

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

DEPT: Chief Executive Office

BOARD AGENDA # 6:35 p.m.

Urgent

Routine

AGENDA DATE September 15, 2009

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Public Hearing to Consider the Adoption of the Fiscal Year 2009-2010 Final Budget and Related Actions. This Public Hearing May be Continued to the Following Days if Needed: September 16, 2009, at 9:00 a.m. and September 17, 2009, at 9:00 a.m.

STAFF RECOMMENDATIONS:

1. Accept the recommended Final Budget for Fiscal Year 2009-2010 from the Chief Executive Officer.
2. Conduct the scheduled Public Hearing at 6:35 p.m. on September 15, 2009, September 16, 2009, and September 17, 2009 at 9:00 a.m. if necessary, to receive public comment and input on the proposed spending plan.

(Continued on Page 2)

FISCAL IMPACT:

The recommended Final Budget for Fiscal Year 2009-2010 totals \$958,046,525 and reflects a decrease of approximately .9 percent for all funds as compared to the 2008-2009 Final Budget of \$966,539,057. The General Fund totals \$249,898,038 which is down 7.2 percent from the 2008-2009 Final Budget of \$269,168,089.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-635

On motion of Supervisor Monteith, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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**STAFF RECOMMENDATIONS: (Continued)**

3. Direct and approve any changes the Board of Supervisors choose to make to the recommended Final Budget; and then adopt the Final Budget for 2009-2010.
4. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary technical adjustments to implement the approved Final Budget.
5. Direct the Chief Executive Officer and the Auditor-Controller to prepare the Final Budget document in accordance with State law and submit it to the State Controller prior to December 1, 2009.
6. Amend the Salary and Position Allocation Resolution to reflect the recommended changes in the Final Budget, (as outlined in the Staffing Impacts section of this report and detailed in Attachment "A") to be effective with the start of the first pay period beginning after September 26, 2009.
7. Approve the reduction-in-force of three filled full-time positions in Area Agency on Aging and three filled full-time positions in the General Services Agency effective October 24, 2009.
8. Approve contracts and/or agreements listed on Attachment "C" in cumulative amounts of \$100,000 or greater as of July 1, 2003.
9. Authorize the Community Services Agency to implement two regulatory program changes in the General Assistance Program in the areas of maximum grant amount and permanently disabled aid as described in the 2009-2010 Final Budget Addendum.
10. Authorize Behavioral Health and Recovery Services to transfer \$666,384 from the departmental contingency account into other accounts in order to appropriately reflect the funds budgeted use.
11. Approve the revised General Services Agency Purchasing Division operating hours that would eliminate extended hours for the Purchasing Division Monday through Friday from 7:30 a.m. - 8:00 a.m. to the modified business hours of Monday through Friday, 8:00 a.m. to 5:00 p.m. effective September 21, 2009.
12. Approve an increase in three existing designations: the State 1A Funding Exposure Designation by \$3,425,267 for potential exposures associated with Proposition 1A; the Litigation Designation in the amount of \$1 million for potential exposures associated with a change in venue for a capital murder trial; and the Contingency Designation in the amount of \$1,722,422 using uncommitted funds from the Economic Development Bank.
13. Authorize the establishment of a new Retirement Designation in the amount of \$2,000,000 for future retirement exposures.

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14. Approve the request by the Auditor-Controller to establish a Teeter Obligation Designation in the amount of \$13,344,174 to fund future increases to the Teeter Receivable.
15. Approve the re-designation of \$41,939 of unused Tobacco Settlement funding which is being returned to Tobacco Settlement through County Match from the Salida Regional Library remodel project.
16. Approve decreasing three Carryover Appropriations Designations: the General Fund by \$1,796,456 for a total of \$2,808,872; the Economic Development Bank by \$1,224 for a total of \$32,959; and the Community Development Fund by \$1,400,000 for a total of \$100,000.

### **FISCAL IMPACT: (Continued)**

#### **General Fund**

The Final Budget for the General Fund for Fiscal Year 2009-2010 is \$249,898,038, a decrease of .4 percent or \$994,576 from the Proposed Budget. The recommended decrease in the General Fund of the Final Budget is primarily due to a decrease in the Sheriff's Department budget as a result in the reduction in the number of basic law enforcement training sessions from three to two per year at the Ray Simon Training Center and a decrease in salary and benefit expenses in the Sheriff - Administration budget resulting from a reduction-in-force of four filled positions. General Fund appropriations of \$249,898,038 are offset by departmental revenue estimated at \$234,579,142 and fund balance/one-time funding of \$15,318,896. Fund balance/one-time funding include the use of \$12.5 million from unreserved/undesignated fund balance and \$2.8 million from Contingency Designation.

#### **Special Revenue Funds**

Final Budget appropriations for the Special Revenue Funds are \$538,068,160 resulting in a .9 percent increase or \$4,570,897 over the Proposed Budget. The recommended increase in the Special Revenue fund in the Final Budget is primarily due to increases in expenditures at the Community Services Agency and Alliance Worknet. The increase in expenditures in the Community Services Agency of \$2.8 million is the result of increases in State and Federal program allocations to accommodate the 27<sup>th</sup> pay date in this fiscal year, and increased Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds. The increase in Alliance Worknet of \$3.3 million is the result of increases in grant funding from the American Recovery and Reinvestment Act, California Gang Reduction, Intervention and Prevention Program (CalGRIP), Green Job Corps, New Start and the Workforce Investment Act. The Special Revenue Funds are funded by \$534,728,174 in estimated revenue including County Match and \$3,339,986 in departmental fund balance/one-time funding. Additionally, the Health Services Agency – Indigent Health Care Program (IHCP)/California Healthcare for Indigents Program (CHIP) is requesting decreased funding of \$290,592 due to the State's redirection of Tobacco Tax and Healthcare Protection Act (Proposition 99) funding which will eliminate reimbursement

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for uncompensated emergency medical services provided by physicians to the indigent population in Stanislaus County.

**Capital Projects Funds**

Final Budget appropriations for the Capital Project Funds remained at the same level as the Proposed Budget or \$7,514,489. The Capital Projects Funds are funded by \$8,038,672 in estimated revenue which results in a positive contribution of \$524,183 in departmental fund balance/one-time funding.

**Enterprise Funds**

Final Budget appropriations for the Enterprise Funds are \$81,455,466 resulting in a .1 percent decrease or \$119,658 from the Proposed Budget. The recommended decrease in the Enterprise Funds in the Final Budget is due to a decrease in expense for workers' compensation in the Health Services Agency - Clinic and Ancillary budget. The Enterprise Funds are funded by \$69,758,091 in estimated revenue including County Match and \$11,697,375 in departmental fund balance/one-time funding.

**Internal Service Funds**

Final Budget appropriations for the Internal Service Funds are \$81,110,372 resulting in a decrease of .6 percent or \$524,293 from the Proposed Budget. The recommended decrease in the Internal Service Funds in the Final Budget is primarily due to a decrease in the Strategic Business Technology – Telecommunication budget resulting from current customers moving off the County-owned telecommunication systems and a decrease in the General Services Agency – Fleet Services budget resulting from the Sheriff's Department decrease in vehicle use. The Internal Service Funds are funded by \$72,998,824 in estimated revenue and \$8,111,548 in retained earnings/one-time funding.

Following is the detail by fund type:

Fund Type	Final Budget 2008-2009	Adopted Proposed Budget 2009-2010	Final Budget 2009-2010	Percent Difference Final Budget 2008- 2009 to Final Budget 2009-2010	Percent Difference Adopted Proposed Budget 2009-2010 to Final Budget 2009-2010
General Fund	\$ 269,168,089	\$ 250,892,614	\$ 249,898,038	-7.2%	-0.4%
Special Revenue Fund	\$ 513,677,838	\$ 533,497,263	\$ 538,068,160	4.7%	0.9%
Capital Projects Fund	\$ 12,923,141	\$ 7,514,489	\$ 7,514,489	-41.9%	0.0%
Enterprise Fund	\$ 83,462,683	\$ 81,575,124	\$ 81,455,466	-2.4%	-0.1%
Internal Service Fund	\$ 87,307,306	\$ 81,634,665	\$ 81,110,372	-7.1%	-0.6%
<b>Total</b>	<b>\$ 966,539,057</b>	<b>\$ 955,114,155</b>	<b>\$ 958,046,525</b>	<b>-0.9%</b>	<b>0.3%</b>

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## **DISCUSSION:**

As during the adoption of the Proposed Budget for 2009-2010, the County continues to face an extraordinarily high residential foreclosure rate, a statewide fiscal crisis, and key discretionary revenue sources such as property, and sales taxes have experienced unprecedented reductions, down 13.5% and 14.5% respectively from 2007-2008 actuals when compared with Final Budget 2009-2010 estimates. In addition, the County may see a significant reduction in Proposition 172 Public Safety Sales Tax when the rates are released in late October or early November.

The greatest concern may be the impacts imposed upon Stanislaus County by the State of California. Concerns remain over the stability of the State Budget situation and the County will continue to be on our guard against future potential raids on local government funding and programs. Most notable of these is the uncertainty in the State Capitol relating to the restoration to local government of Highway User Tax funding.

During the past two years, the County has prepared for declining revenue through reductions-in-force, leaving positions vacant and controlling expenses through reducing overtime, travel and contracts. Significant staffing reductions have already been implemented in Planning and Community Development - Building Inspection Division, Library, Health Services Agency, Behavioral Health and Recovery Services, General Services Agency and Child Support Services.

### **2010-2011 and Beyond – Addressing the Challenge**

Despite these efforts, the County continues to face significant financial challenges. The economic crisis continues, the State has reduced and diverted funds, the retirement fund has suffered significant investment losses and local property and sales taxes continue to fall. These conditions create a formidable challenge for the County and result in potential structural shortfalls between projected required expenditures and estimated revenue.

These financial challenges come as a demand for our safety net services rise. To respond, core restructuring of most County services will be required over the next three years to “re-base,” or realign program services and develop sustaining operating budgets with on-going reliable and reduced revenue.

In the next few months, the County will evaluate core restructuring to redesign, reduce or eliminate services if necessary to re-base to a lower level of ongoing revenue. The goal is to take a long-term strategic approach to balancing the budget in future years while striving to maintain sustainable quality services to the community. As part of these efforts, we will explore other potential solutions including identifying methods to reduce long term retirement costs, reducing labor costs, improving efficiency and identifying new sources of revenue.

### **Adopted Proposed Budget**

The Fiscal Year 2009-2010 Proposed Budget totaled \$955,114,155 and was balanced with department and discretionary revenue of \$913,340,248 and the use of one-time fund balance/retained earnings of \$41,773,907. The \$41,773,907 included the use of \$5 million from

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the Contingency Designation. The approach to the Fiscal Year 2009-2010 Proposed Budget was extremely conservative with all general operations departments plus Animal Services being issued a 12 percent reduction in net county cost and all Public Safety Departments being issued a 5 percent reduction in net county cost in order to align expenditures with decreased discretionary revenues and anticipated State funding cuts. Included in the 2009-2010 Proposed Budget were adjustments to departments' base budgets for the cost increases that were previously approved by the Board of Supervisors. These adjustments included the cost of all negotiated salary and benefit increases including equity adjustments that were previously approved by the Board of Supervisors. These adjustments were calculated prior to the net county cost reduction being calculated. As part of the Proposed Budget, departments identified critical unmet needs. In recognition of the fiscal uncertainty facing the County, departments submitted significantly fewer requests than in previous years.

### **2008-2009 Year-End Fund Balance**

The 2008-2009 unreserved/undesignated year-end General Fund fund balance, including a proposed Auditor-Controller's post-closing adjustment, totaled \$26 million, a \$20.6 million increase to the \$5.4 million beginning balance. Fund balance is typically created through a combination of expenditure savings and revenue growth; however, overall expenditures in Fiscal Year 2008-2009 exceeded revenue by nearly \$2.4 million. This highlights the fact that the \$20.6 million growth in fund balance occurred exclusively as the result of changes to designations and reserves. Over \$13.3 million came from decreasing the Teeter Receivable reserve, \$6.5 million was the result of a transfer in from the Tax Loss Reserve fund and the remainder was from the reduction in carryover designations and decreases to the reserve for encumbrances.

