)	Increase estimated revenue for the transfer of Consumer Fraud revenue and revenue received from SB90 claims and realignment funding decreasing Net County Cost.
District Attorney-Criminal Division	\$ -	\$ 15,633	\$ -	\$ 15,633	Transfer in of one-time COVID payments from other divisions within DA.
District Attorney-Criminal Division Asset Forfeiture	\$ 11,095	\$ 25,000	\$ 13,905	\$ -	Increase appropriations and estimated revenue to purchase tablets for the Department's Bureau of Investigations, with the difference funded by fund balance.
District Attorney-Criminal Division Asset Forfeiture	\$ 35,000	\$ 35,000	\$ -	\$ -	Increase appropriations and estimated revenue to purchase ergonomic workstations for support staff.
District Attorney-Elder Abuse Advocacy and Outreach	\$ -	\$ (920)	\$ -	\$ (920)	Technical adjustment for one-time COVID-19 revenue, transferring to Criminal Division budget unit decreasing Net County Cost.
District Attorney-Real Estate Fraud Prosecution	\$ 54,428	\$ 136,097	\$ 16,754	\$ 64,915	Increase appropriations to reflect actual expected costs, as budget unit was only partially funded at the beginning of the year, funded with increased estimated revenue, use of fund balance, and Net County Cost.
District Attorney-Unserved/Underserved Victim Advocacy and	\$ -	\$ (1,839)	\$ -	\$ (1,839)	Technical adjustment for one-time COVID-19 revenue, transferring to Criminal Division budget unit decreasing Net County Cost.
District Attorney-Victim Services Program	\$ -	\$ (12,874)	\$ -	\$ (12,874)	Technical adjustment for one-time COVID-19 revenue, transferring to Criminal Division budget unit decreasing Net County Cost.
Total	\$ 461,825	\$507,379	\$150,931	(\$105,377)	

Recommendation: It is recommended to increase appropriations by \$507,379, increase estimated revenue by \$461,825, increase the use of fund balance by \$150,931, and decrease Net County Cost by \$105,377.

Staffing Recommendation: It is recommended to add one block-budgeted Application Specialist I/II position in support of the Information Technology Unit to manage the increased number of digital media received from law enforcement agencies to Evidence.com and other high-tech evidence issues.

It is also recommended to add one block-budgeted Attorney I-V position to support additional appellate and post-conviction work resulting from new legislation that challenges thousands of convictions and sentences of violent offenders and requires new post-conviction review proceedings.

In addition, it is recommended to delete one vacant block-budgeted Attorney I-II position to offset the request to add one block-budgeted Attorney I-V.

Grand Jury

Grand Jury – An increase in appropriations of \$13,000, funded by Net County Cost, is recommended to support the replacement of 20 chairs that are each over 20 years old.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Grand Jury	\$ -	\$ 13,000	\$ -	\$ 13,000	Increase appropriations to support the replacement of 20 chairs that are each approximately 20 years old, funded by Net County Cost.
Total	\$0	\$13,000	\$0	\$13,000	

Recommendation: It is recommended to increase appropriations by \$13,000, funded by an increase of \$13,000 in Net County Cost.

Integrated Criminal Justice Information System (ICJIS)

An increase of \$200,000 in appropriations is recommended for the identification of a consultant contract to assist with ICJIS strategic planning, funded by retained earnings. This request was originally approved in the 2019-2020 Adopted Final Budget and appropriations are now being reestablished at this time to support the recent identification of a vendor and to issue a contract for the completion of this work.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
ICJIS	\$ -	\$ 200,000	\$ 200,000	\$ -	Increase appropriations and use of retained earnings for Consultant Contract.
Total	\$0	\$200,000	\$200,000	\$0	

Recommendation: It is recommended to increase appropriations by \$200,000, funded by the use of \$200,000 in retained earnings.

Probation

A net increase of \$2.5 million in estimated revenue, a decrease of \$1.7 million in fund balance use, and a decrease in Net County Cost of \$722,568 are recommended for Probation.

Corrections Performance Incentive Fund – In November 2016, California voters overwhelmingly passed Proposition 57, the Public Safety and Rehabilitation Act of 2016. Under Proposition 57, California Department of Corrections and Rehabilitation (CDCR) has incentivized incarcerated people to take responsibility for their own rehabilitation by providing credit-earning opportunities for sustained good behavior, as well as in-prison program and activities participation. Under Proposition 57, a process for parole consideration was established for eligible people convicted of nonviolent crimes. Those who demonstrate that their release would not pose an unreasonable risk of violence to the community may be eligible for release upon serving the full term of their primary offense when an alternative sentence has been imposed. An increase in revenue of \$471,500 to recognize funding received for these accelerated releases of offenders on post-release community supervision (PRCS) is recommended, decreasing the use of fund balance.

Juvenile Commitment Facility – The transfer of \$110,000 in projected salary savings to Fixed Assets will provide for the purchase of a UV Disinfection Robot to be used in Juvenile Hall and the Juvenile Commitment Facility. Currently, staff are performing the necessary sanitizing in Juvenile Hall and the Juvenile Commitment Facility. This requires additional staff time and may or may not be sufficient at mitigating the spread of COVID-19. In addition to helping mitigate the spread of COVID-19 in the facilities, it would allow staff to focus on supervising the youth, and help mitigate PPE costs. The Sheriff's Department is currently using this same system at the jail.

Technical adjustments for the Department increase revenue by \$2 million for 2011 Realignment growth funds received. The funds will decrease the use of fund balance in Special Revenue budgets by \$1.3 million and decrease the Department's reliance on Net County Cost by \$722,568.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Probation-Corrections Performance Incentive Fund	\$ 471,500	\$ -	\$ (471,500)	\$ -	Increase estimated revenue to recognize funding received for accelerated releases of offenders on post release community supervision.
Probation-Institutional Services	\$ 490,962	\$ -	\$ -	\$ (490,962)	Increase estimated revenue to recognize Enhancing Law Enforcement Activities Subaccount (ELEAS) Juvenile Probation (Realignment) growth revenue received.
Probation-Juvenile Commitment Facility	\$ 231,606	\$ -	\$ -	\$ (231,606)	Increase estimated revenue to recognize ELEAS Juvenile Probation Camp Funding (Realignment) growth revenue received.
Probation-Juvenile Commitment Facility	\$ -	\$ 110,000	\$ -	\$ 110,000	Transfer in appropriations from Salaries and Benefits to Fixed Assets to cover the purchase of a UV Disinfection Robot.
Probation-Juvenile Commitment Facility	\$ -	\$ (110,000)	\$ -	\$ (110,000)	Transfer projected salary savings from Salary and Benefits to Fixed Assets for the purchase of a UV Disinfection Robot.
Probation-Juvenile Justice Crime Prevention Act	\$ 920,140	\$ -	\$ (920,140)	\$ -	Increase estimated revenue to recognize ELEAS Juvenile Justice Crime Prevention (Realignment) growth revenue received.
Probation-Youthful Offender Block Grant	\$ 344,116	\$ -	\$ (344,116)	\$ -	Increase estimated revenue to recognize realignment growth revenue , backfill revenue , and base restoration revenue received.
Total	\$2,458,324	\$0	(\$1,735,756)	(\$722,568)	

Recommendation: It is recommended to increase revenue by \$2.5 million, decrease use of fund balance by \$1.7 million, and decrease Net County Cost by \$722,568.

It is also recommended the Department be allowed transferability among the Juvenile Commitment Facility and the Administration budgets, as needed, to direct Net County Cost funding and end the fiscal year in a positive position.

Public Defender

A net decrease of \$158,800 in appropriations, a decrease of \$45,434 in estimated revenue, and a decrease of \$113,366 in Net County Cost are recommended for the Public Defender.

The Public Defender previously had a grant from the Judicial Council of California that funded a dependency attorney. As of October 2021, the Public Defender chose not to continue with the grant. The decision was made because there are other agencies within the community receiving this grant funding and providing the same service, so there is no longer a need for the Public Defender to perform this function. A technical adjustment is recommended to reduce revenue and appropriations by \$158,800 to reflect the loss of revenue and the loss of the dependency attorney.

Consistent with the County's Realignment policy, a technical adjustment is recommended to increase revenue by \$113,366, resulting in a decrease of \$113,366 in Net County Cost, to recognize 2011 Realignment growth revenue for Fiscal Year 2020-2021.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Public Defender	\$ (158,800)	\$ (158,800)	\$ -	\$ -	Decrease appropriations and estimated revenue to recognize the public defender's decision to discontinue the dependency grant. A dependency attorney position will be deleted as a result of this adjustment.
Public Defender	\$ 113,366	\$ -	\$ -	\$ (113,366)	Increase estimated revenue to recognize 2011 Realignment growth for Fiscal Year 2020-2021 that has been received.
Total	(\$45,434)	(\$158,800)	\$0	(\$113,366)	

Recommendation: It is recommended to decrease appropriations by \$158,800, decrease estimated revenue by \$45,434, and to decrease Net County Cost by \$113,366.

Staffing Recommendation: It is recommended to delete one vacant block-budgeted Attorney I-V position. The position was funded by the dependency grant from the Judicial Council of California to provide dependency representation. The grant ended October 2021 and the contract was not renewed. The Department does not plan to reapply for this grant in the future.

Sheriff

A net increase in appropriations of \$1.8 million is recommended, funded by \$1.1 million in estimated revenue and \$958,367 in Net County Cost, resulting in a reduction of \$326,976 in the use of fund balance.

Administration – A technical adjustment increasing appropriations by \$57,994 is recommended to cover termination cash outs, funded by Net County Cost.

Adult Detention Expansion – A technical adjustment increasing appropriations by \$44,043 is recommended to cover termination cash outs, funded by Net County Cost.

County Fire Service Fund - It is recommended to add a Staff Services Coordinator position whose primary responsibility is to be the training coordinator for local fire agencies planning, developing, managing, and implementing a fire service training program. The position is funded with Less Than County Wide tax funds and has an ongoing annual cost of \$119,828. There are sufficient appropriations to absorb the cost of the position in the current fiscal year from vacancy salary savings.

Court Security – An increase of \$411,976 in estimated revenue is recommended due to 2011 Realignment growth funds received, resulting in a contribution to fund balance.

Detention – A technical adjustment increasing appropriations by \$155,043 is recommended to cover termination cash outs, funded by Net County Cost.

Driver Training Program – The Emergency Vehicle Operations Course (EVOC) is the Department's formal Driver Training Program. Currently the only restroom source is a porta-potty inside of a Conex box at the Crows Landing track. The porta-potty is inside of a Conex box due to frequent vandalism in the area. Several law enforcement agencies pay to participate in Drivers Training courses as well as the Sheriff's own Academy classes. The Department has identified the need to purchase a restroom trailer for use by those who use the track. It is recommended to add \$85,000 in appropriations for the purchase of a restroom trailer, funded by departmental fund balance. Additionally, it is recommended to increase revenue and appropriations by \$95,000 for trainer and overtime costs incurred to hold additional Driver's Training classes.

Justice Assistance Grant – A technical adjustment to account for the 2017, 2018, and 2019 Justice Assistance Grants (JAG) will increase revenue and appropriations by \$176,833.

Office of Emergency Services/Fire Warden – A technical adjustment increasing appropriations by \$8,997 is recommended to cover termination cash outs, funded by Net County Cost.

Office of Emergency Services Homeland Security Grants – A technical adjustment is recommended to decrease appropriations and estimated revenue by \$648,412 to correct a duplicative adjustment included in the Fiscal Year 2020 Homeland Security Grant.

Operations – The Department has identified that coroner investigative work, which is currently being done by Deputy Sheriffs, is best done by civilian Deputy Coroner investigators. The reinstatement of the Deputy Coroner classification, which was eliminated during the economic downturn, is recommended. In addition, the workload has increased in this area in the last five years with an increase of 37.6% in reportable deaths. It is recommended to add six Deputy Coroner positions to address this increased workload and redirect four Deputy Sheriff positions (Detectives) to other areas of operations, including Internal Affairs, Threat Assessment Center, and Corrections Investigative units. The cost of the six Deputy Coroners is estimated at \$622,214 annually and \$155,554 is recommended at midyear for the projected balance of costs in the current fiscal year. In addition, an increase of \$200,000 in appropriations is recommended for four vehicles for the redirected staff. The adjustments net to an increase in appropriations of \$355,554, funded by Net County Cost. This request was included in Final Budget and deferred to midyear, allowing for the work to be done to re-instate the classification of Deputy Coroner.

The Adopted Final Budget included recommended staffing and associated costs for the establishment of the Salida Substation. At that time, six new positions and four dedicated vehicles were approved, funded by Net County Cost. Planning has continued and a temporary site for the substation has been identified within central Salida through a lease/partnership with the Salida Fire District at their station located at 4820 Salida Boulevard. Negotiations to finalize this conceptual agreement continue, and the Sheriff is moving forward to begin patrol 24/7 effective in April of 2022. To support the next step in opening the substation, it is recommended to add \$299,000 in appropriations, funded by \$156,888 in estimated revenue and \$142,112 in Net County Cost. The increased appropriations will pay for lease costs, equipment, and furniture to establish the Salida Sheriff substation. The Department will be pursuing Public Facility Fees to fund a portion of these costs. The General Services Agency Capital Projects Team will return to the Board of Supervisors in the next month to establish the capital project budget to complete the Salida Substation as planned. This site will provide a safe, secure location for individual meetings with the Sheriff staff, for community reports, and a docking station for deputies whose primary duty is to be in the field, in the community of Salida.

An increase in appropriations and estimated revenue of \$877,998 is recommended for additional overtime costs tied to the Cannabis Enforcement program. Additionally, an increase in appropriations and revenue of \$51,216 is recommended for costs related to the Cannabis License Plate Reader program, approved by the Board of Supervisors on December 7, 2021. Finally, a technical adjustment increasing appropriations by \$194,624 is recommended to cover termination cash outs, funded by Net County Cost.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Sheriff - Administration	\$ -	\$ 57,994	\$ -	\$ 57,994	Increase appropriations for unanticipated termination and retirement cash outs that were not included in the department's approved budget.
Sheriff - Adult Detention Expansion	\$ -	\$ 44,043	\$ -	\$ 44,043	Increase appropriations for unanticipated termination and retirement cash outs that were not included in the department's approved budget.
Sheriff - Court Security	\$ 411,976	\$ -	\$ (411,976)	\$ -	Increase Estimated Revenue for 2011 Realignment growth funds received and projected base adjustment, resulting in a contribution to fund balance.
Sheriff - Detention	\$ -	\$ 155,043	\$ -	\$ 155,043	Increase appropriations for unanticipated termination and retirement cash outs that were not included in the department's approved budget.
Sheriff - Driver Training Program	\$ 95,000	\$ 95,000	\$ -	\$ -	Increase revenue and appropriations for additional drivers training classes held but not included in the budget estimates. Appropriations will be used to right size cost categories and pay for additional trainer costs and overtime incurred for holding the classes.
Sheriff - Driver Training Program	\$ -	\$ 85,000	\$ 85,000	\$ -	Increase appropriations in Fixed Assets and use fund balance to purchase a portable restroom trailer for the Crowslanding Emergency Vehicle Operations Course
Sheriff - Justice Assistance Grant	\$ 176,833	\$ 176,833	\$ -	\$ -	Increase appropriations and estimated revenue for balances remaining from the 2017, 2018 and 2019 JAG
Sheriff - Office of Emergency Services/Fire Warden	\$ -	\$ 8,997	\$ -	\$ 8,997	Increase appropriations for unanticipated termination and retirement cash outs that were not included in the department's approved budget.
Sheriff - Office of Emergency Services Homeland Security Grants	\$ (648,412)	\$ (648,412)	\$ -	\$ -	Decrease appropriations and estimated revenue to correct a duplication of adjustment included for the Fiscal Year 2020 Homeland Security Grant.
Sheriff - Operations	\$ -	\$ 355,554	\$ -	\$ 355,554	Increase appropriations for six Deputy Coroner positions to address increased coroner workload and redirect four deputy sheriff positions to Internal Affairs, Threat Assessment Center, and Corrections Investigations.
Sheriff - Operations	\$ 877,998	\$ 877,998	\$ -	\$ -	Increase appropriations and estimated revenue for additional overtime costs related to the Cannabis Enforcement program.
Sheriff - Operations	\$ -	\$ 194,624	\$ -	\$ 194,624	Increase appropriations for unanticipated termination and retirement cash outs that were not included in the department's approved budget.
Sheriff - Operations	\$ 51,216	\$ 51,216	\$ -	\$ -	Increase appropriations and estimated revenue for costs related to the Cannabis License Plate Reader program approved by the BOS on December 7, 2021.
Sheriff - Operations	\$ 156,888	\$ 299,000	\$ -	\$ 142,112	Increase appropriations and estimated revenue for initial start-up and ongoing costs of opening a Salida Sheriff outstation. Includes site lease and equipment costs.
Total	\$1,121,499	\$1,752,890	(\$326,976)	\$958,367	

Recommendation: It is recommended to increase estimated revenue by \$1.1 million and appropriations by \$1.8 million, resulting in a contribution to fund balance of \$326,976 and increase to Net County Cost of \$958,367.

It is also recommended the Department be allowed transferability among the Sheriff budgets of Detention and Adult Detention Expansion, as needed, to direct Net County Cost funding and end the fiscal year in a positive position. Preliminary Midyear projections provided by the department reflect a potential year-end deficit. Several material outstanding budget adjustments are expected to mitigate this exposure, including updated revenue analysis, vacancy rate rebate benefit, rightsizing of CAP charges, etc. CEO staff and Sheriff budget staff will work closely to monitor revenue and appropriation needs to ensure a positive year-end close and bring additional

recommendations at Third Quarter, if needed. Further, specialized equipment needs continue to be assessed, and additional adjustments may be recommended at Third Quarter.

