

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY**

DEPT: CHIEF EXECUTIVE OFFICE

BOARD AGENDA # B-16

Urgent _____ Routine X

AGENDA DATE March 13, 2001

CEO Concurs with Recommendation YES phd NO _____
(Information Attached)

4/5 Vote Required YES _____ NO X

SUBJECT:

CONSIDERATION AND APPROVAL OF MID-YEAR FISCAL REPORT FOR 2000-2001

STAFF
RECOMMEN-
DATIONS:

1. ACCEPT THE CHIEF EXECUTIVE OFFICER'S MID-YEAR REPORT FOR FISCAL YEAR 2000-2001.
2. AUTHORIZE THE CHIEF EXECUTIVE OFFICER AND THE AUDITOR-CONTROLLER TO MAKE THE NECESSARY BUDGET ADJUSTMENTS AND TRANSFERS AS RECOMMENDED IN THE REPORT AND ATTACHEMENTS.
3. DIRECT THE CHIEF EXECUTIVE OFFICER, IN COLLABORATION WITH COUNTY DEPARTMENTS, TO ENSURE THAT OPERATIONS REMAIN WITHIN BUDGET POLICIES AND BUDGETED APPROPRIATIONS.

(Continued on Page 2)

FISCAL
IMPACT:

As a result of analysis by the Chief Executive Office it is projected that the majority of all funds adopted, as part of the Final Budget for 2000-2001 will end the year in a positive position. Discretionary revenue is projected in total to meet its budgeted target with a slight reduction in property taxes and increases in Proposition 172 sales tax and vehicle license fee revenue.

(Continued on Page 2)

BOARD ACTION

No. 2001-189

On motion of Supervisor Blom, **Seconded by Supervisor** Caruso,
and approved by the following vote,

Ayes: Supervisors: Mayfield, Blom, Caruso, and Chair Paul

Noes: Supervisors: None

Excused or Absent: Supervisors: Simon

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

Motion:

Christine Ferraro

File No.

STAFF
RECOMMEN-
DATIONS:

(Con't)

4. DIRECT THE CHIEF EXECUTIVE OFFICE TO PREPARE THE THIRD QUARTER FISCAL REPORT FOR CONSIDERATION ON MAY 15, 2001.
5. REAFFIRM BUDGET PRIORITIES FOR 2001-2002.
6. AMEND THE SALARY AND POSITION ALLOCATION RESOLUTION AS STATED IN STAFFING IMPACTS EFFECTIVE THE START OF THE SECOND PAY PERIOD ON MARCH 24, 2001.

FISCAL
IMPACT:

(Con't)

Most departmental revenues are projected to be received within original estimates while departmental expenditures are projected to be within budgeted appropriations. There are two budget units at mid-year reporting revenue shortfalls, including County Court Funding of \$930,000 and CEO-Central Services of \$137,668. Both of these funds outline corrective action plans in the Mid-Year report along with staffs continued efforts to investigate these shortfalls. Mid-year budget issues recommended for approval and funding from Appropriation for Contingencies totals approximately \$1.4 million.

It is projected that the County will complete the remainder of this fiscal year within adopted expenditures and revenues. The 2000-2001 Final Budget was developed with a focus of meeting our primary needs and supporting some very innovative and progressive programs and projects based upon the Board's goals and priorities. It is recommended that we continue a conservative spending plan for the remainder of this fiscal year in an effort to generate a positive fund balance that is sufficient to fund Board policy issues, a new cycle of labor negotiations and service demand increases for the 2001-2002 fiscal year.

DISCUSSION:

Each year the Chief Executive Officer prepares and submits to the Board of Supervisors a Mid-Year Financial Report, outlining the current fiscal condition as well as projecting the financial health of the County through the end of the fiscal year.

The analysis this year includes the results and recommendations of classification studies that were requested in the 2000-2001 Final Budget, any requests that were outstanding prior to that time, as well as new requests that could be completed in time for inclusion into this report. These classification changes are included in the Mid-Year Report to meet our goal of

incorporating classification changes into the budget process.

The attached mid-year fiscal analysis and recommendation provides the Board with a comprehensive overview of the County 2000-2001 budget at mid-year and is organized as follows:

EXECUTIVE SUMMARY

I. STATUS OF THE FINAL BUDGET

- ◆ Background and Approach

II. MAJOR ISSUES AND ASSUMPTIONS

- ◆ Discretionary Revenue
- ◆ Proposition 172 Update
- ◆ Revenue Sharing – North McHenry Corridor Agreement
- ◆ Tobacco Funds
- ◆ Juvenile Justice Update
- ◆ Civil Assessment Fee Revenue and Court Agreement
- ◆ Health Insurance Increases
- ◆ Labor Relations
- ◆ GASB 34

III. STATE AND FEDERAL BUDGET ISSUES UPDATE

- ◆ Federal Budget Outlook
- ◆ State Budget Outlook
- ◆ Local Economy

IV. DEPARTMENTAL AND PROGRAM SUMMARIES

- ◆ Fiscal/General Services
- ◆ Criminal Justice/Public Protection
- ◆ Public Resources
- ◆ Human Services

V. RECOMMENDATION

Our goal is to end fiscal year 2000-2001 in a positive position. Through a combination of conservative spending and prudent fiscal management, we are confident that the County is on a steady course toward that goal. As in the past, State of California budget deliberations could have an impact. We continue to work hard to strengthen our financial position.

Funding Priorities for 2001-2002: The Board of Supervisors gave the Chief Executive Officer and Department Heads the following policy direction and priorities: **Ensure a Safe Healthy Community, Facilitate Economic Development, Deliver Excellent Community Service, Promote Efficient Government Operations, Achieve Multi-Jurisdictional Cooperation and**

Model Community Leadership. Although specific 2001-2002 funding priorities have not been adopted, these goals will prove helpful in guiding staff in the preparation of next year's budget. The final budget will be modified to address actual fiscal resources, any policy directions that result from changes in Board priorities, as well as any issues originating from the State budget process, legal mandates, State actions, and other Board direction.

POLICY

ISSUE:

The Board of Supervisors should evaluate the mid-year financial condition and consider the recommended changes to ensure the County ends the fiscal year in a positive position.

STAFFING

IMPACTS:

Amend the Salary and Position Allocation Resolution to reflect the changes as outlined on Attachment A.

Stanislaus County – Mid-Year Report

Executive Summary

Chief Executive Office – Mid-Year Budget Report
March 2001

Introduction

The Executive Summary has been developed to provide an overview and summary of the County's overall financial health and progress towards the Board's stated priorities at the halfway point of this fiscal year. In addition to this summary, a full report with in-depth departmental analysis and details is provided.



New Regional 911 Operations Center

Inside the Executive Summary

- 1 Introduction
- Budget Highlights & Accomplishments
- 2 Mid-Year Conclusions
- Overall County Fiscal Health
- 3 Year End Projections Methodology
- General Fund
- 4 Utilities
- 5 Special Revenue Funds
- Information Technology Strategic Plan
- Enterprise Funds
- 7 Worker's Compensation
- Internal Service Funds
- 2000-2001 Budgetary Process
- 8 Proposition 172 Maintenance of Effort
- Renaissance Project Implementation
- Looking Ahead
- 9 Summary of Recommendations

2000-2001 Budget Highlights & Accomplishments

- ❖ The 2000-2001 Final Budget of \$638 million added increased focus on collaboration, community partnerships, and quality management
- ❖ Improvements in our local economy continue to be reflected in employment, building activity and revenue growth
- ❖ Proposition 10, Tobacco Settlement and Welfare to Work Incentive funds will allow the county to pursue prevention strategies and programs in crime, health and social services
- ❖ \$1.7 million earmarked for one time requests including collaborations with cities, parks and recreation opportunities and Juvenile Hall improvements
- ❖ A newly remodeled Regional 911 Emergency Dispatch and Operations Center is successfully opened without missing a single call
- ❖ Animal Services begins Sunday service and receives a tremendous response
- ❖ A proximity based economic development campaign called "74 miles, 74 reasons" brings new focus to our region
- ❖ Courts officially become an arm of the State on January 1, 2001.

Stanislaus County – Mid-Year Report

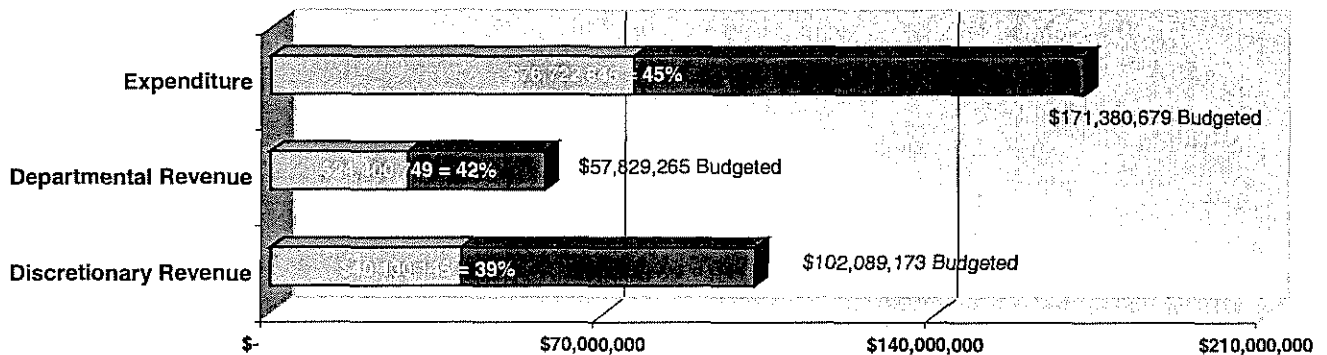
MID-YEAR CONCLUSIONS

The County is in a positive financial position at mid-year. This is attributable to strong discretionary revenues, prudent financial management by county departments and a conservative approach to estimating revenues and expenditures. As in past years, we continue to rely on ending the year with a strong positive fund balance in order to fund future year needs. The County faces several significant future expenditure obligations including a new round of labor relations, increased fuel and utility costs, staffing needs for new criminal justice facilities, and increases in jail medical, health insurance and worker's compensation rates, to name a few. The County must continue to remain vigilant if we are to continue to provide excellent customer service and become known as the "best county in America".

Overall County Fiscal Health

The County is in a favorable fiscal condition at the midpoint of the fiscal year. Total county expenditures are running about 43% of budget with revenue at 38% of budget. General fund expenditures are at 45% of budget with revenue at 40% of budget. While departmental revenues appear to be lagging and may have difficulty meeting overall budgetary expectations, discretionary revenue remains strong and should close out the fiscal year well above the amount budgeted.

**Actual Expenditures & Revenues at Mid-Year
General Fund**



Our local economy continues to show improvement, continuing the trend noted in the two previous mid-year reports. Two years ago, our unemployment rate was at 12.3%. Last year it improved to 10.6%. The same period this year shows that the unemployment rate has dropped to 10.4%.

In addition to positive employment news, several other factors are having a positive effect on our economy. The rate of inflation remains low with the Consumer Price Index (CPI) growing at a modest 3.4% rate. Federal and State budget surpluses have pumped additional revenue into our area. This year's State Education Relief Augmentation Fund (ERAF) revenue totals \$1,120,546 to date.

Stanislaus County – Mid-Year Report

Year End Projections Methodology

Departments were asked to base their mid-year projections upon actual experience as of December 31, 2000, including Board-adopted adjustments, or changes to the adopted final budget through December 31, 2000. Departments then projected their anticipated revenue and expenditures for the remainder of this fiscal year, including any anticipated changes, shortfalls, technical adjustments and encumbered obligations. Lastly, a comparison of the departmental year-end projections with their 2000-2001 total budget was made to identify any shortfalls or savings, which should be addressed at mid-year.

In addition to the departmental analysis, the Chief Executive Office staff prepared projections based upon actual experience as of December 31, 2000, including any Board-adopted adjustments, encumbrances and fund balances. From this information, the revenues and expenditures were projected and trended for the remainder of the fiscal year. Identifiable obligations were included in the analysis, as well as additional revenues. Departmental mid-year requests for budget increases and reductions were not considered in the projection.

Discretionary Revenue

is projected to end up over the adopted Final Budget.

<i>Sales & Use Tax</i>	↑ 2.8%
<i>VLF</i>	↑ 6.7%
<i>Proposition 172</i>	↑ 4.8%
<i>Property Tax</i>	↓ 5.1%
<i>All Other Sources</i>	↑ 11.4%
Total	↑ 5.0%

General Fund

The General Fund is the primary operating fund of the County. It accounts for all revenues and expenditures used to finance traditional services that are not required to be accounted for in another fund.

Discretionary Revenue

Sales and Use Taxes (including Prop 172 revenue), Vehicle License Fees and Property Taxes compose over 89% of all our discretionary revenue. Sales Tax is up approximately 16% over the same time period a year ago. Last quarter receipts reflected an exceptional period for new car dealerships, contractor supplies, bulk fuel products and service stations. The State recently dropped their portion of California's sales and use tax from 5.0% to 4.75% effective 01/01/01. *The rate for local government is not impacted* and the .25% drop may be reimposed if future state reserves again fall below a 4% threshold. Vehicle License Fees receipts are tracking about 12.5% higher than the same period a year ago and secured property taxes are tracking approximately 5% higher.

In computing year-end projections for these revenue sources, an analysis was done comparing December, January and February receipts over the last two years to the actual year-end closing amounts. In most cases this revealed a strong pattern which was then applied to actual receipts this fiscal year. The analysis also examined other economic reports and indicators. We are anticipating that discretionary revenue will end the year above budgeted amounts and may help offset shortfalls in departmental revenue.

Departmental Revenue

As of December 31, 2000, departmental revenue received is \$24.4 million, which represents 42% of the budgeted amount. As part of the mid-year budget submittals, departments were asked to submit their year-end projections for revenue. These projections came in at \$56.2 million, which is 97% of budget. The Chief Executive Office did a separate analysis and projects that revenue will come in closer to \$56.9 million, or 98.5% of budget. Historically, revenue at mid-year has been 45.7% of actual year-end receipts. Departmental Revenues may have difficulty meeting overall budgetary expectations, primarily due to a \$930,000 shortfall in County Court funding revenue.

Stanislaus County – Mid-Year Report

Departmental Expenditures

As of December 31, 2000, departmental expenditures are at \$76.7 million, which is 44.7% of budget. Departments were also asked to provide year-end projections for their expenditures. Those projections were \$176.2 million, which is very close to the budgeted amount. The Chief Executive Office's analysis came in slightly lower, at \$173.3 million at year-end.

Key Issues

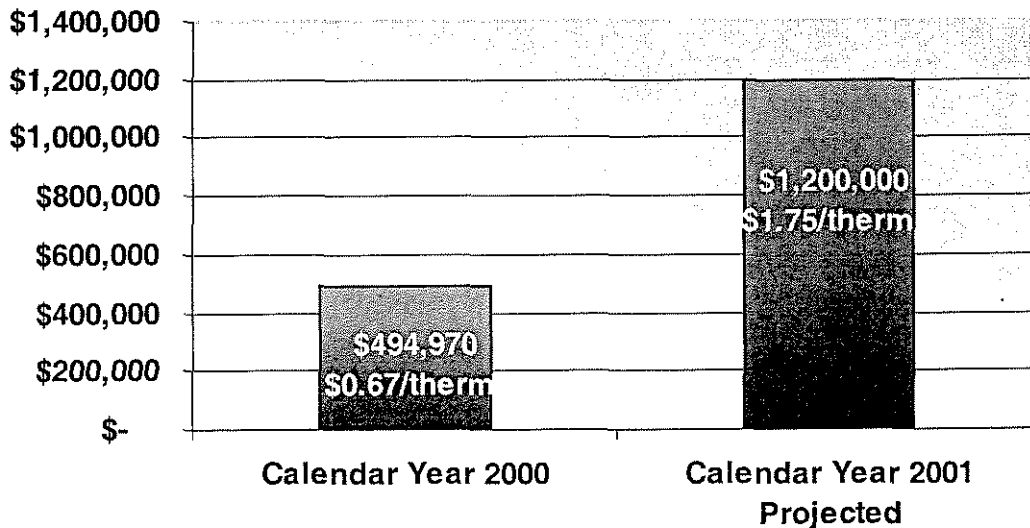
Increased costs for *Health insurance*, *pay for performance* and *utility costs* are some of the key funding issues identified by departments. Additional issues, that could have an impact on the last half of the fiscal year, include: *labor negotiations* with several bargaining units, *state withholding of SB90 funding* for the District Attorney Child Abduction Unit, departmental funding requests for *safety issues* and *worker's compensation*, and funding for an *Empire park and Reservoir improvements*. These issues are addressed in more detail in the full report.

UTILITIES

The Utilities budget is *expected to exceed appropriations* by the end of this fiscal year due to uncontrollable and increasing costs of natural gas currently being experienced in the State of California.

- ❖ The study revealed the total costs for natural gas for calendar year 2000 was \$494,970.16 for 741,531 therms, for an average price per therm of \$.67.
- ❖ Based on consumption in 2000, the projected charge for natural gas for County facilities for one year would range between \$1.1 and \$1.2 million dollars. This assumes similar consumption and a cost between \$1.50/therm to \$1.75/therm.
- ❖ It is recommended that the utility costs be monitored closely and reviewed at the third quarter financial.

Natural Gas Costs



Stanislaus County – Mid-Year Report

Special Revenue Funds

Special Revenue funds are used to account for revenues derived from taxes or specific revenues that are legally restricted to spend for a particular purpose. The funds include realignment revenue from the State and grant funds from the Federal and State governments. Included in Special Revenue funds are many of the human services departments such as Behavioral Health and Recovery Services, the Community Services Agency, the Department of Employment and Training, and the Department of Environmental Resources.

Revenues and Expenditures

As of December 31, 2000, the revenue received for these funds is \$113.8 million, which is 34.1% of budget. This is typical for these funds at mid-year, as much of the revenue received from the State and Federal Government is received in the last half of the fiscal year. For the same time period, expenditures are at \$138.5 million, which is 41.1% of budget. The departments project expenditures to be \$347.2 million at year-end, representing a slight decrease from budget. Revenue is projected at \$349.7 million, which is approximately \$10 million more than budget.

Information Technology Strategic Plan

In September 2000 the Board adopted the Information Technology (IT) Strategic Plan. That Strategy contained a wide range of recommendations including electronic government strategies, project management methodologies, Management Information Services (MIS) billing model, job classifications and salary recommendations, a new county Chief Information Officer position, application standardization, and a comprehensive list of projects that offer potential cost benefits.

The MIS billing model was implemented effective July 2000. Adjustments were made to general fund department budgets based on anticipated costs under the new model. The I.T. classification and salary study was approved by the Board in November 2000 and became effective December 2, 2000. We are recommending adjustments for those departments that are unable to absorb the increased costs associated with the reclassifications.

All projects brought before the Board must now comply with the new project methodology criteria. Feasibility studies and proposals are being prepared for a number of the projects recommended in the Strategic plan, including a study for an integrated county justice information system (I-CJIS) and a revenue recovery system (CUBS).

Key Issues

Overall, the Special Revenue funds are in good fiscal condition. The Area Agency on Aging is accepting one-time funds to spend on Older Americans Act programs. The Community Services Agency is projecting a nearly \$1 million increase in realignment revenue this year, some of which will be spent to cover the increased cost of In-Home Supportive Services and the Severely Emotionally Disturbed Children (SED) Program. The Health Services Agency-Administration is requesting to increase its revenues and appropriations by \$733,853 at mid-year, while continuing to increase collections and work down their current and projected deficit position. The Indigent Health budget is also projecting higher realignment revenue due to the higher economy.

Enterprise Funds

Enterprise Funds are used to account for County operations that are financed and operated in a manner similar to private business enterprises. The intent of the County in using this type of fund is to see that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges. The departments that comprise these funds are the Department of Environmental Resources Waste-to-Energy Plant, the Landfills and Local Transit for Public Works, Emergency Dispatch, the Health Services Agency Clinics and Ancillary Services, and the Stanislaus Behavioral Health Center.

Stanislaus County – Mid-Year Report

Revenues and Expenditures

At mid-year, the revenue received for these funds is \$31.6 million, which is 42.7% of budget. For the same time period, the expenditures are \$33.8 million, which is 41.3% of budget. The departments project that they will spend approximately \$700,000 less than budget, or approximately \$81.3 million. Revenue is projected to be approximately \$74.4 million, which represents a \$5 million increase from budget.