### **Final Budget**

#### **Discretionary Revenue**

Revenue available to fund programs at the Board of Supervisors' discretion is referred to as discretionary revenue. The majority of this discretionary revenue supports funding for Public Safety and Criminal Justice Services for the Sheriff, Probation Department, District Attorney and Public Defender. Health and Human Services departments rely on discretionary revenue to support maintenance of effort requirements for leveraging additional revenues for Federal and State supported programs. Discretionary revenue, estimated at \$156,018,550 in the 2009-2010 Proposed Budget, is now estimated at \$154,156,740 for the Final Budget.

Unfortunately, two sources of revenue have been reduced to account for this \$1.86 million reduction. The Williamson Act subvention to the counties has been eliminated in the Final State Budget and the Fiscal Year 2008-2009 interest earnings posted to the Tobacco Endowment funds were under the projections stated in the Proposed Budget. Other sources of discretionary revenue will continue to be monitored closely throughout the next six months and additional adjustments will be considered as part of the Mid-Year Budget analysis and report to the Board of Supervisors.

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It is recommended that changes be made to discretionary revenue as outlined in the following chart:

Discretionary Revenue Description	Proposed Budget FY 2009-2010	Recommended Final Budget FY 2009-2010	Difference
Property Taxes	\$ 44,061,400	\$ 44,061,400	\$ -
Property Tax in Lieu of VLF	44,852,000	44,852,000	-
Sales & Use Tax/Prop 172	48,645,000	48,645,000	-
Williamson Act subvention	1,467,000	-	(1,467,000)
Tobacco Endowment Funds	3,276,000	2,881,190	(394,810)
Other sources	13,717,150	13,717,150	-
	\$ 156,018,550	\$ 154,156,740	\$ (1,861,810)

### Designations

As of the fiscal year ending June 30, 2009, General Fund Designations were \$48,564,287. The undesignation of \$8,000,000 in Contingency, approved as part of the 2009-2010 Proposed Budget as a budget balancing strategy, was completed in July 2009.

The Final Budget recommends the following seven adjustments to designations:

1. Increase the Contingency designation in the amount of \$1,722,422. The funding for this increase comes from a portion of the uncommitted fund balance in the Economic Development Bank fund;
2. Redesignate \$41,939 of unused Tobacco Settlement funding which is being returned to Tobacco Settlement through County Match from the Salida Regional Library remodel project;
3. Increase the existing Litigation designation in the amount of \$1,000,000 for potential future exposure for the change of venue expense in a capital murder case. Funding is from a portion of the Economic Development Bank fund balance;
4. Increase by \$3,425,267 the existing designation established in Fiscal Year 2006-2007 for potential exposures associated with State 1A Funding Exposures;
5. Establish a new designation in the amount of \$2,000,000 for future retirement exposures. This designation is funded with fund balance remaining after the budget balancing requirement is met for Fiscal Year 2009-2010;
6. Establish a new designation in the amount of \$13,344,174 to fund future increases to the Teeter Receivable reserve. The funding for this designation is the result of a decrease in the reserve needed for Fiscal Year 2009-2010 due to the combination of falling property values and decreasing delinquent taxes outstanding; and



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- Decrease designations by \$3,197,680 for unused carryover appropriations from Fiscal Year 2008-2009 in the General Fund. The carryover amount has been adjusted from the amount reflected in the Final Budget Addendum.

Designation	2008-2009 Fiscal Year-End Designations	2009-2010 Adopted Proposed Budget	2009-2010 Recommended Adjustments	2009-2010 Total Designations
Debt Service	\$ 11,779,459			\$ 11,779,459
Contingency	9,552,967	(8,000,000)	1,722,422	3,275,389
Tobacco Settlement	1,696,799		41,939	1,738,738
Tobacco Securitization	202,508			202,508
Restricted	1,300,000			1,300,000
Parks Projects (Other)	926,762			926,762
Litigation (Other)	2,757,614		1,000,000	3,757,614
Facility Mtce & Improve (Other)	1,000,000			1,000,000
State 1A Funding Exposure (Other)	4,516,707		3,425,267	7,941,974
Landfill Repayment (Other)	8,691,959			8,691,959
Retirement Obligation (Other)			2,000,000	2,000,000
Teeter Plan			13,344,174	13,344,174
Carryover Appropriations (Fund 100)	4,605,329		(1,796,457)	2,808,872
Carryover Appropriations (Fund 105)	34,183		(1,224)	32,959
Carryover Appropriations (Fund 107)	1,500,000		(1,400,000)	100,000
<b>Total Designations</b>	<b>\$ 48,564,287</b>	<b>\$ (8,000,000)</b>	<b>\$ 18,336,121</b>	<b>\$ 58,900,408</b>

#### Encumbrances and Carryover Appropriations

Prior year appropriations include encumbrances associated with obligations and year-end carry forward appropriations. Encumbrances relating to obligations represent purchase order commitments. Year-end carry forward appropriations relate to projects or commitments that have previously been approved by the Board of Supervisors. The projects have yet to start or are incomplete as of year-end. Funding for obligation encumbrances is included in the Fund Balance - Reserve for Encumbrances. The change in encumbrances from year to year impacts the unreserved/undesignated fund balance that is available to fund critical needs. Recommended year-end 2008-2009 carry forward appropriations approved by the Board of Supervisors total \$2,941,831 for the General Fund, \$2,478,065 for the Special Revenue Fund and \$53,530 for the Internal Service Fund.

#### Final Budget Adjustments by Priority

As part of the County's Final Budget process, departments were asked to provide updated information as a result of State Budget impacts and to address any issues not resolved as part of the Proposed Budget.



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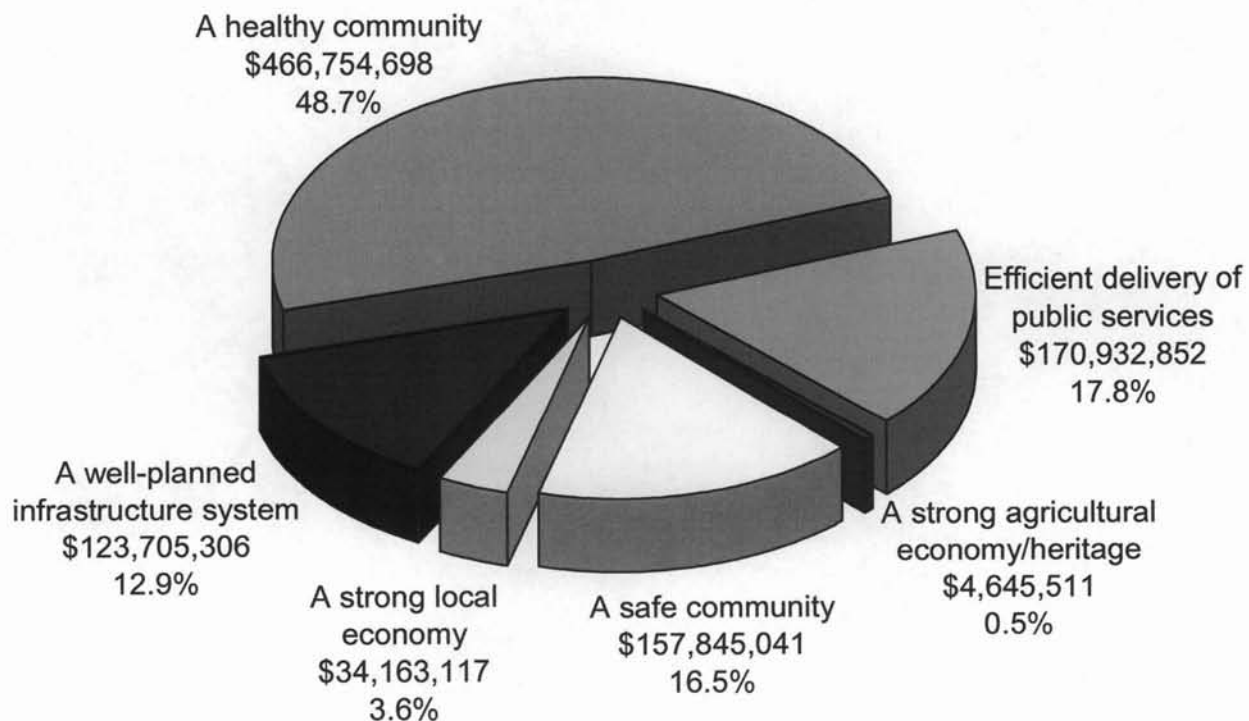
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The 2009-2010 Final Budget maintains the conservative approach of the Proposed Budget. The Final Budget recommendations are related to issues that were identified but not resolved during the Proposed Budget process. The addendum also addresses new issues raised by the departments and/or recommends adjustments to programs/budgets due to changes in State and/or Federal funding. In recognition of the severe and on-going fiscal uncertainty, Department Heads limited requests for additional funding in the Final Budget.

This Final Budget Addendum, after approved by the Board of Supervisors on September 15, 2009 (and September 16 and 17 if necessary), will be combined with the Proposed Budget, adopted on June 9, 2009, into one Final Budget document that will be submitted to the State Controller's Office by the December 1, 2009 deadline.

The following chart reflects the total recommended expenditures by priority area:

### Fiscal Year 2009-2010 Final Budget Expenditures by Board Priority



#### **A safe community**

The Departments/Programs assigned to this Board priority are: Animal Services, Chief Executive Office – Office of Emergency Services/Fire Warden, Chief Executive Office – Capital Projects,

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Chief Executive Office – County Operations, District Attorney, Grand Jury, Integrated County Justice Information System, Probation, Public Defender and Sheriff.

Recommendations in this priority area include funding of \$65,192 in the District Attorney - Criminal Division to complete Voice over Internet Protocol (VoIP) upgrades to the existing phone system funded by Public Facilities Fees approved for use in the prior fiscal year, and funding of \$39,027 in the District Attorney - Victim Services Unit from the American Reinvestment and Recovery Act. Additionally, an increase in funding of \$88,474 for the Probation - Field Services Division is recommended for increased funding awarded by the Edward Byrne Memorial Justice Assistance Grant and the California Gang Reduction and Intervention Program (CalGRIP).

It is recommended for the Department of Animal Services to decrease funding by \$66,185 to more accurately reflect the projected revenue from contract cities contributing toward animal services costs for this fiscal year.

An overall decrease in appropriations of \$1,030,557 is recommended for the Sheriff's Department to reflect losses in estimated revenue in the amount of \$937,093. The difference of \$93,464 is to account for revenue to be received on a project approved in the prior fiscal year. A decrease in Court Security revenue is due to two separate issues: 1) the decision by the Courts to close thirteen days during the year because of budget constraints and 2) the delay in filling the two new judgeships reduces the need for courtroom security. The Ray Simon Criminal Justice Training Center is experiencing losses in revenue as a result of the decreased revenue from the State to the community college system, thus causing the reduction in the number of sessions offered at the Training Center. An adjustment to the amount of revenue expected from the Contract Cities was also necessary in order for the County to fully meet its obligation to fund the lieutenants who serve as the chiefs in each of the participating cities.

### **A healthy community**

The Departments/Programs assigned to this Board priority are: Area Agency on Aging/Veterans' Services, Behavioral Health and Recovery Services, Child Support Services, Children and Families Commission, Community Services Agency and Health Services Agency.

A reduction-in-force in the Area Agency on Aging is recommended due to the Governor's line item veto of several programs that serve seniors in the community, including Linkages, Respite and Brown Bag programs for a funding reduction of \$281,837 in 2009-2010.

Appropriations are recommended to increase by \$570,237 in Behavioral Health and Recovery Services (BHRS) to fully fund salaries and benefits of existing staff as well as fund costs associated with the Seriously Emotionally Disturbed (SED) school-based population, funded by increased Federal funding. The BHRS – Alcohol and Drug Program is recommended to increase by \$642,251 to reflect the transfer in of the Offender Treatment Program and the Perinatal Program from the BHRS – Stanislaus Recovery Center. Additionally, it is recommended to transfer in \$45,153 in existing County Match for these programs. The BHRS – Managed Care budget is recommended to increase the use of departmental fund balance by \$635,735 to reflect the impact of the State Budget. The BHRS – Mental Health Services Act (MHSA) budget is

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recommended to increase by \$1,003,005 as a result of additional State funding. Appropriations are recommended to decrease by \$837,427 in the BHRS – Stanislaus Recovery Center budget due to the loss of Substance Abuse and Crime Prevention Act funding and the transfers of two programs into the BHRS – Alcohol and Drug Program budget. Finally, the BHRS – Substance Abuse and Crime Prevention Act budget is recommended to decrease by \$1,194,740 as a result of the loss of all State funding for this program. In addition, a transfer from designated funds of \$250,000 is recommended for resolution of inpatient services issues.