Staffing Recommendation: It is recommended to add one Staff Services Coordinator position to the County Fire Service Fund to assist local fire agencies in planning, developing, implementing, and managing a fire service training program. This position will serve as the Fire Training Coordinator for Countywide Fire and Emergency Medical Services training.

Classification studies were submitted in the 2021-2022 Final Budget and have been completed. It is recommended to add a new classification of Deputy Coroner to investigate and report on causes of death, assist with autopsies and post-mortem examinations that fall within the jurisdiction of the Sheriff-Coroner. The Deputy Coroner classification will be established with a salary range of \$28.53 - \$34.68, in the SEIU Bargaining unit. It is also recommended to add six Deputy Coroner positions to Operations.

In addition, it is recommended to reclassify one Manager I/II/III position to Lieutenant to lead the redesign of the Emergency Services structure; and reclassify one vacant block-budgeted Legal Clerk I/II/III position to Legal Clerk IV to serve as a lead worker and perform the most complex legal clerical duties.

Lastly, it is recommended to study a request to add one new classification of Deputy Sheriff-Custodial Trainee.

Supporting Community Health

Aging and Veterans Services
Behavioral Health and Recovery Services
Child Support Services
Community Services Agency
Health Services Agency





Supporting community health including physical, mental, emotional and spiritual health

Priority Overview

Supporting Community Health is vital to the quality of life for our residents. The primary focus on protecting and promoting the physical health and safety of our residents includes preventing disease, disability, and death. Protecting emotional safety focuses on social issues that include homelessness, incarceration, and fragmented families with financial and emotional needs. Resources dedicated to prevention provide for services to a broader population than the resources required for direct services.

The departments assigned to this priority area include Aging and Veterans Services, Behavioral

Health and Recovery Services, Child Support Services, Community Services Agency, and Health Services Agency. The major funding sources for the programs provided by these departments include Federal and State funding. The County uses local discretionary funds, where required, to match other governmental funding in support of these programs.

Overall, the departments *Supporting Community Health* are on track to end the year within budget and in a positive fiscal position and 1991 and 2011 Realignment revenue projections continue to come in higher than anticipated, as detailed in the Governor's Fiscal Year 2022-2023 Proposed Budget.

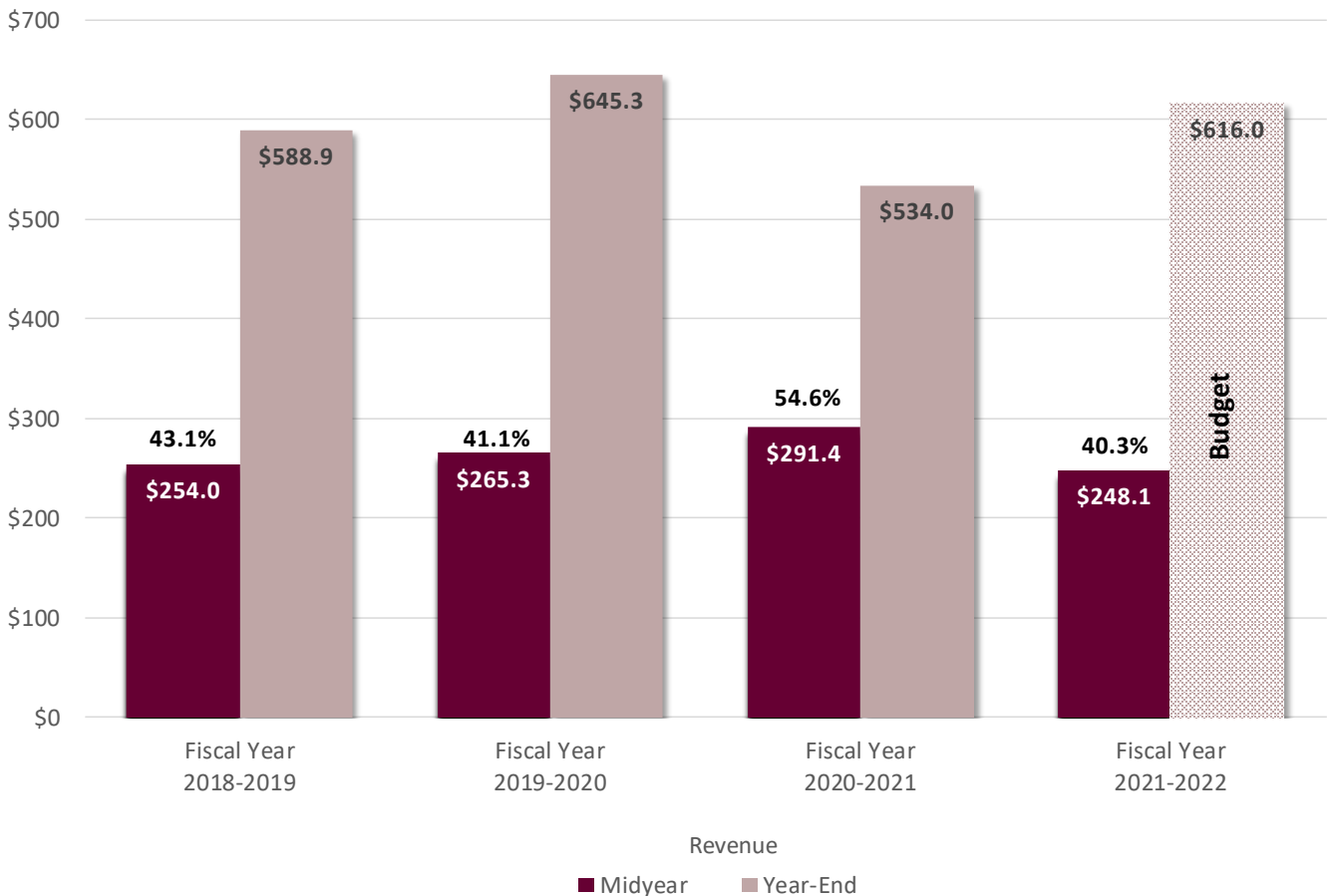
Departmental Revenue

For departmental budgets *Supporting Community Health*, actual revenue received as of December 31, 2021, totals \$248.1 million, which represents 40.3% of the estimated annual revenue. This ratio is slightly below the normal range when comparing to revenue received as of midyear in the previous three years when collections ranged from 41.1% to 54.6% of year-end actual totals. This is primarily due to an accounting adjustment resulting from an audit finding for the Community Services Agency (CSA). The audit found that CSA was reporting the full revenue and expenditures for the In-Home Supporting Services (IHSS) Provider Wages, including the Federal and State share, instead of just the

County's share. Effective with the 2021-2022 Adopted Final Budget, CSA decreased budgeted revenue and costs by \$160.1 million. This accounting adjustment resulted in a \$59.8 million decrease in revenue received to date when compared to the previous year. Additionally, Health Services Agency (HSA) – Public Health budgeted the full allocation amount for multiyear COVID-19 related funding streams and some projections were based on activity in the prior fiscal year, which has decreased significantly this year. Adjustments to decrease revenue and expenditures are being made at midyear to right-size the Public Health budget to align with projected figures.

Supporting Community Health Four-Year Revenue Comparison

In Millions

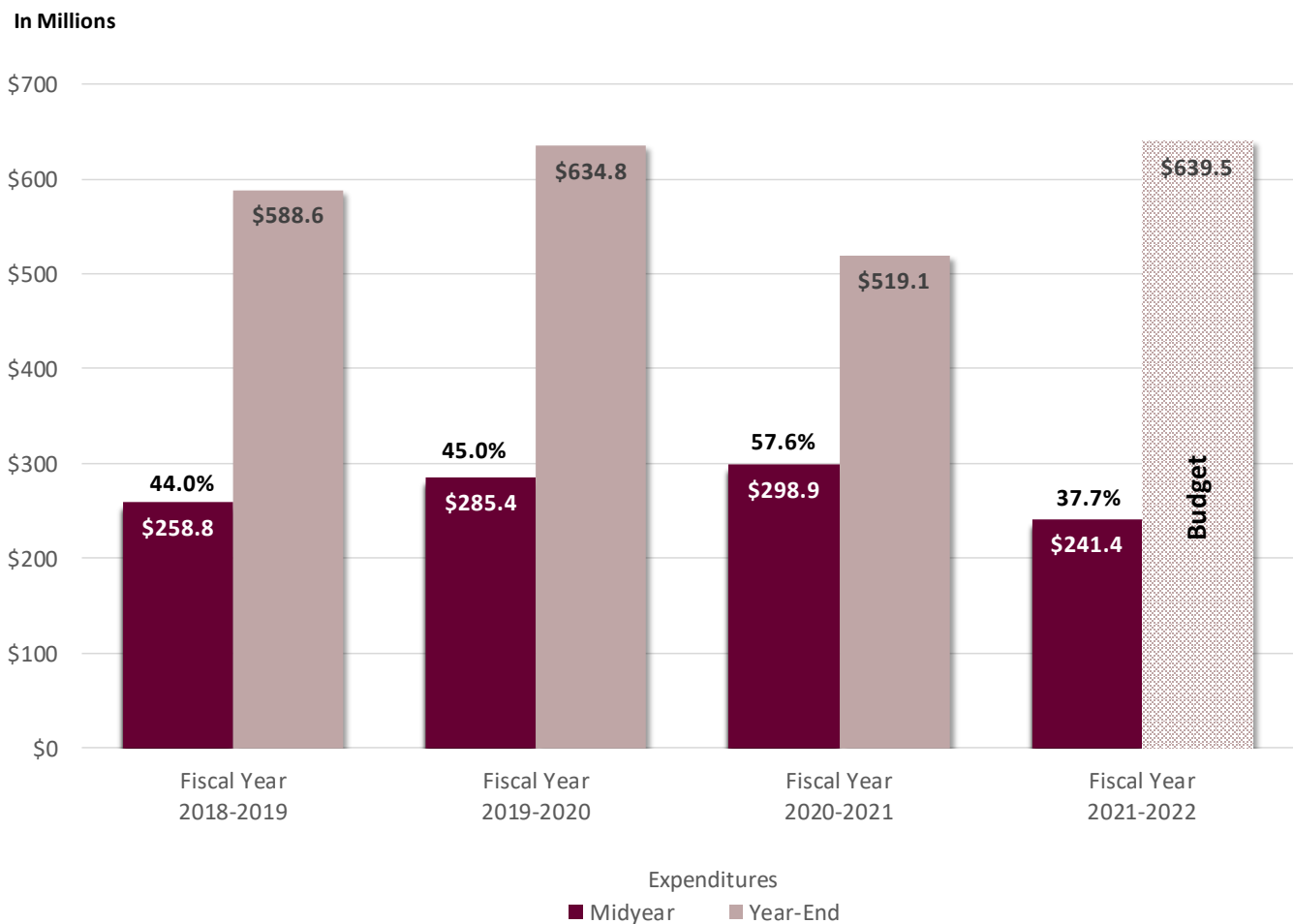


Departmental Expenditures

As of December 31, 2021, expenditures in this priority area totaled \$241.4 million, representing 37.7% of budgeted appropriations. Actual expenditures identified at the midyear point of the previous three years as a ratio of year-end costs represented a range of 44% to 57.6% of the final annual expenditures, placing this year's rate of expenditures below the historical range. This is attributed to the same issues affecting revenue noted on the previous page. An audit finding for the Community Services Agency (CSA) found that CSA was reporting the full revenue and expenditures for the In-Home Supporting Services (IHSS) Provider Wages, including the Federal and State share,

instead of just the County's share. Effective with the 2021-2022 Adopted Final Budget, CSA decreased budgeted revenue and costs by \$160.1 million. This accounting adjustment resulted in a \$59.8 million decrease in expenses incurred to date when compared to the previous year. Additionally, Health Services Agency (HSA) – Public Health budgeted the full allocation amount for multiyear COVID-19 related funding streams and some projections were based on activity in the prior fiscal year which has decreased significantly this year. Adjustments to decrease revenue and expenditures are being made with midyear to right-size the Public Health budget to align with projected figures.

Supporting Community Health Four-Year Expenditures Comparison



Midyear Issues and Recommendations

The recommendations contained in this report for *Supporting Community Health* will net for a total decrease in appropriations of \$21.6 million with a \$4.7 million decrease in estimated revenue, resulting in a \$17.1 million decrease in the use of department fund balance and a \$175,480 increase in Net County Cost, of which \$25,960 is for technical adjustments to reimburse departments for COVID-19 Recovery one-time payment costs.

Aging and Veterans Services

Area Agency on Aging – The California Department of Aging (CDA) is increasing grant funding for the Older Americans Act (OAA), Multipurpose Senior Services Program (MSSP), older adult vaccine funding, robotic pet companion, Consolidated Appropriations Act (CAA) H.R. 133, and the State American Rescue Plan Act (ARPA). It is recommended to increase appropriations by \$1.1 million, funded by \$980,424 in increased grant funding from CDA, requiring a County Match of \$98,850 for OAA and State ARPA, funded by Net County Cost, to expand supportive services, congregate nutrition, home-delivered meals, preventive services, family caregiver, and Ombudsman.

The Governor’s Budget included \$6.3 million in State General Funds to support MSSP for Fiscal Year 2021-2022 and \$11.7 million in ongoing State General Funds to permanently increase MSSP slots by 2,497 Statewide. The Department will receive an increase of \$107,104 in ongoing MSSP funds annually to support an additional 160 to 200 slots. The MSSP Program requires a staffing ratio of 40 participants to one care manager (40:1). The Department currently has three Social Workers and a Nurse Care Manager supporting the program; therefore, it is recommended to add a new Social Worker III position to be in compliance and to increase revenue and appropriations by \$24,380, prorated for three months this fiscal year; the annual costs are projected at \$97,520.

Stanislaus Veterans Center – Budget and operations were transferred from the General Services Agency (GSA) to Aging and Veterans Services as of December 31, 2021. To provide administrative support for the newly added responsibilities, it is recommended to increase appropriations by \$16,173 to account for 20% of the Director’s and Accounting Technician’s time to provide administrative support for the new division, funded by fund balance; ongoing annual cost is estimated at \$64,692. Technical adjustments are needed to increase appropriations by \$11,698 for extra help costs previously split with GSA and to reduce facility rental revenue by \$13,705 to reflect actual revenue receipts funded by a net \$25,403 increase in the use of fund balance.

Mental health support is a top priority for veterans in Stanislaus County. It is recommended to increase appropriations by \$29,670 for a contracted mental health clinician as part of a pilot program to be funded by General Fund Coronavirus Relief Fund (CRF) Presumptive Eligible funding. Ideally the clinician will be a veteran or working with a veteran’s organization who specializes in support for veterans. This contracted service will be funded by CRF Presumptive Eligible funding initially and then transition to the General Fund, estimated annually at \$120,000. Contract services allow for scaling service up and down based on need and General Fund availability.

Veterans Services – The State of California Department of Veterans Affairs Subvention funding is being increased ongoing; Veterans Services will receive a minimum of \$118,000 in increased annual subvention funding. It is recommended to increase revenue and appropriations by \$24,380 for a new Social Worker III position, prorated for three months this fiscal year, to work with veterans, particularly homeless veterans, to connect them with benefits, healthcare, housing and assistance, funded by additional subvention funding from the State of California Department of Veterans Affairs. The annual projected cost is \$97,520.

Veterans Services is expanding their contract with MOVE Stanislaus to create a new program to provide bus passes for low-income Veterans; the County will purchase the bus passes and MOVE will reimburse the County. It is recommended to increase revenue and appropriations by \$7,000 to expand the contract with MOVE Stanislaus.

A technical adjustment increasing appropriations by \$8,682 is recommended for Veterans Services due to data processing cost allocation plan charges coming in higher than projected, funded by Subvention revenue.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Aging and Veterans Services - Area Agency on Aging	\$ 24,380	\$ 24,380	\$ -	\$ -	Increase appropriations and estimated revenue for a new Social Worker III position to support the Multipurpose Senior Services Program (MSSP) funded by MSSP funding.
Aging and Veterans Services - Area Agency on Aging	\$ 980,424	\$ 1,079,274	\$ -	\$ 98,850	Increase appropriations and estimated revenue for increased California Department of Aging grant funding requiring a 10% County Match to provide essential services to vulnerable older adults in the County.
Aging and Veterans Services -Stanislaus Veterans Center	\$ -	\$ 11,698	\$ 11,698	\$ -	Increase appropriations to cover extra help salary costs that were previously splitting time between the Stanislaus Veterans Center and the General Services Agency funded by increased use of fund balance.
Aging and Veterans Services -Stanislaus Veterans Center	\$ -	\$ 16,173	\$ 16,173	\$ -	Increase appropriations to cover salary costs for 20% of the Director and 20% of an Accounting Technician to provide Administrative oversight and support for the Stanislaus Veterans Center funded by increased use of fund balance.
Aging and Veterans Services -Stanislaus Veterans Center	\$ (13,705)	\$ -	\$ 13,705	\$ -	Decrease facility rental revenue to right-size to actual receipts to be received increasing use of fund balance.
Aging and Veterans Services -Stanislaus Veterans Center	\$ -	\$ 29,670	\$ -	\$ 29,670	Increase appropriations and estimated revenue for Contract Services for a Mental Health Clinician funded by General Fund CRF Presumptive Eligible funding.
Aging and Veterans Services - Veterans Services	\$ 24,380	\$ 24,380	\$ -	\$ -	Increase appropriations and estimated revenue for a new Social Worker III position funded by the State of California Department of Veterans Affairs Subvention funding to work with veterans, particularly homeless veterans.
Aging and Veterans Services - Veterans Services	\$ 7,000	\$ 7,000	\$ -	\$ -	Increase appropriations and estimated revenue to support the agreement with MOVE Stanislaus to create a new program to provide bus passes to low income Veterans.
Aging and Veterans Services - Veterans Services	\$ 8,682	\$ 8,682	\$ -	\$ -	Increase appropriations due to increased data processing CAP charges funded by Subvention revenue.
Total	\$1,031,161	\$1,201,257	\$41,576	\$128,520	

Recommendation: It is recommended to increase appropriations by \$1.2 million, funded by an increase of \$1 million in estimated revenue, resulting in a \$41,576 increase in the use of departmental fund balance and a \$128,520 increase in Net County Cost.