Key Issues

Overall, most of the Enterprise Funds are in a good fiscal position at mid-year. The Emergency Dispatch Center successfully moved without losing one call. The staff experienced some technical challenges along the way, and should be commended for their hard work.

The Clinic and Ancillary Services budget of the Health Services Agency continues to improve its billing and collections. Collections are up more than 26.4% from a year ago. Patient visits in our eight clinics are up by 3.1% over last year. This reflects the positive impact of the Board's commitment to locate health and other services in neighborhoods and regional centers. These centers are having a positive impact on Emergency Room visits at area hospitals. We continue our education and information campaign to urge patients to use their primary care physicians or community urgent care centers. The number of visits at the county's Urgent Care Center is up by 4% over last year.

In spite of all the positive benefits for county residents due to the improved access through our clinic system, the state and federal government's continuing failure to financially support our efforts results in a financial deficit. The one area where state financial support has improved is in emergency room physician payments. The County will receive approximately \$285,000 this fiscal year. We are in the process of implementing the distribution of these funds to emergency room physicians at Doctors Medical Center and other local emergency rooms. Assemblyman Cardoza has submitted a bill which restores the Medi-Cal room charge reimbursement and provides an option to directly negotiate a rate for outpatient services with Medi-Cal. Additionally, a proposal for a pilot program to restore the funding loss that is equivalent to the lost disproportionate share funding is in process. If these efforts should prove unsuccessful in this session, then we will be recommending in the 2001-2002 Proposed Budget a plan to reduce services and costs to bring the budget into balance. As an illustration of the impact the projected \$6.1 million deficit (which includes a \$2 million contribution by the Health Services Agency for jail medical services which will be totally relieved in 2004) would be reduced as follows by the resolution of these two issues.

Deficit	\$6,187,245	
Room Charge	\$2,000,000	
Disproportionate Share	\$4,800,000	(LA model already approved)
Total	\$6,800,000	
Net income/deficit	\$612,755	

We cannot overstate how seriously the failure of the State Department of Health Services conflict between the licensing division and the medical division has injured and endangered our health system. This simple disagreement, which they have refused to resolve, has cost the County more than \$23,120,970 to date. We cannot understate the unfair treatment the taxpayers and citizens of Stanislaus County are being handed by the State Department of Health Services in not providing our citizens the same fiscal and policy advantage as the state has provided to Los Angeles County.

Stanislaus County – Mid-Year Report

It is ironic that the state is currently paying tens of millions of dollars a week to purchase energy due to lack of foresight. They continue to ignore, after repeated efforts by the Board, to resolve the issuance of adequate resources to pay for the services they mandate the county provide for health care for its citizens.

Again, if the state does not act affirmatively on this issue during this budget cycle, we will be forced to reduce access and services substantially and will present a plan to do so as part of the 2001-2002 budget.

Worker's Compensation

This is the first fiscal year in over three years where worker's compensation rates have not been partially subsidized by retained earnings. Several departments have requested additional funding appropriations to offset these higher rates. These needs were identified as part of the Final Budget and funds were set aside in Appropriations for Contingencies to address this. Risk Management is working with departments on a Departmental Loss Prevention Program to help lower our exposure.

Internal Service Funds

Internal Service Funds are used to account for services performed by one County department or division for another. Examples of these are Management Information Services, Telecommunications, Central Services, Fleet Services, etc.

Revenues and Expenditures

As of December 31, 2000, Internal Service Fund revenue is \$19.9 million, which is 43.8% of budget. Expenditures are \$21.6 million, which is 47.4% of budget. Even though year-end projections for all Internal Service Funds project finishing the year at 96.7% of budgeted revenue and 97% of budgeted expenditures, there remains shortfalls in individual service department's projected retained earnings for year-end.

Key Issues

Many of our internal service funds are faced with the challenge of taking a fresh look at their service delivery in the midst of declining revenue and increasing rates. Both Central Services and Management Information Services are facing budget deficits at the midpoint of this fiscal year. The Chief Executive Office is working closely with all of the internal service fund departments to better anticipate, budget and meet customer needs and expectations. As part of the Proposed Budget process these departments are currently

2000-2001 Budgetary Process

Internal Service Budgets Due March 3, 2001

Receive budget requests from Internal Service departments

Issue Budget Instructions – All Others

March 27, 2001

Issue budget instructions to all other departments with information received from ISF departments pre-inserted into budgeting tools

Third Quarter Financial Report May 15, 2001

Present to the Board of Supervisors a review and analysis of revenue and expenditure patterns and projected year-end balances.

Prepare Proposed Budget

April – June 2001

Prepare 2001-2002 Proposed Budget for Board review

Proposed Budget Public Hearing June 19, 2001

Public Hearing and adoption of 2001-2002 Proposed Budget

Stanislaus County – Mid-Year Report

meeting with their customers to discuss their customer's needs, concerns and suggestions for process improvement.

Proposition 172 Maintenance of Effort

A ½ cent sales tax, known as the Public Safety Sales Tax, was enacted in 1994 to fund public safety activities. To receive the full allocation of Proposition 172 revenues, minimum funding levels for public safety must equal the 1992-93 base year, plus a growth factor. Our State-required maintenance of effort level for fiscal year 2000-01 is \$46,659,499. Our combined budget for public safety is \$62,553,417; this amount is \$15,893,918 over the required maintenance of effort level, emphasizing the Board's commitment to a safe and health community.

Renaissance Project Implementation

In January 2001, the Board of Supervisors agreed in concept to Welfare to Work Incentive Fund recommendations. The Community Services Agency, working with the Renaissance Implementation Steering Committee, will return to the Board with specific plans and projects for over 8 million dollars of funding.

Looking Ahead

As we approach the 2001-02 Budget cycle, there are several issues that are "in our radar screen" that will bear watching. They include:

- **Health Insurance** – Health insurance costs continue to rise; the new calendar year saw a 9% rate increase. Rising health care cost continue to be driven by ever increasing prescription drug costs. It is anticipated that next year's health insurance costs will rise between 15-30%, with prescription drugs and co-payment amounts as leading factors.
- **Safety Issues** – AB-1127 became effective January 2000. This new law imposes significant penalties for non-compliance issues. The Risk Management Division has prepared a Loss Prevention Program that outlined departmental requests, training needs, equipment, positions, funding and a loss prevention strategy.
- **Negotiations** – Four of the County's biggest unions (the Deputy Sheriff's Association, Stanislaus County Sheriff Supervisor's Association (Sergeants), SCEA-AFSCME Local 10 and SEIU Local 535) are either currently in negotiations or will start negotiations this Spring. All continue to use the Interest Based approach.
- **Capital Improvement Program (CIP)**- CIP is designed to identify and anticipate the County's funding needs for large projects in both the near and long-term future.
- **Long Range Modeling** - the Chief Executive Office is working towards developing a broader fiscal framework through long range modeling and forecasting. We will focus on improving and refining these tools this coming fiscal year, which will assist us in making broader based fiscal decisions.

Page 9 of this Executive Summary provides a summary list of those major recommendations which are brought to you as part of the Mid-Year Report. The remaining pages contain the detailed section of this report summarized by functional areas.

SUMMARY OF RECOMMENDED BUDGET CHANGES AT MID-YEAR

Fiscal/General Services

- Central Services - provide up to \$137,668 at year end to fund division deficit
- County Court Funding – estimated revenues are down \$937,171 and will be reviewed at 3rd quarter
- Clerk Recorder – a public hearing to be scheduled to consider fee changes
- County Counsel – add a Deputy County Counsel V position & appropriations for increased salary costs
- CEO–Airport – transfer appropriations of \$110,000 for airport hanger improvements
- Management Information Services (MIS) – increase appropriations/revenues by \$480,500 for licensing, maintenance and hardware costs related to Oracle and PeopleSoft systems and IT reclass
- MIS-Telecommunications – conversion of 3 extra help positions to full time
- Treasurer-Tax Collector – add 3 Account Clerk III positions

Criminal Justice/Public Protection

- District Attorney(DA)-Criminal – Add a Criminal Investigator, Deputy District Attorney V, and increase appropriations for cashout expenses
- DA-Family Support – 4 reclassifications to Supervisor Legal Clerk II
- Probation-Casework – conversion of a contract position to Systems Engineer I and fund IT reclass
- Probation-Juvenile – addition of a Senior Group Supervisor
- Public Defender – addition of an Application Specialist and reclass four positions to Deputy Public Defender V
- Sheriff Administration – increase appropriations for workers compensation, training, vacation, termination cashouts and Pay for Performance; delete one Confidential Assistant III and add two Account Clerk III positions; transfer \$54,000 from Detention to Administration
- Sheriff Operations – Add (4) Deputy Sheriff positions (3 in Salida) and 1 Property Crimes Detective, re-establish the Deputy Sheriff Trainee classification and grant authority to double fill up to (12) Deputy Sheriff Coroner positions; increase appropriations for workers compensation, extra help and overtime costs
- Sheriff Detention – increase appropriations for workers compensation and termination cashout. Increase appropriations and revenue for Amador County Food contract.
- Ray Simon Regional Criminal Justice Training Center – delete one Administrative Clerk III position.

Public Resources

- Agricultural Commissioner – fund software development and increased costs from IT reclassification
- Cooperative Extension – fund Harvest Hall improvements and landscaping
- Parks 20 Year Master Plan – provide funding for Empire Park and reservoir improvements
- Planning-Redevelopment Agency – add one Assistant/Associate Planner position
- Public Works Facilities Maintenance – closely monitor and review increased utility costs

Human Services

- Area Agency on Aging – increase revenue and appropriations \$258,603 from Older Americans Act
- Behavioral Health and Recovery Services -- add (1) Mental Health Clinician II
- Community Services Agency – add five positions including: (1) Stock Delivery Clerk II, (1) Accountant III, (1) Legal Clerk IV and (2) Social Worker IIIs.
- Department of Employment and Training (DET)-Administration – add (4) Employment and Training Specialist II and (1) Application Specialist III
- DET-Welfare to Work – add (4) Employment Coordinator II's and (1) Employment Coordinator I
- Health Services Agency (HSA)-Administration – increase revenue and appropriations by \$733,853; Add (1) Public Health Nurse, (4) Account Clerk II and (1) Manager I.
- HSA-Clinic and Ancillary Services – add (3) Medical Assistants and (1) Clinic Nurse Manager
- HSA-Public Health – add one Staff Services Coordinator

I. STATUS OF THE FINAL BUDGET

BACKGROUND AND APPROACH

On September 12, 2000, the Board of Supervisors adopted the 2000-2001 Final Budget.

The 2000-2001 final budget totaled \$637,649,789 million, including an additional \$210,641 for the District Attorney reorganization plan approved just after the adoption of the final budget.

The General Fund totaled \$171,380,679, which included increases for negotiated cost of living increases, health insurance, debt service, one-time requests for parks, recreational and community facilities, and funding certain priority needs for various departments.

Overview General Fund Final Budget Fiscal Year 2000-2001

Discretionary Revenue	\$102,299,814
Departmental Revenue	\$ 57,829,265
Fund Balance	\$ 8,457,203
Reserves / Tobacco Settlement Funds	<u>\$ 3,138,600</u>
Total Resources	\$171,724,882
Departmental Expenditures	(\$171,380,679)
Increase Debt Service Reserve	(\$ 344,203)
Total Expenditures	<u>(\$171,724,882)</u>
Ending Balance	\$ 0

This mid-year report is an evaluation of the fiscal and operational performance of the County during the first half of the fiscal year. Departments are confronted with the task of balancing both expected and unexpected service demands with actual revenues received and expenses incurred, while remaining within budget.

There were a number of potential exposures that were not funded in the final budget and which could have a negative financial impact during the 2000-2001 fiscal year. These included funding shortfalls, increased fuel costs, vacation and retirement cash outs, management and confidential performance based pay increases, and departments charged their true workers compensation rates without the benefit of an offset from the self-insurance funds retained earnings. The projections include assumptions that the State and local economy will continue to grow, all be it at a reduced pace.

In a time of constant change, a strong and well-managed budget is essential to the fiscal and operational good health of our organization. As in past years, ending the year with fund balance savings at year-end will continue to be a source of funding for the upcoming year budget. The final budget included \$2.5 million more in fund balance than used in previous years, budgeted primarily for one-time costs.

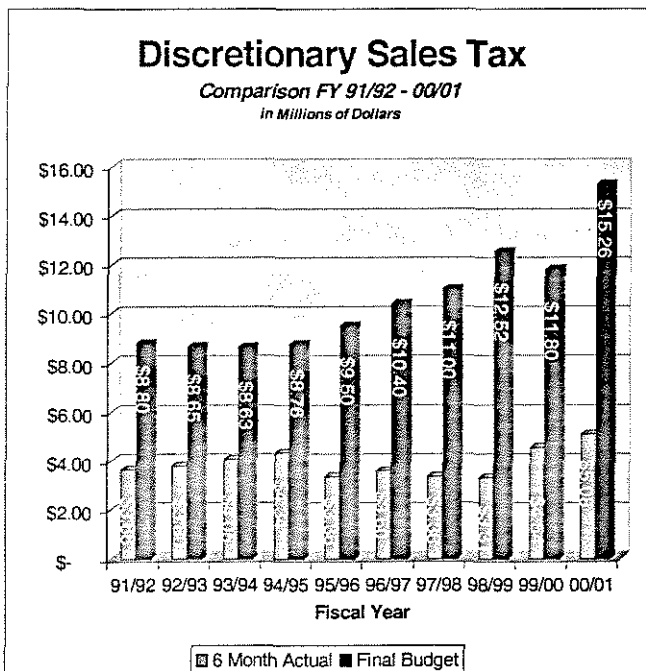
This mid-year fiscal report concludes that we will maintain a strong fiscal position as of June 30, 2001. We anticipate several significant funding issues for the upcoming year. These include the impact of the energy crisis on county operations, future salary increases as a result of the current and upcoming negotiations, increased public safety funding and commitment of funding for capital improvement projects including repair of existing facilities. Because of these potential exposures we intend to work with departments to encourage conservative spending for the remainder of this fiscal year and to evaluate through long range modeling these future obligations and the best funding method to meet the needs of our customers in the upcoming fiscal year.

II. MAJOR ISSUES AND ASSUMPTIONS

DISCRETIONARY REVENUE

Discretionary Revenue includes sales tax, property taxes, public safety sales tax, and vehicle license fees revenue, among others.

At mid-year 2000-2001, the County has received \$40.1 million in discretionary revenue. Discretionary revenue is currently at 39 percent of the total projected to be received at the end of this fiscal year, which is a typical collection percentage at this time. This is the result of the lag in State payments in the first half of the fiscal year.



Discretionary Sales Tax

Discretionary Sales Tax has been received at \$5.08 million, 33 percent of budget. Current year's discretionary sales tax budget included an 8 percent growth rate applied to 1999-2000 year-end actual revenue received. Staff does not recommend an adjustment to the original estimate.

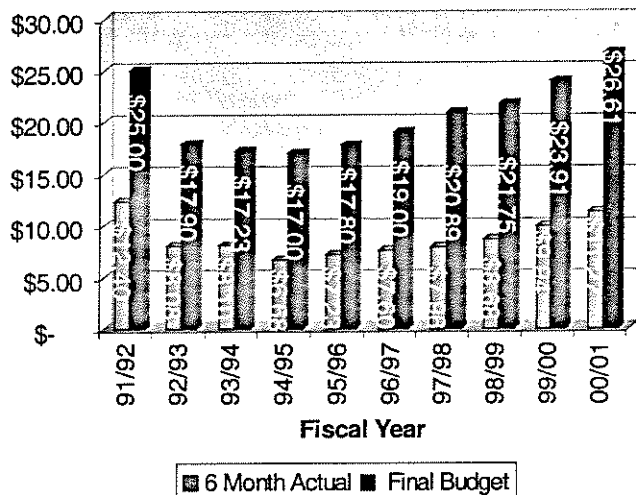
Vehicle License Fee

Vehicle License Fee (VLF) revenue is currently at 42 percent of budget or \$11.27 million, versus \$9.9 million in vehicle license fee revenue received at mid-year last year.

A 6 percent growth factor was applied to the 1999-2000 year-end actual VLF revenue received. As a result of staff's review of auto sales in Stanislaus County and prior year receipts for vehicle license fees, it is recommended that the original estimate be increased by \$1,170,000 to off-set the proposed reduction in property tax revenue.

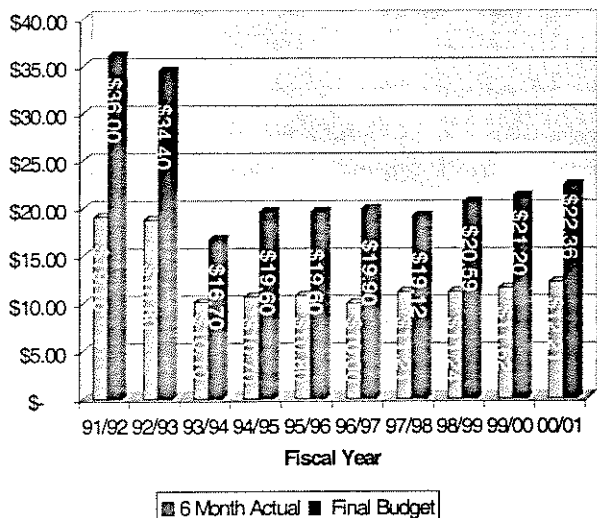
Vehicle License Fees

Comparison FY 91/92 - 00/01
In Millions of Dollars



Current Secured Property Tax

Comparison FY 91/92 - 00/01
in Millions of Dollars

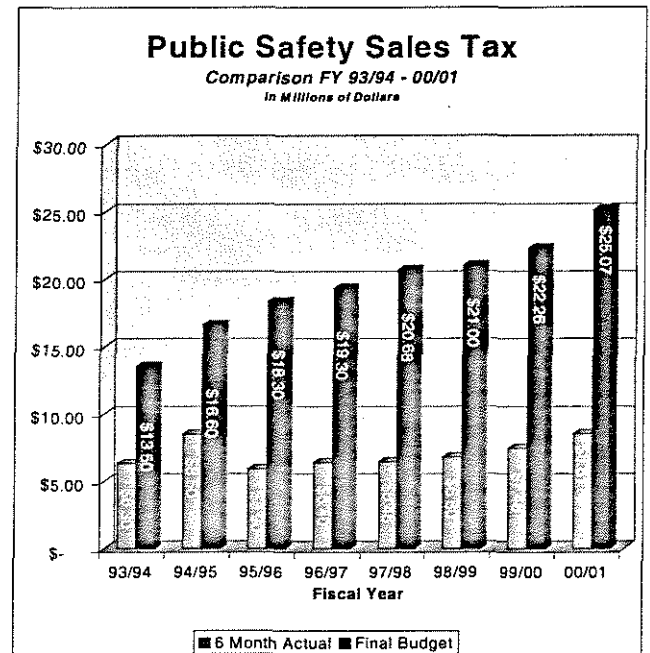


Current Secured Property Tax

Revenue has been received at \$12.21 million, 55 percent of budget, slightly ahead of last year's property tax revenue at mid-year of \$11.62 million. Property taxes were budgeted at a growth rate of 6.42 percent based on last year's assessed valuation. Staff is recommending a reduction in Property Tax Discretionary Revenue for two reasons: Our original AB8 allocation factor did not adequately adjust for heavier than anticipated annexation and redevelopment activities. Also, based on an audit recently conducted by the State Controller, the State is now claiming that we owe approximately \$765,000 in Educational Revenue Augmentation Fund (ERAF) contributions dating back to the 1992/1993 fiscal year. This resulted from the use of a different methodology by the State Controller in computing our ERAF adjustment. Consequently, staff recommends we reduce estimated property tax discretionary revenue by \$1,170,000.

Public Safety Sales Tax

Public Safety Sales Tax has been received at \$8.51 million, 34 percent of budget, outpacing the \$7.46 million received last year at this time. A 4 percent growth factor was applied to the 1999-2000 year-end actual Public Safety Sales Tax received. When the final budget was adopted, staff intentionally left flexibility in the County's Proposition 172 revenue estimate in the event the County experienced additional salary related costs and other criminal justice exposures. Staff is recommending an increase of \$422,195 in Proposition 172 revenue to fund recommended mid-year increases for new positions, termination and vacation cash outs for the County's Criminal Justice departments. Negotiations are currently underway with the public safety bargaining units. The cost of these agreements will be funded through the use of Proposition 172 funds. The details of these recommendations are included in the departmental and program summaries.