A decrease in funding of \$480,710 is recommended for the Department of Child Support to reflect actual costs for retirement benefits resulting in a decrease in the use of fund balance.

A decrease in funding of \$350,000 is recommended for the Children and Families Commission for contract appropriations and \$218,990 of interest and program revenue resulting in a decrease in the use of fund balance.

In the Community Services Agency several changes are recommended, resulting in overall increased funding of \$2.8 million in CalWORKs due to an increase in TANF Emergency contingency funds and an increase in State and Federal funds to fund all payrolls in the fiscal year. The Community Services Agency provides cash aid payments through its General Assistance budget, and as of the 2009-2010 Proposed Budget, had an unmet need of \$223,514 for which no funding was identified. At this time, the Department has completed a review of the General Assistance program regulations and mandates, and has identified two recommended changes to program eligibility that, if adopted, will reduce the unmet need by \$98,397.

The recommended changes to the General Assistance Program include a one-time reduction in the maximum grant amount to be consistent with the Temporary Assistance for Needy Families (TANF) grant benefit; and a reasonable time limit of three to five years, for individuals to receive interim assistance while attempting to qualify for Permanently Disabled Aid status. These changes are more fully described in the Final Budget Addendum (page 111 and 112). The Department is able to use departmental fund balance to fully eliminate the remaining unmet need.

A decrease in funding of \$276,087 is recommended for the Health Services Agency's (HSA) Administration, Clinic and Ancillary Services, Indigent Health Care Program (IHCP) and Public Health divisions for adjusted workers' compensation costs. Additionally, the HSA IHCP-California Healthcare for Indigents Program (CHIP) is requesting decreased funding of \$290,592 due to the State's redirection of Tobacco Tax and Healthcare Protection Act (Proposition 99) funding which will eliminate reimbursement for uncompensated emergency medical services provided by physicians to the indigent population in Stanislaus County. Finally, in HSA - Public Health it is recommended to decrease funding by 205,828 as a result of a decrease in State funding for Dental Disease Prevention and Differential Response programs. Significant reductions to Public Health funding are expected to occur after the adoption of the final spending plan and adjustments are likely in many programs at the First Quarter or Mid-Year Financial Report to the Board of Supervisors.

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**A strong local economy**

The Departments/Programs assigned to this Board priority are: Alliance Worknet and Library.

Increased funding of \$3,284,266 is recommended for Alliance Worknet from: three new grants, increased American Recovery and Reinvestment Act (ARRA) funding, increased Workforce Investment Act funding and additional job preparedness funds from StanWORKs.

**A strong agricultural economy/heritage**

The Departments assigned to this Board priority are: Agricultural Commissioner and Cooperative Extension.

There are no recommended changes to this priority.

**A well-planned infrastructure system**

The Departments/Programs assigned to this Board priority are: Environmental Resources, Parks and Recreation, Planning and Community Development and Public Works.

It is recommended to increase revenue by \$5,360,000 in Public Works to reflect the Department receiving all remaining Proposition 1B funds in this fiscal year.

Increased funding of \$28,113 is recommended for the Planning - Special Revenue Grants budget from the United States Department of Housing and Urban Development (HUD) for the Community Development Block Grant Program (CDBG), an increase over prior year funding. A reduction in revenue of \$94,420 is recommended in the Planning - Building Permits Division as a result of the decline in construction permit revenue to be funded with the increased use of fund balance.

**Efficient delivery of public services**

The Departments/Programs assigned to this Board priority are: Assessor, Auditor – Controller, Board of Supervisors, Chief Executive Office, Clerk-Recorder, County Counsel, General Services Agency, Strategic Business Technology and Treasurer – Tax Collector.

An increase in funding of \$32,550 is recommended for the Chief Executive Office (CEO) to complete an update to the Stanislaus County Public Facilities Fees (PFF) Program funded through a transfer from the PFF Administration fund; also recommended is a decrease in funding of \$68,386 in CEO - County Operations which will result in a reduction in the Health Services Agency payment from Tobacco Securitization interest earnings; and a decrease in funding of \$235,251 in the CEO - Risk Management Workers' Compensation Self-Insurance fund to reflect the correct allocation of charges to the Health Services Agency. It is also recommended to increase revenue by \$398,700 CEO - Risk Management Unemployment Self-Insurance Fund to reflect a \$90 per employee charge. A year-end review of the fund indicated that costs were trending higher than originally anticipated in the Proposed Budget and retained earnings were insufficient to cover cost for the entire fiscal year. As a result a \$90 per employee charge is

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recommended for Fiscal Year 2009-2010 effective upon the Board of Supervisors adoption of the final budget.

It is recommended to decrease funding by \$189,734 in the General Services Agency (GSA) due to declining revenue and service reductions from the operating departments. This will result in a reduction-in-force of three filled positions, one in Central Services, one in Facilities Maintenance, and one in the Fleet Services. A fiscal and operational review will be conducted this fall to determine the future financial and service levels for the GSA.

A decrease in funding of \$114,972 is recommended for Strategic Business Technology (SBT) Telecommunications Division as the result of declining revenue and service reductions from both internal and external customers. The Division will reduce expenditures in services and supplies to offset the decreased revenue.

### **Contracts**

Current County policy requires Board approval for any contract or agreement where the total cumulative compensation exceeds \$100,000. Cumulative refers to all compensation paid by an individual department since July 1, 2003 where there has been no break in contractual services over six months. Contracts or agreements equal to \$100,000 or greater are detailed in Attachment "C".

In addition, departments are required to provide a quarterly report to the Board of Supervisors for any new contract or agreement, contract extension, or amendment entered into during the quarter where the compensation exceeds \$50,000 (but is under the cumulative \$100,000 threshold) and the contract has not been previously approved by the Board of Supervisors. Contracts the departments are requesting review of in the \$50,000 range are listed in Attachment "B".

### **POLICY ISSUES:**

The Board of Supervisors should determine if the Final Budget addresses the Board of Supervisors' goals and priorities in the allocation of fiscal resources and reflects the service needs and public policy direction for our community consistent with the Board of Supervisors goals and the Stanislaus County vision to be "... a County that is respected for its service in the community and is known as the best in America."

Public Hearing to Consider the Adoption of the Fiscal Year 2009-2010 Final Budget and Related Actions. This Public Hearing May be Continued to the Following Days if Needed: September 16, 2009, at 9:00 a.m. and September 17, 2009, at 9:00 a.m.

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**STAFFING IMPACTS:**

The County workforce has gone through a series of reductions in the current and prior fiscal years as departments have reduced staffing allocations to prepare for declining budget resources. The chart below displays the decrease in the number of allocated positions, the number of filled positions, and the number of extra-help and personal service contract employees between the Final Budget for Fiscal Year 2007-2008 and recommended 2009-2010 Final Budget.

	Final Budget 2007-2008	Final Budget 2008-2009	Final Budget 2009-2010
Full-time Authorized Positions	4,603	4,459	3,990
Full-time Employees	4,071	4,022	3,883*
Extra-help Employees	607	518	465*
Personal Service Contractors	216	185	160*

\*Full - time, Extra - help and Personal Service Contract employees are reflected as of August 28, 2009.

The recommended Final Budget includes funding for 3,990 allocated full-time positions, a decline of 469 positions from the number of full-time allocated positions approved in the 2008-2009 Final Budget. This reduction reflects a number of current or prior reductions-in-force in multiple County departments as well as a change in the County budget process to recommend only allocated positions which are fully funded for the upcoming fiscal year. County departments have used salary savings from vacant positions to balance budgets in the coming year and have identified a total of 306 current vacant positions for which no funding is identified. Additionally, the recommended Final Budget includes the deletion of six filled positions which will require reduction-in-force actions in Area Agency on Aging and General Services Agency.

**Authorized Positions**

The staffing attachment (Attachment "A") reflects the changes to authorized positions recommended as part of this Final Budget. It is recommended that the Salary and Position Allocation Resolution be amended to reflect these changes effective the first full pay period beginning September 26, 2009, and reductions-in-force be approved for six filled positions effective October 24, 2009.



Public Hearing to Consider the Adoption of the Fiscal Year 2009-2010 Final Budget and Related Actions. This Public Hearing May be Continued to the Following Days if Needed: September 16, 2009, at 9:00 a.m. and September 17, 2009, at 9:00 a.m.

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The recommendations include the following position changes:

<b>TOTAL CURRENT AUTHORIZED POSITIONS</b>	<b>4,008</b>
<b>VACANT POSITIONS TO BE UNFUNDED</b>	
A Safe Community	(5)
A Healthy Community	(6)
A Strong Local Economy	0
A Strong Agriculture Economy/Heritage	0
A Well-Planned Infrastructure System	0
Efficient Delivery of Public Services	0
<b>Total Positions to be Unfunded</b>	<b>(11)</b>
<b>POSITIONS TO BE DELETED</b>	
A Safe Community	0
A Healthy Community	(4)
A Strong Local Economy	0
A Strong Agriculture Economy/Heritage	0
A Well-Planned Infrastructure System	0
Efficient Delivery of Public Services	(3)
<b>Total Positions to be Deleted</b>	<b>(7)</b>
<b>TOTAL RECOMMENDED AUTHORIZED POSITIONS</b>	<b>3,990</b>
Total Position Classification Changes	11
Classification Studies to be Conducted	4
Position Transfers between Legal Budget Units	7

Total authorized positions includes 75 positions administered through the County's classification and payroll system which are allocated to external organizations, including Stanislaus Regional 911, LAFCO, Stanislaus Employee Retirement Association, and Stanislaus County Law Library.

ATTACHMENTS AVAILABLE  
FROM YOUR CLERK

Staffing Recommendations  
Final Budget 2009-2010

Attachment A

Department	Budget Unit	Position Number	Classification	Request	# of Pos.	Recommendation	
Animal Services		11853, 11854	Animal Care Specialist I	Reclassify upward / Block-budget		Administrative Clerk II	
Area Agency on Aging		6979	Account Clerk III	Delete position	-1	Delete position/Reduction in Force effective 10/24/09	
		10819, 10820	Social Worker II	Delete positions	-2	Delete positions/Reduction in Force effective 10/24/09	
Behavioral Health & Recovery Services	Alcohol & Drug	610	Clinical Psychologist	Transfer in/Reclassify		Transfer from MHSA/ Behavioral Health Specialist II	
	Behavioral Health Services	2834	Account Clerk III	Reclassify downward		Administrative Clerk II	
		3589	Administrative Clerk III	Reclassify downward		Administrative Clerk II	
		9796	Staff Services Coordinator	Reclassify downward		Conservator Investigator	
		9471	Psychiatrist	Transfer in/ Reclassify		Transfer from Managed Care/ Behavioral Health Advocate	
	Managed Care	3647	Administrative Clerk III	Transfer out		Transfer to SRC	
		151	Clinical Psychologist	Transfer out		Transfer to MHSA	
		9470, 9471	Psychiatrist	Transfer out		Transfer to MHSA and Behavioral Health Services	
	Mental Health Services Act	151	Clinical Psychologist	Transfer in/Reclassify		Transfer from Managed Care/ Behavioral Health Advocate	
		9470	Psychiatrist	Transfer in/Reclassify		Transfer from Managed Care/ Behavioral Health Advocate	
		610	Clinical Psychologist	Transfer out		Transfer to Alcohol & Drug	
		443	Clinical Psychologist	Reclassify downward		Behavioral Health Advocate	
		7037	Clinical Psychologist	Reclassify downward		Clinical Services Technician II	
		12305	Account Clerk III	Unfund vacancy		Unfund vacant position	
	Stanislaus Recovery Services	3647	Administrative Clerk III	Transfer in		Transfer from Managed Care	
	Community Services Agency	Services & Support	3449, 11310, 11858	Administrative Clerk II	Unfund vacancies		Unfund vacant positions
			657, 675	Family Services Specialist III	Unfund vacancies		Unfund vacant positions
606			Special Investigator II	Unfund vacancy		Unfund vacant position	
11344			Software Developer Analyst III	Reclassify		Study	
9205, 9206, 9207			Account Clerk II	Reclassify		Study	
District Attorney	Criminal	7228	Interviewer II	Transfer out		Transfer to Victim Services	
	Victim Services	7228	Interviewer II	Transfer in		Transfer from Criminal	
General Services Agency	Central Services	3881	Sr. Multitask Operator	Delete position	-1	Delete position/Reduction in Force effective 10/24/09	
	Facility Maintenance	11372	Housekeeper/Custodian	Delete position	-1	Delete position/Reduction in Force effective 10/24/09	
	Fleet Services	12295	Equipment Services Technician	Delete position	-1	Delete position/Reduction in Force effective 10/24/09	
Health Services Agency	Clinics & Ancillary Services	6854	Sr. Nurse Practitioner	Fund vacancy		Fund vacant position	
	Public Health	1971	Public Health Nurse II	Delete position	-1	Delete position	
Sheriff	Administration	1497	Lieutenant	Transfer out		Transfer to Operations	
		9004	Staff Services Coordinator	Unfund vacancy		Unfund vacant position	
	Court Security	12298, 12299	Deputy Sheriff	Unfund vacancies		Unfund vacant positions	
		12300, 2537	Deputy Sheriff Custodial	Unfund vacancies		Unfund vacant positions	
	Operations	1497	Lieutenant	Transfer in		Transfer from Administration	
<b>Unfunded Vacant Position Deletions (previously removed from Position Allocation)</b>							
Sheriff	Detention	2559	Sergeant-Custodial	Delete position	-1	Delete unfunded vacant position	
					<b>Total Net Staffing</b>	<b>-7</b>	