Staffing Recommendation: It is recommended to add two Social Worker III positions. One position to Area Agency on Aging to support the Multipurpose Senior Services Program (MSSP) by providing intensive care management

to medically fragile seniors ages 65 and older and assisting with the additional caseload increase from 160 to 200 slots. One position to Veterans Services to support homeless, at risk, and severely disabled veterans with case management to access benefits including healthcare, financial assistance, and housing assistance.

It is recommended to study one Manager II position and one Social Worker IV position to determine if current duties and responsibilities align with current classifications, as well as a request to add one new Manager III position.

Behavioral Health and Recovery Services

Substance Use Disorder – It is recommended to increase estimated 2011 Realignment revenue by \$1.2 million, resulting in a decreased use in fund balance. This technical adjustment includes \$17,904 in Fiscal Year 2019-2020 State General Fund Backfill Funding, \$268,570 in Fiscal Year 2020-2021 Base Restoration Funding, and \$921,693 in Growth Funds, consistent with the County’s Realignment policy.

Multiple Budget Units - The Department is adding a net of 16 new positions as technical adjustments to the BHRS Strategic Plan (Board Item No. 2021-0130) and to support further development of the Core Treatment Model (CTM) and other strategic initiatives; 19 new positions and three deletions. The annual ongoing cost of these positions is \$2.1 million and is fully funded by State and Federal revenue; a budget adjustment for this fiscal year is not needed due to salary savings.

The net 16 new positions will support the following program areas:

- A consolidated Behavioral Health Crisis and Support Line, going from two lines to one, with appropriate classifications to address customer needs and crisis calls;
- General Services to support needs in the areas of facilities, purchasing, receiving, and safety;
- Human Resources to support recruitments; the Department had 64 vacant FTE’s at submission;
- Workforce Development and Training to implement a comprehensive workforce and development training plan in support of the CTM, behavioral health competency requirements, and California Advancing and Innovating Medi-Cal (CalAIM) training requirements;
- Funding Development and Management to administer application submissions, program monitoring, data gathering and analysis, accounting, and reporting for funding from various sources including grants and competitive State allocations;
 - In 2021, Behavioral Health and Recovery Services (BHRS) applied for and was awarded nine new grants/State funding allocations totaling \$12.5 million, with four additional applications pending totaling \$9 million. Additionally, there are three applications in process for a minimum of \$4 million with the opportunity for up to \$34 million depending on infrastructure projects for behavioral health facility projects
- Stanislaus Recovery Center (SRC) support for several programs including outpatient services, peer recovery services, and residential treatment services (net three positions); and
- Substance Use Disorder (SUD) program support related to managing the highly regulatory nature of the Drug Medi-Cal Organized Delivery System Program compliance requirements, medication services for the Genesis Narcotic Treatment Program, and oversight of the ongoing need to develop, implement, and update the SUD Strategic Prevention Plan and CalAIM compliance.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Behavioral Health and Recovery Services - Substance Use Disorder	\$ 1,208,167	\$ -	\$ (1,208,167)	\$ -	Increase estimated 2011 Realignment Revenue resulting in a decreased use of fund balance.
Total	\$1,208,167	\$0	(\$1,208,167)	\$0	

Recommendation: It is recommended to increase estimated revenue by \$1.2 million, resulting in a \$1.2 million decrease in the use of department fund balance.

Staffing Recommendation: It is recommended to add the following seven positions:

- Three new block-budgeted Behavioral Health Specialist I/II positions in BHRS to support the 24/7 Behavioral Health Crisis and Support Line (BHCSL) created as part of the BHRS Strategic Plan to consolidate access and call center functions, to reduce barriers accessing treatment services. These positions will help handle the call volume and meet the needs of clients. To offset this request, the Department is requesting to delete one block-budgeted Clinical Services Technician I/II position and will request to delete two additional block-budgeted Clinical Services Technician I/II positions once the consolidation is complete.
- One new Confidential Assistant III position in BHRS to support recruitment efforts and the associated increased workload.
- One block-budgeted Manager I/II/III position in BHRS to serve as the Workforce Development and Training (WDT) Manager to develop and implement a comprehensive WDT Plan in support of the Core Treatment Model clinical development and the behavioral health core competency requirements. This plan is key to the Department's ability to develop a robust performance measurement system.
- Two Staff Services Technician positions in BHRS to support the General Services/Facilities Division with the overall needs in the areas of facilities, purchasing, receiving, and safety due to increases of work orders and purchasing requests.

It is also recommended to add the following eight positions to support the SUD Drug Medi-Cal Organized Delivery System (DMC-ODS) and California's Advancing and Improving Medi-Cal (CalAIM) requirements:

- One new block-budgeted Behavioral Health Specialist I/II position in SUD to support the compliance function in relation to the BHRS' contract with the Department of Health Care Services (DHCS). This position will review, approve, track, monitor, follow-up, and attest to program completion of all corrective actions for post service pre-payment reviews, post services post-payment reviews, licensing reviews, and other audits.
- One new Licensed Vocational Nurse III position in SUD for the Medication Assisted Treatment (MAT) services at the Genesis Narcotic Treatment program. The Department is currently utilizing a contracted Registered Nurse (RN) two days per week. This is not fiscally sustainable and not meeting the needs of clients to support expanded access. The Department will stop the use of contracted RN services in support of this request.
- One new block-budgeted Behavioral Health Specialist I/II position in Stanislaus Recovery Center (SRC) to support the Outpatient Services Program by providing highly skilled SUD education, treatment services and crisis intervention. To offset this request, the Department will delete two vacant block-budgeted Clinical Services Technician I/II positions.
- One new Staff Services Analyst position in SUD, for the Prevention and Education division to oversee the development of the new Strategic Prevention Plan (SPP) to ensure that the needs of the community are being met and align it with the goals and objectives of the CalAIM initiative. The position will review and analyze proposed legislation, and act as a liaison with other departments, agencies, community

organizations, coalitions, and the public. The Department will stop the use of two personal services contracts in support of this request.

- One new block-budgeted Clinical Services Technician I/II position in SRC for peer recovery services to clients in the SUD treatment programs. To offset this request, the Department will stop the use of two vacant part-time extra help Clerical/Community Aide positions.
- One new block budgeted Behavioral Health Specialist I/II position and two new block-budgeted Clinical Services Technician I/II positions in SRC Residential Treatment to support the DMC-ODS requirement that mandates the County to provide American Society of Addiction Medicine Level 3.3 services to Medi-Cal beneficiaries. This new level of service will serve a special population, including those with developmental disabilities, who may require more intensive interventions and/or supervision while in treatment. The new positions will provide more intensive interventions and/or supervision while in treatment to support better outcomes.

In addition, it is also recommended to add one block-budgeted Manager I/II/III, one block-budgeted Accountant I/II, one Staff Services Analyst, and one Administrative Clerk III positions in BHRS to support Funding Development and Management for the increased number of grants that the Department has been allocated/awarded, and to support new grant applications and other funding opportunities.

It is further recommended to delete three vacant block-budgeted Clinical Services Technician I/II positions (one position from Managed Care and two positions from SRC).

Lastly, it is recommended to transfer 106 positions between budget units to properly align positions as approved in the BHRS Strategic Plan:

- One Administrative Clerk II position from BHRS to Public Guardian.
- Five positions (one Administrative Clerk III, two block-budgeted Behavioral Health Specialist I/II, one block-budgeted Mental Health Clinician I/II, and one Mental Health Coordinator) from BHRS to SUD.
- Five positions (one Behavioral Health Coordinator, two block-budgeted Behavioral Health Specialist I/II, one block-budgeted Clinical Services Technician I/II, and one Manager II) from BHRS to SRC.
- 42 positions (three Administrative Clerk III, 10 block-budgeted Behavioral Health Specialist I/II, two block-budgeted Clinical Services Technician I/II, 12 block-budgeted Mental Health Clinician I/II, four Mental Health Coordinator, seven block-budgeted Psychiatric Nurse I/II, and four Psychiatrist) from BHRS to Mental Health Services Act (MHSA).
- Eight positions (one Administrative Clerk II, one Administrative Clerk III, two block-budgeted Clinical Services Technician I/II, one block-budgeted Mental Health Clinician I/II, two block-budgeted Psychiatric Nurse I/II, and one Staff Services Technician) from Managed Care to BHRS.
- One block-budgeted Mental Health Clinician I/II position from Managed Care to MHSA.
- 34 positions (one Administrative Clerk II, four Administrative Clerk III, four Behavioral Health Advocate, five block-budgeted Behavioral Health Specialist I/II, five block-budgeted Clinical Services Technician I/II, one Director of Volunteer Services, one Manager II, one Manager III, seven block-budgeted Mental Health Clinician I/II, two Mental Health Coordinator, one Staff Services Analyst, and two block-budgeted System Engineer I/II) from MHSA to BHRS
- One block-budgeted Behavioral Health Coordinator position from MHSA to Public Guardian.
- Four positions (one block-budgeted Behavioral Health Specialist I/II, one block-budgeted Clinical Services Technician I/II, one Manager III, and one Mental Health Coordinator) from MHSA to SUD.
- One block-budgeted Clinical Services Technician I/II position from MHSA to SRC.
- One block-budgeted Behavioral Health Specialist I/II position from SRC to SUD.
- Two positions (one Behavioral Health Coordinator and one Staff Services Analyst) from SUD to BHRS.
- One block-budgeted Mental Health Clinician I/II position from SUD to MHSA.

Child Support Services

Child Support Services – A technical adjustment is recommended to decrease revenue and appropriations by \$12,000 to reflect actual interest revenue due to low interest rates and a declining principal balance.

The Department is participating in a Statewide midyear reallocation of funds in order to redistribute unspent allocation funding to match Statewide needs. The Department is experiencing higher than normal levels of attrition, lack of available labor for high-level positions, with a net effect of fewer positions filled than the prior year despite the best recruitment efforts. The Department's current rehiring timeline will continue into the next fiscal year. It is recommended to decrease State Department of Child Support Services allocation revenue and appropriations by \$300,000. This will not impact future allocations.

It is recommended to transfer \$171,322 in appropriations between Salaries and Benefits and Fixed Assets to support increased safety and efficiency needs including a \$60,000 server room fire suppression system, \$23,000 sound panels in reception and administration, \$60,822 to upgrade the Central Processing Unit and power on the current ESXi hosts, and \$27,500 to replace the X-Ray machine in the reception area.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Child Support Services	\$ (12,000)	\$ (12,000)	\$ -	\$ -	Decrease estimated interest revenue and appropriations to reflect actual interest revenue due to declining interest rates and a declining principal balance.
Child Support Services	\$ (300,000)	\$ (300,000)	\$ -	\$ -	Reduce State Department of Child Support Services appropriations and estimated revenue due to attrition and vacancies.
Child Support Services	\$ -	\$ (171,322)	\$ (171,322)		Transfer appropriations between Salaries and Benefits and Fixed Assets for safety and efficiency improvements.
Child Support Services	\$ -	\$ 171,322	\$ 171,322		Transfer appropriations between Salaries and Benefits and Fixed Assets for safety and efficiency improvements.
Total	(\$312,000)	(\$312,000)	\$0	\$0	

Recommendation: It is recommended to decrease appropriations and estimated revenue by \$312,000.

Community Services Agency

Program Services and Support – The Department is establishing a Program Integrity Division within StanWorks to ensure CSA is accurately issuing and denying benefits timely for the CalFresh, CalWorks and Medi-Cal programs. The newly established division includes the addition of one Manager IV, one Manager II, three new Staff Services Coordinator positions and the deletion of two Family Service Specialist II positions. No budget adjustments are needed in this fiscal year due to salary savings; the ongoing cost of \$514,000 will be funded by State and Federal revenue.

Housing and Homeless Services – Homeless Housing, Assistance and Prevention (HHAP) Round 3 grant funding will be received this fiscal year and expires June 30, 2026; therefore, it is recommended to increase estimated revenue by \$5.6 million. The County has been allocated \$2.7 million and Stanislaus Community System of Care (CSOC) has been allocated \$2.9 million. The revenue received will carry forward as restricted fund balance and be budgeted in future fiscal years.

In-Home Supportive Services (IHSS) Provider Wages – As directed by the State, a final IHSS maintenance of effort (MOE) true-up is needed; therefore, it is recommended to increase appropriations by \$27,801, funded by 1991

Realignment revenue. The Department anticipates this to be ongoing, due in part by another wage supplement effective July 1, 2022.

In-Home Supportive Services (IHSS) Public Authority-Administration – It is recommended to increase estimated revenue and appropriations by \$108,416 to allow for full utilization of the increased State allocation level. The Department anticipates this allocation to be ongoing in line with the caseload size and the ongoing distribution of Essential Protective Gear funding.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Community Services Agency - Housing and Homeless Services	\$ 5,564,400		\$ (5,564,400)	\$ -	Increase estimated revenue due to HHAP Round 3 grant funding that will be received this fiscal year and expires June 30, 2026.
Community Services Agency - IHSS Provider Wages	\$ 27,801	\$ 27,801	\$ -	\$ -	Increase appropriations and estimated revenue to true-up the IHSS Final MOE as directed by the State funded by 1991 Realignment Revenue.
Community Services Agency - IHSS Public Authority - Administration	\$ 108,416	\$ 108,416	\$ -	\$ -	Increase appropriations and estimated revenue allowing for full utilization of the Public Authority Administration's State allocation levels.
Total	\$5,700,617	\$136,217	(\$5,564,400)	\$0	

Recommendation: It is recommended to increase appropriations by \$136,217 and to increase estimated revenue by \$5.7 million, resulting in a \$5.6 million contribution to departmental fund balance. Preliminary Midyear projections provided by the Department reflect a potential year-end deficit. Several material outstanding budget adjustments are expected to mitigate this exposure, primarily updated revenue analysis and increased Realignment revenue receipts. CEO and CSA budget staff will work closely to monitor revenue and appropriation needs to ensure a positive year-end close and bring additional recommendations at Third Quarter, if needed.

Staffing Recommendation: It is recommended to add the following five positions to establish a new Program Integrity Section within the StanWORKs Division to ensure accurate issuance of benefits and timely denials for CalFresh, CalWORKs and Medi-Cal programs in accordance with Federal/State mandates. This section will combine Quality Control/Quality Assurance, Training, Policy Development and Implementation, CalSAWS, Special Investigations, and Civil Rights/Hearing units.

- One new Manager IV position to act as a Senior Program Manager and oversee the new Program Integrity section.
- One new block-budgeted Manager I/II position to oversee the CalSAWS and Policy Development and Implementation units.
- Three new Staff Services Coordinator positions to develop, distribute, and implement policy for each major program CSA administers, such as CalWORKs, CalFresh, and Medi-Cal, in accordance with Federal/State regulations. The positions will monitor, analyze, update, and implement policy as new legislation is passed, and new rules and regulations governing these programs are provided to the County.

It is also recommended to delete three Family Services Specialist I/II positions to offset the request of three Staff Services Coordinator positions

Health Services Agency

Administration – The State donated Personal Protective Equipment (PPE) for COVID-19 response efforts to the County that need to be accounted for in Oracle, the County's accounting and inventory tracking system.

Adjustments to increase donation revenue by \$10.8 million, representing the fair market value of the inventory, and increasing appropriations by \$3 million, representing the estimated value of PPE that will be used this fiscal year, is recommended by the Auditor-Controller's Office. This budget adjustment will allow the Department to create the recommended accounting entry and provide accurate future fiscal reporting for inventory on hand. HSA anticipates the inventory will be exhausted by June 2023. Fund balance, as a result of recording these donated items, will increase by \$7.8 million.

Clinics and Ancillary Services – Revenue and expenses are primarily patient driven for Clinics and Ancillary Services and patient visits are approximately 14% lower than initially budgeted. It is recommended to decrease estimated revenue by \$2.9 million and appropriations by \$7.5 million, resulting in a \$4.6 million decrease in the use of fund balance. Appropriations are also being decreased due to staffing vacancies and reduced administration overhead charges that are being redirected to the Public Health budget due to COVID-19 response efforts.

The Department of Health Care Services has shifted the reporting and payment cycle for Intergovernmental Transfer (IGT) from a fiscal year to a calendar year. The change results in six months (Jul-Dec 2020) of revenues and expenditures being recognized in the Clinics and Ancillary Services budget unit this fiscal year rather than 12 months. It is recommended to decrease estimated revenue by \$6.6 million and appropriations by \$760,725, resulting in a \$5.8 million increase in the use of fund balance.

