

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

DEPT: Chief Executive Office

BOARD AGENDA # B-8

Urgent

Routine

AGENDA DATE May 4, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Consideration and Approval of the Third Quarter Financial Report for Fiscal Year 2009-2010, Transfers from Appropriations for Contingencies, Adjustments to the Budget, Staffing Changes, and Set a Public Hearing on June 8, 2010 at 9:05 a.m., for the Consideration and Adoption of the Fiscal Year 2010-2011 Proposed Budget

STAFF RECOMMENDATIONS:

1. Accept the Chief Executive Officer's Third Quarter Financial Report for Fiscal Year 2009-2010.
2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the Third Quarter Financial Report.
3. Authorize the transfer of \$226,775 from Appropriations for Contingencies as recommended in the Third Quarter Financial Report by a 4/5 Vote of the Board of Supervisors.
4. Authorize the Auditor-Controller to make necessary year-end closing entries as approved by the Chief Executive Officer.

(Continued on Page 2)

FISCAL IMPACT:

The 2009-2010 Adopted Final Budget was balanced at \$958,046,525 and used the combination of \$920,102,903 in revenue and \$37,943,622 in fund balance and one-time funding sources. The Final Budget also reflected designations totaling \$58,900,408.

The final adjusted budget, with funds carried forward from last fiscal year for projects underway, encumbrances and changes up to the third quarter point now totals \$1.036 billion.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2010-275

On motion of Supervisor O'Brien, Seconded by Supervisor DeMartini, and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: Grover

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.

STAFF RECOMMENDATIONS: (Continued)

5. Amend the Salary and Position Allocation Resolution as outlined on Attachment A effective the start of the May 8, 2010 pay period as recommended in this report.
6. Approve contracts and/or agreements listed on Attachment B in cumulative amounts of \$100,000 or greater since July 1, 2003.
7. Set a public hearing for the consideration and adoption of the Fiscal Year 2010-2011 Proposed Budget on June 8, 2010 at 9:05 a.m., and continue to June 9, 2010 at 9:00 a.m., and June 10, 2010 at 9:00 a.m., if necessary; direct the Clerk of the Board to advertise the public hearing; and, authorize the Clerk of the Board to make appropriate changes to the public notice if fee increases are proposed as part of the budget process.
8. Approve the goals and expected outcomes for Fiscal Year 2010- 2011 for each of the Board's Priorities listed on Attachment D.

FISCAL IMPACT: (Continued)

This Third Quarter Report for 2009-2010 includes an overall recommended appropriation increase for all funds of \$1,754,549. The report recommends \$578,827 in decreased departmental revenue (including a \$279,223 use of County Match) and the use of an additional \$3,573,733 in departmental fund balance/retained earnings. There is also a reduction in net county cost resulting in an increase in General Fund fund balance of \$1,240,357.

A total of \$226,775 is recommended to be transferred from Appropriations for Contingencies to address salaries and retirement cashouts for Cooperative Extension, increased salaries in the Public Defender's Office and for increased Indigent Defense costs in the Public Defender - Indigent Defense budget. The total transfer from Appropriations for Contingencies, including what was approved at mid-year will leave a total remaining balance in the Appropriation for Contingencies budget of \$2,775,400. A four-fifths vote of the Board of Supervisors is required for all transfers from the Appropriations for Contingencies budget.

Included in the Third Quarter Financial Report are recommendations for **A Safe Community** departments to increase appropriations by \$231,313 and estimated revenue \$6,164. This increase in appropriations is funded by the use of \$15,149 in fund balance and a transfer of \$210,000 from Appropriations for Contingencies. In **A Healthy Community** departmental appropriations are recommended to increase by \$403,593 and estimated revenue is recommended to decrease by \$1,895,797. This will result in the use of \$2,299,390 in departmental fund balance/retained earnings. This priority includes the return of \$1.2 million of unused County Match from the Health Services Agency and an increase in County Match of \$279,223 for the Community

Consideration and Approval of the Third Quarter Financial Report for Fiscal Year 2009-2010, Transfers from Appropriations for Contingencies, Adjustments to the Budget, Staffing Changes, and Set a Public Hearing on June 8, 2010 at 9:05 a.m., for the Consideration and Adoption of the Fiscal Year 2010-2011 Proposed Budget
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Services Agency. In **A Strong Local Economy**, departmental appropriations and estimated revenue are recommended to increase by \$120,000. In **A Strong Agricultural Economy/Heritage**, departmental appropriations are recommended to increase by \$16,775 funded from Appropriations for Contingencies. In **A Well-Planned Infrastructure System** departmental appropriations and estimated revenue are recommended to increase by \$200,000 and decrease by \$29,600 respectively, and will result in the use of an additional \$229,600 of fund balance/retained earnings. In **Efficient Delivery of Public Services**, departmental appropriations are recommended to increase by \$782,868 and estimated revenue by \$1,220,406 respectively. Included in the adjustment is a transfer of \$226,775 from Appropriations for Contingencies. There is a positive contribution to General Fund fund balance of \$1,240,357 due to a decrease in appropriations in the Chief Executive Office – County Match fund from the Health Services Agency and a reduction in the North McHenry tax sharing agreement. There is also an increased use of retained earnings in the Risk Management – Self-Insurance Funds of \$1,029,594.

	Recommended Appropriations	Recommended Revenue	Recommended Net County Cost	Recommended Fund Balance/ Retained Earnings	Appropriations for Contingencies
A Safe Community	\$ 231,313	\$ 6,164		\$ 15,149	\$ 210,000
A Healthy Community	\$ 403,593	\$ (1,895,797)	\$ -	\$ 2,299,390	\$ -
A Strong Local Economy	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -
A Strong Agricultural Economy/Heritage	\$ 16,775	\$ -		\$ -	\$ 16,775
A Well-Planned Infrastructure System	\$ 200,000	\$ (29,600)		\$ 229,600	
Efficient Delivery of Public Services	\$ 782,868	\$ 1,220,406	\$ (1,240,357)	\$ 1,029,594	\$ (226,775)
Total	\$ 1,754,549	\$ (578,827)	\$ (1,240,357)	\$ 3,573,733	\$ -

DISCUSSION:

Each year, in addition to the Proposed Budget, the Final Budget, the First Quarter, and Mid-Year Financial Report, the Chief Executive Office prepares and submits to the Board of Supervisors a Third Quarter Financial Report, outlining the current fiscal condition as well as projecting the financial condition of the County through the end of the fiscal year. Included in this Third Quarter Financial Report are discussions about declining discretionary revenue and recommended budget adjustments.

In light of the fiscal issues the County is facing in Fiscal Year 2010-2011 and beyond, the 2009-2010 Third Quarter Financial Report will also be used to provide the Board of Supervisors a preview of the upcoming 2010-2011 Proposed Budget.

Consideration and Approval of the Third Quarter Financial Report for Fiscal Year 2009-2010, Transfers from Appropriations for Contingencies, Adjustments to the Budget, Staffing Changes, and Set a Public Hearing on June 8, 2010 at 9:05 a.m., for the Consideration and Adoption of the Fiscal Year 2010-2011 Proposed Budget
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The 2009-2010 Third Quarter Financial Report is organized by the seven Board of Supervisors Priorities of:

- **A Safe Community;**
- **A Healthy Community;**
- **A Strong Local Economy;**
- **Effective Partnerships;**
- **A Strong Agricultural Economy/Heritage;**
- **A Well-Planned Infrastructure System; and**
- **Efficient Delivery of Public Services.**

Each fiscal year, the seven priority teams assigned responsibility for supporting the Board of Supervisors priority process recommend goals and expected outcomes for the upcoming fiscal year cycle. On February 12, 2010, the Board of Supervisors held its annual strategic retreat with all Department Heads and senior leadership. At the retreat, Board members met with the priority teams to discuss issues and challenges facing each priority moving forward.

Based upon those discussions and department objectives, the priority teams have developed goals and expected outcomes for 2010-2011. These annual goals and expected outcomes are presented for Board consideration and approval (as attachment D). If approved, Department Heads will be directed to implement these goals and measures during the fiscal year. A final report summarizing the accomplishments for Fiscal Year 2010-2011 will be presented to the Board in August 2011 at the conclusion of the twelve-month implementation period. The accomplishments of the priority teams will also be included in the 2010-2011 Final Budget.

Summary and Recommendations

The following discussion summarizes the major adjustments recommended in the Third Quarter Financial Report by Board of Supervisors Priority. All recommended adjustments are described in detail in the report. In response to the County's budget situation, departments made very limited requests for additional General Fund funding.

A Safe Community: Overall, appropriations and estimated revenue are recommended to increase \$231,313 and \$6,164 respectively, resulting in the use of an additional \$15,149 fund balance/retained earnings.

A recommendation is included for the Chief Executive Office-Department of Justice Alcohol and Drug budget to decrease revenue by \$14,000 resulting in an increase in the use of fund balance by \$14,000 due to a projected shortfall of fee revenue.

A recommendation is included for the District Attorney's Rural Crimes Prevention Program to increase appropriations by \$1,313, and estimated revenue by \$164 resulting

in the \$1,149 use of grant fund balance. This program serves as a focal point to address rural and agricultural crime in Stanislaus County.

The Public Defender is requesting an adjustment of \$30,000 to appropriations. The increased costs are the result of recent salary step increases received by staff. The Public Defender is projecting an increase in revenue from legal fees collected of \$20,000 above the 2009-2010 estimated revenue. This increased revenue will offset most of the increase in appropriations with the additional \$10,000 funded from a transfer from Appropriations for Contingencies.

The Public Defender - Indigent Defense budget is requesting to increase appropriations by \$200,000 to fund increased indigent defense costs associated with a capital murder trial. The \$200,000 in funding will be transferred from Appropriations for Contingencies as needed through the remainder of the fiscal year to assure that the Indigent Defense budget ends the year in a positive position.

A Healthy Community: Overall, appropriations are recommended to increase by \$403,593 and estimated revenue to decrease by \$1,895,797 including \$279,223 of increased net general fund county cost, resulting in the use of an additional \$2,299,390 of departmental fund balance/retained earnings. The increase in net county cost is a result of a transfer of County Match funds to the Community Services Agency (CSA) for the Foster Care program Court-Ordered increases for Group Homes and for the CSA In-Home Supportive Services (IHSS) Provider Wages budget to fully fund the mandated County share of the individual provider wages.

A recommendation is included for Behavioral Health and Recovery Services (BHRS) to cover the increased cost of inpatient usage at Doctor's Behavioral Health Center (DBHC) and associated one-time legal fees, funded by departmental fund balance. The increased appropriations will cover the additional cost of inpatient usage at DBHC for the remainder of the current fiscal year and enable the Department to end the year within the current budget. Although the Managed Care fund currently has a negative cash balance of \$2,059,524, since it is part of the overall Mental Health budget, sufficient cash balance is available in the BHRS – Mental Health budget to cover the negative projection. This is consistent with the strategy used in prior years. Overall, this will result in an increase in appropriations of \$691,076 and estimated revenue of \$461,076, resulting in the additional use of \$230,000 of departmental fund balance.

Included is a recommendation for the Health Services Agency Clinics and Ancillary Services budget as a result of receiving increased Federal funding from the Federally Qualified Health Center Look-Alike (FQHC-LA) designation in September 2007. At the close of Fiscal Year 2008-2009, the Department had a one-time savings of \$1.2 million of unused County Match funds as a result of the enhanced Federal funding, and is now decreasing estimated revenue by \$1.2 million of County Match funding in order to return the unused match funds to the General Fund.

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Recommended adjustments for the Area Agency on Aging resulting from increases in Federal Older Americans Act funding are described in the report.

A Strong Local Economy: Overall, appropriations and estimated revenue are recommended to increase by \$120,000. The increase is attributable primarily to a transfer for the Library from the Public Facilities Fees program for a contract to develop a long-term comprehensive library strategic plan.

A Strong Agricultural Economy/Heritage: Overall, appropriations are recommended to increase \$16,775 funded from Appropriations for Contingencies for retirement cashout costs and to double-fill a position for three weeks in Cooperative Extension to allow for adequate training of staff replacing a retiring employee.

A Well-Planned Infrastructure System: Overall, appropriations are recommended to increase by \$200,000 and estimated revenue to decrease by \$29,600. This is funded through the use of \$229,600 of available department fund balance.

A recommendation is included for Environmental Resources for the Fink Road Landfill for a one-time increase in appropriations of \$200,000 funded through available retained earnings, to cover increased farm management expenses associated with Interstate 5 (I-5) Ranch.

A recommendation is included for the Planning and Community Development Department's Building Permits Division for the increased use of fund balance as a result of a \$29,600 decrease in estimated revenue. This adjustment will allow the Department to use \$15,150 of fund balance for a termination cashout and \$14,450 for the Matrix Consulting Group contract examining building permit services.

Efficient Delivery of Public Services: Overall, appropriations and estimated revenue for Efficient Delivery of Public Services are recommended to increase by \$782,868 and \$1,220,406 respectively. Included in the adjustment is a transfer of \$226,775 from Appropriations for Contingencies that is being recommended for the Cooperative Extension and the Public Defender for salaries and retirement cashouts, and increased indigent defense expenditures associated with a capital murder case. There is a positive contribution to General Fund fund balance of \$1,240,357 due to a decrease in appropriations in the Chief Executive Office – County Match fund as a result of the Health Services Agency returning unused County Match and a reduction in the North McHenry tax sharing agreement.

A recommendation is also included for a change in staffing in the Assessor's Office. Due to the potential revenue loss as the result of the Assessor's Office no longer defending assessment appeals, the Assessor along with the Chief Executive Office put together a proposal for an Assessment Appeals team. The request is to have this team implemented effective the beginning of the 2010-2011 Fiscal Year, contingent upon approval of the funding requested in the 2010-2011 Proposed Budget. It is anticipated that the Assessor will be able to move current employees into the Assessment Appeals

team, resulting in reducing the number of reductions-in-force that the Department would have to take in Fiscal Year 2010-2011.

A recommendation is included for the Chief Executive Office - Risk Management Division to increase appropriations and estimated revenue by \$2,250,000 and \$1,220,406 respectively, resulting in an increased use \$1,029,594 in retained earnings for litigation and increased claim costs in the General Liability Self-Insurance and Unemployment Self-Insurance funds. This action will result in a retained earnings deficit in the General Liability fund at year-end of \$779,594, which will be recovered in future budgets. The fund should have sufficient cash to cover the claims.

Discretionary Revenue

As of third quarter, actual discretionary revenue was \$79.1 million compared to \$91.2 million for the same time period one year ago. Due to the continuing decline in property and sales tax revenue sources and the adjustment for the Proposition 1A loan to the State, the discretionary revenue budget was reduced by nearly \$11.3 million during the Mid-Year Financial Report.

Property tax revenue, including supplemental revenue and the associated administrative revenue are projected to be lower than anticipated; the 1% sales tax revenue received from local retail sales continues to lag; and franchise fees and revenue received from interest earnings are showing weak returns.

Even with the projected shortfall, staff is not recommending an adjustment to discretionary revenue with this Third Quarter Report. It is projected that the majority of the shortfall will be offset by a decrease in the funds necessary to be held in reserve for the Teeter Receivable, resulting in an increase to fund balance as of year-end June 30, 2010. The following chart summarizes the projections to year-end.

Discretionary Revenue Description	Adjusted Budget FY 2009-2010	Projected to Fiscal Year End	Difference
Property Taxes	\$ 84,338,348	\$ 81,485,046	\$ (2,853,302)
Transfer Tax	1,319,000	1,242,000	(77,000)
Sales & Use Tax (Including In-lieu)	14,762,000	14,416,000	(346,000)
Public Safety Sales Tax (Prop 172)	25,210,000	27,197,204	1,987,204
Penalties on Delinquent Taxes	8,000,000	8,400,000	400,000
Interest Earnings	2,927,000	2,289,000	(638,000)
Miscellaneous Revenue Categories	6,334,240	5,933,801	(400,439)
Total	\$ 142,890,588	\$ 140,963,051	\$ (1,927,537)

2010-2011 and Beyond – Addressing the Challenge – Budget Strategy

For the past two years, the County has taken proactive measures to respond to a deteriorating economy and declining revenue. As a result, the County took a very cautionary approach when establishing the Fiscal Year 2009-2010 spending plan. All General Operations Departments and Animal Services were issued a 12% reduction in net county cost and Public Safety Departments received a 5% reduction. The County also used \$15.3 million in fund balance/one-time funds to balance the budget. Additional actions to control costs were taken including the implementation of a hiring freeze, reductions-in-force, employee furloughs, and expense control through contract reductions and limiting overtime and travel, as well as a three-year use of designations and reserves to phase into a reduced level of revenue and expenses.

Even with these actions the County projects a multi-year structural shortfall in funding through June 30, 2012. Given the enormity of the budget challenges, it was critical for the County to have an identified budget strategy in place well in advance of the start of Fiscal Year 2010-2011. A 30-month budget strategy started at Mid-Year 2009-2010 is now underway. The significant milestones in the preparation for Fiscal Years 2010-2011 and 2011-2012 are identified in the Third Quarter Financial Report.

The shortfall in the General Fund alone for 2010-2011 was projected at \$23 million in October of 2009, even after the use of up to \$10 million in designations. This shortfall has been partially mitigated with a \$20 million reduction in retirement expense, which reduced the retirement increase from a projected \$28 million to \$6.6 million countywide and \$3.2 million in the General Fund. Also, a five percent (5%) salary cost reduction resulted in an estimated savings of \$13.8 million countywide and \$5.5 million in the General Fund. Even with these expense reductions, the County still faces an estimated \$10 million shortfall in the General Fund in Fiscal Year 2010-2011.

On April 12, 2010 County departments submitted their proposed budgets to the Chief Executive Office. The Chief Executive Office staff is currently preparing the Proposed Budget for next fiscal year. These budget submittals reflect the 9% decrease in General Fund revenue and require departments to absorb all increased costs including increases in the cost of retirement, salary step increases, and general liability and workers' compensation expenses. Eleven county departments requested reduction-in-force actions in order to balance their Proposed Budget for Fiscal Year 2010-2011. The County anticipates an estimated 120 reductions-in-force in total in order to balance the Fiscal Year 2010-2011 Proposed Budget and to further reduce the ongoing structural budget deficit in the General Fund.

On April 27, 2010 the Board of Supervisors approved reductions-in-force for both the Library and the Sheriff's Department. On May 4, 2010 reductions-in-force in both the Public Defender's Office and Assessor's Office are being considered. Additional reductions-in-force for the Community Services Agency, Health Services Agency, Planning and Community Development, Area Agency on Aging – Veterans' Services, General Services Agency, Strategic Business Technology and Public Works will be

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brought before the Board of Supervisors between May 18, 2010 and the Proposed Budget June 8, 2010.

While Departments are actively completing their proposed budgets for 2010-2011 there are still uncertainties regarding expenses for general liability, unemployment and health insurance, as well as concerns about funding for Public Works, Health and Human Services and the impacts of additional program cuts as a result of the State budget crisis. Significant concerns also remain about increased retirement expenses in 2011-2012. These concerns are discussed in detail in the Third Quarter Financial Report.

Evaluation of Contract Services

Current County policy requires Board of Supervisors 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 and/or contract adjustments not previously approved by the Board of Supervisors equal to \$100,000 or greater are detailed in Attachment B.

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 or recommended adjustment has not been previously approved by the Board of Supervisors. Contracts in the \$50,000 range are listed in Attachment C.

POLICY ISSUES:

In order to ensure all funds end the fiscal year in a positive position, the Board of Supervisors should evaluate the recommendations included in the attached Third Quarter Financial Report for compliance with the Board of Supervisors stated priorities of ensuring **A Safe Community, A Healthy Community, A Strong Local Economy, Effective Partnerships, A Strong Agricultural Economy/Heritage, A Well-Planned Infrastructure System and Efficient Delivery of Public Services.**

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STAFFING IMPACTS:

The Third Quarter Report recommends a decrease in the number of total funded positions from 3,965 to 3,955. The table below shows the specific third quarter staffing recommendations:

THIRD QUARTER STAFFING RECOMMENDATIONS AFFECTING POSITION ALLOCATION COUNT 2009-2010						
DEPARTMENT	REDUCTIONS-IN-FORCE	UNFUND VACANT POSITION	RESTORE UNFUNDED POSITION	ADD NEW POSITION	DELETE VACANT POSITION	SUBTOTAL
Environmental Resources	0	0	1	0	0	1
Public Works	0	-8	0	0	0	-8
Stanislaus Regional 911	0	-3	0	0	0	-3
GRAND TOTAL	0	-11	1	0	0	-10
TOTAL CURRENT POSITIONS	3,965					
CHANGES TO ALLOCATION REPORT	-10					
TOTAL RECOMMENDED POSITIONS	3,955					
THIRD QUARTER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION 2009-2010						
DEPARTMENT	DELETE UNFUNDED POSITION	TRANSFER OUT	TRANSFER IN	RECLASSIFICATION	STUDY POSITION	SUBTOTAL
Community Services Agency	0	0	0	0	1	1
GRAND TOTAL	0	0	0	0	1	1

Attachment A reflects the changes to authorized positions recommended as part of the Third Quarter Financial Report. It is recommended that the Salary and Position Allocation Resolution be amended to reflect these changes effective the start of the May 8, 2010 pay period.

CONTACT PERSON:

Richard W. Robinson, Chief Executive Officer. Telephone: (209) 525-6333

STAFFING RECOMMENDATIONS AFFECTING POSITION ALLOCATION COUNT							
FISCAL YEAR 2009 - 2010 THIRD QUARTER BUDGET							
DEPARTMENT	BUDGET UNIT	POSITION NUMBER	POSITIONS	CLASSIFICATION	REQUEST	REASON	RECOMMENDATION
Environmental Resources	Environmental Resources	2240	1	Sr. Hazardous Materials Spec	Restore unfunded position	Funding identified	Restore vacant position
Public Works	Engineering	7813, 2214	-2	Sr. Engineering Technician	Unfund vacancies	Revenue loss	Unfund vacant positions
	Morgan Shop	3798	-1	Heavy Equipment Mechanic	Unfund vacancy	Revenue loss	Unfund vacant position
	Road & Bridge	3825, 6181	-2	Road Maintenance Worker III	Unfund vacancies	Revenue loss	Unfund vacant positions
		2260, 2295	-2	Road Supervisor	Unfund vacancies	Revenue loss	Unfund vacant positions
		1744	-1	Administrative Clerk III	Unfund vacancy	Revenue loss	Unfund vacant position
Stanislaus Regional 911	Stanislaus Regional 911	7882	-1	Emergency Call Taker	Unfund vacancy	Revenue loss	Unfund vacant position
		2314, 2317	-2	Emergency Dispatcher	Unfund vacancies	Revenue loss	Unfund vacant positions
CHANGES TO POSITION ALLOCATION REPORT			-10				
TOTAL CURRENT AUTHORIZED POSITIONS			3965				
Reductions-In-Force			0				
Unfund Vacant Position			-11				
Restore Unfunded Position			1				
Add New Position			0				
Delete Vacant Position			0				
TOTAL CURRENT AUTHORIZED POSITIONS			3,955				

TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION							
FISCAL YEAR 2009 - 2010 THIRD QUARTER BUDGET							
DEPARTMENT	BUDGET UNIT	POSITION NUMBER	POSITIONS	CLASSIFICATION	REQUEST	REASON	RECOMMENDATION
Community Services Agency	Services and Support	7124	1	Confidential Assistant V	Reclassify downward	Reorganization	Study

**Contract Summary Sheet
All Funds
Contracts over \$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 Self-Insurance	Curtis Legal Group	Legal Services Costs & Expenses	\$391,680 7/1/03-6/30/09	\$175,000 7/1/09-6/30/10 Increase Contract Amount	\$566,680
CEO-Risk Management Division	General Liability Self-Insurance	Dan Farrar Attorney at Law	Legal Services, Costs & Expenses	\$341,680 7/1/03-6/30/09	\$200,000 07/1/09-06/30/10 Increase Contract Amount	\$541,680
CEO-Risk Management Division	General Liability Self-Insurance	Hanson Bridgett, LLC	Legal Services, Costs & Expenses	N/A	\$100,000 7/1/09-6/30/10	\$100,000
CEO-Risk Management Division	General Liability Self-Insurance	Liebert, Cassidy, Whitmore Professional Law Corp.	Legal Services, Costs & Expenses	\$789,042 7/1/03-6/30/09	\$1,750,000 7/1/09-6/30/10 Increase Contract Amount	\$2,539,042
CEO-Risk Management Division	General Liability Self-Insurance	Porter Scott, A Professional Corporation	Legal Services Costs & Expenses	\$1,446,640 7/1/03-6/30/09	\$400,000 7/1/09-6/30/10 Increase Contract Amount	\$1,846,640
CEO-Risk Management Division	General Liability Self-Insurance	Shute, Mihaly & Weinberger, LLP	Legal Services Costs & Expenses	\$160,299 7/1/07-6/30/09	\$150,000 7/1/09-6/30/10 Increase Contract Amount	\$310,299
CEO-Risk Management Division	General Liability Self-Insurance	Robinson & Wood, Inc.	Legal Services Costs & Expenses	N/A	\$100,000 4/1/10-6/30/10	\$100,000
Community Services Agency	Services & Support	Yosemite Community College District	Data Match Services	N/A	\$5,000 5/4/10-6/30/10** New Contract	\$5,000
Environmental Resources	Landfill	WDC Exploration Wells	Drilling and installation of Gas Probes	\$48,521 8/18/09-10/31/09	\$96,150 4/1/10-5/31/10	\$144,671

**These are separate contracts but total contracted services with vendor exceed \$100,000

Contract Summary Sheet
All Funds
Contracts between \$50,000-\$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	Arcadia Health Care Services, Inc.	Adult Protective Services Chore, Personal Care, & Respite	\$6,662 7/1/05-6/30/10	\$500 7/1/09-6/30/10** Increase Contract Amount	\$7,162
Community Services Agency	Services & Support	Caporicci & Larson, CPAs	Childcare Audit	\$55,000 6/1/07-12/31/09	\$22,000 5/5/10-12/31/10 New Contract	\$77,000

**These are separate contracts but total contracted services with vendor exceed \$50,000

STANISLAUS COUNTY, CALIFORNIA
Fiscal Year 2010-2011

CRIMINAL JUSTICE/PUBLIC PROTECTION



GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

A Safe Community

PRIORITY TEAM

Animal Services
 Chief Executive Office—Office of Emergency Services/Fire Warden
 District Attorney
 Probation
 Public Defender
 Sheriff

GOAL 1

Demonstrate responsiveness to reported trends in criminal activity

Reduce crime rate/crime index for gang, narcotic and property crimes

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Maintain collaboration with Gang Impact Task Force and Modesto PD's "SAFE" program, continue prosecution of gang injunction violations in the south Modesto "safety zone".

Maintain cross-designation of Deputy District Attorney as an AUSA.

Maintain 2009-2010 levels of gang members that are re-arrested.

Maintain 2009/2010 number of new gang validations.

Increase use of GPS monitoring to an average of 85 adult offenders per year.

Maintain continuous utilization of 20 GPS units.

Probation searches will be conducted on 80% of all eligible probationers within six months of case assignment or release from custody.

65% of high risk offender probationers will not be convicted of a new felony while on high risk probation supervision.

Utilize Evidence Based Practices in the Adult Field Services Division by implementing the Evidence-Based Probation Supervision Program (SB 678).

GOAL 2

Improve the effectiveness and efficiency of the criminal justice system

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
District Attorney will continue to pursue the realization of a Family Justice Center (FJC).
70% of both adult and juvenile probationers will successfully complete probation with no new law violations.
Implement community based custody alternative program for adult offenders released from jail in response to fiscally required jail capacity reductions.
Evaluate and implement an online reporting system to handle lower priority calls.
Explore a pre-filing, first-time misdemeanor diversion program for specified offenses.
Continue providing training, as staffing and time allows, between public safety departments.
Increase to 60% the number of probationers who will begin paying either victim restitution, fines, or fees within 6 months of case assignment or release from custody.
Pursue alternate funding sources.
Monitor indigent defense fund costs and evaluate opportunities for efficiency and cost savings.

GOAL 3

Ensure local and regional disaster preparedness

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Continue to train and exercise EOC Management team and to maintain EOC technological backbone.
Improve technological capabilities at the Alternate EOC by enhancing the broadband connectivity and improving infrastructure.
Continue to improve the current notification system and increase capabilities for the public self registration component.
Finalize remaining city Emergency Operations Plans and the associated Emergency Functions; continue to work with departments and cities to promote National Incident Management System compliance, and conduct and participate in disaster preparedness exercises.
Formalize RMS partnerships and improve system; efforts are on-going to create and enhance county-wide fire delivery system through Fire Authority programs and continue providing fire and rescue mutual aid coordinator responsibilities by ensuring certification levels, managing out of county fire mutual aid resources and participating in the Fire Resource Officer program.

GOAL 4

Reduce pet overpopulation

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Increase the number of animal foster homes in Stanislaus County by 5%.
Reduce the number of animals euthanized by 2%.
Low-Income, Low-Cost Spay/Neuter Clinic will be operational and offer low-cost spay and neuter services. SAVED shall operate the clinic as a non profit operation.
Construction of the new Animal Services Facility will be completed and all the operations of animal services will be successfully transitioned and become functional in the new facility.
Increase the number of electronic payments by 2% above 2009/10.

GOAL 5

Promote public awareness

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Continue with existing outreach programs to the extent possible.
Increase the number of outside educational opportunities to adopt animals by 2%.
Increase community awareness of proper pet care by increasing the number volunteers at the shelter by 2%.



GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

A Healthy Community

PRIORITY TEAM

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

GOAL 1

Promote and provide access to services that support continued health, self-sufficiency, accountability, protection and independence based upon available funding and current regulations

MEASURE 1

Promote health

EXPECTED OUTCOMES 2010-2011
Achieve fiscal targets to operate clinic system within approved appropriations.
In coordination with the Valley Consortium for Medical Education, implement the new family medicine residency program and consortium infrastructure, agreements and processes to restore and appropriately maximize available federal funding.
Facilitate and maintain eight multi-disciplinary task forces to further develop strategies to address the four broad determinants of health.
Arrange and provide services to the medically indigent adult population under expanded obligations, while identifying appropriate cost containment measures.
Provide 2,000 free health screenings to seniors and their caregivers at the annual Healthy Aging and Fall Prevention Summit.
Through Food Stamp Outreach efforts, CSA will partner with other community organizations to reduce hunger in the community by increasing the number of food stamp participants by 10%.

400 individuals will be served by Behavioral Health and Recovery Services Mental Health Services Act Full Service Partnership programs and 5,075 will be served by MHSA General System Development and Outreach & Engagement programs. Reduction in Department of Mental Health funding for FY 10/11 necessitates restructuring the MHSA budget through a stakeholder process. The number of individuals to be served is anticipated to change.

Medi-CAL applications will be processed in no more than 45 days.

MEASURE 2

Promote self-sufficiency

EXPECTED OUTCOMES 2010-2011

Sustain, at a baseline of approximately 2,000, the number of Benefit Claims filed for Veterans.

Increase the number of home-delivered meals for seniors by 5% above baseline of 110,000.

Implement the Prevention and Early Intervention Older Adult Resiliency and Social Connectedness programs, which will reduce depression in approximately 300 physically impaired and socially isolated older adults by empowering them with new skills to solve their problems, increasing support systems in their communities, and improving access to additional services. This will be measured by periodically evaluating older adults utilizing a depression screening tool.