**Final Budget 2009-2010  
Contract Summary Sheet  
All Funds  
Contracts between \$50,000-\$100,000**

**Attachment B**

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
CEO-Risk Management Division	General Liability	Dan Farrar Attorney at Law	Legal Services, Costs & Expenses	\$342,167 7/1/03-6/30/09	\$125,000 Not to exceed 7/1/09-6/30/10	\$467,167
Department of Child Support Services	Department of Child Support Services	Xerox Corp.	Maintenance agreement	\$64,922 11/8/04-6/30/09	\$1,000 7/1/09-6/30/10	\$65,922
Department of Child Support Services	Department of Child Support Services	Silanis Technology Inc.	Maintenance agreement	\$66,772 7/11/03-6/30/09	\$5,513 7/1/09-6/30/10	\$72,285
Department of Child Support Services	Department of Child Support Services	Touchpaper (name changed 2/01/09 to) Landesk Software Inc.	Maintenance agreement	\$57,878 2/20/04-6/30/09	\$7,739 7/1/09-6/30/10	\$65,617
Probation	Administration	Gold Shield Investigations	Conduct pre-employment background investigations on candidates for job opening with the Probation Department	\$94,670 7/1/03-2/28/09	\$2,250 7/1/09-6/30/10	\$96,920
Probation	Administration	Jocelyn Roland, PhD	Conduct pre-employment psychological screening	\$44,475 2/1/06-2/28/09	\$20,000 7/1/09-6/30/10	\$64,475
Probation	Field Services Administration Juvenile Hall	Mo-Cal Office Solutions	Provide maintenance on copiers and fax machines	\$57,905 7/1/03-6/30/09	\$15,000 7/1/09-6/30/10	\$72,905
Sheriff	Operations & Detention	Stericycle Inc.	Medical Hazardous waste	\$35,207 7/1/03-6/30/09	\$32,400 7/1/09-6/30/10	\$67,607
Sheriff	Detention	JSWWC Jared Steeley	Wasterwater Plant Operator	\$31,915 7/1/03-6/30/09	\$33,798 7/1/09-6/30/10	\$65,713
Sheriff	Detention	Pacific Mobile Structures	Rental & Purchase of mobile structures	\$18,216 7/1/03-6/30/09	\$60,000 7/1/09-6/30/10	\$78,216

**Final Budget 2009-2010  
Contract Summary Sheet  
All Funds  
Contracts over \$100,000**

**Attachment C**

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Behavioral Health & Recovery Services	Mental Health	Holmes, Camille	Childcare Consultation	\$110,332 1/24/05-6/30/10	\$6,676 9/15/09-6/30/10	\$117,008
Behavioral Health & Recovery Services	Mental Health	Davis Wright Tremaine	Legal services	\$112,694 1/1/04-6/30/09	\$250,000 7/1/09-6/30/10	\$362,694
CEO - Operations and Services	Economic Development	Willdan Financial Services	Consultant Services: Developing Public Facility Fee program update	\$125,300 7/1/08-6/30/09	\$26,050 7/1/09-6/30/10	\$151,350
CEO-Risk Management Division	General Liability	Curits & Arata	Legal Services, Costs & Expenses	\$445,259 7/1/03-6/30/09	\$125,000 Not to exceed 7/1/09-6/30/10	\$570,259
CEO-Risk Management Division	General Liability	Dan Farrar Attorney at Law	Legal Services, Costs & Expenses	\$363,194 7/1/03-6/30/09	\$125,000 Not to exceed 7/1/09-6/30/10	\$488,194
CEO-Risk Management Division	General Liability	Libert Cassidy Whitmore	Legal Services, Costs & Expenses	\$589,069 7/1/07-6/30/09	\$400,000 Not to exceed 7/1/09-6/30/10	\$989,069
CEO-Risk Management Division	General Liability	McCormick & Barstow	Legal Services, Costs & Expenses	\$191,132 7/1/04-6/30/09	\$0 Firm not used in FY 2009-2010	\$191,132
CEO-Risk Management Division	General Liability	Porter, Scott, Wieberg & Delehant	Legal Services, Costs & Expenses	\$1,446,640 7/1/04-6/30/09	\$300,000 Not to exceed 7/1/09-6/30/10	\$1,746,640
CEO-Risk Management Division	General Liability	Shute Mihaly LLP	Legal Services, Costs & Expenses	\$160,299 7/1/07-6/30/09	\$100,000 Not to exceed 7/1/09-6/30/10	\$260,299
CEO-Risk Management Division	Professional Liability	Kroloff Law Firm	Legal Services, Costs & Expenses	\$425,250 7/1/03-6/30/09	\$0 Firm not used in FY 2009-2010	\$425,250
CEO-Risk Management Division	Professional Liability	Riggio Mordaunt & Kelly	Legal Services, Costs & Expenses	\$169,588 7/1/07-6/30/09	\$100,000 Not to exceed 7/1/09-6/30/10	\$269,588
Children and Families Commission	Children and Families Commission	Yosemite Community College District	Provides health, safety, and professional development training to child care providers.	\$6,907,398 7/1/03-6/30/09	\$959,323 7/1/09-6/30/10	\$7,866,721



**Final Budget 2009-2010  
Contract Summary Sheet  
All Funds  
Contracts over \$100,000**

**Attachment C**

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Department of Child Support Services	Department of Child Support Services	Specialized Litigation (name changed 10/25/05 to) Calserve Inc.	Providing proof of services	\$573,501 7/1/03-6/30/09	\$125,000 7/1/09-6/30/10	\$698,501
Department of Child Support Services	Department of Child Support Services	Catherine Shipley (name changed to) LBF Management & Consulting	Consulting services	\$370,841 7/1/03-6/30/09	\$70,000 7/1/09-6/30/10	\$440,841
Department of Child Support Services	Department of Child Support Services	Long Beach Genetics (name changed 7/01/05 to ) Laboratory Corp. of America	Genetic testing	\$161,010 7/1/03-6/30/09	\$20,000 7/1/09-6/30/10	\$181,010
Department of Child Support Services	Department of Child Support Services	Doctors Medical Center	Paternity declarations	\$100,550 7/1/03-6/30/09	\$20,000 7/1/09-6/30/10	\$120,550
Department of Child Support Services	Department of Child Support Services	Data Image Systems	Maintenance agreement	\$119,418 7/1/03-6/30/09	\$1,315 7/1/09-6/30/10	\$120,733
Clerk Recorder-Elections	Clerk Recorder	AtPac	Software Licensing and	\$1,002,919 7/1/03-6/30/09	\$147,000 7/1/09-6/30/10	\$1,149,919
Clerk Recorder-Elections	Clerk Recorder	Cranel/Versitec	Maintenance Contract	\$105,222 7/1/03-6/30/09	\$69,270 7/1/09-6/30/12	\$174,492
Community Services Agency	Services & Support	Center for Human Services	Teen AOD Abuse Treatment	N/A	\$1,000 9/16/09-6/30/10	\$1,000
Community Services Agency	Services & Support	Center for Human Services	Family Resource Center - Zone B	\$670,455 7/1/09-6/30/12	N/A	\$670,455
Community Services Agency	Services & Support	Center for Human Services	Family Resource Center - Zone C	\$613,194 7/1/09-6/30/12	N/A	\$613,194
Community Services Agency	Services & Support	Center for Human Services	Family Resource Center - Zone G	\$505,983 7/1/09-6/30/12	N/A	\$505,983
Community Services Agency	Services & Support	Center for Human Services	Differential Response & Hutton House	\$605,297 7/1/04-6/30/10	N/A	\$605,297
Community Services Agency	Services & Support	Center for Human Services	AmeriCorps Member Placements	\$7,436 1/1/05-6/30/08	N/A	\$7,436
Community Services Agency	Services & Support	Center for Human Services	Family Resource Center - Ceres	\$1,445,242 7/1/05-6/30/09	N/A	\$1,445,242
Community Services Agency	Services & Support	Center for Human Services	Family Resource Center - Westside	\$829,816 7/1/07-6/30/09	N/A	\$829,816
Community Services Agency	Services & Support	Center for Human Services	Outreach	\$20,000 3/1/07-5/31/08	N/A	\$20,000

**Final Budget 2009-2010  
Contract Summary Sheet  
All Funds  
Contracts over \$100,000**

**Attachment C**

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Community Services Agency	Services & Support	Center for Human Services	IDA Asset Manager	\$122,100 5/22/07-6/30/09	N/A	\$122,100
Community Services Agency	Public Economic Assistance Fund 1632	Center for Human Services	IDA Asset Manager for Transitional Housing Program Plus (THP+) for former Foster Care Youth	\$39,620 5/6/08-6/30/10	N/A	\$39,620
Community Services Agency	Services & Support	Council on Accreditation	Accreditation	\$78,370 7/1/03-6/30/09	\$0 7/1/09-3/31/13 Contract Period Update	\$78,370
Community Services Agency	Services & Support	Doctor's Medical Center Foundation (1)	MSSP Client Communications	\$187,500 7/1/03-6/30/09	\$40,000 7/1/09-6/30/10	\$227,500
Community Services Agency	Services & Support	Doctor's Medical Center Foundation (1)	IHSS Providers CPR Training	\$59,490 6/1/07-6/30/09	\$9,900 7/1/09-6/30/10	\$69,390
Community Services Agency	Services & Support	Doctor's Medical Center Foundation (1)	Foster Parent CPR Training	\$44,136 7/1/03-6/30/09	\$7,470 7/1/09-6/30/10	\$51,606
Community Services Agency	Services & Support	Doctor's Medical Center Foundation (1)	MSSP Client Respite Care	\$11,500 7/1/03-6/30/09	\$1,000 7/1/09-6/30/10	\$12,500
Community Services Agency	Services & Support	Karen Servas	Personal Services Agreement	\$372,225 7/1/04-6/30/09	\$10,077 7/1/08-7/2/09 Increase Contract Amount; Extend Contract Term	\$382,302
Probation	Administration	Softchoice	Microsoft volume licensing program / Enterprise Agreement	\$130,970 1/23/07-6/30/09	\$44,680 7/1/09-6/30/10	\$175,650
Probation	Institutions	ARC Catering & Specialties	Provide food services for Juvenile Hall detainees and staff	\$3,032,568 1/1/04-2/28/09	\$600,000 7/1/09-6/30/10	\$3,632,568