Health Resources and Services Administration (HRSA) American Rescue Plan (ARP) grant revenue and appropriations were budgeted for the full year-one amount in the 2021-2022 Adopted Final Budget as the budget was developed before the Department could determine the Fiscal Year 2020-2021 portion of the ARP grant that could be claimed. Therefore, it is recommended to reduce revenue and appropriations by \$264,224 to reflect the amount already claimed last fiscal year.

Technical adjustments are recommended to transfer \$669,633 in appropriations from Services and Supplies to Fixed Assets to replace and upgrade old and outdated equipment in the clinics to help provide more efficient and improved health care access and services to patients. This includes medical record scanners, pharmaceutical grade freezers, laptops, desktop PC's, communication equipment, printers, vital sign machines, and copiers. HRSA ARP funds are to be used to enhance health care services and infrastructure and this will allow the clinics to replace/upgrade old and outdated equipment.

Emergency Medical Services Discretionary Fund – This is the discretionary portion of the State Emergency Medical Services funding and is used to offset the cost of meeting the requirement to provide Local Emergency Medical Services Agency functions. HSA has an agreement with the Mountain Valley Emergency Medical Services Agency (MVEMSA), which includes financial support for the MVEMSA Joint Powers Agency operating budget. Until last fiscal year, court fines and fees revenue would cover the contractual payments to MVEMSA. This revenue source continues to be lower than that historically received due to COVID-19 mitigation strategies within the courts, and estimated revenue and available fund balance will not fully cover contractual costs this fiscal year. It is recommended to decrease estimated court fine and fee revenue by \$21,000, funded by Net County Cost. The 2020-2021 Midyear Financial Report had a similar adjustment for \$35,293, funded by Net County Cost.

Indigent Health Care Program (IHCP) - Emergency Medical Services Hospital – This portion of the State Emergency Medical Services funding offsets uncompensated care costs for hospitals providing disproportionate trauma and emergency medical care services. It is recommended to increase appropriations by \$137,606 for Fiscal Years 2020-2021 and 2021-2022 hospital reimbursements, resulting in an increase in the use of fund balance.

Public Health – The Healthy Birth Outcomes (HBO) program ended June 30, 2021; however, the HBO budget was included in Adopted Final Budget. It is recommended to decrease revenue by \$738,358 and appropriations by \$602,854 for contractor costs, as they will not occur. The difference of \$135,504 is associated with staff costs that have been transferred to other Public Health programs.

Adopted Final Budget included the full allocation amount for multiyear COVID-19 related funding streams and some projections were based on activity in the prior fiscal year, which has decreased significantly. It is recommended to decrease estimated revenue by \$12.7 million and appropriations by \$16.7 million due to COVID-19 funding sources (Epidemiology and Laboratory Capacity Funding (ELC) Cares, ELC Enhancing Detection, ELC Enhancing Detection Expansion, Immunization COVID-19) being budgeted beyond the level of actual needs for this fiscal year. Most of the unexpended COVID-19 grant awards and allocations will be included in the Fiscal year 2022-2023 budget. The adjustments will align the budget to current projections and provide roll forward of fund savings to benefit customers in future fiscal years. In addition, appropriations associated with staffing for grant funding were overbudgeted as they were already budgeted through the existing spending plan resulting in a \$4 million decrease in the use of fund balance.

Budget Unit Name	Recommended Budget Adjustment				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	
Health Services Agency - Administration	\$ 10,842,493	\$ 3,000,000	\$ (7,842,493)	\$ -	Increase appropriations and estimated revenue for State donated Personal Protective Equipment provided for COVID-19 response efforts.
Health Services Agency - Clinics & Ancillary Services	\$ (264,224)	\$ (264,224)	\$ -	\$ -	Decrease appropriations and estimated revenue for the Health Resources & Services Administration ARP Grant revenue and appropriations that were claimed last fiscal year.
Health Services Agency - Clinics & Ancillary Services	\$ (2,860,997)	\$ (7,500,000)	\$ (4,639,003)	\$ -	Decrease appropriations and estimated revenue due to reduced patient visits, vacant positions, and administration charges being allocated to Public Health for COVID-19 response efforts.
Health Services Agency - Clinics & Ancillary Services	\$ (6,583,936)	\$ (760,725)	\$ 5,823,211	\$ -	Decrease appropriations and estimated revenue due to the Department of Health Care Services shifting the reporting and payment cycle for Intergovernmental Transfer program.
Health Services Agency - Clinics & Ancillary Services	\$ -	\$ (669,633)	\$ (669,633)	\$ -	Transfer appropriations from Services and Supplies to Fixed Assets to replace and upgrade old and outdated equipment in the clinics.
Health Services Agency - Clinics & Ancillary Services	\$ -	\$ 669,633	\$ 669,633	\$ -	Transfer appropriations from Services and Supplies to Fixed Assets to replace and upgrade old and outdated equipment in the clinics.
Health Services Agency - Emergency Medical Services Discretionary Fund	\$ (21,000)	\$ -	\$ -	\$ 21,000	Decrease court fine revenue due to ongoing COVID-19 mitigation strategies, funded by Net County Cost to maintain emergency medical services.
Health Services Agency - ICHP - Emergency Medical Services Hospital	\$ -	\$ 137,606	\$ 137,606	\$ -	Increase appropriations for Fiscal Years 2020-2021 and 2021-2022 Emergency Medical Services Hospital reimbursements utilizing fund balance.
Health Services Agency - Public Health	\$ (738,358)	\$ (602,854)	\$ 135,504	\$ -	Decrease appropriations and estimated revenue for the Healthy Birth Outcomes program, which ended June 30, 2021. The difference of \$135,504 is associated with staff costs that have been transferred to other Public Health programs.
Health Services Agency - Public Health	\$ (12,675,166)	\$ (16,675,166)	\$ (4,000,000)	\$ -	Decrease appropriations and estimated revenue associated with COVID-19 funding sources aligned with activity anticipated this fiscal year.
Total	(\$12,301,188)	(\$22,665,363)	(\$10,385,175)	\$21,000	

Recommendations: It is recommended to decrease appropriations by \$22.7 million and to decrease estimated revenue by \$12.3 million, resulting in a \$10.4 million decrease in the use of department fund balance and an increase of \$21,000 in Net County Cost.

Staffing Recommendation: It is recommended to add two Administrative Clerk III positions to Clinics and Ancillary Services to support the Central Scheduling Unit. The positions will serve as lead workers and provide support, guidance, and leadership to the operators in the clinics by scheduling in-person and telehealth appointments and triaging higher level concerns that flow through the Central Scheduling department.

It is also recommended to add one block-budgeted Community Health Worker I/II position to Public Health to support the workflow increase in the WIC program and meet the CDPH WIC contract requirements.

In addition, it is recommended to delete two vacant Administrative Clerk III positions from Administration and one vacant block-budgeted Community Health Worker I/II position from Clinics and Ancillary Services to offset the addition of the three new positions.

It is further recommended to study one Account Clerk II position and one Staff Services Technician position to determine if current job duties and responsibilities align with current classifications.

Developing a Healthy Economy

Agricultural Commissioner
Economic Development Bank
UC Cooperative Extension
Workforce Development





Developing a healthy economy, building upon our strong agricultural foundation

Priority Overview

The Board of Supervisors' priority *Developing a Healthy Economy* recognizes the critical role that County government can play in supporting a local economy that promotes, protects, and sustains our agricultural economies while providing for more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Supporting job creation, providing a wide range of employment and training services, and educational resources are key aspects of *Developing a Healthy Economy*. Departments and programs assigned to this priority area include Agricultural Commissioner, Chief Executive Office – Economic Development, University of California (UC) Cooperative Extension, and Workforce Development.

Building upon our strong agricultural foundation recognizes the vital role of the County's number one industry, agriculture, that generates \$3.5 billion in value of agricultural commodities per year. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of the County's unique agricultural heritage are key to *Developing a Healthy Economy*.

While the agricultural industry is a significant economic driver in the County, regional economic strategies are in place to increase economic diversity. Initiatives include job creation, business assistance and retention, demand-driven workforce readiness and innovation. Sector diversification strengthens the local economy and provides for a better, more stable, quality of life for residents.

There are various funding sources for departments in this priority area. The Agricultural Commissioner receives State funding for several programs, charges for specific services, and receives funding from the General Fund. Cooperative Extension's University of California advisors are funded through the University of California system; however, the County provides funding from the General Fund for support staff and operational expenses. Workforce Development's major funding source is Federal funds (Workforce Innovation and Opportunity Act).

Overall, the departments within the Board priority *Developing a Healthy Economy* are on track to end the year within budgeted appropriations and in a positive fiscal position.

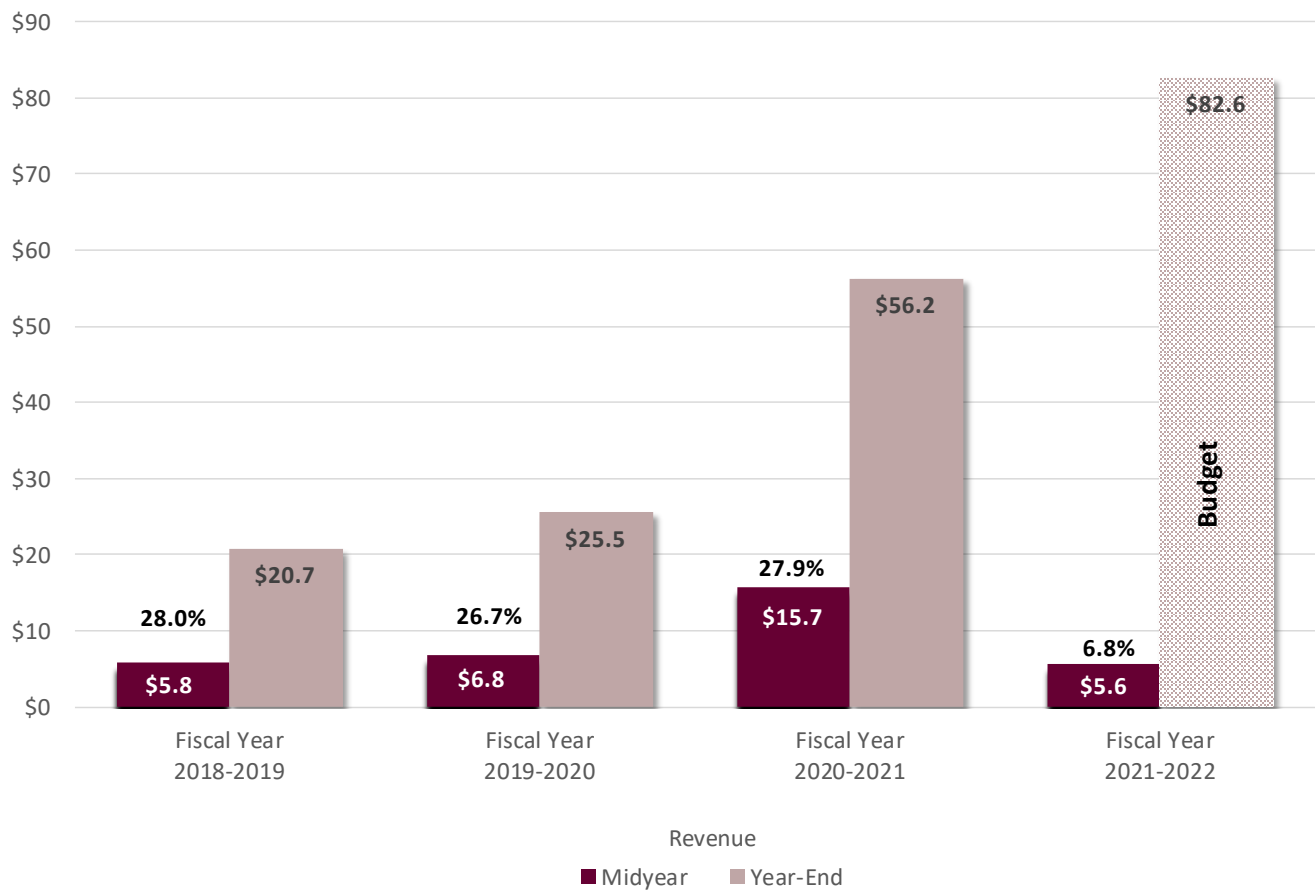
Departmental Revenue

For the departments contained in the Board priority area *Developing a Healthy Economy*, as of December 31, 2021, actual revenue collected totaled \$5.6 million, which represents 6.8% of the estimated annual revenue. This is significantly below the historical range when compared to the midyear point of the prior three years, when collections were 26.7% to 28.0% of the final actual revenue. The variance is primarily due to CARES Act CRF funding

allocated to the Economic Development Bank to assist in the County’s response to the COVID-19 pandemic emergency, including the Emergency Rental Assistance Program (ERAP). On October 5, 2021, the Board of Supervisors authorized the State of California to administer the ERAP program on behalf of the County, and the balance of funds will be redirected to the California Department of Housing and Community Development.

Developing a Healthy Economy Four-Year Revenue Comparison

In Millions



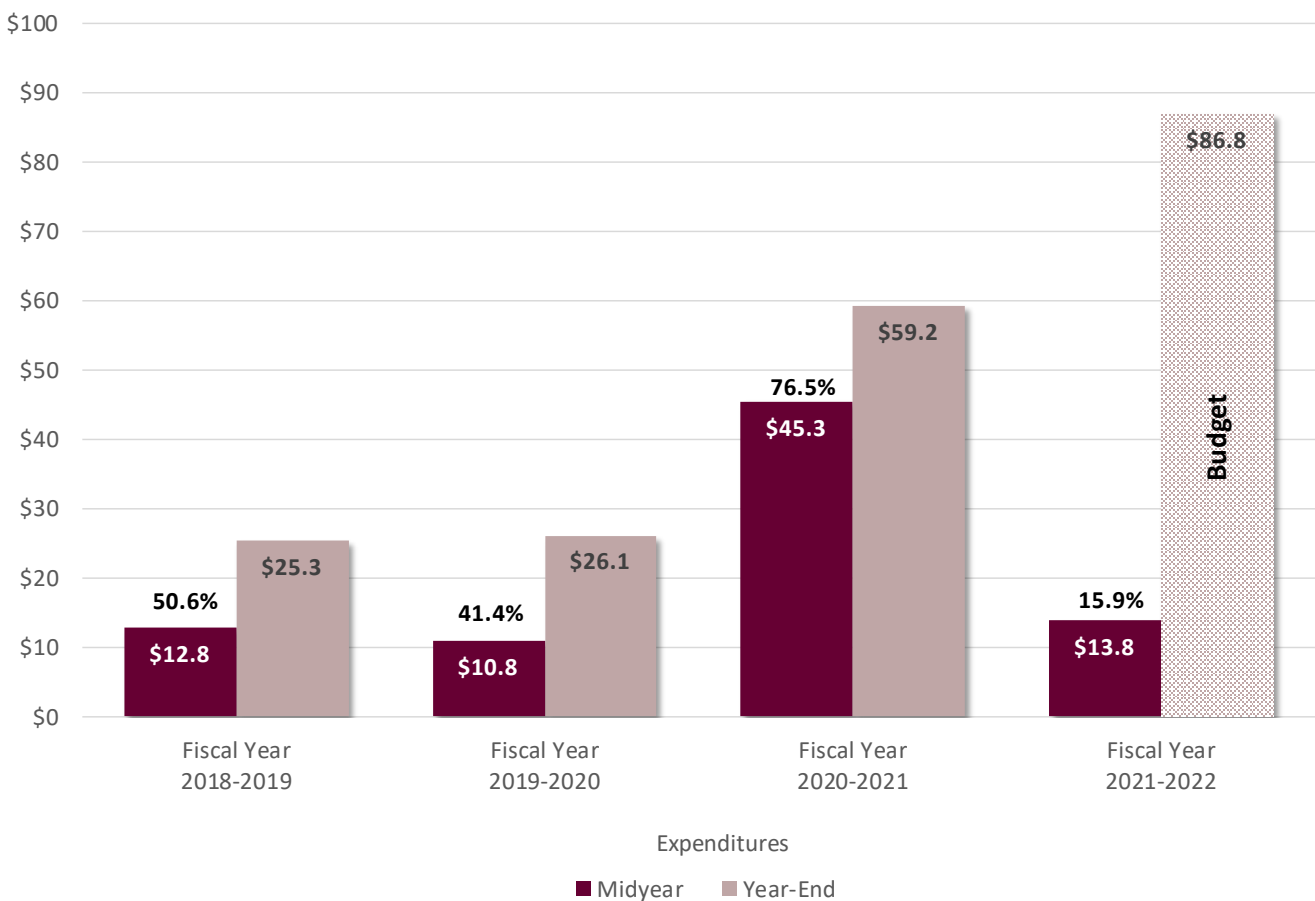
Departmental Expenditures

As of December 31, 2021, expenditures for this priority totaled \$13.8 million, representing 15.9% of budgeted appropriations. Expenditures at the midyear point of the prior three years ranged from 41.4% to 76.5% of the final actual expenditures, placing this year far below the three-year historical range. This is primarily due to CARES Act CRF funding received and budgeted in response to the COVID-19

pandemic, including the Emergency Rental Assistance Program (ERAP). As noted in the revenue description, the Board of Supervisors authorized the State of California to administer the ERAP program on behalf of the County on October 5, 2021, and the balance of funds will be redirected to the California Department of Housing and Community Development.