Increase the skill level of Welfare to Work participants by providing access to job readiness training, soft skill development, work experience through Subsidized Employment partnerships with local businesses to sustain the engagement rate at 50% or higher.

Increased perception of functioning and social connectedness for clients served by Behavioral Health and Recovery Services programs as evidenced by increased percentages of positive response on State/County consumer satisfaction surveys. The baseline for this indicator was established in May 2009. Comparative results will be available upon completion of the May 2010 consumer satisfaction survey.

MEASURE 3

Promote accountability

EXPECTED OUTCOMES 2010-2011
Maintain collection and distribution of \$47,350,000 of child support to approximately 36,000 families.
Sustain the amount of public assistance benefits discontinued, denied or collected as a result of fraud investigations at \$3.5 million.
Collect 55% of the current court-ordered child support.
Maintain a collection in 58% of cases with an arrearage.
84% of child support cases without a judgment will have an order entered.
Maintain a Food Stamp Accuracy rate better than the state average throughout the year.

MEASURE 4

Promote protection

EXPECTED OUTCOMES 2010-2011
Maintain rate above the state average for number of children adopted.
Maintain FY 09/10 placement numbers in foster care by keeping children safely at home.
Maintain outreach efforts and participation in the Stanislaus Elder Abuse Prevention Alliance (SEAPA) activities to educate the community about elder abuse prevention.
Continue tracking system for Adult Protective Services referrals deemed to lack the information to justify an in person investigation to measure the scope of unmet need. Maintain FY09/10 numbers at same level through FY 10/11.
To improve readiness to respond by staff and community partners, conduct an emergency preparedness exercise.
The Methamphetamine Task Force's first indicator report was a catalyst for formation of an Indicator Report Workgroup that initiated a Participatory Action Research (PAR) project in partnership with the Center for Public Policy Studies at CSU Stanislaus. The PAR project's final report defining the impacts of meth labs and dumps on Stanislaus County communities will be completed September 30, 2010. Since Participatory Action Research follows a continuous cycle, subsequent Meth Task Force action(s) will be based upon learnings from the final report.

MEASURE 5

Promote independence

EXPECTED OUTCOMES 2010-2011
Decrease homelessness for those individuals served by Behavioral Health and Recovery Services Mental Health Services Act (MHSA) Full Service Partnership programs by 60%.
Behavioral Health and Recovery Services will engage communities through the Results-Based Accountability (RBA) process to define results of emotional health and well-being. Measures to be reported include number of communities engaged and number beginning the RBA process.
Maintain FY 09/10 number of youth who are emancipated from foster care participating in the transitional house support program offering employment services through Transitional Housing Program Plus.
CSA Quality Assurance staff will work to resolve all issues before going to state hearing when customers file for a hearing. The goal is to measure the success of our resolution process by tracking the number of hearings clients actually follow through on.
Provide access to and awareness of services and benefits available for seniors and veterans by attending community events and making presentations to various groups.



GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

A Strong Local Economy

PRIORITY TEAM

Alliance WorkNet
Chief Executive Office – Economic Development
Library
Planning and Community Development
County Parks and Recreation
Stanislaus Economic Development and Workforce Alliance (Alliance)

GOAL 1

Facilitate job creation

MEASURE 1

Facilitate the planning and delivery of land inventory and job center/business park development in designated, strategic unincorporated locations that complement city developments and provide for increased long term job creation to our region.

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011

Crows Landing / West Park

- a) Continue to facilitate Job Center predevelopment and CEQA environmental process.
- b) Negotiate AG tenant lease agreement calendar year 2011.
- c) Work with NASA and US Navy to facilitate clean up and remaining land transfers.
- d) Facilitate I Bond / CTC relationship as part of Northern California programming.

Business Retention Strategies (Alliance)

- a) Continue to identify issues impeding growth of Stanislaus County Business.
- b) Continue the marketing of the Stanislaus Enterprise Zone 40 and Community Partner Services.
- c) One on one meetings and executive interviews.
- d) Targeted business blitz outreach by community.
- e) Liaison and advocacy for businesses. Brokering retention solutions by completing employer identified actions items in a timely manner.
- f) Complete 200 Action Referrals for Service.
- g) Identify and recommend over 30 businesses to the StanAlliance Employer Assistance Program.
- h) Assist in the expansion of a minimum of five Stanislaus County businesses.

Business Marketing Strategies (Alliance)

- a) Continue to coordinate and implement the grass-roots effort for “Count On Me” Buy Local Campaign Strategy.
- b) Design, develop and maintain Alliance marketing outreach materials, including brochures, website content (Alliance/Alliance Worknet), press communications, e-newsletters, community profiles.
- c) Receive over 3,000 monthly hits to stanalliance.com coming from US and international visitors.
- d) Distribute targeted monthly e-blasts to site selectors across the US featuring new sites available in Stanislaus County.
- e) Distribute “All About Business” weekly e-blast newsletter to over 6,400 active business contacts.
- f) Update & prepare county and community profiles bi-annually.
- g) Prepare Annual Reports and investor/community review materials.
- h) Prepare & distribute annual Stanislaus Community Resource Guide.
- i) Facilitate Stanislaus Business Forum (Sept, Jan. & May).
- j) Continue to actively market Stanislaus region (Alliance, cities, county) through Social Media.

Small Business Development (Alliance)

Complete Alliance Small Business Development Center (SBDC) goals including:

- a) Serving 300 entrepreneurs and businesses with one-on-one counseling.
- b) Alliance Employer Assistance Program (EAP) to help stabilize 60 county employers thus retaining at least 240 jobs.
- c) Provide professional entrepreneurial and business management training to a minimum of 1,000.
- d) Conduct three ½ day Business Forums with average attendance of 140 persons each.
- e) SBDC assisted Economic Outcomes include 20 new business starts, 50 new jobs, 300 current employees retained, \$1,000,000 in new capital investment and \$1,500,000 net increase in sales over the previous year.

MEASURE 2

Increase workforce preparation and skills

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011**In Coordination with the Alliance WorkNet**

- a) 14,000 County residents to receive basic employment services in the Career Resource Centers.
- b) 1500 job seekers to be provided the intensive services necessary to gain employment.
- c) Of the 1500 receiving intensive services, over 1000 will gain employment.
- d) Place 500 individuals in paid work experience/internship assignments with local employers.
- e) 75 businesses assisted with their hiring needs through provision of an On the Job Training subsidy.

Facilitate the implementation strategies for Connecting Stanislaus

Facilitate 21st Century Community grant with City of Riverbank and business partners

- a) Broadband connectivity to low income residents; target 60 lines distributed;
- b) Digital Connector (youth based outreach) phase II
- c) Manage Targeted Technology Training (T3) outreach countywide – increasing tech skills among unemployed, underemployed adult residents; T3 Target = 1,200 training participants through 2010/11 cycle;
- d) Facilitate annual technology based summits with targeted business sectors: minimum 1 Tech Summit with sector partners in FY 10/11 – target 100 event attendees

MEASURE 3

Promote a business friendly environment.

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011
Monitor Public Facility Fee (PFF) program <ul style="list-style-type: none">a) PFF Committee will monitor the collections and project appropriations on an annual basis.b) Annual PFF Inflationary Adjustment analysis will be performed which will include annual third party land valuation analysis.
Enterprise Zone <ul style="list-style-type: none">a) Continue to effectively market the Stanislaus Enterprise Zone 40 to the business and industrial communities through annual workshop sessions in all partner communities and working directly with all city/zone partners to promote the zone incentives and opportunities.b) Evaluate possible GIS technology based tools for better assisting with zone administration and business sector interface.c) Prepare annual reporting document identifying Zone usage and quantifiable incentive.
Economic Development Bank – Administration and Outreach <p>Economic Development Bank will conduct one (1) nominal Loan Application round in Fiscal Year 2010-2011; CEO ED staff will facilitate through the eligibility screening and Board approval process.</p>

GOAL 2

Promote an attractive regional environment

MEASURE 1

Promote Regional Tourism Strategies that facilitate implementation/development of positive image and perception based marketing goals as identified by the Regional Tourism Roundtable.

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011
Facilitate Regional Strategies as identified by the Regional Tourism Roundtable membership agencies and organizations <ul style="list-style-type: none">a) Convene and facilitate the Regional Tourism Roundtable working group; design and implement external tourism marketing campaign to include:<ul style="list-style-type: none">- Regional Activities Brochure design and placement;- Coordination with local and regional partners (Cities, Chambers, CVBs, Hospitality, Restaurant Association, etc.- Web site and technology based outreach and development on-going- State Fair Exhibit design and development- State Capital County Exhibitb) Finalize multi-year Regional Strategic Plan; maintain internal tourism marketing campaign to include:<ul style="list-style-type: none">- Relationship with K-12 Education (Project YES partnership event survey initiative)- Winter Tourism Forum- Annual outreach to City partners- Regional kiosk placement

MEASURE 2

Promote our public library and community systems of learning

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011

Library Strategies and Systems of Learning

- a) Provide early literacy opportunities such as weekly StoryTimes, Summer Reading and other special programs to prepare children for future success in school and in life.
- b) Parents and adult caregivers attending weekly StoryTimes will learn about developmental milestones as well as techniques for helping their children develop early literacy skills.
- c) 100 participants will attend the Library's annual Summer Reading programs, offered for children, teens and adults designed to instill a love of reading and learning by preparing participants to be productive members of the community. Participants will be able to keep reading and comprehension skills current.
- d) Modesto Library will continue to offer The Foundation Center Cooperating Collection, giving local non-profit organizations, government entities, and individuals, access to the most comprehensive grant information available. Combined with training opportunities for grantseekers, this premiere resource will receive 200 uses and assist in bringing much needed grant funds into the community.
- e) The Library will offer six classes a month of free computer classes for adults to learn basic through intermediate computer skills, preparing them for employment or advancement in their jobs.
- e) The Library will purchase 300 materials in the categories of test guides, resume help, job hunting, business start-up, and career information.
- g) Literacy students will show an overall significant reading gain of 80%.
- h) Literacy students will report that they are reading to their children 90% more and a 62% improvement in their job literacy.

Stanislaus Employee Mentor Program

Continue to promote program internally and externally; 1,000 mentor hour target for Fiscal Year 2010-11.

MEASURE 3

Promote Parks and Recreation Strategies

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011

Reduce potable water use in CSA 10 through the installation of four water wells: two wells to be installed by the end of calendar year 2010 and two by end of fiscal year 2010/2011. This is expected to reduce our water costs by an estimated 50% during the first full year of operation.

Increase public awareness of off highway vehicle recreational opportunities within the County.

GOAL 3

Promote adequate/affordable housing

MEASURE 1

Expand affordable housing partnership opportunities

EXPECTED OUTCOMES FOR FISCAL YEAR 2010- 2011

Increase by 10% (10 units) the number of site acquisitions, rehabilitations and reconstruction of blighted residential units in partnership with Habitat for Humanity and Housing Authority.

In partnership with Housing and Urban Development (HUD) and local non-profits, expand the number of people served through the Emergency Shelter Grant program by 10%. Require shelter providers to include provisions for community improvements in addition to their existing programs improvement to the lives of those in need.

MEASURE 2

Expand participation in first time home buyer programs

EXPECTED OUTCOMES FOR FISCAL YEAR 2010 -2011

Coordinate Down Payment Assistance with the Neighborhood Stabilization Program to assist 45 First Time Homebuyers through utilization or leveraging of HOME and Redevelopment Agency (RDA) Set-Aside funds.

MEASURE 3

Improve existing neighborhoods and housing conditions

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Initiate the utilization of Neighborhood Stabilization Program Program Income (PI) with Consortium members and partners to expand the number of eligible program areas (Denair, Hickman, Stanislaus-Ceres Redevelopment Commission (SCRC) area, Crows Landing, Grayson, and Westley).

Expand the Housing Rehabilitation Program – Assist a minimum of 25 homeowners.

Continue the CDBG-R Energy Efficiency and Weatherization Program to assist 12 homeowners with their installation of weatherization improvements and targeted solar installation to their energy consumption cost by approximately 50%.



GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

Effective Partnerships

PRIORITY TEAM

Auditor-Controller
Chief Executive Office – Emergency Services
Child Support Services
Community Services Agency
Department of Environmental Resources
Library

GOAL 1

Explore, identify and evaluate opportunities for effective partnerships

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Departments will continue to explore and evaluate new opportunities for collaboration.

Departments will explore opportunities to partner with cities and evaluate potential regional approaches where appropriate.

GOAL 2

Recognize and promote the value of partnerships to the community

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

A strategy will be in place to promote and communicate new and existing partnerships to the community.

A recognition event highlighting exceptional partnerships will be conducted before the Board of Supervisors annually.

The partnerships awarded by the Board of Supervisors Annual Recognition will be highlighted in the final budget document.



GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

A Strong Agricultural Economy/Heritage

PRIORITY TEAM

Agricultural Commissioner
 Cooperative Extension
 Planning

GOAL 1

Conduct applied research and education programs to support and strengthen the agriculture industry

MEASURE 1

Ensure that research and education programs emphasize economic improvement (increase production, lower costs of production) and environmental improvement (improve and protect air and water quality)

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Identify current industry problems and collect information on solving the problems through new and innovative research projects and ensure that research projects address or include the following, if applicable: <ul style="list-style-type: none"> a) Potential economic impacts of the project b) Potential environmental improvement impacts of the project c) Potential food safety impacts of the project d) If a pest or disease issue, integrated pest management (IPM) components.
Conduct at least four educational programs to educate growers on the following: <ul style="list-style-type: none"> a) Best management practices resulting from research programs b) New and improved technologies for improving cultural practices (irrigation management, plant and animal nutrition, etc.) c) New innovations in IPM d) New potential marketing strategies (niche marketing) e) Invasive species management.
Collect information regarding industry acceptance and/or adoption of completed projects (new technology or improved cultural practice).

MEASURE 2

Utilize electronic media to extend agriculture education programs to growers and other agriculture industry customers

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Develop a Cooperative Extension database of newsletter subscribers.
Utilize a Cooperative Extension customer survey to assess the effectiveness of educational programs.
Participate in the introduction and development of an AgAdventure program.

MEASURE 3

Improve use of technology in agricultural programs

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Utilize notebook computers and GPS devices to maintain trap routes and report activities to the California Department of Agriculture.

GOAL 2

Develop land use policies to encourage the protection of agricultural resources

MEASURE

Continue to align the County's General Plan to encourage protection of agricultural resources.

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Modify Agricultural Buffer Guidelines to address implementation issues identified by the Ag Advisory Board.
Participate in efforts to develop options to keeping the financial benefits of the Williamson Act alive for our agricultural community while preserving the integrity of existing General Plan policies relating to the conservation of agricultural lands and open space.
Work with cities to develop guidelines for agricultural buffers and community separators.

GOAL 3

Manage regulatory impacts and threats to agriculture

MEASURE 1

Implement and exercise All Agricultural Hazards Emergency Response Plan

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Utilize Homeland Security grant funding to develop and/or finalize annexes (IAP's) for Avian Influenza; Destructive Plant Pests and Foreign Animal diseases – Hoof and Mouth.
Conduct All-Hazard Plan workshops and exercises.
Implement strategies to detect and eradicate emerging destructive agricultural pests.

MEASURE 2

Promote regulatory and environmental awareness and management

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Conduct grower, industry and community continuing education to foster pesticide application and use safety.
Develop Strategies to reduce non-compliance with increased pesticide regulation.
Work with Agricultural Advisory Board to develop draft ordinance for groundwater transfers outside of Stanislaus County.
Work with Water Quality Coalitions to foster compliance with water quality standards.
Collaborate with DPR on EPA grant to train and license MG.
Implement pesticide use compliance inspection assistance opportunities.



GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

A Well-Planned Infrastructure System

PRIORITY TEAM

Environmental Resources/Parks and Recreation
 Planning and Community Development
 Public Works

GOAL 1

Ensure reliable water sources – quality and quantity

MEASURE 1

Implement strategies to ensure reliable water sources – quality and quantity

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Increase compliance of small water systems with the State standards by 2% over baseline.
Close 7% of identified urban pollution sites.
Implement County construction standards to promote groundwater recharge and reduced runoff.
Identify specific project area and scope to demonstrate improved storm drain management in conjunction with improved pedestrian and landscape facilities.

MEASURE 2

Implement strategies to promote effective liquid waste disposal

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Participate in regionalization efforts for wastewater treatment and disposal.
Track development of the regulations and actions related to individual waste water systems (AB885).
In coordination with the Redevelopment Agency (RDA), neighborhood groups and Municipal Advisory Councils (MACs) develop funding and implementation policies related to County Island infrastructure improvements.

GOAL 2

Improve transportation circulation

MEASURE

Implement strategies to improve transportation circulation

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Identify an alignment (from State Route 99 to State Route 120 east of Oakdale) for the North County Corridor and identify a buildable phase 1 project.
Resurface 160 miles of existing roadways per year.
Re-stripe 50% of all roads every two years.
Commence construction on two bridges for seismic retrofit or capacity increasing needs.
Successfully leverage outside funding for congestion relief, CMAQ and/or STIP in an amount of \$5 million.
Successfully assist StanCOG in the development of the RTP update.

GOAL 3

Promote effective solid waste disposal

MEASURE

Implement strategies to promote effective solid waste disposal

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Complete permitting process for the area between Landfill 1 and 2 as well as the vertical expansion. This is consistent with the requirements of the Integrated Solid Waste Management Plan.
Finalize phase two of food processing by-products research project.
Work with the City of Modesto on the possibility of putting a transfer station at the Geer Road landfill site. As part of this work, determine if it is financially feasible to construct and operate a transfer station at the Geer Road Landfill.
Initiate negotiations of a long term agreement with Covanta's contract.
Complete waste stream and feasibility analysis of a recycling/materials recovery/transfer facility at the Fink Road landfill.

GOAL 4

Develop a comprehensive flood control strategy

MEASURE

Implement strategies to improve flood control

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Develop General Plan policy to encourage storm drainage facilities to be water supply facilities with associated uses.

Complete the Feasibility study for the Orestimba Flood Control Project and receive policy direction (Newman City Council, Orestimba Flood Control District, CCID, County Board of Supervisors) on a selected alternative and develop a financial plan for associated alternative.

Further construction of the Empire Storm Drainage Infrastructure Project including storm drain, curb, and gutter.

GOAL 5

Support broader technology access and infrastructure

MEASURE

Implement strategies to support technology access and infrastructure

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Develop a sustainable funding plan for GIS Central.

Develop new development standards to include public utility easements for improved technology infrastructure.

Manage broadband to low income housing in City of Riverbank initiative via Bring IT Home/21st Century Community CETF grant.

- 1) Target 150 – 300 broadband connections (2 year free access) via AT&T component to grant scope.
- 2) Continue to negotiate with AT&T to seek grant modification to allow for downtown wi-fi cloud in redevelopment/downtown business spaces.

GOAL 6

Support sustainable land use planning

MEASURE

Implement strategies to improve local and regional land use planning

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011
Continue to develop transportation planning via regional expressway plans and RTP updates.
Provide support as necessary for the County wide growth strategy.
Initiate the Comprehensive General Plan update and develop draft policies and standards related to compliance with SB375 (Sustainable Communities Strategy), AB32 (Green House Gas Requirements), and Park standards such as low maintenance drought resistant plants and non-potable water use for irrigation.
Complete adoption of updated Building Codes including adoption of required Green Building Codes.

GOALS AND PERFORMANCE MEASURES

BOARD PRIORITY

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies.

In collaboration with public and private partnerships we strive for:

Efficient Delivery of Public Services

PRIORITY TEAM

Assessor
Auditor-Controller
Chief Executive Office
CEO-Risk Management
Clerk of the Board

County Counsel
General Service Agency
Strategic Business Technology
Treasurer/Tax Collector

GOAL 1

Improve customer satisfaction

MEASURE

Increase usage of County customer service tools

EXPECTED OUTCOMES FOR FISCAL YEAR 2009-2010

Departments will continue to collect and analyze customer satisfaction data.

Customer survey results will be available quarterly to staff via the intranet and to the public via the internet.

Resources will be developed as needed to support departments in customer survey core areas.

GOAL 2

Increase e-government (electronic) services and transactions

MEASURE 1

Increase the number of government services provided electronically

EXPECTED OUTCOMES FOR FISCAL YEAR 2009-2010

Electronic Document Management (EDM)

- a) Research the feasibility of electronic forms to replace the current paper-based processes around authorizations for travel, requests for time off and claims for use of sick leave benefits. For each process, determine what features would be required by working with County departments, Human Resources and the Auditor Controller. The form identified most viable will be implemented as a result of this research.
- b) Intranet Redesign – Phase II: Training for department staff using the content management solution Plone, enhancements to the Personnel Directory search and integration with County wide Active Directory.
- c) Public Facility Fee – Create a Web based application that provides a central repository to store documents, meeting agendas/minutes, and provide search capabilities. Provide a method for storing and tracking the use of Public facilities fees. Research and determine the feasibility of providing an online calculator.

VoIP

Activate and additional 200-300 VoIP phones, with concentration on Centrex.

PeopleSoft

- a) Identify requirements and resources required for Human Resource Management System (PeopleSoft) upgrade from version 8.9 to 9.1.
- b) Continue to increase the number of County employees voluntarily terminating receipt of their printed pay advice notices for the electronic self-service option.

FMS

Begin the FMS application upgrade from release 11.5.10.2 to release 12 – August 2010, utilizing internal staff to complete this upgrade. Complete upgrade by May 2011. Upgrading to release 12 eliminates additional extended licensing cost and will include XML reporting and migration to report manager as a replacement for ADI.

MEASURE 2

Improve IT security

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Single Sign-on

Implement via the County-wide Active Directory three County-wide applications into single sign-on; and

IT Security Policy and Audits

Report to Information Technology Steering Committee on results of first County-wide IT Security Self Audit and recommend updates to County Information Technology Policy.

GOAL 3

Improve the efficiency of County government processes

MEASURE

Reduce turnaround time for processes that provide efficiency and benefit for the customer

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Each department will have completed at least 1 process improvements measuring turnaround time or cost efficiencies using either:

- a) Q.U.I.C. for multi-department processes or Before & After model for other processes.

Process improvement outcomes will be reported annually in the budget with the following results:

- a) Improved turnaround time and/or
- b) Improved cost efficiency.

GOAL 4

Improve energy efficiency

MEASURE

Increase the efficiency of energy usage

EXPECTED OUTCOMES FOR FISCAL YEAR 2010-2011

Report to Information Technology Steering Committee PC Power Management energy cost reductions achieved and recommend further improvements if appropriate.

Based on Data Center Energy Efficiency Survey results, recommend to Information Technology Steering Committee server and data center energy efficiency strategies for adoption.



Third Quarter Financial Report July 2009 — March 2010

BOARD OF SUPERVISORS

Jeff Grover, Chairman
William O'Brien
Vito Chiesa
Dick Monteith
Jim DeMartini

Submitted by
Chief Executive Officer
Richard W. Robinson



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Introduction

This is the Chief Executive Office's Third Quarter Financial Report for the period of July 2009-March 2010 for the 2009-2010 Fiscal Year. It has been prepared to inform the Board of Supervisors, County leadership and the public of the County's fiscal status. The report provides revenue and expenditure summaries for County programs by each Board of Supervisors Priority and recommends adjustments to County budgets needed since the adoption of the Final Budget in September 2009.

While the Third Quarter Report primarily deals with the status of the County's budget as of March 31, 2010, because the County anticipates declining revenues from property and sales tax, reductions in social services funding and the State budget crisis, the report also provides an update on the County's budget strategy for dealing with these reductions. These include strategies currently in place in Fiscal Year 2009-2010 and a timeline for the implementation of strategies to assure a balanced budget in Fiscal Years 2010-2011 and 2011-2012. Some of the strategic options implemented to balance the Fiscal Year 2010-2011 budget include: moving to a revenue-based approach in the allocation of General Fund revenue; allowing departments to carry over 75% of their net county cost savings from Fiscal Year 2009-2010; and the continuation of the no back-fill policy for State and Federal imposed services and programs that no longer provide funding.

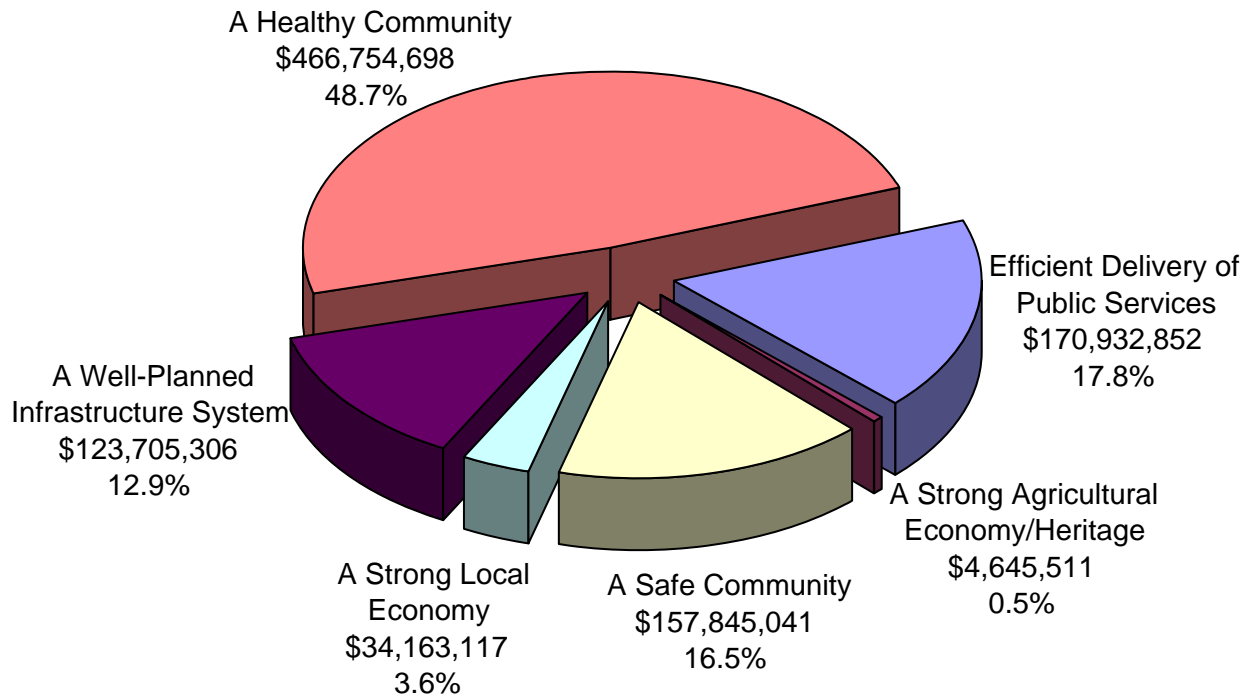
Summary

On September 15, 2009 the Board of Supervisors adopted the Fiscal Year 2009-2010 Final Budget for Stanislaus County. This spending plan of \$958,046,525 for all funds reflected an increase of \$2,932,370 or a .3% increase over the 2009-2010 Proposed Budget and a nearly 1% decrease over the 2008-2009 Final Budget. The Final Budget was balanced and used a combination of \$920,102,903 in revenue and \$37,943,622 in fund balance and one-time funding sources. The Final Budget also reflected designations in the General Fund totaling \$58,900,408.

The County's 2009-2010 General Fund budget totaled \$249,898,038 a decrease of .4% or \$994,576 from the Proposed Budget adopted in June 2009 and a 7% decrease from the 2008-2009 Final Budget. The Final Budget for Fiscal Year 2009-2010 included \$4 million in appropriations for contingency funds for unexpected exposures or emergencies.

The following chart reflects the total Final Budget by the Board of Supervisors priorities:

Fiscal Year 2009-2010
Final Budget Expenditures
By Board Priority
\$958,046,525



BUDGET OVERVIEW

Up to the third quarter point in the fiscal year, funds brought forward from the previous fiscal year along with first quarter, mid-year and Board of Supervisors approved adjustments during this current fiscal year results in an adjusted budget. These actions are summarized below.

Overall Summary of First Quarter and Mid-Year Adjustments

The 2009-2010 First Quarter Financial Report presented on November 9, 2009 reflected recommended adjustments resulting in very little change to the spending plan and a fiscal review of department budgets. Departments requested \$8,242,530 in total adjustments in the current year spending plan. There were no requests for additional General Fund contributions. The Chief Executive Office recommended approval of all requested first quarter adjustments as they were funded by non-general fund sources. The recommendations increased estimated revenue by \$8,059,192 resulting in an increase in the use of fund balance of \$183,338.

The recommended changes were primarily within the Community Services Agency and the Health Services Agency – Public Health. The Community Services Agency had an overall increase in appropriations and

estimated revenue of \$8,713,167 primarily as the result of the Agency receiving final allocations of State and Federal funds for caseload growth for StanWORKs which includes increases for CalWORKs, Medi-Cal and Child Care. The Health Services Agency - Public Health requested a decrease in appropriations of \$1,402,316 and a decrease in estimated revenue of \$1,423,008, resulting in an increase in the use of fund balance of \$20,692. These reductions were primarily as a result of the elimination or decrease in State Funds for Public Health Programs (Adolescent Family Life Program, Maternal Child and Adolescent Health Program and HIV/AIDS program), and a reduction in federal funding for Medi-Cal Administration Activities.

The 2009-2010 Mid-Year Financial Report presented on March 2, 2010 reflected recommended adjustments, a fiscal review of departmental budgets, and a cash analysis, by fund, at mid-year. The Chief Executive Office's mid-year recommendations included an overall increase in appropriations of \$496,783, a decrease in estimated revenue of \$6,694,689 (including County Match), which resulted in an increased use of fund balance/retained earnings \$7,191,472. Also recommended were transfers from Appropriations for Contingencies totaling \$997,825 for retirement cash-outs and costs associated with the Statewide Direct Primary Election.

As part of the Mid-Year Financial Report, discretionary revenue projections were re-evaluated and reduced by \$11.3 million. Of the one-time decrease, \$7.9 million was the result of a payment due to the State from the suspension of State Proposition 1A and \$3.4 million was an on-going decrease, the result of the continued decline in property and sales tax. It was recommended that \$7.9 million of the decrease be funded by undesignating funds previously set aside for the Proposition 1A exposure. The \$3.4 million decrease in discretionary revenue was covered by the use of one-time 2008-2009 General Fund fund balance.