(1) Previously reported as Doctor's Medical Center which is a separate entity



**Final Budget 2009-2010  
Contract Summary Sheet  
All Funds  
Contracts over \$100,000**

**Attachment C**

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Probation	Institutions and JJCPA	Behavioral Interventions	Provide 24 hour, continuous electronic monitoring of offenders placed by the County using equipment	\$291,721 4/18/03-2/28/09	\$90,000 7/01/09-6/30/10	\$381,721
Probation	Juvenile Field Services JJCPA Adult Field Services Adult Drug Court	Redwood Toxicology	Perform drug testing and deliver test results to Probation	\$138,177 5/01/06-6/30/07	\$50,000 7/1/09-6/30/10	\$188,177
Sheriff	Detention	Champion Industrial Contractor	Building & Equipment Maintenance	\$49,752 7/1/03-6/30/09	\$56,377 7/1/09-6/30/10	\$106,129
Sheriff	Detention	Fair Market	Food products	\$58,715 7/1/03-6/30/09	\$50,000 7/1/09-6/30/10	\$108,715
Sheriff	Operations	Foray Technologies	Imaging Server System	\$93,738 7/1/03-6/30/09	\$10,400 7/1/09-6/30/10	\$104,138
Sheriff	Detention	CSV food sales	Food products	\$38,348 7/1/03-6/30/09	\$100,000 7/1/09-6/30/10	\$138,348
Sheriff	Detention	EKON-O-PAC	Crockery and Utensils	\$125,036 7/1/03-6/30/09	\$60,000 Increase Contract Amount 7/1/09-6/30/10	\$185,036
Sheriff	Detention	Foster Farms	Dairy Products	\$523,137 7/1/03-6/30/09	\$160,000 7/1/09-6/30/10	\$683,137
Sheriff	Detention	US Food Service	Food products	\$7,645 7/1/03-6/30/09	\$230,000 7/1/09-6/30/10	\$237,645
Sheriff	Inmate Welfare Fund	Friends Outside	Life skills classes for inmates	\$1,577,326 7/1/03-6/30/09	\$240,000 Increase Contract Amount 7/1/09-6/30/10	\$1,817,326



# Final Budget Fiscal Year 2009-2010

September 15, 2009





# Richard W. Robinson

Chief Executive Officer



# Today's Presentation

- Looking Back – Two Years of Preparing for a Future of Declining Resources
- 2009-2010 Proposed Budget Recap
- 2009-2010 Final Budget Overview
- Final Budget by Board of Supervisors Priorities
- 2010-2011 – Addressing the Challenges
- Invite Opportunity for Public Comment
- Adopt Final Budget

# Looking Back

Increased revenue of \$6.4 million for the Health Services Agency as a result of FQHC-LA designation in FY 07-08.

Continued reductions in funding cause a reduction of 142 allocated positions County-Wide in FY 08-09.

**Fiscal Year  
2007-2008**

Jul

Aug

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

Jun

Decreases in funding trigger a reduction of 174 allocated positions and 55 part-time employees County-wide in FY 07-08.

State's fiscal crisis and declining revenues force County to implement budget reduction strategies on average of 2%-6% for FY 07-08 and FY 08-09 for all Departments that receive a General Fund contribution.

# Looking Back

Increased use of on-line services and e-government technology. Including online payment options and use of voice over internet protocol and the rollout of GIS central to the public.

Jul

Aug

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

Jun

New Partnerships established:  
-Doctors and Memorial Hospitals that will insure continuation of the Residency Program and  
-The potential Joint Powers Agency being developed with local cities for the delivery of Animal Services.

County continues to seek the most cost effective ways of doing business. Examples of this include the installation of a non-potable well in a park in Salida and the use of an open source product called Asterisk for voicemail services.



# Looking Back

County implements a second phase of budget reduction strategies for FY 09-10, Voluntary Time Off Policy and Furlough Agreements implemented, and 24 reductions-in-force recommended to date in FY 09/10.

**Fiscal Year  
2010-2011**

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

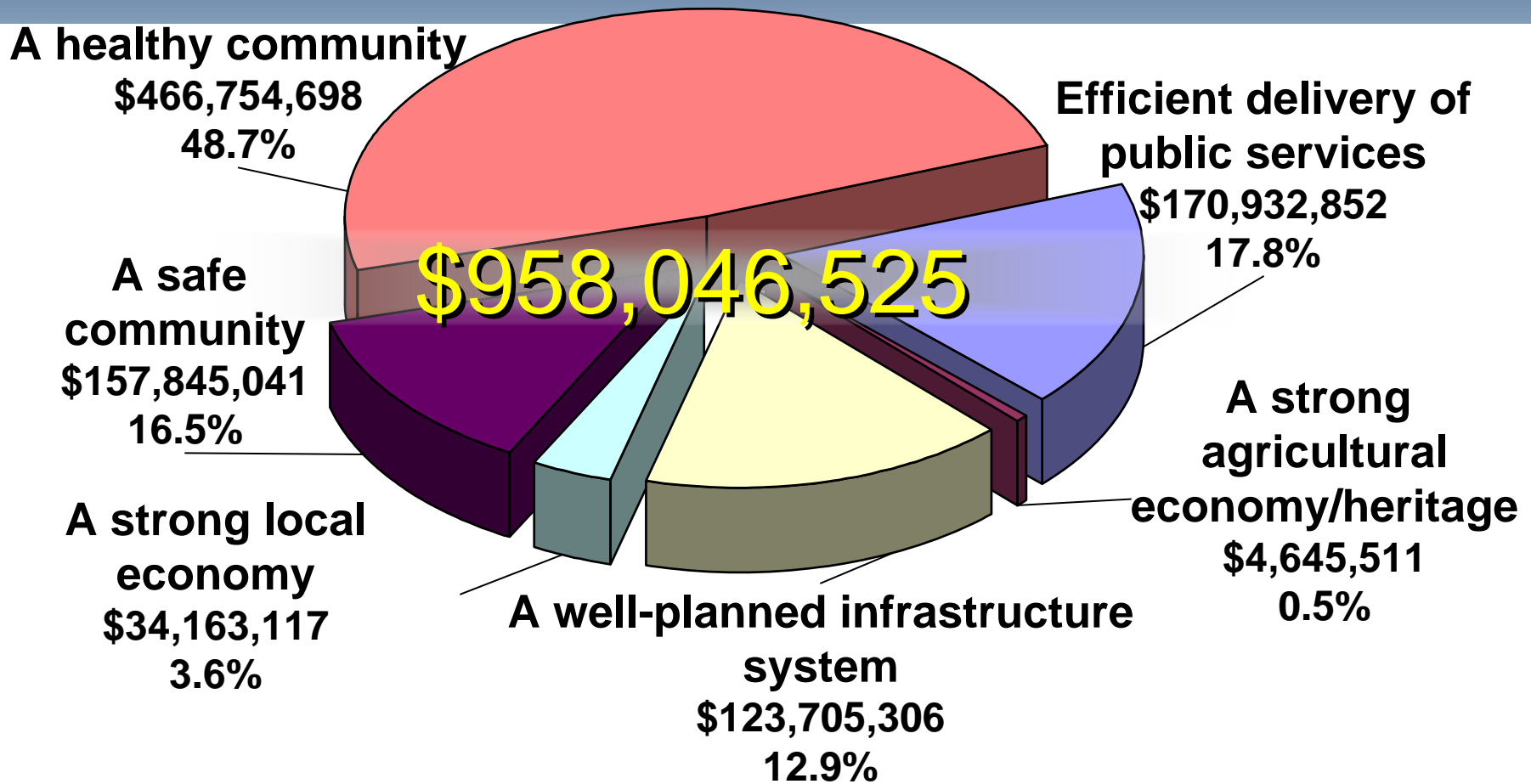
County Departments place renewed focus on delivery of their “core” services (i.e. services mandated or required by law, fundamental to the department’s mission/vision, self-supporting, or a Board priority).

# Proposed Budget Highlights

## Interim Spending Plan

- Adopted on June 9, 2009
- All General Operations Departments plus Animal Services were issued a 12 percent reduction in net county cost, for an estimated savings of \$6.5 million
- Public Safety Departments were issued a 5 percent reduction in net county cost, for an estimated savings of \$5.2 million

# Final Budget by Board of Supervisors Priorities Fiscal Year 2009-2010



# Final Budget Overview

## Final Spending Plan

- .3 percent overall increase of \$2,932,370 from the 2009-2010 Proposed Budget
- .4 percent decrease of \$994,576 in the General Fund from the 2009-2010 Proposed Budget
- Departments primarily requested only adjustments necessary to address changes in revenue or State Budget impacts

# Final Budget Overview

## Challenges 2009-2010

- Loss of Williamson Act Subvention \$1.47 million
- State 1A funding exposure \$7.9 million
- Suspension of SB 90 mandate claims \$9.6 million
- Program cuts or eliminations as the result of State's fiscal crisis
- Uncertainty of Property Tax, Sales Tax and Proposition 172 revenue
- Healthcare and Labor Negotiations

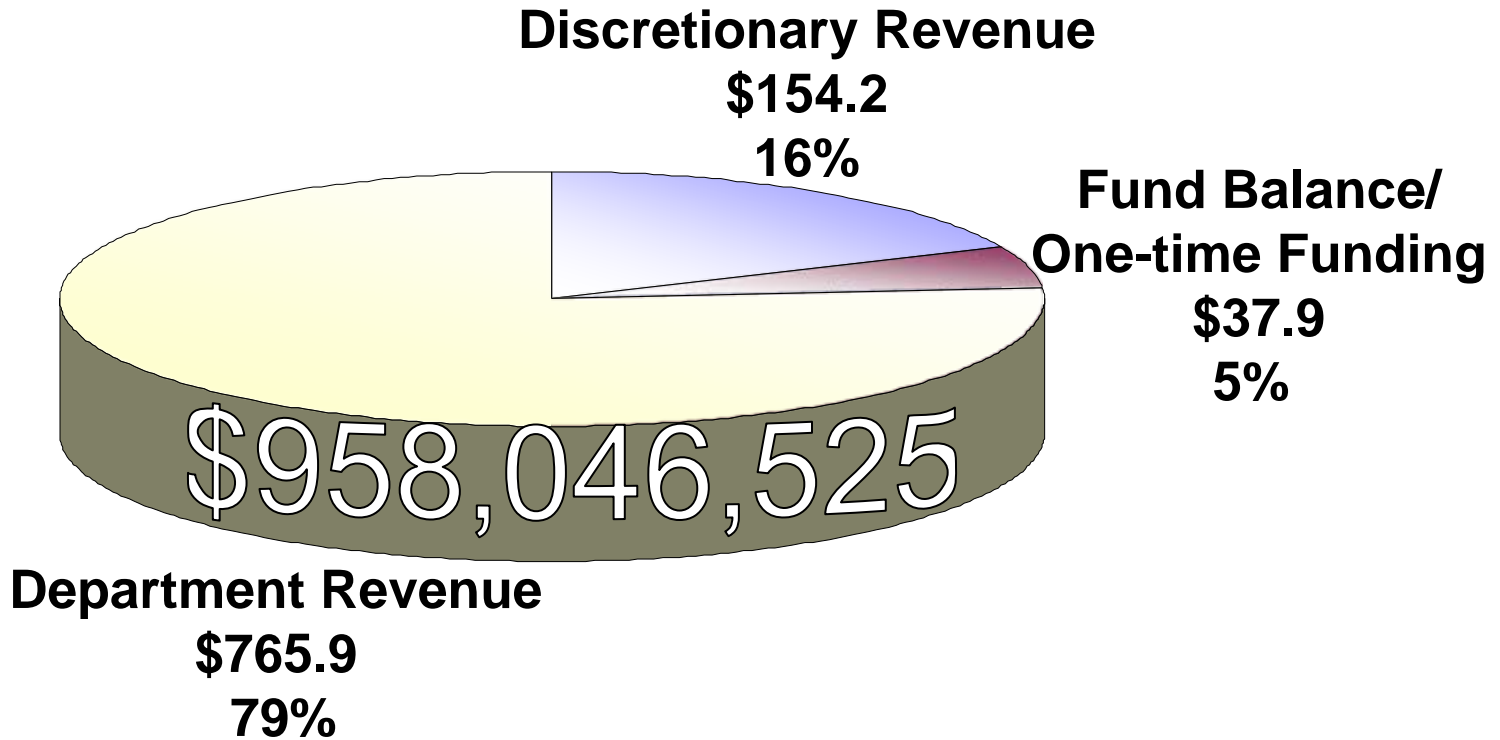


# FY 2009-2010 Budget Highlights

## TOTAL APPROPRIATIONS – ALL FUNDS

All County Funds	FY 2008-09 Final Budget	FY 2009-10 Recommended Final Budget	Change	% Change
Total General Fund	\$269,168,089	\$249,898,038	(\$19,270,051)	(7%)
Total All Other Funds	\$697,370,968	\$708,148,487	\$10,777,519	2%
Total Budget	\$966,539,057	\$958,046,525	(\$8,492,532)	(1%)
Discretionary Revenue	\$172,853,612	\$154,156,740	(\$18,696,872)	(11%)
Total Positions	4,459	3,990	(469)	(11%)