Developing a Healthy Economy Four-Year Expenditures Comparison

In Millions



Midyear Issues and Recommendations

The recommendations contained in this report for the priority of *Developing a Healthy Economy* will increase appropriations by \$3,120, funded by an increase of \$2,200 use of department fund balance, and \$900 in Net County Cost for a technical adjustment to reimburse departments for COVID-19 Recovery one-time payments.

Agricultural Commissioner

It is recommended to transfer \$65,000 in Performance Visioning Carryover Savings (PVCS) from Salaries and Benefits to Fixed Assets to support security enhancements at the Stanislaus Building. A security assessment was conducted, finding vulnerabilities in the customer service counter area. Security improvements include bullet-resistant glass, under-the-counter document pass-through, and electronic speakers for customer communication.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Agricultural Commissioner	\$ -	\$ (65,000)	\$ -	\$ (65,000)	Transfer Performance Visioning Carryover Savings (PVCS) appropriations to Fixed Assets for security enhancements.
Agricultural Commissioner		\$ 65,000		\$ 65,000	Transfer Performance Visioning Carryover Savings (PVCS) appropriations to Fixed Assets for security enhancements.
Total	\$0	\$0	\$0	\$0	

Recommendation: It is recommended to transfer \$65,000 from Salaries and Benefits to Fixed Assets.

Workforce Development

Staffing Recommendation: It is recommended to reclassify one vacant Confidential Assistant II position to Confidential Assistant III to align department needs with current and anticipated job duties of the position within the appropriate classification.

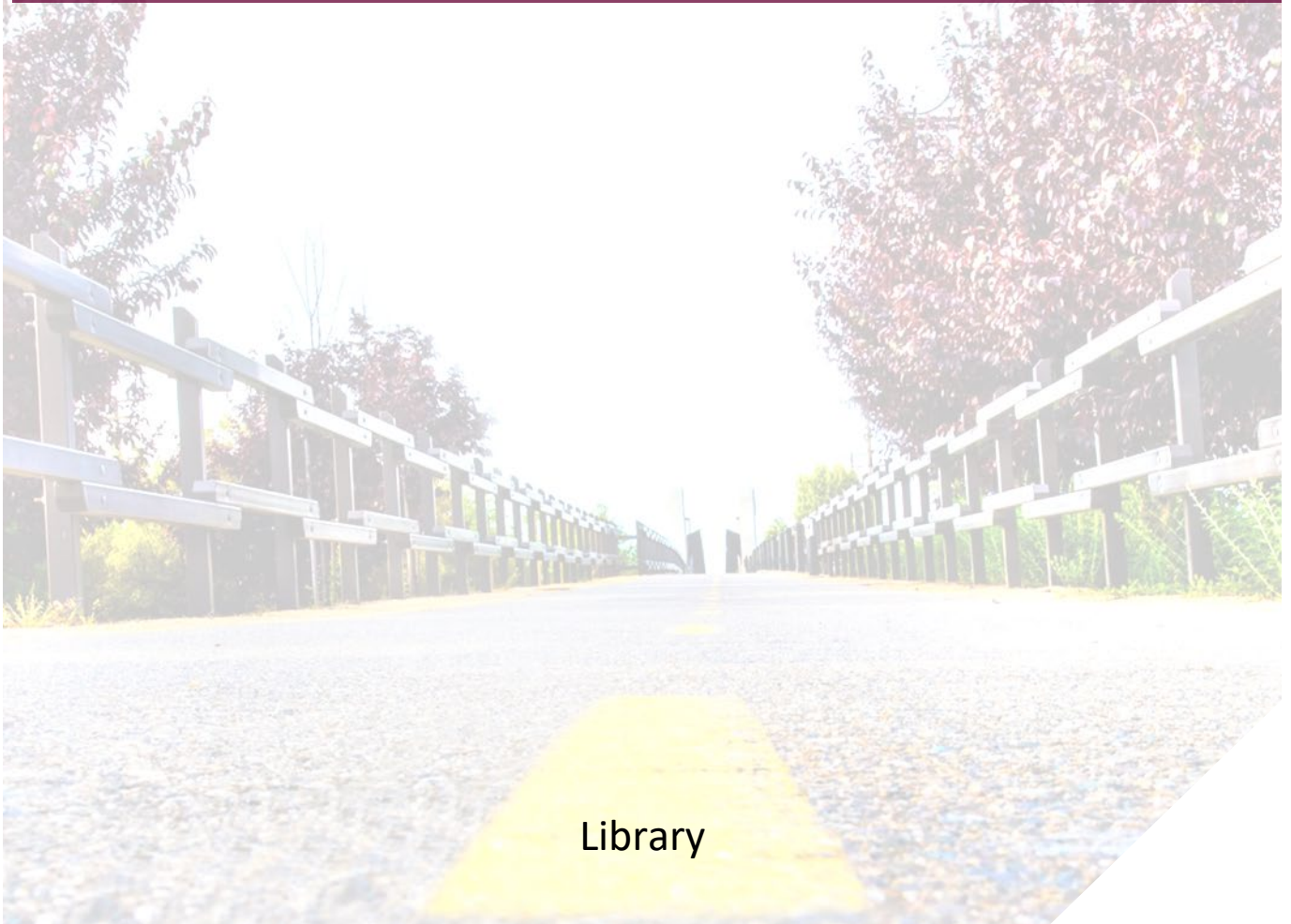
Community Development Fund

The Stanislaus County Community Development Fund was established by the Board of Supervisors in Fiscal Year 2007-2008 and has funded a variety of one-time projects benefitting the unincorporated areas that demonstrate strong local support and a public benefit. On October 5, 2021, the Board of Supervisors approved the use of \$2,200 in District 4 fund balance for a grant to City Ministry Network as the fiscal sponsor for Casa Cultural, funding a portion of the 501(c) 3 non-profit application process and a community outreach event in the Airport neighborhood.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Community Development Fund	\$ -	\$ 2,220	\$ 2,220		Increase appropriations for Board approved (Reso. No. 2021-0428) use of funds as a Grant to Casa Cultural for a portion of non-profit application and outreach event.
Total	\$0	\$2,220	\$2,220	\$0	

Recommendation: It is recommended to increase appropriations by \$2,200 in the Community Development Fund budget, funded by fund balance.

Promoting First-Rate Learning



Library





Promoting first-rate learning opportunities for all residents in support of community and individual prosperity

Priority Overview

The single Department contained within this section supports the Board of Supervisors' priority of *Promoting First-Rate Learning*, with the primary focus on advancing learning capabilities for children and young adults. The Library serves members of the community and provides valuable services to local agencies and other County departments.

The Library is responsible for implementing the Board of Supervisors' priority of *Promoting First-Rate Learning* opportunities for all residents to advance community and individual prosperity. The Stanislaus County Library engages members of the community and offers access to information, knowledge, and the tools for innovation and personal development. The Library offers early literacy programs for children, basic literacy services to adults, workforce readiness programs, resources for veterans and their families, and outreach services beyond the physical walls of

the various branches located throughout the County, including online e-resources and community outreach activities, such as home delivery service for customers who are unable to come to the Library due to advanced age, injury, or illness. The Library also offers unique services such as the Veterans Resource Center, passport application processing, and citizenship information sessions.

The Library is primarily funded by a voter approved 1/8-cent sales tax, which represents approximately 90% of the Library's total estimated revenue to support the Library operations in Fiscal Year 2021-2022. The voter approved 1/8-cent sales tax was extended for 12 years when Measure S passed on November 7, 2017.

The Library is on track to end the year within budget and in a positive fiscal position.

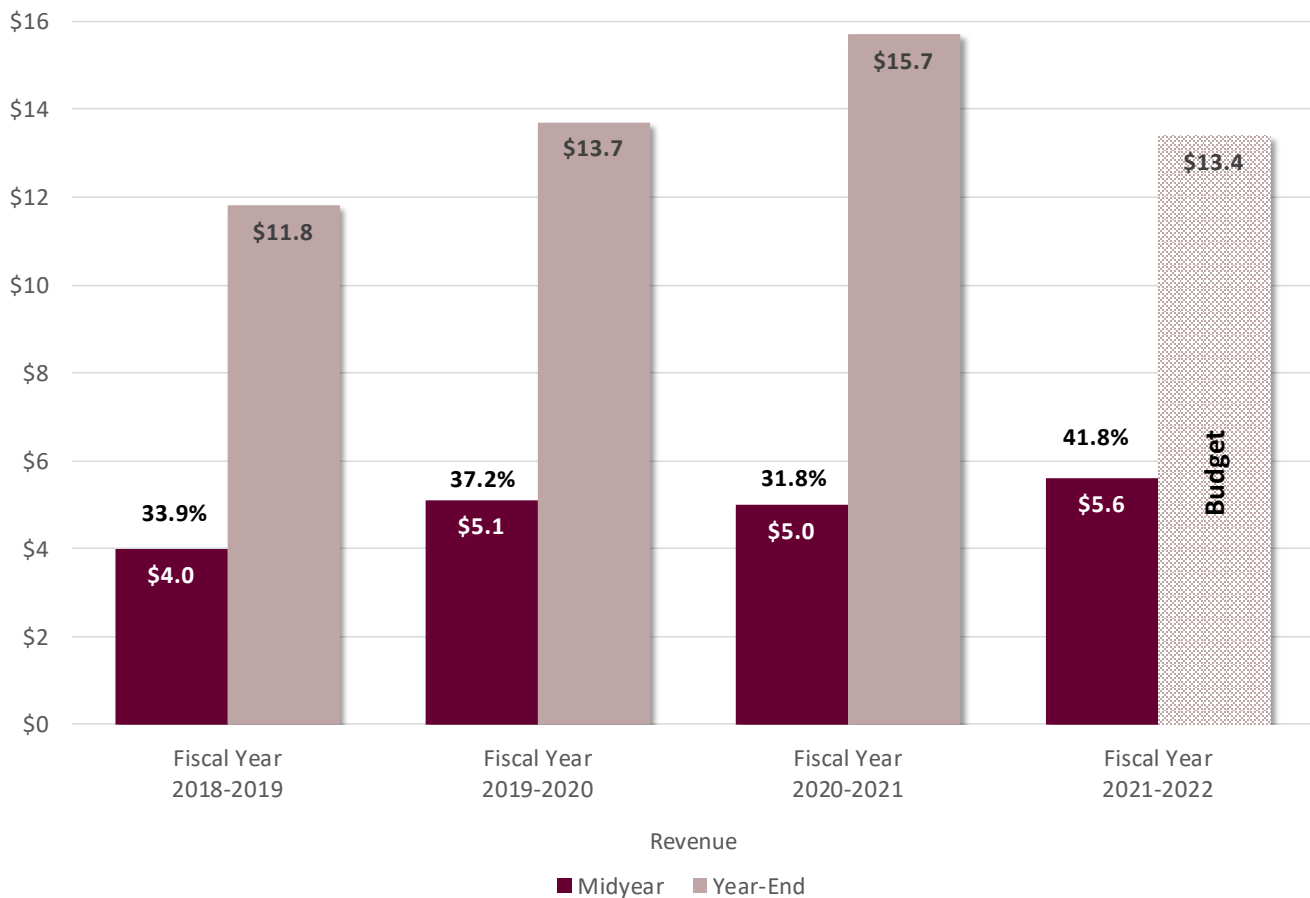
Departmental Revenue

For the department budget that makes up the Board of Supervisors' priority area of *Promoting First-Rate Learning* as of December 31, 2021, actual revenue collected is \$5.6 million, which represents 41.8% of estimated annual revenue. This is above the range when compared to midyear of the prior three years when collections were 31.8% to 37.2% of the final actual revenue. Actual revenue is above the prior three-year range due to higher sales tax revenue

received than previously forecasted in the 2021-2022 Adopted Final Budget. Actual sales tax revenue received at midyear is \$600,000 higher than originally projected due to sales tax trending higher than anticipated. By comparison, the Library budgeted a 15% reduction in estimated sales tax revenue for Fiscal Year 2020-2021 due to the COVID-19 pandemic and early estimates on potential impacts to sales tax revenue.

Promoting First-Rate Learning Four-Year Revenue Comparison

In Millions



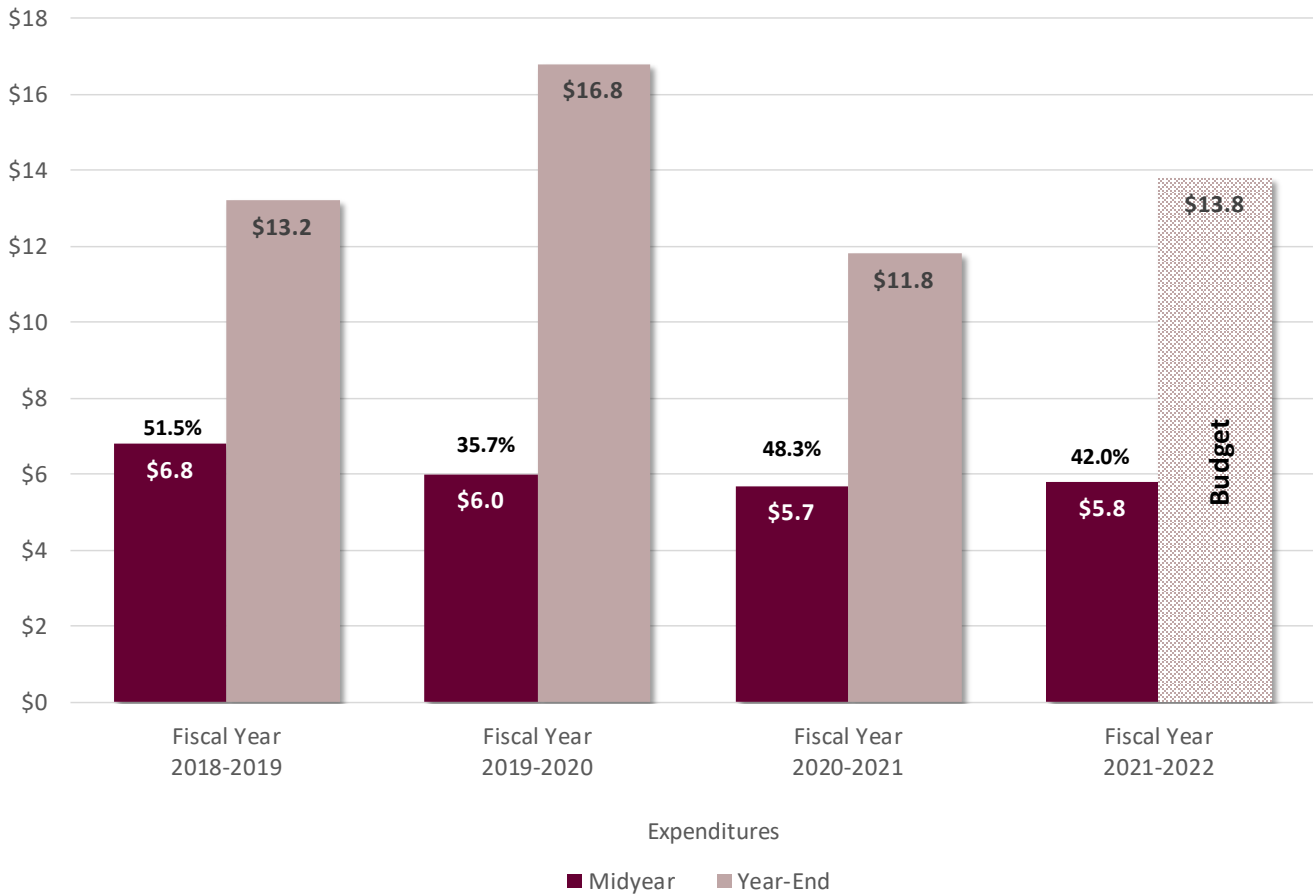
Departmental Expenditures

As of December 31, 2021, expenditures total \$5.8 million, representing 42% of total budgeted appropriations. Expenditures at the midyear point of

the prior three years ranged from 35.7% to 51.5% of the final actual expenditures, placing this year within the historical range.

Promoting First-Rate Learning Four-Year Expenditures Comparison

In Millions



Midyear Issues and Recommendations

The recommendations contained in this report for the priority of *Promoting First-Rate Learning* will increase appropriations by \$712,305, funded by an increase of \$802,305 in estimated revenue, resulting in a decreased use of \$90,000 in department fund balance.

Library

Library extra-help staff continue to support Department Operations Center (DOC) services through ongoing COVID-19 pandemic efforts. An increase of \$144,000 in appropriations is needed for reimbursement of staffing costs, which were funded by CARES Act CRF in the amount of \$93,386 through December 31, 2021, and \$50,614 by Health Service Agency (HSA) for the remainder of the fiscal year.

The Library has successfully secured several grants to provide enhanced programs and services for patrons. An increase of \$58,305 in estimated revenue and appropriations is recommended for the following programs: *Reading Pathways* from Birth to Third Grade toolkits for \$19,305, *Workforce Partnership Initiative* for \$15,000, *Zip Books* provides brand new books through Amazon for \$15,000, and *Open+ Pilot* with access to Ceres Library before and after hours with a special library card for \$9,000.