PROPOSITION 172 UPDATE

A ½ cent sales tax was enacted in 1994 as a result of the 1993-94 State budget. This sales tax, known as the Public Safety Sales Tax, allowed an additional ½ cent sales tax to be collected and allocated to local agencies to exclusively fund public safety activities, such as Sheriff, District Attorney, Probation and Juvenile Hall. Court operations were specifically excluded.

There is a Maintenance of Effort (MOE) for these funds that requires a minimum commitment of local resources be allocated to public safety services. To receive the full allocation of Proposition 172 revenues, minimum funding levels for public safety functions in 1994-1995 and subsequent years must equal the 1992-1993 base year, plus a growth factor.

The State-required maintenance of effort for Stanislaus County for fiscal year 2000-2001 is \$46,659,499. In other words, this is the amount that Stanislaus County must allocate for public safety to receive Proposition 172 funds. For fiscal year 2000-2001, Stanislaus County's combined budget for public safety is \$62,553,417. The County is \$15,893,918 over the required maintenance of effort, due to the Board's stated priority

of a safe and healthy community. The following sets forth the amounts Stanislaus County allocated, via the budget process, for public safety in 2000-2001:

Sheriff's Department	\$42,276,949
District Attorney	\$ 7,014,900
Probation – Casework Service	\$ 6,958,569
Juvenile Institutions	<u>\$ 6,302,999</u>
	\$62,553,417

At mid-year, it is recommended that additional projected Proposition 172 revenue growth fund public safety issues such as, salaries and personnel for the Sheriff's Department, Probation and the District Attorney's Office. At third quarter, additional Proposition 172 growth will be budgeted to fund future negotiated salary increases, once agreements have been reached with the two public safety bargaining units.

REVENUE SHARING--NORTH MCHENRY CORRIDOR AGREEMENT

The Modesto City Council and the County Board of Supervisors signed an agreement that committed each jurisdiction to the sharing of revenue generated from a designated area along North McHenry Avenue between Standiford and Kiernan Avenue. Of this area, approximately 60 acres are within the city limits and approximately 320 acres are in the unincorporated area of the county. During the base year for the agreement, each jurisdiction received approximately \$1.4 million in revenues from their respective areas. Since the implementation date of January 1, 1999, the revenue in this area grew considerably. Under the agreement, the County and City are obligated to share the growth on a 50/50 basis. In addition, 67 acres were annexed to the City. The County gives up .59% of its revenue share to the city for each 10 acres annexed to the city to cover the cost of city services. The total revenue shift to the City of Modesto through June 30, 2000 is being analyzed. The City of Modesto Finance Director and County Auditor-Controller have authority from their respective Council and Board to reconcile and reach agreement on revenue levels under the North McHenry Corridor Agreement.

TOBACCO FUNDS

On June 6, 2000, the Board of Supervisors agreed to proceed with securitization of Tobacco Settlement Revenues (TSR). It is estimated that Stanislaus County will receive approximately \$145 million over the next 25 years. Stanislaus County had hoped to issue tax-exempt bonds for a significant portion of this amount (between \$56 million and \$95 million). The bonds would generate a stable source of income without restrictions.

The County was proceeding with the securitization until an unforeseen issue appeared: the lawyers for the represented cities and counties have not agreed to a settlement. Originally, all parties anticipated that settlement with the tobacco companies would be a long drawn out process requiring much in the way of legal action. The lawsuit concluded much sooner than anticipated. Because of the quick work, there was a feeling that the attorneys did not deserve full payment. The represented cities and counties entered non-binding arbitration with the attorneys. The result of arbitration is

unknown, however, it is anticipated that the attorneys will demand and receive their full payment.

Additionally, Stanislaus County (along with the other unrepresented cities and counties) signed a contract requiring that they pay a portion of the legal fees in order to receive any TSR. Until an agreement (which must include all the unrepresented counties) is finalized, Stanislaus County is reluctant to proceed with the issuing of bonds.

There are two key factors limiting the County's ability to proceed: first, until the lawsuit is finalized the exact amount of TSR monies Stanislaus will receive is not known. Second, the money used to pay legal fees is not eligible to be issued as tax-exempt bonds, which reduces their attractiveness to speculators.

County Counsel is working with other county counsels to resolve this issue. Until the final settlement is known, the County's financial and bond counsels will run multiple scenarios to determine which mix will give the County the greatest return. Last years remaining proceeds totaled \$2.6 million; these funds were set aside at year-end. The County has received so far in the current fiscal year \$1.3 million in tobacco settlement funds.

JUVENILE JUSTICE UPDATE

The County continues to make significant progress toward the objectives established as part of the Juvenile Justice Master Plan adopted by the Board of Supervisors in December 1996. A new thirty bed, maximum-security unit was occupied in 2000 and a 40 bed special needs unit will start construction this year. A spending plan for the over \$1.5 million received from the State for the Crime Prevention Action of 2000 will be submitted to the Board of Supervisors in the next few weeks for implementation.

The Board of Supervisors recently approved a grant application to seek \$1.24 million from the Board of Corrections for funding local juvenile detention facility renovation construction. The project, approved by the Board, will extend the useful life of the existing facility enhancing its safety, security and functionality. The grant application, if approved, will improve the ventilation, heating and air conditioning system of the Hall. It will replace the existing roof assembly and provide an inter-connect for the fire alarm system. The project would also provide for a redesign and renovation of the intake area, refurbish the emergency generator and provide security upgrades to two of the Juvenile Hall units.

If the grant is approved the County will need to provide \$171,345 in hard match contributions for the project. In addition, we would anticipate that the work would be completed for the entire Juvenile Justice facility, which would require an additional \$90,000 in funding. A source for this funding will be funded by carry-over project funds remaining from the 30-bed addition, Proposition 172 growth, or other potential year-end savings. Presentations to the Board of Corrections are scheduled on April 5, 2001 and recommendations will be included if the Board of Corrections approves the grant.

The Board approved the plans and specifications on February 27, 2000 of the Juvenile Hall Special Needs Housing Unit. The estimated project cost is \$4.35 million of which \$3.6 million is reimbursable from a grant approved by the California Board of Corrections. We are currently out to bid on this project. This unit will require an addition of 16.5 full-time equivalent positions at Probation and one additional clinician and counselor to be added in Behavioral Health & Recovery Services. The projected \$1.1 million staffing costs will have to be budgeted during fiscal year 2002-2003 to coincide with the Fall 2002 opening of the facility. This will likely be funded through growth in Proposition 172 funding.

With the opening of the 30-bed unit and the addition of the 40-bed Special Needs unit, the County will have made significant expansion of Juvenile Hall beds. While these facility expansions benefit all law enforcement agencies and the community countywide, the county's general fund must alone bear the additional operations costs.

The Chief Probation Officer has been working with the Board of Corrections and the Juvenile Justice Coordinating Council to devise a plan for use of the \$1.5 million in Crime Prevention Act 2000 funding through fiscal year 2001-2002. The plan has been devised consistent with needs addressed in the Master Plan and will be submitted for Board approval in the next few weeks.

CIVIL ASSESSMENT FEE REVENUE AND COURT AGREEMENT

The County and the Court have not yet reached an agreement on the Civil Assessment fee issue. The Court continues to retain all traffic related civil assessment fees, withholding \$155,257 as of December 31, 2000. Draft agreements related to this revenue and facility issues have been exchanged between the Court and the County. The County and the Court continue to meet over this and other matters.

In the meantime, the retaining of this revenue by the Court is significantly impacting the General Fund. The County budgeted this revenue at the same level as budgeted the previous fiscal year (\$571,499). Of this amount, the County will only receive \$197,096 at year-end if the Court continues to withhold the traffic fees. Unfortunately, this is compounded this year by a significant reduction in overall receipt of court fine and forfeiture revenue across the board. At six months, the revenue projection is estimated to be approximately \$900,000 below estimates of which \$374,403 is directly related to the Civil Assessment fee issue. The revenue issue will be reviewed again at third quarter.

STATE WITHHOLDING OF SB 90 FUNDING - CHILD ABDUCTION UNIT

The County has been recently notified that the state has withheld \$970,701 in a SB 90 claim that was to reimburse state, mandated services performed by Behavioral Health and Recovery Services Department. The action was taken by the state because of their determination that the 1996-1997 claim submitted by the District Attorney's Office Child Abduction Unit which was to be reimbursed by the state should be disallowed. Because this was done after the fact, the state withheld the County's overall SB90

reimbursement for the current fiscal year, which negatively impacts other County departments.

This is the second Child Abduction Unit claim that has been disallowed by the state. The first was for \$626,510 for the 1995-1996 reimbursement of Child Abduction expenses. This action adversely affected the revenue of the Behavioral Health and Recovery Services Department, Board of Supervisors, Public Health Division of HSA, the Sheriff's Department, Clerk Recorder-Elections Division, and District Attorney special program funding. These two actions represent a potential \$1.5 million deficit in funding for the Child Abduction Unit for expenses incurred in prior years.

In the past when this has occurred, the departments whose claims have been shorted by the state are made whole by a transfer of funds from the department that has the claim issue with the state. A meeting will be held with the State Controllers office the week of March 12, 2001 to work toward a resolution that has no impact on the County General Fund.

HEALTH INSURANCE INCREASES

On January 1, 2001, new health insurance rates went into effect. Health Insurance premiums typically renew on a calendar basis. These rates reflect a 9% increase in base level medical premiums. Employee base level premiums are benchmarked to the Blue Cross plan and are also applied against other HMO, Point of Service or OE3 choices. Through our membership with Pacific Business Group on Health (PBGH), we were able to negotiate a substantially lower health insurance premium than most employers. The national average for premium increases was 13%. The new base coverage rates are: Employee Only \$170.43; Employee + One \$340.84; and Family \$450.14. In addition, our costs rose due to the additional enrollment of 188 participants. The impact to the general fund for the balance of this fiscal year is estimated at \$250,000. It is recommended that departmental base budgets be evaluated at third quarter to determine if adjustments are needed for the balance of this fiscal year. The County's continued involvement on the PBGH negotiating alliance will keep us at the forefront of cost containment strategies, while ensuring quality health care services for employees. We anticipate that next year's health insurance costs will rise between 15-30% with prescription drugs and co-payment amounts as leading factors.

LABOR RELATIONS

Since 1997, the County has enjoyed multi-year labor agreements (with all of our employee organizations.) The expiration dates are staggered throughout 2001 and into early 2002, with the two largest units SCEA-AFSCME Local 10 (representing 2029 employees) and SEIU Local 535 (representing 808 employees) opening this Spring. The County is committed to using an Interest Based approach to negotiations. We are working with several labor-management organizations to provide facilitation services. We are currently using interest-based negotiations with the Deputy Sheriff's Association and the Stanislaus County Sheriff Supervisor's Association representing the Sergeants. Because discussions are ongoing, specific options and costs are not available at this

time. We will return to the Board with tentative agreements, as they are available. Long-range modeling currently underway will forecast exposure for new long-term labor agreements.

Government Accounting Standards Board 34 (GASB 34)

The principle purpose of Government Accounting Standards Board (GASB) Statement 34 is to “improve the accountability of governments to their citizens by providing better, more accessible information about the condition and costs of capital assets.” (Terry K. Patton and Penny S. Wardlow, “Why Infrastructure Reporting?” GASB Action, Vol. 16, No. 5 May, 1999)

In June 1999, GASB published Statement 34 which requires state and local governments to begin reporting the value of their infrastructure assets, including roads, bridges, water and sewer facilities, and dams in their annual financial reports on an accrual accounting basis. Traditionally, state and local governmental agencies have used cash accounting methods to report such infrastructure assets. With cash accounting, the capital cost of infrastructure investment appears in an agency’s annual financial report during the year in which the cost of construction is incurred; the value of existing physical assets does not appear on financial reports. In actuality, physical infrastructure like roads and bridges generally continues to have value long after agencies have incurred the cost of construction and declines in value over the course of many years. Using accrual accounting, the cost, or loss in value of assets, is spread across the assets’ useful lifetime rather than accounted for in its first year.

In addition, accrual accounting methods are generally the standard in the private sector. By bringing public agencies in line with accounting norms, GASB 34 has the potential to make agencies’ overall financial condition more comprehensible to the public, investors, creditors, and the agencies themselves.

The Statement also dramatically changes the financial statements for Stanislaus County. The new financial statements will include governmental-wide financial statements (net assets and activities), governmental fund financial statements (financial data for the general fund and special revenue, capital projects, debt service, and permanent funds), proprietary fund financial statements (financial data for enterprise and internal service funds), and fiduciary fund financial statements (financial data for fiduciary funds and similar component units). These new requirements will begin next fiscal year.

Many of the activities that we currently report in trust funds will be reported in another type of fund. Currently, the Auditor-Controller’s Office, Chief Executive Office and Departments are determining which funds will require budgets in the 2001-2002 fiscal year which were not budgeted for in the past. Some of the trust funds will need to be reported as new special revenue funds, and some will be reported as new revenue line items in department budgets. The basis for the determination will be whether or not the County has full discretion over the funds.

III. STATE AND FEDERAL BUDGET ISSUES UPDATE

FEDERAL BUDGET OUTLOOK

A number of items of interest to counties are presently being considered at the federal level. On February 27, 2001 President Bush put forth his agenda for the fiscal year 2002 budget, and one of the highlights of his agenda includes his proposed \$1.6 trillion tax cut plan. Much debate is expected on the President's tax cut plan. A detailed outline of President's fiscal year 2002 budget proposal will likely be available toward the end of March, 2001. Advocacy efforts on behalf of counties by the California State Association of Counties (CSAC) during 2001 will include a focus on 1) Medicaid Upper Payment Limits (UPL) and Disproportionate Share Hospital (DSH) Allotment, 2) State Criminal Alien Assistance Program (SCAPP), 3) Local Law Enforcement Block Grant (LLEBG), and 5) Social Services Block Grant. According to CSAC, they will also continue to monitor and report on 1) State Children's Health Insurance Program (SCHIP/Healthy Families), 2) Welfare Reform (Reauthorization of Temporary Assistance to Needy Families), 3) Payment in Lieu of Taxes (PILT), and 4) Internet Sales Tax. Of particular significance to California counties is a bill (S. 169) that was introduced by our two State Senators in late January 2001. If enacted into law, this bill would provide for reimbursement to counties for indirect costs of incarcerating illegal aliens, and would also cover such costs as court and probation expenses.

STATE BUDGET OUTLOOK

On January 10, 2001, the Governor released his proposed 2001-2002 State budget. The proposed budget provides a General Fund spending plan of \$82.9 billion, representing an additional \$3.2 billion increase over last fiscal year. Nearly 85 percent of the proposed budget is confined to only three program areas: K-12 and higher education, health and human services, and youth and adult corrections. The budget also includes a \$1 billion "Energy Set-Aside" for various energy-related programs focusing on electricity, \$108 million in targeted tax relief, and one-time expenditures for capital outlay, housing, local fiscal relief, and resources.

The proposed State budget anticipates \$79.4 billion in revenues from three primary sources: personal income tax, sales tax, and bank and corporation tax. State general fund revenues have grown by a total of \$36.7 billion (cumulative 86 percent) since fiscal year 1994-1995. Fiscal year 2000-01 has seen a time of exceptional economic growth, however, the State Department of Finance predicts that this growth will moderate in 2001-2002.

Energy

On February 1, 2001, the Governor signed AB 1X, which authorized the State to enter into contracts to purchase electricity for resale to utility customers in California. This bill also authorized the State to issue revenue bonds to finance power purchases, and authorizes the Public Utilities Commission to set rates adequate to cover purchasing costs and debt service. The measure also appropriated \$500 million from the General

Fund to cover the initial costs of purchasing electricity. As of mid February, 2001, the State had used the \$500 million and submitted a \$500 million deficiency. When combined with the \$600 million previously authorized and the Governor's January 17th emergency proclamation, the State of California had committed \$1.6 billion for electricity purchases by mid February, 2001.

Between mid-February and May (when the first bond sale will occur), the State General Fund will incur additional electricity purchase costs, potentially exceeding \$2 billion. Under the terms of AB 1x, however, all General fund outlays for electricity purchases, including interests costs, will be reimbursed from the bond proceeds, including both the \$1.6 billion and additional deficiencies incurred between mid February and May. Existing California law states that all electricity purchases currently authorized will be borne by utility customers through future rate payment. In the near term, the bond proceeds will cushion ratepayers from the full magnitude of these costs, however, at some point customer rates will need to be raised to cover the State's purchasing requirements, or another funding source will have to be found.

The Governor's proposed budget includes \$1 billion to help reduce energy demand on the power system, promote conservation and bring additional power generation online. It also contains urgency legislation providing \$50 million for demand reduction programs that can be implemented by Summer, 2001, and legislation ensuring \$500 million of funding annually for 10 years to support energy efficiency, research and development, and renewable resource support.

Impact of State Budget on Local Government

The Governor's budget continues to support high priority programs of mutual concern to the State and local governments in areas of public safety, health and human services, housing, transportation, and resources. The budget mentions the promise to local governments of a continued discussion with the Governor to address long-range reform of the State-local fiscal relationship. The State 2001-2002 budget proposed to provide financial assistance to local government as set forth below, in part:

Return of Property Tax Revenues. The budget again proposes \$250 million in one-time discretionary funding for local governments, allocated on a per capita basis and one half on the basis of local governments' contributions to their counties' Educational Revenue Augmentation Fund (ERAF).

Tax Cuts. The Governor proposes a "Back to School" sales tax holiday on back to school necessities for late August. Because local governments impose a portion of the sales tax rate, cities and counties will have the option not to participate.

Juvenile Justice and Citizens' Option for Public Safety (COPS). The budget proposes a one-year extension of the \$242.6 million in funding provided by AB 1913. This will provide for \$121.3 million for juvenile justice crime prevention and intervention programs, and \$121.3 million for statewide COPS program. The

COPS program supports local front-line law enforcement, sheriffs' departments for jail construction and operations and local district attorneys for prosecution. Last fiscal year included local allocations of \$1.5 million for Juvenile Justice and \$160,016 each for jail operations and the district attorney, plus an additional \$1.4 million for front line law enforcement.

Local Law Enforcement. The budget includes \$75 million in one-time funding for high technology equipment for crime prevention and suppression; \$30 million in competitive funding for construction and upgrade of crime labs; and \$10.9 million to augment the High Technology Theft Apprehension and Prosecution Program, which utilizes specialized techniques to apprehend and prosecute high technology crimes such as electronic fraud and software piracy; and \$40 million for High Intensity Drug Trafficking Areas through the state (such as Stanislaus County).

Trial Court Funding. The budget proposed an increase of \$60.1 million for trial court funding, including, among others, funding for equipment and personnel for trial court security, trial court expenses related to the implementation of SB 2140 (trial court employees), and for costs of services provided to trial courts by counties, such as accounting, personnel administration, procurement and contracting, and technology support. For fiscal year 2001-2002, the State will be assuming 78 percent of trial court funding costs, making \$414 million available in general purpose revenues to counties.

Proposition 36 Implementation. The State budget does not contain any additional funding to implement Proposition 36, however, the budget predicts a significant increase in the number of probationers, yielding additional county probation costs of tens of millions of dollars each year. Additional resource needs have yet to be identified and no augmentation is provided at this time.

Healthy Families and Medi-Cal Programs Enhancements to these programs has or will significantly increase participation through enrollment growth, eligibility expansion and program simplification.

Health Services Programs. The budget provides \$20.6 million for ancillary services to residents of institutions for mental disease, formerly a local funding responsibility.

Social Services. The budget provides \$132.8 million for child welfare services emergency workload relief, and funding to maintain baseline Child Welfare Services program at the level proposed in the 2000 budget.

CalWORKS County Block Grants. Over \$1.6 billion will be available in the block grant available to counties.

Transportation The budget proposes \$1.2 billion in local assistance, which includes \$430 million for the Traffic Congestion Relief Program to fund projects where a local agency is the project manager and the project was selected with input from local agencies, and \$250 million to fund projects for urban congestion relief. Stanislaus County received \$3.2 million out of a statewide \$200 million last fiscal year.

Housing. The budget provides \$200 million in new funding available in 2001-2002 and 2002-2003 for a total of \$300 million, for the Jobs-Housing Balance Incentive Program, which rewards cities and counties that increase the number of housing permits issued.

Central Valley Infrastructure The budget includes \$20 million for grants to communities in the Central Valley for infrastructure that supports business and industrial development, and creates jobs.