# Funding Sources - In Millions

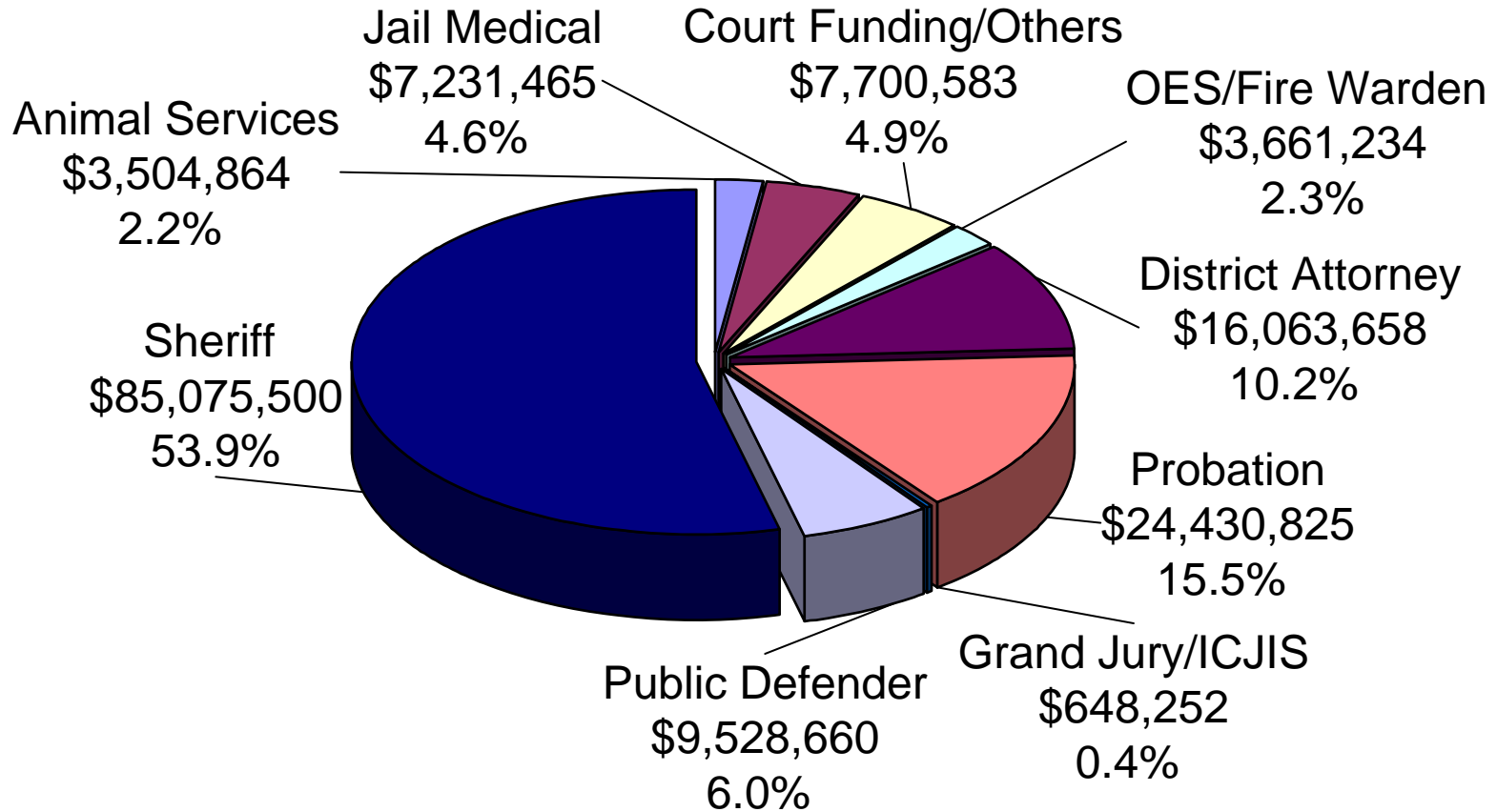


# Discretionary Revenue - \$154,156,740

Discretionary Revenue Description	Proposed Budget FY 2009-2010	Recommended Final Budget FY 2009-2010	Difference
Property Taxes	\$ 44,061,400	\$ 44,061,400	\$ -
Property Tax in Lieu of VLF	44,852,000	44,852,000	-
Sales & Use Tax/Prop 172	48,645,000	48,645,000	-
Williamson Act subvention	1,467,000	-	(1,467,000)
Tobacco Endowment Funds	3,276,000	2,881,190	(394,810)
Other sources	13,717,150	13,717,150	-
	<b>\$ 156,018,550</b>	<b>\$ 154,156,740</b>	<b>\$ (1,861,810)</b>

• A safe community • A healthy community • A strong local economy • Effective partnerships •  
**Board of Supervisors Priorities** •  
• A strong agricultural economy/heritage • A well-planned infrastructure system • Efficient delivery of public service •

# A safe community \$157,845,041

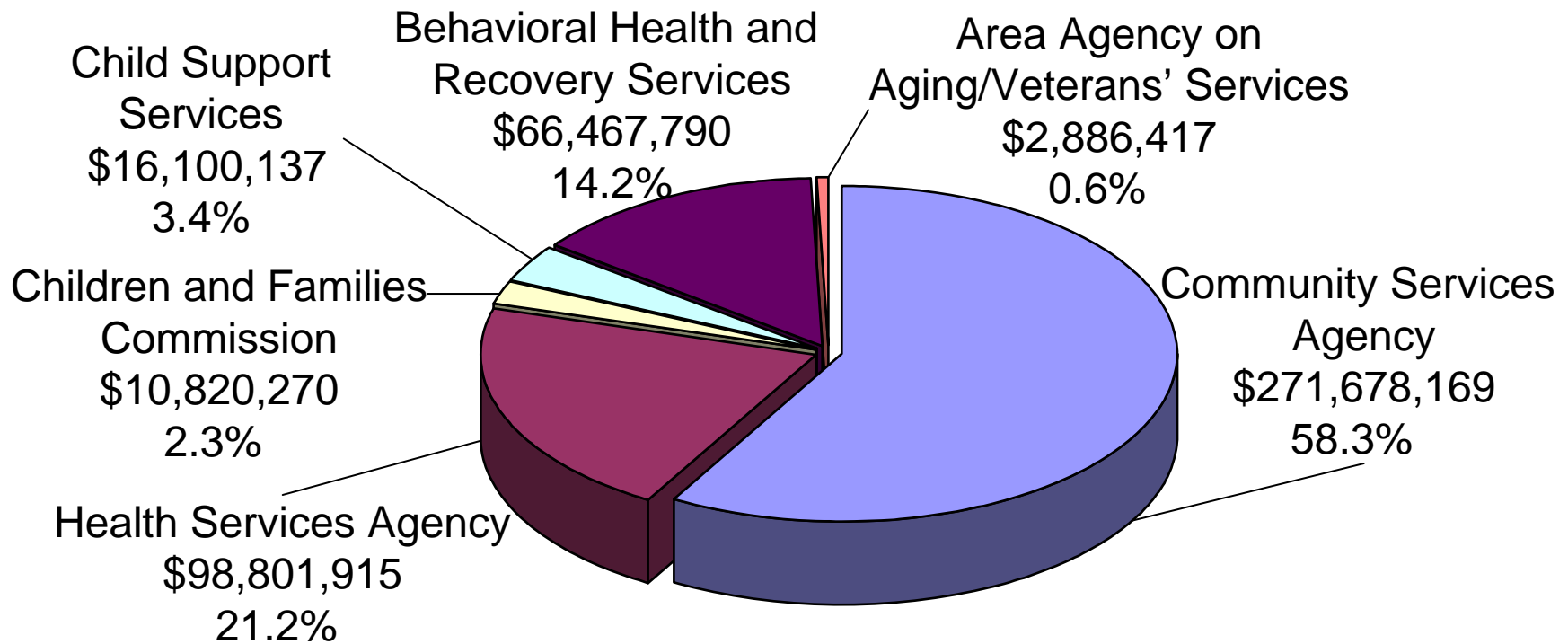


# A safe community-(\$904,049)

- Animal Services (\$66,185)
  - Decrease in salaries to reflect revised revenue projections for partner cities
- District Attorney \$104,219
  - Increase in grant funding and carry forward IT project improvements
- Probation \$88,474
  - Increase in grant funding for the supervision of domestic violence offenders and training for staff dealing with youth
- Sheriff (\$1,030,557)
  - Decrease in salaries and services due to loss of program revenue, retirement adjustments and cost cutting measures



# A healthy community- \$466,754,698



# A healthy community-\$1,099,833

## Significant Program Changes still to come including:

- Changes to In-Home Supportive Services
- Possible privatization of certain eligibility services
- Final Public Health allocations still unknown

# A healthy community-\$1,099,833

- Area Agency on Aging/Veterans' Services (\$281,837)
  - Governor's line item veto results in elimination of Linkages, Brown Bag and Respite Programs
- Behavioral Health and Recovery Services \$183,326
  - State budget cuts including loss of the Substance Abuse and Crime Prevention Act funds and a 50% decrease in Mental Health Managed Care funds and new Prop 63 funds for Workforce Education and Training
- Child Support Services (\$480,710)
  - Reduction in estimated retirement costs
- Children and Families Commission (\$350,000)
  - Reduction in contract appropriations

# A healthy community-\$1,099,833

- Community Services Agency \$2,801,561
  - Increase in TANF Emergency Contingency Funds and 27 pay periods in Fiscal Year 2009-2010
  - Policy changes to eliminate unmet need in General Assistance Program

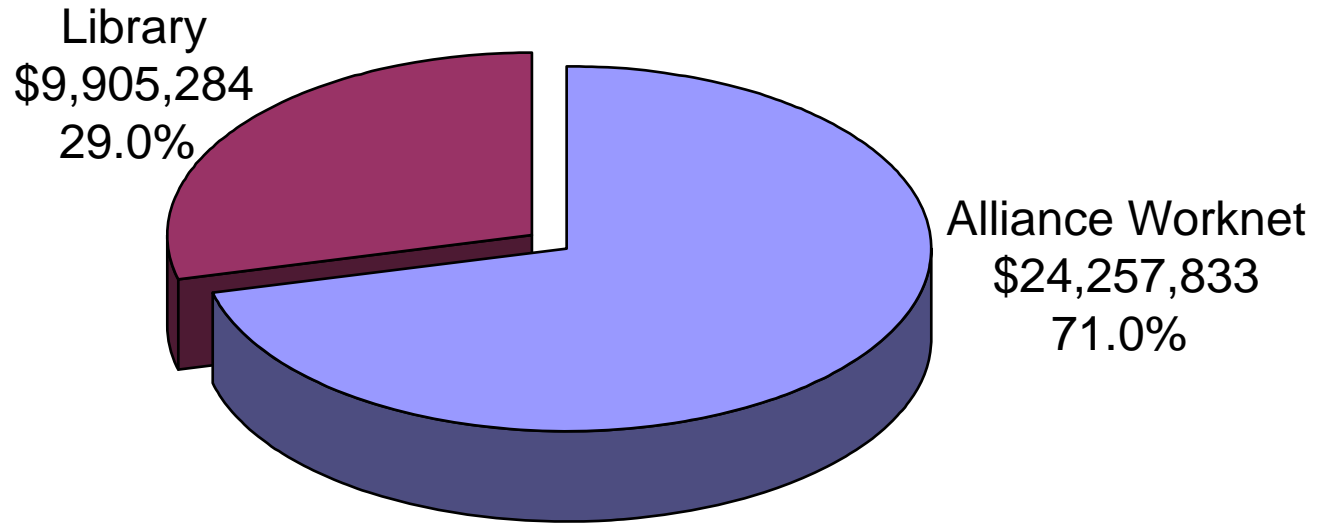
The recommended policy changes to the General Assistance Program:

- A one-time reduction in the maximum grant amount to be consistent with the Temporary Assistance for Needy Families (TANF) grant benefit;
- Establish a reasonable time limit of three to five years, for individuals to receive interim assistance while attempting to qualify for Permanently Disabled Aid status.