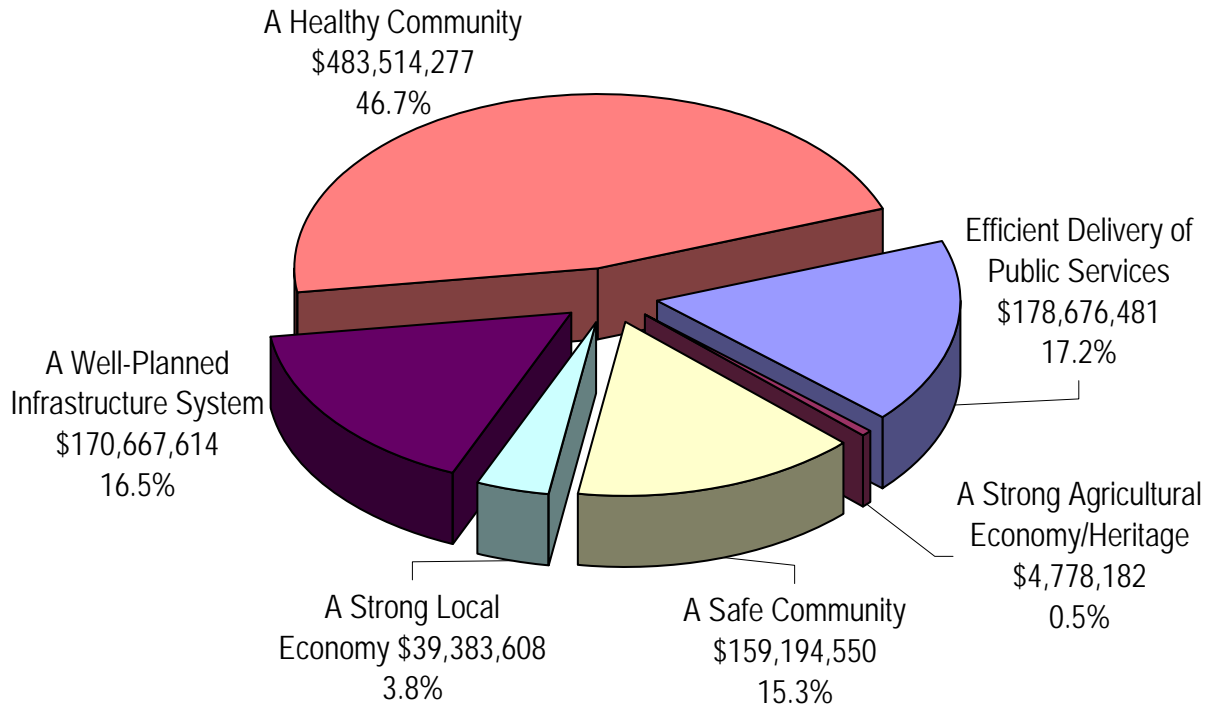
Summary of Budget Adjustments

The Final Budget is adjusted each year by including appropriations that are carried forward from the prior fiscal year for projects that were planned for and authorized by the Board of Supervisors, however, not fully completed. Funding for these projects are reserved or designated by the Auditor-Controller at year-end to ensure these costs are fully funded in the next fiscal year. In addition, throughout the year the Board of Supervisors approves adjustments to department budgets either through the First Quarter and Mid-Year Financial Reports or in separate Board of Supervisors action agenda items. The sum of these adjustments through March 31, 2010 total \$78,198,910. This reflects \$54,126,496 in funding that was carried forward and \$24,072,414 in budget adjustments approved by the Board of Supervisors in the current fiscal year through March 2010.

The result of these adjustments made prior to the third quarter review increased the total county budget to \$1.036 billion in available spending authority in the current fiscal year.

The following chart reflects the adjusted budget slightly over \$1 billion by Board of Supervisors priority as of March 31, 2010:

**Fiscal Year 2009-2010 Adjusted Budget
Expenditure by Board Priority
\$1,036,214,712 as of March 31, 2010**



Overall Summary of Requested Third Quarter Adjustments

The 2009-2010 Third Quarter Financial Report reflects recommended adjustments, and a fiscal review of departmental budgets:

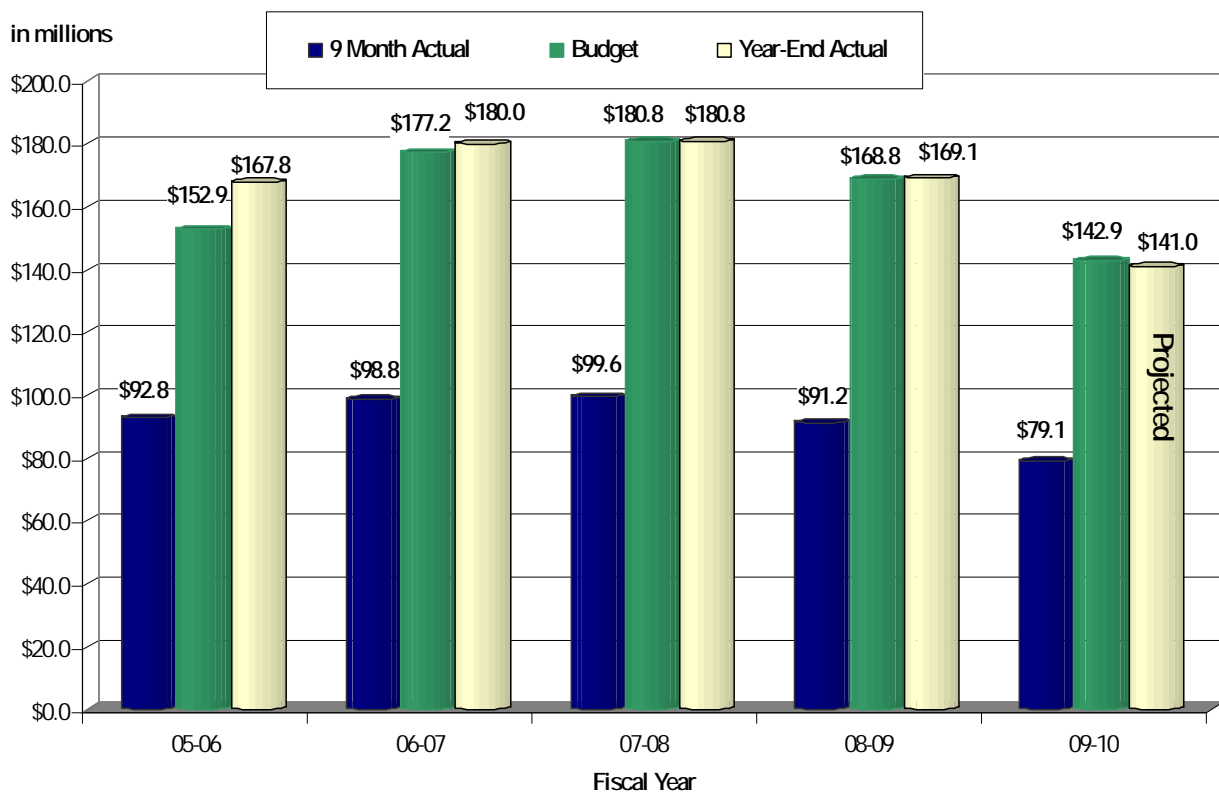
- ◆ Departments requested a total of \$2.3 million in net increase to the current year spending plan;
- ◆ The Chief Executive Office's third quarter recommendations include a total increase in appropriations of \$1,754,549 funded by increased revenue and use of fund balance/retained earnings. While individual budgets may have increased revenue, the recommendations include an overall decrease in estimated revenue of \$578,827, including County Match, resulting in a increased use of fund balance/retained earnings of \$2,333,376;
- ◆ Also recommended are transfers from Appropriations for Contingencies totaling \$226,775 for retirement cash-out costs for Cooperative Extension and for salaries for the Public Defender ; and
- ◆ No adjustment to discretionary revenue projections is being recommended at this time.

GENERAL FUND UPDATE

Discretionary Revenue

As of third quarter, actual discretionary revenue was \$79.1 million compared to \$91.2 million for the same time period one year ago. This amount represents 55.3% of the 2009-2010 budget as adjusted at mid-year. Typically, discretionary revenue at this point of the fiscal year ranges from 54% to 60.7% of the adjusted budget and from 53.9% to 55.3% of total year actual collections when looking at the prior four years. We are within the range when comparing to budget and slightly above the range of actual year-end collections. The following chart shows the last five years of third quarter activity:

General Fund—Discretionary Revenue Five Year Comparison



Due to the continuing decreases in property and sales tax revenue sources and the adjustment for the Proposition 1A loan to the State, the discretionary revenue budget was reduced by nearly \$11.3 million during the Mid-Year Report. Activity through the third quarter indicates that revenue may still fall short of the adjusted budget. Property tax revenue, including supplemental revenue and the associated administrative revenue, are projected to be lower than anticipated; the 1% sales tax revenue received from local retail sales continues to lag; and franchise fees and revenue received from interest earnings are showing weak returns. Although some of the shortfall may be mitigated by stronger than expected performance of the Public Safety Sales Tax (the ½ cent sales tax enacted with the passage of Proposition 172) and penalties from delinquent property taxes, we still may face a shortfall of \$1.9 million by year-end. The following chart summarizes the projections to year-end:

Discretionary Revenue Description	Adjusted Budget FY 2009-2010	Projected to Fiscal Year End	Difference
Property Taxes	\$ 84,338,348	\$ 81,485,046	\$ (2,853,302)
Transfer Tax	1,319,000	1,242,000	(77,000)
Sales & Use Tax (Including In-lieu)	14,762,000	14,416,000	(346,000)
Public Safety Sales Tax (Prop 172)	25,210,000	27,197,204	1,987,204
Penalties on Delinquent Taxes	8,000,000	8,400,000	400,000
Interest Earnings	2,927,000	2,289,000	(638,000)
Miscellaneous Revenue Categories	6,334,240	5,933,801	(400,439)
Total	\$ 142,890,588	\$ 140,963,051	\$ (1,927,537)

Even with the projected shortfall, we are not recommending an adjustment to discretionary revenue with this Third Quarter Report. It is projected that the majority of the shortfall will be offset by a decrease in the funds necessary to be held in reserve for the Teeter Receivable, resulting in an increase to fund balance as of year-end June 30, 2010.

General Fund – Designations

Designations are funds set aside by the Board of Supervisors for specific restricted uses beyond the current fiscal year. Designations can be set up only during the final budget process but funds can be undesignated at any time during the year with a four-fifths vote of the Board of Supervisors. General Fund designations totaled \$48,564,287 at the beginning of the current fiscal year. The undesignation of \$8,000,000 in Contingencies as a Fiscal Year 2009-2010 budget balancing strategy was completed in July of 2009. A net increase of \$18,336,121 was approved during the final budget process and a net reduction of \$7,931,047 was approved as part of the Mid-Year Report. Additional reductions totaling \$13,354 occurred as part of an approved action item from July 10, 2007, authorizing incremental transfers of designated funds to Stanislaus Regional 911 as a loan for the project costs associated with the purchase and implementation of the new Computer Aided Dispatch system. The loan is to be paid back to the County over a five-year period at 5% simple interest once the project is completed. An additional reduction of \$313,875 was the result of a Board of Supervisors approved item for upgrades to the Frank Raines Regional Park water filtration system. The total net change in designations through March 31, 2010 is an increase of \$2,077,845 from the beginning of the fiscal year, leaving a balance of \$50,642,132 as reflected in the chart below. No additional adjustments are recommended for third quarter.

Designation	2009-2010 Beginning Designations	Adjustments as of 3/31/2010	2009-2010 Adjusted Designations
Debt Service	\$ 11,779,459		\$ 11,779,459
Contingency	9,552,967	(6,290,932)	3,262,035
Tobacco Settlement	1,696,799	(22,956)	1,673,843
Tobacco Securitization	202,508		202,508
Restricted	1,300,000		1,300,000
Parks Projects (Other)	926,762	(313,875)	612,887
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	(4,440,885)	75,822
Landfill Repayment (Other)	8,691,959		8,691,959
Retirement Obligation	-	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
Total Designations	\$ 48,564,287	\$ 2,077,845	\$ 50,642,132

BUDGET STRATEGY AND IMPACTS FOR FISCAL YEAR 2009-2010, 2010-2011 AND BEYOND

For the past two years, the County has taken proactive measures to respond to a deteriorating economy and declining revenue. As a result, the County took a very cautionary approach when establishing the Fiscal Year 2009-2010 spending plan. All general services departments and Animal Services were issued a 12% reduction in net county cost and Public Safety Departments received a 5% reduction. The County also used \$15.3 million in fund balance/one-time funds to balance the budget. Additional actions to control costs were taken including the implementation of a hiring freeze, reductions-in-force, employee furloughs, and expense control through contract reductions and limiting overtime and travel, as well as a three-year use of designations and reserves to phase into a reduced level of revenue and expenses.

Even with these actions the County projects a multi-year structural shortfall in funding through June 30, 2012. Given the enormity of the budget challenges, it was critical for the County to have an identified budget strategy in place well in advance of the start of Fiscal Year 2010-2011. A 30-month Budget Strategy started at Mid-Year 2009-2010 is now underway. The significant milestones in the preparation for Fiscal Years 2010-2011 and 2011-2012 are identified on the following page:

Budget Decision Milestone	Status	Date
Budget Workshop for Department Heads Projected General Fund Deficit - \$23 Million	Preliminary budget numbers for 2010-2011 shared with Department Heads. Department Heads provided potential solutions and strategies to eliminate the projected \$23 million shortfall in funding in the General Fund after the use of \$8 million in designations.	October 6, 2009
Department Head Meetings	Department Heads provided with preliminary budget strategy for Fiscal Years 2010-2011 and 2011-2012 developed using feedback received at October 2009 meeting.	December 2009 and January 2010
Board of Supervisors' Retreat	Board of Supervisors updated on status of 2010-2011 budget and preliminary strategy for resolving \$23 million shortfall in funding in the General Fund.	February 12, 2010
Meeting with Unrepresented Management Employees	Unrepresented Management Employees updated on status of 2010-2011 budget and preliminary strategy for resolving deficit.	February 19, 2010
Meeting with Unrepresented Confidential Employees	Unrepresented Confidential Employees updated on status of 2010-2011 budget and preliminary strategy for resolving deficit.	March 2, 2010
Board of Supervisors' Approval of Budget Strategy for 2010-2011 and 2011-2012	As part of the Mid-Year Report to the Board of Supervisors the Board approves the Chief Executive Office implementing the proposed Budget Reduction Strategy for 2010-2011 and 2011-2012.	March 4, 2010
Proposed Budget Instructions with General Fund Revenue Distribution Completed and Distributed to County Departments	Proposed Budget Instructions with 9% decrease in General Fund Revenue issued to departments. This is a decrease of \$9.3 million in funding from Fiscal Year 2009-2010.	March 12, 2010
Final Retirement Rates Issued By StanCERA	StanCERA Board approves \$20 million in mitigation to retirement rates decreasing the increase in Retirement Expense from \$28 million to \$6.6 million countywide and from \$10 million to \$3.2 million in the General Fund.	Revised Retirement Rates Distributed to Departments March 26, 2010

Budget Decision Milestone	Status	Date
Complete Labor Reduction Negotiations \$13.8 Million in Salary Savings Projected Countywide \$5.5 Million in Salary Savings Projected in the General Fund	Board of Supervisors approves two-year agreements with labor unions and implementation for unrepresented employees of a 5% Salary Reduction, a Voluntary Separation/Retirement Incentive Program and modification of Retirement Benefits.	April 6, 2010
First Round of Reductions-In-Force to Board of Supervisors	Reduction-In-Force of 52 employees in the Sheriff's Department and 9 in the Library approved by the Board of Supervisors.	April 27, 2010
Additional Reductions-In-Force to Board of Supervisors	Additional Reductions-In-Force in the Public Defender and Assessor departments to the Board of Supervisors as part of the Third Quarter Report to the Board of Supervisors.	May 4, 2010
Additional Reductions-In-Force to Board of Supervisors	Reductions-In-Force in the Health Services Agency – Public Health.	May 18, 2010
Public Hearing on Proposed Budget	Completion of Proposed Budget currently in process.	June 8, 2010
Additional Reductions-In-Force to Board of Supervisors	Reductions-In-Forces to the Board of Supervisors as part of Proposed Budget.	June 8, 2010
Public Hearing on Final Adopted Budget	Final Adopted Budget presented to Board of Supervisors.	September 14, 2010

The County's success in negotiating the 5% across the board salary savings and StanCERA's \$20 million mitigation of the projected \$28 million in retirement increases has reduced the General Fund deficit to \$10 million from the original projection of \$23 million. While General Fund Departments will be required to absorb the \$10 million deficit in Fiscal Year 2010-2011, the County still faces a structural shortfall in funding that must be resolved. Additional budget strategies have been implemented to provide departments with the opportunity to put in place long term solutions to the budget shortfall. The two most noteworthy changes are in the way General Fund revenue is being allocated and a significant policy change that will allow General Fund departments to retain 75% of their unused 2009-2010 net county cost for use as departmental fund balance in Fiscal Year 2010-2011.

While Departments are actively completing their proposed budgets for 2010-2011 there are still uncertainties regarding expenses for General Liability, Unemployment and Health Insurance, as well as concerns about funding for Public Works, Health and Human Services and the impacts of additional program cuts as a result of the State budget crisis. Significant concerns also remain about increased retirement expenses in 2011-2012.

General Liability and Unemployment Self-Insurance Funds

Charges to departments in 2010-2011 have increased for both unemployment and general liability self-insurance. Unemployment charges are \$325 per employee in 2010-2011, compared to \$90 in 2009-2010. The substantial increase is due primarily to the costs associated with the locally-funded Federal unemployment extensions, which were first paid in the second quarter of calendar year 2009. This, coupled with additional claimants in 2010-2011 due to reductions-in-force, results in higher anticipated claims costs for the new budget year. In addition, costs for the General Liability Self-Insurance Fund have increased substantially from 2008-2009. The 2010-2011 Proposed Budget will include appropriations of over \$6 million, which are funded by approximately \$3 million in insurance reimbursement revenue and \$3 million in charges to departments. The bulk of the increase in department charges will be absorbed by the Sheriff's Office, where the actual claims occurred. The budget is anticipated to fund all claims and litigation costs, as well as excess insurance premiums which are increasing as the number and cost of claims rise, causing a further burden on the fund. The 2010-2011 General Liability budget represents a 136% increase over 2008-2009 actuals of \$4.4 million, and a 261% increase over 2007-2008 actuals of \$2.3 million. Due to the uncertainty of claims, this budget will need to be monitored on an ongoing basis during the year to ensure that sufficient appropriations are allocated and that revenue is recovered in a timely fashion.

Health and Human Services

Significant challenges remain in the area of health and human services. The Governor's Proposed State Budget for 2010-2011 includes many cuts and payment deferrals in the health, mental health and social services programs that, if adopted, will be passed directly to counties. The budget proposal also includes a major proposal to "trigger" severe health and human services cuts, including the wholesale elimination of the CalWORKs, Healthy Families, and In-Home Supportive Services (IHSS) programs if the State is unable to secure additional federal funding. Additionally, the weakened economy has caused a corresponding decrease in realignment revenue, thereby burdening the financial support of the health and human services departments.

The County's obligation for the In-Home Supportive Services (IHSS) program is projected to increase by \$3.6 million based on current IHSS Individual Provider wages and projected caseload growth next year. This includes a potential additional mandated County Match exposure of \$2.6 million, for which funding is clearly not available. This exposure would be worsened by further decreases in realignment revenue. State legislative mandate relief is needed for this program to avoid further reductions to all other locally funded programs.

The Health Services Agency continues to face funding challenges in its Clinics and Ancillary Services Division. Most recently, the Family Medicine Residency Program has been declared a "new" program by the accrediting body, the Accreditation Council for Graduate Medical Education, effectively approving the newly formed Valley Consortium for Medical Education (VCME), to act as the sponsor for the residency program, and therefore enabling the program to once again qualify for Federal funding. The VCME is a partnership between the County, the Health Services Agency's Federally Qualified Health Centers (clinics), Doctors Medical Center and Memorial Medical Center. Operational details are in the process of being resolved. Regular reports will continue on this effort.

Public Works

Signed by the Governor on March 22, 2010 the Transportation Tax Swap package eliminated the sales tax on gasoline (the source of Proposition 42 and spillover funds) while increasing the excise tax on gasoline by 17.3 cents a gallon.

Several years ago, the voters passed Proposition 42, a funding mechanism that used sales tax on gasoline for Public Works (Roads). The amount Stanislaus County had been receiving was approximately \$4.7 million. This sales tax was constitutionally protected and could only be borrowed two times in ten years and had to be repaid with interest within three years. The Transportation Tax Swap Package would eliminate the sales tax (protected revenue source) and replace it with an increase to the excise tax on gasoline (unprotected source). This increase in the excise tax balances the amount lost in the Proposition 42 sales. It appears at this time that County Roads will be made whole however, this tax swap eliminates the protection afforded by Proposition 42. The State may borrow but must pay back within three years, however no interest is part of the repayment and the State does not have to repay the loan before they borrow the next year. Conceivably, they could borrow three years in a row before they pay back the first year.

Regarding transit, the tax swap will allow for the release of \$400 million for Fiscal Years 2009-2010 and 2010-2011. Approximately \$2.9 million will come to all County transit operators. The funds are expected to be available in late June or early July. For Fiscal Year 2011-2012, the State is expected to release \$350 million statewide. It is estimated that approximately \$2.2 million would be allocated to all the County's transit operators through the State Transit Assistance program. The operators have not received any funding in the last two years because the State has taken it to balance their budget. While transit operators are slated to receive funding, this is still down from the historical high of approximately \$4.3 million. The State will still have the ability to take the money if they choose to do so. In the end, this legislation is supposed to make transit "whole" but there are no projections as to when this will be. It is anticipated that County transit will be fully funded this next year. It may also mean there may be Local Transportation Fund dollars (LTF) that will be able to go to streets and roads.

Labor Relations

In April 2010, the County reached agreements with 12 County labor organizations supporting across the board 5% salary cost reductions for County employees over the next two fiscal years, 2010-2011 and 2011-2012. During the cost reduction negotiations, the County reached agreements with the Stanislaus Sworn Deputy Association and Sheriff Management Association to extend the expiration of their current Memorandum of Understanding (MOU). Additionally, the County was able to reach an agreement with the Sheriff Supervisor Association, District Attorney Investigators' Association and Deputy Sheriffs' Association. These contracts will expire June 30, 2010, which coincides with the 5% salary cost reduction agreements. The County is currently involved in negotiations with the County Attorney Association and will enter into negotiations with bargaining units whose labor agreements expire at the conclusion of Fiscal Year 2009-2010.

Below is a schedule by bargaining unit of contract expiration dates:

Bargaining Unit	Allocated Positions	Percent of Workforce	Contract Expiration Date
County Attorney's Association	77	1.9%	6/30/2010
Emergency Dispatchers Association	44	1.1%	6/30/2010
Resident Physicians	28	0.7%	6/30/2010
Service Employees' International Union, (SEIU) Local 521	621	15.7%	6/30/2010
Deputy Probation Officers	106	2.7%	7/31/2010
Group Supervisor Association	82	2.1%	12/31/2010
Registered Nurses	94	2.4%	2/28/2011
Stanislaus County Employees Association, (AFSCME) Local 10	2,041	51.5%	5/31/2011
Deputy Sheriff Association - Custodial	217	5.5%	6/30/2012
District Attorney Investigators	16	0.4%	6/30/2012
Sheriff Supervisor Association	29	0.7%	6/30/2012
Sheriff Management Association	18	0.5%	6/30/2012
Stanislaus Sworn Deputy Association	183	4.6%	6/30/2012
Unrepresented	409	10.2%	N/A
Total¹	3,965	100%	

¹ Not included in this total are the In-Home Supportive Services Individual Providers (IHSS-IP) workers represented by the United Domestic Workers of America (UDWA) whose contract expires 9/30/2010.

Health Insurance

Health insurance benefits are negotiated collectively under one agreement for all represented bargaining units. The current one-year agreement for employee health benefits expires on December 31, 2010. The current agreement includes two HMO options (Kaiser and Blue Cross). Both Kaiser and Blue Cross also have Health Savings Account (HSA) options in addition to the HMO option. The cost of medical plan options are anticipated to increase approximately 4.5% or \$2.1 million in calendar year 2010. To partially offset this increase, the County estimates a savings of approximately \$1.9 million on dental and vision costs in 2010 based on eliminating the current flexible benefit plan for dental and vision insurance and replacing it with specific levels of dental and vision coverage.

Retirement 2011-2012

In planning for Fiscal Year 2010-2011 the County had significant concerns regarding the County's retirement exposure. The original cost increase was estimated at \$23 million countywide. On March 15, 2010, the StanCERA Board voted to shift \$20 million from the excess reserve to off-set the County's, the Courts' and Stanislaus Council of Government's increased retirement cost in Fiscal Year 2010-2011. The StanCERA Board also voted to change the amortization rate for the unfunded liability from 29 years to 25 years. While the \$20 million shift will reduce the County's contribution, the change in the amortization rate resulted in increased retirement rates to \$23 million prior to the \$20 million in mitigation. Overall, the County will see a \$6.6 million increase in retirement costs in Fiscal Year 2010-2011. While the potential impact for Fiscal Year 2010-2011 has been significantly reduced, concern remains over the County's exposure in 2011-2012. The Board of Supervisors has approved a modification of retirement benefits for unrepresented employees hired after December 31, 2010 to the former Tier Two retirement benefit structure in place prior to March 2002 (reduced benefit formula; 2% at age 61 for miscellaneous employees

and 2% at age 50 for safety employees). The County will be negotiating this change with all bargaining units. The recommended changes to retirement benefits to future unrepresented employees will have a significant long-term financial benefit to the County. However, they will not provide any cost relief in the short term. Further, because the actuarial firm retained by StanCERA is recommending another decrease in the amortization rate for the unfunded liability, retirement costs even with some recovery in the stock market could increase significantly.



A Safe Community

COUNTY DEPARTMENTS

Animal Services
CEO-OES/Fire Warden
CEO-Capital Projects
CEO-County Operations
District Attorney
Grand Jury
Integrated County Justice Information System
Probation
Public Defender
Sheriff

A Safe Community

OVERVIEW

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continues to be a top priority of the Board of Supervisors. Departments assigned to the Board of Supervisors priority area of A Safe Community include: Animal Services, Chief Executive Office - Office of Emergency Services/Fire Warden, District Attorney, Probation, Public Defender and Sheriff. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary revenue sources. Public Safety Sales Tax revenue (Proposition 172) is also used to partially fund the District Attorney, Probation and Sheriff's Department budgets. These departments also receive dedicated funds for specific grant funded programs.

DEPARTMENTAL REVENUE AND EXPENDITURES

For the departmental budgets that are part of the Board of Supervisors priority area of A Safe Community as of March 31, 2010, actual revenue collected is \$29.6 million, which represents 65.8% of the estimated annual revenue. This is below the range when compared to the third quarter point of the prior two years when collections were at 66.5% and 68.5% of the final actual revenue. As of March 31, 2010, expenditures are \$110.7 million, representing 69.5% of the budgeted appropriations. Expenditures at the third quarter point of the prior two years were 72.3% and 73% of the final actual expenditures, placing this year below the range.

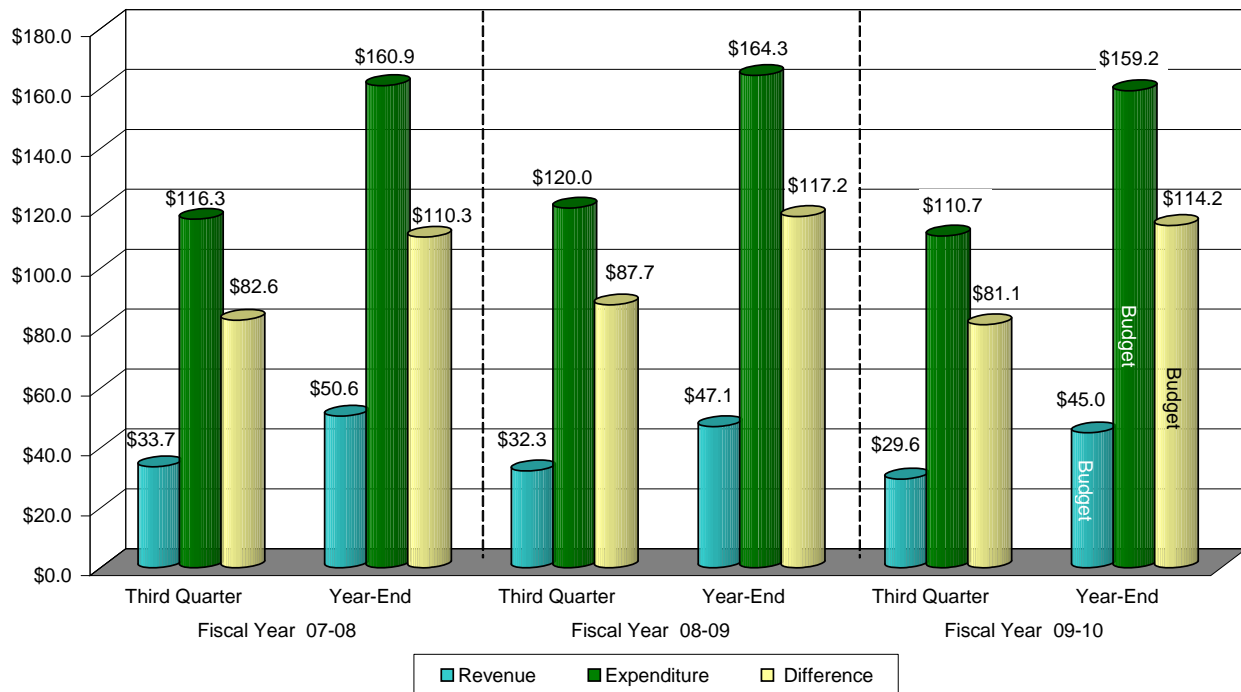
Significant variations this year, compared to the same time period one year ago include:

- ◆ Chief Executive Office – Jail Medical - A decrease in revenue of approximately \$250,000 due to the new vendor paying Doctor's Medical Center (DMC) directly instead of the payments being made by the County to DMC and reimbursed by the vendor. The contract amount was adjusted in recognition of the change in process. In addition, a decrease in expenditures of approximately \$.5 million as a result of the delay in payments to the vendor and the vendor paying DMC directly for hospital costs;
- ◆ Chief Executive Office – County Court Funding – A decrease in expenditures of \$193,000 as a result of the transfer of the court facilities to the State;
- ◆ Chief Executive Office – Office of Emergency Services - A decrease in expenditures of \$280,000 as a result of a five percent budget reduction issued as part of the proposed budget;
- ◆ Chief Executive Office – Criminal Justice Facilities Fees - A decrease in revenue of approximately \$365,000 as a result of Public Facilities Fees being moved into this budget in 2008-2009 to cover a portion of the cost involved in the tenant improvements at the District Attorney's 12th Street Office Building and a decrease in expenditures of \$312,000 as a result of expenditures related to the tenant improvements at the District Attorney's Office;

- ◆ District Attorney - A decrease in expenditures of \$822,000 as a result of a five percent budget reduction issued as part of the proposed budget and a reduction in salary costs as a result of all employees taking 13 furlough days;
- ◆ Probation - A decrease in revenue of \$570,000 in the Juvenile Justice Crime Prevention Act budget as a result of grant funding being received in four quarterly payments instead of one payment at the start of the fiscal year. In addition, Probation also experienced a reduction in expenditures of \$843,000 in Administration, Field Services and Institutions and the Juvenile Justice Accountability Crime Prevention Act (JJCPA) budgets as a result of vacant positions, and decreased grant funding in JJCPA;
- ◆ Public Defender - A decrease in expenditures of \$92,000 as a result of a five percent budget reduction issued as part of the proposed budget and a reduction in salary costs as a result of all employees taking eight furlough days; and
- ◆ Sheriff - A decrease in revenue of \$1.5 million in the Contract Cities, Detention and Ray Simon Training Center budgets attributed to a decrease and loss of grant funding, decreased booking fee revenue in Detention and the reduction in Police Officer Standard Training (POST) academies in the Ray Simon Training Center budget. In addition, the Sheriff's department also experienced a decrease in expenditures of \$6.2 million in the Administration, Detention, Operations, Contract Cities, Court Security, and Ray Simon Training Center budgets attributed to a decrease in Workers' Compensation charges, reductions in the use of extra-help employees, and salary savings from a reduction-in-force of four positions and the unfunding of positions. Additional savings were also realized in the Sheriff – Detention budget due to the closure of a 64 bed wing in the minimum housing unit at the Public Safety Center. The Ray Simon Training Center budget also saw a decrease in expenditures as the result of a reduction in the number of POST academies.