The Library budgeted \$12 million in estimated sales tax revenue at Final Budget and projects to receive at least \$12.6 million in sales tax revenue through June 30, 2022. The estimated sales tax revenue is trending higher than originally projected by \$600,000. The increase in estimated revenue will fund \$510,000 in appropriations for the replacement of staff computers, upgrade of public computer environment, building maintenance, and equipment repairs, resulting in an overall decreased use of \$90,000 in department fund balance.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Library	\$ 144,000	\$ 144,000	\$ -		Increase revenue and appropriations to provide extra-help costs for continued Department Operations Center services, funded by CARES Act Coronavirus Relief Funds through December 31, 2021 and Health Services Agency for remainder of fiscal year.
Library	\$ 58,305	\$ 58,305			Increase revenue and appropriations for grant funded programs including: Reading Pathways, Workforce Partnership Initiative, Zip Books, and Open+Pilot.
Library	\$ 600,000	\$ 510,000	\$ (90,000)	\$ -	Increase in appropriations for public and staff computers, building maintenance and repairs, funded by an increase in sales tax revenue, resulting in decreased use of department fund balance.
Total	\$802,305	\$712,305	(\$90,000)	\$0	

Recommendation: It is recommended to increase appropriations by \$712,305, funded by \$802,305 in estimated revenue, resulting in the decreased use of \$90,000 in department fund balance.

Delivering Efficient Public Services

Assessor
Auditor-Controller
Board of Supervisors
Chief Executive Office
CEO – Human Relations
Clerk-Recorder
County Counsel
County Operations
General Services Agency
Information Technology Central
Treasurer-Tax Collector





Delivering efficient public services to benefit our residents and businesses

Priority Overview

Efficiency is a critical element in the effective operation of government agencies and allows for the sustained provision of valuable services to the community. County departments provide a multitude of services to a diverse customer base and these customers expect government to be responsive to their needs. County departments must work to understand these needs and determine how best to provide the desired services. Customer feedback is a valuable source of insight in this process and encourages departments to remain focused on continuous improvement.

Departments assigned to the Board of Supervisors' priority area of *Delivering Efficient Public Services* include the Assessor, Auditor-Controller, Chief

Executive Office, Clerk-Recorder/Elections, County Counsel, General Services Agency, Information Technology Central, and Treasurer-Tax Collector. These departments serve members of the community while also providing valuable services to local agencies and other County departments, internal customers with unique needs to ensure efficient delivery of services. The revenue used to pay for most of these services comes from local taxes such as property tax, sales tax, various fees, franchises, charges for services, and a variety of other discretionary funding sources.

Overall, departments within the priority *Delivering Efficient Public Services* are on track to end the year within budget and in a positive fiscal position.

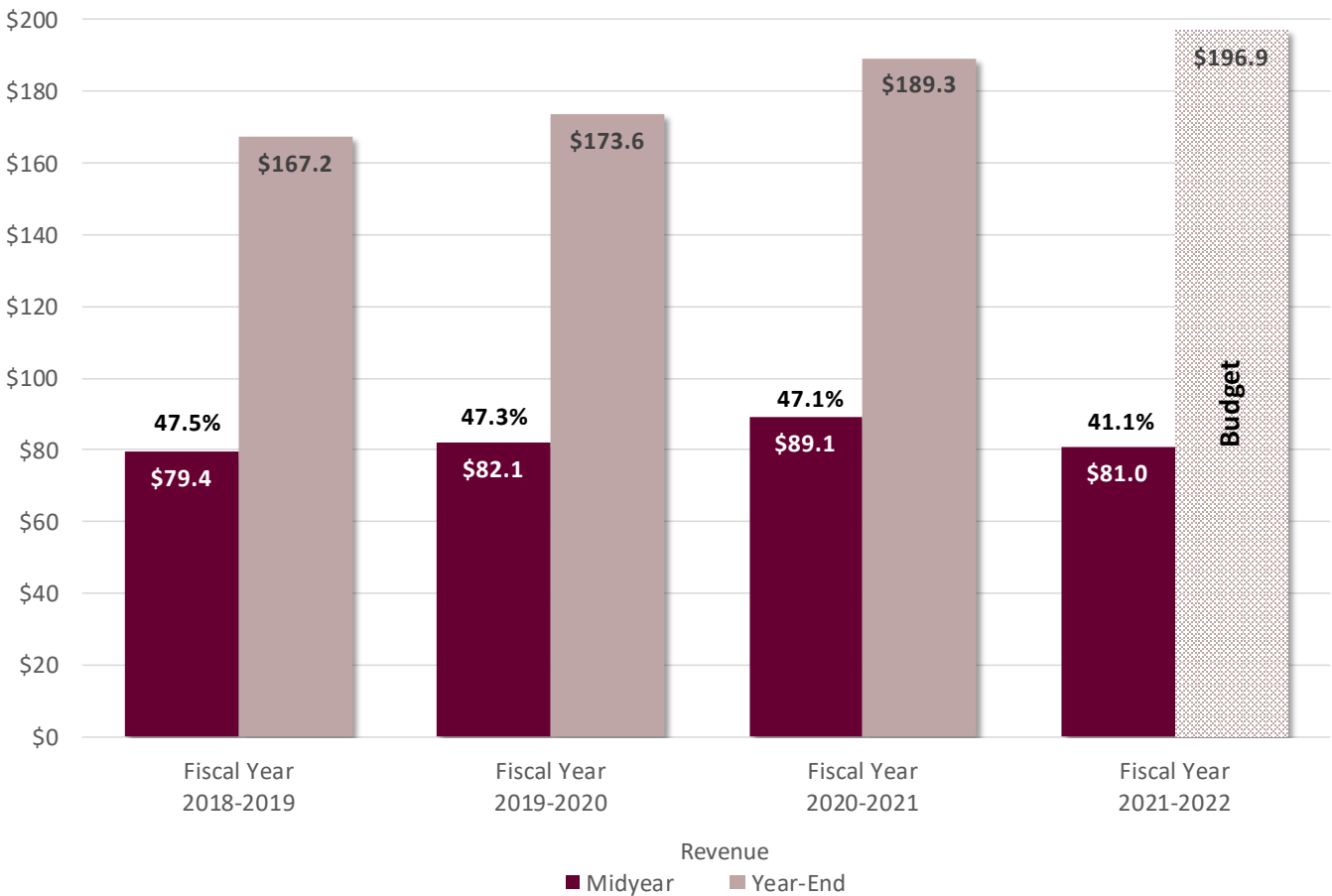
Departmental Revenue

For the departmental budgets *Delivering Efficient Public Services* priority area, the actual revenue collected as of December 31, 2021, totaled \$81 million, which represents 41.1% of the estimated annual revenue. This is below the range of revenue received in the midyear point of the previous three

years when collections ranged from 47.1% to 47.5% of the final actual revenue received through December. The decrease in revenue this year is attributed to decreases in Cannabis Program, Vehicle License Fee, General Services Agency, and Information Technology Central revenues.

Delivering Efficient Public Services Four-Year Revenue Comparison

In Millions



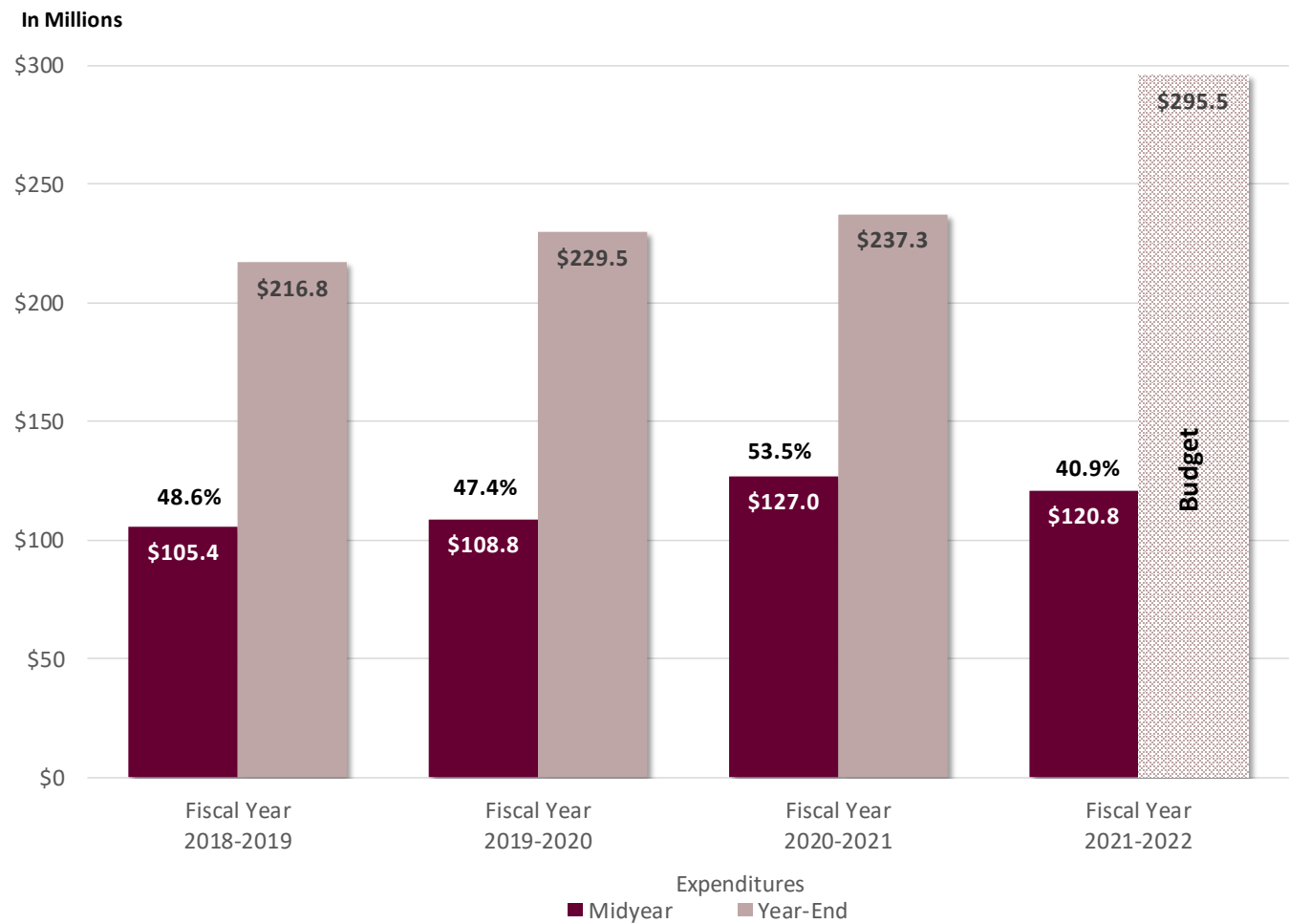
Departmental Expenditures

As of December 31, 2021, expenditures in this Board priority area totaled \$120.8 million, representing 40.9% of the appropriations budgeted for the year. Expenditures at the midyear point of the previous three fiscal years ranged from a low of 47.4% to a high of 53.5% of the final actual expenditures experienced through December, placing this year below the historical range; this is primarily due to two factors.

First, actual expenditures have decreased from the prior year, mainly attributed to decreased costs in

Information Technology Central, Cannabis Program, and General Services Agency, along with delays in project-based activities. The second factor is the increase in budgeted appropriations in this priority; this is typical because it houses the County’s contingency fund, Appropriations for Contingencies. Appropriations for Contingencies are rarely fully utilized by year-end, inflating overall appropriations during the year. Combined, these two factors result in the overall decrease in percent of budget utilization when compared to the previous three years.

Delivering Efficient Public Services Four-Year Expenditures Comparison



Midyear Issues and Recommendations

The recommendations contained in this report for *Delivering Efficient Public Services* include an increase in appropriations of \$3.4 million, an increase in estimated revenue of \$5.1 million, a total increase of \$9.4 million in the use of fund balance and retained earnings, and a \$11.1 million reduction in Net County Cost, including the transfer of \$2.5 million from Appropriations for Contingencies. Revenue includes the increase of \$10 million in Discretionary Revenue.

Assessor

Staffing Recommendation: It is recommended to reclassify one vacant block-budgeted Cadastral Technician I/II position to a block-budgeted Application Specialist I/II to align department needs with current and anticipated job duties of the position, within the appropriate classification.

Board of Supervisors

Support for the Board Supervisors has become increasingly important as constituents seek timely response to their concerns from their governmental representatives. A new Manager I/II/III position is recommended along with additional part-time help to assist this busy office. No budget adjustments are needed at midyear due to sufficient salary savings; however, ongoing annual costs are projected to be \$135,969 for the Manager and \$89,224 for extra-help staff, funded by Net County Cost.

Staffing Recommendation: It is recommended to add one block-budgeted Manager I/II/III position to support the Board of Supervisors and provide increased oversight of Board office operations in response to increased District and constituent needs. It is also recommended to study five block-budgeted Confidential Assistant II-IV positions to determine if current job duties and responsibilities align with current classifications.

Chief Executive Office

The Chief Executive Office is increasing appropriations by \$55,680 for contracted services in support of several economic development initiatives including regional tourism and Stanislaus 2030, resulting in an increase in Net County Cost as detailed in the amended memorandum of understanding approved by the Board of Supervisors (BOS item 2021-0631) on December 14, 2021.

Budget Unit Name	Recommended Budget Adjustment				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	
Chief Executive Office	\$ -	\$ 55,680	\$ -	\$ 55,680	Increase appropriations for Opportunity Stanislaus contract per Board Item No. 2021-0632, funded by Net County Cost.
Total	\$0	\$55,680	\$0	\$55,680	

Recommendation: It is recommended to increase appropriations by \$55,680, funded by Net County Cost.

Staffing Recommendation: It is recommended to add one new classification of Clerk of the Board to more accurately align the job duties, tasks, responsibilities, and assignments associated with this position. The Clerk of the Board classification will be considered unclassified Management for labor relation purposes and the annual salary band for this new classification will be \$94,952.00 to \$142,417.60. It is also recommended to reclassify one Manager IV position to Clerk of the Board.

In addition, it is recommended to reclassify one Manager I position to block-budgeted Manager I/II/III to align department needs with current and anticipated job duties of the position, within the appropriate classification.

Chief Executive Office – Human Relations

Human Relations – It is recommended to add two new Manager I/II/III block-budgeted positions to support the centralized structure created to embed HR Managers in customer departments. These embedded managers will be responsible for providing high-level management support to departments, including the provision of guidance to clerical staff within departments who would remain responsible for their department’s clerical HR functions. By embedding HR Managers from the CEO-HR team within customer departments, HR capital within the organization will increase, departments will generally receive higher quality HR management guidance, and specialized members of the CEO-HR team will have more time to focus on their intended assignments. The annual cost of the positions is \$259,012, three months of which is estimated to cost \$71,353. These positions will be fully funded with 63% CAP revenue and 37% Net County Cost.

Medical Self-Insurance – To align with Board Agenda Item 2021-0493, approved on October 5, 2021, it is recommended to decrease estimated revenue by \$8.8 million to reflect a 10% premium rate reduction in Medical Self-insurance. This decrease will result in the additional use of retained earnings, which had an available balance of \$19.5 million as of July 1, 2021. Actuarial reports have identified that a prudent reserve in retained earnings is \$9.7 million for claims that have been Incurred But Not Reported (IBNR) for payment.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Chief Executive Office - Human Relations	\$ 44,952	\$ 71,353	\$ -	\$ 26,401	Increase appropriations and estimated revenue to cover three months of salary costs for two embedded Manager I/II/III BB positions, to be funded with increased estimated CAP charge revenue and increased Net County Cost.
Chief Executive Office - Medical Self-Insurance	\$ (8,822,970)	\$ -	\$ 8,822,970	\$ -	Technical adjustment to decrease revenue to reflect a 10% premium rate reduction.
Total	\$ (8,778,018)	\$ 71,353	\$ 8,822,970	\$ 26,401	

Recommendation: It is recommended to decrease estimated revenue by \$8.8 million, increase appropriations by \$71,353, increase use of fund balance by \$8.8 million, and increase Net County Cost by \$26,401.

Staffing Recommendation: It is recommended to add two new block-budgeted Manager I/II/III positions to the Human Relations Division to act as embedded Human Relations Managers within the Department Support Unit.

In addition, it is recommended to reclassify two block-budgeted Manager I/II positions to block-budgeted Manager I/II/III to provide the agency with more flexibility to recruit and fill the positions from entry level and provide succession planning and advancement opportunities as they become available.

It is further recommended to study six Confidential Assistant III positions and three Confidential Assistant IV positions to determine if current job duties and responsibilities align with current classifications as duties, responsibilities, and scope of work have changed over time.

Clerk-Recorder

Elections Division – Recent changes in election law have led to ongoing cost increases to accommodate increased mailings, printing, and staffing at multiple locations for an extended time frame during elections. Staff have been evaluating how legislative changes have impacted recent elections to project costs for the upcoming State Gubernatorial Primary Election in June 2022. Based on this analysis, the

Department requires an additional \$398,890, funded by Net County Cost, to effectively conduct the election. To further help mitigate elections costs, the Department will transfer \$201,110 in unspent Fixed Assets to Services and Supplies. Additionally, cost allocation charges (CAP) are coming in higher than budgeted and are anticipated to exceed appropriations, requiring an increase in appropriations of \$50,000, funded by Net County Cost.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Clerk-Recorder - Elections Division		\$ 398,890		\$ 398,890	Increase appropriations to conduct the June 2022 Gubernatorial Election, funded by Net County Cost.
Clerk-Recorder - Elections Division		\$ 50,000		\$ 50,000	Increase appropriations to cover increased CAP charges, funded by Net County Cost.
Clerk-Recorder - Elections Division		\$ (201,110)		\$ (201,110)	Transfer appropriations from Fixed Assets to Services and Supplies to conduct the June 2022 Gubernatorial Election.
Clerk-Recorder - Elections Division		\$ 201,110		\$ 201,110	Transfer appropriations to Services and Supplies from Fixed Assets to conduct the June 2022 Gubernatorial Election.
Total	\$0	\$448,890	\$0	\$448,890	

Recommendation: It is recommended to increase appropriations by \$448,890, funded by Net County Cost.