# A healthy community-\$1,099,833

- Health Services Agency (\$772,507)
  - State budget cuts to Emergency Medical Services-Physician Reimbursement Program, Dental Disease Prevention Program and Differential Response Program, and revised workers' compensation cost estimates

# A strong local economy-\$34,163,117

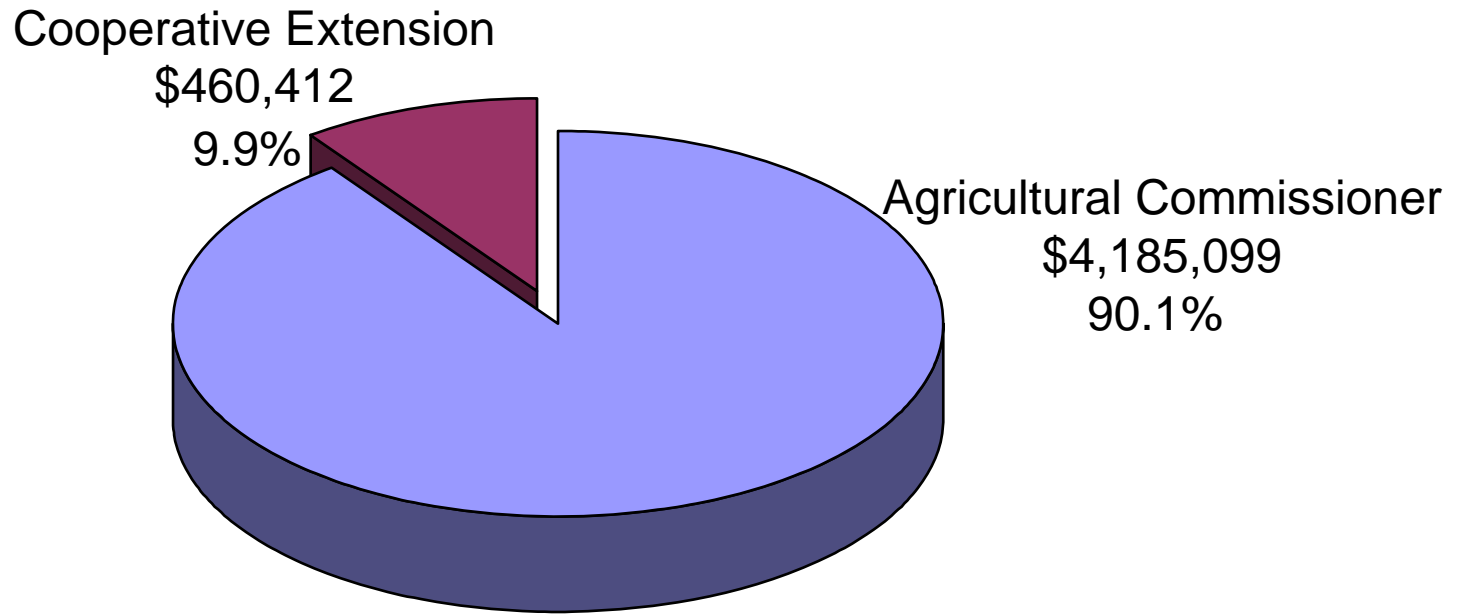


# A strong local economy-\$3,284,266

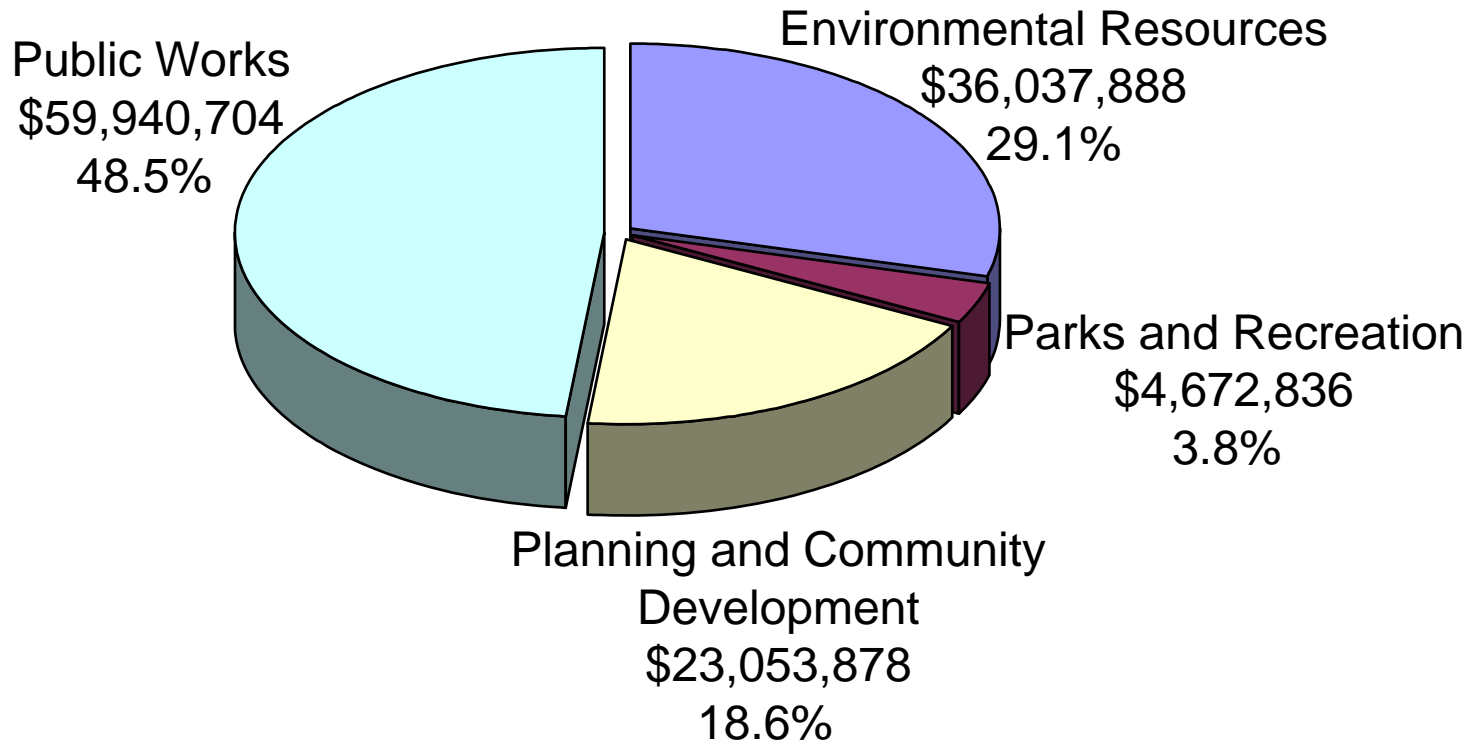
- Alliance Worknet \$3,284,266
  - Increase in funding from American Recovery and Reinvestment Act, Workforce Investment Act, StanWORKs and three new grants



# A strong agricultural economy/heritage- \$4,645,511



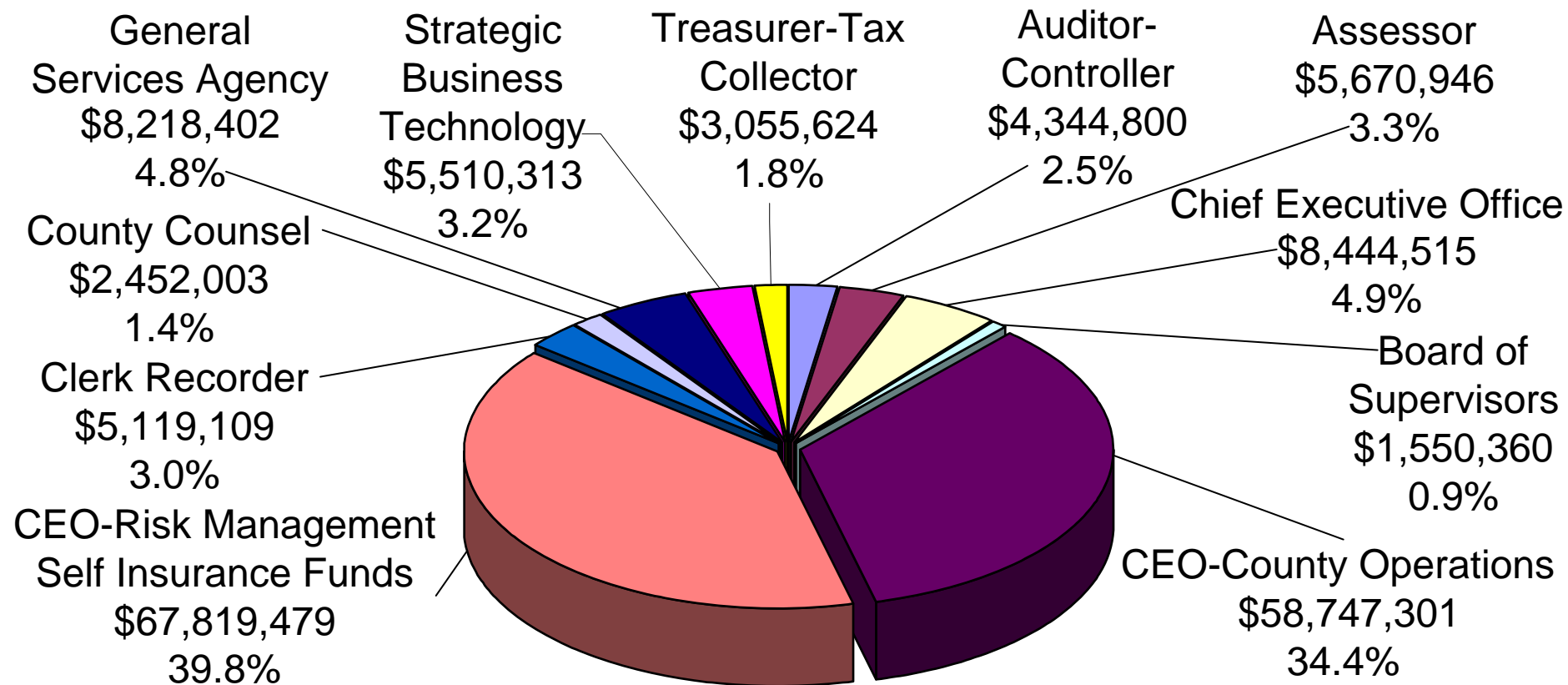
# A well-planned infrastructure system- \$123,705,306



# A well-planned infrastructure system- \$28,113

- Planning and Community Development \$28,113
  - Increase in grant funding from the Federal Community Development Block Grant (CDBG) to reflect the actual award amount
- Planning-Building Permits
  - Decrease in revenue as a result of loss of construction permit revenue
- Public Works
  - Increase in revenue as the result of receiving all remaining Proposition 1B funds in this fiscal year