The following chart provides a comparison of revenue, expenditures and the difference between the two, which is funded through a General Fund contribution, and the use of fund balance/retained earnings. This comparison shows third quarter and year-end for a three-year period, including the current year, for the departments assigned to the Board of Supervisors priority area of A Safe Community.

A Safe Community Three Year Comparison



The total budgeted revenue for the departments assigned to the Board of Supervisors priority area of A Safe Community for Fiscal Year 2009-2010 is \$45 million with departmental expenditures budgeted at \$159.2 million and the difference of \$114.2 million funded through a General Fund contribution and the use of fund balance/retained earnings. Both revenue and expenditures are down, with revenue collections decreasing by \$2.7 million and expenditures decreasing more than three times as much at \$9.3 million from Third Quarter 2008-2009. As a result, the General Fund contribution and use of fund balance/retained earnings is at 71% of the budget at third quarter and is tracking below previous years. This trend is expected to continue throughout the year.

THIRD QUARTER ISSUES AND RECOMMENDATIONS

CHIEF EXECUTIVE OFFICE - DEPARTMENT OF JUSTICE DRUG AND ALCOHOL

The Chief Executive Office - Department of Justice Drug and Alcohol budget is requesting to decrease revenue by \$14,000 and increase the use of fund balance by \$14,000 due to a projected shortfall of fee revenue. Revenue in this budget is collected by fees that are received when individuals are convicted of driving under the influence of drugs or alcohol. Although this budget is charged for the cost of

administering drug and alcohol tests on a monthly basis from the Department of Justice, revenue to offset those costs have a significant lag time. In addition, if an individual is not convicted fees are not collected. The use of \$14,000 in fund balance is requested at this time to fund the projected revenue shortfall. The CEO-DOJ Alcohol and Drug budget is projected to end the year with approximately \$23,000 in cash. Fund balance including the requested use of \$14,000 is projected to end the year in a positive position of \$5,180.

Budget Unit	Requested			Description
	Appropriations	Revenue	Fund Balance	
Chief Executive Office- Department of Justice Drug and Alcohol	\$0	(\$14,000)	\$14,000	Increase use of fund balance as a result of decreased revenue.
Total	\$0	(\$14,000)	\$14,000	

Summary of Recommendations: It is recommended to decrease revenue by \$14,000, which will be offset by an increase use of \$14,000 in fund balance due to reduced revenue from reimbursement for drug and alcohol tests.

DISTRICT ATTORNEY

Rural Crimes Prevention Program: This program serves as a focal point to address rural and agricultural crime in Stanislaus County. Although it is required by legislation to be administered by the District Attorney's Office, the majority of the funds are used by the Sheriff's Office for personnel, equipment, vehicles, operating costs, and travel for attendance at task force meetings and to attend training. Funds for this program are administered by the California Emergency Management Agency (Cal EMA). The current budget reflects the second year of a two-year grant (2008-2009 and 2009-2010), and is in need of an increase in appropriations of \$1,313 in order to claim the full amount of the grant to fund supplies and training costs that were budgeted last year, but incurred this year. The appropriations will be funded by \$1,149 of the program's fund balance, and \$164 of additional revenue that will be claimed at the end of this budget year. This grant is anticipated to take a significant cut next year, so it is important to adjust the budget to allow the current grant amount to be fully utilized.

Budget Unit	Requested			Description
	Appropriations	Revenue	Fund Balance	
DA - Rural Crimes Prevention Program	\$1,313	\$164	\$1,149	Increase appropriations and estimated revenue to allow department to fully utilize current grant allocation.
Total	\$1,313	\$164	\$1,149	

Summary of Recommendations: It is recommended to increase appropriations by \$1,313, funded by \$164 of estimated revenue and \$1,149 of fund balance for supplies and training costs.

PUBLIC DEFENDER

The Public Defender is requesting an adjustment of \$30,000 in order to stay within appropriations at year-end. The increased costs are the result of recent salary step increases received by staff. In anticipation of the shortfall, the Department released three contract employees in March and reduced expenditures

wherever possible. This resulted in savings, however it is anticipated that the Department will still need additional appropriations in order to make the 2009-2010 Fiscal Year budget. The Public Defender projects an increase in revenue from legal fees collected by the Treasurer/Tax Collector of \$20,000 above the 2009-2010 budgeted revenue. This increased revenue will offset most of the increase in salaries.

At this time, it does not appear that the Indigent Defense budget will remain within budgeted appropriations by year-end. This budget is for non Public Defender cases. It is difficult to project out the Indigent Defense budget since charges against the fund have varied considerably from month to month this fiscal year. The rate of expenditure is largely driven by costs associated with a few high profile murder cases. The cases are costly either because they involve multiple defendants or because the death penalty is being sought. These costs tend to increase sharply if a murder case goes to trial or is about to proceed to trial in the previous month. Both March and April saw sharply increased spending and if expenditures continue unchanged for the rest of the fiscal year, the fund would be in a deficit of over \$200,000. It is requested to increase appropriations as needed up to \$200,000 by year-end to assure that the Indigent Defense Budget ends in a positive position.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Appropriations for Contingencies	
Public Defender	\$30,000	\$20,000	\$10,000	Increase in appropriations to fund salaries funded by a transfer from Appropriations for Contingencies.
Public Defender - Indigent Defense	\$200,000	\$0	\$200,000	Increase in appropriations up to \$200,000 to be funded by a transfer from Appropriations for Contingencies by year-end if needed.
Total	\$230,000	\$20,000	\$210,000	

Summary of Recommendations: It is recommended to increase appropriations by \$230,000 and estimated revenue by \$20,000, resulting in \$210,000 to be funded from a transfer from Appropriations for Contingencies. Of these funds, \$10,000 is to be transferred upon approval of this report to the Public Defender's budget for salaries and up to \$200,000 will be transferred as needed by year-end to the Indigent Defense budget for attorney fees and related expenses.

STANISLAUS REGIONAL 911

Summary of Staffing Requests and Recommendations: As part of a budget balancing strategy, Stanislaus Regional 911 is requesting to unfund three vacant positions as reflected in the table below.

STANISLAUS REGIONAL 911 DEPARTMENT STAFFING REQUESTS AFFECTING ALLOCATION COUNT						
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	REASON	RECOMMENDATION
Stanislaus Regional 911	-1	7882	Emergency Call Taker	Unfund vacancy	Revenue Loss	Unfund vacant position
Stanislaus Regional 911	-2	2314, 2317	Emergency Dispatcher	Unfund vacancies	Revenue Loss	Unfund vacant positions
SR 911 CHANGES	-3					
BEGINNING ALLOCATION	58					
CHANGES IN ALLOCATION	-3					
ENDING ALLOCATION	55					

Summary of Recommendations: The recommended change in staffing is outlined in the staffing table above.

SUMMARY

Overall, for A Safe Community appropriations are recommended to increase by \$231,313 and estimated revenue is expected to increase \$6,164. This increase in appropriations is funded by the use of \$15,149 in fund balance and a transfer of up to \$210,000 from Appropriations for Contingencies.



A Healthy Community

COUNTY DEPARTMENTS

Area Agency on Aging/Veterans' Services

Behavioral Health and Recovery Services

Child Support Services

Children and Families Commission

Community Services Agency

Health Services Agency

A Healthy Community

OVERVIEW

The Board of Supervisors priority area of A Healthy Community is vital to the quality of life for County residents. The departments assigned to this priority area are focused on protecting and promoting the health and well being of County residents including preventing disease, disability and death. Protecting emotional safety focuses on the social problems that include homelessness, incarceration and fragmented families with financial and emotional needs. The departments assigned to this priority area include: Area Agency on Aging and Veterans' Services, Behavioral Health and Recovery Services, Child Support Services, Children and Families Commission, the Community Services Agency and the Health Services Agency. The major funding sources for these programs include Federal and State funding and, where required, local discretionary funds are used primarily to match other governmental funding in support of these programs.

DEPARTMENTAL REVENUE AND EXPENDITURES

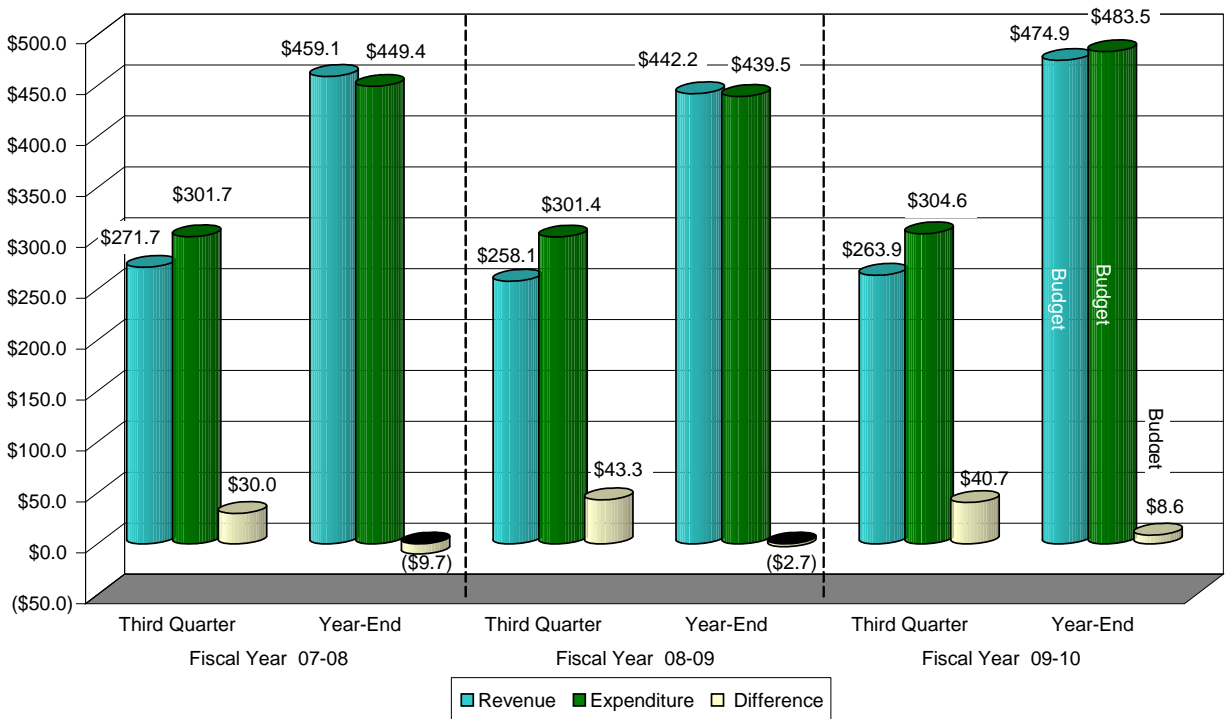
For the departmental budgets that are part of the Board of Supervisors priority area of A Healthy Community as of March 31, 2010, actual revenue is \$263.9 million, which represents 55.6% of the estimated annual revenue. This is below the range when compared to the third quarter point of the prior two years when collections were 59.2% and 58.4% of the final actual revenue. As of March 31, 2010, expenditures are \$304.6 million, representing 63% of the budgeted appropriations. Expenditures at the third quarter point of the two prior years were 67.1% and 68.6% of the final annual expenditures, placing this year's expenditures below the range.

Significant variations this year, compared to the same time period one year ago include:

- ◆ Behavioral Health and Recovery Services – Overall, a decrease in revenue of \$500,000 primarily as a result of the State's elimination of Substance Abuse and Crime Prevention Act Proposition 36 funding, and an increase in expenditures of approximately \$1 million which are primarily related to funding for audit liability and consumer price index (CPI) contingencies previously budgeted;
- ◆ Children and Families Commission – Overall, a decrease in revenue of \$1.5 million primarily as a result of decreases in interest earned and a decrease in Proposition 10 revenue due to declines in the economy and newly implemented federal tobacco taxes which are reducing the sale of tobacco products statewide; and
- ◆ Health Services Agency – Overall, an increase in revenue of \$7.8 million as a result of the March, 2009 repayment of the County's share of the graduate medical education funding recouped by the Federal Centers for Medicare and Medicaid Service (CMS), and an increase in expenditures of \$2.9 million primarily as a result of increased costs associated with the implementation of the new Electronic Medical Records and the Integrated Behavioral Health program.

The following chart provides a comparison of revenue, expenditures and the difference between the two which is funded through the use of fund balance/retained earnings. This comparison shows third quarter and year-end for a three-year period, including the current year, for the departments assigned to the Board of Supervisors priority area of A Healthy Community.

A Healthy Community Three Year Comparison



The total budgeted revenue for the departments assigned to the Board of Supervisors priority area of A Healthy Community for Fiscal Year 2009-2010 is \$474.9 million with departmental expenditures budgeted at \$483.5 million and the difference of \$8.6 million funded through the use of fund balance/retained earnings. Both revenue and expenditures are up, with revenue collections increasing by \$5.8 million and expenditures increasing by \$3.2 million over Third Quarter 2008-2009. It is anticipated that this priority area will end the year within budget.

THIRD QUARTER ISSUES AND RECOMMENDATIONS

AREA AGENCY ON AGING

The Department of Aging and Veterans' Services mission is to help seniors and veterans obtain the services and benefits they need to live secure, healthy and independent lives. As funding changes in these uncertain economic times, the Department remains focused to ensure that seniors, caregivers, disabled persons and veterans can continue to maintain the best quality of life through case management services, assistance and referrals, and community outreach.

As part of the Third Quarter Financial Report, the Department is requesting to increase appropriations and estimated revenue by \$34,803 due to an increase in the Federal Older Americans Act funding for senior services and programs. Of the total amount, funding of \$24,161 is for Title V Senior Employment training and funding of \$10,642 is for the Health Insurance Counseling and Advocacy Program (HICAP).

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
Area Agency on Aging	\$34,803	\$34,803	\$0	Increase in appropriations and revenue from Federal Older Americans Act funding for senior services and programs.
Total	\$34,803	\$34,803	\$0	

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$34,803, due to additional Federal funding for senior services.

BEHAVIORAL HEALTH AND RECOVERY SERVICES

Mental Health Services: The Department is requesting an increase in appropriations and estimated revenue of \$211,076 to reimburse the Community Services Agency (CSA) for Assembly Bill (AB) 3632 Severely Emotionally Disturbed (SED) placement costs. Available AB 3632 deferred revenue will be transferred into the Behavioral Health and Recovery Services – Mental Health Services budget to cover this cost. In addition, as part of the 2009-2010 Proposed Budget, the Department included \$20,882 in the departmental contingency account. The Department is requesting to transfer \$20,882 of appropriations from the departmental contingency account into the special departmental expense account to more appropriately classify the Department’s contingency fund.

Managed Care: The Department is requesting to increase appropriations and estimated revenue in the Behavioral Health and Recovery Services – Managed Care budget by \$250,000, funded by a transfer from the Behavioral Health and Recovery Services – Mental Health budget. This funding will be used for the resolution of issues regarding inpatient services related to Doctor’s Behavioral Health Center (DBHC). This transfer is necessary in order for already incurred expenditures to be reflected in the proper fund.

The Department is also requesting to increase appropriations by \$230,000 to cover the increased cost of inpatient usage at Doctor’s Behavioral Health Center (DBHC) and associated one-time legal fees, funded by departmental fund balance. The increased appropriations will cover the additional cost of inpatient usage at DBHC for the remainder of the current fiscal year and enable the Department to end the year within the current budget. Although the Managed Care fund currently has a negative cash balance of \$2,059,524, since it is part of the overall Mental Health budget, sufficient cash balance is available in the Behavioral Health and Recovery Services – Mental Health budget to cover the negative projection. This is consistent with the strategy used in prior years. The use of additional fund balance does not impact funding previously set aside for audit liabilities or funds designated for future capital use.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
BHRS - Mental Health	\$211,076	\$211,076	\$0	Increase in funding to reimburse CSA for SED placement costs, through the use of prior year deferred AB3632 revenue.
BHRS - Mental Health	(\$20,882)	\$0	(\$20,882)	Transfer appropriations from departmental contingency account into special departmental expense account to appropriately classify funds.
BHRS - Mental Health	\$20,882	\$0	\$20,882	Transfer appropriations into special departmental expense account from departmental contingency account to appropriately classify funds.
BHRS - Managed Care	\$250,000	\$250,000	\$0	Increase in funding from BHRS - Mental Health Services budget for incurred costs related to the resolution of issues concerning inpatient services at Doctor's Behavioral Health Center (DBHC).
BHRS - Managed Care	\$230,000	\$0	\$230,000	Increase in costs related to increased inpatient care at Doctors Behavioral Health Center, funded by departmental fund balance.
Total	\$691,076	\$461,076	\$230,000	

Summary of Recommendations: It is recommended to increase appropriations by \$691,076 and estimated revenue by \$461,076, resulting in the additional use of \$230,000 of departmental fund balance for increased cost for inpatient usage of DBHC.

COMMUNITY SERVICES AGENCY

The Community Services Agency (CSA) continues to experience increased caseloads and program growth as people seek help with food, shelter, cash assistance and employment. As of third quarter, the Agency is serving about one in three members of the County, or 29.9% of Stanislaus County's population. This is an increase from midyear, when the Agency was assisting one in four people in the community. As a result, CSA is requesting an overall increase in County Match of \$279,223 for increases in Public Assistance, In-Home Supportive Services provider wages and health benefits.

As a result of the Governor's January budget, the Department expects to receive post mid-year allocation augmentations in recognition of caseload growth: approximately \$1 million for Food Stamp Administration and approximately \$56,000 for In Home Supportive Services (IHSS). The Department is unable to access these additional allocated funds due to the lack of General Fund support for mandated County Match. Surplus allocations equate to \$4.7 million for Food Stamps and \$771,120 for IHSS at this third quarter submission; a total of \$5.5 million loss to the local economy.

A new strategy has been developed to use a portion of the surplus Food Stamp funding to benefit the community without impact to the County General Fund. This strategy is implemented through a new partnership with the Yosemite Community College District (YCCD). Essentially, CSA and YCCD partner on Welfare to Work (WtW) support for customers requiring a community college education to obtain employment. Through this partnership, YCCD will provide services and waive the reimbursement from the State while certifying that they have covered the services with funds that meet the criteria for local match. State reimbursement of the YCCD services will be made to CSA who can then use these funds to leverage Food Stamp funds for outreach efforts to expand access to food stamps and improve health and nutrition in the community. Financial support for this partnership and the leveraging model with claim instructions is provided through the California Department of Social Services, which allocates funds for both CalWORKs

and food stamps with one joint Maintenance of Effort (MOE). Only the WtW portion of the partnership is factored within this third quarter recommendation at an estimated \$200,000; existing appropriations were sufficient to support this agreement. The Department will return to the Board of Supervisors separately with details of the Food Stamp Outreach program to be implemented by Fiscal Year 2010-2011.

The California State Budget Act of 2009 included funding for counties' use in fraud investigation and program integrity efforts related to the In-Home Supportive Services (IHSS) program, as well as funding for additional fraud investigators at the State level. However, even with additional staff, the State is not equipped to handle the high volume of IHSS fraud investigations statewide. Effective November 24, 2009, the Board of Supervisors approved the CSA plan for Fraud Investigations and program integrity efforts for the IHSS program and authorized the Department to participate in a pilot program for the period of January to June of 2010. Delays in hiring temporary staff for the pilot program along with reduced equipment costs to support the program have provided savings of \$15,613 at the county share level. The full county share of cost for the pilot, \$64,466, was provided through CSA fund balance at inception and remains dedicated to IHSS Fraud support through June 2010. The Department requests to roll forward the actual savings in fund balance at fiscal year-end to support the pilot through September 30, 2010. Preliminary results of the pilot program are very promising and actual IHSS program savings have been generated through detection, identification and elimination of some providers from the program. It is too early to provide an accurate estimate of the incidence of fraud and/or a sustainable return on investment. As such, CSA proposes to support the pilot through the first quarter of Fiscal Year 2010-2011; State/Federal funding is available for the entire fiscal year. The Department will provide a report to the Board of Supervisors by August of 2010 highlighting the pilot results and making a recommendation as to the closeout or extension of the pilot into an ongoing program effort.

Consistent with past practice, the Department requests authority to make transfers among CSA budgets to mitigate any potential impacts to the County General Fund and ensure the overall CSA budget ends the year in a positive position.

Detailed analysis of realignment revenue trends was completed throughout the third quarter review process. No changes have been recommended to the realignment funds forecast at this time. Sales tax receipts which contribute to Social Services realignment fluctuate greatly from month to month and have been on a steady decline over the past four fiscal years with a noticeable change in the past three months to stabilize and even show slight growth in the month of March 2010 over March 2009. CSA will continue to monitor sales tax and realignment closely since this revenue stream provides over half the mandated county share of total CSA programs, which includes 27% of the mandated county share within Program Services and Support.

Public Economic Assistance: This budget provides cash aid to Stanislaus County families eligible for temporary economic assistance and to children requiring out-of-home placement on a temporary or permanent basis. The Public Economic Assistance Programs are entitlement programs that provide a prescribed level of aid payments to recipients once an eligibility determination is made.

In the CalWORKs program, which includes Temporary Assistance to Needy Families (TANF) welfare payments, the Department is requesting a decrease in appropriations of \$1,789,139 and estimated revenue of \$1,744,411 resulting in a decreased county share of \$44,728 to the Department's fund balance, as a result of a decrease in the average caseload and average grant. This decrease reflects the slowing growth trend experienced in the last eight months.

The Refugee Cash Assistance program reflects a slowing growth trend with a decrease in average monthly caseload, offset by an increase in the average grant amount. Accordingly, the Department is requesting a decrease in appropriations and estimated revenue of \$274,157. The program is completely Federally funded, and recognition of these changes to the existing program will have no impact on the General Fund.

In the Cash Assistance for Immigrants program, as a result of decreases in the average caseload and average grant, the Department is requesting a decrease in appropriations and estimated revenue of \$751,942. The program is completely Federally funded, and recognition of these changes to the existing program will have no impact on the General Fund.

The Department is also requesting an increase in appropriations of \$631,957 and estimated revenue of \$395,315 in the Foster Care program, resulting from the United States District Court-Ordered increase of the Group Home (GH) rates paid under the California's Rate Classification Level (RCL) system to reflect the California Necessities Index (CNI) increases from 1990-1991 through 2009-2010 retroactive to December 14, 2009. The average GH rate increase of 33% is projected to increase the County share by \$236,642. The average monthly caseload remains at the mid-year level of 548 and the average monthly grant increased by \$97.44 to \$1,659.73. As a result of this court decision, the General Fund contribution to this program will increase by \$225,683, funded through County Match. When the Department closes its financial records for Fiscal Year 2009-2010, any savings that materialize will be returned to the General Fund.

In the Adoptions Assistance Program (AAP), as a result of an increase in the average caseload and no change in the average grant, the Department is requesting an increase in appropriations of \$93,759 and estimated revenue of \$103,097 resulting in a decreased county share of \$9,338 to the departmental fund balance.

In the Kinship Guardianship Assistance Payment program due to increases in average caseload offset by decreases in the average grant, the Department is requesting an increase in appropriations of \$19,677 and estimated revenue of \$11,879 over the mid-year resulting in a request for an increased county share of \$7,798 from departmental fund balance.

The Department is requesting to decrease estimated revenue by \$113,865 from child support collections, resulting in the increased use of departmental fund balance. These funds represent the local county share benefit of child support collections for families on aid or that previously received aid. The overall decrease reflects the actual recoupment experienced over the last eight months.

The Department is requesting to increase estimated revenue by \$78,555 from Behavioral Health and Recovery Services to support the CSA – Seriously Emotionally Disturbed (SED) mandated County share. This will result in a corresponding decrease in the use of departmental fund balance.

It is important to note in the current year projections for Foster Care and AAP, the American Recovery and Reinvestment Act (ARRA) FMAP revenue at third quarter is \$324,266 in local County Match obligation. This savings is already factored within the Third Quarter 2009-2010 revenue projections. In the absence of ARRA FMAP the county share would be increased and the third quarter request for additional General Funds would be \$549,949. The ARRA FMAP funding is anticipated to expire December 31, 2010.

Seriously Emotionally Disturbed Children (SED): The Department is requesting an increase in appropriations of \$46,964 resulting from the U.S. District Court Ordered increase of the Group Home (GH) rates paid under the California's Rate Classification Level (RCL) system to reflect the California Necessities Index (CNI) increases from 1990-1991 through 2009-2010, retroactive to December 14, 2009. The average grant will increase to \$7,798.29, which reflects the 32% increase of the GH rate. The SED caseload is trending lower at third quarter at an average of 5.6 cases per month. This on-going appropriation will support SED through June 30, 2010.

Consistent with expenditure levels, the Department is requesting an increase in estimated revenue of \$18,786 in State funding. The SED program is an open ended State entitlement program with a 40% State share.

CSA is fortunate that the Behavioral Health and Recovery Services (BHRS) has undesignated advanced revenue from Senate Bill 90 that will be budgeted to support SED placements through June 30, 2010. SB 90 revenue can be used to support mandated programs where the State has not provided adequate funding. The Department is requesting to increase estimated revenue by \$177,153 from BHRS to support SED mandated County share.

CSA and BHRS had each contributed funding at mid-year to support SED and mitigate an unmet need of \$67,846. As a result of the increased SB 90 funds, it is requested to decrease estimated revenue by \$33,923 from the CSA Services and Support budget. These funds are no longer needed for SED and will assist the Department in balancing other revenue shortfalls without negative impact to the General Fund.

Additionally, it is requested to reduce estimated revenue by \$36,497 in realignment funding. The increased SB90 funds will eliminate the Department's need to use fund balance to cover an over-allocation of realignment to the Health Services Agency's California Children's Services (CCS).

Finally, the Department is requesting an increase in appropriations of \$78,555 to fund the CSA – Public Economic Assistance budget to support mandated local match requirements mitigating negative impacts to the County General Fund.

County Children's Fund: The Department has completed a third quarter review of the County Children's Fund budget and is requesting an increase in appropriations of \$54,871, funded by departmental fund balance. Fund balance in this budget can be used to provide County Match to leverage Federal and State allocations for the prevention, intervention, and treatment of child abuse and neglect through contracts with local non-profit agencies. The requested funds will be used to support child and family services program contracts in the CSA – Services and Support budget.

The Department requests authorization to redirect fund balance savings to other CSA budgets prior to the close of Fiscal Year 2009-2010 to ensure a positive position and mitigate impacts to the County General Fund and any remaining County Match amounts will go back to the General Fund after the reduction.

In-Home Supportive Services (IHSS) Public Authority Benefits Administration: This budget includes the direct costs of the Individual Provider (IP) Medical Benefits Plan. Under the approved labor agreement with United Domestic Workers of America (UDWA), the County will contribute up to \$0.60 per IP paid hour for health benefits. Health benefits are available to individual providers who work 75 hours or more per month

for three consecutive months. The number of providers that can receive benefits are dependent on the total annual individual provider paid hours and the determined monthly health premium.

The Fiscal Year 2009-2010 Third Quarter Report projection is based on seven months of actual expenditures and an estimate of five months based on current trends, which include a caseload growth of 5.4% at fiscal year-end. The estimated IHSS IP paid hours increased by 81,310 to 5,467,676 from the Fiscal Year 2009-2010 Mid-Year Report projection level of 5,386,366, which was based on the original UDWA agreement.

The IHSS IP health benefit premium increased by 15.4% from \$537.46 to \$620.40 per month effective April 1, 2010 and this rate increase was just confirmed and approved by UDWA for this new enrollment period. It is requested to increase appropriations by \$123,786 and estimated revenue by \$42,122 of State and Federal funding for the health premium increase. Additionally, an increase in estimated revenue of \$75,000 from provider premium reserves is requested. The Department is also requesting a decrease in appropriations and estimated revenue of \$93,000 for American Recovery and Reinvestment Act (ARRA) COBRA subsidy payments that have not materialized. Finally, the Department is requesting an increase in County Match funds of \$6,664 to fully cover the mandated County share of the required health premium increase.

In-Home Supportive Services (IHSS) Provider Wages: This budget contains the full cost of the mandated IHSS individual provider wages, funded by Federal, State and County funds. Current wages are \$9.38 per hour as authorized by the Board of Supervisors in the labor agreement with United Domestic Workers of America (UDWA). The current labor agreement is set to expire on September 30, 2010.

The Department has completed a thorough review of the CSA – In-Home Supportive Services (IHSS) Provider Wages budget and is requesting an increase in appropriations of \$343,270 and an increase in estimated revenue of \$296,394, based on increased paid hours. The estimated IHSS Individual Provider (IP) paid hours increased by 81,310 hours to 5,467,676 hours from the Fiscal Year 2009-2010 Mid-Year Report projection level of 5,386,366 hours, which was based on the original UDWA agreement. The current projection is based on seven months of actual expenditures and an estimate of five months based on current trends, which include a caseload growth of 5.4% at fiscal year-end. Finally, the Department is requesting an increase in County Match funds of \$46,876 to fully cover the mandated County share of the individual provider wages.

Court orders continue to delay implementation of several State budget Fiscal Year 2009-2010 regulations affecting IHSS customers with functional index (FI) scores less than two (2) and domestic and related services under FI of 4 which were designed to reduce this program's cost. As a result, no savings have been factored into IHSS Provider Wages at this time and services continue for approximately 6,100 eligible elderly and disabled customers.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
CSA - Public Economic Assistance	(\$1,789,139)	(\$1,744,411)	(\$44,728)	Decrease in CalWORKs average caseload and average grant amount.
CSA - Public Economic Assistance	(\$274,157)	(\$274,157)	\$0	Decrease in Refugee Cash Assistance average caseload offset by an increase in average grant amount.
CSA - Public Economic Assistance	(\$751,942)	(\$751,942)	\$0	Decrease in Cash Assistance Program for Immigrants average caseload and average grant amount.
CSA - Public Economic Assistance	\$631,957	\$620,998	\$10,959	Increase in Foster Care average grant amount due to court-ordered increase in Group Home Rates; funded by State and Federal funding, an increase of \$225,683 in County Match and \$10,959 in departmental fund balance.
CSA - Public Economic Assistance	\$93,759	\$103,097	(\$9,338)	Increase in Adoptions Assistance Program average caseload and align County share with current experience.
CSA - Public Economic Assistance	\$19,677	\$11,879	\$7,798	Increase in Kinship Guardianship Assistance Payment Program average caseload offset by a decrease in average grant amount.
CSA - Public Economic Assistance	\$0	(\$113,865)	\$113,865	Decrease in child support collections revenue.
CSA - Public Economic Assistance	\$0	\$78,555	(\$78,555)	Increase in funding from CSA - Seriously Emotionally Disturbed budget to support local match requirements.
CSA - Seriously Emotionally Disturbed Children	\$46,964	\$18,786	\$28,178	Increase in Group Home rates offset by increase in State funding.
CSA - Seriously Emotionally Disturbed Children	\$0	\$177,153	(\$177,153)	Increase in funding from BHRS - SB90 Revenue to support Seriously Emotionally Disturbed program placements.
CSA - Seriously Emotionally Disturbed Children	\$0	(\$33,923)	\$33,923	Decrease in funding from CSA - Services and Support due to BHRS - SB90 Revenue.
CSA - Seriously Emotionally Disturbed Children	\$0	(\$36,497)	\$36,497	Decrease in Realignment revenue.
CSA - Seriously Emotionally Disturbed Children	\$78,555	\$0	\$78,555	Increase in funding for CSA - Public Economic Assistance budget to support local match requirements.
CSA - County Children's Fund	\$54,871	\$0	\$54,871	Increase in funding for CSA - Services and Support for local match support in Children's Programs.
CSA - Public Authority Benefits	(\$93,000)	(\$93,000)	\$0	Decrease in ARRA COBRA subsidy payments and funding.
CSA - Public Authority Benefits	\$123,786	\$48,786	\$75,000	Increase appropriations to cover June 2010 IHSS Provider health benefits; funded by State and Federal funding, an increase of \$6,664 in County Match, and \$75,000 in departmental fund balance.
CSA - Public Authority Benefits	\$0	\$75,000	(\$75,000)	Increase estimated revenue using health premium reserves.
CSA - IHSS Provider Wages	\$343,270	\$343,270	\$0	Increase in appropriations to cover June 2010 IHSS Provider wages funded State and Federal funding and an increase of \$46,876 in County Match.
Total	(\$1,515,399)	(\$1,570,271)	\$54,872	

Summary of Staffing Requests and Recommendations: The Department is reorganizing the administrative support unit in recognition of changed workload and staffing levels in this unit. The reorganization plan is meant to serve as a solution to eliminate the need to have a unit of Confidential Assistant staff in the administrative area, and allow each Assistant Director the opportunity to supervise and maximize the work of their Confidential Assistants. As a result of this reorganization, the Department has

requested that the supervisory position be reviewed and appropriately classified. The classification of this position will be reviewed and a recommendation made with the Fiscal Year 2010-2011 Proposed Budget.