Staffing Recommendation: It is recommended to add two block-budgeted Legal Clerk I/II/III positions to the Election Division to support the voter registration unit and the unprecedented increase in voter registration status due to AB 1407, also known as the Motor Voter Law. The positions will allow the Department to meet the increased number of applications timely.

It is also recommended to study one Confidential Assistant II position and one block-budgeted Manager I/II position in the Recorder Division, as well as one Staff Services Technician position in the Elections Division to determine if current job duties and responsibilities align with current classifications.

County Counsel

An overall increase in appropriations of \$35,663, funded by a \$12,250 increase in estimated revenue and \$23,413 increase in Net County Cost is recommended. The increase will support the cost of one Paralegal position to assist with the increased volume and complexity of public records act requests and general paralegal duties.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
County Counsel	\$ 12,250	\$ 35,663	\$ -	\$ 23,413	Increase appropriations and estimated revenue to support one new Paralegal position to assist with the increased volume of public records act requests.
Total	\$12,250	\$35,663	\$0	\$23,413	

Recommendation: It is recommended to increase appropriations by \$35,663 and estimated revenue by \$12,250, funded by an increase of \$23,413 in Net County Cost.

Staffing Recommendation: It is recommended to add three new classifications, Confidential Paralegal I, Confidential Paralegal II, and Confidential Paralegal III. These classifications will be considered unclassified for labor relation purposes and the annual salary band will be \$49,462.40 - \$60,132.80 for the Confidential Paralegal I, \$53,081.60 - \$64,542.40 for the Confidential Paralegal II, and \$57,137.60 - \$69,430.40 for the Confidential Paralegal III. It is also recommended to add one new block-budgeted Confidential Paralegal I/II/III position to assist with the increased workload of Public Records Act requests and provide additional support to the Department.

In addition, it is recommended to study one block-budgeted Deputy County Counsel I-V position and one Confidential Assistant III position to determine if current job duties and responsibilities align with current classifications.

County Operations

A net increase of \$1.4 million in appropriations funded by an increase of \$3 million in estimated revenue, an increase of \$229,795 in use of Retained Earnings and a decrease of \$1.8 million in the reliance on Net County Cost is recommended for County Operations.

Appropriations for Contingencies – This budget serves as the contingency fund for the County and provides funds to meet unexpected and emergency financial exposures which may arise during the fiscal year. The transfer of funds from Appropriations for Contingencies to departmental operating budgets requires a four-fifths vote by the Board of Supervisors. The 2021-2022 Adopted Final Budget included a total of \$12,008,510 in appropriations for use during the fiscal year for General Fund cash outs, health insurance increases, Cost Allocation Plan (CAP) charges, and other miscellaneous unforeseen program or community needs. At First Quarter, a transfer of \$1.3 million was recommended in multiple departments, leaving a remaining balance of \$10,739,087.

It is recommended that Appropriations for Contingencies be decreased by a total of \$3.7 million to meet department Net County Cost needs recommended at Midyear, transferring funds as follows:

- Transfer \$1,434,754 to County Operations - General Fund Contribution to Other Programs to support the North McHenry sales tax agreement.
- Transfer \$958,367 to the Sheriffs Office for cash outs, restructure, and Salida outstation.
- Transfer \$448,890 to Clerk-Recorder – Elections for CAP costs and the Gubernatorial Primary election.
- Transfer \$214,915 to County Operations – General Fund Contribution to Other Programs to support District Attorney and Environmental Resources departments.
- Transfer \$195,000 to GSA – County Facilities for repairs.
- Transfer of \$119,850 to County Operations – Mandated County Match to support Aging and Veterans Services and the Health Services Agency.
- Transfer \$147,605 to DA-Criminal Division for cash outs and staffing.
- Transfer \$55,680 to CEO – Operations and Services for contract increases.
- Transfer \$26,401 to CEO – Human Resource to support new positions.
- Transfer \$23,413 to County Counsel for new position.
- Transfer of \$13,000 to Grand Jury for replacement chairs.

After Midyear adjustments, a total of \$7,101,212 will remain in Appropriations for Contingencies for use throughout the balance of Fiscal Year 2021-2022.

General Fund Contribution to Other Programs – A net increase in appropriations of \$1.7 million is recommended as follows, funded by Net County Cost:

- Decrease appropriations by \$15,633 due to the District Attorney transfer of COVID one-time payments between non-General Fund legal budget units to a General Fund budget unit.

-
- Increase appropriations by \$1,434,754 to cover Fiscal Year 2021-2022 payments to the City of Modesto due to increased sales tax revenue, primarily due to auto dealer sales, collected under the North McHenry Sales Tax Sharing agreement.
 - Increase appropriations by \$100,000 to support the groundwater sustainability plan development for the Environmental Services Groundwater Program.
 - Increase appropriations by \$64,915 to support the District Attorney Real Estate Fraud Prosecution projected salary and benefits costs.
 - Increase appropriations by \$50,000 to support Environmental Resources – Code Enforcement Abatement clean-up and security of blighted properties.
 - Increase appropriations by \$29,670 to fund the Stanislaus Veterans Center Mental Health Clinician contract services funded by General Fund CRF Presumptive Eligible funding.
 - Increase appropriations by \$58,708 to support COVID one-time payments for Special Revenue and Enterprise Fund Departments including Behavioral Health and Recovery Services, Child Support Services, Health Services Agency, Public Works, Sheriff, and Workforce Development, funded by the General Fund CRF Presumptive Eligible Assignment.

General Fund Match Vehicle License Fees – Increase appropriations and estimated revenue by \$3 million to align Vehicle License Fee funding with the Governor’s State Budget for Fiscal Year 2021-2022. These funds are transferred to the Community Services Agency and Behavioral Health and Recovery Services departments to meet their minimum mandates for local share or match.

General Liability Self-Insurance Program – An increase in appropriations of \$229,795 is recommended to reflect increased CAP charges and a transfer out, resulting in the use of retained earnings. As of July 1, 2021, the retained earnings balance in this fund was a negative \$3.5 million and the 2021-2022 Adopted Final Budget included the contribution to fund balance of \$588,600. The use of \$229,795 will result in a retained earnings deficit of approximately \$3.2 million at fiscal year-end. This budget unit has been challenged in recent years due to cost increases in insurance premiums; these costs are passed on to customer departments and rate increases will continue to be needed to restore retained earnings in this fund to a positive position in future fiscal years.

Mandated County Match – A net increase in appropriations of \$119,850 is recommended as follows:

- Increase appropriations by \$98,850 to cover the Mandated County Match required by increased grant funding from the California Department of Aging for the Area Agency on Aging.
- Increase appropriations by \$21,000 to cover lower than anticipated court fines and fees revenue in the Health Services Agency - Emergency Medical Services Discretionary Fund.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/Retained	Net County Cost/General Fund Contribution	Description
County Operations - Appropriations for Contingencies	\$ -	\$ (26,401)	\$ -	\$ (26,401)	Transfer to Chief Executive Office - Human Relations for new positions.
County Operations - Appropriations for Contingencies	\$ -	\$ (55,680)	\$ -	\$ (55,680)	Transfer to Chief Executive Office - Operations and Services for contract increase.
County Operations - Appropriations for Contingencies	\$ -	\$ (448,890)	\$ -	\$ (448,890)	Transfer to Clerk-Recorder - Elections for CAP costs and Gubernatorial Primary election.
County Operations - Appropriations for Contingencies	\$ -	\$ (23,413)	\$ -	\$ (23,413)	Transfer to County Counsel-County Counsel for new position.
County Operations - Appropriations for Contingencies	\$ -	\$ (64,915)	\$ -	\$ (64,915)	Transfer to County Operations - General Fund Contribution to Other Programs for District Attorney-Real Estate Fraud Prosecution.
County Operations - Appropriations for Contingencies	\$ -	\$ (100,000)	\$ -	\$ (100,000)	Transfer to County Operations - General Fund Contribution to Other Programs for Environmental Resources Groundwater.
County Operations - Appropriations for Contingencies	\$ -	\$ (50,000)	\$ -	\$ (50,000)	Transfer to County Operations - General Fund Contribution to Other Programs for Environmental Resources Code Enforcement.
County Operations - Appropriations for Contingencies	\$ -	\$ (1,434,754)	\$ -	\$ (1,434,754)	Transfer to County Operations - General Fund Contribution to Other Programs for North McHenry Sales Tax Agreement.
County Operations - Appropriations for Contingencies	\$ -	\$ (98,850)	\$ -	\$ (98,850)	Transfer to County Operations - Mandated County Match for Aging and Veterans Services.
County Operations - Appropriations for Contingencies	\$ -	\$ (21,000)	\$ -	\$ (21,000)	Transfer to County Operations - Mandated County Match for Health Services Agency - Emergency Medical Discretionary Fund.
County Operations - Appropriations for Contingencies	\$ -	\$ (147,605)	\$ -	\$ (147,605)	Transfer to District Attorney-Criminal Division for cash outs and staffing request.
County Operations - Appropriations for Contingencies	\$ -	\$ (13,000)	\$ -	\$ (13,000)	Transfer to Grand Jury for replacement chairs.
County Operations - Appropriations for Contingencies	\$ -	\$ (195,000)	\$ -	\$ (195,000)	Transfer to General Services Agency-County Facilities for repairs.
County Operations - Appropriations for Contingencies	\$ -	\$ (8,997)	\$ -	\$ (8,997)	Transfer to Sheriff Office of Emergency Services/Fire Warden for cash outs.
County Operations - Appropriations for Contingencies	\$ -	\$ (57,994)	\$ -	\$ (57,994)	Transfer to Sheriff-Administration for cash outs.
County Operations - Appropriations for Contingencies	\$ -	\$ (44,043)	\$ -	\$ (44,043)	Transfer to Sheriff-Adult Detention Expansion for cash outs.
County Operations - Appropriations for Contingencies	\$ -	\$ (155,043)	\$ -	\$ (155,043)	Transfer to Sheriff-Detention for cash outs.

Budget Unit Name	Recommended Budget Adjustment				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	
County Operations - Appropriations for Contingencies	\$ -	\$ (692,290)	\$ -	\$ (692,290)	Transfer to Sheriff-Operations for cash outs, Restructure, and Salida outstation.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ (15,633)	\$ -	\$ (15,633)	Decrease General Fund Contribution for District Attorney transfer of COVID one-time payments from non-general fund and general fund budgets.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ 1,434,754	\$ -	\$ 1,434,754	Increase appropriations for payments to the City of Modesto under the North McHenry Sales Tax Share agreement.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ 100,000	\$ -	\$ 100,000	Increase General Fund Contribution for Environmental Services Groundwater Program to support groundwater sustainability plans.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ 64,915	\$ -	\$ 64,915	Increase General Fund Contribution to cover District Attorney Real Estate Fraud Prosecution to support projected salary and benefit costs.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ 50,000	\$ -	\$ 50,000	Increase General Fund Contribution for Environmental Resources - Code Enforcement Abatement clean-up/security of blight.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ 29,670	\$ -	\$ 29,670	Increase General Fund Contribution to cover Stanislaus Veterans Center Mental Health Clinician contract services funded by General Fund CRF PE.
County Operations - General Fund Contribution to Other Programs	\$ -	\$ 58,708	\$ -	\$ 58,708	Increase General Fund Contribution to support COVID one-time payments for Special Revenue and Enterprise Fund departments.
County Operations - General Fund Match Vehicle License Fees	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	Increase appropriations and estimated revenue to align with Vehicle License Fees funding in the Governors state Budget for Fiscal Year 2021-2022.
County Operations - General Liability	\$ -	\$ 229,795	\$ 229,795	\$ -	Increase appropriations for CAP charges and a transfer out, funded using retained earnings.
County Operations - Mandated County Match	\$ -	\$ 98,850	\$ -	\$ 98,850	Increase General Fund County Match to cover Area Agency on Aging.
County Operations - Mandated County Match	\$ -	\$ 21,000	\$ -	\$ 21,000	Increase Mandated Match to cover HSA - Emergency Medical Services Discretionary Fund.
Total	\$ 3,000,000	\$ 1,434,184	\$ 229,795	\$ (1,795,611)	

Recommendation: It is recommended to increase appropriations by \$1.4 million, funded by an increase of \$3 million in estimated revenue, resulting in an increase of \$229,795 in use of Retained Earnings and a decrease of \$1.8 million in Net County Costs.

General Services Agency

County Facilities – An increase in appropriations by \$195,000 is recommended for unanticipated facility repairs and improvements to include 12th Street garage lighting and elevator repairs, and security enhancements at 625 I Street, funded by Net County Cost.

Fleet Services Division – The cost of materials, sublet services, and fuel charges have increased significantly. It is recommended to increase estimated revenue and appropriations by \$450,000 for increased costs, funded by charges for services. Additionally, security enhancements have been identified to ensure the safety and security of County staff and assets. Enhancements include card reader access for doors and entrance/exit gates and upgrading security camera and alarm systems. An increase in appropriations by \$300,000 for security improvements for the Fleet Services facility is funded by retained earnings.

Utilities – An increase in estimated revenue and appropriations by \$250,000 is recommended for increased utility costs for various County facilities, funded by charges for services revenue.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
General Services Agency - County Facilities	\$ -	\$ 195,000	\$ -	\$ 195,000	Increase appropriations for unanticipated facility costs, funded by an increase in NCC.
General Services Agency - Fleet Services Division	\$ -	\$ 300,000	\$ 300,000	\$ -	Increase appropriations for Fleet Services facility security improvements, funded by retained earnings.
General Services Agency - Fleet Services Division	\$ 450,000	\$ 450,000	\$ -	\$ -	Increase estimated revenue and appropriations due to increased cost of vehicle parts, sublet services, and fuel, funded by charges for services.
General Services Agency - Utilities	\$ 250,000	\$ 250,000	\$ -	\$ -	Increase estimated revenue and appropriations due to increased utility costs for various County facilities, funded by charges for services.
Total	\$700,000	\$1,195,000	\$300,000	\$195,000	

Recommendation: It is recommended to increase appropriations by \$1,195,000, funded by an increase in estimated revenue of \$700,000, \$195,000 in net county cost, and use of \$300,000 in department fund balance.

Staffing Recommendation: It is recommended to transfer two block-budgeted Maintenance Engineer I/II positions from Administration to Facilities Maintenance where Maintenance Engineer positions reside. It is also recommended to block-budget the following nine positions:

- Four Manager III positions to Manager I/II/III to provide the Department with more flexibility to recruit and fill these positions, provide succession planning, and advancement opportunities.
- Three Sr. Buyer positions to Buyer/Sr. Buyer, one Storekeeper II position to Storekeeper I/II, and one Maintenance Engineer II to Maintenance Engineer I/II to provide more flexibility to recruit and fill these positions.

Information Technology Center (ITC)

Telecommunications – An increase in appropriations by \$60,000 is recommended to capture costs of a shared supervisor position between ITC and ITC – Telecommunications, funded by retained earnings. Additionally, there has been a significant increase in telecommunication costs, primarily due to over-the-phone translation services during the pandemic that requires an increase in estimated revenue and appropriations by \$150,000, which will be funded by charges for services.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
ITC-Telecommunications	\$ 150,000	\$ 150,000	\$ -	\$ -	Increased over-the-phone translation services, funded by charges for services.
ITC-Telecommunications	\$ -	\$ 60,000	\$ 60,000	\$ -	Increase appropriations for shared position costs between ITC and Telecom, funded by retained earnings.
Total	\$150,000	\$210,000	\$60,000	\$0	

Recommendation: It is recommended to increase appropriations by \$210,000, funded by \$150,000 in estimated revenue and \$60,000 in department fund balance.

Treasurer-Tax Collector

Revenue Recovery – Standard practice for positions that are tied to specific funding and associated functions is that when such funding disappears, the associated position is deleted. In 2005, an Accounting Technician was added to the division to determine Public Defender assessment fees for indigents by way of financial disclosure. Recent legislation ended assessment of these fees with the passage of Assembly Bill (AB) 1869 and all associated positions were evaluated for deletion. The Department has identified that the position has come to rely on this revenue for only 50% of the position’s work and has been able to demonstrate sufficient work and funding to maintain the other 50%, supporting the need to retain this position moving forward. The determination has been made that no adjustment is needed at this time.

Staffing Recommendation: A request for classification studies was submitted in the 2021-2022 First Quarter Financial Report. The studies have been completed and it is recommended to add a new classification of Assistant Treasurer-Tax Collector to provide oversight of the Department operations. The Assistant Treasurer-Tax Collector classification will be established with a salary range of \$94,952.00 - \$142,417.60, in the Management bargaining unit. It is recommended to reclassify one Manager IV position to Assistant Treasurer-Tax Collector. It is also recommended to reclassify one block-budgeted Manager II/III to Manager IV based on the complexity of the position.

Delivering Community Infrastructure

Environmental Resources
Parks and Recreation
Planning and Community Development
Public Works





Delivering community infrastructure to benefit our residents and businesses

Priority Overview

The Board of Supervisors' priority area of *Delivering Community Infrastructure* is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal, recreational opportunities, and regional approaches to transportation circulation are critical to community infrastructure. Departments assigned to this priority area include Environmental Resources, Parks and Recreation, Planning and

Community Development, and Public Works. The major funding sources for these departments include State and Federal funding, fees and charges for services, the General Fund, special revenue grants and 1/2-cent sales tax commonly referred to as Measure L.