# Efficient delivery of public services- \$170,932,852



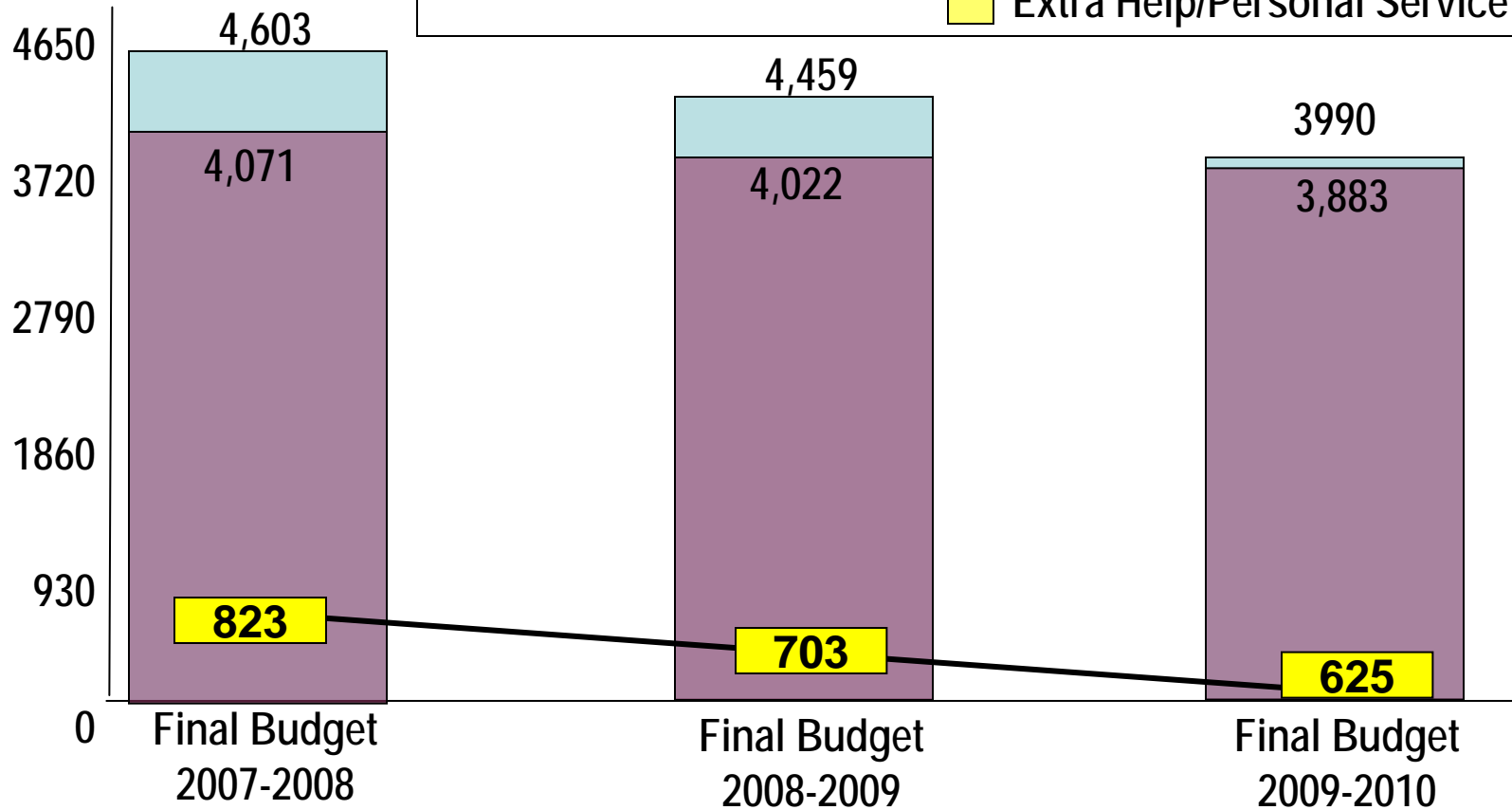
# Efficient delivery of public services- (\$575,793)

- Chief Executive Office \$32,550
  - Use of Public Facilities Funds (PFF) Administration for PFF program update
- County Match (\$68,386)
  - Reduction in Health Services Agency cash deficit payment from Tobacco Securitization interest earnings
- CEO-Risk Management Workers' Compensation (\$235,251)
  - Reduction in workers' compensation charges to the Health Services Agency to reflect the correct allocation of charges

# Efficient delivery of public services- (\$575,793)

- CEO-Unemployment Insurance
  - Increase in revenue due to a new \$90 per employee per year charge
- General Services Agency (\$189,734)
  - Loss of revenue due to decreases in service requests
- Strategic Business Technology (\$114,972)
  - Loss of revenue due to decreases in department and external service requests

# Staffing





# 2010-2011 and Beyond – Addressing the Challenge

- Unprecedented reductions in property tax revenue
- Expected to take years for property values to recover
- Of the 58 California Counties only 3 receive a lower base allocation of property taxes than Stanislaus County
- Of the eight survey counties Stanislaus County receives the lowest base allocation of property taxes at 11%, allocations range between 12%-25% for the survey counties

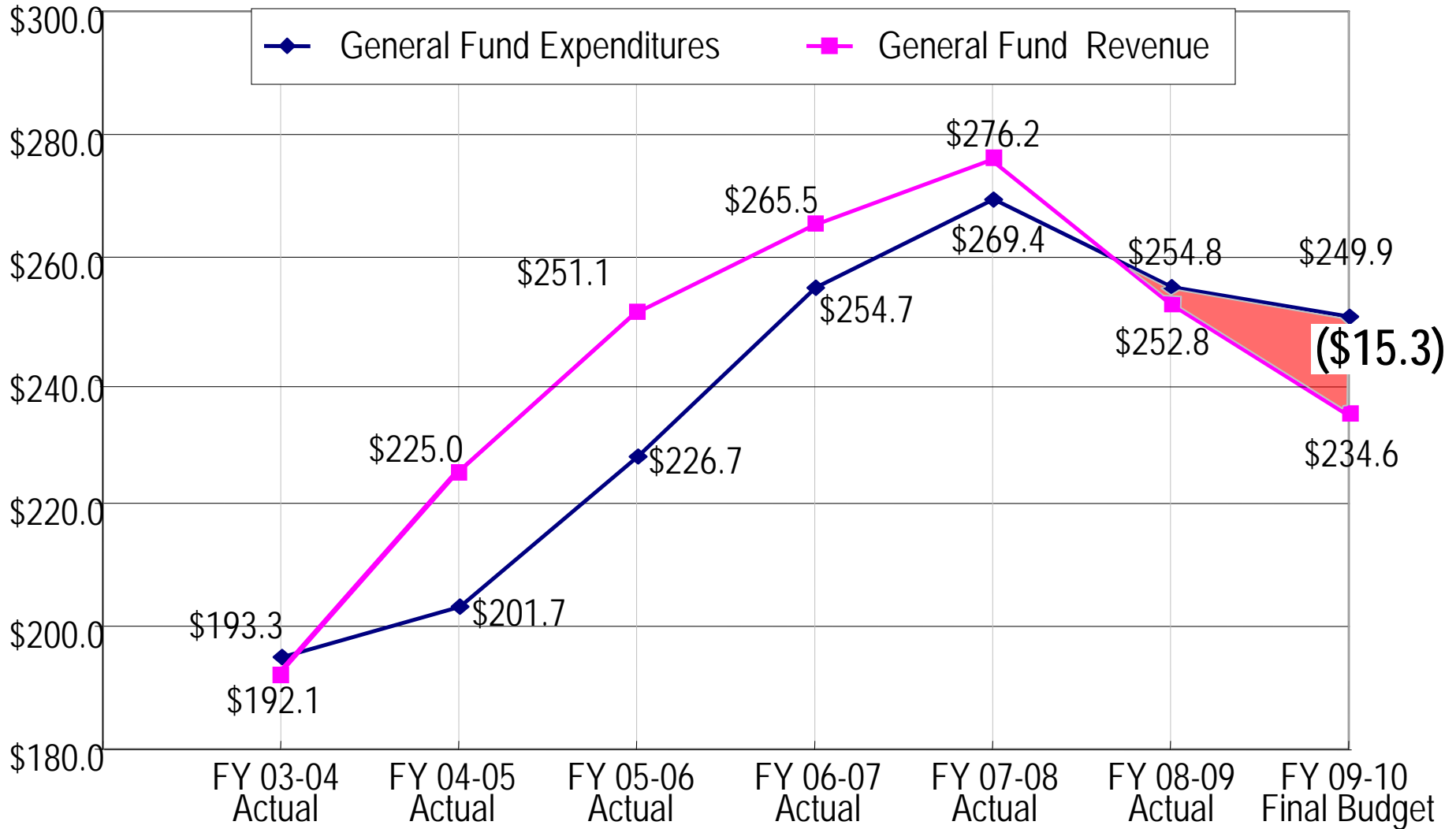
# 2010-2011 and Beyond – Addressing the Challenge

- Loss of property tax revenue alone requires significant changes/restructuring
- Three years of use of reserves provides time to bring appropriations in line with expenditures

# 2010-2011 and Beyond – Addressing the Challenge

- State Fiscal Crisis – Reduced and Diverted Funds
- Increased Retirement Costs
- Decrease in Property Tax, Sales Tax and Proposition 172 Revenue
- National Economic Crisis
- Increased Healthcare costs
- Labor Negotiations
- Increased Demand for Safety Net Services
- Potential Projected Structural Shortfall of over \$20 million in the General Fund

# Structural Deficit – General Fund



# 2010-2011 and Beyond – Addressing the Challenge

- Core restructuring of County Services
- Evaluating service levels for all mandated programs
- Evaluating non-mandated programs and services
- Identify methods to reduce long term retirement costs
- Countywide and multi-departmental efficiencies
- Containment of healthcare and labor costs
- Identifying new sources of revenue

# Preliminary Budget Schedule

November 3, 2009

First Quarter Report

Late February 2010

Mid-Year Budget  
Report

# Recommendations

1. Accept the recommended Final Budget for Fiscal Year 2009-2010 from the Chief Executive Officer.
2. Conduct the scheduled Public Hearing at 6:35 p.m. on September 15, 2009, September 16, 2009, and September 17, 2009 at 9:00 a.m. if necessary, to receive public comment and input on the proposed spending plan.



# Recommendations

3. Direct and approve any changes the Board of Supervisors choose to make to the recommended Final Budget; and then adopt the Final Budget for 2009-2010.
4. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary technical adjustments to implement the approved Final Budget.

# Recommendations

5. Direct the Chief Executive Officer and the Auditor-Controller to prepare the Final Budget document in accordance with State law and submit it to the State Controller prior to December 1, 2009.
6. Amend the Salary and Position Allocation Resolution to reflect the recommended changes in the Final Budget, (as outlined in the Staffing Impacts section of this report and detailed in Attachment “A”) to be effective with the start of the first pay period beginning after September 26, 2009.

# Recommendations

7. Approve the reduction-in-force of three filled full-time positions in Area Agency on Aging and three filled full-time positions in the General Services Agency effective October 24, 2009.
8. Approve contracts and/or agreements listed on Attachment “C” in cumulative amounts of \$100,000 or greater as of July 1, 2003.

# Recommendations

9. Authorize the Community Services Agency to implement two regulatory program changes in the General Assistance Program in the areas of maximum grant amount and permanently disabled aid as described in the 2009-2010 Final Budget Addendum.
  
10. Authorize Behavioral Health and Recovery Services to transfer \$666,384 from the departmental contingency account into other accounts in order to appropriately reflect the funds budgeted use.

# Recommendations

11. Approve the revised General Services Agency Purchasing Division operating hours that would eliminate extended hours for the Purchasing Division Monday through Friday from 7:30 a.m. - 8:00 a.m. to the modified business hours of Monday through Friday, 8:00 a.m. to 5:00 p.m. effective September 21, 2009.

# Recommendations

12. Approve an increase in three existing designations: the State 1A Funding Exposure Designation by \$3,425,267 for potential exposures associated with Proposition 1A; the Litigation Designation in the amount of \$1 million for potential exposures associated with a change in venue for a capital murder trial; and the Contingency Designation in the amount of \$1,722,422 using uncommitted funds from the Economic Development Bank.
  
13. Authorize the establishment of a new Retirement Designation in the amount of \$2,000,000 for future retirement exposures.

# Recommendations

14. Approve the request by the Auditor-Controller to establish a Teeter Obligation Designation in the amount of \$13,344,174 to fund future increases to the Teeter Receivable.
  
15. Approve the re-designation of \$41,939 of unused Tobacco Settlement funding which is being returned to Tobacco Settlement through County Match from the Salida Regional Library remodel project.



# Recommendations

16. Approve decreasing three Carryover Appropriations Designations: the General Fund by \$1,796,456 for a total of \$2,808,872; the Economic Development Bank by \$1,224 for a total of \$32,959; and the Community Development Fund by \$1,400,000 for a total of \$100,000.

# Accessing the Final Budget

1. Log on to [www.stancounty.com](http://www.stancounty.com)
2. Click on the County Services tab
3. Click on County Sites of Interest
4. Click County Budget
5. Click Final Budget Report

- **Budget Home**
- Previous Budgets
- Capital Improvement Budgets
- Stanislaus County Home

## ■ Budget Home Page



This page is dedicated to Budgets and Capital Improvement Plans.

- ▄▄ [Final Budget Addendum Fiscal Year 2009-2010](#)  
[Complete Budget Document in PDF - 345 pages]
- ▄▄ [Board of Supervisors](#)  
[PDF - 1 pages]
- ▄▄ [Supervisorial District Maps](#)  
[PDF - 1 pages]
- ▄▄ [Budget Message](#)  
[PDF - 8 pages]
- ▄▄ [Table of Contents](#)  
[PDF - 5 pages]

# Department Head Comments

# Public Hearing

*Stanislaus*

*County*

*Striving to be the Best*