COMMUNITY SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION						
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	REASON	RECOMMENDATION
CSA-Services & Support	1	7124	Confidential Assistant V	Reclassify downward	Reorganization	Study

Summary of Recommendations: It is recommended to decrease appropriations by \$1,515,399 and estimated revenue by \$1,570,271 (including \$279,233 from County Match), resulting in the additional use of \$54,872 in departmental fund balance.

HEALTH SERVICES AGENCY

Clinics and Ancillary Services: The Health Services Agency – Clinics and Ancillary Services budget is receiving increased Federal funding as a result of receiving enhanced revenues from the Federally Qualified Health Center Look-Alike (FQHC-LA) designation in September 2007. At the close of Fiscal Year 2008-2009, the Department had a one-time savings of \$1.2 million of unused County Match funds as a result of the increase in Federal funding. At this time, the Department is requesting to decrease estimated revenue by \$1.2 million of County Match funding in order to return the unused match funds to the General Fund.

Health Coverage and Quality Services: As part of the 2009-2010 Proposed Budget, the Board of Supervisors approved the dissolution of the HSA – Health Coverage and Quality Services budget. At this time the Department is requesting to increase appropriations by \$522,418 in order to transfer remaining departmental fund balance to the HSA – Indigent Health Care Program and Public Health budgets.

Indigent Health Care Program: On March 30, 2010 the Board of Supervisors approved the rescission of the reduction to the income limits at which patient cost sharing applies and the increase in patient cost sharing specifically for major restorative dental services in the Medically Indigent Adult (MIA) Program that had previously been approved by the Board of Supervisors in October of 2009. These changes have resulted in increased exposure to the program. The Department is requesting to increase appropriations by \$365,562 as a result of the MIA Program changes. The Department is also requesting to decrease estimated revenue by \$384,350 to reflect the continued decline in realignment revenue. Finally, the Department is requesting to increase estimated revenue by \$643,009 from the HSA – Health Coverage and Quality Services budget. This will result in the use of \$106,903 in departmental fund balance.

Public Health: The Department is requesting to increase estimated revenue by \$119,936 from the HSA – Tobacco Education Trust. These funds will be used for prior fiscal year expenditures that were not previously accrued or reimbursed to the HSA – Public Health budget for the Tobacco Education Program.

Public Health- Local Preparedness: The HSA – Public Health-Local Preparedness budget was set up as a Trust Fund per State requirements for the advance receipt of emergency preparedness funding. The operational activities required to receive the funding are performed and expenses incurred in the HSA – Public Health budget. The Department is requesting to increase appropriations by \$305,133 from departmental fund balance in order to reimburse Public Health for services rendered.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
HSA - Clinics and Ancillary	\$0	(\$1,200,000)	\$1,200,000	Decrease County Match for repayment to the General Fund.
HSA - Health Coverage and Quality Services	\$522,418	\$0	\$522,418	Increase in appropriations to offset costs in HSA - Public Health and HSA - Indigent Health Care budgets.
HSA - Indigent Health Care Program	\$365,562	\$0	\$365,562	Change in MIA share of cost and copay policy.
HSA - Indigent Health Care Program	\$0	(\$384,350)	\$384,350	Decrease in realignment revenue.
HSA - Indigent Health Care Program	\$0	\$643,009	(\$643,009)	Increase in revenue from HSA - Health Care and Quality Services.
HSA - Local Public Health Preparedness	\$305,133	\$0	\$305,133	Increase in funding for HSA - Public Health for prior year costs of emergency preparedness.
HSA - Public Health	\$0	\$119,936	(\$119,936)	Increase in revenue from HSA - Tobacco Education trust fund.
Total	\$1,193,113	(\$821,405)	\$2,014,518	

Summary of Recommendations: It is recommended to increase appropriations by \$1,193,113 and to decrease estimated revenue by \$821,405. This results in a use of additional departmental fund balance of \$2,014,518.

SUMMARY

Overall, appropriations for A Healthy Community are recommended to increase by \$403,593 and estimated revenue is recommended to decrease \$1,895,797 respectively. This is funded by \$2,299,390 of departmental fund balance/retained earnings. This budget includes the return of \$1.2 million of unused County Match from the Health Services Agency and an increase in County Match of \$279,223 for the Community Services Agency.



A Strong Local Economy

COUNTY DEPARTMENTS

Alliance Worknet
Library

A Strong Local Economy

OVERVIEW

The Board of Supervisors priority area of A Strong Local Economy recognizes the critical role that County government can play in creating a local economy that promotes, protects, and sustains our agricultural economies while providing for broader, more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Job creation, providing a wide range of employment and training services, providing educational and recreational opportunities and resources, promoting tourism, and providing a solid information technology infrastructure to support E-government are key aspects of A Strong Local Economy. Departments and programs assigned to this priority area include: Alliance Worknet, Chief Executive Office - Economic Development Bank, and the Library. The Alliance Worknet's major funding source is Federal funds, while the Library is supported by a dedicated 1/8-cent sales tax and a contribution from the General Fund.

DEPARTMENTAL REVENUE AND EXPENDITURES

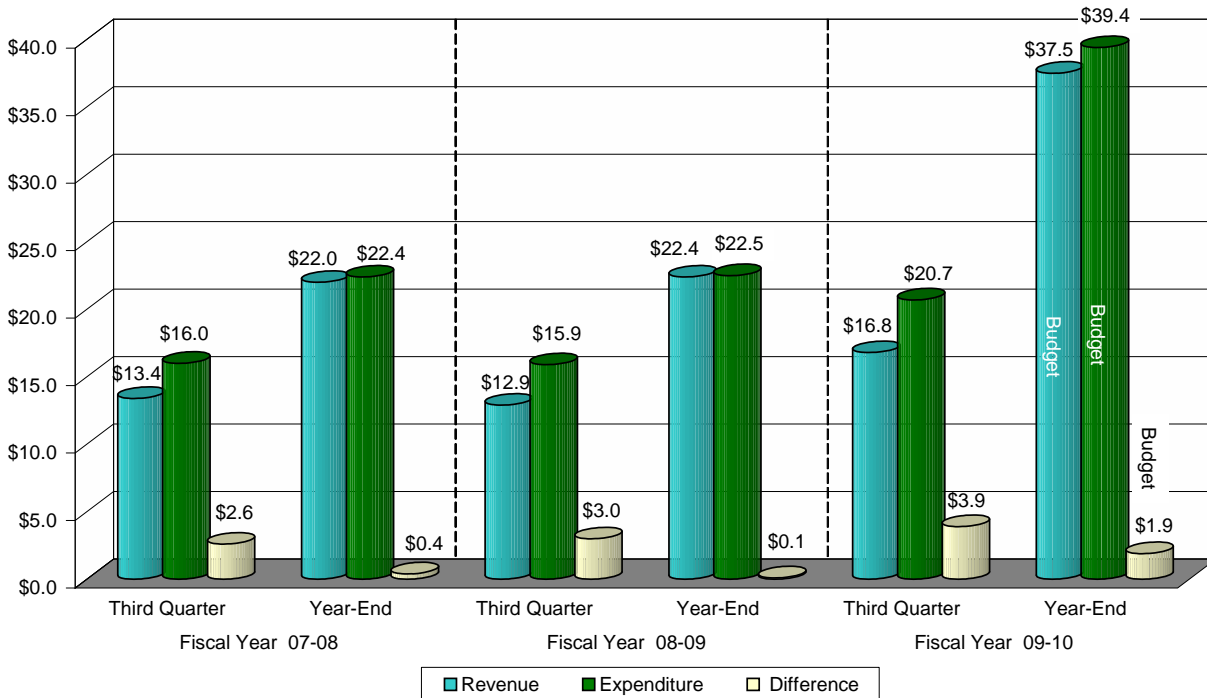
For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Local Economy as of March 31, 2010, actual revenue collected is \$16.8 million, which represents 44.9% of the estimated annual revenue. This is below the range, due to the timing of revenue receipts in the current fiscal year, when compared to third quarter of the prior two years when collections were 60.9% and 57.7% of the final actual revenue. As of March 31, 2010, expenditures are \$20.7 million, representing 52.6% of the budgeted appropriations. Expenditures at third quarter of the prior two years were approximately 71% of the final actual expenditures, placing this year's expenditures below the range.

Significant variations this year, compared to the same time period one year ago include:

- ◆ Alliance Worknet and Alliance StanWORKs – A combined increase in revenue and expenditures of approximately \$4.70 million and \$5.53 million from American Recovery and Reinvestment Act funding to implement the summer youth program and increased job training and assistance for dislocated workers as well as timing differences in reimbursement from the State; and
- ◆ Library – A continued decline, in part, due to unrealized sales tax revenue of approximately \$782,000 and, in response, reduced expenditures resulting in a decrease of approximately \$748,000.

The following chart provides a comparison of revenue, expenditures and the difference between the two which is funded through the use of fund balance/retained earnings. This comparison shows third quarter and year-end for a three-year period, including the current year, for the departments assigned to the Board of Supervisors priority area of A Strong Local Economy:

A Strong Local Economy Three Year Comparison



The total budgeted revenue for the departments assigned to the Board of Supervisors priority area of A Strong Local Economy for Fiscal Year 2009-2010 is \$37.5 million with departmental expenditures budgeted at \$39.4 million and the difference of \$1.9 million funded through the use of fund balance/retained earnings. Both revenue and expenditures are up, with revenue collections increasing by \$3.9 million and expenditures increasing by \$4.8 million over Third Quarter 2008-2009. It is anticipated that this priority area will end the year within budget.

THIRD QUARTER ISSUES AND RECOMMENDATIONS

LIBRARY

The Library continues to evaluate its operations in response to the steady decline in sales tax revenue and the increase in the cost of doing business and demand for services. The analysis is based on estimated revenue projections for the next thirty-six months before the 1/8-cent sales tax will sunset on June 30, 2013. The Library anticipates that there will not be sufficient revenue, due to current economic conditions, to maintain the same level of staffing in Fiscal Year 2010-2011 and beyond. To address this structural

deficit, the Library made recommendations to the Board of Supervisors on April 27, 2010, to make necessary staffing reductions and modifications to the branch operating hours. Specifically, the Board of Supervisors approved the reduction-in-force of nine filled positions and the deletion of four vacant positions in the Library. The Library's operating hours were also revised to close the Modesto and Keyes libraries on Fridays and also align the closure of all branches on this day for operational efficiency purposes.

The Library has also received interest from City partners in working together to improve Library facilities and services in their respective areas. The current 1/8-cent sales tax provides funding for operational costs but not long-term system or infrastructure improvements. As such, funding sources, in addition to the current local support, is necessary to meet the Library's long-term needs. The Library, with assistance from the Chief Executive Office, has determined that the development a long-term comprehensive library strategic plan would assist in identifying operational efficiencies as well the appropriate funding mechanisms for implementation. The plan is envisioned to include input from stakeholders that will define actionable recommendations and a results-based plan of service to meet the future needs of the library system. The plan is further expected to enable the Library to serve customers more fully, deliver services more efficiently through the use of technology, and position the Library to target new revenue streams and partnerships. Funding for the execution of a contract with Ruth Metz Associates in the amount of \$120,000, through a transfer from the Public Facility Fees program, is requested as part of third quarter to commence this formal strategic planning effort. The Public Facility Fees Committee has previously approved the use of the funds for this purpose.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
Library	\$120,000	\$120,000	\$0	Increase in contract for library strategic plan through Public Facilities Fees Administration Fund.
Total	\$120,000	\$120,000	\$0	

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$120,000 to establish the budget for the execution of a contract for developing a long-term comprehensive library strategic plan funded through a transfer from Public Facilities Fees.

SUMMARY

Overall, appropriations and estimated revenue for A Strong Local Economy are recommended to increase by \$120,000. The increase is attributable primarily to a transfer from the Public Facilities Fees program for a contract to develop a long-term comprehensive library strategic plan.



A Strong Agricultural Economy/Heritage

COUNTY DEPARTMENTS

Agricultural Commissioner
Cooperative Extension

A Strong Agricultural Economy/Heritage

OVERVIEW

The Board of Supervisors priority area of A Strong Agricultural Economy/Heritage recognizes the vital role of the County's number one industry that generates over \$2 billion a year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of our unique agriculture heritage are key aspects of A Strong Agricultural Economy/Heritage. Departments assigned to this priority area include: Agricultural Commissioner's Office and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the University of California system.

DEPARTMENTAL REVENUE AND EXPENDITURES

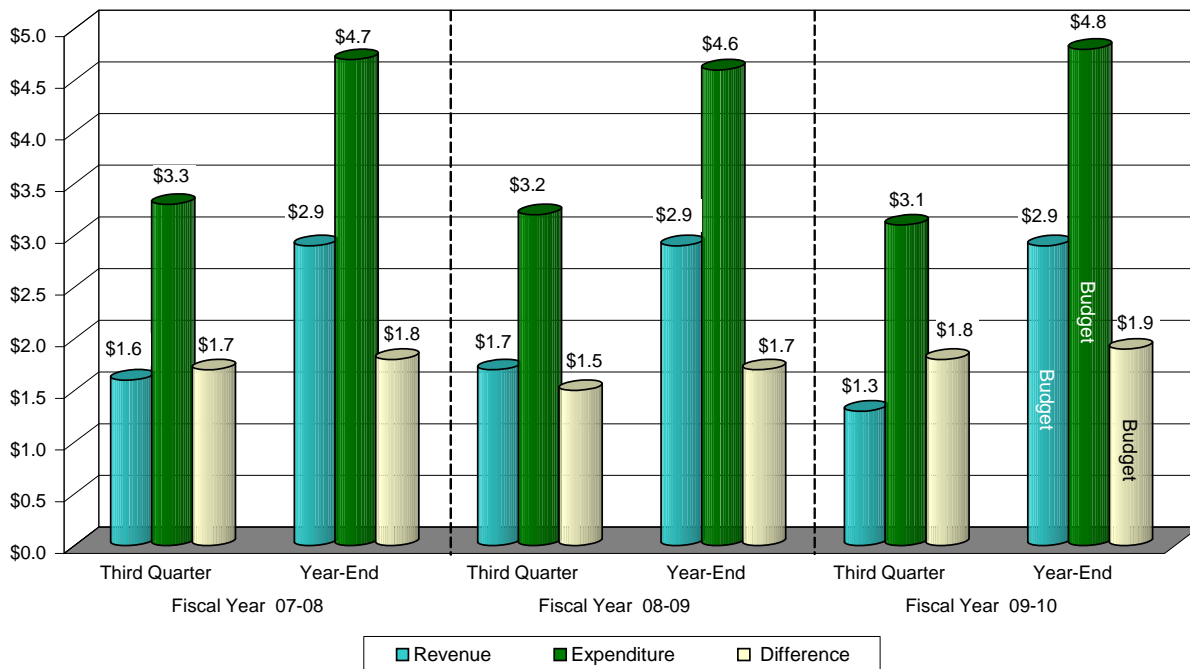
For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage as of March 31, 2010, actual revenue collected is \$1.3 million, which represents 43.9% of the estimated annual revenue. This is well below the range when compared to third quarter of the prior two years when collections were 54.9% and 58.1% of the final actual revenue. As of March 31, 2010, expenditures are \$3.1 million, representing 65.2% of the budget appropriations. Expenditures at the third quarter point of the prior two years were approximately 70% of the final actual expenditures, placing this year's expenditures below the range.

Significant variations this year, compared to the same time period one year ago include:

- ◆ Agricultural Commissioner's Office – Approximately \$432,000 less in estimated revenue than the prior year due to a delay in revenue receipts from the State and a decline in expenditures of nearly \$92,000 due to the purchase of replacement vehicles and equipment in Fiscal Year 2008-2009.

The following chart provides a comparison of revenue, expenditures and the difference between the two which is funded through a General Fund contribution or the use of fund balance/retained earnings. This comparison shows third quarter and year-end for a three-year period, including the current year, for the departments assigned to the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage.

A Strong Agricultural Economy/Heritage Three Year Comparison



The total budgeted revenue for the departments assigned to the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage for Fiscal Year 2009-2010 is \$2.9 million with departmental expenditures budgeted at \$4.8 million and the difference of \$1.9 million funded through the use of fund balance/retained earnings. This General Fund contribution and use of fund balance/retained earnings is slightly above Third Quarter 2008-2009, however, it is anticipated that this priority area will end the year within budget.

THIRD QUARTER ISSUES AND RECOMMENDATIONS

COOPERATIVE EXTENSION

Cooperative Extension anticipates ending the year within budget. The Department has requested one-time funding to cover the retirement cash out of \$11,775 for the Confidential Assistant IV effective June 30, 2010. Furthermore, the Department is requesting funding in the amount of \$5,000 to double-fill this position for three weeks, as per County policy, to allow ample time for training on both County and University of California processes and procedures. In total, Cooperative Extension requested funding in the amount of \$16,775 as part of third quarter.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Appropriations for Contingencies	
Cooperative Extension	\$16,775	\$0	\$16,775	Retirement cashout costs and three week double fill through Appropriations for Contingencies for Confidential Assistant IV.
Total	\$16,775	\$0	\$16,775	

Summary of Recommendations: It is recommended to increase appropriations in the amount of \$16,775 funded through Appropriations for Contingencies for retirement cash out costs and to double-fill the position for three weeks to allow for training and effective transition.

SUMMARY

Overall, appropriations for A Strong Agricultural Economy/Heritage are recommended to increase \$16,775 funded by a transfer from Appropriations for Contingencies.



A Well-Planned Infrastructure System

COUNTY DEPARTMENTS

Environmental Resources

Parks and Recreation

Planning and Community Development

Public Works

A Well-Planned Infrastructure System

OVERVIEW

The Board of Supervisors priority area of A Well-Planned Infrastructure System is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal, and regional approaches to transportation circulation are critical to A Well-Planned Infrastructure System. Departments assigned to this priority area include: Environmental Resources, Parks and Recreation, Planning and Community Development, and Public Works. Environmental Resources and Planning and Community Development's Building Services Division are supported primarily through fees and charges for services. The General Fund primarily funds the Parks and Recreation Department and Planning and Community Development's Planning Division. The Planning and Community Development's Community Development Division and the Redevelopment Agency are funded by special revenue grants and tax increment payments. The Public Works Department's primary sources of funding are derived from charges for services and State and Federal funding for transportation and roads.

DEPARTMENTAL REVENUE AND EXPENDITURES

For the departmental budgets that are part of the Board of Supervisors priority area of A Well-Planned Infrastructure System as of March 31, 2010, actual revenue collected is \$46.5 million, which represents 41.4% of the estimated annual revenue. This is lower than the range when compared to third quarter of the prior two years when collections were 67.3% and 61.6% of the final actual revenue. As of March 31, 2010, expenditures are \$69.2 million, representing 40.6% of the budgeted appropriations. Expenditures at the third quarter of the prior two years were 72.6% and 73.8% of the final actual expenditures, placing this year's expenditures below the range.

Significant variations this year, compared to the same time period one year ago include:

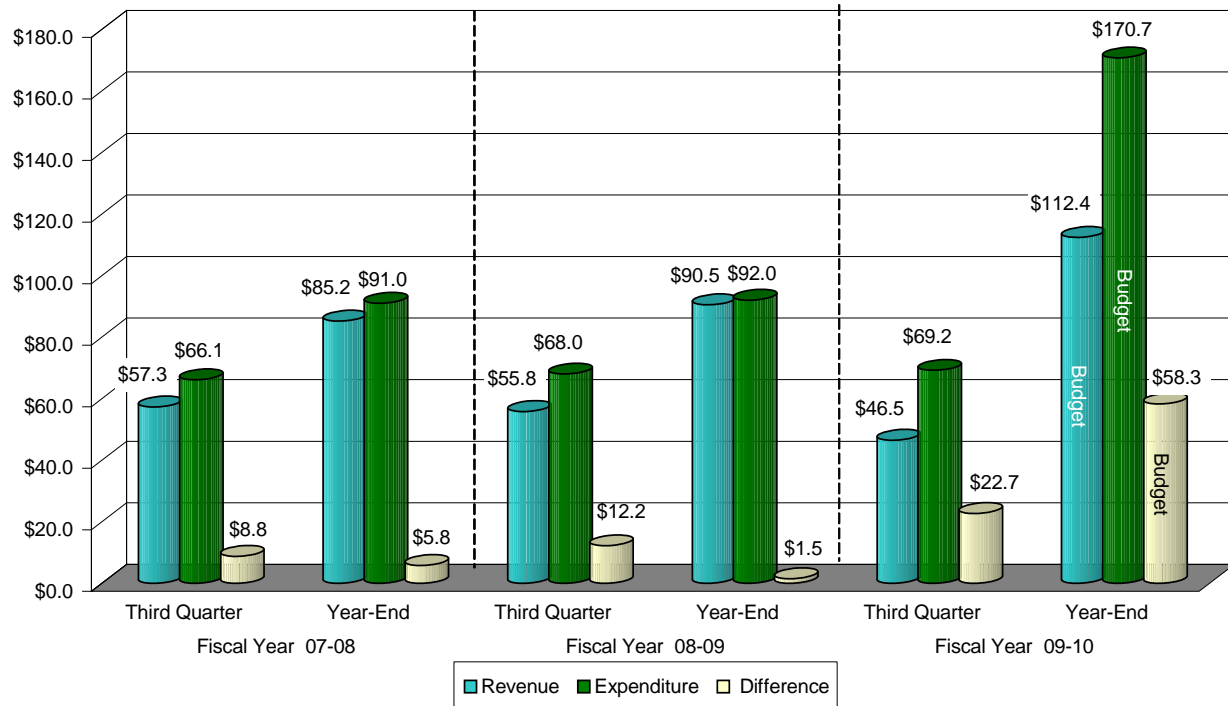
- ◆ Department of Environmental Resources Fink Road Landfill – A decline in revenue compared to the same period last year in the amount of \$922,000 due to the ending of the I-5 Ranch lease, decreased tonnage coming into the landfill as a result of the declining economy, and an increase in expenditures of \$3.8 million due to the beginning of the planned Cell No. 5 construction;
- ◆ Department of Environmental Resources Waste-to-Energy Program – A decrease in expenditures of \$10.5 million due to the Fiscal Year 2008-2009 early redemption of the Series 2000 Refunding Revenue Certificates;
- ◆ Redevelopment Agency – A decline in revenue of \$1.2 million due to the Keyes Community Services District's one-payment for the Keyes Improvement Project (Storm Drain System) and a decline in property tax increment. This revenue was received in Fiscal Year 2008-2009 for the construction

project currently underway. The Department experienced an increase in expenditures of \$10.7 million associated with the Keyes Improvement Project (Storm Drain System). The project is slated for completion at the end of the fiscal year;

- ◆ The Planning and Community Development Department Special Revenue Grants received \$7.1 million in additional revenue in the form of a grant award from the Neighborhood Stabilization Program. The Department experienced an increase in expenditures of \$6.2 million in support of community development programs including housing acquisition, rehabilitation and down-payment assistance;
- ◆ The Department of Public Works Morgan Shop Division - A decline in revenue and expenditures of \$762,000 and \$1.4 million, respectively, due to reduced equipment rental, fewer requests for repair services, and lower fuel costs and usage; and
- ◆ The Department of Public Works Road and Bridge – A decrease in revenue of \$13.9 million due to the delay of State of California’s Proposition 42 funds and Highway User’s Tax (HUTA) receipts. Proposition 42 revenue receipts are typically received on a quarterly basis while HUTA is received monthly. Unfortunately, the State’s Fiscal Year 2009-2010 budget defers the HUTA for the months of July through September, and the first two quarters of Proposition 42 funds. The Department reduced expenditures by approximately \$4.9 million in response to the significant deferral of revenue from Proposition 42 funds and Highway User’s Tax (HUTA) receipts. Road construction projects were postponed until Spring 2010 to ensure the availability of local match funds.
- ◆ The Department of Public Works Kaiser Voluntary Contribution – A decrease in expenditures of nearly \$2 million that materialized in Fiscal Year 2008-2009 for the Project Approval and Environmental Document (PA&ED) Phase of the Kiernan Avenue Interchange and Hammett Road Interchange Projects. This revenue was a result of Kaiser’s Voluntary Contribution to traffic improvements in the North Modesto area near their facility.

The following chart provides a comparison of revenue, expenditures and the difference between the two which is funded through a General Fund contribution or the use of fund balance/retained earnings. This comparison shows third quarter and year-end for a three-year period, including the current year, for the departments assigned to the Board of Supervisors priority area of A Well Planned Infrastructure System.

A Well-Planned Infrastructure System Three Year Comparison



The total budgeted revenue for the departments assigned to the Board of Supervisors priority area of A Well-Planned Infrastructure System for Fiscal Year 2009-2010 is \$112.4 million with departmental expenditures budgeted at \$170.7 million and the difference of \$58.3 million funded through the use of fund balance/retained earnings. Revenue collections have decreased by \$9.3 million and expenditures have increased slightly by \$1.2 million over Third Quarter 2008-2009. It is anticipated that this priority area will end the year within budget.

THIRD QUARTER ISSUES AND RECOMMENDATIONS

ENVIRONMENTAL RESOURCES

Fink Road Landfill: The Department has requested a one-time increase in appropriations of \$200,000, funded through available program retained earnings, to cover increased farm management expenses associated with I-5 Ranch. On December 8, 2009, the Board of Supervisors authorized the Director of Environmental Resources to negotiate and sign a contract for farm management services with M.A. Garcia Agrilabor, Inc. In the current year, expenses are tracking higher than anticipated which warrants the adjustment to budget.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
Environmental Resources - Fink Road Landfill	\$200,000	\$0	\$200,000	Increase in contract for farm management services through available retained earnings.
Total	\$200,000	\$0	\$200,000	

Summary of Staffing Requests and Recommendations: The Department is requesting to restore a previously unfunded position in which funding has been identified as reflected in the table below.

ENVIRONMENTAL RESOURCES STAFFING REQUESTS AFFECTING ALLOCATION COUNT						
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	REASON	RECOMMENDATION
Environmental Resources	1	2240	Sr. Hazardous Materials Spec	Restore unfunded position	Funding identified	Restore vacant position
DER CHANGES	1					
BEGINNING ALLOCATION	94					
CHANGES IN ALLOCATION	1					
ENDING ALLOCATION	95					

Summary of Recommendations: It is recommended to increase appropriations in the amount of \$200,000 for staffing costs to be funded by available retained earnings for farm management expenses. The recommended change in staffing is outlined in the staffing table above.

PLANNING AND COMMUNITY DEVELOPMENT

Building Permits: Even though the Department was very conservative in its approach to forecast revenues for the current fiscal year, it does not appear that they will materialize as planned. As such, the Department has requested the increased use of fund balance through a \$29,600 decrease in estimated revenue. This adjustment will allow the Department to use \$15,150 of fund balance for a termination cash out and \$14,450 for the Matrix Consulting Group contract examining building permit services. This will increase the use of fund balance in this budget to \$194,094. This adjustment is in addition to staffing changes already approved through the Board of Supervisors earlier this year through a separate agenda item.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
Planning and Community Development - Building Permits	\$0	(\$29,600)	\$29,600	Decrease in estimated revenue to allow for increased fund balance use for termination cashout and increase in the Matrix Consulting contract.
Total	\$0	(\$29,600)	\$29,600	

Summary of Recommendations: It is recommended to decrease estimated revenue in the amount of \$29,600 as a result of the unpredictability of the building trade and current economic climate.

PUBLIC WORKS

Summary of Staffing Requests and Recommendations: In order to better reflect the current fiscal position, the Department is requesting staffing recommendations as reflected in the table below.

PUBLIC WORKS DEPARTMENT STAFFING REQUESTS AFFECTING ALLOCATION COUNT						
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	REASON	RECOMMENDATION
PW-Engineering	-2	7813, 2214	Sr. Engineering Technician	Unfund vacancies	Revenue loss	Unfund vacant positions
PW-Morgan Shop	-1	3798	Heavy Equipment Mechanic	Unfund vacancy	Revenue loss	Unfund vacant position
PW-Road & Bridge	-2	2260, 2295	Road Supervisor	Unfund vacancies	Revenue loss	Unfund vacant positions
PW-Road & Bridge	-2	3825, 6181	Road Maintenance Worker III	Unfund vacancies	Revenue loss	Unfund vacant positions
PW-Road & Bridge	-1	1744	Administrative Clerk III	Unfund vacancy	Revenue loss	Unfund vacant position
PUBLIC WORKS CHANGES	-8					
BEGINNING ALLOCATION	120					
CHANGES IN ALLOCATION	-8					
ENDING ALLOCATION	112					

Summary of Recommendations: The recommended changes in staffing are outlined in the staffing table above.

SUMMARY

Overall, appropriations and estimated revenue for A Well-Planned Infrastructure System are recommended to increase by \$200,000 and decrease by \$29,600 respectively. This is funded through the use of \$229,600 of available department fund balance/retained earnings.



Efficient Delivery of Public Services

COUNTY DEPARTMENTS

Assessor
Auditor-Controller
Board of Supervisors
Chief Executive Office
Clerk-Recorder
County Counsel
General Services Agency
Strategic Business Technology
Treasurer-Tax Collector

Efficient delivery of public services

OVERVIEW

The public expects government to be responsive to their needs and to conduct business efficiently. County departments provide services to a diverse customer base and to serve these customers efficiently it is important to consistently understand and review how to improve County services. Departments assigned to the Board of Supervisors priority area of Efficient Delivery of Public Services include: Assessor, Auditor - Controller, Chief Executive Office, Clerk of the Board of Supervisors, Clerk-Recorder/Elections, County Counsel, General Services Agency, Strategic Business Technology and Treasurer-Tax Collector. The revenue used to pay for the majority of these services comes from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary sources.