Criminal Justice. The budget proposed \$2.5 billion in criminal justice funding, with \$128.4 million for local assistance, including:

- \$28 million for local peace officer training assistance
- \$27.2 million for narcotics, sexual assault and elder abuse prosecution programs
- \$15 million for the Challenge Grant program; and
- \$11.6 million for domestic violence prevention and prosecution programs

Local Public Safety Fund. In 2001-2002, local agencies will receive an estimated \$2.4 billion from the Local Public Safety Fund, pursuant to the passage of Proposition 172 in 1993.

Resources. The budget provides \$322.6 million for resource and environmental programs, including funding for local flood control subventions and flood control projects, among others.

On March 1, 2001 the Senate Budget Committee sent the budget to its subcommittees after removing nearly \$2 billion in one-time spending from the Governor's proposed budget. The Senate Budget Committee took this action following a briefing on the energy crisis, and the uncertainty of the State's financial situation through the May Revise. The following are *some* of the items cut from the Senate version of the budget:

Central Valley Infrastructure	\$40 million
Local Law Enforcement Technology Grants	\$75 million
Jobs-Housing Balance Incentive Program	\$200 million and
Local Government Fiscal Relief	\$250 million.

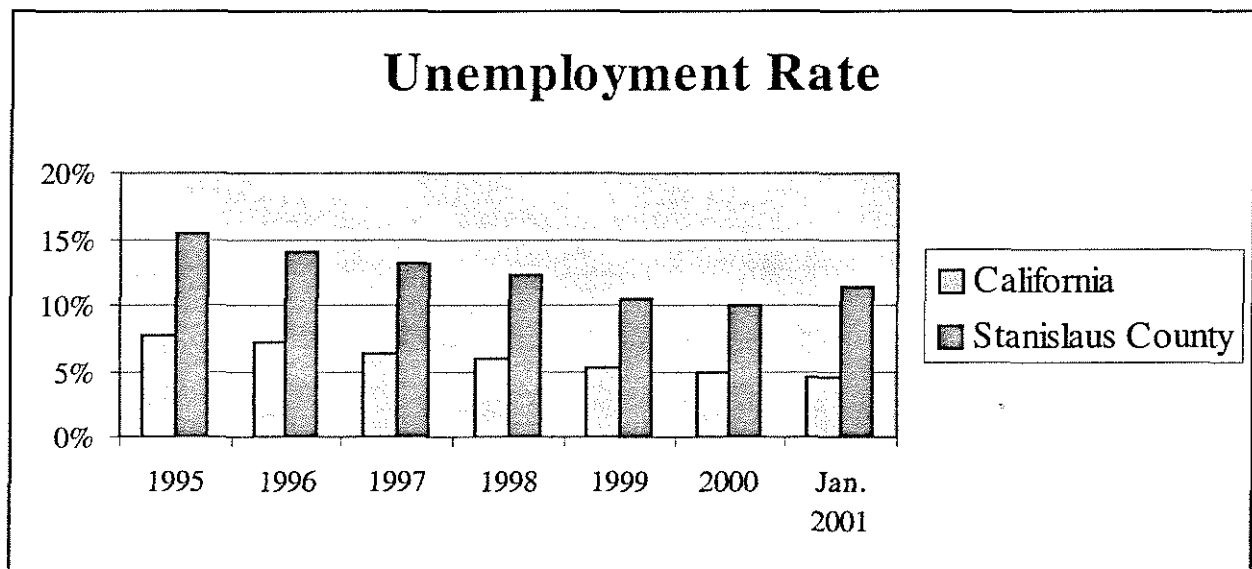
The Committee indicated that this action was not shutting the door to the Governor's proposals. Many members expressed their support for a number of the proposals. The

Senate budget subcommittees will be charged with adding proposals during their deliberations. We will follow the actions of the subcommittees, and the State budget as it winds its way through the Legislature and on to the Governor for his final decisions.

LOCAL ECONOMY

Employment

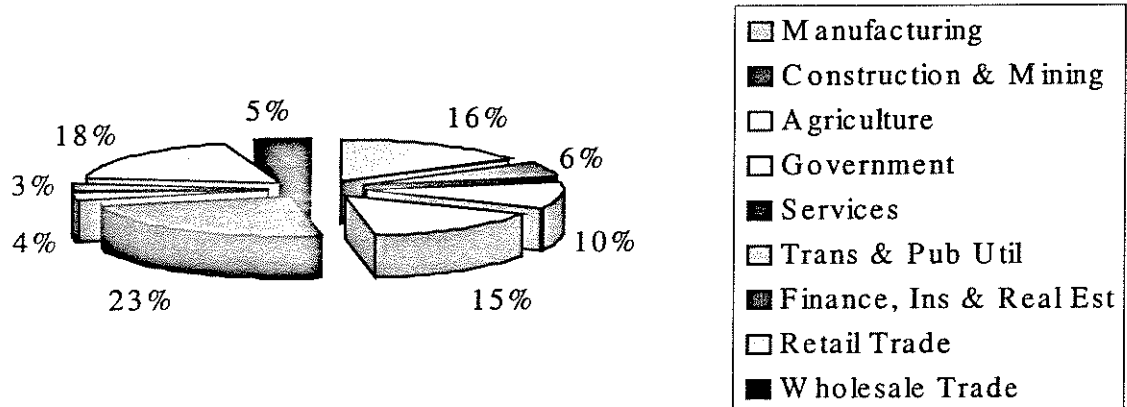
According to the State Employment Development Department's latest statistics, Stanislaus County is one of the fastest growing counties in California with the current population of the County projected to reach 709,000 by 2020. The 1999 annual average statistics show the civilian labor force for the County to be 203,000, with an unemployment rate of 10.6 percent, significantly higher than the state's unemployment rate of 5.2 percent. The annual average unemployment rate dropped 4.9 percentage points from a high of 15.5 percent in 1995 to 10.6 in 1999. Labor market conditions in Stanislaus County have been improving over the last five years and the County continues to record job growth and progressively lower unemployment rates.



Industry

Services is the largest industry in the County, representing 23.2 percent of total employment. Trade is also a significant industry, with the retail trade sector providing 18.1 percent of employment.

Employment by Industry

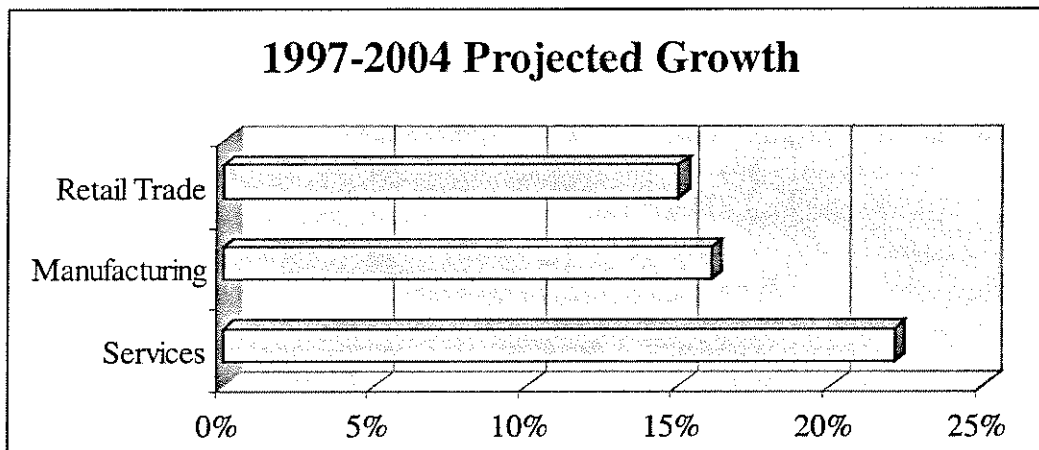


Occupational Employment

Variables that drive employment in an occupation up or down include demographic trends, shifts in demands for products or services, technological innovations and the way business is conducted. Occupations which have large employment and high turnover rates generally provide the most job openings. Stanislaus County is projected to have many employment opportunities in high turnover occupations.

Services is also the fastest growing industry sector with a seven year projected growth rate of 22.1 percent. Business services is expected to account for 35 percent of these jobs, and manufacturing shows a projected growth of 16.2 percent. Retail trade indicates a projected growth of 15 percent.

1997-2004 Projected Growth



Economic Development

The Board has been very strategic about implementing its priorities, which includes economic development. The necessary studies have been completed and findings analyzed. Today's unemployment rate is 11.4%. The number of families receiving welfare decreased by 43.5%. In Stanislaus County last year, 5,600 new jobs were

created, a growth rate of 3.7%. This historical trend places Stanislaus County 15th among the country's 125 largest metropolitan areas.

The county is in an excellent position to pursue its goal of creating a business environment that allows for an increase in higher paying job opportunities. Approximately 4000 acres have been designated for industrial and business park development. These areas are along the I-5 and 99 Corridors. The county is working with each of the appropriate communities including the City of Patterson and the City of Modesto. The county, along with its partners, is seeking funding for infrastructure improvements including transportation and high-speed fiber for advanced communications. Funding applications have been submitted to the Governor, State Legislature, the California Housing and Urban Development, the State Trade and Commerce E-Readiness Grant Program and the Great Valley Center.

In addition, the Board has taken the lead in establishing an economic development bank for the purpose of assisting the cities and the county in funding economic development activities. It is expected that the cities and others will contribute to the bank and the proceeds will be used to leverage additional federal and state funds to support job creation initiatives in all parts of the community. It is reasonable to expect that the Board's job creation strategic plan will result in approximately 60,000 medium to high paying jobs over the next ten years, a 35% increase in the labor pool. The type of jobs the Board has targeted will increase per capita income and the quality of life for all county residents.

IV. DEPARTMENTAL AND PROGRAM SUMMARIES

FISCAL/GENERAL SERVICES MAJOR ISSUES

Fiscal/General Services departments include the Assessor, Auditor/Controller, Board of Supervisors, Chief Executive Office, Clerk/Recorder, County Counsel, County Operations, Library, Management Information Services, Superintendent of Schools, Treasurer/Tax Collector, and self insurance funds.

Assessor

(Final Budget, pages 1-3)

Since fiscal year 1993-94 Management Information Services Department has been generating revenue from the charges to title companies for their direct access to the County's public information. From inception through June 30, 2000, the total revenue received has amounted to \$164,528. One third of the revenue totaling \$54,843 was to be designated for the Assessor, Treasurer-Tax Collector and Auditor-Controller departments to be used for future technology. Inadvertently, as the revenue was generated annually, it reduced the costs for services that were billed to all County Departments in any given year rather than being used for the technological needs for the Assessor, Treasurer-Tax Collector and Auditor-Controller.

Recommendation: Approve a transfer of \$54,843, from Appropriations for Contingencies to the Assessor's department for reimbursement for lost funds for future technology.

Board of Supervisor's

(Final Adopted Budget, pages 9-10)

At mid-year the department has expended 50% of its annual budget, and all accounts are within projected spending level. The department is requesting a total of \$21,851, for anticipated expenses (staffing, training and record needs) that will occur in the last half of the fiscal year and exceed the department's existing budget allocation. As part of the County's Strategy for Technology it was recommended that the department microfilm the existing original paper records from 1989 forward as a precautionary measure for safeguarding the only official Board record.

Recommendation: Approve an increase in appropriations of \$21,851, from Appropriations for Contingencies, to cover salary costs, training and the costs associated with microfilming the official Board records.

CEO – Risk Management

(Final Adopted Budget, pages 23-26)

At mid-year the Division's total expenditures were at 51.9% of budgeted appropriations. It is projected this budget unit will exceed budgeted appropriations by approximately \$13,450, needed for compensation. The Division identified performance-based pay as an unmet need in the Final Budget. It was recommended and approved at that time to postpone additional funding until the County's mid-year review in the event the department-adopted budgets were unable to absorb the costs.

Recommendation: Approve an appropriations increase of \$13,450, from Appropriations for Contingencies for performance based pay increases.

CEO-Risk Management

Departmental Loss Prevention Program

The CEO-Risk Management Division has been working closely with departments on the implementation of a Loss Prevention Program initiated in July 2000. A summary list of recommendations has been made to address the leading workers' compensation injury causation factors and sound business safety practices. In compiling the list of recommendations, the Risk Management Division studied the 10 leading workers' compensation injury causation factors in Stanislaus County by total number of claims and incurred costs. The Division is recommending funding of \$506,290 of the requested items (approximately 18% of the total departmental requests).

Recommendation: These safety related requests could be funded by a combination of sources that include General Fund Appropriations for Contingencies, County Facilities, departmental fund balances, retained earnings, and encouraging departments to include certain items in their fiscal year 2001-2002 budgets. The CEO-Risk Management Division will review these requests and funding recommendations with departments prior to returning to the Board for approval. Many of our county departments are in complete compliance with all of our safety policies, requirements and reports. Other departments are striving to be in compliance. All departments will be encouraged to be in total compliance with all policies so their respective funding requests can be positively considered.

CEO - Special Projects

(Final Adopted Budget, pages 19-20)

The Stanislaus Arts Council has requested \$20,000 for additional expenses related to the recruitment and the hiring of a new executive director. The County annually contributes \$8,616 to the Stanislaus Arts Council as matching funds for State monies.

Currently the County maintains a trust fund for the International Friendship Committee that has a negative cash balance of \$183.72. In order to clear this trust fund liability, it is requested that a transfer from the Special Projects budget to the trust fund be approved.

Recommendation: Approve a one-time appropriation transfer of \$20,000 from Special Projects to County Match for the additional costs associated with hiring a new director for the Stanislaus Arts Council. Transfer \$183.72 from the Special Projects budget to the International Friendship Committee Trust Fund and authorize the Auditor-Controller to dissolve this trust fund consistent with GASB 34 (Governmental Accounting Standards Board).

CEO – Central Services

(Final Adopted Budget, pages 49-51)

At mid-year the division's expenditures are exceeding their revenue recovery. It is projected this division will end the year with a projected deficit of \$137,668. This is primarily due to a shift in customer buying patterns with increased utilization of credit card purchases for office supplies and customer frustration with a cumbersome request and billing system. Customers are requiring faster turnaround times which has resulted in a number of customers going outside or doing their own copying. In an effort to address this deficit, Central Services staff are being shifted to services that are billable.

Recommendation: With changing customer needs and demands, the County is faced with the challenge of taking a fresh look at service delivery to their customers. To that end, it is recommended that a business assessment be conducted of our Central Services. It is further recommended that the Board approve a transfer from

Appropriations for Contingencies of an amount not to exceed \$137,668 at year-end, to offset the division's deficit.

CEO - County Court Funding
(Final Adopted Budget, pages 93-95)

At mid-year there is a significant shortfall in projected revenue. Based upon an analysis of revenue received as of mid-year, it appears that a revenue shortfall of as much as \$937,171 may occur by year-end. Civil Assessment fees were budgeted at the same level as the past fiscal year, even though we did not receive the full amount due to the Court's failure to transfer these fees to the County. It is projected that by year-end the County will have received \$197,096 of the \$571,499 budgeted. The Court will have retained approximately \$310,000 of this revenue. While the Court's action continues to not have been resolved, it is important to note that this revenue, as well as all Court revenue receipts are, significantly lagging behind that received for the same period of time last fiscal year. For example, the total amount of Civil Assessment Fee revenue last year (including that retained by the Court) was \$687,201, while this year it is projected to be approximately \$507,000.

If the fine and forfeiture revenue that comprises the \$1.8 million revenue portion of the Maintenance of Effort obligation for trial court funding continues to be received at the same level, it will be approximately \$200,000 less than the total received last year. With the exception of Recording Fee revenue, all of this revenue is significantly lagging behind the previous year's receipts.

One reason for this may have to do with the change in the Traffic system. Programming to automatically send out fine notices was delayed resulting in a backlog of these notices being mailed out. The Court is working on catching up these notices. In addition, customers can no longer utilize a credit card to pay their fees and fines due to system changes. It is likely that these issues are impacting the receipt of this revenue and it is unclear whether elimination of the backlog will resolve the problem.

On one positive note, it is anticipated that expenditures in this budget will be approximately \$138,216 less than budgeted. This is partially due to lower than anticipated collection costs. Also since revenue is lower than budgeted, the portion that must be shared with the state and budgeted as an expenditure will be less.

Recommendation: It is recommended that a review at third quarter of this budget occur.

Clerk-Recorder
(Final Adopted Budget, pages 53 and 54)

The department reports that it is in good fiscal standing at mid-year. During this period, the department had a study conducted by Government Finance Research on costs

related to selected fees charged and recommendations cost-recovery and proposed fee adjustments. The study recommends the following fee modifications:

- Regular Marriage Licenses (certificates of Declaration of Marriage and Non-denominational marriage certificates): Adjust the County portion of the fee to \$40.00, from \$36.00. (Total cost to the public - \$70.00 from the current \$66.00)
- Confidential Marriage Certificates: Adjust the County portion of the fee to \$44.00. (Total cost to the public - \$76.00, from the current \$72.00 as the State Vital Statistics Department requires \$4.00 per certificate rather than \$2.00 for a regular license).
- Fictitious Business Name Filings: Increase the fee for filing a fictitious business name to \$30.00 from the current \$27.00.
- Fictitious Business Name (FBN) Withdrawal and Abandonment: Increase the fee charged for abandonment of a FBN from \$18.00 to \$30.00 per request.
- Official Records, Duplication (Recorder's Office Function): Decrease this fee from \$6.00 to \$3.00 for the first page, \$2.00 for the second page.
- Issuance of Duplicate Marriage License: Increase this fee to \$10.00 from the current \$5.00.
- Marriage Ceremony In House: Increase the \$35.00 fee to \$40.00 for a marriage ceremony.
- Copies of Official Documents, Recorders Office and Clerk's Office: It is recommended that fees for copies of official records be adjusted. The \$6.00 fee for the first page of the copies should be lowered to \$3.00, while subsequent pages should be charged at \$2.00 instead of \$1.00.
- FBN Mailing Lists, Hard Copies of Listings Recorded on Disks: It is recommended that the Clerk's Office charge for regular hard-copy pages of lists at \$3.00 for the first page and \$2.00 for subsequent pages. Subscribers who request the listings on a CD disk should be billed at \$20 a month for a monthly updating of the lists.
- County Passport Application Mailing and Handling Fee: It is recommended that the mailing and handling charge of \$5.00 be added to the U.S. County Clerk –Recorder Contribution Fee of \$15.00. Applicants should be asked to pay \$20.00 to the County of Stanislaus in addition to the \$45.00 U.S. Passport Office fee.

For expedited mailing and handling the County should request a fee of \$25.00 be added to the \$45.00 U.S Passport Office fee.

Recommendation: It is recommended that a public hearing be scheduled to consider the fee changes outlined above.

Clerk-Recorder Elections Division

(Final Budget pages 55, 56 and 57)

Overall, the Elections Division is in a positive fiscal condition. A new line printer (\$9,000) is requested to print thousands of residency cards to selected voters prior to the November 2001 election and the upcoming reapportionment process.

The Clerk-Recorder is requesting a reclassification of one Administrative Clerk I to Administrative Clerk II in the Elections Division. This request is based on the fact that the position has been upgraded to perform duties to include administration of the National Motor Voter Act and all state postal reports. The cost of this reclassification is estimated to be approximately \$4,900 annually and can be absorbed in the Elections budget.

As the result of the fee study conducted of the Clerk Recorder's Office, one fee change is requested:

Elections Department, copying charge: It is recommended that the Elections department reduce the present charge of \$4.50 for the first copy of documents and records down to \$3.00. The second copy cost should be set at \$2.00 which will be consistent with the copying charge set by the County Clerk-Recorder's Office.

Recommendation: Approve the one-time purchase of the \$9,000 printer to be funded by Appropriations for Contingencies. Study the reclassification of the Administrative Clerk I. It is also recommended that that a Public Hearing be scheduled to consider the fee modifications.

County Counsel

(Final Adopted Budget, pages 61-63)

At mid-year the Office of County Counsel projects an increase in expenditures of \$28,000 above their budgeted appropriations. This increase relates to vacation cashouts, pay-for-performance and increased supply costs. The department identified pay for performance as a potential exposure in their Final Budget request for 2000-2001. It was recommended and approved at that time to delay additional funding until mid-year. The department also requested the addition of one Deputy County Counsel V. This position would provide improved service in the area of employment and personnel related matters, Equal Rights area and handle additional arbitration proceedings resulting from new State legislation in cooperation with the Chief Executive Office. The cost of this position for the remainder of the fiscal year totals \$20,000. County Counsel's workload has grown significantly and an additional position is warranted.

Recommendation: Approve an increase in appropriation of \$35,000, from Appropriation for Contingencies, for vacation cashouts, pay for performance, supply costs and the addition of a Deputy County Counsel V position. Chief Executive Office staff projects savings in the department's budget that can be used to offset a portion of the Department's additional costs.