The departments within *Delivering Community Infrastructure* are on track to end the year within budget and in a positive fiscal position.

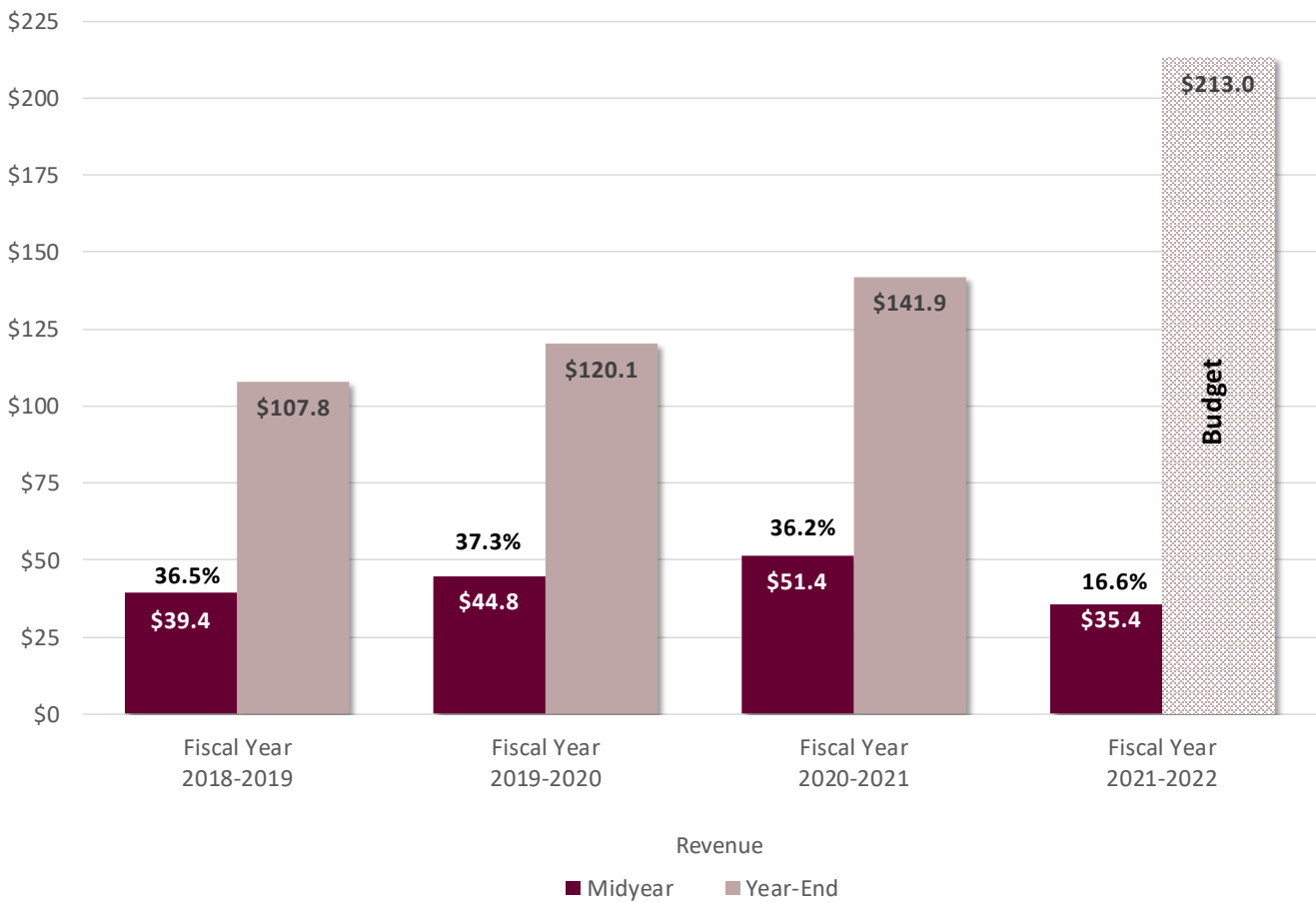
Departmental Revenue

For the department budgets that are part of the Board priority *Delivering Community Infrastructure* as of December 31, 2021, actual revenue collected totals \$35.4 million, which represents 16.6% of the estimated annual revenue. This is below the historical range when compared to the midyear point of the prior three years when collections ranged from 36.2% to 37.3% of the final actual

revenue. This priority typically experiences fluctuations from year-to-year due to various projects and the lower percentage at midyear compared to the same time last year is primarily due to the timing of road projects in Public Works. Additionally, Planning and Community Development has budgeted significant grant funding in the current year that has not yet been received.

Delivering Community Infrastructure Four-Year Revenue Comparison

In Millions



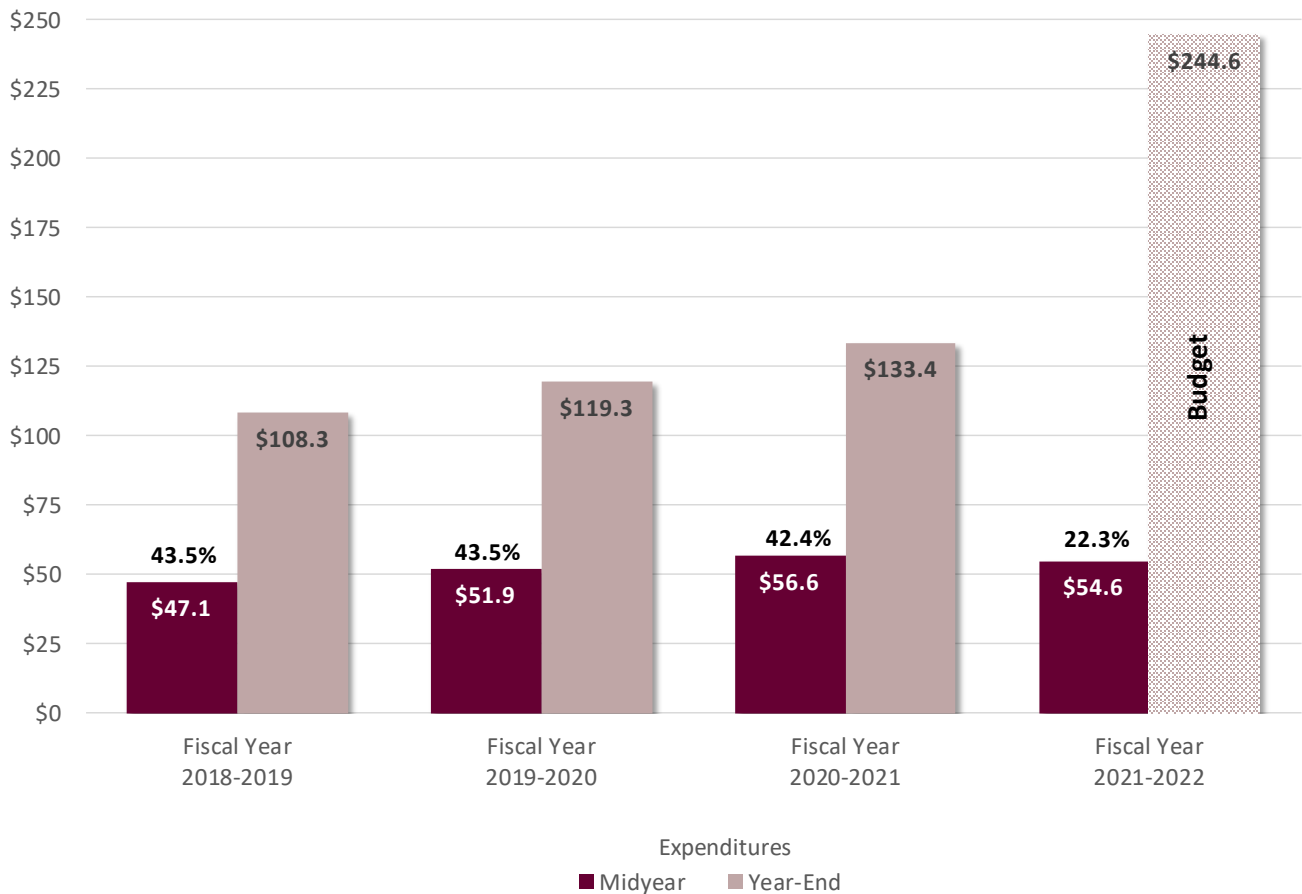
Departmental Expenditures

As of December 31, 2021, expenditures total \$54.6 million, representing 22.3% of the budgeted appropriations. Expenditures at the midyear point of the prior three years ranged from 42.4% to 43.5% of the final actual expenditures, placing this year's expenditures below the normal range. The lower percentage at midyear compared to the same time

last year is primarily due to the timing of road projects, the timing of park improvement projects, and the result of a number of large expenses in the Fink Road Landfill that do not occur until the end of the fiscal year. Like the impact to revenue, grant-funded activities in Planning and Community Development have not yet occurred.

Delivering Community Infrastructure Four-Year Expenditures Comparison

In Millions



Midyear Issues and Recommendations

The recommendations contained in this report for the priority of *Delivering Community Infrastructure* will increase appropriations by \$314,677, which includes a technical adjustment to reimburse departments for COVID recovery one-time payment costs of \$3,750. The budget adjustments are funded by \$28,919 million in department revenue, \$132,008 in the use of department fund balance, and \$153,750 in Net County Cost.

Environmental Resources

Environmental Resources – An increase in appropriations of \$50,000 is recommended to fund contracted labor, equipment, and related costs to expand forced clean up and secure blighted properties, funded by Net County Cost. It is further recommended that an ongoing General Fund contribution of \$200,000 annually be included in the 2022-2023 Proposed Budget and 2023-2024 Spending Plan for this purpose.

AB 939 – Source Reduction and Recycle – An increase in appropriations of \$72,008 is recommended and will cover staff costs associated with program administration that includes education and outreach to the public promoting source reduction, reuse, and recycling, funded by department fund balance.

Groundwater Program – An increase in appropriations of \$100,000 is recommended for consultant costs associated with data collection and reporting for Annual Reports for the Modesto and Turlock sub-basin groundwater sustainability plans, funded by Net County Cost.

Waste Tire Enforcement Grant – An increase in estimated revenue and appropriations of \$28,919 is recommended to fund program associated costs, funded by an increase in grant award.

Budget Unit Name	Recommended Budget Adjustment				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	
Environmental Resources		\$ 50,000		\$ 50,000	Increase appropriations to fund expanded forced clean up and security of blighted properties, funded by an increased NCC.
Environmental Resources - AB 939 - Source Reduction and Recycle	\$ -	\$ 72,008	\$ 72,008	\$ -	Increase appropriations for staff costs associated with program administration, funded by fund balance.
Environmental Resources - Groundwater Program	\$ -	\$ 100,000	\$ -	\$ 100,000	Increase appropriations for annual reporting costs for the Modesto and Turlock subbasin Groundwater Sustainability Plans, funded by increased NCC.
Environmental Resources - Waste Tire Enforcement Grant	\$ 28,919	\$ 28,919		\$ -	Increase estimated revenue and appropriations to fund program associated costs, funded by an increase in grant award.
Total	\$28,919	\$250,927	\$72,008	\$150,000	

Recommendation: It is recommended to increase appropriations by \$250,927 funded by \$28,919 in estimated revenue, \$72,008 in department fund balance, and \$150,000 Net County Cost.

Parks and Recreation

Staffing Recommendation: It is recommended to study one Staff Services Coordinator position to determine if current job duties and responsibilities align with current classifications as well as the request to add a new Staff Services Technician position.

Planning and Community Development

Building Permits – In order to provide building permit services to the public, outside inspection services are needed due to staffing shortages. It is recommended to increase appropriations by \$60,000 to fund outside contract inspection services. Building permit revenue is tracking below budget due to lower permit valuation. As a result, the contract inspection services would be funded by an increase in the use of department fund balance.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/General Fund Contribution	Description
Planning - Building Permits	\$ -	\$ 60,000	\$ 60,000		Outside contracted inspection services funded by department fund balance.
Total	\$0	\$60,000	\$60,000	\$0	

Recommendation: It is recommended to increase appropriations by \$60,000, funded by department fund balance.

Staffing Recommendation: It is recommended to study the request to add one Manager IV position.

Public Works

Staffing Recommendation: It is recommended to add one new block-budgeted Accountant I/II position to support the Engineering Development Services and Finance Divisions with the addition of new Federal Infrastructure funds, American Rescue Plan Act Funds and State Water Board funds for Community Development Block Grant projects. This position would allow for a more manageable workload and allow staff to seek reimbursement for the Department’s Federal and State projects in a timely manner.

Special Districts

Special Districts receive revenue from property taxes and/or special assessments. The funds can only be used for the purpose for which they were collected and only those residents who benefit from services provided by the special district pay for them. The changes requested bring the previously approved engineers reports, budget schedule and the projects’ development and maintenance plans in line with the County Service Area’s budgets.

County Service Areas

It is recommended to increase appropriations by \$16,000 for County Service Area (CSA) 4 – Salida Storm Drain for costs associated with repairs to pumps, sidewalk, and fence, funded by district fund balance.

Fund	County Service Area	Estimated Revenue			Appropriations/Expenditures		
		FY 2021-2022 Adopted Final Budget	Recommended Mid-Year Budget Adjustment	Recommended Mid-Year Budget	FY 2021-2022 Adopted Final Budget	Recommended Mid-Year Budget Adjustment	Recommended Mid-Year Budget
1807	County Service Area No. 4 - Salida Storm Drain	\$168,327	\$0	\$168,327	\$247,940	\$16,000	\$263,940
Total			\$0			\$16,000	

The total budgeted amount for all the CSAs in 2021-2022 Midyear Budget is \$1,263,721. The Midyear Budget is funded by \$921,433 in revenue and \$342,288 in fund balance.

Community Partnerships

Stanislaus County has several partners closely tied to the organization for which the County is the employer of record. These partners operate under their own respective governing boards or commissions, which approve their annual budgets. However, their staff are County employees and any adjustment to these partner agencies' staffing allocations requires County Board of Supervisors' approval.

StanCERA

Staffing Recommendation: A request for a classification study was submitted off-cycle in 2021. The study has been completed and it is recommended to reclassify one Manager III position to Manager IV to provide oversight of StanCERA's major program responsible for delivering a defined benefit retirement plan for local jurisdictions, supporting the jurisdictions, supporting active, deferred, and retired members, and calculating and ensuring payment of benefits. On February 22, 2022, the Retirement Board approved to move forward with this recommendation.

Technical Adjustments

Subsequent to adoption of the Final Budget, labor agreements with most labor groups were approved by the Board of Supervisors. These agreements included COVID Recovery one-time payments for essential workers, full-time County employees required to report to work between April 2020 and June 2021. At First Quarter, a technical adjustment was completed to increase appropriations by \$3.5 million for payments issued on October 6, 2021.

On October 26, 2021, the Board approved the labor agreement with the Deputy Sheriff's Association which included COVID Recovery one-time payments for essential workers. This agreement, in combination with some belated payments to workers in other labor groups, resulted in the issuance of additional payments totaling \$367,735 between October 7, 2021 and January 1, 2022.

An increase of \$367,735 in appropriations is recommended to reimburse the costs identified in the table at right, to be funded by General Fund savings accrued through the presumptive eligible claiming process for CARES Coronavirus Relief Funds (CRF) in the prior year.

Technical Adjustment for COVID Recovery One-Time Payments	
Behavioral Health and Recovery Services (BHRS)	\$ 2,235
Child Support Services	15,650
Health Services Agency - Administration	8,075
Probation - Administration	1,750
Public Works - Road and Bridge	3,750
Sheriff - Administration	39,265
Sheriff - Adult Detention Expansion	22,877
Sheriff - Cal ID Program	28
Sheriff - CAL-MMET	(569)
Sheriff - Contract Cities	28,631
Sheriff - County Fire Service Fund	2,190
Sheriff - Court Security	26,975
Sheriff - Detention	135,473
Sheriff - Jail Commissary/Inmate Welfare	(1,040)
Sheriff - Office of Emergency Serv/Fire Warden	3,628
Sheriff - Operations	76,278
Sheriff - Vehicle Theft Unit	514
Treasurer - Admin/Taxes	1,125
Workforce Development	(18,243)
Workforce Development - StanWORKs	19,143
Grand Total	\$ 367,735

Recommendation: It is recommended to increase appropriations and Net County Cost by \$367,735, distributed according to the table above.

Midyear Financial Report Conclusion

The Midyear Financial Report shows the County budget is balanced inclusive of updated information, and actual performance is tracking well within the 2021-2022 Operating Budget and year-end projections. County staff will continue to monitor Fiscal Year 2021-2022 budget operations and be prepared to recommend any necessary and appropriate adjustments prior to year-end, informed

by continuous analysis of realized revenue and expenditures. Staff will also closely watch the monthly cash report issued by the California State Controller to monitor State inflows of revenue to ensure funding streams materialize as anticipated. Staff will return to the Board of Supervisors on May 24, 2022, to present the 2021-2022 Third Quarter Financial Report for consideration.

Budget Schedule

The following schedule for upcoming reports to the Board of Supervisors is recommended:

	2021-2022 Third Quarter Financial Report	2022-2023/2023-2024 Year One Proposed Budget	2022-2023/2023-2024 Year One Final Budget
Instructions Issued	March 7, 2022	February 28, 2022	June 13, 2022
Department Submissions Due	March 28, 2022	April 4, 2022	July 11, 2022
Board of Supervisors Hearing	May 24, 2022	June 14, 2022	September 20, 2022