DEPARTMENTAL REVENUE AND EXPENDITURES

For the departmental budgets that are part of the Board of Supervisors priority area of Efficient Delivery of Public Services as of March 31, 2010, actual revenue collected is \$77.8 million, which represents 69% of the estimated annual revenue. This is within the range when compared to third quarter of the prior two years when collections were 67.4% and 71.8% of the final actual revenue. As of March 31, 2010, expenditures are \$113.1 million, representing 63.3% of the budgeted appropriations. Expenditures at third quarter of the prior two years were 67.7% and 72.6% of the final actual expenditures, placing this year's expenditures below the range.

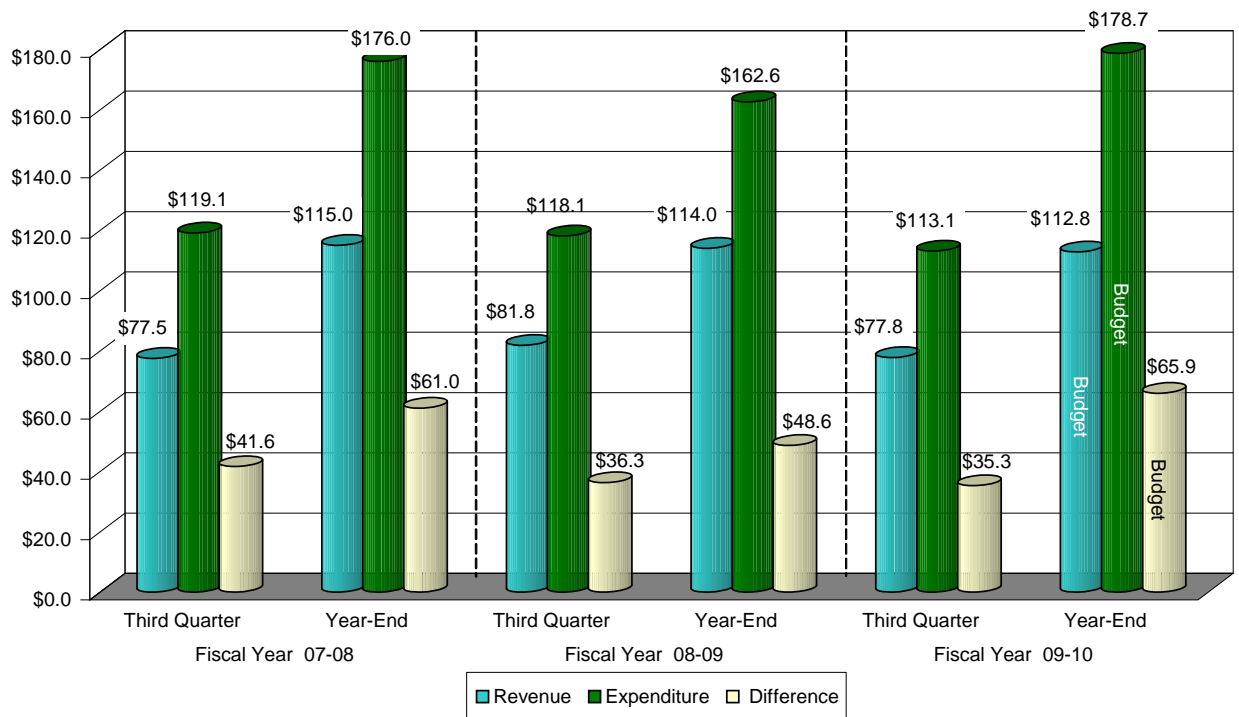
Significant variations this year, compared to the same time period one year ago include:

- ◆ Chief Executive Office – Risk Management Self-Insurance Funds - A \$2.2 million decrease in revenue as the result of departments not being charged in Fiscal Year 2009-2010 for Workers' Compensation and Unemployment Insurance. Costs are up by \$970,000 primarily due to increased litigation costs in the General Liability budget and increased claims cost in the Unemployment budget as a result the FED-ED Federal Extension of unemployment benefits;
- ◆ Chief Executive Office – Debt Service Fund - A \$316,000 decrease in expenditures due to the timing of posting annual scheduled Certificate of Participation (COP) payments for the County's annual net debt obligation;
- ◆ Chief Executive Office – Crows Landing Air Facility - A \$337,000 decrease in revenue due to reimbursement payment received in the prior fiscal year from PCCP West Park LLP for legal expenses associated with the development project and the delay in the receipt of the agricultural lease revenue in the current fiscal year;

- ◆ Chief Executive Office – Plant Acquisition - A decrease in revenue of \$267,000 due to a decrease in one-time interest earnings from the 2004 A Certificate of Participation borrowing for the Gallo Project for project closeout costs and related professional services. There is also a decrease of \$1.2 million in expenditures primarily due to decreased costs associated with services and supplies and deferred maintenance;
- ◆ Chief Executive Office – Vehicle License Fees - A decrease in revenue and expenditures of \$815,000 as a result of a reduction of vehicle sales due to the downturn in the economy which results in lower funds being apportioned to fund County realigned programs;
- ◆ Chief Executive Office – General Fund Match and Support - A decrease of \$1.5 million in expenditures as a result of the 12% General Fund reduction to programs primarily funded by the State and Federal revenues;
- ◆ Chief Executive Office – Operations and Services – A decrease in expenditures of \$435,000 due to reduced contracts, salary savings and construction management costs applied to approved and funded projects;
- ◆ Clerk-Recorder – An overall decrease of \$662,000 in expenditures due to an additional election held by this time last year, unexpected staffing decrease and decrease in contract expenditures; and
- ◆ Strategic Business Technology – A decrease of \$201,000 in revenue due to timing on when maintenance and support renewals are paid, as well as utilizing open source solutions resulting in reducing or eliminating the cost for license.

The following chart provides a comparison of revenue, expenditures and the difference between the two which is funded through a General Fund contribution and the use of fund balance/retained earnings. This comparison shows third quarter and year-end for a three-year period, including the current year, for the departments assigned to the Board of Supervisors priority area of Efficient Delivery of Public Services.

Efficient Delivery of Public Services Three Year Comparison



The total budgeted revenue for the departments assigned to the Board of Supervisors priority area of Efficient Delivery of Public Services for Fiscal Year 2009-2010 is \$112.8 million with departmental expenditures budgeted at \$178.7 million and the difference of \$65.9 million funded through a General Fund contribution and the use of fund balance/retained earnings. Both revenue and expenditures are down, with revenue collections decreasing by \$4 million and expenditures decreasing by \$5 million from Third Quarter 2008-2009. As a result, the General Fund contribution and use of fund balance/retained earnings is at 53.6% of the budget at third quarter and is tracking with previous years. This trend is expected to continue throughout the year.

ASSESSOR

In the 2009-2010 Proposed Budget, the Assessor as a result of budget constraints focused on budgeting and staffing for mandated tasks. Since assessing the value of appeals is not a mandatory task, the Assessor made the decision to discontinue defending appeals. These appeals are protests of assessed values by property owners. This resulted in additional tasks for assessment appeals falling on the Clerk of the Board office and the Assessment Appeals Board. Previously, the Assessor verified the information of the appeal and defended their amount during the hearings. Without the defense from the Assessor, the

Assessment Appeals Hearing Board would only be able to use the information provided by the applicant filing the appeal. Due to the potential revenue loss as the result of no longer defending the appeals, the Assessor working with the Chief Executive Office have put together a proposal for an Assessment Appeals team. The request is to have this team implemented effective July 1, 2010, contingent upon approval of the funding requested in the 2010-2011 Proposed Budget currently estimated at \$350,000. It is anticipated that the Assessor will use existing allocated positions to develop the Assessment Appeals team, resulting in reducing the number of reductions-in-force that the Department would have to implement in Fiscal Year 2010-2011.

Summary of Recommendations: Approval of this recommendation is contingent upon funding for the positions assigned to the Assessment Appeals team. This request will be submitted as part of the 2010-2011 Proposed Budget.

CHIEF EXECUTIVE OFFICE – COUNTY OPERATIONS

Appropriations for Contingencies: Appropriations for Contingencies serves as a contingency fund for the County to provide sufficient funding for emergencies and unanticipated expenses. Transfers from this fund require a four-fifths vote of the Board of Supervisors. The 2009-2010 Final Budget included \$4,000,000 in appropriations for exposures such as increases in employee health insurance costs, labor related costs and other unanticipated exposures.

Through December 2009, no requests for transfers were received. As part of the Mid-Year Financial Report, the following transfers were approved, totaling \$997,825:

- ◆ \$39,677 to the Assessor to fund retirement cash-out costs;
- ◆ \$6,200 to the Clerk-Recorder to fund retirement cash-out costs;
- ◆ \$25,000 to the Clerk-Recorder – Elections to fund retirement cash-out costs;
- ◆ \$824,991 to the Clerk-Recorder – Elections to fund costs associated with the Statewide Direct Primary Election; and
- ◆ \$101,957 to the General Services Agency – Facilities Maintenance to fund retirement cash-out costs.

As a result of these transfers, the 2009-2010 contingency balance is \$3,002,175. At this time, it is recommended that transfers be made totaling \$226,775; of this amount \$16,775 for salary and retirement cash-out costs for Cooperative Extension for the remainder of the fiscal year, \$10,000 for the Public Defender as a result of higher-than-anticipated salary costs, and \$200,000 for the Public Defender's Indigent Defense budget for increased costs associated with a capital murder trial. These transfers are explained in greater detail in the department narrative.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
CEO - Appropriations for Contingencies	(\$16,775)	\$0	(\$16,775)	Retirement cash-out costs and salary costs for Cooperative Extension.
CEO - Appropriations for Contingencies	(\$10,000)	\$0	(\$10,000)	Increased salary costs for the Public Defender.
CEO - Appropriations for Contingencies	(\$200,000)	\$0	(\$200,000)	Increased indigent defense costs for a capital murder trial.
Total	(\$226,775)	\$0	(\$226,775)	

Summary of Recommendations: A transfer of \$226,775 from Appropriations for Contingencies is recommended for Cooperative Extension and the Public Defender, leaving a balance of \$2,775,400 for the remainder of the fiscal year. Transfers from Appropriations for Contingencies require a four-fifths vote of the Board of Supervisors.

General Fund Match and Support: As part of the Proposed Budget for 2009-2010, the CEO-County Match budget included funding for the Local Agency Formation Commission (LAFCO) in the amount of \$172,240. Since that time, LAFCO has finalized its budget for 2009-2010 and that action increased the County Match obligation amount to \$180,266. It is recommended to increase County Match by \$8,026 to remain compliant with State law that mandates County governments to provide a one-half share of LAFCO's operating expenses.

As part of the 2009-2010 Mid-Year Financial Report, the Board of Supervisors decreased the County Match amount for the North McHenry tax sharing agreement with the City of Modesto to \$1,218,585. This agreement specifies how sales taxes and property taxes are to be shared as areas become incorporated in this part of the County. At this time, Stanislaus County Property Tax Division and the City of Modesto have finalized the payment amount for 2009-2010. Based on the decline in local property taxes and sales tax revenue, it is recommended to decrease County Match by \$327,606 to accommodate the reduced transfer of taxes to the City of Modesto.

The Community Services Agency (CSA) has struggled over the past few years with increasing caseloads and continually decreasing realignment revenue, as well as reduced County Match amounts resulting from the County's long-term strategy for survival during this economic downturn. In order to be compliant with a court-ordered increase in Foster Care group home rates, it is recommended to increase County Match by \$225,683 for CSA's Public Economic Assistance budget. An increase of \$6,664 is recommended for CSA's Public Authority Benefits Administration budget due to an increase in the number of eligible In-Home Supportive Services Individual Providers and to mitigate insurance premium increases. It is further recommended to increase County Match by \$46,876 for CSA's In-Home Supportive Services Provider Wages budget, to reflect the increase in hours worked.

The Health Services Agency – Clinics and Ancillary Services budget is receiving increased Federal funding as a result of receiving the Federally Qualified Health Center Look-Alike (FQHC-LA) designation in September 2007. In 2008-2009, the Department had a one-time savings of \$1.2 million of unused County Match funds as a result of the increase in federal funding. At this time, it is recommended to decrease County Match by \$1.2 million in the Health Services Agency – Clinics and Ancillary Services in order to return the unused match funding to the General Fund.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
CEO-General Fund Match and Support	\$8,026	\$0	\$8,026	Increase in County share of LAFCO's operating costs.
CEO-General Fund Match and Support	(\$327,606)	\$0	(\$327,606)	Decrease in N. McHenry tax sharing agreement with City of Modesto.
CEO-General Fund Match and Support	\$225,683	\$0	\$225,683	Increase in Community Services Agency - Public Economic Assistance budget for Foster Care group home rate increase.
CEO-General Fund Match and Support	\$6,664	\$0	\$6,664	Increase in Community Services Agency - Public Authority Benefits Administration budget for benefits cost increase.
CEO-General Fund Match and Support	\$46,876	\$0	\$46,876	Increase in Community Services Agency - IHSS Provider Wages budget resulting from increased provider hours worked.
CEO-General Fund Match and Support	(\$1,200,000)	\$0	(\$1,200,000)	Decrease in Health Services Agency - Clinics and Ancillary Services budget resulting from increased Federal reimbursement.
Total	(\$1,240,357)	\$0	(\$1,240,357)	

Summary of Recommendations: It is recommended to decrease appropriations by \$1,240,357 mostly as a result of unused County Match funds being returned from the Health Services Agency and a reduction in the North McHenry tax sharing agreement, reducing the use of fund balance in the General Fund.

CHIEF EXECUTIVE OFFICE- RISK MANAGEMENT SELF-INSURANCE FUNDS

General Liability: The General Liability Self-Insurance budget will require an additional \$2,000,000 in appropriations, partially offset by insurance reimbursements of \$1,220,406, to meet current and anticipated costs for ongoing litigation cases and other general liability claims through the end of the year. Currently, there are two major litigation cases handled by one law firm that are expected to cost \$644,375 by the end of the fiscal year. In addition, over 50 cases are handled by other law firms and are expected to cost approximately \$1,155,625 by year-end. These amounts are in excess of funds already encumbered in the budget. The request also includes an amount of \$200,000 to fund auto and property damage claims. Claims that exceed the County's self-insured retention/deductible (\$250,000 for general liability claims and \$10,000 for auto liability claims) will be reimbursed by the California State Association of Counties – Excess Insurance Authority (CSAC-EIA). The revenue anticipated to be received, as reimbursement for the claims listed above is \$1,220,406, which results in the use of \$779,594 of retained earnings.

The General Liability Self-Insurance Fund began the year anticipating the use of \$499,780 of its \$662,426 in retained earnings. At first quarter, an additional \$162,646 of retained earnings was approved to fund increased claims, thereby depleting the fund's retained earnings balance. The request presented at third quarter will result in the fund ending the year in a negative retained earnings position of approximately \$779,594. The fund should have enough cash to pay the claims, it began the year with approximately \$3 million in cash. A strategy for recovering the fund's retained earnings deficit will be presented with the 2010-2011 Proposed Budget and includes recovering the deficit through increased charges to user departments over a 36-month period beginning in 2011-2012.

General Liability costs are distributed on 70 percent experience (paid out losses over 7 years capped at the Self Insured Retention (SIR) level of \$250,000 per claim per department) and 30 percent exposure (by capturing the total number of hours reported as "full-time equivalents" (FTE)). Due to the number and size

of cases experienced both last year and this year, it is anticipated that the booked liability will increase in this fund after the actuarial analysis is completed at year-end, June 30, 2010.

Unemployment Insurance: The Unemployment Self-Insurance Fund will require an additional \$250,000 in appropriations to fund claims costs for the fourth quarter. Claims costs were initially budgeted at \$250,000 per quarter at the beginning of the fiscal year. The claims have grown by 47% from the first quarter of the fiscal year due primarily to the locally funded Federal extensions which began to be paid beginning in the second quarter of calendar year 2009. The additional appropriations of \$250,000 would provide approximately \$360,000 for the fourth quarterly payment and would be funded by retained earnings. There are sufficient retained earnings in the fund to cover the increased claims costs.

Budget Unit	Requested			Description
	Appropriations	Revenue	Fund Balance	
General Liability Self-Insurance	\$2,000,000	\$1,220,406	\$779,594	Increase appropriations for litigation and claims costs funded by insurance reimbursement revenue and retained earnings
Unemployment Self-Insurance	\$250,000	\$0	\$250,000	Increase appropriations for increased claims costs funded by retained earnings
Total	\$2,250,000	\$1,220,406	\$1,029,594	

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue for the Risk Management - General Liability and Unemployment Self-Insurance Funds by \$2,250,000 and \$1,220,406 respectively, funded by \$1,029,594 in retained earnings for anticipated costs for ongoing litigation and unemployment claims costs. This action will result in a retained earnings deficit in the General Liability fund at year-end of \$779,594, which will be recovered in future budgets.

SUMMARY

Overall, appropriations and estimated revenue for Efficient Delivery of Public Services are recommended to increase by \$782,868 and \$1,220,406 respectively. Included in the adjustment is a transfer of \$226,775 from Appropriations for Contingencies that is being recommended for the Public Defender and Cooperative Extension. There is a positive contribution to General Fund fund balance of \$1,240,357 due to a decrease in appropriations in the Chief Executive Office – County Match fund from the Health Services Agency and a reduction in the North McHenry tax sharing agreement. There is also an increased use of retained earnings in the Risk Management – Self-Insurance Funds of \$1,029,594.

PROJECTED YEAR-END CARRYOVER DESIGNATIONS

As part of the Chief Executive Office year-end closing of the County's financial records, it will be necessary to establish year-end carryover designations of current year funding for projects that will occur next fiscal year. A preliminary summary of proposed designations is included in the following chart, and reflects an overall estimated recommendation of \$3,180,937.

2009-2010 CARRYOVER APPROPRIATIONS

Department	Amount	Description
GENERAL FUND		
Chief Executive Office- County Facilities	\$ 285,423	Laird Park Shooting Range Clean-Up Project
Chief Executive Office- County Facilities	\$ 9,800	Arts Council Lease
Chief Executive Office- Crows Landing Air Facility	\$ 740,310	Planning and Environmental Services
Chief Executive Office- Plant Acquisition	\$ 150,000	Safety Fund
Chief Executive Office- Plant Acquisition	\$ 248,394	Juvenile Hall Hot Water Heater Project
Chief Executive Office- Plant Acquisition	\$ 342,252	CEO CADD IPSS Project
Parks and Recreation	\$ 450,000	Parks Master Plan- Salida Park
Parks and Recreation	\$ 313,875	Frank Raines Water Project
Parks and Recreation	\$ 195,500	Salida Well Project
TOTAL GENERAL FUND	\$ 2,735,554	
SPECIAL REVENUE FUND		
Health Services Agency Public Health	\$ 66,044	Public Health Emergency Preparedness Grants for Salaries
TOTAL SPECIAL REVENUE FUND	\$ 66,044	
INTERNAL SERVICE FUNDS		
Strategic Business Technology	\$ 27,205	Salaries, Vacation Cashouts for RIF effective 09/10
Strategic Business Technology	\$ 10,000	GIS charges from Public Works
Strategic Business Technology	\$ 56,000	Enterprise software solutions
Strategic Business Technology	\$ 106,000	SBT Data Center Project-Contracts
Strategic Business Technology-Telecom	\$ 50,000	SBT Data Center Project-Equipment
Strategic Business Technology-Telecom	\$ 116,000	CSA VoIP Project
Strategic Business Technology-Telecom	\$ 7,614	OES 12th Street Project-VoIP
Strategic Business Technology-Telecom	\$ 6,520	Rents-Lease
TOTAL INTERNAL SERVICE FUNDS	\$ 379,339	
TOTAL ALL FUNDS	\$ 3,180,937	

BUDGET SCHEDULE

The following schedule is recommended for the 2010-2011 Proposed and Final Budget:

- ◆ May 28, 2010 2010-2011 Proposed Budget available to the Public
- ◆ June 8, 9, 10, 2010 2010-2011 Proposed Budget Presentation and Public Hearing to the Board of Supervisors
- ◆ September 14, 15, 16, 2010 2010-2011 Final Budget Presentation and Public Hearing to the Board of Supervisors



COMMUNITY SERVICES AGENCY

BOARD OF SUPERVISORS

Christine C. Applegate
Director

2010 MAY 21 A 8:08

251 E Hackett Road
P.O. Box 42, Modesto, CA 95353-0042

Phone: 209 558 2500 Fax: 209 558 2558

MEMO TO: SUZI SEIBERT
CLERK TO THE BOARD OF SUPERVISORS

FROM: *RIN* RADHIKA NARAYAN
CONTRACTS / ACCOUNTS PAYABLE

DATE: MAY 20, 2010

SUBJECT: AMENDMENT # 1

=====
Enclosed for your record is the Original Amendment #1 for the following contract:

- STANISLAUS COUNTY COMMUNITY SERVICES AGENCY AND **ARCADIA HEALTH SERVICES, INC.**, TO PROVIDE ADULT PROTECTIVE SERVICES (APS) – CHORE AND COMPANION SERVICES . THE BOARD OF SUPERVISORS APPROVED THIS CONTRACT ON **MAY 4, 2010** WITH **BOARD ACTION #2010-275**.

IF YOU HAVE ANY QUESTIONS REGARDING THIS AGREEMENT, PLEASE CONTACT TERRI FIDALGO, CONTRACTS MANAGER, AT 558-2937.

Thank you.

Attachment.



**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
ADULT PROTECTIVE SERVICES (APS) – CHORE AND COMPANION SERVICES
JULY 1, 2009 THROUGH JUNE 30, 2010**

It is hereby mutually agreed between the County of Stanislaus, Community Services Agency, (hereinafter referred to as "County") and **ARCADIA HEALTH SERVICES, INC.**, (hereinafter referred to as "Contractor") that the Agreement entered into on July 1, 2009 for the purpose of providing chore and companion services for Adult Protective Services clients is hereby amended as follows:

EXHIBIT A, II. COMPENSATION:; A., paragraph 1. is hereby deleted and replaced with the following:

1. The total amount of this Agreement shall not exceed \$750.00.

All other terms and conditions of the Agreement shall remain in full force and effect.



This Agreement has been signed by the parties or their duly authorized representatives to become effective as of the date referenced on the first page.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first hereinabove written.

**APPROVED AS TO CONTENT:
COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY**

ARCADIA HEALTH SERVICES, INC.

By: Christine C. Applegate
Christine C. Applegate

By: Cathy Sparling
Cathy Sparling

Title: Director

Title: Exec. V.P.

Dated: 5/6/10

Dated: 4-26-10

**APPROVED AS TO FORM:
COUNTY COUNSEL
JOHN P. DOERING**

COUNTY PURCHASING DEPARTMENT

By: John P. Doering

By: [Signature]

Title: Deputy County Counsel

Title: SSA Director Purchasing Dept

Dated: 4-19-10

Dated: 5/12/10

COUNTY OF STANISLAUS

Approved per BOS item # 2010-275

Dated: 5/14/10

**NOTICE OF PUBLIC HEARING
STANISLAUS COUNTY
RECOMMENDED PROPOSED BUDGET
BUDGET YEAR 2010-2011**

NOTICE IS HEREBY GIVEN that on Tuesday, June 8, 2010, at 9:05 a.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, 1010 10th Street, Modesto, CA, to open the hearing and consider the approval of the Recommended Proposed Budget, Budget Year 2010-2011. If necessary, the hearing for the Recommended Proposed Budget may be continued to June 9, 2010 and June 10, 2010 at 9:00 a.m. for further staff and public comment.

ADDITIONAL NOTICE IS GIVEN that on May 28, 2010, at 3:00 p.m., the Recommended Proposed Budget document will be available for review online at <http://www.stancounty.com/budget/index.shtm> and at the Chief Executive Office, 1010 10th St., Suite 6800, Modesto, CA. In addition, the Recommended Proposed Budget document will be available for review at all the Stanislaus County branch libraries after May 28, 2010.

NOTICE IS FURTHER GIVEN that at the said time and place, interested persons will be given the opportunity to be heard. For further information, contact Patricia Hill Thomas or Monica Nino, Stanislaus County Chief Executive Office, (209) 525-6333 or at 1010 10th Street, Suite 6800, Modesto, CA.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: May 4, 2010

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
of the Board of Supervisors
of the County of Stanislaus,
State of California

BY:


Elizabeth A. King, Assistant Clerk of the Board

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE**, printed in the City of **MODESTO**, County of **STANISLAUS**, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, Under the date of **February 25, 1951, Action No. 46453**; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

May 28, 2010, Jun 03, 2010

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

June 3rd, 2010

(Signature)

Marie Dieckman

**NOTICE OF PUBLIC HEARING
STANISLAUS COUNTY
RECOMMENDED PROPOSED
BUDGET
BUDGET YEAR 2010-2011**

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Third Quarter Financial Report

May 4, 2010

Board of Supervisors Priorities

- *A Safe Community*
- *A Healthy Community*
- *A Strong Local Economy*
- *Effective partnerships*
- *A Strong Agricultural Economy/Heritage*
- *A Well-Planned Infrastructure System*
- *Efficient Delivery of Public Services*



Fiscal Reporting

- Third Quarter Report
- 2010-2011 Proposed Budget

Third Quarter Year-May 2010

Proposed Budget-June 2010

Final Budget-Sept 2010



Jan

Feb

March

April

May

June

Jul

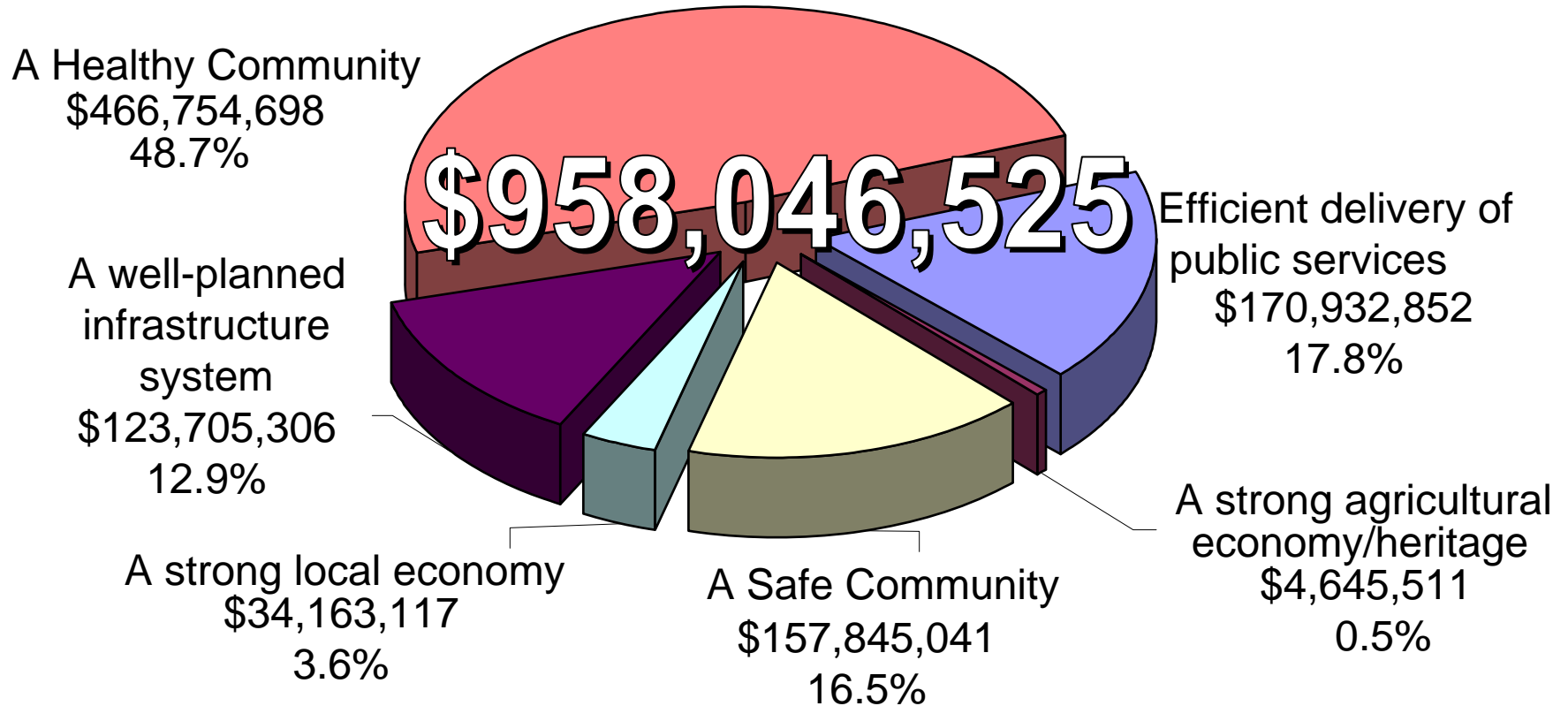
Aug

Sept

- To determine the fiscal performance of the County Budget
- Identify any outstanding budget issues and make adjustments that will ensure the County ends the fiscal year in a positive financial position and finally we look ahead to the next coming Fiscal Year



Final Budget by Board Priority



Budget Overview

- All General Operation Departments and Animal Services were issued 12% reductions in net county cost in 2009-2010
- Public Safety Departments were issued a 5% reduction in net county cost in 2009-2010
- \$15.3 million in fund balance/one-time funds were used to balance the budget in 2009-2010



Budget Overview

- Additional \$3.4 million in one-time funds used at mid-year to cover projected year-end shortfall in discretionary revenue
- Earlier reductions-in-force in 2008-2009 & 2009-2010 in the Area Agency on Aging, Behavioral Health and Recovery Services, Clerk Recorder, Child Support Services, Cooperative Extension, Health Services Agency, Office of Emergency Services-County Fire, Community Services Agency, District Attorney, General Services Agency, Library, Parks, Planning, and Sheriff's Department



Discretionary Revenue

- Property tax revenue, including supplemental revenue and the associated administrative revenue, are projected to be lower than anticipated
- The 1% sales tax revenue received from local retail sales continues to lag; and franchise fees and revenue received from interest earnings are showing weak returns
- Although some of the shortfall may be mitigated by stronger than expected performance of the Public Safety Sales Tax (the ½ cent sales tax enacted with the passage of Proposition 172) and penalties from delinquent property taxes, we still may face a shortfall of \$1.9 million by year end



Discretionary Revenue

Discretionary Revenue Description	Adjusted Budget FY 2009-2010	Projected to Fiscal Year End	Difference
Property Taxes	\$ 84,338,348	\$ 81,485,046	\$ (2,853,302)
Transfer Tax	1,319,000	1,242,000	(77,000)
Sales & Use Tax (Including In-lieu)	14,762,000	14,416,000	(346,000)
Public Safety Sales Tax (Prop 172)	25,210,000	27,197,204	1,987,204
Penalties on Delinquent Taxes	8,000,000	8,400,000	400,000
Interest Earnings	2,927,000	2,289,000	(638,000)
Miscellaneous Revenue Categories	6,334,240	5,933,801	(400,439)
Total	\$ 142,890,588	\$ 140,963,051	\$ (1,927,537)



A Safe Community • A Healthy Community • A Strong Local Economy • Effective Partnerships • Efficient Delivery of Public Services • A Well-Planned Infrastructure System • A Strong Agricultural Economy/Heritage

Board of Supervisors Priorities



Changes to A Safe Community - \$231,313

- Public Defender - \$230,000

Public Defender - \$30,000

- Increase Salary Costs, funded through \$20,000 in increased revenue and \$10,000 in an Appropriations for Contingency Transfer

Public Defender-Indigent Defense - \$200,000

- This is an up to amount due to increase case costs to be funded through an appropriations for contingency transfer



Changes to *A Healthy Community* - \$ 403,593

- Behavioral Health and Recovery Services - \$691,076
 - Mental Health - \$211,076
 - Transfer funds to the Community Services Agency (CSA) for Severely Emotionally Disturbed (SED) placement costs. Funds are available as a result of Assembly Bill 3632



Changes to *A Healthy Community* - \$ 403,593

- Behavioral Health and Recovery Services - \$691,076

Managed Care \$480,000

- Funding will be used for the resolution of issues regarding inpatient services and costs related to Doctor's Behavioral Health Center (DBHC) and is funded by a transfer from the Behavioral Health and Recovery Services – Mental Health budget



Changes to *A Healthy Community* - \$ 403,593

- Community Services Agency- (\$1,515,399)

Public Economic Assistance (\$2,069,845)

- Decrease appropriations in several programs including CalWORKs, Refugee Cash Assistance, Cash Assistance Program for Immigrants.
- Increases in Foster Care average grant amounts due to court-ordered increases in Group Home rates, resulting in an increase of \$225,683 in County Match



Changes to *A Healthy Community* - \$ 403,593

- Community Services Agency- (\$1,515,399)

Seriously Emotionally Disturbed Children \$125,519

- Increase in group home rates funded by an increase in State funding and an increase in BHRS-SB90 revenue and increase in CSA-Public Economic Assistance budget to support match requirements



Changes to *A Healthy Community* - \$ 403,593

- Community Services Agency- (\$1,515,399)

Public Authority Benefits \$30,786

- Decrease in American Reinvestment and Recovery Act (ARRA) COBRA subsidy payments and funding
- Increase in appropriations to cover IHSS Provider health benefit funded resulting in an increase in County Match of \$6,664



Changes to *A Healthy Community* - \$ 403,593

- Community Services Agency- (\$1,515,399)

County Children's Fund \$54,871

- Increase in funding for CSA-Services and Support for local match support in Children's Programs

IHSS Provider Wages \$343,270

- Increase in appropriations to cover IHSS Provider wages resulting in an increase of \$48,786 in County Match



Changes to *A Healthy Community* - \$ 403,593

- Health Services Agency- \$1,193,113

Clinic and Ancillary Services (\$1,200,000)

- One time savings from unused 2008-2009 County match as result of enhanced federal funding from FQHC designation



Changes to *A Healthy Community* - \$ 403,593

- Health Services Agency- \$1,193,113

Health Coverage and Quality Services \$522,418

- Increase in appropriations to transfer costs to HSA-Public Health and HSA Indigent Health Care budgets

Indigent Health Care Programs \$365,562

- Change in MIA share of costs



Changes to *A Healthy Community* - \$ 403,593

- Health Services Agency- \$1,193,113

Public Health \$119,936

- Increase in revenue from HSA-Tobacco Education trust fund

PH Local Preparedness \$305,133

- Transfer funds to HSA-Public Health for prior year cost of emergency preparedness



Changes to *A Strong Local Economy*- \$ 120,000

- Library - \$120,000
 - Transfer from the Public Facilities Fees program for a contract to develop a long-term comprehensive library strategic plan.