CEO – Airport

(Final Budget, pages 77-78)

The County's 1998-99 contribution of \$110,000 was never transferred to the airport due to pending completion of a final accounting on past contributions. Staff has reviewed the final accounting and are now requesting an increase to the existing Airport budget of \$110,000 equal to the amount owed in 1998-99 to be used for proposed airport hanger improvements.

Recommendation: Approve an appropriation transfer of \$110,000, from Appropriations for Contingencies to the County's Airport budget unit to be used for airport hanger improvements.

Management Information Services

(Final Adopted Budget, pages 105-108)

At mid-year the department projects actual expenditures to exceed budgeted appropriations by \$531,025. The reasons for this overage are the additional costs the department has funded for the maintenance agreements for Oracle financials, People Soft and the hardware to run both systems totaling \$357,500. Also, additional funding of \$383,058 is requested for contract services to maintain the County's mainframe and lease costs for equipment that was put in new facilities.

The department has made an effort to stay within their existing base budget by reducing outside contract staff to only those professionals whose expertise does not exist within departmental office staff. Also, with the Board's approval of the new billing methodology for distributing management information services has made the department more conscious and cognizant of those services that their customers are willing to pay for and at what rate. The deficit also includes \$123,000, in salary-related costs due to the Board approved Information and Technology Position Classification study.

The department is also requesting additional funding of \$426,500 to start building the foundation infrastructure as outlined in the County's Strategic Plan for Technology. The department is concerned that if the County does not proceed soon in this effort departments will build LANs that are not configured to be part of the Countywide infrastructure. As part of this, the department is requesting six new positions that include: (3) Software Developer/Analyst I/II/III, (2) System Engineer II and (1) Senior System Engineer.

Upgrading the County's mainframe was also requested in the department's mid-year at a cost of \$479,500. Some of the major users of the mainframe have reported having to wait for 3-5 minutes per transaction.

As in the Final Budget, the department is requesting additional funding of \$200,000 for the Year 2000 census. Historically, MIS staff has been responsible for developing maps

to support this effort. Currently, the department does not have staff or appropriations to support this activity.

The department has requested \$67,000 for the remainder of this fiscal year for two new positions of Application Specialist III that will be dedicated to improve service for the customer support desk.

The department has requested the reclassification of two Software Developer Analyst III positions and one Application Specialist II to address additional skill levels and responsibilities that were not addressed in the information and technology reclassification study.

The recruitment and selection process is under way to fill both the Director of Management Information Services and the Chief Information Officer positions. As is evident, technology is a part of our working lives and a critical element throughout the organization. Working together, these two positions will provide the necessary leadership, coordination and direction for future information technology needs countywide.

Recommendation: Approve an increase in appropriations and estimated revenues of \$480,500, for maintenance costs for Oracle, PeopleSoft and hardware and the cost of the Information and Technology Position Classification study.

It is recommended to postpone the addition of the requested eight new positions for building the County's infrastructure foundation and the customer support desk until a new Management Information Services Director is appointed. In addition, postponement of upgrading the mainframe is recommended pending the outcome of the feasibility study being conducted on the County's Justice Information Systems and the hiring of the County's Chief Information Officer.

As part of the Information and Technology Reclassification Study, MIS was allocated two Senior Software Developer positions that are currently underfilled at the Software Developer Analyst III level. It is recommended the department do a departmental recruitment to fill their Senior Software Developer Analyst positions at their allocated level. The remaining item requested is not recommended for funding at this time. The department, along with the Chief Executive Office, will continue to monitor costs in an effort to reduce the department's deficit.

Management Information Services – Telecommunication

(Final Adopted Budget, pages 109-110)

At mid-year the division has expended 46% of their budgeted appropriations. It is projected the division will end the year with a budget savings of 2% or approximately \$72,000 of their adopted budget.

Because of all the moves and modifications to support, new facilities, remodels, and department growth, the division has retained extra-help support for almost two years, in addition to the three full-time allocated positions, to meet telecommunication demands for service. The number of telephone switches has grown from six to fifteen in the last eighteen months. The county wide voice mail system has grown from 1,200 users to over 3,000-voice mail box users in one year. Cellular telephone growth has increased from 500 to 1,000 users in approximately one year. Nextel radio/telephones went from zero units to 900 units in approximately eighteen months. Cellular phones and Nextel radios/telephones are more efficient than landline telephones. Since they are portable and convenient, they greatly improve staff productivity.

The division continues to research new cost effective technologies such as voice over IP, which integrates voice and data over the same line, LAN networks, wireless office systems (which permits the replacement of the desk phone with a digital cellular telephone), universal messaging and video teleconferencing.

In an effort to address the continuing increased demands for services, the division is requesting the conversion of three extra-help positions to two System Engineers I positions and one Application Specialist I position and the reclassification of an existing System Engineer I to a System Engineer II for an increased salary cost of \$12,252 for the remainder of this fiscal year.

Recommendation: It is recommended the following three extra-help positions be converted to permanent status: two System Engineer I and one Application Specialist I. It is also recommended that a reclass study on an existing System Engineer I be conducted. Funding is available within the division's current fiscal year budget for these new positions.

Treasurer-Tax Collector

(Final Budget, pages 111, 112, and 113)

At mid-year, the Treasurer-Tax Collector is in a positive fiscal condition. Revenues are up on delinquent defaulted taxes as well as the Transient Occupancy Tax (due to the addition of a new motel). The department is requesting three new Account Clerk III positions to facilitate the timely collection of property taxes. The cost for these three positions is \$54,000 for the remainder of this fiscal year, which will be paid with the Transient Occupancy Tax revenue.

Recommendation: Approve the three new positions of Account Clerk III at a cost of \$54,000 for the remainders of this fiscal year, which will be paid with the Transient Occupancy Tax revenue. Revenue received through the Transient Occupancy Tax during the last three years has been tracked and will be a dedicated source of on-going funding for these positions.

CRIMINAL JUSTICE/PUBLIC PROTECTION

Criminal Justice/Public Protection departments include Animal Services, Chief Executive Office of Emergency Services/Fire Warden, District Attorney, Stanislaus Regional 911 (Emergency Dispatch), Grand Jury, Probation, Public Defender, and the Sheriff.

Major Issues

ANIMAL SERVICES

(Final Adopted Budget, pages 121-126)

The Animal Services Department expenditures are at 55 percent at mid-year and revenue has been received at 25 percent of budget. Billing is quarterly and it is estimated that by year-end the department will reach 90 percent of its projected revenue. Revenue is down partially due to the later than anticipated start day of the mobile, spay-neuter vehicle. It has been purchased and should be fully operational in late April. Revenue received this mid year is \$61,000 over revenue receipts at mid year 1999-2000.

The Department has been involved with several high profile animal cruelty cases involving over 2300 animals. Expenditures for these cases have climbed to nearly \$60,000, yet prudent management has kept overall expenditures at mid year at 55 percent. The Department also has recently received 30 fighting pit bulldogs and this high profile case may exceed \$25,000 in unforeseen expenditures by the end of this fiscal year.

Future issues include the increased cost for services involving the use of utilities, rendering services and gas prices. Rising cost of services could increase overall expenditures as much as 15% by year-end.

One of the recommendations approved by the Board of Supervisors with the Final Budget was the opening of the shelter on Sundays. The department has had very good success since it began service on Sundays at the first of this calendar year. Customer surveys indicated that 73 percent of people learned of the shelter Sunday services by word of mouth, 22 percent by driving by the shelter, and 5 percent through the media. Receipts averaged \$1,100 per Sunday during the first month of Sunday services.

Other good news from Animal Services is that, coincidentally, with the opening of the Adoption Center, the euthanasia rate has dropped 7 percent. The department believes this is due to the opening of the Adoption Center and the Education/Compliance Team's aggressive licensing and microchipping efforts.

Recommendation: Monitor revenue and expenditures and review at the third quarter financial review.

CEO - Office of Emergency Services/Fire Warden

(Final Adopted Budget pages 127-129)

At mid-year this budget is anticipated to end the year within appropriations unless significant additional expenses are incurred due to the current energy crisis. This budget funds the Emergency Operation Center (EOC). It is unclear the extent of additional costs that may be incurred based upon the frequency required to open and operate the EOC. In addition, some unplanned costs associated with the move to the new facility have been absorbed by this budget.

In effort to meet GASB 34 (Governmental Accounting Standards Board) requirements, trust funds that have remained in the accounting system for some time are being liquidated. There is currently \$2,800 in the Fire Training Center Trust Fund that should be transferred to this budget unit to help offset Training Center Costs included in this budget.

Recommendation: Increase the revenue appropriation by \$2,800 through a transfer of Fire Training Center Trust Fund revenue to this budget. A review at third quarter is recommended to determine any additional funding changes that may be necessary.

District Attorney Criminal Division

(Final Adopted Budget, pages 131-135)

At mid-year the District Attorney's Office Criminal Division anticipates remaining within the budget if certain adjustments are made for costs that may occur in the last half of the fiscal year. These potential costs represent a total of \$150,000 in extraordinary trial costs (\$75,000), pay for performance costs (\$25,000), cashouts (\$25,000) and telephone costs (\$25,000). In addition, the department has requested the addition of five new positions. They are one Criminal Investigator II position, two Deputy District Attorney V positions, one Legal Clerk III and one Confidential Assistant IV. The Criminal Investigator position would be funded through an agreement with the Community Services Agency to investigate elder abuse crimes. Also requested is an attorney to prosecute these crimes, however there is no grant funding currently available for prosecution efforts. If the Deputy District Attorney position is authorized the department is seeking funding effective with the new fiscal year in the amount of \$104,455.

The department has also requested an additional Deputy District Attorney position to prosecute high tech crimes, in support of the High Tech Crime Task Force, which incorporates several valley counties. The District Attorney does not believe any outside funding source is available for this purpose, however, feels strongly that this relatively new type of highly specialized area of prosecution needs to be supported by a dedicated attorney in the office. The department is requesting the addition of the position now, with the \$104,455 for the position to be added next fiscal year.

The department is also requesting additional clerical support to transcribe witness and defendant statements, and additional secretarial support for the department's management staff. The department requests an additional funding allocation of \$9,472 this year for a new Confidential Assistant position and \$70,898 in additional funding next fiscal year for both positions. A previously requested classification study of two Supervising Legal Clerk I positions has been completed and the department has asked that the study results be implemented.

The department also requested replacement of three copy machines that have outlived the typical life expectancy for this type of equipment. Replacement of the three machines will be approximately \$90,000, with an annual maintenance cost of \$35,000. The department has also looked at a lease arrangement that would incur an annual cost of \$60,000.

The department requested \$5,000 to fund ChoicePoint, which is an automated public information research database. This service is utilized by various law enforcement agencies and has been found to provide complete and economical investigation services.

Finally, the department is requesting \$5,300 in carpet replacement costs, which have already been incurred. At the time the repair work was done, it was understood that the Building Maintenance budget would absorb this cost. However, that was not the case and now the District Attorney's Office must cover the cost. Replacement of worn carpeting at the Juvenile facility, in particular (\$3,400), was necessary in order to avoid potential accidents due to the poor condition of the carpeting.

Department revenues are anticipated to materialize as projected, with the possible exception of the environmental settlements.

Recommendations: It is recommended that the District Attorney's budget be adjusted \$25,000 on a one-time basis to cover the cost of the cashout expenses through growth in Proposition 172 revenue. It is further recommended that expert costs, performance based pay increases and telephone costs be evaluated at third quarter in order to determine the level of adjustment, if any, necessary at that time. Two positions of Supervising Legal Clerk I should be reclassified to Supervising Legal Clerk II. The department will absorb the cost in the existing budget. It is recommended that one Criminal Investigator II position be added as well as one Deputy District Attorney V position, both to support elder abuse prosecution efforts. There are no recommended changes to the Department's appropriations. Proposition 172 growth will be identified to fund the Deputy District Attorney V position next fiscal year, as this position is a high priority of the District Attorney. The Community Services Agency will fund the full cost of the Criminal Investigator position. The request for addition of a much-needed new Confidential Assistant position should be considered with the proposed budget. Finally, it is recommended that \$5,300 be transferred from Appropriations for Contingencies on a one time basis to cover the cost of the carpet replacement. The remaining items

requested are not recommended for funding at this time. Department revenue will also be reviewed at third quarter.

DISTRICT ATTORNEY-CHILD ABDUCTION UNIT

(Final Adopted Budget, pages 143-144)

At mid-year this budget for the current fiscal year is on target. However, there is a potential \$1.5 million fiscal problem associated with this budget due to the State's recent action withholding SB90 reimbursements. The Child Abduction Unit is a mandated program that is fully reimbursed by the State under SB90. The State has withheld prior payment of the 1995-1996 reimbursement of \$626,510 and the 1996-1997 reimbursement for \$970,701 by decreasing the amount to be reimbursed the County for other department SB90 claims. Those affected include Behavioral Health and Recovery Services, Board of Supervisors, Public Health, Sheriff, Clerk Recorder-Elections Division, and District Attorney special program funding. In the past when this has occurred, the departments whose claims have been shorted by the state are made whole by a transfer of funds from the department that has the claim issue with the state. A meeting will be held with the State Controllers office the week of March 12, 2001 to work toward a resolution that has no impact on the County General Fund.

Recommendation: Grant the Chief Executive Officer and the Auditor-Controller the authority to adjust the budget of the Child Abduction unit and/or establish a financial arrangement that reimburses all County departments adversely affected by this action, until an appeal can occur and these funds are reimbursed by the State. A review of the status of this funding matter will occur at the third quarter review.

DISTRICT ATTORNEY-FAMILY SUPPORT DIVISION

(Final Adopted Budget, pages 147-153)

The Family Support Division projects expenditures and revenue to be within budgeted appropriations at year-end. Specifically, Salaries and Benefits will be under budget due to the large number of vacancies. Services and Supplies, Other Charges and Fixed Assets are expected to be slightly under budget. The division plans to utilize a small amount of fund balance to cover expenses for projects approved and encumbered last fiscal year, but completed this fiscal year. These funds are not subject to forfeiture to the State if not utilized. Family Support revenue is directly related to expenses.

The Division requests the deletion of the currently vacant position of Clerical Division Supervisor, and in its place the addition of one Program Manager I/II to oversee the operation of 42 staff members managing legal and program issues surrounding implementation of new legislation, new program requirements and compliance, and operation of business processes. The addition of this position would have no impact on the general fund and would be funded by State and Federal funds, The division is fully funded by State and Federal funding and the allocation for the division is in excess of the amount projected to be needed.

A previously requested classification study of three Supervising Legal Clerk I positions and one Supervisor Account/Admin Clerk I has been completed. The findings indicate reclassification to Supervising Legal Clerk II is appropriate.

Recommendation: It is recommended that a study of the Clerical Division Supervisor be deleted. It is also recommended that three Supervising Legal Clerk I and one Supervising Account/Admin Clerk be reclassified to Supervising Legal Clerk II.

DISTRICT ATTORNEY ELDER ABUSE ADVOCACY GRANT

(Final Adopted Budget, pages 167-168)

At mid-year the District Attorney has determined that the grant funding will not materialize as originally adopted with the final budget. As a result, the department is requesting that appropriations for expenditures and revenue be decreased \$5,848 for the remainder of the fiscal year. The department is closely managing expenditures in this budget and will not exceed the requested reduced budget level.

Recommendation: It is recommended that appropriations for expenditures and revenue be reduced \$5,848 from the level previously budgeted. There may be a need to reduce this budget further and should this be necessary a recommendation will be made at third quarter for this to occur.

GRAND JURY

(Final Adopted Budget, pages 179-181)

The Grand Jury's fiscal position at mid year is under budget in expenditures, with spending currently at 32% of legal budget.

The Civil Grand Jury is requesting an increase of \$10,000 to cover the anticipated cost of court reporter services for complex investigations. It appears there is sufficient funding in this budget to cover the increased cost this fiscal year.

The Department also requests a reclassification study of the staff position.

Recommendation: It is recommended that the request for court reporter costs be reviewed at the third quarter budget review in the event that current appropriations are insufficient to cover these costs. It is also recommended that the Confidential Assistant IV position be studied for a possible reclassification.

Probation

Casework Services

(Final Adopted Budget, pages 183 – 187)

The Casework Services budget is well aligned to finish the year within budget. The department requested funding for increased Workers Compensation costs (\$108,621),

and utility costs (\$5,500). The department requested the conversion of a contract systems position to regular status at a projected yearly cost of \$60,380 and funding for the previous Information Technology (IT) reclass recommendation of \$5,144. The department is requesting a technical adjustment transferring \$124,000 from Services and Supplies to Fixed Assets for the purchase of office furniture that was previously approved. In addition, the department is recommending the deletion of one Deputy Probation Officer III position and 5 Deputy Probation Officer II positions that have been unfunded and vacant for several years now.

Department revenue is projected to be on target. At the current time, the department's revenue is overstated, because state funding for the Crime Prevention Act (CPA) 2000 has been received by the County in the amount of \$1,559,385. The spending plan for these funds will be submitted for Board approval in March of this year.

The department anticipates that Proposition 36 may create workload and staffing impacts, and plans to address these issues as part of the 2001/2002 budget request.

Recommendation: It is recommended that the Workers Compensation costs and the potential utilities shortfall be reviewed at third quarter to see if the department can absorb it. If not, we will transfer them. It is recommended that funding for the IT reclass at \$5,144 be approved through a transfer from Appropriations for Contingencies and that conversion of the contract position to a regular Systems Engineer I position at a cost of \$15,095 for the remaining four months of the fiscal year be approved. The additional costs of the new position would be funded by growth of previously unbudgeted Proposition 172 revenue. It is recommended that one Deputy Probation Officer III position and five Deputy Probation Officer II positions be deleted as recommended.

Juvenile Institutions

(Final Adopted Budget, pages 189-192)

The Juvenile Institutions budget is on track to finish this fiscal year well within budget. While Workers Compensation costs are projected to increase \$114,758 this fiscal year, salary savings from higher than normal staff vacancies will offset the increased cost. Utilities are also projected to exceed the current projected appropriation by \$11,000.

The department is requesting the addition of one Senior Group Supervisor position at an annual cost of \$66,791. The department request is based upon improving the span of control between supervisors and staff in the department insuring adequate coverage. Senior Group Supervisors are assigned major projects for the institutions such as staff training coordinator, volunteer services and program coordination, including staff support for the construction projects. While staffing continues to be a challenge for the department, it is important to have an adequate number of leadership positions in the department. The department can cover the cost of the position this fiscal year from salary savings.

The department requested a reduction in its projected department revenue of \$20,000. The Board of Corrections reimburses counties for staff training based on the annual budget. Actual expenditures last fiscal year were less than the amount reimbursed by the state. As a result, the department will receive \$20,000 less revenue this fiscal year to offset last year's overpayment.

Recommendations: It is recommended that one Senior Group Supervisor position be added. The request was made as part of the final budget. The level of staffing requested is appropriate. Increased funding for this position will be included in the department's base budget next fiscal year in the amount of \$66,791. It is also recommended that department revenue be reduced by \$20,000 as requested by the department. Due to the fact that this budget unit is well within the anticipated appropriation level, no other changes are recommended at this time.

Adult Drug Court Program

(Final Adopted Budget pages 193-194)

At mid-year the Adult Drug Court Program is anticipated to end the year within budget. Workers Compensation costs are projected to increase by \$5,076 this fiscal year; however, this cost can be absorbed in the current budget appropriation. Federal funding for the existing program configuration will expire close to the end of this fiscal year. Proposition 36 will impact this program including all drug related programs that currently exist. Planning is currently underway to evaluate this program, as well as other drug programs as part of the Proposition 36 implementation assessment. Any funding changes will likely be recommended as part of the Proposed Budget or by separate Board action.

Recommendation: There is no Board action requested at this time.

Office of Graffiti Abatement

(Final Adopted Budget, pages 195-196)

At mid-year, the Probation Office of Graffiti Abatement budget is well within budget limits. Workers Compensation costs will increase an estimated \$1,530, however, this can be absorbed in the current budget allocation.

Recommendation: There is no Board action requested at this time.

Challenge Grant I – Idea Program

(Final Adopted Budget, pages 197-198)

Funding for this grant funded research program will expire on June 30, 2001. An additional \$9,934 in grant funding is available to cover project costs. The department is requesting an increase in department revenue and expenditures so that the grant funds can be fully expended this fiscal year. Current Probation staff whose positions are

funded through this grant will transfer to existing vacancies in the department effective with the expiration of the grant.