Changes to *A Strong Agricultural Economy/Heritage* - \$ 16,775

- Cooperative Extension - \$16,775
 - Increased appropriations from Appropriations for Contingencies for retirement cash out costs and to double fill a position for three weeks to allow training of staff



Changes to A Well Planned Infrastructure System

\$ 200,000

- Environmental Resources - \$200,000

Fink Road Landfill

- Farm management expenses for I-5 Ranch funded through available department fund balance



Changes to Efficient Delivery of Public Services

\$782,868

- CEO-Appropriations for Contingencies-(\$226,775)

	Expenditure	Reason	Balance
Beginning Balance			\$3,002,175
Cooperative Extension	\$16,775	Retirement cash-out and salary costs	\$2,985,400
Public Defender	\$10,000	Increased salary costs	\$2,975,400
Public Defender-Indigent Defense	\$200,000	Increased costs for a capital murder trial	
Total	\$226,775		\$2,775,400



Changes to Efficient Delivery of Public Services

\$782,868

- CEO-County Match - (\$1,240,357)
 - Increase in County share of LAFCO operating expenses \$8,026
 - Decrease in N. McHenry tax sharing agreement with City of Modesto (\$327,6060)
 - Increase in CSA Public Economic Assistance for Foster Care group home rate increase \$225,683



Changes to Efficient Delivery of Public Services

\$782,868

- CEO-County Match - (\$1,240,357)
 - Increase in CSA Public Authority Benefits costs \$6664
 - Increase in CSA IHSS Provider wages \$46,876
 - Decrease in HSA Clinics & Ancillary Services net county cost (\$1,200,000)



Changes to Efficient Delivery of Public Services

\$782,868

- CEO-Risk Management-General Liability and Unemployment Insurance – (\$2,250,000)
 - Increase appropriations for litigation and claims costs funded by insurance reimbursement revenue and retained earnings
 - Funds required for higher-than-anticipated claims costs funded by retained earnings



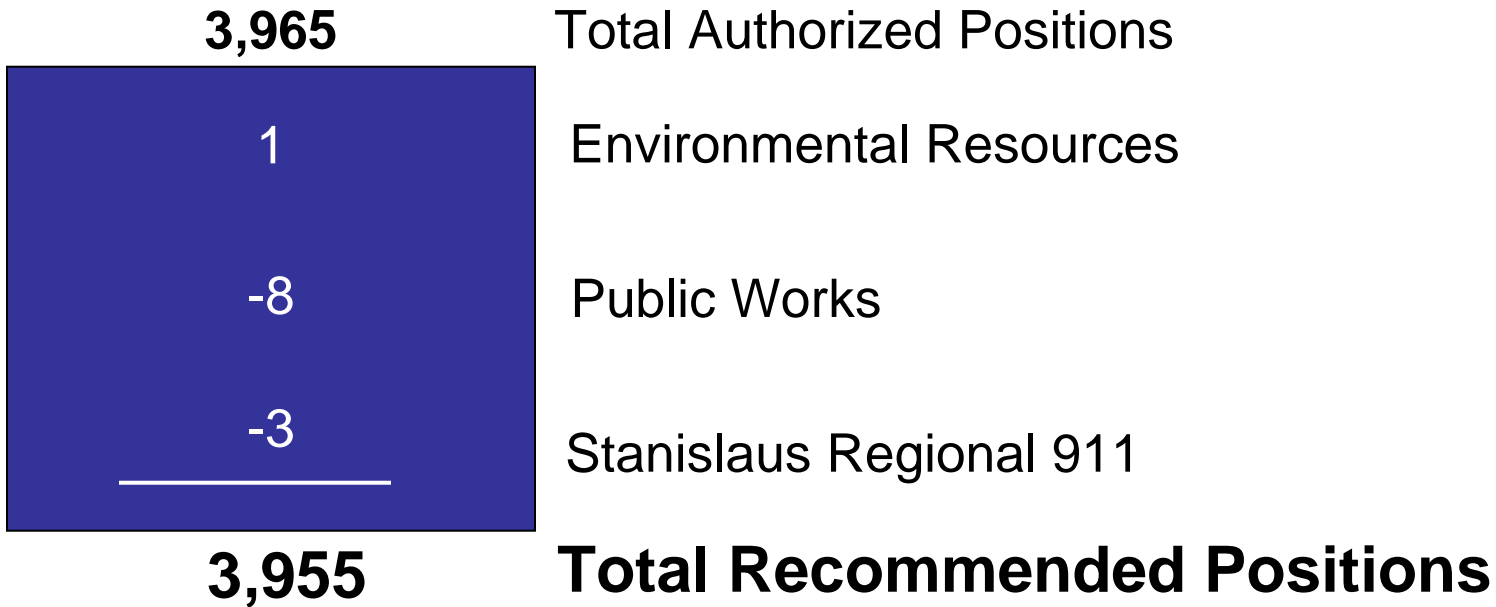
Adoption of Board Priorities 2010-2011

Goals and Performance Measures

- Each year, the seven priority teams recommend goals and expected outcomes for the upcoming fiscal year
- On February 12, 2010 at the Board Retreat Department Heads met and discussed issues and challenges
- Based upon these discussions, priority teams developed goals and outcomes for 2010-2011
- If approved, Department Heads will be directed to implement and report back to the Board in August 2011



Changes in Staffing



Vacant Positions by Board Priority

Priority	Vacant Positions
A Safe Community	48
A Healthy Community	99
A Strong Local Economy	8
A Strong Agricultural Economy/Heritage	3
A Well-Planned Infrastructure System	25
Efficient Delivery of Public Services	19
Total Vacant Positions as of 3-26-10	202



Budget Strategy and Impacts

Fiscal Year 2010-2011

Oct-09



Proposed General Fund Deficit of \$23 Million after use of up to \$10 Million in designations

At the October Department Head Meeting, departments were provided with preliminary budget strategy for FY 2010-11 and 2011-12

Feb-10



Board Retreat - update budget status and preliminary strategy for the General Fund developed using feedback from October meeting

Meet with Unrepresented Management Employees to discuss budget and preliminary strategy



Budget Strategy and Impacts

Fiscal Year 2010-2011

Mar-10



Meet with Unrepresented Confidential Employees to discuss budget and preliminary strategy

As part of the Mid-Year Budget Board approved the Proposed Budget reduction strategy for 2010-2011 and 2011-2012

Proposed Budget Instructions issued with 9% decrease in General Fund revenue

Final Retirement Rates Issued by StanCERA and revised rates are distributed to departments



Budget Strategy and Impacts

Fiscal Year 2010-2011

**Mar-10
cont'd**



Complete Labor Reductions Negotiations and implementation of 5% Salary Reduction and a Voluntary. Separation/ Retirement Incentive Program and modification of retirement benefits for a \$13.8 mil savings projected countywide, \$5.5 mil saving projected in the General Fund

Apr-10



Estimated shortfall in the General fund reduced to \$10 million

County departments submit Proposed Budget to Chief Executive Office



Budget Strategy and Impacts

Fiscal Year 2010-2011

Apr -10
cont'd



County anticipates 120 reductions-in-force in order for departments to balance Proposed Budget

Eleven departments requested reduction-in-force in Proposed Budget

1st Round of Reductions in Force

Sheriff – 52 Positions

Library – 9 positions



Budget Strategy and Impacts

Fiscal Year 2010-2011

May -10



**Additional Reductions in Force to the Board:
Public Defender
Assessor**

**Additional Reductions in Force to the Board:
Health Services Agency-Public Health**



Budget Strategy and Impacts

Fiscal Year 2010-2011

Jun -10



Public Hearing on 2010-2011 Proposed Budget

**Additional Reductions in Force to the Board as part of the Proposed Budget for:
Community Services Agency, Planning and Community Development, Area Agency on Aging – Veteran’s Services, General Services Agency, Public Works and Strategic Business Technology**

Sep -10



Public Hearing on 2010-2011 Final Budget



Proposed Budget Preview

- General Fund is still out of balance
- Almost \$2 million decrease in General Fund Departmental Revenue
- Discretionary Revenue continues to fall – property tax reduction (2%-5%) anticipated in 2010-2011



Proposed Budget - Uncertainties

- General Liability
- Unemployment
- Public Works Funding
- Health and Human Services funding
- State Budget Cuts



Factors Impacting Need for Reduction-In-Force

- Loss of Departmental Revenue
- Department expense as result of number of employees receiving salary step increases
- County's No Back Fill Policy for lost State or Federal Funds
- Amount of Turnover and number vacant positions in department



Impacts to County Service

- Reductions in the number of beds available for Adult detainees
- Reductions in Sheriff's Patrol Operations
- Reduction in number of courtrooms staffed with prosecutors
- Reduction in services in Animal Services, Assessor, BHRS-Alcohol and drug program services, Public Guardian services. Reductions in In-Home Supportive Services case management and Child Welfare supportive services, as well as Community Service's Agency administration and reductions in information technology (IT) support



Impacts to County Service

- Appointment delays for veterans at Area Agency on Aging – Veterans' Services
- Additional reduction in operating hours in the Assessor's, Animal Services, Library and Treasurer Tax Collector
- Public Works will be able to deliver fewer road construction projects due to delays and reductions in State funding
- Reduced maintenance service levels at park and county facilities



Preliminary Budget Schedule

- Late May, 2010 Proposed Budget Available to the Public
- June 8, 2010 Proposed Budget Hearings
- September 14, 2010 Final Budget Hearings



Recommendations

1. Accept the Chief Executive Officer's Third Quarter Financial Report for Fiscal Year 2009-2010.
2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the Third Quarter Financial Report.



Recommendations

3. Authorize the transfer of \$226,775 from Appropriations for Contingencies as recommended in the Third Quarter Financial Report by a 4/5 Vote of the Board of Supervisors.



Recommendations

4. Authorize the Auditor-Controller to make necessary year-end closing entries as approved by the Chief Executive Officer.
5. Amend the Salary and Position Allocation Resolution as outlined on Attachment A effective the start of the May 8, 2010 pay period as recommended in this report.



Recommendations

6. Approve contracts and/or agreements listed on Attachment B in cumulative amounts of \$100,000 or greater since July 1, 2003.



Recommendations

7. Set a public hearing for the consideration and adoption of the Fiscal Year 2010-2011 Proposed Budget on June 8, 2010 at 9:05 a.m., and continue to June 9, 2010 at 9:00 a.m., and June 10, 2010 at 9:00 a.m., if necessary; direct the Clerk of the Board to advertise the public hearing; and, authorize the Clerk of the Board to make appropriate changes to the public notice if fee increases are proposed as part of the budget process.



Recommendations

8. Approve the goals and expected outcomes for Fiscal Year 2010- 2011 for each of the Board's Priorities listed on Attachment D.



Accessing the Third Quarter Report

1. Log on to www.stancounty.com
2. Click on the County Services tab
3. Click on County Sites of Interest
4. Click County Budget
5. Click Third Quarter Report



The screenshot shows the Stanislaus County website interface. At the top, there are navigation tabs for VISITORS, DOING BUSINESS, COUNTY SERVICES, and ONLINE SERVICES. Below these is a search bar with a 'Go' button and a 'Shortcut Menu' dropdown. The main content area is titled 'COUNTY BUDGET' and features a section for 'Budget Home Page'. This section includes an image of a calculator and a pencil on a document, with the text: 'This page is dedicated to Budgets and Capital Improvement Plans.' Below the image is a link for 'Final Budget At A Glance' with a note '[PDF - 4 pages]'. To the right, there is a box titled '2009-2010 Budgets' containing three links: 'Third Quarter Financial Report Fiscal Year 2009-2010', 'Mid-Year Financial Report Fiscal Year 2009-2010', and 'First Quarter Financial Report Fiscal Year 2009-2010'. A black arrow points to the 'Third Quarter Financial Report' link.

2009-2010 Budgets

- [Third Quarter Financial Report Fiscal Year 2009-2010](#)
- [Mid-Year Financial Report Fiscal Year 2009-2010](#)
- [First Quarter Financial Report Fiscal Year 2009-2010](#)

⌘ [Final Budget At A Glance](#)
[PDF - 4 pages]







BOARD OF SUPERVISORS

2010 JUN 24 A 0:05

COMMUNITY SERVICES AGENCY

Christine C. Applegate
Director

251 E. Hackett Road
P.O. Box 42, Modesto, CA 95353-0042

Phone: 209.558.2500 Fax: 209.558.2558

MEMO

TO: BOARD OF SUPERVISORS
SUZI SEIBERT

FROM: *RN* COMMUNITY SERVICES AGENCY
RADHIKA NARAYAN - F3D

DATE: June 23, 2010

SUBJECT: EXECUTED CONTRACT

ENCLOSED FOR YOUR RECORDS IS A FULLY EXECUTED ORIGINAL OF A CONTRACT WITH STANISLAUS COUNTY COMMUNITY SERVICES AGENCY AND CAPORICCI & LARSON, CPAS, TO PROVIDE AUDIT SERVICES EFFECTIVE MAY 5, 2010 THROUGH DECEMBER 31, 2010. THE BOARD OF SUPERVISORS APPROVED THIS CONTRACT ON MAY 04, 2010 WITH BOARD ACTION #2010-275.

IF YOU HAVE ANY QUESTIONS REGARDING THIS CONTRACT PLEASE CONTACT TERRI FIDALGO, CONTRACTS MANAGER, AT 558-2937.

THANK YOU

ATTACHMENT



ACCREDITED
COUNCIL ON ACCREDITATION
OF SERVICES FOR FAMILIES
AND CHILDREN, INC.

STRIVING TO BE THE BEST COUNTY IN AMERICA

**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
AUDIT SERVICES
MAY 5, 2010 THROUGH DECEMBER 31, 2010**

This AGREEMENT FOR PROFESSIONAL SERVICES (the "Agreement") is made and entered into by and between the COUNTY OF STANISLAUS ("County") and **CAPORICCI & LARSON, CPAs**, ("Consultant"), a partnership, on May 5, 2010.

INTRODUCTION

WHEREAS, County has the need for audit services; and Consultant has agreed to provide those services;

WHEREAS, the Consultant is specially trained, experienced and competent to perform and has agreed to provide such services;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK

- 1.1 The Consultant shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in EXHIBIT A, which is attached hereto and, by this reference, made a part hereof.
- 1.2 All documents, drawings and written work product prepared or produced by the Consultant under this Agreement, including without limitation electronic data files, are the property of the Consultant; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Consultant may copyright the same, except that, as to any work which is copyrighted by the Consultant, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.
- 1.3 Services and work provided by the Consultant at the County's request under this Agreement will be performed in a timely manner in accordance with a Schedule of Work, which the parties hereto shall agree to. The Schedule of Work may be revised from time to time upon mutual written consent of the parties.
- 1.4 The Consultant shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. The Consultant represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement. Except for that representation and any representations made or

contained in any proposal submitted by the Consultant and any reports or opinions prepared or issued as part of the work performed by the Consultant under this Agreement, Consultant makes no other warranties, either express or implied, as part of this Agreement.

- 1.5 If the Consultant deems it appropriate to employ a consultant, expert or investigator in connection with the performance of the services under this Agreement, the Consultant will so advise the County and seek the County's prior approval of such employment. Any consultant, expert or investigator employed by the Consultant will be the agent of the Consultant not the County.

2. CONSIDERATION

- 2.1 The Consultant shall be compensated on a time and materials basis as provided in EXHIBIT A attached hereto.
- 2.2 Except as expressly provided in this Agreement, Consultant shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, drawings, renderings or mockups. Specifically, Consultant shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.
- 2.3 The Consultant shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the County shall pay in full within thirty (30) days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.
- 2.4 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Consultant under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Consultant. County has no responsibility or liability for payment of Consultant's taxes or assessments.
- 2.5 Payment of all services provided in accordance with the provisions of this Agreement is contingent upon the availability of County, State and Federal funds.

3. TERM

- 3.1 The term of this Agreement shall be from the date of approval of this Agreement until completion of the agreed upon services unless sooner terminated as provided below or unless some other method or time of termination is listed in EXHIBIT A.
- 3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

- 3.3 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Consultant's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Consultant ceases to be licensed or otherwise authorized to do business in the State of California, and the Consultant fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.
- 3.4 The County may terminate this Agreement upon thirty (30) days prior written notice. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Consultant as provided in Paragraph 2 herein, subject to any applicable setoffs.
- 3.5 County shall notify Consultant in writing within thirty (30) days of any potential Federal or State audit exception. Where findings indicate program requirements are not being met and Federal and/or State participation in this program may be imperiled, written notification will constitute County's intention to terminate this Agreement in the event corrections are not accomplished within thirty (30) days.
- 3.6 This Agreement may be terminated by County upon the giving of thirty (30) days notice of such termination because the services as determined by the Director of Stanislaus County Community Services Agency are inadequate, poorly performed, or improperly supervised. Within the thirty (30) day period, Consultant may appeal the decision of the Director of the Community Services Agency to the Board of Supervisors of Stanislaus County. The determination by the Board as to the termination shall be final.
- 3.7 Notwithstanding any other provisions of this Agreement, County may terminate the Agreement immediately:
- A. Upon receipt of evidence of probable unsafe and/or hazardous practice in the provision of services; or,
 - B. Upon loss of any license(s) required for lawful operation of Consultant's business; or,
 - C. Upon an unauthorized decrease in the required insurance in force; or,
 - D. Upon failure to make payroll payments; or,
 - E. Failure to remit payroll deductions in a timely manner to the appropriate State and Federal government; or,
 - F. Upon failure to substantially meet other financial obligations; or,
 - G. Upon service or a writ of attachment by creditors of Consultant
- 3.8 Either party may terminate this Agreement by giving thirty (30) days written notice to the other party.

4. WORK SCHEDULE

Consultant is obligated to perform in a timely manner those services and work identified in EXHIBIT A. It is understood by Consultant that the performance of these services and work will require the Consultant to perform the services and work in conformance with the

schedule set forth in EXHIBIT A, if any, and, if there is no schedule, the hours and times for completion of said services and work are to be set by the Consultant; provided, however, that such schedule is subject to review by and concurrence of the County.

5. REQUIRED LICENSES, CERTIFICATES AND PERMITS

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Consultant to provide the services and work described in EXHIBIT A must be procured by Consultant and be valid at the time Consultant enters into this Agreement. Further, during the term of this Agreement, Consultant must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Consultant at no expense to the County.

6. OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.

Unless otherwise provided in this Agreement, Consultant shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Consultant to provide the services under this Agreement. The Consultant--not the County--has the sole responsibility for payment of the costs and expenses incurred by Consultant in providing and maintaining such items.

7. INSURANCE

7.1 Consultant shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

7.1.1 General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Consultant under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

7.1.2 Professional Liability Insurance. Professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate. Such professional liability insurance shall be continued for a period of no less than one year following completion of the Consultant's work under this Agreement.

7.1.3 Automobile Liability Insurance. If the Consultant or the Consultant's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

7.1.4 Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this Agreement, the Consultant certifies under section 1861 of the Labor Code that the Consultant is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Consultant will comply with such provisions before commencing the performance of the work of this Agreement.

- 7.2 Any deductibles, self-insured retentions or named insured must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insured, or (b) the Consultant shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Consultant agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Consultant's defense and indemnification obligations as set forth in this Agreement.
- 7.3 The Consultant shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, naming the County and its officers, officials and employees as additional named insured regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Consultant, including the insured's general supervision of the Consultant; (b) services, products and completed operations of the Consultant; (c) premises owned, occupied or used by the Consultant; and (d) automobiles owned, leased, hired or borrowed by the Consultant. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Consultant.
- 7.4 The Consultant's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Consultant's insurance and shall not contribute with Consultant's insurance.
- 7.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials and employees.
- 7.6 The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- 7.7 Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days prior written notice has been given to County. The Consultant shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.
- 7.8 Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide of no less than A-:VII; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance.
- 7.9 Consultant shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional named insured under its insurance policies.
- 7.10 At least ten (10) days prior to the date the Consultant begins performance of its obligations under this Agreement, Consultant shall furnish County with certificates of insurance and with original endorsements effecting coverage required by this Agreement, including, without limitation, those effecting coverage for subcontractors of the Consultant. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.
- 7.11 The limits of insurance described herein shall not limit the liability of the Consultant and Consultant's officers, employees, agents, representatives or subcontractors.
- 7.12 If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant agrees to maintain the required insurance coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. Consultant may maintain the required post agreement coverage by renewal of purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

8. DEFENSE AND INDEMNIFICATION

- 8.1 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Consultant or Consultant's officers, employees, agents, representatives or subcontractors and resulting in or attributable

to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Consultant's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Consultant in contributing to such claim, damage, loss and expense.

8.2 Consultant's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

8.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Consultant and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

9. STATUS OF CONSULTANT

9.1 All acts of Consultant and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Consultant relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in EXHIBIT A, Consultant has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Consultant. It is understood by both Consultant and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9.2 At all times during the term of this Agreement, the Consultant and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

9.3 Consultant shall determine the method, details and means of performing the work and services to be provided by Consultant under this Agreement. Consultant shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Consultant in fulfillment of this Agreement. Consultant has control over the manner and means of performing the services under this Agreement. If necessary, Consultant has the responsibility for employing other persons or firms to assist Consultant in fulfilling the terms and obligations under this Agreement.

9.4 Consultant is permitted to provide services to others during the same period services are provided to County under this Agreement; provided, however, such services do not conflict directly or indirectly with the performance of the Consultant's obligations under this Agreement.

- 9.5 If in the performance of this Agreement any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision and control of Consultant. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Consultant.
- 9.6 It is understood and agreed that as an independent contractor and not an employee of County, the Consultant and the Consultant's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and, except as expressly provided for in any Scope of Services made a part hereof, do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.
- 9.7 It is further understood and agreed that Consultant must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Consultant's assigned personnel under the terms and conditions of this Agreement.
- 9.8 As an independent contractor, Consultant hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. RECORDS AND AUDITS

- 10.1 Consultant shall prepare and maintain all writings, documents, and records prepared or compiled in connection with the performance of this Agreement for a minimum of five (5) years from the termination or completion of this Agreement or until such records and their supporting documentation are released due to closure of Federal/State audit, whichever is longer. This includes any handwriting, typewriting, printing, photostatic, photographing, and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds, or symbols or any combination thereof.
- 10.2 Records shall be destroyed in accordance with California Department of Social Services (CDSS) Manual of Policy and Procedures (MPP) Division 23, Section 350.
- 10.3 Any authorized representative of County shall have access to any writings as defined above, provided that said writings are not deemed by Consultant to be confidential, attorney work product, or privileged, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Consultant. Further, County has the right at all reasonable times to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.
- 10.4 County shall have the right to audit all billings and records of the Consultant related to this Agreement as required by State law. An independent public accountant can be appointed by County.
- 10.5 Consultant agrees that its financial records shall contain itemized records of all costs and be available for inspection in Stanislaus County within three (3) working days of the request by the County, State or Federal agencies.
- 10.6 Monitoring by County may be accomplished by the following means: field reviews, audit claims, monthly review of records, etc.

- 10.7 Consultant shall be responsible for the procurement and performance of a fiscal and compliance audit annually. Entities receiving in excess of \$500,000 in Federal funds must comply with the Single Audit Act of 1984, PL 98-502 and the Single Audit Amendments of 1996, P.L. 104-156. All audits must be performed in accordance with Government Audit standards as set forth in the Guidelines for Financial and Compliance Audits for Federally Assisted Programs, Activities, and Functions, and the provisions of OMB Circular A-133 as this applies to the auditing of states, local governments, institutions of higher education and non-profit.
- 10.8 The annual audit requirement is replaced with a biennial audit covering the most recent fiscal year if all of the following apply:
- A. The total County Agreement expenditures, from all funding sources, during the fiscal year, are less than \$100,000
 - B. The Consultant is in compliance with all other Agreement requirements
 - C. An audit was performed on one of the preceding two years in accordance with Government Auditing Standards and a copy of the report and any management letter has been submitted to County
 - 1. The auditor's opinion on the financial statement and the schedule of federal awards (if applicable) were unqualified
 - 2. There were no deficiencies in internal control over financial reporting that were identified as material weaknesses under the requirements of Government Auditing Standards
 - 3. None of the state or federal programs had audit findings in the preceding year that were classified as:
 - a. Material weaknesses in the internal control over compliance
 - b. Noncompliance with the provisions of laws, regulations, contracts, or grant agreements that had a material effect on the program
 - c. Known or likely questioned costs
 - D. The audit must be conducted in accordance with Government Auditing Standards and the statements must be prepared in conformity with generally accepted accounting principles.
- 10.9 Consultant shall include in all fiscal audit reports an opinion which indicates whether program expenditures are allowable pursuant to the provisions of 45 CFR, Part 74, and all applicable State and Federal guidelines, policies and procedures.
- 10.10 Expenses incurred by Consultant to provide for the performance of an audit to satisfy said requirements are an allowable Agreement cost. Consultant is responsible for ensuring that the appropriate portion of audit costs are included with its total executed Agreement funds.

10.11 Consultant is responsible for submitting to County an audit report, prepared in accordance with said requirements, within one hundred twenty (120) days of the end of the Consultant's fiscal year.

11. CONFIDENTIALITY

Consultant shall comply and require its officers and employees to comply with the provisions of Section 10850 of the Welfare and Institutions Code (WIC) and Division 19 of the California Department of Social Services Manual of Policies and Procedures to assure that:

11.1 Any and all information pertaining to the administration of public social services, for which grants in aid are received will be confidential and will not be open to examination for any purpose not directly connected with the administration of public social services.

11.2 No person will publish or disclose, or use or permit, or cause to be published, disclosed or used, any confidential information pertaining to an applicant or recipient.

11.3 Consultant shall inform all of its employees, agents, subcontractors and partners of the above provision and that any person knowingly and intentionally violating the provisions of said state law is guilty of misdemeanor.

11.4 Consultant, as an agent of Stanislaus County, shall be in compliance with the privacy and security safeguards agreement titled Medi-Cal Data Privacy and Security Agreement between the California Department of Health Care Services and the County of Stanislaus, Community Services Agency located at <http://www.stanworks.com/other-services/medi-cal-data-privacy-and-security-agreement.pdf>.

12. NONDISCRIMINATION

12.1 During the performance of this Agreement, Consultant and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Consultant and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations. Consultant and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements.

12.2 Consultant shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

12.3 Consultant shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Consultant's delivery of services.

13. ASSIGNMENT

13.1 This is an agreement for the services of Consultant. County has relied upon the skills, knowledge, experience and training of Consultant and the Consultant's firm, associates and employees as an inducement to enter into this Agreement. Consultant shall not assign or subcontract this Agreement without the express written consent of County. Further, Consultant shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13.2 Any working agreements, memoranda of understanding, or subcontracts let as a result of this Agreement shall adhere to the terms contained in this Agreement and shall be submitted to County prior to their commencement.

14. WAIVER OF DEFAULT

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

15. NOTICE

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Consultant or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County: County of Stanislaus
Community Services Agency
Attention: Contracts Manager
P.O. Box 42
Modesto, CA 95353

To Consultant: Caporicci & Larson, CPAs
Attention: Stephen Larson, CPA
9 Corporate Park, Suite 100
Irvine, CA 92606

16. CONFLICTS

Consultant agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

17. SEVERABILITY

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

18. AMENDMENT

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

19. ADVICE OF ATTORNEY

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. CONSTRUCTION

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21. GOVERNING LAW AND VENUE

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

22. GENERAL ACCOUNTABILITY

22.1 In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement or requirements shall be responsible for the deficiency.

22.2 In the event of any State hearings, cash grant award or lawsuit award resulting from Consultant's failure to perform as required by this Agreement, reimbursement shall be made to the damaged party by Consultant.

22.3 Additional costs to County for maintaining any portion of the Agreement as a result of Consultant's failure to perform, as required by this Agreement, are subject to recoupment by County through withholding from billings or any other form of legal action.

23. CODE OF ETHICS

Consultant shall uphold the following Code of Ethics:

- Professional Conduct: Employees of Consultant will abide by all applicable laws, regulations, policies and procedures in the delivery of all services. Professional staff of Consultant will also abide by specific codes of ethics prescribed by the professional organizations which set standards for their profession.
- Quality of Service: Employees of Consultant will promote the goals of the program, which includes enhancement of participant self esteem, by providing quality service which demonstrates knowledge of the respect for participant needs.