Recommendation: Increase revenue and expenditures by \$9,934 as requested by the department.

PUBLIC DEFENDER

(Adopted Final Budget, pages 199-201)

The department has expended approximately 45 percent of its budget at mid year, and it appears that revenue will materialize as budgeted. The department will end the fiscal year with a positive fund balance.

Proposition 36, which provides drug treatment and probation for most individuals convicted of simple possession of street drugs, will go into effect on July 1, 2001. The impact of the law remains to be seen, but, in general, the number of people serving jail or prison time for these offenses should go down.

The Public Defender is requesting an increase in the number of Deputy Public Defender V positions, in an attempt to stem the rate of attorney turnover, and to address a growing disparity between the department and other County legal offices. This would result in a salary increase for each attorney that moves to level V from IV. The number of level V Deputy Public Defender positions would be increased by four so that there would be ten level V Deputy Public Defender positions in the department. The current department budget would absorb any increase in salary costs.

The department is also requesting the addition of an Application Specialist III. The department currently pays approximately \$45,000 per year to the County Management Information Services (MIS) Department for support and maintenance of its local area network, and anticipates paying an additional \$10,000 for set-up and repair of computers on a 50-workstation network. It is expected the cost of the position could be partially funded from savings realized by reducing its reliance on MIS. The projected yearly cost of this position is \$40,000. The addition of this position would be particularly cost effective because the department is expected to move out of its current offices within the next nine months. This move will involve moving and reconfiguring the network. Having an employee dedicated to that task would result in significant savings. The department is also looking to partner with another small County department so that a portion of the employee's time could be devoted to the maintenance of another department's LAN, with a corresponding amount of salary paid by that department.

The department is also considering reorganization of its support staff and considering contracting with another County department to provide budgetary and accounting assistance.

Recommendation: It is recommended that one position of Application Specialist III be added at a cost next year of \$40,000. It is also recommended that four Deputy Public

Defenders IV positions be reclassified to level V at a cost of \$26,000 to be funded from departmental savings.

PUBLIC DEFENDER, INDIGENT DEFENSE

(Final Adopted Budget, pages 199-201)

The Indigent Defense fund at mid year has expended 48 percent of budgeted appropriations. This revenue is anticipated to be received from the Superior Court. The claim is in the process of being prepared and it is expected that this revenue will materialize by fiscal year end.

It is always difficult to determine how many claims will be made against the fund. At this point in the year, the number of complicated felony cases that are awaiting trial appears to be less than in the past. This budget unit has consistently exceeded budgeted appropriations over the last two fiscal years in amounts ranging between \$90,000 and \$215,000, respectively. The Public Defender believes that this budget will end the year within appropriations. However, it may become necessary to supplement this budget consistent with that of the previous two years in order to avoid exceeding its spending authority at year-end.

Recommendation: Monitor this budget unit carefully and review the status of expenditures and revenue at third quarter financial review.

Sheriff

The Sheriff has predicted that the overall Sheriff's budget in total will end the year exceeding current appropriations unless an increase to appropriations is forthcoming. Workers Compensation costs had been partially offset in prior years by retained earnings. This was the first year in over three years where this did not occur and as a result, it was anticipated that these costs would exceed Sheriff appropriations as adopted during the Final Budget. Cashout expenses are also large this year due to a number of retirements of long term employees. The department will also receive certain revenue in excess of that budgeted for some of the incurred costs associated with training. Budget issues with the General Fund divisions should be considered as part of the overall department budget. The department will likely transfer appropriations among budget units for the remainder of the fiscal year through submission of budget transfer forms. A description by division of the department's requests and budget status is as follows:

Sheriff's Administration

(Final Adopted Budgeted, pages 209-212)

At mid-year this budget unit has expended 77 percent of total appropriations. The reasons for this include increased Workers Compensation costs (\$53,000), termination cashout costs (\$60,000), \$11,000 in increased overtime costs, increased Pay for Performance costs (\$12,500) and \$41,000 for increased training costs. The department

also noted that costs contained in "Other Charges" significantly exceed appropriations and will look at these issues from an overall department perspective to determine whether internal adjustments need to be made during the fiscal year. The department has also requested that \$54,000 be transferred from Sheriff's Detention to this budget unit.

The department requested a classification study of the Accountant II position that supports the Central Valley High Intensity Drug Trafficking Agency (HIDTA) grant. The department also requested the reorganization of their Training unit clerical support, through the elimination of one Confidential Assistant position and reliance on temporary agencies, and offsetting this by the addition of two Account Clerk III positions. This change would result in a slight savings to the department.

The department is seeking \$50,000 to institute a pilot program where employees can request cash out of accrued vacation time similar to other County departments. These types of requests have generally not been approved or budgeted for in the past.

Department revenue is projected to exceed current appropriations. It is anticipated that POST (Police Officer Standards and Training) revenues will increase as well as State mandated costs revenue (SB90).

The department anticipates that additional funding for the State HIDTA may be forthcoming next fiscal year. Should that occur, expenditure plans for these funds will be identified and submitted to the Board for approval.

Recommendation: It is recommended that this budget be increased on a one time basis \$53,000 for Workers Compensation costs and repayment to the Drivers' Training Trust fund in the amount of \$14,142 through a transfer from Appropriations for Contingencies. The budget should also be increased \$40,900 for additional training costs and will be offset by an increase to department revenue of \$40,900. It is also recommended that the budget be increased \$110,000 for vacation and termination cashout costs and \$12,500 for increased Pay for Performance costs through the use of Proposition 172 revenue growth. It is also recommended that one Confidential Assistant III position be deleted and two Account Clerk III positions be added. The potential increased costs related to overtime and other charges should be evaluated at third quarter. A classification study of the Accountant II position is recommended. Finally, it is recommended the Sheriff be given the authority to transfer appropriations between the various General Fund budget units for the remainder of the fiscal year. This transfer would include their request to transfer \$54,000 from Detention to Sheriff's Administration. Also review comp time / overtime of \$11,000 and other overages of \$130,532 at third quarter.

Sheriff Operations

(Final Adopted Budget, page 213-216)

At mid-year the Operations Division budget is projected to incur expenditures at a rate higher than appropriations. The greatest overage will be salary and benefit costs of approximately \$418,000. This is primarily due to the use of overtime and extra help to fill current vacancies and to fill in behind employees off work with injuries. Workers Compensation costs for this budget are estimated to exceed budget by \$160,000 for the remainder of the fiscal year. Approximately \$107,000 in computer related and phone costs are also projected to exceed existing appropriations. Utility costs charged to this division will be evaluated to determine if internal adjustments department wide should be made in order to offset the higher costs in the other divisions.

The department is requesting that revenue and expenditures be increased \$123,000 for a COPS/Schools grant that was approved by the Board in late June 2000. Budget adjustments were not included in the current fiscal year for this grant.

The department requests \$167,000 in termination cashouts and an \$100,000 increase in POST revenue and expenditures, to address the overtime and extra help costs.

The department has hired twelve Deputy Sheriff Trainees to fill existing vacancies. Due to the fact that these employees are going through the academy, this employment represents an increased projected cost of \$230,000 a year. The department would like to re-establish the Deputy Sheriff Trainee classification and requests authority to double fill up to twelve Deputy Sheriff positions with trainees. The current policy permits double filling of positions for up to three weeks. An exception would be requested to double fill positions for the period of time necessary to transition the new recruits into existing vacancies.

Also requested is the addition of three Deputy Sheriff positions to staff Salida and one additional detective position and vehicle. A COPS grant application for these positions was submitted, however, the grant was not awarded. The County share of the funding was included in the budget, however, the positions were not added. Also requested is the addition of four Community Services Officer positions that would be assigned to substations in Denair, Salida, Empire and South Modesto. These positions would greatly enhance the service to these communities and will provide valuable support to the area commander.

New legislation declares that many handguns that are used by law enforcement have been declared by the State of California to be "not safe". The majority of the department's deputies currently carry weapons declared to be unsafe by the State. While law enforcement is generally exempt from the legislation, potential liability issues may necessitate the replacement of these weapons next fiscal year at an approximate cost of \$200,000.

The department projects that the revenue will materialize as budgeted, including the additional POST revenue.

Recommendation: It is recommended that this budget be increased by \$160,000 on a one-time basis to cover Workers Compensation costs through a transfer from Appropriations for Contingencies. Department appropriations should be increased \$100,000 for the additional extra help and overtime costs and will be offset by an increase to department POST revenue of \$100,000. Revenue and expenditure appropriations are recommended to be adjusted \$163,000 for the previously approved COPS/Schools grant. It is also recommended that four Deputy Sheriff positions be added (three for Salida and one detective for the Property Crimes Unit); the classification of Deputy Sheriff Trainee be re-established at a salary range 15% below the existing salary for Deputy Sheriff Coroner and that the Sheriff be given the authority to double fill up to twelve Deputy Sheriff Coroner positions with Deputy Sheriff Trainees for the period of time necessary to transition the trainees into available, vacant positions. The County portion of the funding for these positions was included in the base budget for the department. Additional funding to make up for the grant funds not approved for these positions will be addressed with the Proposed Budget and will likely be funded through future Proposition 172 growth. The purchase and \$14,000 in funding for purchasing an additional detective vehicle is recommended from Proposition 172 revenue growth in this fiscal year. Finally, it is recommended that four new Community Services Officer positions be considered to be added at third quarter contingent upon available funds. It is recommended that the computer and phone related costs be evaluated for funding from existing Sheriff grant funds. A review of potential shortfall to this budget will occur at third quarter.

Sheriff's Detention

(Final Adopted Budget, pages 217-220)

At mid-year the Sheriff's Detention budget is projected to end the year in a deficit position. The most significant factor contributing to the potential deficit is attributed to Workers Compensation costs of \$725,000. Worker Compensation costs had been partially offset in prior years by retained earnings. This was the first year in over three years where this did not occur and as a result, it was anticipated that these costs would exceed budgeted appropriations. Funds were placed in Appropriations for Contingencies for this purpose should the potential budget deficit materialize as had been anticipated. Staff vacancies have contributed to the high use of extra help and overtime in this budget. It is anticipated that salary savings should cover these increased costs. However, the department estimates that if all positions are filled and costs continue at the current rate the Detention budget could end the year with a \$1.4 million deficit.

Increased telephone charges of, in some cases, three times that which were budgeted, are likely to exceed budgeted appropriations for that line item by \$90,000. In addition, the cost of food has increased 10% over the prior fiscal year. The department plans to restructure the cost per meal rate in order to offset this increase.

The department is requesting \$78,600 in cashout costs for long term employees and a classification study of one Account Clerk II position assigned to the Bureau of Administrative Services. The department also requested an increase to its expenditures and revenue to compensate for the Amador County food contract in the amount of \$106,915.

Revenue is anticipated to be received on target, with an upward adjustment necessary due to the Amador County food contract that was not previously included in the budget.

The effect Proposition 36 will have on custodial operations is uncertain. The Sheriff believes the impact will be negligible on custodial operations. Facility issues continue to be a concern at the Honor Farm. The department will seek funding in the Proposed Budget to repair the road and parking lot at the Honor Farm and replace the current intercom system.

Recommendation: It is recommended that this budget be increased on a one-time basis by \$725,000 for Workers Compensation costs through a transfer from Appropriations for Contingencies. Appropriations for expenditures and revenue should also be increased \$106,915 for the Amador County Food contract. It is also recommended that the budget be increased \$78,600 for termination cashout costs through the use of Proposition 172 revenue growth. It is also recommended a classification study of the Account Clerk II position assigned to the Bureau of Administrative Services be completed. The potential increased costs related to overtime and telephone costs should be evaluated at third quarter. Finally, it is recommended the Sheriff be given the authority to transfer appropriations between the various General Fund budget units for the remainder of the fiscal year. This transfer would include their request to transfer \$54,000 from Detention to Sheriff's Administration.

Sheriff Court Security

(Final Adopted Budget, pages 221-222)

At mid-year Court Security is expected to end the year with a deficit of approximately \$153,000. There are several areas that are impacting the budget. Workers compensation was under-funded approximately \$13,000 and a significant amount of extra help was expended in keeping the courts staffed to meet the demands. Added security alone accounted for about \$110,000 of this shortfall. The other area is that certain intrafund costs are not reimbursed by the Court due to the interpretation statewide of Rule 810. The Sheriff is working with the Court to reach agreement on a new court security contract that is anticipated to include extra help funding at a higher level.

Clearly, Court Security costs are the obligation of the Superior Court. The Sheriff does not believe it is appropriate to transfer funds from other Sheriff budget units to offset the shortfall in Court Security. Granted the Court's two-year advance budget planning process is a challenge when picking up certain court security costs including salary

adjustments. But demands by the Court for higher level of services are the Court's responsibility and have been generally acknowledged as that by the Court in prior discussions.

It is anticipated that all costs will be claimed by the Sheriff to the Court for Court Security services, and that all available revenue will be received to cover the costs as claimed.

Recommendation: It is recommended that no additional costs be funded and instead, court reimbursement be pursued. A second review should occur at third quarter; hopefully after a new Court Security contract has been negotiated with the Court. Should this budget exceed appropriations prior to third quarter, it is recommended that if the agreement is reached, the Chief Executive Officer be given the authority to adjust the revenue and expenditures so that the budget does not end up in a deficit position. In addition, it is recommended that we pursue transferring this budget unit to the Special Revenue Fund at the time the Proposed Budget is adopted.

Sheriff's Ray Simon Regional Criminal Justice Training Center (Final Budget, pages 227-228)

At mid-year this budget is anticipated to end the year within budgeted appropriations although phone costs exceed estimates. The department is requesting the deletion of one Administrative Clerk III position. The Joint Powers Authority (JPA) for the Center has decided to make this a community college district position.

Recommendation: Delete one Administrative Clerk III position (#9005) as approved by the JPA.

PUBLIC RESOURCES

Public Resources departments include the Agricultural Commissioner, Cooperative Extension, Environmental Resources, Parks and Recreation, Planning and Community Development and Public Works.

Overall, the Public Resources departments are on budget at mid-year.

Public Resources Departments' Major Issues

AGRICULTURAL COMMISSIONER

(Final Adopted Budget, pages 231-234)

At mid year of fiscal 2000-2001, the Agricultural Commissioner's expenditures are nearing fifty percent. It is anticipated that due to salary savings and a much higher than usual gas tax revenue last year that revenue will be less than projected. However, the Agricultural Commissioner expects that this will be partially offset by improved

performance in weights and measures device registrations, and higher anticipated export certification requests.

The department is requesting an increase in appropriations for several accounts, specifically maintenance of structures and grounds, postage, data processing services, *utilities and contract janitorial, due to anticipated increased spending.*

The Agricultural Commissioner worked with Management Information Services to identify critical hardware and software needed by the department to survive the Y2K transition. The cost estimate for the upgrades was \$125,000. The hardware portion of the upgrade was purchased by the Agricultural Commissioner with salary savings. The department was notified in early October, 2000, that the Management Information Services department would not continue its work on software development, but would be billing the department for charges incurred after July 1, 2000. The anticipated expense is \$55,000, \$40,000 in charges through December 2000, and \$15,000 to bring the project to completion.

The Systems Coordinator position was reclassified to Systems Engineer I as a result of the countywide Information Technology reclassification study. The department is requesting an *adjustment to their budget for the increased reclassification costs in the amount of \$2,600 for the remainder of this fiscal year.*

Recommendation: Fund the one-time additional expense from Appropriations for Contingencies to complete the software development for the department in the amount of \$55,000. It is also recommended that the budget be adjusted by \$2,600 through a transfer from Appropriation for Contingencies to reflect the increased salary costs for the Systems Engineer I.

COOPERATIVE EXTENSION

(Final Adopted Budget, pages 235-237)

The Cooperative Extension continues to operate in a fiscally conservative fashion. Revenue is expected to materialize as projected by year-end. Expenditures are on target; however, increased telephone costs are anticipated.

There remain several items that have not been completed, or require repair, at the Stanislaus County Agricultural Center. In order to complete the Harvest Hall complex, the Chief Executive Office and Cooperative Extension requests a total of \$37,145 for 150 additional chairs, trash receptacles inside and outside of the meeting rooms; replacement of the gravel area with pavers, and add six concrete planters in the breezeway at Harvest Hall.

There are several miscellaneous items that are needed for Harvest Hall. These include the purchase of an overhead projector, dry erase boards, door sign holders, projector bulbs, pens, markers, etc. The department is requesting \$2,000 in increased

expenditures to cover the purchase of these items. An increase in departmental revenue from rental fees for meeting rooms is expected to cover this ongoing expense.

The Chief Executive Office and Cooperative Extension also requesting \$40,000 to refurbish and maintain the landscaping at the Agricultural Center, and funding to upgrade and expand the Agricultural Center parking lot and paved perimeter road.

A one-time increase in appropriations for expenditures and estimated revenue is requested to budget for the transfer from the Advisor's Trust Fund in the amount of \$6,192 for an extra help position.

The department is also requesting the addition of an Agricultural Assistant II position to assist the field advisors at an estimated annual cost of \$33,696.

Recommendation: It is recommended that the one-time work needed to complete the Agricultural Center complex be funded. This recommendation includes funding the Harvest Hall improvements in the amount of \$37,145, and the landscaping in the amount of \$40,000 from the General Fund Plant Acquisition budget unit. Funding to perform necessary engineering work to pave the parking lots and perimeter road would also be covered by the Plant Acquisition budget.

It is also recommended that the department's appropriations for expenditures and estimated revenue be increased by \$2,000 for miscellaneous items for Harvest Hall, with anticipated revenue received from Harvest Hall room rental fees.

It is also recommended that the department's appropriation for expenditures and estimated revenue be increased by \$6,192 to fund an extra help position with the anticipated revenue to be transferred from the Advisor's Trust Fund.

Department of Environmental Resources

(Final Budget pages 239, 240 and 241)

Overall, the department is in good fiscal condition at mid-year. As part of this mid-year review the department is moving money around internally to the fixed asset account in order to purchase one additional vehicle. A request to change the classification of Deputy Director of Environmental Resources to Assistant Director within the same salary band is also requested.

Recommendation: It is recommended that the classification of Deputy Director of Environmental Resources be retitled to the existing classification of Assistant Director and assigned to the same salary band.

Parks 20 Year Master Plan

(Final Budget pages, 257 and 258)

The Parks and Recreation Department continues to work on identifying funding sources for the parks improvement projects identified in the 20 year Master Plan. During this fiscal year, property in Empire has been acquired for the development of a community park.

On August 29, 2000, the Board of Supervisors approved funding in the amount of \$265,000 to acquire the 5.5-acre parcel located at 5321 Yosemite Boulevard. Funding for the parcel was contributed by two sources: \$100,000 from the Stanislaus County Redevelopment Agency and \$175,000 from the General Fund – Plant Acquisition. Acquisition of another small parcel adjacent to this property, which will provide for services to the site at an additional purchase cost of \$75,000 is currently being considered in separate Board action and funding will be provided through Plant Acquisition.

As part of this mid-year process, the department is requesting an additional \$253,500 to support projects proceeding pursuant to the Parks Master Plan. Of this amount, \$118,500 is requested to further advance the Empire Community Park: \$3,500 to perform an environmental study of the property, \$35,000 for planning and design and \$80,000 for the removal of existing dwellings on the park site. Additionally, the department is requesting \$135,000 in general fund monies for reservoir improvements including fire pits, tables and the repaving of roads.

Recommendation: It is recommended that \$118,500 for the Empire Park be approved and funded by Plant Acquisition. Funding for reservoir improvements in the amount of \$135,000 funded by Plant Acquisition is also recommended.

PLANNING AND COMMUNITY DEVELOPMENT

(Final Adopted Budget, pages 269-272)

The Planning and Community Development Department's expenditure and revenues are under budget at mid year. It is anticipated that a significant portion of revenue will not be realized by year-end due to a slowdown of the Diablo Grande project. The Department is projecting its expenditures will not exceed budgeted appropriations, and it expects to see savings materialize to offset the anticipated revenue deficit.

The Department has submitted a Staffing Proposal and Strategic Plan for consideration, which describes an accurate picture of the department, and the direction, staffing and tools needed to attain its goals. Several staffing requests are contained in the plan, as well as requests for equipment and a request to increase planning application fees and business license fees, as well as fees charged to the cities of Hughson and Waterford for planning services.

The Planning and Community Development Department is requesting a reclassification study of the position of Administrative Clerk III, which serves as Clerk to the Planning Commission.

Recommendation: It is recommended that the Staffing Proposal and Strategic Plan be taken to the Board of Supervisors separately from the mid year financial review. It is also recommended that the Administrative Clerk III position be studied for possible reclassification.

PLANNING - REDEVELOPMENT AGENCY

(Final Budget pages 273-274)

The Redevelopment Agency has expended 44 percent of budget at mid year. Revenues have been received at 2 percent, however, the Agency expects all estimated revenues will be received by the end of the fiscal year. The Agency's largest revenue is derived from property taxes, currently budgeted at \$1,185,000. This revenue is not yet reflected in the Agency's operating report, however, it is expected to be posted by year-end.

The Agency is currently involved in the process of securing interim financing relative to a Rural Development loan to construct storm drainage infrastructure in Salida. This interim financing may be in terms of loan or bond funds and will be retired by Rural Development loan funds once the project has been completely constructed.

Efforts continue regarding property tax increment allocation methodology with the State Controller's office. The Agency's legal counsel, County Counsel, Auditor-Controller and Agency staff maintain that the methodology used is consistent with the State Constitution and Agency v. County of San Bernardino (1978). Attempts are being made with the County Legislative lobbyist to introduce legislation that recognizes the methodology used by Stanislaus County as appropriate and correct.

The Redevelopment Agency is requesting an Assistant/Associate Planner position to assist with the State/Federal grants and redevelopment projects, at an approximate cost to the Redevelopment Agency of \$31,600 for the remainder of this fiscal year (including \$2,500 in one time computer expenses) and \$63,200 per year thereafter. The Agency is also requesting a reclassification study of one Senior Planner (Manager III) position to Deputy Director (Manager IV).

Recommendations: It is recommended that the Agency add one Assistant/Associate Planner position to assist with grants and redevelopment projects, at an approximate cost to the Redevelopment Agency of \$31,600 for the remainder of this fiscal year (including \$2,500 in one time computer expenses) and \$63,200 per year thereafter, recoverable through grant funds. It is also recommended that the Senior Planner, Manager III, position be studied for possible reclassification.

PLANNING - LAFCO

(Final Adopted Budget, pages 277-278)

At mid year, the Local Agency Formation Commission (LAFCO) has received 38 percent of revenues and expended 64 percent of budgeted appropriations. It is anticipated that approximately \$5,000 in revenue will not be received by year-end, and that expenditures may be over budget by approximately \$20,000 by year-end in this Intrafund.

Assembly Bill 2838 mandates that all LAFCOs will become independent agencies effective January 1, 2001. County staff is currently working on this and will assist LAFCO's transition to an independent agency on July 1, 2001. Any additional costs incurred will be transferred to the new agency at year-end. The administrative services salary line item will be monitored and reviewed at third quarter budget review to ensure that it remains within budget.

Recommendation: It is recommended that this budget unit be reviewed at the third quarter budget review to determine the probability of exceeding budgeted expenditures and revenue.

PUBLIC WORKS GENERAL FUND FACILITIES MAINTENANCE

(Final Budget, pages 285-287)

The Public Works General Fund Facilities Maintenance budget unit is 51 percent expended at mid year. Revenues have been received at 50 percent and it is expected that all projected revenue will be realized by year-end.

The Utilities budget is expected to exceed appropriations by the end of this fiscal year due to uncontrollable and increasing costs of natural gas currently being experienced in the State of California. As part of the mid-year analysis, a study of the costs of natural gas in the majority of County buildings was reviewed. The study revealed the total costs for natural gas for calendar year 2000 was \$494,970.16 for 741,531 therms,¹ at an average price per therm of \$.67.

During the analysis, we observed the charges for natural gas (including the per therm transmission charge by PG&E) ranged from \$.48/therm in mid-1998 to \$1.72/therm in January, 2001. Based on consumption in 2000, the projected charge for natural gas for County facilities for one year if the price per therm of natural gas averages to \$1.50/therm would be approximately \$1.1 million. On the high end, if the rate settles at \$1.75/therm, the yearly charge for natural gas to county facilities will approach \$1.2 million.

¹ A therm is the amount of thermal energy equal to 100,000 British thermal units (BTU). The thermal energy content of natural gas is measured in the amount of therms available from the gas. One hundred standard cubic feet of PG&E's commercial grade natural gas have an energy content of approximately one therm.

Currently, the Building Maintenance budget is recognizing potential shortfall of \$329,164 at year-end. Projections for the remaining six months based on usage of 393,000 therms at \$1.75/therm, are \$687,755. At this time, the department is not requesting a budget adjustment. However, due to the unstable market price and recent history, the department will closely monitor this budget unit.

Recommendation: It is recommended that the utility costs be monitored closely and reviewed at the third quarter financial review for possible adjustment in those departments that are unable to absorb the cost within their existing appropriations.

HUMAN SERVICES

Human Services departments include Aging and Veterans' Services, Employment and Training, Health Services Agency, Mental Health and the Community Services Agency

Major issues:

Area Agency on Aging

(Final Adopted Budget, pages 303 and 304)

Overall, the Agency is in a good fiscal position. The Agency is requesting a one-time increase in revenue and appropriations of \$258,603, due to one-time funding being received from the Older Americans Act. This funding will be spent on Older Americans Act programs: \$245,397 will go to contracting service providers and the remaining \$13,206 will be used to offset over-expenditures in office supplies, travel and contracts. Additionally, \$2,792 is being requested as a one-time match from the General Fund.

Recommendation: Approve the request for the one time increase in revenue and offsetting appropriations of \$258,603 and authorize a one-time contribution of \$2,792 funded by Appropriations for Contingencies.

Behavioral Health and Recovery Services

(Final Budget, pages 363 - 384)

Overall Behavioral Health and Recovery Services is in a good fiscal position at year-end. One new position and one reclassification are requested at this time. The department requests a new Mental Health Clinician II to work with Emotionally Disturbed (ED) children at a cost of \$15,332 for the remainder of the fiscal year. Two additional ED classroom sites have been added, which are mandated services by AB 26.7. This position is necessary to provide services to these children. The department also requests the reclassification of an Administrative Clerk II to Administrative Clerk III in Contract Services.

During the 2000-2001 Final Budget, Behavioral Health and Recover Services requested the reclassification of two positions: Account Clerk III to Accounting Technician and Accountant III to Confidential Assistant V. The positions have been studied and found

that the reclassifications are warranted. The cost of these two reclassifications is \$1,842 for the remainder of the fiscal year and can be absorbed in their budget.

Recommendation: Approve the new Mental Health Clinician II in Mental Health at a cost of \$15,332 for the remainder of the fiscal year, which can be absorbed in their budget. Approve for study the reclassification of the Administrative Clerk II position in Contract Services. Approve the reclassification of Account Clerk III to Accounting Technician and Accountant III to Confidential Assistant V, which will cost \$1,842 and can be absorbed in their budget.

Community Services Agency –Services and Support

(Final Budget, pages 385 -390)

Overall, the Community Services Agency is in strong fiscal position. Realignment revenue in Program Services and Support and Public Economic Assistance is projected to increase nearly \$1 million this fiscal year. Approximately one half of this increase is attributed to one-time growth funds, and the other half represents a current year adjustment to the realignment base budget. Of this amount, \$49,476 has been committed to the Severely Emotionally Disturbed Children (SED) Program to offset its unfunded balance. The remainder of the funds will be used for current programs, including the increased cost of In-Home Supportive Services due to the raise in minimum wage and the passage of AB2877.

Child Care continues to be an area to watch, as there are insufficient funds to support the client need. CSA will use CalWORKS single allocation funds to augment the child care program, while the agency monitors state funding. The agency has advised the State that if additional funds are not identified by the end of February, new clients will not be added, or referred to other agencies. Subsidized childcare and some existing clients may require discontinuance.

The Agency is requesting five new positions: one Stock/Delivery Clerk II (\$7,774 for the remainder of the fiscal year); one Accountant III (\$16,080 for the remainder of the fiscal year); one Legal Clerk IV (\$9662 for the remainder of the fiscal year); and two Social Worker III's (\$27,416 for the remainder of the fiscal year).

The Stock/Delivery Clerk II is requested for the Offices Services section. This position will assist in the provision of services at 19 different clinics and Healthy Start sites throughout the County. The timely delivery of supplies, forms, equipment, and files is critical to the mission of the outstations and this position is necessary to support the increased level of community outstations. The Accountant III is requested for the Accounting Services section, Contracts/Accounts Payable unit to support growth in collaborative partnerships and performance based contracts. The Legal Clerk IV will support the Child Protective Services Court Unit. The position will act as lead worker for the unit and coordinate other legal clerks in support of the Family Reunification and Permanent Placement Workers in the production of court reports each month. The two new Social Worker III positions are requested due to a new mandate from the State

Legislature, AB 2877, which will result in increased workload and caseloads. This law immediately creates a new pool of individuals who are eligible to In Home Supportive Services/Personal Care Services Programs (IHSS/PCP) without a share of cost. In Stanislaus County, this is anticipated to be approximately 730 persons. This increased growth rate based on past experience alone will quickly create two new IHSS caseloads.

Recommendation: It is recommended that the following five new positions be added: one Stock/Delivery Clerk II, one Accountant III, one Legal Clerk IV and two Social Worker III's. The cost of these five new positions is \$60,932 for the remainder of the fiscal year and funding is available within the Agency's existing appropriations.

Department of Employment and Training – Administration

(Final Budget, pages 311, 312 and 313)

Overall, the Department of Employment and Training is in a strong fiscal condition with a technical adjustment to increase revenues and appropriations of \$862,750. The Department is requesting five new positions and one reclassification study in this legal budget unit. Two Employment and Training Specialist II positions are requested to backfill two current positions in case management Career Services that were transferred full time to the Career Resource centers in order to implement the Workforce Investment Act Tier 1 Services. In addition, two Employment and Training Specialist II positions are requested to work in the Career Resource Center that will be opening in Turlock at the Community Services Agency one-stop center. These four positions will cost \$80,327, with funding available in the department budget. One new position of Application Specialist III is requested to staff the Turlock one-stop. This position will provide maintenance to the present systems and network at a cost of \$18,772 for the remainder of the fiscal year. Additionally, a reclass study of one Employment Specialist III to Employment and Training Analyst III is requested.

Recommendation: Approve the following new positions: four Employment and Training Specialist II and one Application Specialist III at a total cost of \$99,099 for the remainder of this fiscal year, which can be absorbed within this legal budget unit. Conduct a reclass study of one Employment Specialist III.

Department of Employment and Training-On-The-Job Training/Individual Referral/Work Experience

(Final Budget pages 321 and 322)

The department is in good fiscal condition at mid-year. It is requested that a title change to this legal budget unit be made to more accurately reflect the activities under the Workforce Investment Act.

Recommendation: Change the title of current legal budget unit from the Department of Employment and Training-On-The-Job Training/Individual Referral/Work Experience to

the Department of Employment and Training-On-The-Job Training/Individual Training Account/Work Experience/Youth Training Account.

Department of Employment and Training- Welfare to Work

(Final Budget, pages 323 and 324)

Overall, this legal budget is in good fiscal condition. The Welfare to Work amendment of October, 2000 has made eligibility requirements more relaxed which will increase the number of clients that The Department of Employment and Training (DET) can service under Welfare to Work such as non-custodial parents and foster youth. For this reason, five new positions are requested: four Employment Coordinator II's and one Employment Coordinator III at a cost of \$104,683. The four Employment Coordinator II's will serve the anticipated caseload/work load growth, which is anticipated to increase by 200. The Welfare to Work amendment now allows the department to start serving foster youth as well, with an anticipated additional 30 to 50 cases. The Employment Coordinator III will act as the lead worker in the Welfare to Work unit, assisting with staff development, helping in writing procedures/policies and providing back up for the Welfare to Work supervisor.

Recommendation: Approve the five new positions: four Employment Coordinator II's and one Employment Coordinator III at a cost of \$104,683 which is available in this legal budget unit and funded entirely by existing appropriations.

Health Services Agency –Administration

(Final Budget, pages 327 - 330)

The Health Services Agency (HSA) continues to work on overcoming the Agency's deficit position. This budget unit now encompasses the majority of overhead departments for The Health Services Agency (HSA). These overhead costs are allocated to the other HSA legal budget units (Clinic and Ancillary Services, Public Health, Managed Care and IHCP) much like County cost applied expenses are allocated to various County departments. While the overhead departments do not generate revenue, per se, it is worth mentioning the success that the continued efforts of the Patient Finance Department along with Clinic and Ancillary staff have made in enhancing revenue and improving cash flow. HSA just recorded cash collection of over \$1 million per month for the seventh straight month. Prior to the billing and collection enhancements, average monthly collections were \$910,307. They are now averaging \$1,043,244 per month. With this trend in increased collections it is anticipated that deductions from revenue will be adjusted downward resulting in an increase in net revenue. The potential reduction in deductions in revenue will have the most impact on the Clinic and Ancillary legal budget unit. The Agency continues its conservative approach and has not recognized the potential impact of this trend into mid-year budget projections. The Agency has also reduced days in Accounts Receivable from 83.3 to 64.3 in the same seven-month period.

Overall, expenditures for this unit are projected to exceed appropriations by \$733,853. These costs will be allocated to the appropriate revenue generating units, which will see an increase in their indirect costs. The Clinic and Ancillary Legal Budget Unit budget narrative makes reference to specific dollar impacts to each budget.

The reasons for the increases include:

- \$111,115 increase in salaries and benefits. This increase is due to a request for six new positions for a total dollar increase of \$55,945 and the recently approved IT reclasses for the majority of HSA management information staff totaling \$55,170.
- \$225,000 is requested to cover the cost associated with recent Medicare Fraud and Abuse guidelines (including \$215,000 for a required medical chart audit).
- \$154,493 is requested to cover minor and capital equipment needs. Much of the capital equipment request is specific to various computer upgrades necessary for compliance with upcoming HIPAA (Health Insurance Portability and Accountability Act) regulations.
- \$232,468 for additional cost applied charges from the County to the Agency, resulting from the new MIS billing methodology.
- \$10,777 for other repairs and maintenance.

The Agency has requested the following staffing changes in this budget unit:

- One new Public Health Nurse position to expand a part-time Public Health Nurse position to full-time, which is critical in meeting OSHA (Office of State Health Administration) requirements for Infection Control. The cost of this new position is \$17,600 for the remainder of this fiscal year.
- Four new Account Clerk II positions to ensure timely billing, follow up on appeals, and proactively work account receivables. This will result in a substantial increase in collections. The cost of these four positions is \$14,200 for the remainder of the fiscal year. The relatively low dollar amount for the addition of the four positions is attributable to the budgeting of funds for three of the positions in the general billing area in the original 00/01 budget. New positions were inadvertently not requested. Only one position had not been previously budgeted.
- One Manager I to assist with recent changes in federal regulations and requirements in operations with HIPAA Compliance (include electronic data transactions and medical record privacy and security). This position will have responsibility for developing, implementing, facilitating and monitoring system and operational changes for this program. The cost of this position is \$24,145 for the remainder of this fiscal year.
- The Agency is requesting a title change for the Physical Therapist classification at no additional cost.
- Move one Application Specialist II (#9235) from Public Health 1402 to Agency 1404 at no additional cost.
- Move 51 positions from SMC 4051 to Agency 1404 at no additional cost (see specific position transfers at end of this report).

- Move one Confidential Assistant (#7575) from Public Health 1402 to Agency 1404 at no additional cost.

HSA continues to pursue an appeal related to Medi-Cal certification for the County's clinic system (room charge issue). The net impact of this revenue loss is \$2,000,000 annually from Medi-Cal. The county is currently working with our legislators to sponsor a bill this session that would legislate the return of this reimbursement to Stanislaus County. A bill has been identified and legislative language is in the process of review by Legislative Counsel. This bill provides language to restore the Medi-Cal room charge reimbursement and to negotiate a pilot program to restore the funding lost that is equivalent to the lost disproportionate share funding.

Recommendation: It is recommended that the revenues and appropriations be increased by \$733,853, as requested. It is recommended that: one (1) Public Health Nurse, four (4) Account Clerk II, and one (1) 1 Manager I be added to the position allocation; and move the positions as detailed above. Title change the Physical Therapist classification to Phys/Occup Therapist.

Health Services Agency – Clinic and Ancillary Services

(Final Budget, pages 351 - 359)

Overall, clinic operations continue to show improvement. Year-to-date gross revenue is 111% of budget. Clinic gross revenue is 115% of budget, clinic direct expenses are 99% of budget and clinic visits are 99% of budget. Ancillary gross revenue is 105% of budget and direct expense is 96% of budget. Visits and gross revenue in Rehabilitation Services will continue to exceed budgeted figures and have been adjusted to reflect this enhanced revenue.

Some of the changes that have occurred during this fiscal year include:

- The termination of the contract with Oak Valley Hospital to operate the Oakdale Prenatal Clinic. Budgeted net revenue will be reduced by \$200,047, direct expense will reduce by \$158,377 and net income will be reduced by \$41,670 for the remainder of the year.
- Volume projections with associated revenue and expense projections have been adjusted in the following areas:
 1. Specialty Clinic: Revenues and patient visits in several specialty areas have been adjusted downward due to continued issues associated with specialist availability. Revenues and expenses have been increased in Oncology as volumes have exceeded budget projections. Additionally, costs to provide specialty services continue to increase as HSA continues to pay a premium to obtain physician services (independent contract cost is greater than payor reimbursement). Net impact is a decrease in net income of \$272,000.
 2. Ceres Medical Office: Patient revenue and visits have been reduced due to the impending loss in March of one of the most productive physician providers at this site. Net impact is the loss of \$11,733 in net revenue.

3. Rehabilitation revenues and visits will decrease from year to date actual but will end the year exceeding budget projections by approximately 10% with an increased net revenue of \$76,392.
4. Radiology revenue is projected to be 8% less than budget. The impact is \$162,038 in gross revenue and a \$99,880 reduction in net income.

The indirect costs applied by the Agency Administration budget unit have resulted in a net impact to this budget index of \$160,091. While there has been a reduction in revenue in these areas, the Agency has been successful in capturing funds to cover these losses. For this reason, there will be no additional negative impact to the projected deficit. We are hopeful, with the continuation of these efforts, that we will see some reduction in the deficit projection at year-end.

Four new positions are requested in this budget unit.

- Three Medical Assistant positions are requested to convert existing part-time positions, to provide consistency in care for patients, savings in recruitment and training cost and improved provider relations. The ability to retain these trained individuals will result in increased revenues for the clinical services. The costs for these three positions for the remainder of this fiscal year is \$17,506.
- One new Clinic Manager to oversee Urgent Care is requested. Currently one manager oversees both the Urgent Care Center and the Family Practice Center, managing 55 support staff and 43 practitioners. Urgent Care volume has grown to over 20,000 patient visits annually. In order to provide the appropriate level of supervision in both clinic settings and to improve customer services, an additional clinical management position is requested. The cost of the new position is \$42,300 for the remainder of the fiscal year.

HSA continues to pursue an appeal related to Medi-Cal certification for the County's clinic system (room charge issue). The net impact of this revenue loss is \$2,000,000 annually from Medi-Cal. The County is working with our legislators to sponsor a bill this session that would legislate the return of this reimbursement to Stanislaus County. A bill has been submitted, after approval of Legislative Counsel. This bill provides language to restore the Medi-Cal room charge reimbursement and provides an option to directly negotiate a rate for outpatient services with Medi-Cal. Additionally, a proposal for a pilot program to restore the funding loss that is equivalent to the lost disproportionate share funding is in process.

During the FY 2000-2001 budget, the Health Services Agency requested the reclassification of an Accounting Technician to a Staff Services Coordinator. The position was studied, and a recommendation is being made to reclassify the position to Accounting Supervisor at a cost of \$2,300 for the remainder of the fiscal year.

Recommendation: Add three new Medical Assistant positions and one new Clinic Nurse Manager at a total cost of \$59,806 for the remainder of this fiscal year funded by revenues generated through Urgent Care operations. Reclassify the position of

Accounting Technician to Accounting Supervisor at a cost of \$2,300 for the remainder of the fiscal year. This cost can be absorbed in the current budget.

Health Services Agency – Public Health

(Final Budget pages, 331-334)

Overall, the Public Health unit is in good fiscal condition. Requested is one new Staff Services Coordinator position for the HIV/STD program. This position will oversee the sexually transmitted disease grant programs. Responsibilities include preparing reports, supervising staff, fiscal and program monitoring and evaluation, promoting increased coordination of programs and implementing new programs. The cost of this position is \$29,579 for the remainder of this fiscal year and is available within the department's current budget.