- **Respect and Courtesy:** Employees of Consultant will conduct all activities with respect and courtesy for participants.
- **Propriety:** Employees of Consultant will not make use of their position or relationship with clients for personal gain.
- **Positive Representation:** Employees of Consultant will not behave in any manner that will bring discredit to his/her professional status and reputation or to the program.

24. STATE ENERGY CONSERVATION PLAN

Consultant agrees to recognize the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan Title 23, California Administrative Code, as required by the U.S. Energy, Policy and Conservation Act (P.L. 94-165).

25. COPYRIGHT ACCESS

County, CDSS, and the United States Department of Health and Human Services shall have a royalty free nonexclusive and irrevocable license to publish, translate, or use, now or hereafter, all material developed under this Agreement including those covered by copyright.

26. CONVICTION OF CRIME

26.1 Consultant shall immediately notify County concerning the arrest and/or subsequent conviction, for other than minor traffic offenses, of any paid employee and/or volunteer staff assigned to provide services under this Agreement, when such information becomes known to Consultant.

26.2 Consultant agrees not to knowingly employ any person convicted of any crime involving abuse, neglect, violence, or sexual conduct involving or perpetrated upon a minor, or an adult person or who has been convicted of any felony.

26.3 Consultant shall establish a procedure acceptable to County to ensure that all employees or agents performing services under this Agreement report child abuse or neglect to a child protective agency as defined in Penal Code Section 11165.1 through 11165.6. Consultant shall require each employee, volunteer, consultant, subcontractor or agency to sign a statement that he or she knows of the reporting requirements as defined in Penal Code Section 11166(a) and will comply with the provisions of the code section.

27. MATCHING FUNDS

These funds are not available for matching unless certified by County.

28. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS

28.1 County and Consultant recognize that Federal assistance funds will be used under the terms of this Agreement. For purposes of this paragraph, Consultant will be referred to as the "prospective recipient".

- 28.2 This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).
- A. The prospective recipient of Federal assistance funds certifies by entering this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - B. The prospective recipient of funds agrees by entering this Agreement, that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Federal department or agency with which this transaction originated.
 - C. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this Agreement.
 - D. The prospective recipient shall provide immediate written notice to County if at any time prospective recipient learns that its certification in paragraph 28, of this Agreement was erroneous when submitted or has become erroneous by reason of changed circumstances.
 - E. The prospective recipient further agrees that by entering this Agreement, it will include a clause identical to paragraph 28 of this Agreement and titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
 - F. The certification in paragraph 28 of this Agreement is a material representation of fact upon which reliance was placed by County when this transaction was entered into.

29. COMPLIANCE WITH FALSE CLAIMS ACT

- 29.1 Consultant shall notify County immediately upon discovery of any employee of Consultant, any subcontractor, agent or other persons providing services, on behalf of Consultant who are placed on the State's Medi-Cal Suspended and Ineligible Provider List. Any employee of Consultant, any subcontractor, agent or other persons providing services on behalf of Consultant, who is placed on the Medi-Cal Suspended and Ineligible Provider List shall not provide services to County under this Agreement. This list is available on the Internet at www.medi-cal.ca.gov.
- 29.2 Pursuant to Section 6032 of the Deficit Reduction Act of 2005, Consultant shall communicate to its employees, subcontractors, agents and other persons providing services on behalf of Consultant the policies and procedures related to the Federal and State False Claims Act. Consultant agrees that it has received a copy of the False Health Care Claims Policy approved by the Stanislaus County Board of Supervisors on May 8, 2007 and that it and its employees, subcontractors, agents and other persons providing services on behalf of Consultant will adhere to these policies and procedures.

This Agreement has been signed by the parties or their duly authorized representatives to become effective as of the date referenced on the first page.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first hereinabove written.

**APPROVED AS TO CONTENT:
COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY**

CAPORICCI & LARSON, CPAs

By: Christine C. Applegate
Christine C. Applegate

By: Steph Larson

Title: Director

Title: PRINCIPAL

Dated: 5/6/10

Dated: 5/17/10

**APPROVED AS TO FORM:
COUNTY COUNSEL
JOHN P. DOERING**

COUNTY PURCHASING DEPARTMENT

By: Leola S. Macey

By: [Signature]

Title: Deputy County Counsel

Title: Purchasing Agent

Dated: 4-30-10

Dated: 6/18/10

COUNTY OF STANISLAUS

Approved per BOS Item #: 2010-275

Dated: 5/14/10

**CAPORICCI & LARSON, CPAS
AGREEMENT TO PROVIDE
AUDIT SERVICES
MAY 5, 2010 THROUGH DECEMBER 31, 2010**

I. SCOPE OF WORK:

- A. Consultant shall certify that they are a Certified Public Accountant who possesses a valid license to practice within the State of California; or a Public Accountant licensed on or before December 31, 1970, and currently certified by the State of California.
- B. Consultant shall perform a program specific financial and compliance audit of two (2) California Department of Education (CDE) Child Care Programs for the fiscal year ending June 30, 2010, as follows:

<u>Stage/Type</u>	<u>Contract Number</u>
2	C2AP-9071
3	C3AP-9068

- C. Consultant shall examine and audit all books, records and accounts of the Child Development Program of the County for the fiscal year ending 2010 in accordance with the generally accepted government auditing standards which shall include review of internal controls, financial transactions and records of the County necessary to express an opinion on the County's financial condition. The audit must comply with the requirements of the Child Development Program in accordance with the State Department of Education's "Audit Guide" for Auditors and Child Development Programs Administered by County Welfare Departments and OMB Circular A-128.
- D. Consultant shall submit an acceptable annual financial and compliance audit no later than November 12, 2010, to:

**California Department of Education
Audits & Investigations Division
1430 N Street, Suite 5319
Sacramento, CA 95814**

- E. Consultant shall provide verification of submission of the completed audit to CDE and twelve (12) copies of completed audit to County.
- F. Consultant may request a one-time only, thirty (30) calendar day extension of the audit due date provided the inability of the Consultant to submit the audit by the due date was beyond the fault and control of the Consultant of County. Granting of extension is contingent upon approval by CDE Audits & Investigations Division and County.

II. COMPENSATION:

Consultant shall be compensated for the services provided under this Agreement as follows:

- A. Costs:
1. The maximum amount of this Agreement for the period May 5, 2010, through December 31, 2010, shall not exceed \$22,000.
 2. This is a fixed rate of service Agreement for a completed CDE Child Care Financial and Compliance Audit.
- B. Consultant shall make no charge to the recipient and shall collect no share of cost.
- C. This Agreement shall be effective May 5, 2010, through December 31, 2010.
- D. Consultant agrees that the costs to be charged to County for contracted services for the term of this Agreement includes all allowable Consultant costs, both indirect and direct, relative to this Agreement.
- E. Costs must conform with Federal costs regulation: OMB Circular A-87, A Guide for State and Local Government Agencies, 48 CFR, Part 31, Subpart 31.2 (for profit agencies), and OMB Circular A-122 (for nonprofit agencies). All equipment purchased by Consultant must be depreciated in accordance with 45 CFR 95.705. All equipment, materials, supplies or property of any kind purchased from funds reimbursed or furnished by County under the terms of this Agreement shall be fully consumed or aged out in the course of the Agreement/program. County reserves the right to physically reclaim any/all such property at the conclusion of the Agreement in accordance with 45 Code of Federal Regulations, Part 74, Administration of Grants.
- F. County shall not be required to purchase any definite amount of services nor does County guarantee to Consultant any minimum amount of funds or hours.
- G. Billings:
1. Consultant shall submit the billing, in a County specified format, is due after July 1, 2010
- Billing requirements are subject to change and the Consultant will be notified in writing.
2. Billings will be submitted to:

Stanislaus County Community Services Agency
Attention: Accounts Payable Supervisor, F3A
P.O. Box 42
Modesto, CA 95353-0042
(209) 558-2217
 3. Invoice will include the following: type and date of service, rate and total due.
- H. Payments:
1. If the conditions set forth in this Agreement are met County shall pay, on or before the thirtieth (30th) day after receipt of the billing, the sum of money claimed by the approved billings, (less any credit due County for adjustments of prior billing). If the conditions are not met, County shall pay when the necessary processing is completed.

2. County will not pay for unauthorized services rendered by Consultant or for the claimed services which County monitoring shows have not been provided as authorized.
3. County retains the right to withhold payment on disputed claims.



COMMUNITY SERVICES AGENCY

Christine C. Applegate
Director

251 E. Hackett Road
P.O. Box 42, Modesto, CA 95353-0042

Phone: 209.558.2500 Fax: 209.558.2558

BOARD OF SUPERVISORS

2010 JUN 30 10:10

MEMO

TO: BOARD OF SUPERVISORS
SUZI SEIBERT

FROM: COMMUNITY SERVICES AGENCY
RN RADHIKA NARAYAN - F3D

DATE: June 30, 2010

SUBJECT: EXECUTED CONTRACT

ENCLOSED FOR YOUR RECORDS IS A FULLY EXECUTED ORIGINAL OF A CONTRACT WITH STANISLAUS COUNTY COMMUNITY SERVICES AGENCY AND YOSEMITE COMMUNITY COLLEGE DISTRICT ON MAY 5, 2010 THROUGH JUNE 30, 2010. THE BOARD OF SUPERVISORS APPROVED THIS CONTRACT ON MAY 04, 2010 WITH BOARD ACTION #2010-275.

IF YOU HAVE ANY QUESTIONS REGARDING THIS CONTRACT PLEASE CONTACT TERRI FIDALGO, CONTRACTS MANAGER, AT 558-2937.

THANK YOU

ATTACHMENT



**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
DATA MATCH SERVICES
MAY 5, 2010 THROUGH JUNE 30, 2010**

This AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES (the "Agreement") is made and entered into by and between the COUNTY OF STANISLAUS ("County") and **YOSEMITE COMMUNITY COLLEGE DISTRICT** ("Contractor"), a public education entity on May 5, 2010.

RECITALS

WHEREAS, the County has a need for California Work Opportunity and Responsibility to Kids (CalWORK's data match services; and

WHEREAS, the Contractor is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK

- 1.1 The Contractor shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in EXHIBIT A, attached hereto and, by this reference, made a part hereof.
- 1.2 All documents, drawings and written work product prepared or produced by the Contractor under this Agreement, including without limitation electronic data files, are the property of the Contractor; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Contractor may copyright the same, except that, as to any work which is copyrighted by the Contractor, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.
- 1.3 Services and work provided by the Contractor at the County's request under this Agreement will be performed in a timely manner consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions.

2. CONSIDERATION

- 2.1 County shall pay Contractor as set forth in EXHIBIT A.
- 2.2 Except as expressly provided in EXHIBIT A of this Agreement, Contractor shall not be entitled to nor receive from County any additional consideration, compensation,

salary, wages or other type of remuneration for services rendered under this Agreement. Specifically, Contractor shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

- 2.3 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Contractor under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. County has no responsibility or liability for payment of Contractor's taxes or assessments.
- 2.4 Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Contractor must apply all funds and progress payments received by the Contractor from the County for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Contractor shall direct or otherwise manifest the Contractor's intention and desire that payments made by the Contractor to subcontractors, suppliers and materialmen shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.
- 2.5 Payment of all services provided in accordance with the provisions of this Agreement is contingent upon the availability of County, State and Federal funds.

3. TERM

- 3.1 The term of this Agreement shall be from the date of approval of this Agreement until completion of the agreed upon services unless sooner terminated as provided below or unless some other method or time of termination is listed in EXHIBIT A.
- 3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.
- 3.3 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.
- 3.4 The County may terminate this Agreement upon thirty (30) days prior written notice to the Contractor. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor as provided in Paragraph 2 herein, subject to any applicable setoffs.
- 3.5 County shall notify Contractor in writing within thirty (30) days of any potential Federal or State audit exception. Where findings indicate program requirements are not being met and Federal and/or State participation in this program may be imperiled, written notification will constitute County's intention to terminate this Agreement in the event corrections are not accomplished within thirty (30) days.

- 3.6 This Agreement may be terminated by County upon the giving of thirty (30) days notice of such termination because the services as determined by the Director of Stanislaus County Community Services Agency are inadequate, poorly performed, or improperly supervised. Within the thirty (30) day period, Contractor may appeal the decision of the Director of the Community Services Agency to the Board of Supervisors of Stanislaus County. The determination by the Board as to the termination shall be final.
- 3.7 Notwithstanding any other provisions of this Agreement, County may terminate the Agreement immediately:
- A. Upon receipt of evidence of probable unsafe and/or hazardous practice in the provision of services; or,
 - B. Upon loss of any license(s) required for lawful operation of Contractor's business; or,
 - C. Upon an unauthorized decrease in the required insurance in force; or,
 - D. Upon failure to make payroll payments; or,
 - E. Failure to remit payroll deductions in a timely manner to the appropriate State and Federal government; or,
 - F. Upon failure to substantially meet other financial obligations; or,
 - G. Upon service or a writ of attachment by creditors of Contractor.
- 3.8 This Agreement may be terminated by either party without cause when a thirty (30) day written notice is provided to the other party.

4. WORK SCHEDULE

Contractor is obligated to perform in a timely manner those services and work identified in EXHIBIT A. It is understood by Contractor that the performance of these services and work will require the Contractor to perform the services and work in conformance with the schedule set forth in EXHIBIT A, if any, and, if there is no schedule, the hours and times for completion of said services and work are to be set by the Contractor; provided, however, that such schedule is subject to review by and concurrence of the County.

5. REQUIRED LICENSES, CERTIFICATES AND PERMITS

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work described in EXHIBIT A must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Contractor at no expense to the County.

6. OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.

Unless otherwise provided in EXHIBIT A, Contractor shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Contractor to provide the services identified in EXHIBIT A to this Agreement. County is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. Responsibility for the costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

7. INSURANCE

7.1 Contractor shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

7.1.1 General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Contractor under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

7.1.2 Automobile Liability Insurance. If the Contractor or the Contractor's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

7.1.3 Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this Agreement, the Contractor certifies under section 1861 of the Labor Code that the Contractor is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Contractor will comply with such provisions before commencing the performance of the work of this Agreement.

7.2 Any deductibles, self-insured retentions or named insured must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insured, or (b) the Contractor shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Contractor agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related

investigations, claim administration and defense expenses related to or arising out of the Contractor's defense and indemnification obligations as set forth in this Agreement.

- 7.3 The Contractor shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming the County and its officers, officials and employees as additional named insured regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Contractor, including the insured's general supervision of the Contractor; (b) services, products and completed operations of the Contractor; (c) premises owned, occupied or used by the Contractor; and (d) automobiles owned, leased, hired or borrowed by the Contractor. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County and its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Contractor.
- 7.4 The Contractor's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Contractor's insurance and shall not contribute with Contractor's insurance.
- 7.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees or volunteers.
- 7.6 The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 7.7 Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days prior written notice has been given to County. The Contractor shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.
- 7.8 Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to the County; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-VII shall be acceptable to the County; lesser ratings must be approved in writing by the County.
- 7.9 Contractor shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional named insured under its insurance policies.
- 7.10 At least ten (10) days prior to the date the Contractor begins performance of its obligations under this Agreement, Contractor shall furnish County with certificates of

insurance and with original endorsements effecting coverage required by this Agreement, including, without limitation, those effecting coverage for subcontractors of the Contractor. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

- 7.11 The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors.
- 7.12 If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor agrees to maintain the required insurance coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. Contractor may maintain the required post agreement coverage by renewal of purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

8. DEFENSE AND INDEMNIFICATION

- 8.1 To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Contractor's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Contractor in contributing to such claim, damage, loss and expense.
- 8.2 Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.
- 8.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Contractor and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

9. STATUS OF CONTRACTOR

- 9.1 All acts of Contractor and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Contractor relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in EXHIBIT A, Contractor has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.
- 9.2 At all times during the term of this Agreement, the Contractor and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.
- 9.3 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. Contractor is permitted to provide services to others during the same period services are provided to County under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.
- 9.4 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.
- 9.5 It is understood and agreed that as an independent Contractor and not an employee of County, the Contractor and the Contractor's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.
- 9.6 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.
- 9.7 As an independent Contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. RECORDS AND AUDITS

- 10.1 Contractor shall prepare and maintain all writings, documents, and records prepared or compiled in connection with the performance of this Agreement for a minimum of five (5) years from the termination or completion of this Agreement or until such records and their supporting documentation are released due to closure of Federal/State audit, whichever is longer. This includes any handwriting, typewriting, printing, photostatic, photographing, and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds, or symbols or any combination thereof.
- 10.2 Records shall be destroyed in accordance with California Department of Social Services (CDSS) Manual of Policy and Procedures (MPP) Division 23, Section 350.
- 10.3 Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, County has the right at all reasonable times to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.
- 10.4 County shall have the right to audit all billings and records of the Contractor related to this Agreement as required by State law. An independent public accountant can be appointed by County.
- 10.5 Contractor agrees that its financial records shall contain itemized records of all costs and be available for inspection in Stanislaus County within three (3) working days of the request by the County, State or Federal agencies.
- 10.6 Monitoring by County may be accomplished by the following means: field reviews, audit claims, monthly review of records, etc.
- 10.7 Contractor shall be responsible for the procurement and performance of a fiscal and compliance audit annually. Entities receiving in excess of \$500,000 in Federal funds must comply with the Single Audit Act of 1984, PL 98-502 and the Single Audit Amendments of 1996, P.L. 104-156. All audits must be performed in accordance with Government Audit standards as set forth in the Guidelines for Financial and Compliance Audits for Federally Assisted Programs, Activities, and Functions, and the provisions of OMB Circular A-133 as this applies to the auditing of states, local governments, institutions of higher education and non-profit.
- 10.8 The annual audit requirement is replaced with a biennial audit covering the most recent fiscal year if all of the following apply:
 - A. The total County Agreement expenditures, from all funding sources, during the fiscal year, are less than \$100,000
 - B. The Contractor is in compliance with all other Agreement requirements
 - C. An audit was performed on one of the preceding two years in accordance with Government Auditing Standards and a copy of the report and any management letter has been submitted to County
 1. The auditor's opinion on the financial statement and the schedule of federal awards (if applicable) were unqualified

2. There were no deficiencies in internal control over financial reporting that were identified as material weaknesses under the requirements of Government Auditing Standards
3. None of the state or federal programs had audit findings in the preceding year that were classified as:
 - a. Material weaknesses in the internal control over compliance
 - b. Noncompliance with the provisions of laws, regulations, contracts, or grant agreements that had a material effect on the program
 - c. Known or likely questioned costs

D. The audit must be conducted in accordance with Government Auditing Standards and the statements must be prepared in conformity with generally accepted accounting principles.

10.9 Contractor shall include in all fiscal audit reports an opinion which indicates whether program expenditures are allowable pursuant to the provisions of 45 CFR, Part 74, and all applicable State and Federal guidelines, policies and procedures.

10.10 Expenses incurred by Contractor to provide for the performance of an audit to satisfy said requirements are an allowable Agreement cost. Contractor is responsible for ensuring that the appropriate portion of audit costs are included with its total executed Agreement funds.

10.11 Contractor is responsible for submitting to County an audit report, prepared in accordance with said requirements, within one hundred twenty (120) days of the end of the Contractor's fiscal year.

11. CONFIDENTIALITY

Contractor shall comply and require its officers and employees to comply with the provisions of Section 10850 of the Welfare and Institutions Code (WIC) and Division 19 of the California Department of Social Services Manual of Policies and Procedures to assure that:

11.1 Any and all information pertaining to the administration of public social services, for which grants in aid are received will be confidential and will not be open to examination for any purpose not directly connected with the administration of public social services.

11.2 No person will publish or disclose, or use or permit, or cause to be published, disclosed or used, any confidential information pertaining to an applicant or recipient.

11.3 Contractor shall inform all of its employees, agents, subcontractors and partners of the above provision and that any person knowingly and intentionally violating the provisions of said state law is guilty of misdemeanor.

11.4 Contractor, as an agent of Stanislaus County, shall be in compliance with the privacy and security safeguards agreement titled Medi-Cal Data Privacy and Security Agreement between the California Department of Health Care Services and the County of Stanislaus, Community Services Agency located at <http://www.stanworks.com/other-services/medi-cal-data-privacy-and-security-agreement.pdf>.

12. NONDISCRIMINATION

12.1 During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements.

12.2 Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

12.3 Contractor shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Contractor's delivery of services.

13. ASSIGNMENT

13.1 This is an agreement for the services of Contractor. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13.2 Any working agreements, memoranda of understanding, or subcontracts let as a result of this Agreement shall adhere to the terms contained in this Agreement and shall be submitted to County prior to their commencement.

14. WAIVER OF DEFAULT

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

15. NOTICE

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County: County of Stanislaus
Community Services Agency
Attention: Contracts Manager
PO Box 42
Modesto, CA 95353

To Contractor: Yosemite Community College District
Attention: George Boodrookas
Dean of Community Education Division
435 College Ave
Modesto, CA 95350

16. CONFLICTS

Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

17. SEVERABILITY

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

18. AMENDMENT

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

19. ADVICE OF ATTORNEY

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. CONSTRUCTION

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21. GOVERNING LAW AND VENUE

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

22. GENERAL ACCOUNTABILITY

22.1 In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement or requirements shall be responsible for the deficiency.

22.2 In the event of any State hearings, cash grant award or lawsuit award resulting from Contractor's failure to perform as required by this Agreement, reimbursement shall be made to the damaged party by Contractor.

22.3 Additional costs to County for maintaining any portion of the Agreement as a result of Contractor's failure to perform, as required by this Agreement, are subject to recoupment by County through withholding from billings or any other form of legal action.

23. CODE OF ETHICS

Contractor shall uphold the following Code of Ethics:

- Professional Conduct: Employees of Contractor will abide by all applicable laws, regulations, policies and procedures in the delivery of all services. Professional staff of Contractor will also abide by specific codes of ethics prescribed by the professional organizations which set standards for their profession.
- Quality of Service: Employees of Contractor will promote the goals of the program, which includes enhancement of participant self esteem, by providing quality service which demonstrates knowledge of the respect for participant needs.
- Respect and Courtesy: Employees of Contractor will conduct all activities with respect and courtesy for participants.
- Propriety: Employees of Contractor will not make use of their position or relationship with clients for personal gain.
- Positive Representation: Employees of Contractor will not behave in any manner that will bring discredit to his/her professional status and reputation or to the program.

24. STATE ENERGY CONSERVATION PLAN

Contractor agrees to recognize the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan Title 23, California Administrative Code, as required by the U.S. Energy, Policy and Conservation Act (P.L. 94-165).

25. COPYRIGHT ACCESS

County, CDSS, and the United States Department of Health and Human Services shall have a royalty free nonexclusive and irrevocable license to publish, translate, or use, now or hereafter, all material developed under this Agreement including those covered by copyright.

26. CONVICTION OF CRIME

26.1 Contractor shall immediately notify County concerning the arrest and/or subsequent conviction, for other than minor traffic offenses, of any paid employee and/or volunteer staff assigned to provide services under this Agreement, when such information becomes known to Contractor.

26.2 Contractor agrees not to knowingly employ any person convicted of any crime involving abuse, neglect, violence, or sexual conduct involving or perpetrated upon a minor, or an adult person or who has been convicted of any felony.

26.3 Contractor shall establish a procedure acceptable to County to ensure that all employees or agents performing services under this Agreement report child abuse or neglect to a child protective agency as defined in Penal Code Section 11165.1 through 11165.6. Contractor shall require each employee, volunteer, consultant, subcontractor or agency to sign a statement that he or she knows of the reporting requirements as defined in Penal Code Section 11166(a) and will comply with the provisions of the code section.

27. MATCHING FUNDS

These funds are not available for matching unless certified by County.

28. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS

28.1 County and Contractor recognize that Federal assistance funds will be used under the terms of this Agreement. For purposes of this paragraph, Contractor will be referred to as the "prospective recipient".

28.2 This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

A. The prospective recipient of Federal assistance funds certifies by entering this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

B. The prospective recipient of funds agrees by entering this Agreement, that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Federal department or agency with which this transaction originated.

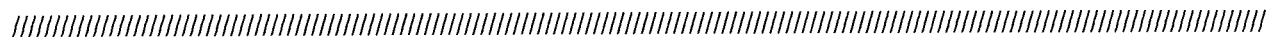
- C. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this Agreement.
- D. The prospective recipient shall provide immediate written notice to County if at any time prospective recipient learns that its certification in paragraph 28 of this Agreement was erroneous when submitted or has become erroneous by reason of changed circumstances.
- E. The prospective recipient further agrees that by entering this Agreement, it will include a clause identical to paragraph 28 of this Agreement and titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- F. The certification in paragraph 28 of this Agreement is a material representation of fact upon which reliance was placed by County when this transaction was entered into.

29. COMPLIANCE WITH FALSE CLAIMS ACT

- 29.1 Contractor shall notify County immediately upon discovery of any employee of Contractor, any subcontractor, agent or other persons providing services, on behalf of Contractor who are placed on the State's Medi-Cal Suspended and Ineligible Provider List. Any employee of Contractor, any subcontractor, agent or other persons providing services on behalf of Contractor, who is placed on the Medi-Cal Suspended and Ineligible Provider List shall not provide services to County under this Agreement. This list is available on the Internet at www.medi-cal.ca.gov.
- 29.2 Pursuant to Section 6032 of the Deficit Reduction Act of 2005, Contractor shall communicate to its employees, subcontractors, agents and other persons providing services on behalf of Contractor the policies and procedures related to the Federal and State False Claims Act. Contractor agrees that it has received a copy of the False Health Care Claims Policy approved by the Stanislaus County Board of Supervisors on May 8, 2007 and that it and its employees, subcontractors, agents and other persons providing services on behalf of Contractor will adhere to these policies and procedures.

30. ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.



This Agreement has been signed by the parties or their duly authorized representatives to become effective as of the date referenced on the first page.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first hereinabove written.

**APPROVED AS TO CONTENT:
COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY**

**YOSEMITE COMMUNITY
COLLEGE DISTRICT**

By: Christine C. Applegate
Christine C. Applegate

By: Teresa M. Scott

**Teresa M. Scott
Executive Vice Chancellor**

Title: Director

Title: _____

Dated: 6/22/10

Dated: 6/21/10

**APPROVED AS TO FORM:
COUNTY COUNSEL
JOHN P. DOERING**

COUNTY PURCHASING DEPARTMENT

By: John P. Doering

By: [Signature]

Title: Deputy County Counsel

Title: Purchasing Agent

Dated: 5/28/10

Dated: 6/25/10

COUNTY OF STANISLAUS

Approved per BOS Item #: 2010-275

Dated: 5-4-10

**YOSEMITE COMMUNITY COLLEGE DISTRICT
AGREEMENT TO PROVIDE
DATA MATCH SERVICES
MAY 5, 2010 THROUGH JUNE 30, 2010**

I. SCOPE OF WORK:

County and Contractor shall work in partnership with County to complete a data match for the period of July 1 2009 through May 31, 2010, with the intent to compare the Modesto Junior College student population with CalWORK's active aided adults eligible to be enrolled in Welfare to Work activities. The data match shall generate a report that identifies total number of students and number of enrolled hours for each student. This data match shall be used to determine the amount of funding the contractor expended in the Fiscal Year 2009/2010 to support CalWORK's customers residing in Stanislaus County requiring a community college education to obtain job skills leading to employment.

II. INSURANCE:

- A. County shall reduce the Contractor's General Liability Insurance requirement from \$1,000,000 to \$650,000 set forth in Section 7.1.1 of the body of this Agreement.
- B. County shall reduce the Contractor's Automobile Liability Insurance requirement from \$1,000,000 to \$650,000 set forth in Section 7.1.2 of the body of this Agreement.

III. COMPENSATION:

Contractor shall be compensated for the services provided under this Agreement as follows:

A. Costs:

The maximum amount of this Agreement for the period May 5, 2010 through June 30, 2010 shall not exceed \$5,000.

- B. Contractor agrees that the costs to be charged to County for contracted services for the term of this Agreement includes all allowable Contractor costs, both indirect and direct, relative to this Agreement.

- C. Costs must conform with Federal costs regulation: OMB Circular A-87, A Guide for State and Local Government Agencies, 48 CFR, Part 31, Subpart 31.2 (for profit agencies), and OMB Circular A-122 (for nonprofit agencies). All equipment purchased by Contractor must be depreciated in accordance with 45 CFR 95.705. All equipment, materials, supplies or property of any kind purchased from funds reimbursed or furnished by County under the terms of this Agreement shall be fully consumed or aged out in the course of the Agreement/program. County reserves the right to physically reclaim any/all such property at the conclusion of the Agreement in accordance with 45 Code of Federal Regulations, Part 74, Administration of Grants.

- D. County shall not be required to purchase any definite amount of services nor does County guarantee to Contractor any minimum amount of funds or hours.

E. Billings:

1. Contractor shall submit billings, in a County specified format, for **May 2010 through June 2010 services is due June 14, 2010.**

Billing requirements are subject to change and the Contractor will be notified in writing.

2. Billings will be submitted to:

Stanislaus County Community Services Agency
Attention Accounts Payable Supervisor, F3A
P.O. Box 42
Modesto, CA 95353-0042
(209) 558-2217

3. Invoice will include the following: total amount due.

F. Payments:

1. If the conditions set forth in this Agreement are met County shall pay, on or before the thirtieth (30th) day after receipt of the billing, the sum of money claimed by the approved billings, (less any credit due County for adjustments of prior billing). If the conditions are not met, County shall pay when the necessary processing is completed.
2. County will not pay for unauthorized services rendered by Contractor or for the claimed services which County monitoring shows have not been provided as authorized.

**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
AUDIT SERVICES
MAY 5, 2010 THROUGH DECEMBER 31, 2010**

It is hereby mutually agreed between the County of Stanislaus, Community Services Agency, (hereinafter referred to as "County") and CAPORICCI & LARSON INC. as Assignee formerly known as CAPORICCI & LARSON CPAS, as Assignor (hereinafter referred to as "Consultant") that the Agreement entered into on May 5, 2010, for the purpose of providing audit services hereby as amended as follows:

Assignment

Assignor does hereby transfer, assigns and conveys unto Assignee all its rights, obligations and liabilities in and under the Contract. Assignor and Assignee hereby irrevocably agree to execute, deliver or cause to be executed and delivered any and all other documents that may now or hereafter be necessary to consummate the transaction contemplated hereby, as reasonably requested by Contractor. This agreement shall be bind upon the legal representative, successor and assigns of the parties hereto.

All other terms and conditions of the Agreement shall remain in full force and effect.

//

BOARD OF SUPERVISORS
2010 DEC -31 P 2:45

This Agreement has been signed by the parties or their duly authorized representatives to become effective as of the date referenced on the first page.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first hereinabove written.

APPROVED AS TO CONTENT:

**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY**

By: Christine C. Applegate by Peggy Harold
Christine C. Applegate

Title: Director

Dated: 11/2/10

**ASSIGNOR
CAPORICCI & LARSON CPAs**

By: [Signature]
Ahmed H. Badawi

Title: Partner

Dated: 10/25/10

**APPROVED AS TO FORM:
COUNTY COUNSEL
JOHN P. DOERING**

By: [Signature]

Title: Deputy County Counsel

Dated: 10/8/10

**ASSIGNEE
CAPORICCI & LARSON, INC.**

By: [Signature]
Ahmed H. Badawi

Title: Partner

Dated: 10/25/10

COUNTY PURCHASING DEPARTMENT

By: [Signature]

Title: Purchasing Agent

Dated: 11-8-10

COUNTY OF STANISLAUS

Approved per BOS item # 2010-275

Dated: May 8, 2010