Recommendation: Add one new position of Staff Services Coordinator at a cost of \$29,579 for the remainder of this fiscal year. Funding is available in the current budget.

Health Services Agency –Indigent Health

(Final Budget, pages 335, 336, and 337)

Overall, the Indigent Health budget is in good fiscal condition. Due to the strong economy, realignment revenues are expected to be higher than originally budgeted. The Indigent Health Care Program has begun to experience a serious provider retention problem due, in part, to inadequate reimbursement. HSA has been forced to refer patients for consultations and certain surgeries outside the area. This has resulted in a significantly increased cost to the program and an inconvenience to the patients. In order to address this issue, the program plans to seek access to telemedicine consultations where no local specialty provider is available.

Enrollment is expected to increase during the latter half of this fiscal year due to the downturn in the economy, factory closures, and a planned proposal regarding a change in IHCP financial criteria that would expand IHCP coverage to additional indigent residents of the County.

The HSA dental clinic is adding a pediatric dentist and dental assistant to more adequately meet the demands of the Child Health Disability Prevention Treatment program.

IHCP is requesting two reclassification studies. One Licensed Vocational Nurse II is requested for study due to performing ad hoc case management for special cases. This process will now be formalized under the utilization review function and has been formally assigned to this incumbent. One Clerical Division Supervisor is requested for study due to additional accounting, financial, computer systems analysis, maintenance and development. This position is responsible to assure continued funding from the State and for implementing new legislative mandates.

Funds paid from the Hospital Services Account fund are to be used to reimburse physicians for uncompensated emergency services consistent with the provisions of Welfare and Institutions Code Section 116952.

Funds from the Physicians Services Account/Unallocated Account fund are also to be used to reimburse physicians for uncompensated emergency services consistent with the provisions of Welfare and Institutions Code Sections 16951 and 16952.

Recommendation: Conduct a reclass study on one Licensed Vocational Nurse II and one Clerical Division Supervisor.

RECOMMENDATIONS

At mid-year, we are projecting the majority of all funds to end in a positive position. Discretionary revenues are projected in total to be received within the budgeted amount, and expenditures within anticipated levels. Public Safety funds are on target and are expected to be received as projected at year-end. Continued prudent fiscal management is essential for the remainder of the fiscal year to maintain this positive position.

It is recommended that the Board proceed in a fiscally conservative manner and approve the various staff and fund adjustments as outlined in the previous sections of this report. It is recommended that the Board of Supervisors:

1. Accept the 2000-2001 Mid-Year Fiscal Report and approve the recommendations included in this report.
2. Direct staff to continue to explore reducing expenditures by consolidation of functions and streamlining workflow of operations, to the extent possible.
3. Approve transfers from Appropriations for Contingencies for the following as recommended in this report:

Assessor	\$ 54,843
Board of Supervisors	\$ 21,851
CEO – Risk Management	\$ 13,450
CEO – Central Services	\$ 137,668
Clerk Recorder Elections	\$ 9,000
County Counsel	\$ 35,000
Ag Commissioner	\$ 57,600
CEO – Airport	\$ 110,000
Area Agency on Aging	\$ 2,792
District Attorney	\$ 5,300
Sheriff – Operations	\$ 160,000
Sheriff – Administration	\$ 67,142
Sheriff – Detention	\$ 725,000

Probation Casework

\$ 5,144

TOTAL FROM APPROPRIATIONS FOR CONTINGENCIES

\$1,404,790

4. Approve the Technical Adjustments (Attachment B), Mid-Year 2000-2001. A technical adjustment is required for transfers between budget units, Fixed Assets transactions over \$10,000, all transfers from Appropriations for Contingencies, any appropriation of unbudgeted revenue from any source, and for the use of reserves. Technical Adjustments require approval by the Board of supervisors and are for previously approved actions that did not provide authorization to the Chief Executive office and/or the Auditor to make the financial transactions. There is no net impact to the budget as a result of these adjustments.

**Attachment A
Proposed Staffing Changes
2000-2001 Mid Year Budget**

Department	LBU	Fund	Position Number	#	Request	Recommendation	Current/Requested Classification	Recommended Classification
Behavioral Health & Recovery Services	Mental Health	SR	1030	1	Reclassification	Study	Admin Clerk II	
		SR	8247	1	Reclassification	Reclass	Accountant III	Confidential Assistant V
				1	New Position	Add	Mental Health Clinician II	
	Managed Care	SR	7029	1	Reclassification	Reclass	Account Clerk III	Account Technician
Clerk-Recorder	Elections	SR	7339	1	Reclassification	Study	Admin Clerk I	
Community Services Agency	Service & Support	SR		1	New Position	Add	Stock Delivery Clerk II	
		SR		1	New Position	Add	Accountant III	
		SR		2	New Position	Add	Social Worker III	
		SR		1	New Position	Add	Legal Clerk IV	
County Counsel		G		1	New Position	Add	Deputy County Counsel V	
District Attorney	Criminal	G		1	New Position	Add	Deputy District Attorney V	
		G		1	New Position	Add	Criminal Investigator II	
		G	2212, 2214	2	Reclassification	Reclass	Supv Legal Clerk I	Supv Legal Clerk II
	Family Support	G	2283, 8114 8115	3	Reclassification	Reclass	Supv Legal Clerk I	Supv Legal Clerk II
		G	2135	1	Reclassification	Reclass	Supv Acct/Admin Clerk I	Supv Legal Clerk II
Employment & Training	Administration	SR		1	New Position	Add	Application Specialist III	
		SR		4	New Positions	Add	Employment Specialist I/II	
		SR	1085	1	Reclassification	Study	Employment & Train Spec III	
	WTW	SR		4	New Positions	Add	Employment Coord. I/II	
		SR		1	New Position	Add	Employment Coord. III	
Environmental Resources		G	8782	1	Title Change Delete Class	Retitle Delete	Deputy Dir of Env Resources Deputy Dir of Env Resources	Assistant Director
Grand Jury		SR	4027	1	Reclassification	Study	Confidential Assistant IV	

**Attachment A
Proposed Staffing Changes
2000-2001 Mid Year Budget**

Department	LBU	Fund	Position Number	#	Request	Recommendation	Current/Requested Classification	Recommended Classification
Health Services Agency	Administration	SR		1	New Position	Add	Public Health Nurse	
		SR		4	New Positions	Add	Account Clerk II	
		SR	7575	1	Transfer Position	Transfer	Confidential Assistant III	from Public Health
		SR		1	New Position	Add	Manager I	
		SR		51	Transfer Position	Transfer	various positions	from SMC
		SR		1	Title Change	Retitle	Physical Therapist I	Phys/Occup Therapist I
		SR		1	Title Change	Retitle	Physical Therapist II	Phys/Occup Therapist II
		SR		1	Title Change	Retitle	Physical Therapist III	Phys/Occup Therapist III
	SR	9235	1	Transfer Position	Transfer	Application Specialist III	from Public Health	
	Clinics (SMC)	SR		3	New Positions	Add	Medical Assistant	
		SR		1	New Position	Add	Clinic Nurse Manager	
			8264	1	Reclassification	Reclass	Accounting Technician	Accounting Supervisor
	Public Health	SR		1	New Position	Add	Staff Services Coordinator	
	Indigent Health C	SR	0959	1	Reclassification	Study	LVN II	
		SR	8434	1	Reclassification	Study	Clerical Division Supervisor	
MIS	MIS Telecomm	G			Dept Study in Progress			
		G		2	New Positions	Add	Systems Engineer I	
		G		1	New Position	Add	Application Specialist II	Application Specialist I
		G	8992	1	Reclassification	Study	Systems Engineer I	
Planning	Planning & Comm Dev	G	3262	1	Reclassification	Study	Administrative Clerk III	
		SR		1	New Position	Add	Assistant/Associate Planner	
	SR	2275	1	Reclassification	Study	Manager III (Sr Planner)		
Probation	Probation Services	G		1	New Position	Add	Systems Engineer I	
		G	6414	1	Deleted Position	Delete	Deputy Probation Officer II	

**Attachment A
Proposed Staffing Changes
2000-2001 Mid Year Budget**

Department	LBU	Fund	Position Number	#	Request	Recommendation	Current/Requested Classification	Recommended Classification
		G	6415	1	Deleted Position	Delete	Deputy Probation Officer II	
		G	6416	1	Deleted Position	Delete	Deputy Probation Officer II	
		G	6417	1	Deleted Position	Delete	Deputy Probation Officer II	
		G	6418	1	Deleted Position	Delete	Deputy Probation Officer II	
		G	6677	1	Deleted Position	Delete	Deputy Probation Officer III	
	Juvenile Hall	G		1	New Position	Add	Sr. Group Supervisor	
Public Defender		G	1865, 5923 7705, 7841	4	Reclassification	Reclass	Deputy Public Defender IV	Deputy Public Defender V
		G		1	New Position	Add	Application Specialist III	
Sheriff	Administration	G	1808	1	Deleted Position	Delete	Confidential Assistant III	
		G		2	New Position	Add	Account Clerk III	
			9373	1	Reclassification	Study	Accountant II	
				4	New Positions	Add	Deputy Sheriff Coroner	
	Operations	G			New classification	Add	Deputy Sheriff Trainee	
	Detention	G	3594	1	Reclassification	Study	Account Clerk II	
	R. Simon Justice	G	9005	1	Position Deleted	Delete	Admin Clerk III	
Treasurer-Tax Collector	Treasury	G		3	New Positions	Add	Account Clerk III	

Funds

G = General Fund

SR = Special Revenue

E = Enterprise

IS = Internal Service

**ATTACHMENT B
TECHNICAL ADJUSTMENTS
MID-YEAR 2000 - 2001**

A technical adjustment is required for transfers between budget units, Fixed Assets transactions over \$10,000, all transfers from Appropriations for Contingencies, any appropriation of unbudgeted revenue from any source, and for the use of reserves. Technical Adjustments require approval by the Board of Supervisors and are for previously approved actions that did not provide authorization to the Chief Executive Officer and/or the Auditor to make the financial transactions

Department	Budget Unit	Amount
Assessor	0012000	\$61,843.00
Authorize an increase in appropriations and estimated revenue. Increase revenue for the sale of property by \$7,000 and increase Fixed Assets by a similar amount for the purchase of computer equipment. Authorize a transfer from Appropriations for Contingencies in the amount of \$54,843.		
BH & RS – Mental Health	6000000	\$1,262,934.00
Authorize a decrease in appropriations and estimated revenue. Decrease estimated revenue by \$1,262,934 and appropriations by \$2,304,686 to adjust the Children's System of Care.		
BH & RS – Mental Health	6000000	\$378,370.00
Authorize an increase in estimated revenue and appropriations. Increase estimated revenue by \$378,370 and appropriations by \$1,019,693 to adjust the Mental Health General Administration.		
BH & RS – Mental Health	6000000	\$132,929.00
Authorize a decrease in appropriations. Decrease appropriations by \$132,929 in the Adult System of Care.		
BH & RS – Mental Health	6000000	\$55,997.00
Authorize an increase in estimated revenue and a decrease in appropriations. Increase estimated revenue by \$55,997 and decrease appropriations by \$ 74,333 in the Older Adult System		
BH & RS – Mental Health	6000000	\$580,000.00
Authorize an increase in estimated revenue and appropriations. Increase estimated revenue by \$580,000 and appropriations by \$ 290,190 in the StanWorks System.		
BH & RS – Mental Health	6000000	\$1,044,034.00
Authorize an increase in estimated revenue. Increase estimated revenue by \$1,044,034 in the Adult System of Care.		

Department	Budget Unit	Amount
BH & RS – Public Guardian	6030000	\$270,905.00
Authorize an increase in estimated revenue and appropriations. Increase estimated revenue by \$270,905 and appropriations by \$269,364 in the Public Guardian's budget.		
BH & RS – Managed Care	6400001	\$416,405.00
Authorize an increase in estimated revenue and appropriations. Increase estimated revenue by \$416,405 and increase appropriations \$374,069 to adjust Managed Care's budget.		
BH & RS – Alcohol & Drug	6500001	\$101,315.00
Authorize an increase in estimated revenue and appropriations. Increase estimated revenue by \$101,315 and appropriations by \$172,674 to adjust Alcohol and Drug's budget.		
BH & RS - SBHC	6600001	\$669,088.00
Authorize an increase in estimated revenue and appropriations. Increase estimated revenue by \$669,088 and appropriations by \$529,302 to adjust the Stanislaus Behavioral Health Center's budget.		
BH & RS Recovery Center	6700100	\$165,000.00
Increase appropriations and estimated revenue by \$165,000. Authorize the transfer of \$165,000 from Public Facility Fees and fund additional budget items in the 60, 70, & 87 character.		
CEO – Discretionary Revenue	0016010	\$481,667.00
Authorize an increase in Discretionary Revenue. Increase estimated revenue for Proposition 172 by \$481,667 and correspondingly increase budgets for the District Attorney, Probation and the Sheriff's budgets.		
City/County Administration	0061000	\$0
Authorize a transfer from Fixed Assets to Services and Supplies. Decrease Fixed Assets by \$175,000 and increase Services and Supplies by the corresponding amount.		
CSA – Services & Support	0045050	\$47,932.00
Increase appropriations and estimated revenue by \$47,932. Authorize an increase in Fixed Assets of \$47,932 to augment the Livescan Program.		
CSA – Services & Support	0045050	\$130,000.00
Authorize a transfer from Fixed Assets to Services and Supplies. Decrease Fixed Assets by \$130,000 and increase Services and Supplies by the corresponding amount to cover the equipment (< \$5,000) for the Turlock Outstation.		
Clerk/Recorder - Elections	0020299	\$9,000.00
Authorize the transfer of \$9,000 from Appropriation for Contingencies to fund the acquisition of Fixed Assets in the amount of \$9,000.		
Cooperative Extension	0021000	\$213,182.00
Increase appropriations and estimated revenue. Authorize an additional \$2,000 in revenue and increase appropriations in Services and Supplies. Additionally, authorize an increase Services & Supplies of \$211,182 that will be funded by a contribution from the Plant Acquisition budget.		
DA – Elder Abuse	0023200	\$12,406.00
Authorize a decrease in appropriations and estimated revenue. Decrease appropriations by \$ 72,182.06 and a decrease in estimated revenue by \$12,406 in the District Attorney's Elder Abuse budget.		

Department	Budget Unit	Amount
DET - Administration	0033100	\$862,749.72
Authorize an increase in appropriations in the Administration budget unit. Increase Salaries by \$147,618, Services & Supplies by \$635,526.50 and Other Charges by \$79,605.22.		
DET - Administration	0033100	\$1,365,373.00
Authorize an increase in estimated revenue. Increase carryover revenue by \$1,365,373 to adjust for the closeout of JTPA funds and the final WIA allocations.		
DET - Marketing	0033200	\$100,000.00
Authorize an increase in appropriations. Increase Services and Supplies by \$100,000.		
DET - Client Pool	0033400	\$80,000.00
Authorize an increase in appropriations. Increase Services and Supplies by \$80,000.		
DET - OJT/IR/WEX	0033700	\$4,991.58
Authorize an increase in appropriations. Increase Salaries by \$4,849 and increase Services and Supplies by \$142.50.		
DET - StanWorks	0033900	\$312,628.00
Authorize an increase in appropriations. Increase Salaries by \$214,619 and increase Services and Supplies by \$98,009.		
Environmental Resources	0034100	\$0.00
Authorize the transfer of funds between accounts, including a transfer of funds from one Fixed Asset account to another.		
ER -Hazardous Waste	0034200	\$19,000.00
Authorize a decrease in appropriations and estimated revenue. Decrease appropriations by \$221,230 and estimated revenue by \$19,000 in the Household Hazardous Waste budget.		
ER -Hazardous Waste	0034200	\$0.00
Authorize the transfer of \$10,000 from Interfund Transfers to Fixed Assets for the purchase of a vehicle.		
HSA - Public Health	1200001	\$0.00
Authorize the transfer of funds between accounts, including a transfer of funds from one Fixed Asset account to another.		
HSA - Indigent Health Care	1500001	\$1,391,050.00
Authorize an increase in appropriations and estimated revenue. Increase appropriations by \$1,336,922 and estimated revenue by \$1,391,050.		
IHCP County Hospital	1500002	\$54,787.00
Authorize a decrease in appropriations and estimated revenue. Decrease appropriations by \$54,787 and estimated revenue by \$54,787 in the Indigent Health Care - County Hospital budget.		
IHCP Non-County Hospital	1500002	\$7,842.00
Authorize a decrease in appropriations and estimated revenue. Decrease appropriations by \$7,842 and estimated revenue by \$7,842 in the Indigent Health Care - Non-County Hospital budget.		

Department	Budget Unit	Amount
IHCP Emergency Services	1500002	\$13,647.00
Authorize a decrease in appropriations and estimated revenue. Decrease appropriations by \$13,647 and estimated revenue by \$13,647 in the Indigent Health Care – Emergency Services budget.		
IHCP Physician Services	1500002	\$13,646.00
Authorize a decrease in appropriations and estimated revenue. Decrease appropriations by \$13,646 and estimated revenue by \$13,646 in the Indigent Health Care – Physician Services budget.		
IHCP Other Health Services	1500002	\$128,785.00
Authorize an increase in appropriations and estimated revenue. Increase appropriations by \$128,785 and estimated revenue by \$128,785 in the Indigent Health Care – Other Health Services budget.		
IHCP Hospital Services	1500002	\$106,916.00
Authorize an increase in appropriations and estimated revenue. Increase appropriations by \$106,916 and estimated revenue by \$106,916 in the Indigent Health Care – Hospital Services budget.		
IHCP EMSA Physicians	1500002	\$187,243.00
Authorize an increase in appropriations and estimated revenue. Increase appropriations by \$187,243 and estimated revenue by \$187,243 in the Indigent Health Care – EMSA Physicians budget.		
MIS	0048100	\$0.00
Authorize the transfer of funds between characters. Transfer \$289,673 from Fixed Assets to Other Charges.		
Parks & Recreation	0035100	\$4,950.00
Authorize the transfer of funds between characters within the Parks Recreation budget and then authorize the transfer of funds to Environmental Resources – Household Hazardous Waste for the purchase of a used vehicle.		
Parks – 20 Year Master Plan	0035430	\$253,500.00
Set up appropriations for Parks 20-Year Master Plan. Transfer \$253,500 from Plant Acquisition establish budgetary amounts of \$143,500 for Services and Supplies and \$110,000 for Fixed Assets respectively.		
Planning – Special Revenue	0025300	\$199,008.62
Authorize a reduction of appropriations to align with current State grant amounts. Decrease appropriations by \$199,353.62 in Services and Supplies and increase expenditures in Other Charges by \$345.00.		
Planning – Special Revenue	0025300	\$91,579.00
Authorize a reduction of appropriations and estimated revenue to align with current State grant amounts. Decrease revenue by \$26, Services and Supplies by \$77,154 and Other Charges by \$14,425.		
Probation – Casework	0026100	\$0.00
Authorize the transfer of funds between characters. Transfer \$124,000 from Services & Supplies to Fixed Assets.		
Probation – Juvenile Institution	0026200	\$0.00
Authorize a reduction in estimated revenue. Reduce estimated revenue by \$20,000 and transfer between accounts in the 60 & 70 character.		

Department	Budget Unit	Amount
Sheriff - Administration	0028100	\$162,642.00
Increase appropriations and estimated revenue by \$162,642. Authorize the transfer of \$67,142 from Appropriations for Contingencies to fund additional Worker's Compensation and Services & Supplies. Additionally, authorize an increase in estimated revenue and expenditure of \$40,900 to fund salary and training costs.		
Sheriff - Operations	0028200	\$471,510.00
Increase appropriations and estimated revenue by \$471,510. Authorize the transfer of \$160,000 from Appropriation for Contingencies to fund Worker's Compensation costs. The remainder of the increase will provide for additional Salaries & Benefits.		
Sheriff - Detention	0028300	\$831,915.00
Increase appropriations and estimated revenue by \$831,915. Authorize the transfer of \$725,000 from Appropriation for Contingencies to fund Worker's Compensation costs. Additionally, increase revenue and expenditures by \$106,915 for Amador contract (food) in the Detention budget.		
Treasurer - Tax Collector	0030300	\$191,370.00
Authorize an increase in appropriations and estimated revenue. Increase estimated revenue by \$191,370, Salaries by \$56,744.02, Services and Supplies by \$65,002, Other Charges by \$20,810 and Fixed Assets by \$22,335. The transfer will fund 3 additional positions.		